



**Handbook for the Official
Agent of a Candidate**



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Corrections and Additional Clarity

April 25/09

The Handbook for the Official Agent of a Candidate was published in hard copy and on the Elections Nova Scotia website on March 20, 2009. Since that time we have made amendments. These amendments to this handbook have been made in the on-line version as of April 25, 2009, however will not be reflected in the hard copy version until such time as the publication is reprinted. Following are the amendments:

Chapter 2

On page 8 in the second last paragraph delete chapter references [13.2, 13.5 and 13.6] and insert [14.2, 14.5 and 14.6]

On page 9 in the last paragraph delete references [13.3, 13.4] and insert [14.3 and 14.4]

On page 23 in paragraph 4.4 delete the words “This is 60 days after receipt of election expense reimbursement or 30 days after filing election expenses where no reimbursement is due.” and insert “This is 30 days after receipt of election expenses reimbursement or 60 days after filing election expenses where no reimbursement is due.”

Chapter 7

The graphic on page 36 does not reflect the wording in paragraph 7.5 following the graphic. Pre-writ advertising expenses are election expenses when the materials are used during an election. Pre-writ advertising used prior to the writ is not an election expense.

Chapter 7

On page 41 the reference to per diems in 7.16 means per diems paid to election workers for food or travel.

Chapter 9

In Section 9.3.2.a on page 52 delete the words “verify that each election expense claimed over (\$250) is supported by a receipt.” and insert “verify that each election expense claimed over (\$25) is supported by a receipt.”

Chapter 11

Sections 11.4 and 11.5 on page 72 delete all references to “Form 4” and insert in each case “Form 2”.

Should you have any questions regarding these corrections or the handbook please contact:

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Introduction

This handbook highlights the requirements for recording and reporting election expenses, political contributions and tax receipts. This handbook may be revised or updated at any time. It is not intended as a substitute for the legislation governing election expenses, political contributions or tax receipts. Official agents should refer to the *Elections Act (EA)*, the *Members and Public Employees Disclosure Act (MPEDA)*, the *Political Contributions Disclosure Regulations*, the *Income Tax Act* and the *Deduction Regulations* made under the *Income Tax Act* for exact legal content. Forms and handbooks are available on the Elections Nova Scotia website or by using other contact information found at the end of this guide. Statutes are available on the website of the Office of the Legislative Counsel at <http://www.gov.ns.ca/legislature/legc/> and regulations on the Department of Justice Registry of Regulations site at <http://www.gov.ns.ca/just/regulations/consregs.htm>.

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March, 2009

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- Form 601, Report of Candidate's Election Expenses
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- Form 608, Notification by Official Agent of Disposal of Excess Contributions

Appendix B - Candidate's Forms under the *Political Contributions Disclosure Regulations*

- Form 1, Candidate Information
- Form 2, Candidate's Financial Statements and Supporting Schedules
- Form 5, Statement of Fundraising Event Revenue and Expenses

Appendix C - Forms for Oaths and Appointments by the Official Agent

- Form 315, Oath of Secrecy of Official Agent
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- Form 520, Appointment of Poll Agent

Appendix D - Establishing and Maintaining a Petty Cash Fund

Appendix E - Use of Automobiles in a Campaign

1. Overview

1.1 About this Handbook

This handbook is intended to assist you as you progress through all the stages of your role as an official agent. It will help to simplify and explain some of the more difficult concepts in the *Elections Act (EA)* and the *Members and Public Employees Disclosure Act (MPEDA)*. Reference will also be made to the *Political Contributions Disclosure Regulations (PCDR)*, the *Income Tax Act* and *Deduction Regulations* made under the *Income Tax Act*. This handbook is intended to provide you with the information you need to fulfill your duties as an official agent of a candidate in a provincial general election or by-election.

1.2 Campaign Finance

Nova Scotia has a campaign finance regime with four components:

1. Disclosure of contributions made to candidates.
2. Spending limits for candidates during a campaign.
3. Public funding of the election expenses of candidates who receive not less than 10% of the valid votes cast.
4. Income tax credits for contributors who make contributions to candidates during an election.

1.3 Checklists

Chapter 2 of this handbook contains a number of checklists. These checklists break down the responsibilities of an official agent into manageable time periods. The checklists will help you identify what is expected and required of you at each phase of the campaign. It is important that you understand your responsibilities and have the foresight to “look ahead”. For example, nomination day is 14 days before ordinary polling day. Checklist 4, Writ Day, directs you to review the requirements needed to complete the nomination paper in advance of nomination day. At the end of each item on a checklist the reference to the topic detail in the handbook is provided.

1.4 Terms and Concepts

The majority of the content of this handbook (Chapters 3-16) consists of reference material on specific terms and concepts and your reporting requirements under the *EA* or the *MPEDA*, with additional reference to the *PCDR*. Depending on your existing level of knowledge and experience as an official agent and the relevance of specific concepts to your candidate’s campaign, you may not need to read every

chapter of this handbook in depth. However, it is strongly recommended that you review each chapter to identify any concepts which may be unfamiliar to you. This is particularly important as a result of the recent amendments (March, 2007) to the *Members and Public Employees Disclosure Act*, which introduces several new requirements.

1.5 Complexity

If you have never previously acted as an official agent or do not have a background in accounting, you may find the volume of information and the amount of reporting to be both complex and overwhelming. It is recommended that official agents look at the requirements related to each separate phase of the campaign rather than trying to read the handbook from front to back. The checklists have been divided into separate phases for that purpose. For example, in the “getting ready for the election” phase, you will be directed to consider the development of a campaign budget. If your budget does not anticipate generating revenue by undertaking fundraising events, selling items or having auctions, then you do not have to focus on the specific rules and requirements related to fundraising events contained in Chapter 11.

Alternatively, you may wish to read a specific chapter prior to incorporating that component into the campaign. For example, after reviewing Chapter 13, realizing that borrowing money at an interest rate less than the prime bank rate results in an interest benefit contribution and a specific reporting requirement, you may want to ensure that any money borrowed is done so at the prime bank rate.

You will have the opportunity to have input into the complexity of the campaign and therefore, the complexity associated with reporting campaign activities. For example, the reporting requirements that apply to a campaign that incurs election expenses and receives only monetary contributions will be much less complicated than the reporting requirements of a campaign that undertakes fundraising functions or takes out a loan.

One of the requirements of the *Elections Act* is the appointment of an auditor. For official agents that do not have an accounting or finance background, your auditor will be an important resource since they have knowledge of the legislation and the reporting requirements combined with a solid accounting background. The staff of Elections Nova Scotia is available to answer your questions and provide you with the support you need to fulfill your duties as an official agent.

1.6 Appendices

The appendices provide blank copies of forms and information on managing a petty cash fund and the treatment of automobile expenses incurred by a campaign. You will see appendices referenced in various chapters of this handbook.

1.7 Reference Material

In order to familiarize yourself with the legislative and regulatory requirements that will guide your conduct as an official agent, you are strongly encouraged to refer to the following legislation and publications:

1. The *Elections Act (EA)*,
2. The *Members and Public Employees Disclosure Act (MPEDA)*,
3. The *Political Contributions Disclosure Regulations (PCDR)* made under the *Members and Public Employees Disclosure Act*,
4. The *Income Tax Act* (Section 50),
5. *Deduction Regulations* made under the *Income Tax Act* (Section 106 to Section 108).

Keep in mind that this handbook does not take precedence over the *Elections Act*, the *Members and Public Employees Disclosure Act*, the *Political Contributions Disclosure Regulations*, the *Income Tax Act* or the *Deduction Regulations*. This handbook should be read in conjunction with those acts and regulations.

2. Checklists

The checklists contained in this chapter are designed to provide you with insight into your responsibilities at the various stages of the election and the matters you will need to consider at different stages of the campaign. Each checklist item contains a reference in brackets [] to a chapter of this handbook that contains the detailed terms and concepts associated with that item. It is important that you review all of the checklists. They allow you to look ahead to important reporting deadlines and most importantly allow you to be proactive.

2.1 Checklist 1: Considerations Before Appointment

If you have been approached to be an official agent, consider the following:

- When is an official agent appointed? [3.1.1]
- Are you eligible to be an official agent? [3.1.2]
- Are you able to handle the role and responsibilities of an official agent? Consider contacting Elections Nova Scotia if you have questions about the responsibilities of an official agent. [3.1.3]
- Will you be able to commit the time required to fulfill the responsibilities of this position? (while it is normally a volunteer position, it is a significant one and requires commitment of time before, during, and after an election) [3.1.4, 3.1.6]
- Do you understand the serious nature of the role, the reporting deadlines, the political environment and the public's requirement for disclosure and transparency?
- Do you have the candidate's and the campaign's commitment that you will have timely and appropriate access to and disclosure of all financial matters of the candidate required under the EA and the MPEDA? [3.1.6]

2.2 Checklist 2: Immediately Upon Appointment

- Open a campaign account in a financial institution in Nova Scotia **immediately**. You will use this account to deposit all political contributions and other monies received and pay all expenses of the campaign - **all financial transactions must go through this account**. It is recommended

that you contact the financial institution and enquire what documentation and whose signatures will be required to open the account. [Chapter 4]

Since the campaign may not have realized any revenue at this point, the first deposit into the account may be a loan or a transfer from your party or electoral district association (EDA). It could also be a political contribution made with the knowledge that contributions received before the candidate is officially nominated do not qualify the contributor for an income tax receipt.

- Encourage the candidate to appoint an auditor if one has not yet been appointed. An auditor must be appointed by the time a candidate's nomination paper is filed with a returning officer in an election. It is strongly recommended that this appointment be made at the earliest date possible. Even though the candidate appoints the auditor, it is the official agent who will establish a working relationship with the auditor. [3.2]
- Ensure that the candidate has completed Form 1, Candidate Information and filed it with the Chief Electoral Officer. This form is required by the MPEDA. The candidate is required to provide basic information regarding themselves, their official agent, their auditor and the bank account you opened. A sample copy of Form 1 is contained at the end of Chapter 5.
- Familiarize yourself with the terms and concepts in this handbook. Contact Elections Nova Scotia or your auditor if you need additional assistance or have questions. At a minimum, you should understand what terms and concepts are specifically addressed. When you encounter a particular item during the course of the campaign, you will recall that it is addressed in the handbook and has specific rules or requirements surrounding it.
- Review the forms required under the *Elections Act* in Appendix A and the forms required under the *Members and Public Employees Disclosure Act* and *Political Contributions Disclosure Regulations* in Appendix B. You will have to complete some or all of the forms and some require an audit opinion. Gaining an understanding of the information that is required on the forms at the earliest point in the campaign will help you manage the financial aspects of the campaign.
- Meet with the campaign's auditor to discuss the auditor's role, your role in the audit, planning of the audit, and the key reporting dates. The

auditor can be a great resource for information particularly concerning the set up of a record keeping system. [3.2.1, 6.7]

- Set up a record keeping system. [Chapter 6]

2.3 Checklist 3: Getting Ready for the Election

Do the following before the election begins (if the election has already begun, do these things immediately!)

- Meet with the candidate and the campaign staff to remind them of financial requirements.

1. Only the official agent (or someone designated by the official agent) may make a payment for a campaign election expense (especially important considering that the campaign must comply with spending limits). [7.2]

Note: All election expenses in excess of \$25 must be supported by a receipt. Failure to maintain receipts will result in an expense being disallowed for purposes of election expense reimbursement, and could result in lost revenue to the campaign. [7.13]

The print on some receipts, particularly those printed on thermal paper, tends to disappear over time. Remember all receipts submitted to support claims for election expenses are verified by Elections Nova Scotia. Make photocopies of receipts printed on thermal paper.

2. There are restrictions on who can make political contributions and contribution limits in Nova Scotia. Only the official agent can accept contributions on behalf of the candidate's campaign. [10.1.1, 10.1.2, 10.1.3]
3. There should be a campaign budget. Although not a legal requirement, a campaign budget is strongly recommended especially considering

a candidate cannot make up a campaign deficit in an amount that would cause them to exceed the contribution limit. [7.1]

4. The official agent must authorize all signs, advertisements and promotional material that will be used. The words "authorized by" the official agent for [*name of candidate*] must appear on all advertising materials. [7.8]
5. The official agent must be informed of all financial transactions and campaign decisions having financial implications. You must establish this early on in the campaign. If the campaign goes "out of control" from a financial perspective, it will be very difficult and time consuming when the official agent gets to the reporting phase.

- Understand the overall election spending limit for your electoral district and the amount of election expenses that are eligible for reimbursement. These amounts are available on the Elections Nova Scotia website or by contacting Elections Nova Scotia. [7.2, 9.2]
- Finalize your record keeping system including how you will track money coming into and being paid out of the campaign account. Develop a system for recording donations in kind, keeping in mind that a donation in kind is not captured through a bank transaction. Make sure you can distinguish between an election expense and a non-election expense, and know how to record them. Understand what information is necessary to complete Form 601, Report of Candidate's Election Expenses and Form 2, Candidate's Financial Statements and Supporting Schedules. [4.2, 10.4.3, 7.5, 7.6]
- Only the official agent can issue tax receipts for contributions. In order to issue tax receipts your candidate must be officially nominated. There are defined periods during which the official agent can accept contributions and issue tax receipts. You must understand the periods for accepting political contributions and issuing tax receipts. [14.2, 14.5, 14.6]
- Make sure that any money borrowed by the campaign is supported by a loan agreement. This agreement is required by the MPEDA and information from the loan agreement will be needed to complete Form 2, Schedule E, Candidate's Statement of Loans. [13.1]

2.4 Checklist 4: Writ Day (the Election is Called)

- Visit the campaign office to remind everyone that you must be kept informed of all decisions having financial implications.
- Make sure that all signs, advertisements and promotional material that you have purchased bear the proper authorization statement before they are distributed. Your authorization must also appear on all advertisements and promotional material. If you are using signs from a previous campaign make sure they have the proper authorization information and you get a copy of the original receipt. [7.8]
- Review Form 303, Nomination Paper, so you understand the information required. Start completing the form. Mark nomination day on your calendar. A sample of Form 303 detailing the information required in each field of the form is provided at the end of Chapter 5. [5.5]

2.5 Checklist 5: During the Election Period

The following have to be done during the election period (up to election day):

- If you have just been appointed the official agent, please review the prior checklists for information and requirements.
- Review Form 303, Nomination Paper and begin completing as it requires a substantial amount of information. Nominations close at 2:00 p.m. of the 14th day before ordinary polling day. This deadline **CANNOT** be extended. If you wait until the morning of nomination day to start filling out the form you may not have enough time to properly complete it and file it with the returning officer. You will need to pay your nomination deposit (\$100) when you file the nomination paper. Include a certified cheque or money order made payable to the Minister of Finance with your nomination paper.
[5.5]
- Once your candidate is officially nominated, you can get tax receipts from the returning officer. Both you and the returning officer will complete Part I of Form 602, Reconciliation of Tax Receipts (Candidate). The serial numbers of the tax receipts issued to you will be documented. You will get a copy of Form 602, Part II of Form 602 will have to be completed (detailing receipts issued and unused) and returned with unused receipts to the returning officer. You will also provide to the returning officer a copy of all receipts issued. [14.3, 14.4]

- Meet regularly with the candidate and the campaign staff to discuss comparisons of budgeted versus actual spending and any other issues of importance.
- Keep your books and records up-to-date, including separating election expenses from non-election expenses, and recording names and addresses of contributors for disclosure purposes. [Chapter 6]

2.6 Checklist 6: Election Day

- This is the last day (also called ordinary polling day) that the campaign can incur election expenses. After 7 p.m., goods and services used are non-election expenses. (including expenses incurred for a social function or "thank-you" notices) [7.3, 7.4, 7.5, 7.6]
- Make sure you have the returning officer's contact information. You will need to meet with the returning officer to complete Part II of Form 602, Reconciliation of Tax Receipts (Candidate). The returning office will be closed when it's time to complete Form 602. [14.4]
- This is the last day you can accept contributions. If someone has mailed you a contribution it must be postmarked with today's date. If you have contributors who have indicated that there is a contribution (cheque) to be picked up you need to pick it up today. [14.5]
- Get receipts for payments to any election workers. Payments to election workers are election expenses and as such, any payment to an election worker of \$25 or more must be supported by a receipt. In most cases, you will have to get a receipt book and have the worker sign the receipt as the recipient. [7.13]
- Close out the petty cash fund used in the campaign headquarters. Deposit any remaining petty cash into to the campaign account. [Appendix D]
- Make sure that orders are given to the phone company to disconnect any phone services (cell phones or campaign headquarters) that may have been put in place during the campaign, as well as utilities where applicable. Charges for phone service, long distance or utilities after ordinary polling day are not election expenses. [7.4, 7.10]

2.7 Checklist 7: After the Election

- Continue recording transactions (keeping in mind that ordinary polling day is the last day to accept contributions). Expenses incurred after ordinary polling day are non-election expenses. [7.4, 7.6, 14.5]
- Collect all outstanding invoices keeping in mind that vendors have 30 days from ordinary polling day to present their claims. Pay claims if funds are available. [7.14]
- Confirm with the auditor the day that you will be providing the completed Form 601, Report of Candidate's Election Expenses, Form 604, Candidate's Statement of Contributions for Which Official Tax Receipts Issued and Form 2, Candidate's Financial Statements and Supporting Schedules. The auditor will also require supporting documentation including the books and records of the campaign, bank statements and any loan agreements. If you have not received a bank statement that includes the end of the election period, printing a copy through internet or on-line banking will assist your auditor. [3.2.6]
- Finish issuing tax receipts. Complete Part II of Form 602, (the form that was partially completed when you were issued the receipts). You have 30 days after polling day to issue tax receipts and return Form 602 Reconciliation of Tax Receipts (Candidate) to the returning officer. You are required to account for every receipt that was provided to you at the time the candidate was officially nominated.[14.4]
- After providing the contributor with their copy (white) of the receipt you will have three copies remaining. Separate the tax receipts into three separate stacks. There are multiple copies: your copy (green), the Chief Electoral Officer's (CEO) copy (yellow) and a copy that you need to send to your party's office (pink). [14.11]
- Return the completed Form 602, unused tax receipts, spoiled or voided tax receipts and the CEO's copy of issued tax receipts to the returning officer. Keep the green copy for your records. [14.12, 14.13]
- Finalize Form 601, Report of Candidate's Election Expenses. Follow the instructions for matching receipts with election expenses claimed. Attach receipts to Part III in the same order they are listed. These receipts must be submitted with the report. Make copies for your records before sending. [Chapter 8]

- Finish filling out all the “B” schedules (disclosure) of Form 2, Candidate’s Financial Statements and Supporting Schedules. If you were filling out working copies of these schedules on a regular basis, it’s an easy job at this point. [10.3]

- Complete Form 604, Candidate’s Statement of Contributions for Which Official Tax Receipts Issued. Completion of this form will require you to sort your copy of tax receipts in accordance with the contribution ranges detailed on the form. [14.14]

- Finish completing the remainder of the schedules to Form 2 [Chapter 15]. Although these schedules do not require audit, they will assist the auditor in the performance of their duties. Here are some things to keep in mind.
 - 1. Schedule A-1
 - a. cash will equal the balance of your campaign account
 - b. accounts receivable will be the amount of your anticipated election expense reimbursement which can be estimated as the lesser of:
 - i) actual election expenses;
 - ii) the maximum allowable reimbursement for the electoral district
 - c. loans receivable (keep in mind that a candidate cannot loan money to any person)
 - d. other assets
 - e. accounts payable will equal the unpaid and uncontested amounts listed in column 6 of Form 601 Part III, as well as any outstanding liabilities for non-election expenses
 - f. overdraft or line of credit balance
 - g. other liabilities
 - h. loans payable (from Form 2, Schedule E).

 - 2. Schedule A-2 – The balances for a number of lines come from other schedules. For:
 - a. election expense reimbursement use the same estimate you entered on Line 110 of Schedule A-1;
 - b. non-election expenses - this is the total of expenses that did not meet the definition of election expenses.

- Provide Form 601, Form 604, Form 2, your copy of tax receipts, copies of loan agreements, other books and records and bank statements to your auditor. [3.2.5, 3.2.6]
- Confirm with your auditor the date on which the audit is expected to be completed keeping the filing deadline in mind.

2.8 Checklist 8: After Audit is Completed

- Pick up your documents and audit reports from the auditor and review audit report(s). The auditor's report(s) must provide an opinion on each of the following:
 - a. Form 601
 - b. Form 604
 - c. Form 2, all "B" Schedules.
- Get an invoice from the auditor. You will need to provide Elections Nova Scotia with this invoice in order to receive any reimbursement of audit fees to which you may be entitled. [3.2.8]
- Send the forms listed above, the auditor's report(s) and the auditor's invoice to Elections Nova Scotia using the prepaid priority courier envelope provided to you by the returning officer at the time the candidate was officially nominated.
- Review Form 608, Notification of Disposal of Excess Contributions by Official Agent, required under the EA. If you are eligible for reimbursement of election expenses you have one month from the date you receive your final reimbursement to file Form 608 with Elections Nova Scotia. If you are not eligible for reimbursement of election expenses Form 608 must be filed with Elections Nova Scotia within two months of the deadline for filing reports of election expenses, tax receipts and contributions. [Chapter 16]

2.9 Checklist 9: After Receipt of Reimbursement for Election Expenses

- Your expense reimbursement will be sent in two stages;
 - 1. 75 % of amount due
 - 2. Remaining 25 % of amount due. [9.3]
- Settle any unpaid liabilities.

- Transfer any excess funds to your EDA or your recognized party if there is no EDA in your electoral district. In the case of an independent candidate, excess funds must be sent to the Minister of Finance. [Chapter 16]
- Close the campaign account. [4.4]
- Complete Form 608, Notification of Disposal of Excess Contributions by Official Agent and file with Elections Nova Scotia. [Chapter 16]
- Congratulations

3. Appointments

3.1 The Official Agent

3.1.1 Appointment of the Official Agent

All candidates must have an official agent. At a minimum, a candidate must have an official agent at the time they file their nomination paper with the returning officer. An official agent can be appointed prior to the filing of the nomination paper. In order to accept political contributions, a candidate **must** appoint an official agent since contributions may only be accepted by the official agent. A sample of an official agent appointment letter is provided at the end of this chapter.

3.1.2 Eligibility to Act as an Official Agent

In order to accept the appointment as an official agent you must:

- a. be the age of majority;
- b. be entitled to be registered as an elector at a general election;
- c. not be a member of the House of Assembly, a candidate or an auditor acting for a recognized party, electoral district association (EDA) or a candidate. [EA S.177F]

There is no legislative requirement that an official agent have a specific educational or financial background, however, you would probably find it beneficial to have:

- a. some basic accounting or bookkeeping skills (or have access to somebody who does);
- b. organizational and communication skills;
- c. a strong desire to do the job correctly and submit required reports on a timely basis.

3.1.3 The Nature of the Official Agent's Role

As the official agent you are responsible for all financial aspects of the candidate's campaign. Your role is comparable to that of a chief financial officer of a company. You must ensure that all staff and volunteers associated with the campaign are conducting themselves and the campaign in accordance with law. You must take responsibility for all election expenses incurred by the campaign and all political contributions received by the campaign. You are responsible for meeting the reporting requirements and reporting deadlines contained in legislation. The public's need for disclosure

and transparency shapes the laws governing campaign finance and defines the role of the official agent.

3.1.4 The Commitment of an Official Agent

The time commitment that an official agent makes is a significant one and is an important consideration that must be made prior to accepting the appointment. In a relatively short period, the official agent will help develop a campaign budget, establish the campaign headquarters, incur election expenses, receive political contributions and then wind down the campaign. In addition to their responsibilities during the election period, the official agent must be committed to fulfilling post election reporting requirements. The responsibilities of the official agent change through the course of the stages of the campaign. These activities can be summarized as follows:

1. Before the election

- a. understanding the requirements of the *Elections Act*, the *Members and Public Employees Disclosure Act* and the *Political Contributions Disclosure Regulations* as well as associated reporting requirements
- b. planning and budgeting for the campaign.

2. During the election period

- a. managing all financial aspects of the campaign
- b. communicating with campaign staff on a regular basis
- c. maintaining accurate books and records.

3. After ordinary polling day

- a. completing forms and reports
- b. having certain forms and reports audited
- c. filing reports by required deadlines.

3.1.5 Responsibilities of an Official Agent

The official agent has a wide range of responsibilities, none of which should be taken lightly. Specific responsibilities include the following:

- a. opening and maintaining a campaign bank account;
- b. ensuring that Form 1, Candidate Information is filed with Elections Nova Scotia (A completed sample of Form 1 is contained at the end of Chapter 5);
- c. keeping and maintaining accurate records of all income, expenses and transfers;
- d. authorizing all election expenses;
- e. authorizing advertising and promotional materials;

- f. accepting and recording all political contributions;
- g. issuing tax receipts to contributors;
- h. ensuring that the campaign does not exceed the spending limit;
- i. completing all forms required under the *Elections Act* and the *Members and Public Employees Disclosure Act* and filing in accordance with required deadlines;
- j. having certain forms and reports audited;
- k. providing the auditor, at all reasonable times, with access to all records, documents, books, accounts and vouchers of the campaign;
- l. receiving any election expenses reimbursement cheques and using the funds to pay any outstanding liabilities of the campaign;
- m. transferring any excess funds to the electoral district association, recognized party, or in the case of an independent candidate, the Minister of Finance once all financial activities of the campaign have concluded;
- n. closing the campaign bank account.

3.1.6 Candidate's Commitment

Although the financial aspects of a campaign are the domain of the official agent, and are separated from the candidate, it by no means lessens the candidate's or other campaign worker's obligation to ensure the campaign and related activities comply with the legislative requirements. The goal of a campaign is to get the candidate elected. However, the strong desire to achieve this goal should not cloud judgment or act as justification for circumventing the law. Before accepting an appointment as an official agent, you should confirm the commitment of the candidate to comply with the legislative requirements and assess your ability as the official agent to perform your functions without interference or obstruction.

3.2 The Auditor

3.2.1 The Role of the Auditor

The auditor provides an independent and objective review of the reports prepared by the official agent. The reliability of information that is disclosed publicly is enhanced and the public's confidence in the electoral process is improved.

3.2.2 When Does an Auditor Need to be Appointed?

The *Elections Act* requires that an auditor be appointed no later than the time that the nomination paper is filed. If for any reason the auditor appointed ceases to act as an auditor for the candidate, another auditor must be appointed immediately.

3.2.3 Eligibility to Act as an Auditor

An auditor must be a public accountant, licensed under the *Public Accountants Act* of Nova Scotia. An auditor cannot be:

- a. a returning officer
- b. a deputy returning officer
- c. an election clerk
- d. a candidate
- e. an official agent of a candidate or recognized party.

An auditor can be appointed for more than one candidate or for a party and a candidate. It is the responsibility of the auditor to give an opinion on whether the election expenses, political contributions and reconciliation of tax receipts represent fairly the financial transactions required to be detailed in the reports.

3.2.4 The Engagement Letter

The auditor will provide the candidate with a letter of engagement. This defines the auditor's responsibilities and the scope of the audit. Even though the auditor is appointed by the candidate, it is the official agent that will need to establish a working relationship with the auditor.

3.2.5 Reports Requiring an Audit Opinion

The following forms and reports require an audit:

- a. Form 601, Report of Candidate's Election Expenses (Parts I, II and III);
- b. Form 604, Candidate's Statement of Contributions for Which Official Tax Receipts Issued;
- c. Form 2, Candidate's Financial Statements and Supporting Schedules (**Note:** Only the disclosure statement schedules B-1 to B-4 of Form 2 require audit).

3.2.6 Auditor's Access to Books and Records

Both the *Elections Act* and the *Political Contributions Disclosure Regulations* provide the auditor with the authority to have reasonable access at all times to all records, books, accounts, vouchers, bank statements and loan agreements that may be deemed necessary by the auditor in order to conduct the audit. Failure on the part of the official agent to provide access to records must be reported by the auditor.

3.2.7 Cost of an Audit

The cost of the audit is established between the candidate and the auditor.

3.2.8 Reimbursement for the Cost of an Audit

There is a provision in the *Tariff of Fees and Expenses* that provides for reimbursement of audit costs. All candidates are eligible for reimbursement under the tariff regardless of the number of votes they receive in the election. The reimbursement is made to the official agent of a candidate for:

- a. cost of the audit to a maximum of \$450; or
- b. 2% of the candidate's approved election expenses to a maximum of \$750.
- c. candidate's election expenses. If they are less than \$150, the maximum reimbursement is \$200.

Any audit costs that exceed the tariff amount will be an expense of the campaign. Your total audit cost is classified as a non-election expense and therefore, is not included on Form 601, Report of Candidate's Election Expenses. To receive reimbursement for audit costs you must include a copy of your auditor's invoice with the audited reports you submit to Elections Nova Scotia.

3.3 Oath and Appointments by the Official Agent

During their appointment as an official agent, the official agent may be required to sign various forms if called on and perform certain non-financial functions including:

- a. Form 315, Oath of Secrecy of Official Agent;
- b. Form 316, Appointment of Agent at Large to Represent Candidate at Polls;
- c. Form 520, Appointment of Agent.

Copies of these forms are included in Appendix C.

Sample Letter for Appointment of an Official Agent

June 15, 2008

*John Brown
23 Old Hills Street
Dartmouth, NS B3B 2K4*

I am a candidate for the election to the House of Assembly in the electoral district of Dartmouth North.

I appoint you as my Official Agent to fulfill all the responsibilities required of an Official Agent under the Elections Act and the Members and Public Employees Disclosure Act.

Mary Smith
*XYZ Party Candidate
Dartmouth North*

4. Maintaining a Financial Account

4.1 Opening the Campaign Account

One of the first tasks the official agent will undertake is to open an account in a financial institution. It should be opened as soon as possible after a candidate appoints their official agent. By opening an account as soon as possible, you will have the ability to ensure that all expenses paid and contributions received leading up to the election and all expenses paid and contributions received during the campaign flow through the account. There are some specific requirements regarding the account:

- a. only open one campaign account
- b. the financial institution at which the account is established must be in Nova Scotia.

The account must be separate from any other account held by the recognized party or the EDA. There are no legal requirements regarding the name to put on the account. Below are some examples:

- a. John Brown, Official Agent, in trust for Mary Smith campaign;
- b. John Brown, Official Agent for Mary Smith;
- c. Mary Smith Campaign, Official Agent John Brown.

4.2 Account Must be Used for all Financial Transactions

It is a legal requirement that all political contributions be deposited to the campaign account. All election expenses (excluding nominal expenses paid through petty cash) must be paid from the campaign account. Keeping your account up-to-date by depositing political contributions as received and recording expenditures as incurred will:

- a. allow you to know where you are financially, in comparison to your budget. At any given point you should know:
 - i. how much money has already been spent;
 - ii. how much money is available to be spent;
 - iii. how much you have received in contributions;
- b. allow you to make better financial decisions for the remainder of the campaign;
- c. assist your auditor in verifying specific transactions, the timing of transactions and the accuracy of reporting.

Official agents may choose to include their bank statements and cancelled cheques with their report of election expenses. This is not a filing requirement, however, it does provide Elections Nova Scotia with an additional tool to verify election expenses.

4.3 What is Required to Open an Account?

Requirements may vary by financial institution. You should confirm requirements with your financial institution.

4.3.1 Type of Account

You will likely open an account similar to that used by a business or a non-profit organization. Do not open a personal account (i.e. a passbook type account). You want copies of bank statements and you want all cancelled cheques to be returned. You also want a deposit book that will allow you to retain a carbon copy of every deposit. You may consider signing up for internet banking services so you can view the account over the internet. Your bank statements, cancelled cheques and deposit slips will form an important part of your books and records.

4.3.2 Information About You and the Candidate

You may be asked to provide additional personal and financial information which may include your date of birth, social insurance number, occupation, home and business address.

4.3.3 Establishing Signing Authority

Remember that you, as the official agent, are responsible for the finances of the campaign. There may be cases where an account requires more than one signature on cheques. This cannot impair your ability to fulfill your duties. You must not allow another individual to be the sole signing authority.

4.3.4 Additional Information

You may be asked to provide a letter from your candidate confirming your appointment as official agent. It is your responsibility to determine the specific requirements of the financial institution you intend to deal with. You should check with the financial institution in order that you can have all necessary documentation ready when you set-up the account.

4.4 Closing the Campaign Bank Account

Neither an official agent nor a candidate may keep a campaign account open between elections. The last transaction of a campaign that would impact the campaign account would be the disposal of excess contributions. This would be

done after receiving any election expense reimbursement and paying any outstanding liabilities. The campaign account must be closed in the same time frame for reporting the disposal of excess contributions. This is 30 days after receipt of election expense reimbursement or 60 days after filing election expense reports where no reimbursement is due.

5. Candidate Information and Nomination

5.1 Filing Form 1, Candidate Information

You have been appointed as the official agent of a candidate, your candidate has appointed an auditor and you have opened a campaign account. You have all the information necessary to complete Form 1, Candidate Information. Form 1 is required under the *Political Contributions Disclosure Regulations*. Upon completion it must be filed directly with Elections Nova Scotia. **Do not confuse this with the nomination of a candidate (see below)**. A sample of a completed Form 1, Candidate Information, is contained at the end of this chapter.

5.2 File a Separate Form 1 for each Electoral Event

If there is more than one election (including by-elections) in a year, a separate Form 1 must be filed for each electoral event. For example, if an individual was a candidate in a by-election they are required to file a Form 1. If later in the year there was a general election, and the same individual was a candidate, a new Form 1 needs to be filed. A candidate must file Form 1 prior to their official agent accepting any political contributions.

5.3 Nomination of a Candidate

In order to become an “officially nominated candidate”, a candidate must file Form 303, Nomination Paper, with the returning officer. The form requires a significant amount of information. The official agent should review the form and its requirements well in advance of nomination day. **Do not wait until the deadline for filing nominations to start completing the nomination paper**. A sample of Form 303, is provided at the end of this chapter.

5.4 Qualifications of a Candidate

In order to be nominated as a candidate a person must be:

- a. a Canadian citizen;
- b. at least 18 years of age;
- c. not disqualified or ineligible under the *Elections Act*, the *House of Assembly Act* or any other Act.

5.5 Completing the Nomination Paper

The nomination paper must include the following:

1. The names, addresses and signatures of 5 or more persons who:

- a. are at least 18 years of age or will be 18 by ordinary polling day;
- b. are Canadian citizens on or before ordinary polling day;
- c. have been an ordinarily resident in the province for at least 6 months immediately before the date of the writ;
- d. are ordinarily resident in the electoral district.

The nomination paper contains fields for the names of more than 5 persons. It is recommended that additional nominators sign the nomination paper in the event the returning officer has an issue with the qualifications of any of the nominators.

2. The nomination paper must include or be accompanied by a statement of the candidate naming the party that they represent or stating that they are an independent candidate.
3. Where the candidate represents a party, a copy of a letter from the leader of that party declaring that the candidate is the official candidate of that party.
4. The name of the appointed official agent and the auditor.

5.6 Having Your Nomination Deposit Ready

The nomination paper must be accompanied by a deposit of \$100. A certified cheque or money order made payable to the Minister of Finance is the preferred form of payment.

The official agent of a candidate who is elected or a candidate receiving not less than 10% of the valid votes cast will automatically receive a refund of their nomination deposit.

5.7 Nomination Day

Nomination day is the Tuesday that is 14 days before ordinary polling day. The deadline for nominations is 2:00 p.m. on that day. **THIS DEADLINE CANNOT BE EXTENDED.** The *Elections Act* requires the returning officer to attend at the returning office between 12:00 noon and 2:00 p.m. on nomination day to receive nominations. Note that nominations can be filed with the returning officer any time between the date of proclamation (just after the election is called) and 2:00 p.m. on nomination day. **DO NOT** wait until the deadline.

5.8 Withdrawal of a candidate

Before 1:00 p.m. on nomination day, an officially nominated candidate can withdraw as a candidate by making a declaration either personally or through their official agent. Form 304, Declaration of Candidate Withdrawing from Nomination, is used for this purpose. The official agent of a candidate who withdraws is obligated to file all reports required under the *Elections Act* and *MPEDA*, capturing all financial activity of the campaign up to the time the candidate declared their withdrawal.

It is an offence before or during an election to knowingly publish a false statement of withdrawal of one candidate at the election for the purpose of procuring the election of another candidate.

FORM 1
Candidate Information
Members and Public Employees Disclosure Act

Reporting Period: January 1st to December 31st , **2008** .

Note: This Form must be filed by a candidate in order to accept political contributions. A candidate may appoint an auditor at the end of the reporting period, if political contributions disclosed exceed \$5,000.00 in a year in which there is no election in the electoral district. A candidate officially nominated must appoint an auditor.

Full name of candidate: **Mary Smith**

Electoral district: **Dartmouth North**

Party affiliation (if any): **XYZ Party**

Candidate:

<i>Name</i>	<i>Mailing Address</i>	<i>Telephone #</i>
Mary Smith	88 Harbour Cres.	777-4242
	Dartmouth, NS B3B 8K8	

Official Agent:

<i>Name</i>	<i>Mailing Address</i>	<i>Telephone #</i>
John Brown	23 Old Hills St.	777-8579
	Dartmouth, NS B3B 7K7	

Auditor:

<i>Name</i>	<i>Mailing Address</i>	<i>Telephone #</i>
I.M. Sharpe	45 Island View	777-6423
	Dartmouth, NS B3B 9K9	

Financial Institution to be used as a depository for contributions

<i>Institution and Branch Location</i>	Security Bank & Trust
<i>Mailing Address</i>	1 Safe Street, Dartmouth NS B3B 6K6
<i>Account Number</i>	238-05-3758012

I confirm the information contained in this form for the purpose of Part II of the *Members and Public Employees Disclosure Act* and the *Political Contributions Disclosure Regulations*.

Dated at **Dartmouth** , Nova Scotia this **15th** day
of **June** , **2008** .

Mary Smith

Signature of Candidate

We, the undersigned, of the Electoral District of:

INSERT PROPER NAME OF ELECTORAL DISTRICTnominate: PROPER LAST NAME OF CANDIDATE , ALL GIVEN NAMES OF CANDIDATE
(surname) (given names)of FULL STREET ADDRESS OF CANDIDATE FULL MAILING ADDRESS OF CANDIDATE
(INCLUDING POSTAL CODE)
(civic address) (mailing address)representing: INSERT ONE OF THE NAMES OF THE RECOGNIZED PARTIES OR INDEPENDENT
(recognized political party or independent)as candidate at **the pending election** of one member **to be elected by the above Electoral District to serve in the House of Assembly of Nova Scotia**, and we **ask that (he/she)** be described on the ballot paper as:**FILL OUT EXACTLY AS CANDIDATE WISHES THEIR NAME TO APPEAR ON THE BALLOT. NO QUOTES ARE ALLOWED. NICK NAMES ARE TO BE INSIDE ROUND BRACKETS. INCLUDE HYPHENATED SURNAME IF DESIRED.**_____ , _____
(given or assumed names) (surname)**NOTE** - use name or assumed name by which the candidate wishes to be described on the ballot paper, **so long as** the name and particulars correspond to those by which the candidate is known in the Electoral District.Witness our hands this NUMBER day of MONTH, YEAR.

Name	★★ Signature	Civic No.	Street/Road	Community
PRINT NAMES OF AT LEAST	ORIGINAL SIGNATURE			
5 NAMES OF ELECTORS	OF EACH ELECTOR WHO			
WHO NOMINATED	NOMINATED CANDIDATE			
CANDIDATE				

★★ Note: Must be signed in the presence of attesting witness by five or more persons qualified under S.28 of the *Elections Act* **to be registered** on the List of Electors for a polling division in the above Electoral District.**OATH OF ATTESTING WITNESS**I, the undersigned, swear (or affirm) that I know the following electors who signed this nomination paper in my presence, *(insert the names and addresses of five or more persons who signed this nomination paper)*.LIST NAMES OF AT LEAST FIVE ELECTORS FROM THE BOX ABOVESworn (or affirmed) at TAKING OATH OF ATTESTING WITNESS

in the County of _____

this _____ day of _____, _____

before me, _____

MUST BE ORIGINAL SIGNATURE OF PERSON QUALIFIED**TO TAKE OATH INCLUDING RETURNING OFFICER**Commissioner or other Authorized Official (*Elections Act*, s. 196)**MUST BE ORIGINAL SIGNATURE OF PERSON WHO WITNESSED****SIGNATURES OF ELECTORS NOMINATING CANDIDATE**

Signature of Attesting Witness

(Page 1 of 2)

CONSENT AND OATH OF CANDIDATE AND APPOINTMENT OF OFFICIAL AGENT AND AUDITOR

I the undersigned, do swear (or affirm) that: [THIS IS CANDIDATE'S AFFIDAVIT]

1. I (he/she) CANDIDATE'S NAME
(name)

nominated in the foregoing Nomination Paper, consent(s) to the nomination.

2 I am (he/she is) qualified under Section 65 of the **Elections Act** to be a candidate.

3 I appoint (he/she appointed) as my (his/her) **Official Agent**:

Name: NAME OF OFFICIAL AGENT
 Civic Address: STREET ADDRESS
 Mailing Address: FULL MAILING ADDRESS (INCLUDING POSTAL CODE)
 Telephone: (Business) () (Residence) ()

who is qualified under S.177F of the **Elections Act** to be an Official Agent and has consented to the appointment.

4 I appoint as my (his/her) **Auditor**:

Name: NAME OF AUDITOR
 Civic Address: STREET ADDRESS
 Mailing Address: FULL MAILING ADDRESS (INCLUDING POSTAL CODE)
 Telephone: (Business) () (Other) ()

who is qualified under S.191 of the **Elections Act** to be an auditor and has consented to the appointment.

5. I (he/she) represent(s) the INSERT RECOGNIZED PARTY NAME, a recognized
(recognized party)

party of Nova Scotia and this Nomination Paper is accompanied by a letter from the Party Leader (or a person designated by the Party Leader) declaring that I am (he/she is) the official candidate for the Party in this Electoral District

OR

I am(he/she is) an independent candidate.

CROSS OUT THE 3 LINES ABOVE "OR" IF CANDIDATE IS AN INDEPENDENT CANDIDATE

Sworn (or affirmed at) TO BE FILLED OUT BY PERSON
 in the County of TAKING OATH OF CANDIDATE
 this _____ day of _____,
 before me, _____

MUST BE ORIGINAL SIGNATURE OF PERSON QUALIFIED

QUALIFIED TO TAKE OATH INCLUDING RETURNING OFFICER MUST BE ORIGINAL SIGNATURE OF CANDIDATE
 Commissioner or other Authorized Official (*Elections Act*, s.196) Candidate or Official Agent Authorized under *Elections Act*, ss.177F(1) and 67(1)

RECEIPT OF DEPOSIT

Received from the above candidate the sum of \$100 in legal tender or a certified cheque or money order **for that amount** made payable to the Minister of Finance as a deposit pursuant to Section 66 of the **Elections Act**.

Dated at COMMUNITY, this NUMBER day of MONTH, YEAR.

SIGNATURE
 Returning Officer

(This nomination paper must be accompanied by: (1) a letter from the leader of the recognized party or designate, sponsoring the candidate unless the candidate is running as an independent; and (2) a deposit of \$100, preferably in the form of a money order payable to the Minister of Finance). If a candidate is absent from the Province he/she can by written communication name an official agent and authorize the official agent to complete the nomination paper. The authorization must be filed with the returning officer before the nomination paper is filed.

6. Record Keeping

6.1 Record Keeping Requirements

The *Political Contributions Disclosure Regulations* require all contributions to be recorded in a single ledger. The ledger can be in an electronic format using a spreadsheet, word processing or an accounting program.

In addition to recording contributions in a single ledger, your record keeping for all transactions should be:

- a. accurate;
- b. organized;
- c. timely.

6.2 Identifying Transactions

Your job is to record transactions. A transaction occurs every time:

- a. the campaign receives money, goods, services or property;
- b. the campaign spends;
- c. the campaign transfers money;
- d. the campaign makes any transaction related to a loan;
- e. the campaign uses goods or services.

When any of the above activities take place you have something to record.

6.3 Accurately Recording Transactions

Accurate recording means making sure that you track every transaction and that none are missed. It also means that when you record a transaction, you call it what it is and you put it in the right place in your records. There are rules that have to be followed for every transaction you record. You have to pay very close attention to non-cash transactions. Since non-cash transactions do not impact your bank balance they will not be identified when performing a bank reconciliation.

6.4 Recording Transactions in an Organized Manner

You need a method of tracking transactions that will allow you to complete all the necessary forms and reports. There are many ways to accomplish this. You can use a computerized accounting program or a manual bookkeeping system. Either one enables you to stay organized. Use the method that works best for you.

Maintain all papers and documents that support a transaction (i.e. invoices and receipts). This is as simple as keeping a file folder for each type of expense. When an expense is incurred put the supporting documentation in the appropriate file.

The two major components in the campaign will be election expenses and political contributions. Review the forms on which you report these transactions. Election expenses are recorded on Form 601, Record of Candidate Election Expenses Part III, while monetary contributions requiring disclosure are recorded on Form 2, Schedule B-1, Candidate's Annual Statement of Political Contributions Monetary Contributions. You may find it convenient to make "draft" copies of these forms for recording those transactions.

The *Elections Act* requires the auditor to have access to all books and records of the campaign. The auditor is required by Elections Nova Scotia to report any circumstance where they are denied access to books or records or proper records have not been maintained by the official agent.

6.5 Recording Transactions on a Timely Basis

The sooner you record a transaction, the greater the likelihood that it will be properly recorded. Taking a bit of time on a daily or weekly basis is a good idea and will help you stay organized. If during each day of the election period you incurred two expenses and received two contributions, the daily time requirement to record is minimal. **Waiting until the end of the campaign to record transactions is strongly discouraged.** Not only will it require more time, it will also cause you unnecessary stress. By keeping records up-to-date, you will be able to identify concerns and take corrective action where necessary.

6.6 Recording Post Election Transactions

Once ordinary polling day is over, the need to record transactions continues. Although you cannot accept political contributions after ordinary polling day, nor can you incur election expenses, you may continue to pay outstanding liabilities and need to keep track of non-election expenses. For example, your candidate may place a "thank-you" advertisement in the local paper. You will need to record this transaction as a non-election expense.

6.7 Seeking the Assistance of Your Auditor

If you have difficulty setting up a system you should consult with your auditor. Your record keeping system combined with supporting documentation comprises your “books and records”. Your auditor is not allowed to do your record keeping on your behalf since they are required to objectively review your work as part of the audit. At the same time the auditors input at the start of the campaign will allow the auditor to perform the audit more timely and efficiently and will minimize the costs associated with the audit.

7. Election Expenses

7.1 Developing a Campaign Budget

There is no legal requirement that an official agent create a campaign budget, however, taking the time to create a campaign budget will help the campaign stay “in control” from a financial perspective. The spending limit in an electoral district may permit the candidate to expend in excess of \$60,000. This is a large sum of money, especially, considering that it is spent over a relatively short period. You should consider the revenue you may derive from all potential sources (political contributions, transfers from an EDA or party, and possible election expense reimbursement). If your campaign requires a loan you must understand the reporting requirements for loans and carefully consider how a loan will be repaid. Budgeting revenue can be challenging. For example, a candidate’s expense reimbursement is conditional on receiving not less than 10% of the valid votes cast. Since the outcome of any election cannot be predicated in advance, the inclusion of reimbursement in a budget should be made cautiously. Based on your projected revenue, you should determine what expenses the campaign can afford. Throughout the budgeting process you should ask how expenses will be paid if your revenue estimates do not materialize.

A candidate’s ability to make up a campaign deficit from their own funds is restricted since a candidate is subject to the \$5,000 contribution limit.

7.2 Who May Incur Election Expenses?

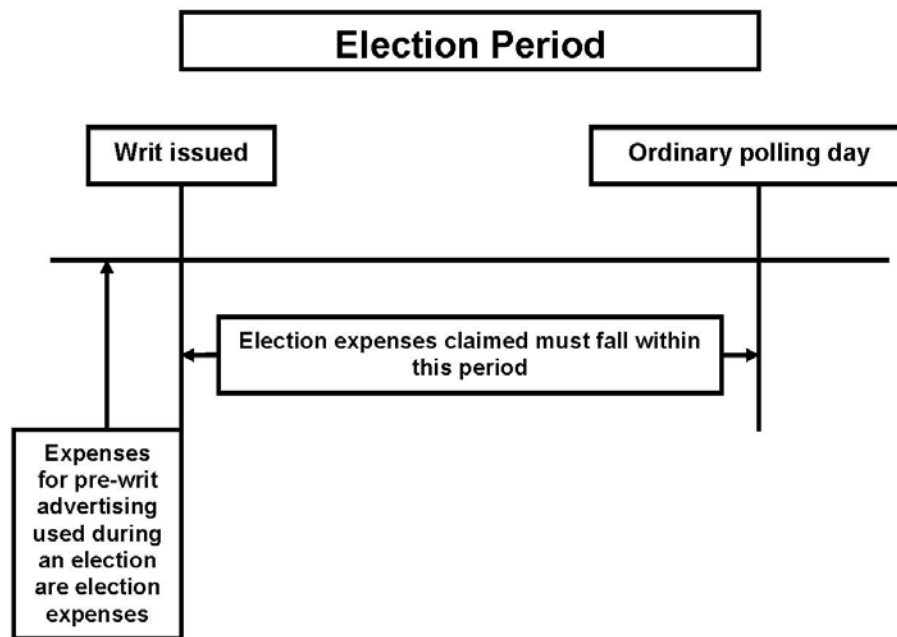
Only the official agent of a candidate or of a recognized party or a representative of such agent authorized in writing may incur election expenses.

7.3 Understanding Time Periods

It is essential that you understand time periods in order to keep accurate records and properly classify transactions. The election period is one of the most important concepts you must understand. For example, spending limits and election expense reimbursements are based on expenses incurred during the election period that qualify as “election expenses”. Your ability to accept political contributions ends when the polls close on ordinary polling day. Another important time period is the period in which an official agent can issue income tax receipts.

7.4 The Election Period

For a general election the election period begins when the writ is issued and ends when the writ is returned (10 days after ordinary polling day). In most cases, expenses incurred after ordinary polling day will not meet the definition of election expenses in the *Elections Act*. For practical purposes you should view the end of the election period as the time that the polls close (8:00 p.m.) on ordinary polling day. The graphic below provides a time line of the election period.



7.5 What Are Election Expenses?

The term “election expenses” means all expenses incurred during an election for the purpose of promoting or opposing directly or indirectly the election of a candidate or the program or policy of a candidate or party and includes expenditures incurred before an election for literature, objects or materials of an advertising nature used during the election for any of such purposes.

This is the definition recited in the *Elections Act*. The Act goes on to state specific exclusions. A listing of common election expenses, by reporting category, is included in Section 8.2 of Chapter 8.

The term “during an election” in the *Elections Act* defines a different time period depending on whether the election is a general election or a by-election.

- a. For a general election “during an election” includes the period between the dissolution of the House of Assembly and when a candidate is elected.
- b. For a by-election “during an election” includes the period between the time the vacancy occurs and a candidate is elected.

7.6 What are Non-election Expenses?

A candidate’s campaign may incur expenses that are not considered election expenses under the *Elections Act* (and are not eligible for reimbursement) but are nonetheless campaign expenses. Form 2, schedule A-2 of the *Political Contributions Disclosure Regulations* requires the official agent to report non-election expenses. In order to meet this reporting requirement the official agent must keep a separate schedule or listing of non-election expenses.

Non-election expenses occur where goods or services used are:

- a. specifically disallowed as an election expense, or;
- b. expenses incurred outside of the election period (with the exception of advertising materials).

There are also certain expenses that even when incurred during the election period are specifically disallowed. Many of the disallowed expenses relate to personal expenses of the candidate. The official agent must become familiar with these expenses in order to not inadvertently report them as election expenses. Disallowed expenses include:

1. The cost of publication in a newspaper editorial, news report or letter, without payment, in the same manner as it would be published outside the election period.
 - a. the cost of transmission by radio or television of a broadcast of news or comment made in the same manner as outside the election period;
 - b. the publicity costs or costs incurred by a candidate in respect of a convention or in respect of an electoral district for the selection of a candidate. Other convention costs such as a hall rental or costs associated with the convening of delegates is allowable to a maximum of \$1,000;
 - c. expenses incurred by a candidate such as food and accommodation which may otherwise be eligible as election expenses that are not reimbursed by the campaign;
 - d. the transportation costs of a candidate;

- e. the transportation costs of any person other than the candidate to the degree those costs are not reimbursed by the campaign;
- f. the sum (\$100) deposited with the candidate's nomination paper;
- g. certain personal expenses of a candidate including but not limited to salary replacement, personal grooming, dry cleaning and child care expenses. Candidate expenses that do qualify as election expenses are subject to a \$1,000 limit;
- h. the expenses associated with a fundraising function;
- i. costs for goods or services consumed after the close of polls (7:00 p.m.) on ordinary polling day. This includes post election parties and volunteer appreciation events;
- j. recount costs and legal fees;
- k. the candidate's audit costs;
- l. advertisements after ordinary polling day including "thank-you" advertisements.

7.7 Expenses that are Capital in Nature

Capital assets are assets that provide a benefit over a long term. An example of capital assets would be the purchase of a computer or printer by a campaign. The *Elections Act* does not specifically address the expenditure by a candidate for assets that are capital in nature, however, it would not be reasonable for a candidate to claim the entire cost as an election expense since the reimbursement of election expenses is made from public funds and the asset becomes the personal property of a candidate following the election. The value of a capital asset remaining in the possession of a candidate or person associated with a campaign should be recorded as a non-election expense. A reasonable portion of the cost of the capital asset used during the election period should be reported as an election expense. A reasonable portion is the amount of money that would be charged for the rental of a similar asset over a similar period or the percentage of the estimated useful life of the asset that was used during the election period applied to the cost of the asset.

7.8 Requirements for Advertising

As with other expenses, advertising expenses must be approved by the official agent. In addition, the *Elections Act* requires that any kind of advertising bear the wording "authorized by" the official agent for [name of candidate or recognized party] and indicate on whose behalf the advertisement was printed, broadcast, published or distributed. It is important that the official agent be involved in the

procurement of advertising materials at the outset to ensure this requirement is met. The official agent should inspect all proofs as well as any completed advertising and verify correctness before the materials are distributed.

7.9 Pre-writ Advertising Expenses

Certain advertising and other costs may be incurred prior to the election period and the expenditure must be recorded as an election expense.

These expenses would include:

1. Expenditures for advertising items that are consumed during the election period such as signs, posters, pamphlets and buttons.
2. Expenditures for signs used in previous elections that are used in the election being reported. (Require inclusion as election expenses but will not be included in calculation of the candidate's reimbursement)
3. The costs associated with developing a website to be used during the election period.

7.10 Apportioning Expenses

Sometimes it may be necessary to apportion an expense as an election expense and a non-election expense. This is required because the definition of "election expenses" relates to a defined time period. Goods and services used outside the election period (for an election purpose) cannot be included as election expenses even though the expenses were only incurred because of an election. The basis used to determine the amount or partial amount of expense that is applicable to each time period must be reasonable.

Example:

A writ is issued mid-month with a 32 day election period. An official agent rents an office to be used as the campaign's headquarters; however, the landlord will only rent the space for full month periods. The campaign ends up incurring two months rent for a 32 day election period. The official agent would record 32/60 as an election expense, the other portion (28/60) is a non-election expense.

7.11 Can a Recognized Party Incur Election Expenses on Behalf of a Candidate?

Yes, there may be circumstances where a recognized party incurs expenses on behalf of its candidates and charges those amounts back to candidates' campaigns. As with all other expenses a determination will have to be made whether the expense is an election expense or a non-election expense. The types of charges from a party back to a campaign may include the following:

a. Candidate campaign expense paid by the party

This could include arrangements for publicity or the provision of workers. The party would pay the expense and invoice it back to a campaign. The invoice issued to the candidate must provide sufficient detail of the charge and the time period to which the charge applies. For example, if a campaign worker who was paid by a recognized party worked on a candidate's campaign the invoice would need to show the days and hours of the worker that are allocated to the candidate's campaign versus the days and hours allocated to the campaign of the recognized party.

b. Goods purchased by a party on behalf of a candidate's campaign

An example would be a recognized party contracting with a printer to produce advertising material such as pamphlets or door hangers. The advertising materials are distributed to candidates and each candidate's campaign is invoiced for the materials. The party's invoice to the campaign must be supported by the unit price of the item from the original supplier and the number of units provided to the candidate's campaign.

c. Recognized party costs allocated to candidates

An example would be costs incurred in developing and delivering a province wide advertising campaign during the election period. The invoice from the party to a candidate must include:

- i. the actual costs of the party's expenditure supported by invoices;
- ii. the total expense being allocated with supporting documentation for the expense and the basis used to allocate that expense to candidates' campaigns.

Allocating expenses based on the number of electors on the List of Electors in each electoral district is an acceptable method of allocation when an expense is allocated to all candidates of a recognized party.

7.12 Can an Electoral District Association Incur Election Expenses on Behalf of a Candidate?

No, an electoral district association (EDA) cannot incur election expenses on behalf of a candidate. An EDA can transfer money to a candidate's campaign and the campaign can then use the money to pay for election expenses.

7.13 Documentation of Election Expenses

Any payment for election expenses of \$25 or more must be supported by a receipt which provides all the particulars required for auditing each item.

A receipt in support of an election expense must:

- a. provide all particulars necessary for auditing the expense, and;
- b. indicate the rate or unit price used for computing the amount of the charge.

The receipt requirement applies to all expenditures including the payment of election workers by a campaign. Since election workers may not have the ability to issue a receipt, the official agent should prepare a receipt on the workers' behalf and have that worker sign the receipt confirming they have received the amount indicated on the receipt from the campaign.

In reviewing and approving election expenses and the reimbursement of election expenses from public funds the Chief Electoral Officer will verify 100% of election expenses reported are supported by receipts or vouchers.

7.14 Time Limit for Vendors to Present Claims for Election Expenses

The *Elections Act* requires that any person to whom an amount is due for election expenses must present their claim no later than 30 days after ordinary polling day to the official agent.

7.15 Maintaining a Petty Cash Fund

An official agent may authorize campaign workers to pay petty cash expenses incurred during the course of the campaign. These petty cash expenses can be consolidated on Form 601, Part III, rather than showing every petty cash expenditure on a separate line. Appendix D provides procedures for operating a petty cash fund and reporting petty cash expenditures as election expenses. You should understand these procedures and communicate them to the person managing the petty cash fund.

7.16 Per Diems

You are not prohibited from paying a campaign worker a per diem amount for expenses, however, the per diem cannot be claimed as an election expense. If the worker receiving the per diem provides receipts, the amount supported by receipts can be claimed, provided the expense associated with the receipts meets the definition of election expenses.

7.17 Unpaid Contested Claims

There may be situations where you dispute the claim of a supplier or vendor. In

these cases the amount is not recorded as an election expense. The particulars of the disputed claim must be reported on Form 615, Unpaid Contested Claims and included with your report of election expenses. The total of unpaid contested claims is entered on line 8 of Form 601 Part II, Summary of Candidate's Election Expenses.

7.18 Renouncing Remuneration

No person is allowed to charge a price for election expenses that is different from their regular price for similar goods, work or services charged outside the election period. Additionally, no person is allowed to renounce remuneration for goods, services or merchandise.

The exception to this rule is a person who provides their vehicle for use in the campaign (as long as it is not part of their employment) or a person (who is not self-employed) providing personal services.

An official agent may undertake a cheque exchange with a vendor, whereby, the vendor or provider of goods or services invoices the campaign for goods or services (at fair market value), the campaign pays the invoice and records an election expense. The vendor or provider then makes a contribution to the campaign in the same amount as the invoice. The contribution is treated as a monetary contribution under the MPEDA.

The cheque exchange described cannot be part of a contractual arrangement. For example, a campaign could not rent office space on the condition that the landlord make a contribution back to the campaign. Subsection 14B(7) of the MPEDA states that no person shall enter into an agreement for the provision for payment of goods or services to a candidate, EDA or recognized party that includes a term that any person will make a contribution, directly or indirectly to a candidate, EDA or recognized party.

Donations in kind contributions are discussed in detail in Chapter 10. A donation of goods or services that if purchased, would be categorized as an election expense is the equivalent to renouncing remuneration and is disallowed. Any time something is offered to the campaign free of charge, you must stop and think: if I purchased this item would it be an election expense? If the answer is "yes", you must decline the offer.

7.19 MLA's Running for Re-election

A Member of the Legislative Assembly (MLA) running for re-election is prohibited from using provincial resources for campaign purposes. This would include the resources and staff associated with a constituency office. If a constituency assistant is working in the campaign then he or she must take a leave of absence from their employment with the Province.

7.20 Election Expense Limits

The *Elections Act* establishes election expense limits for candidates and recognized parties which are referred to as spending limits. The spending limit includes the total value of all election expenses incurred during an election period, including advertising materials purchased prior to the election period and consumed during the election period. The amount spent by a campaign must not exceed the spending limit. In the 2006 Provincial General Election, the spending limit for candidates was calculated as follows:

- a. \$5.29 per elector in respect of not more than 5,000 electors;
- b. \$4.50 per elector in respect of the number of electors in the electoral district in excess of 5,000 electors and not in excess of 10,000 electors;
- c. \$3.97 per elector in respect of the number of electors in the electoral district in excess 10,000 electors.

Since the amounts above are adjusted according to the Nova Scotia consumer price index, they will change from election to election. When a writ is issued, the Chief Electoral Officer will calculate the spending limit for each electoral district and those spending limits will be posted on the Elections Nova Scotia website.

As a point of reference the average spending limit for an electoral district in the 2006 Provincial General Election was \$58,546.82.

8. Completing Election Expense Reports

8.1 Form for Reporting Election Expenses

The official agent of a candidate is required to report election expenses using Form 601, Report of Candidate's Election Expenses. Form 601 consists of three parts.

Part I: Affidavit of Official Agent

The *Elections Act (S.183)* requires that the official agent sign an affidavit attesting to the accuracy and completeness of the 3-part election expenses report.

Part II: Summary of Candidate's Election Expenses

Part II is a summary of detailed information provided in Part III. The Chief Electoral Officer will publish Part II on the Elections Nova Scotia website. The published summary shows how much was spent in the election campaign in each category of expenses.

Part III: Record of Candidate's Election Expenses

Part III, The Record of Candidate's Election Expenses is a detailed listing of each expenditure made by category of expenditure. Part III establishes the relationship between an expense and the supporting documentation (receipt or voucher) for that expense.

8.2 Categorizing Election Expenses

Each expense must be entered into the appropriate expense category on Form 601, Part III. For each expense category the common expenses that fall in the category are listed below:

Column 7: Headquarters Expenses

- rent
- utility costs, if any
- costs of communications services and equipment (telephone, internet, cell phones and other wireless communications)
- costs of furniture rental
- costs of office equipment (fax, photocopier, computer)
- costs of stationery items and other office supplies
- costs of insurance for the premises and contents

Column 8: Worker Remuneration

- stipends or wages paid to any campaign staff, such as campaign manager, clerical staff, poll agents or captains, drivers, canvassers
- costs of meals, coffee, etc., for workers
- costs of accommodation for workers, if applicable

Column 9: Publicity/Advertising

- costs for print advertising, such as newspaper ads
- costs for brochures, flyers, door-hangers or other printed items that are delivered to electors in the electoral district
- postage costs for delivery of any printed items
- costs of broadcast advertising: on radio, television or internet
- costs of creation of a website or enhancements to an existing website specifically related to an election
- costs of miscellaneous advertising items, such as buttons, bookmarks, refrigerator magnets
- costs of signs and posters and labour cost associated with placement
- services of consultants or others who work on advertising material
- costs of signs and posters and labour cost associated with placement
- costs for advertising that are charged to the campaign by a recognized party

Column 10: Travel

- gasoline and vehicle costs for campaign workers, including the costs of rental vehicles
- mileage for campaign workers
- costs of travel for any campaign workers who do not live in the electoral district, e.g. the cost of air fare or other mode of transport for workers who are coming from another province

Column 11: Campaign Functions

- rental of premises to hold rallies or other functions
- costs of refreshments for rallies, “meet and greet” functions
- costs of entertainment for campaign functions

Column 12: Other

- bank service charges
- anything that does not fit into the previous categories

Column 13: Personal Expenses of Candidate

- any election expenses that the candidate has paid personally. It is recommended that candidates not incur personal expenses.

Remember the following rules about personal expenses:

- Personal expenses are limited to \$1,000
- A candidate cannot personally pay for publicity expenses, which would include advertising of any description, including publicity costs for a nomination convention
- Nomination expenses incurred by the candidate are not included
- Living expenses during the campaign are not included (lodging and meals) unless the candidate has been reimbursed by the campaign
- The candidate's transportation costs are not included.

Some expense items that a candidate may incur while running for election are not considered election expenses, although they are expenses that a candidate might not otherwise incur. They are:

- costs for child or elder care
- wardrobe enhancement
- personal grooming (e.g. hair styling, dry cleaning)
- salary replacement

These costs could be reimbursed to the candidate from the EDA or party that sponsored the candidate.

8.3 Other Columnar Headings on Form 601, Part III

1. **Consecutive document number.** It is critical that receipts and vouchers can be matched to the lines on Part III. This is done by using the column with the heading "consecutive document number".

For example, enter the number 1 in the consecutive document number column on the first row of Part III. Indicate the date, vendor or payee, description of the expense and the amount of the expenditure in either Column 5 or Column 6, depending on whether or not the amount has been paid or is unpaid. Enter the same amount in Columns 7-13 according to the category of the expense. Write the number 1 on the related receipt or voucher. Enter the number 2 on the consecutive document number column on the second row of Part III. Indicate the date, vendor or payee, description of the expense and the amount of the expenditure in either Column 5 or Column 6, depending on whether or not the amount has been paid or is outstanding. Enter the same amount in columns 7-13 according to the category of the expense. Write the number 2 on the related receipt or voucher. Continue with consecutive document numbers 3,4,5... until all expenditures have been recorded. Ensure that the related receipts are in numerical order and attach to Part III.

- Elections Nova Scotia will review all expenses reported and verify that **all** expenses are supported by a receipt.
2. The **date of expenditure** is the date on which the expenditure was made (do not record the date that the expenditure was paid). You will be able to verify that all entries (excluding those for advertising materials) fall between the date of the writ and polling day.
 3. The **payee, name of company or person receiving payment** must be identified. This is the person or company to whom the payment was made. You may summarize certain information. For example, if you hired 25 poll workers for \$30 each, you can record the payee as “poll worker” with an amount of \$750. You should then put all the receipts from the poll workers in an envelope and record the consecutive document number on the envelope. The same approach can be used for expenditures from petty cash.
 4. A **description of the expenditure** must be provided. The description should be sufficient to identify the nature of the expense.
 5. The **paid** expenses must be identified. The amount will be what is shown on the invoice from the supplier, including HST.
 6. **Unpaid and uncontested expenses** are those expenses that have not been paid at the time the report is completed. The official agent acknowledges that the expense is not contested.
 7. Each category of expenses must be added and shown in the **total** row of the report. The total of Columns 7-13 are transferred to Part II. The totals of Columns 5 and 6 must equal the totals of Columns 7-13.

Where multiple pages of the Form 601 Part III are necessary to complete the report, each page should be totaled separately and the page totals summarized on the last page. A Part III that is illegible or contains significant errors may be returned to the official agent or auditor for correction and could delay the issuance of any election expense reimbursement that is due to the candidate.

8.4 Deadline for Filing

Form 601, Report of Candidate’s Election Expenses must be filed directly with Elections Nova Scotia within 60 days of the return of writ. The report must be accompanied by the auditor’s report. If the official agent determines that they are

not able to meet the reporting deadline they must request an extension from the Chief Electoral Officer in advance of the deadline.

8.5 Questions About a Specific Expense?

If the official agent is unsure whether a particular expense of the campaign should be reported as an election expense they should call Elections Nova Scotia to seek advice.

8.6 Differentiation Between Paid and Unpaid Expenses

The official agent is required to identify each expense as “paid”, “unpaid and uncontested”, or “unpaid and contested”. Evidence of whether the expense is paid is part of the election expenses report. This evidence can take the form of a cancelled cheque, a signed receipt on an invoice or a separate receipt, or a credit card receipt. Note that any contested expenses are identified on Form 615, Unpaid Contested Claims. The official agent may receive an invoice from the candidate’s recognized party for expenses incurred by the party on behalf of the candidate. If it is the intention of the official agent to pay this invoice through funds received as part of the candidate’s election expense reimbursement, then the amount should be shown in Column 6, unpaid and uncontested claims.

8.7 Audit of Form 601, Report of Candidate’s Election Expenses, is Mandatory

Once the official agent has completed the three part Report of Candidate’s Election Expenses, it must be audited by your appointed auditor. You must provide a copy of your auditor’s opinion when you submit your report to Elections Nova Scotia.

8.8 Review of Candidate’s Election Expenses by the Public

Interested electors, by making arrangements with the Chief Electoral Officer within 30 days of the receipt of election expenses by the Chief Electoral Officer, can review and make copies of the Form 601 Part III and supporting documentation (receipts and vouchers).

8.9 Inaccurate Reports and Corrupt Practices

Note that an official agent who wilfully:

- a. spends over the election expense limit;
- b. files a false report;
- c. submits a false affidavit;
- d. produces a falsified invoice, receipt or other voucher;

- e. pays a claim after the delivery of the election expense report (except under the procedure set out in S. 187 of the *Elections Act* for payment of contested claims) is guilty of a corrupt practice.

Part III need not be completed on the prescribed Part III form itself but must follow the format, include the content of the prescribed form and be printed in hard copy.

9. Reimbursement of Election Expenses

9.1 Public Funding of Election Expenses

In Chapter 7 and Chapter 8 you were provided with information that allows you to differentiate between election and non-election expenses, record expenses and report expenses. There are a number of reasons these rules are in place. Spending limits are in place to ensure a level playing field for all candidates in the same electoral district. Other rules such as differentiating between election and non-election expenses arise out of the availability of public funding for expense reimbursement.

The *Elections Act* allows for reimbursement of election expenses with public funds for candidates who receive at least 10% of the valid votes cast in the electoral district in the election.

9.2 Election Expense Reimbursement Limits

The maximum reimbursement amount is calculated in a manner similar to the spending limit. In the 2006 Provincial General Election, the maximum reimbursement was \$1.32 per elector in the candidate's electoral district. The official agent of a candidate will receive the lesser of:

- a. the maximum allowable reimbursement, or
- b. approved election expenses.

The average expense reimbursement (excluding reports of -0- election expenses) was \$17,172. The Chief Electoral Officer will publish the maximum reimbursement amount on the Elections Nova Scotia website at the time the writ is issued.

9.3 Processing of Election Expense Reimbursements

After the official agent of a candidate has had their expense reports audited and submitted the report to Elections Nova Scotia the report will be reviewed by Elections Nova Scotia in two stages:

1. Preliminary review

The Chief Electoral Officer will conduct a preliminary review and release 75% of the eligible reimbursement when the report satisfies the review criteria. The preliminary review will:

- a. confirm that Form 601 Part I has been properly signed and notarized;

- b. confirm inclusion of auditor's report and verification by the auditor that there is no reason to believe that the report is not correct.
- c. confirm that Part III of Form 601 has been properly totaled (columns 5 and 6 equals columns 7 to 13)
- d. confirm that receipts have been included with the report and have been referenced to Form 601, Part III using the consecutive document number.

2. Final Review

The Chief Electoral Officer will conduct a final review and release the remaining 25% of the eligible reimbursement when the report satisfies the review criteria.

- a. verify that each election expense claimed (over \$25) is supported by a receipt.
- b. confirm that the expenditure meets the definition of election expenses and confirm that expenses have been properly classified.

Reimbursement of candidates audit costs will be made at the same time as the 25% election expense reimbursement is made. If the candidate is not eligible for reimbursement of election expense the audit reimbursement will be made when the preliminary review is completed.

In addition to the criteria for the preliminary review and final review in order for reimbursement to be made, the official agent must file;

- a. Form 2, Candidate's Financial Statements and Supporting Schedules accompanied by an auditor's report respecting all "B" Schedules.
- b. Form 604, Candidate's Statement of Contributions for Which Official Tax Receipts Issued, accompanied by an auditor's report.

Election expense reports and associated election expense reimbursements are processed in the order in which they are received. If a report does not meet the review criteria or contains errors the payment of election expense reimbursement will be delayed. Your attention to the reporting requirements provided in this handbook will ensure the timely reimbursement of election expenses.

9.4 Returned Reports

Should the report fail to meet the requirements of either the preliminary review or the final review the report may be returned to the official agent for revision. In cases where a report is returned to an official agent a statement of deficiencies will be provided. In other cases the official agent may be contacted and be asked to provide additional documentation to support his or her claim.

10. Contributions

It is essential that you have a good understanding of contributions so you can effectively track and record them in detail. Understanding contributions will contribute to your ability to meet disclosure requirements and issue tax receipts in accordance with law.

10.1 Receiving Political Contributions

10.1.1 Who can Make a Political Contribution?

1. Individuals who are residents of Nova Scotia can make political contributions.
2. Corporations, partnerships and trade unions can make political contributions:
 - a. in the case of corporations, the corporation must be incorporated in Nova Scotia or be a corporation doing business in the Province and exempt from registration;
 - b. in the case of a partnership, the partnership must be registered in Nova Scotia or be a partnership doing business in the Province and exempt from registration. A contribution by a partnership can be made in the name of the partnership or in the names of individual partners;

Note: If a partnership wants to attribute a contribution to individual partners, it must at the time the contribution is made, provide the official agent with a list of partners and the amount of the total contribution to be attributed to each partner.

- c. in the case of a trade union or labour organization the trade union or labour organization must represent workers in the Province.
3. Societies registered under the *Societies Act* can contribute.

Non-residents, unincorporated groups, an association incorporated under the *Co-operative Associations Act*, federal political parties and political entities from other provinces and territories are prohibited from making contributions.

An official agent can verify an entity's form of registration by searching the Registry of Joint Stock Companies database at <http://www.gov.ns.ca/snsmr/rjsc/>

10.1.2 Can I Accept a Contribution From an Anonymous Contributor?

Under no circumstances can an official agent accept an anonymous contribution. If you do get an anonymous contribution it must be either:

1. Returned to the donor, or;
2. Remitted to the Chief Electoral Officer who will transfer it to the Province.

Other than a pass-the-hat fundraiser (see Chapter 11, Section 11.1.1), any contribution that cannot be tied to an individual or organization is an anonymous contribution and is prohibited. An example would be a donation jar at a campaign office.

10.1.3 Are there Limits on the Amount an Individual or Organization may Contribute?

Yes, the maximum amount that can be contributed by a contributor in a calendar year to a recognized party, its electoral district associations and its candidates is \$5,000. For example, a company could contribute \$2,000 to your candidate, \$1,500 to your party and \$1,500 to an EDA of the party; or an eligible contributor could contribute up to \$5,000 to each of the four recognized parties.

Important: the contribution limit applies to a candidate who contributes to their own campaign.

10.1.4 Are There Other Restrictions on Political Contributions?

1. There is a restriction on cash contributions. An official agent cannot accept more than \$100 in cash from any contributor in a calendar year.
2. With the exception of a spouse, a contributor cannot contribute funds that do not belong to them. If a person contributes funds that do not belong to them, they must identify the provider or source of the funds as the contributor and that contributor is subject to the disclosure requirements.

10.1.5 What does Cumulative Mean?

Contributions are reported on a calendar year basis. Except for certain amounts obtained through donations in kind (Section 10.4.3.5) and certain fundraising activities (Chapter 11) contributions are cumulative at two levels:

Level 1 - the total of contributions made throughout the calendar year to a candidate from a single contributor.

Level 2 - the total of all contributions made to a recognized party, its EDA's and its candidates from a single contributor.

For example, an individual could make a contribution of \$40 to a candidate at the beginning of the campaign and make an additional contribution to the candidate of \$30 later in the campaign. The individual's total contributions to the candidate (Level 1) would be \$70. If that individual also made a contribution of \$500 to the candidate's EDA or recognized party their cumulative contributions (Level 2) for purposes of the \$5,000 contribution limit would be \$570.

10.1.6 How am I Supposed to Know if a Contributor has Exceeded their Contribution Limit?

Although the contributor has the responsibility to make sure their contributions to a recognized party, its EDAs and its candidates do not exceed \$5,000, there are precautions that an official agent can take to ensure contribution limits are not exceeded:

1. Tell the contributor there is a contribution limit of \$5,000 per calendar year.
2. Ask the contributor if they have already exceeded their contribution limit prior to accepting a contribution.
3. Keep in contact with your party when you are receiving contributions or conducting fundraising events. It is strongly recommended that you check with your party before accepting contributions from large corporations, partnerships or trade unions.
4. Provide details of the contributions you receive to your party. The tax receipt has a copy specifically designated for your recognized party (pink copy).

10.1.7 What if I Have Accepted a Contribution from Someone and Later Determine that they Exceeded their Contribution Limit?

The contribution may have to be returned. There are complex rules for determining what entity is required to return an excess contribution. If you need to return an excess contribution which had been previously deposited to your contributions account you should:

- a. return the contribution by writing a cheque on your contribution account;
- b. record the course of events that prompted the return;
- c. report the return of the contribution and provide copies of your documentation to Elections Nova Scotia.

10.2 Recording Political Contributions

10.2.1 Do I Have to Record all Political Contributions?

The MPEDA requires the official agent to record the full name and residential or business address of each contributor together with the amount of the contribution. The PCDR require this information to be recorded in a single ledger (one place). A single ledger can be an electronic document such as spreadsheet, database, word processing program or accounting program.

Your record keeping system must be set up in a manner that will enable you to track contributions on a cumulative basis and identify amounts that are exempt as contributions.

10.3 Disclosing Political Contributions

10.3.1 What is Disclosure?

Disclosure refers to the act of releasing all relevant information about a contributor. For political contributions, disclosure means the provision of:

- a. the contributor's full name or business name;
- b. the contributor's full residential address or business address. (do not use a PO Box as an address unless that is the contributor's only address);
- c. the total amount of all contributions made during the reporting period;

- d. the type of contributor [individual (I), corporation (C), partnership (P), union or labour organization (U) or society (S)].

The Chief Electoral Officer is required by law to publish all candidate, EDA and recognized party disclosure statements by June 30th, following the year being reported.

10.3.2 What is the Difference Between Recording and Disclosing a Contribution?

All contributions must be recorded. All contributions over \$50 by a single contributor or cumulative contributions exceeding \$50 by a single contributor must be disclosed.

10.3.3 Who is Responsible for Disclosure?

As previously mentioned a contribution may only be accepted by one official agent. The official agent who accepts a contribution and deposits that contribution is responsible for disclosure. For example, a candidate receives a \$100 monetary contribution from an individual. The official agent of the candidate accepts the contribution and deposits the contribution to the contributions account. Since the amount of the contribution is over \$50, disclosure is mandatory. The official agent of the candidate is responsible for disclosure.

Consider another example in which the same contributor makes a contribution to the candidate's recognized party and requests that the party transfers the contribution to the candidate. In this case, the contributor must make the contribution to the official agent of the party. The party can then transfer the funds to the official agent of the candidate. The contribution is accepted by the official agent of the recognized party and deposited into the recognized party's contributions account. The official agent of the recognized party is responsible for disclosure. A transfer from a recognized party to a candidate does not constitute a contribution and therefore, does not result in an obligation to disclose. Transfers are discussed in detail in Chapter 12 of this handbook.

10.3.4 Are There Certain Forms I use for Reporting Disclosures?

Disclosures are reported on the schedules to Form 2 that begin with the letter "B". When combined, these schedules represent total disclosures required under the *MPEDA*. The schedule on which an item is disclosed is dependent upon the source or type of contribution.

The table below shows the four "B" schedules used for disclosing contributions and the type of contribution disclosed on each schedule.

Schedules to Form 2 for Reporting Disclosures

Schedule Number	Source of Contribution Disclosed
Schedule B-1	Monetary contributions
Schedule B-2	Contributions through fundraising
Schedule B-3	Donation in kind contributions
Schedule B-4	Contributions from loans

The official agent may consider incorporating draft copies of the "B" schedules to Form 2 into their record keeping system. By recording **ALL** contributions on the appropriate "B" schedules at the time the contribution is received the official agent will simplify the task of finalizing their disclosure reports.

A complete copy of Form 2, Candidate's Financial Statements and Supporting Schedules (which includes "B" schedules) is included in Appendix B to this handbook.

Helpful Hint
The disclosure schedules are also available in an Excel format at <http://www.electionsnovascotia.ns.ca>. An official agent may record their disclosures in an Excel format and file a copy of the Excel file with the Form 2 submission.

10.4 Types of Political Contributions

Political contributions will fall into one of four categories;

1. Monetary contributions.
2. Fundraising contributions.
3. Donation in kind contributions.
4. Loan contributions.

10.4.1 Monetary Contributions

Most campaigns will focus on monetary contributions. Monetary contributions may take the form of cash, cheques or other negotiable instruments (i.e. money orders, bank drafts, debit transactions). As discussed in Chapter 14 of this handbook, monetary contributions received between the time the candidate is officially nominated and the end of ordinary polling day qualify the contributor for a tax receipt. All monetary contributions must be deposited into the campaign account.

10.4.2 Fundraising Contributions

There are a number of steps that an official agent must follow in order to properly identify and value fundraising contributions. These steps are detailed in Chapter 11.

10.4.3 Donation in Kind Contributions

10.4.3.1 What is a Donation in Kind?

A donation in kind is the provision of goods, services or property for the benefit of a candidate, EDA, or recognized party. A donation in kind does not include personal services or the use of a vehicle volunteered by a person and not provided as part of that person's work or in the service of an employer. A donation in kind is a contribution and as with all contributions the individual or organization making the donation in kind must be eligible to contribute. In order to properly record and disclose a donation in kind, the item donated must be valued.

10.4.3.2 Valuing a Donation in Kind Contribution

Donations in kind are valued at fair market value. Fair market value is the amount something would sell for in an open market between a willing buyer and a willing seller, who are independent of each other. In most cases, the provider of the donation in kind should be able to provide you with documentation confirming the normal selling price (fair market value) of a donated item. For other items, such as items donated for a yard sale, you may need to estimate the fair market value. A donation in kind also results when an item is purchased at a discount where the same discount would not be available to individuals or organizations that purchased the same item in an open market.

The table below shows typical donations in kind and how they are valued.

Donation in Kind	Valuation
Goods, services or property provided for use or resale	Fair market value of the item provided
Goods, services or property provided at a discount	The difference between the discounted price and the fair market value
Goods, services or property provided directly to participants in a fundraising event	The fair market value of the goods, services or property provided to the participants
A volunteer who continues to be paid by their employer	The amount of compensation paid to the employee while they were a volunteer

10.4.3.3 Renouncing Remuneration

The *Elections Act* prohibits a person from renouncing remuneration for goods or services that would be considered election expenses. This means that an official agent cannot accept a donation in kind contribution, where if purchased the donated goods, services or property would be an election expense. This provision limits the campaign in terms of the type of donation in kind contribution they can accept.

Example 1: A landlord offers to provide the campaign with office space that the campaign can use as a headquarters. The landlord would normally rent the space for \$600 per month. Since rent expense related to the election period is an election expense the official agent could not accept the "free rent" offer.

Example 2: A community hall offers a campaign the use of the hall at no charge for an election night party. The community hall is normally rented for \$100 per night. Since the costs associated with the community hall is not an election expense, the official agent could accept the "free use" offer as a donation in kind provided the community hall meets the contributor eligibility requirements (i.e. registered as a society). The donation in kind contribution of \$100 would be disclosed by the official agent on Form 2, Schedule B-3.

Example 3: In Section 1.1.2, we used the example of a candidate holding a lobster supper as a fundraiser and determined that the cost per person was \$15. If an individual donated the lobster and that donation made up \$10 of the total cost per person, the individual would have made a donation in kind contribution of \$750 (75 participants at \$10 each). The official agent would disclose the donation in kind contribution on Form 2, Schedule B-3.

10.4.3.4 How Can an Indirect Donation in Kind Contribution Arise from a Fundraising Event?

An individual or organization may provide goods or services directly to participants in a fundraising event held by a candidate. For example, a local sporting goods store offers to provide each golfer in the candidate's golf tournament with three golf balls. The total retail price of all golf balls provided to tournament participants is a donation in kind to the candidate by the local sporting goods store.

10.4.3.5 Is There an Exemption for a Donation in Kind of Nominal Value?

Yes, an individual or organization can make a total of \$50 in donations in kind in a calendar year, which are exempt. The

official agent of a candidate must track all donations in kind contributions in order to identify an individual or organization that exceeds the exemption limit and is therefore, subject to disclosure.

10.4.3.6 Are Services Donated by an Individual a Donation in Kind Contribution?

Services produced by voluntary unpaid labour such as an individual providing voluntary labour during a campaign or doing canvassing on behalf of a candidate are not contributions. The use of a vehicle volunteered by a person and not provided as part of that person's work in the service of an employer is not a donation in kind contribution. However, if an individual works on a campaign and that individual is paid by their employer during the period they are working for the campaign, the individual's employer is deemed to have made a contribution equal to the amount of compensation paid to the individual. The contributor, in this case the employer, must meet the residency requirements described in Section 10.1.1.

Appendix E provides additional information that will help you understand how to record and disclose expenses or contributions that arise from the use of a vehicle by a volunteer, candidate or campaign.

10.4.3.7 How do I Record and Disclose Donation in Kind Contributions?

An official agent should set up their record keeping system to record all donations in kind contributions, keeping in mind that a donation in kind will not be triggered by a payment to a vendor in the manner that a normal purchase would. You must track donations in kind and be able to determine if an individual or organization exceeds the \$50 exemption. When you prepare your Form 2, Candidate's Financial Statements and Supporting Schedules you are required to provide disclosure information for donations in kind on Form 2, Schedule B-3. All donations in kind valued at more than \$50 require disclosure.

10.4.5 Loan Contributions

Under the *MPEDA* and the *PCDR* there are a number of rules related to loans. These include reporting requirements and circumstances where a loan can result in a political contribution. These concepts are detailed in Chapter 13.

10.4.5.1 How can a Contribution Arise From a Loan

There are three circumstances in which a loan can result in a political contribution;

1. A loan that is provided at a discounted rate of interest, that is a rate of interest less than the bank prime rate at the time the loan was made.
2. A loan that is repaid by a guarantor or an individual or organization other than the borrower.
3. A loan that is not repaid (default).

11. Fundraising Contributions

As discussed in Section 10.4.2 of Chapter 10 there are a number of steps that an official agent must follow in order to properly record, report and disclose contributions from fundraising events. A separate Table of Contents is provided as part of this chapter to assist the official agent in understanding these steps.

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11.1 Types of Fundraising Activities

Fundraising activities may result in contributions and the legal requirement to disclose those contributions. Common fundraising events include, but are not limited to:

11.1.1 Pass-the-hat

Most often used as a fundraising tool at political meetings and

gatherings. The hat is passed from person-to-person and they are requested to make a donation. The official agent must make all attendees aware that the maximum contribution that can be made is \$25.

11.1.2 Sale or Auctions

Funds can be raised through the sale or auction of goods or services. Often this is done in conjunction with a fundraising event such as a dinner or golf tournament. Items sold or auctioned may be purchased by the official agent or be a donation in kind contribution.

11.1.3 Fundraising Events

These are events that typically require the participants to purchase a ticket or pay a fee and include dinners, barbecues and golf tournaments. Fundraising events usually have a cost associated with running the event.

11.1.4 Lotteries and Raffles

Includes raffles, 50/50 draws and ticketed lotteries.

With the exception of a pass-the-hat fundraiser, the rules around other fundraising events are very complex. The official agent must understand the rules for valuing, recording and reporting contributions derived through fundraising events. In addition, only certain fundraising events qualify the participant for a tax receipt. The reported revenue and expenses of the event, along with the names of participants must be approved by the Chief Electoral Officer prior to the issuance of receipts. The candidate and official agent should carefully consider the inclusion of fundraising events in the

11.2 Determine if a Fundraising Activity Results in a Contribution

In order to determine if a contribution from a fundraising activity results in a contribution you must;

11.2.1 Determine the Value of the Contribution

11.2.1.1 For Sales and Auctions

For sales and auctions the value of the contribution is:

- a. if the item is purchased by the official agent of the candidate and then sold or auctioned, the contribution is the net profit. Net profit is the difference between the cost of the item and its selling price. If the item is sold for less than cost (negative net profit) there is no contribution;
- b. if the item is a donation in kind that is sold or auctioned the contribution is the difference between the selling price and the fair market value of the donated item. If the item is sold for less than the fair market value there is no contribution attributable to the individual or organization that purchased the item.

Goods, services or property provided to a campaign as a donation in kind and later sold or auctioned may result in two separate contributions. A contribution attributable to the individual or organization that made the donation in kind contribution and the individual or organization that purchased the goods, services or property.

11.2.1.2 For Fundraising Events

For fundraising events, the contribution is the ticket price or fee paid by the individual or organization, less the cost per person of running the event. To determine the cost per person, the official agent must keep track of all costs associated with the event and divide total costs by the number of participants.

Example: A campaign decides to hold a lobster supper and sell tickets. The ticket price is \$40. A total of 75 tickets are sold. The official agent keeps track of all the costs of running the event and determines that the total cost was \$1,125. The cost per person of \$15 is determined by dividing the total cost of \$1,125 by the number of participants (75). The contribution per person is \$25, the price per ticket of \$40 less the cost per person of \$15.

11.2.1.3 For Lotteries and Raffles

For lotteries and raffles the contribution is the cost of the ticket less the proportionate prize per ticket.

- a. for a 50/50 draw the proportionate prize for each ticket would be 50% of the ticket price, plus other costs, (lottery

license and cost actual of tickets) divided by the total number of tickets sold.

- b. for raffles and lotteries the official agent will need to total all costs associated with the lottery (all prize costs, ticket printing costs and advertising costs). The total cost must be divided by the number of tickets actually sold in order to determine the costs associated with each individual ticket.

11.3 Based on the Value Determine if the Amount is Exempt as a Contribution

11.3.1 What is an Exemption

Certain amounts derived from a fundraising event may be exempt as contributions. If the amount is exempt it:

- a. is not cumulative (with the exception of donation in kind contributions);
- b. does not require disclosure.

11.3.1.1 Exemption for Pass-the-Hat

As long as no person puts more than \$25 in the hat, amounts derived through pass-the-hat fundraising are exempt. It is incumbent upon the official agent to make people aware of the \$25 limit before the hat is passed.

Do not confuse a pass-the-hat fundraiser with an anonymous contribution. A pass-the-hat fundraiser is held in association with a political meeting and is supervised by the official agent. Amounts solicited by passing the hat at a campaign event and the provision of a donation jar in a campaign office are anonymous contributions and are illegal.

11.3.1.2 Exemption for Sales and Auctions

If the net profit as calculated in Section 11.2.1.1, derived from any individual or organization at any single event is less than \$50, the amount is exempt as a contribution.

Example: A campaign holds an auction at a campaign function. An individual purchases one item at the auction and the official agent determines that the net profit is \$20. That amount is exempt as a contribution. Another individual purchases multiple items at the same auction and the combined net profit associated with all items purchased totals \$75. The amount of net profit associated with the second individual exceeds \$50 and, therefore, is a contribution.

11.3.1.3 Exemption for Fundraising Events

If the net proceeds as calculated in Section 11.2.1.2 (ticket price less benefit) are less than \$50, the amount is exempt as a contribution.

Example: Continuing our lobster supper example, we determined that the proceeds associated with a single ticket were \$25 and, therefore, exempt as a contribution. However, consider the situation where an organization purchases three tickets for the supper. The proceeds associated with that purchase are \$75. Since the amount is in excess of the \$50 exemption, the organization has made a contribution.

There is a provision that allows an official agent to elect to make exempt amounts derived from a fundraising event contributions in order to issue tax receipts to the participants. This provision is detailed in Chapter 14 of this handbook.

11.3.1.4 Exemption for Lotteries and Raffles

If the ticket price, less the cost per ticket as calculated in section 11.2.1.3 is less than \$50, the amount is exempt as a contribution. Even though the proceeds derived from any one individual or organization from a 50/50 draw will be less than \$50, the official agent is still obligated to identify any individual who purchases a substantial quantity of tickets (in excess of \$100) and identify that individual or organization as a contributor. For other lottery or raffles, the official agent will need to determine the proceeds per ticket in accordance with section 11.2.1.3. In a situation where the proceeds associated with the purchase of a single ticket are less than \$50, the contribution is exempt. The official agent will need to identify as contributors individuals and organizations that

purchased multiple tickets with total proceeds exceeding \$50.

11.4 Determine if the Contribution Requires Disclosure

Since the threshold for exemption for sales or auctions and fundraising events is the same as the threshold for disclosure (\$50), determining if a contribution requires disclosure is relatively easy. As a general rule, if a contribution is not exempt it requires disclosure. The disclosures associated with fundraising events are recorded on Form 2, Schedule B-2.

11.5 Record the Event and Required Disclosure Information

For each fundraising event you must record the event on a summarized basis on Form 2, Schedule D. You are required to record:

- a. the date of the event
- b. the number of participants
- c. the total revenue from the event
- d. the total cost of the event
- e. the net profit (revenue less cost) of the event.

11.6 Issuing Tax Receipts to Participants in Fundraising Events

An official agent may be able to issue tax receipts to participants in a fundraising event (i.e. dinner, golf tournament). In order to issue tax receipts, the official agent must report the financial details of the event (revenue, expenses, calculation of benefit and list of participants) to the Chief Electoral Officer and request approval of the calculation of revenue and expenses. The request to the Chief Electoral Officer is made using Form 5, Statement of Fundraising Event Revenue and Expenses. The official agent should refer to Chapter 13 for detailed instructions on completing and submitting Form 5.

With the exception of approved fundraising events as described above, no other fundraising activity qualifies the contributor for a tax receipt. Under no circumstances may a tax receipt be issued for;

- a. pass the hat contributions;
- b. sales and auctions of goods, services or property;
- c. contributions from lotteries and raffles;
- d. donation in kind contributions.

12. Transfers

12.1 What is a Transfer?

A transfer is the movement of services, money or property among the related entities of a recognized party. A transfer is made without consideration provided by the entity receiving the transfer. This means the transferring entity does not receive anything of value in return for the transfer and there is no obligation on the part of the recipient to repay any portion of the amount or value of goods transferred. A transfer will be recorded by the official agent as either an expense or as income. Yet, it is neither an election expense nor a political contribution.

12.2 Allowable Transfers by a Candidate

For purposes of transfers a candidate's related entities are its party and its electoral district association.

A candidate may:

- i. give and receive transfers to or from its party; and
- ii. give and receive transfers to or from the district in which the candidate has been nominated.

A candidate is not permitted to:

- i. give or receive transfers to or from a candidate in another electoral district; or
- ii. give or receive transfers to or from another electoral district association.

The following table shows allowable transfers among a recognized party and the entities of that recognized party.

Allowable Transfers by a Candidate

Entity	Candidate	Party	EDA
Candidate	No	Yes	Only the candidate's EDA
Party	Yes	N/A	Yes
EDA	Only the candidate's EDA	Yes	No

12.3 Can an EDA or Party Transfer Goods or Services to a Candidate?

When an EDA or recognized party provides goods or services to a candidate's campaign those goods or services **must** be invoiced to the campaign. They are not transfers and must be treated as a purchase from any other supplier. They must be included by the candidate in determining compliance with the candidate's spending limit. To the degree they meet the definition of election expenses they may qualify for reimbursement.

12.4 Can a Transfer Result in the Need for Disclosure?

No, a transfer is the movement of funds among the entities of a recognized party. The transferred funds have already been recorded as contributions (and disclosed) or other types of revenue by the entity receiving the funds.

12.5 Am I Required to Record Transfers?

Yes, transfers must be recorded on Form 2, Schedules C-1 and C-2:

1. Schedule C-1 is used for reporting transfers received from your party or your electoral district association;
2. Schedule C-2 is used for recording transfers made to your party or your electoral district association.

The totals recorded on Schedules C-1 and C-2 are transferred to Form 2, Schedule A-2, Candidate's Statement of Income, Expense and Transfers.

- transfers given are recorded as expenses
- transfers received are recorded as income

12.6 Is the Disposal of Excess Funds a Transfer?

At the end of the campaign the official agent must close the campaign account (see Chapter 4.4) and pay excess funds in accordance with Section 192 of the *Elections Act* (see Chapter 16). In situations where the payment is made to an electoral district association or recognized party that payment is a transfer.

13. Loans

13.1 What are the Reporting Requirements for Loans?

The reporting requirements for loans are complex. Below is a summary of those requirements:

1. If a candidate borrows money there must be a loan agreement in writing. The agreement must set out the amount of the loan, the term of the loan, the interest rate associated with the loan, the name and address of the lender, and the name and address of any guarantor.

For purposes of loans there is no distinction between the candidate as an individual and the campaign. In most circumstances, financial institutions will only make loans to individuals. The loan requirements apply to loans that are made directly to candidates as individuals as well as loans that are made to the campaign.

2. The maximum term of a loan is two years. This term includes any renewal or refinancing.
3. The maximum loan term in 2 does not apply if the lender is a financial institution, the candidate's recognized party or the candidate's electoral district association.
4. Copies of all loan agreements must be included with Form 2, Schedule E, Candidate's Statement of Loans.
5. In subsequent years, where there is a balance outstanding on a loan, Form 2, Schedule E, Candidate's Statement of Loans, must be filed with the Chief Electoral Officer stating the outstanding balance and detailing any changes to the loan agreement.

A loan that remains outstanding after the official agent files all reports of election expenses, political contributions, tax receipts and disposal of excess contributions creates a reporting obligation that continues until such time as the loan is repaid. The official agent must understand this extended reporting.

13.2 Can a Candidate's Campaign Make a Loan?

A campaign is prohibited from making a loan. Under no circumstances can a campaign loan money to another candidate, campaign, electoral district association or recognized party.

13.3 Contributions Arising From Loans

There are circumstances where a loan may result in a political contribution. As discussed in Section 10.4.5.1 of Chapter 10, there are three circumstances where a loan can result in a political contribution.

13.3.1 Loan Interest Benefit

If a candidate borrows money at an interest rate less than the bank prime rate that was in place at the time the loan was made the difference between the interest rate of the loan and the bank prime rate results in a political contribution attributable to the lender. The bank prime rate is posted on the Elections Nova Scotia website.

Example: Mary Smith is a candidate in an election. In order to finance her campaign Mary's father, Tom, provides her with an interest free loan in the amount of \$4,000. At the time the loan was made the bank prime rate was 3.5%. Mary repays the loan in exactly six months after it was made. The calculation of the interest benefit is as follows;

Loan Details:

Amount of loan: \$4,000

Bank prime rate: 3.5%

Loan interest rate: 0%

Term: 6 months

Formula for calculating loan benefit:

Benefit = loan amount x (annual bank prime rate - rate of loan) x term of loan in months divided by 12

Therefore benefit = \$4,000 x (3.5% - 0%) x 6/12 = \$70.00

The details of the loan along with the calculation of the loan interest benefit is reported using Form 2, Schedule E, Candidate's Statement of Loans.

A loan interest benefit may also result in a disclosure requirement. The name, residential address and postal code of the contributor must be disclosed on Form 2, Schedule B-4 if the loan interest benefit exceeds \$50. In our example above, Tom would be disclosed as a contributor of \$70 on Form 2, Schedule B-4.

13.3.2 Repayment of a Loan by Another Person or Organization

If an individual or organization other than the borrower (i.e. the candidate) makes either a single payment on a loan or pays the loan in full that individual or organization has made a political contribution.

Example: We can use our previous example to demonstrate this concept. Consider the situation where after receiving her reimbursement of election expenses Mary could only repay half of the loan (\$2,000). Mary did not want to default on any portion of the loan from her father so she asked her sister Betty if she would repay the other \$2,000. Betty agreed and gave \$2,000 to her father. Betty has made a political contribution of \$2,000. The repayment of the loan by Betty would be disclosed on Form 2, Schedule B-4.

There are additional considerations that must be made when an individual or organization other than the borrower makes a payment on a loan. Since that payment is a political contribution, eligibility requirements and contribution limits apply. In our example, Betty must be eligible to make a political contribution (a Nova Scotia resident) and not have made political contributions to her (Mary's) campaign, Mary's recognized party, another candidate or EDA of that party in excess of \$3,000 in the calendar year.

13.3.3 Default

If a loan is not repaid within the time period stipulated in the loan agreement, the borrower has defaulted on the loan. The *MPEDA* states that if a loan payment is more than 6 months past due, then the loan is in default. Where a loan is in default the lender is deemed to have made a political contribution to the borrower. This provision does not apply to a loan made by a financial institution.

Example: Drawing on our initial example consider the situation where Mary did not have the funds to repay any of the loan from her father, nor would her sister help repay the loan. Mary defaults on the loan. As a result of the loan default Mary's father, Tom, is deemed to have made a political contribution in the amount of \$4,000.

In this example Mary's father, Tom, must be eligible to make a political contribution (a Nova Scotia resident) and not have made political contributions to his daughter's campaign, her recognized party or another candidate or EDA of that party in excess of \$1,000 in the calendar year.

13.4 Deemed Date of Contribution

A payment of a loan by an individual or organization other than the borrower or the default of a loan can result in a political contribution. Where the loan payment by a individual or organization, other than the borrower or the default occurs in a calendar year other than the year in which the loan was made, the resulting political contribution is deemed to be a contribution at the time the loan was made and treated as though the contribution was made on that date.

14. Tax Receipts

14.1 Deduction for Taxpayer

The *Income Tax Act* contains a provision allowing taxpayers to deduct from the amount of tax that they would otherwise be required to pay, an amount for political contributions. For 2007 and subsequent years, the amount of that deduction is the lesser of:

- a. 75% of the amount contributed to a maximum tax credit of \$750; or
- b. the amount of tax payable.

14.2 Who can Issue Tax Receipts?

Only the official agent of a candidate can issue tax receipts.

14.3 Where do I Get Tax Receipts?

You can get tax receipts from the returning officer in your electoral district. The returning officer can only issue tax receipts once the candidate is officially nominated. When the tax receipts are issued, you will be required to complete Part I of Form 602, Reconciliation of Tax Receipts. This form will detail the quantity and the serial numbers of the tax receipts issued. You will be required to complete Part II of Form 602, in full, when the period for issuing tax receipts has concluded.

14.4 When do I Complete Part II of Form 602, Reconciliation of Tax Receipts (Candidates)?

You have 30 days following ordinary polling day to issue tax receipts for contributions received up to the end of ordinary polling day. You must return the following to the returning officer in your electoral district within 30 days of ordinary polling day:

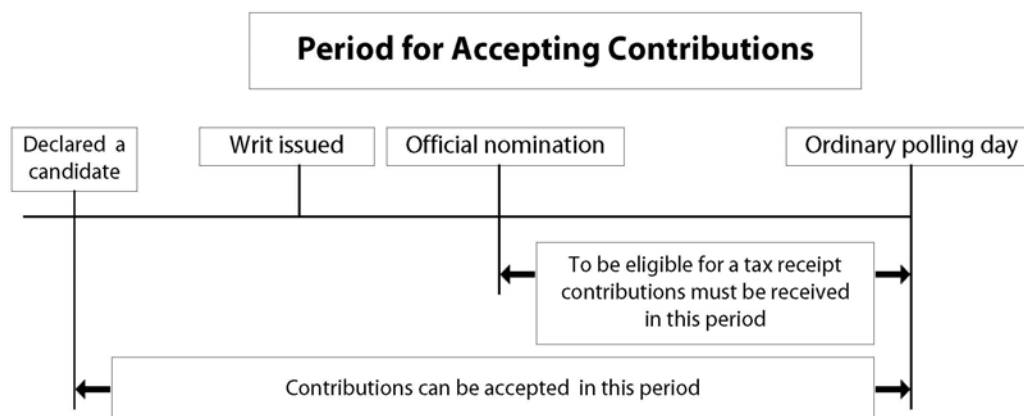
- a. the Chief Electoral Officer copy of the tax receipt for all issued receipts
- b. all unused receipts
- c. all void receipts (all 4 parts of the receipt)
- d. all spoiled receipts (all 4 parts)

The returning officer will complete Part II of Form 602, Reconciliation of Tax Receipts (Candidates). Upon completion and verification that all tax receipts issued have been accounted for the returning officer will take your oath to complete the affidavit section of Form 602.

14.5 When Must a Contribution be Made in Order to Qualify the Contributor for a Tax Receipt?

An official agent may only issue tax receipts for contributions received from:

- a. the time the candidate is officially nominated;
- b. to the end of ordinary polling day (a contribution that is sent by mail can be accepted by the official agent as long as it is postmarked no later than ordinary polling day).



Contributions received between the time an individual is declared a candidate by themselves or others to the time an individual is officially nominated do not qualify the contributor for a tax receipt.

14.6 What is the Period for Issuing Tax Receipts?

The official agent can issue receipts up to 30 days after ordinary polling day for contributions received by the end of ordinary polling day.

14.7 What Types of Contributions Qualify the Contributor for a Tax Receipt?

The types of contributions that qualify the contributor for a tax receipt are:

1. Monetary contributions.
2. Contributions from fund raising events that have been approved by the Chief Electoral Officer.

Any other type of contribution does not qualify the contributor for a tax receipt. Examples of types of contributions that do not qualify the contributor for a tax receipt are:

- a. contributions that are exempt
- b. pass-the-hat contributions
- c. sale or auction contributions
- d. donation in kind contributions
- e. contributions arising from loans.

14.8 How do I Request Approval to Issue Tax Receipts to Participants in a Fundraising Event?

In order to issue a tax receipt to a participant in a fundraising event you will need to complete Form 5, Statement of Fundraising Event Revenue and Expense. On this form you will detail the ticket price or fee paid by participants and all costs associated with the event. When you divide total costs by the total number of participants you will know the cost (benefit) per person. The contribution is the ticket price or fee paid, less the cost per participant. The completed form must be sent to the Chief Electoral Officer. Where the calculation of the fundraising revenue and expense is approved by the Chief Electoral Officer, you will be advised and may issue tax receipts in accordance with law.

Due to the short campaign time frame and the defined time period for issuing tax receipts you must complete and submit Form 5 to Elections Nova Scotia immediately following the event.

14.9 Issuing Tax Receipts for Amounts Exempt as Contributions

The *Political Contributions Disclosure Regulations* exempt from being contributions amounts (fee less benefit) under \$50 derived from a fundraising event. This exemption is detailed in 11.3.4. Since these amounts are exempt as contributions the amounts do not qualify the participants for a tax receipt (Since tax receipts may only be issued for contributions). If you want these participants to receive tax receipts you must elect on Form 5 to treat amounts under \$50 as contributions. You do this by checking the box on the second page of Form 5.

If you choose to elect, all amounts (fee less benefit) associated with the fundraising event are contributions and must be treated as contributions. This means the contributions are cumulative and must be added to other contributions by the same individuals or organizations for purposes of disclosure.

14.10 Completing an Income Tax Receipt

Complete all fields on the receipt including the date the contribution is received and the date the receipt is issued. Keep in mind that an official tax receipt can **ONLY** be issued to the individual or organization that made the contribution. It is illegal for an official agent to provide a tax receipt to an individual or organization that did not make a political contribution.

Example: a company makes a contribution and the owner (an individual) asks for an official tax receipt in his or her name. The official agent cannot make out the tax receipt to the individual since it was the company that made the contribution.


Additionally, a tax receipt should only be issued to one person. You may receive a contribution where a person and their spouse are both shown on the cheque. You will have to determine in which person's name the tax receipt should be issued. In this situation, you are permitted to issue two receipts that add up to the total of the contribution.

With the exception of contributions received from a partnership there is a direct relationship between disclosures and tax receipts. Elections Nova Scotia verifies that all tax receipts issued for more than \$50 can be matched to an individual or organization of the same name on the disclosure statement.

You must complete 2 dates on the tax receipt.

1. The date the contribution was received. This is the date on which the contributor made the contribution to the official agent. In the case of a fundraising event it is the date of the event. **Do not** record the date on which the contribution was deposited into the campaign account in this field unless the contribution was deposited on the same date it was received.
2. The date the tax receipt was issued. This is the date on which you wrote the tax receipt. It must fall between the date the candidate was officially nominated and 30 days after ordinary polling day.

Sample of Official Tax Receipt

Elections Act			<SERIAL NUMBER HERE>					
Receipt for a contribution to a candidate at an election of a member to serve in the Nova Scotia House of Assembly.			Official Receipt For Nova Scotia Income Tax Purposes					
Contribution to:			Date Contribution Received		Date Issued			
Print Name of Candidate			Day	Month	Year	Day	Month	Year
Ordinary Polling Day			Day	Month	Year			
Received From:						Amount Received		
Name						A dollar sign (\$) must be placed in the box immediately preceding the first number of the amount		
Residential or Business Street Address						Print Name of Official Agent		
Town/City		Province	Postal Code		Signature of Official Agent			
Contributor Copy - keep this receipt for income tax purposes						08/26/09 616 		

14.11 Distributing the Multiple Part Tax Receipt Form

The tax receipt is a multi-part form. The form is distributed as follows:

Part 1 (White): contributor copy

Part 2 (Yellow): Chief Electoral Officer copy (provide to returning officer)

Part 3 (Pink): recognized party copy (forward to your recognized party)

Part 4 (Green): official agent copy (keep for your records)

14.12 Spoiled or Cancelled Receipts

The official agent must account for all tax receipts issued. It is critical that you do not destroy any spoiled or cancelled receipts. If you have spoiled or voided a receipt it must be returned to the returning officer along with any unused receipts. For spoiled or voided tax receipts the official agent should:

- a. If the receipt has not been issued mark "cancelled" on the receipt and all copies.
- b. Submit to the returning officer when you complete your tax receipt reconciliation.
- c. Issue a new receipt.

14.13 Lost Tax Receipts

If a contributor loses a tax receipt and the official agent has not completed their tax receipt reconciliation, the official agent can issue a replacement

receipt. The official agent should:

- a. Note the serial number of the lost tax receipt on the copies of the receipt they have maintained.
- b. Issue the replacement receipt noting on the face of the replacement receipt “duplicate receipt replacing receipt # _____”.
- c. Return all copies of the lost receipt to the returning officer.

If the official agent no longer has any blank tax receipts or has already reconciled their tax receipts with the returning officer an application to the Chief Electoral Officer must be made. The application must contain:

- a. the official agent’s copy of the receipt.
- b. an explanation of the circumstances requiring replacement of the receipt.

Where the Chief Electoral Officer deems appropriate a replacement receipt will be provided to the official agent for issue to the contributor.

14.14 Reporting Contributions for Which Official Tax Receipts have been Issued

14.14.1 How do I Report Contributions for Which Official Tax Receipts have been Issued?

Use Form 604, Contributions Statement of Contributions for Which Official Tax Receipts have Been Issued. Form 604 requires that you segregate all issued tax receipts into one of four categories. These categories are:

1. Receipts issued for contributions less than \$50
2. Receipts issued for contributions of \$50 or more but less than \$250
3. Receipts issued for contributions of \$250 or more but less than \$1,000
4. Receipts issued for contributions of \$1,000 or more

For each category you must enter the number of receipts issued in that category and the total value of all receipts in the category.

14.14.2 Does Form 604 require an Audit?

Yes, you must provide a letter from your auditor expressing an audit opinion on Form 604.

14.14.3 When and Where do I File Form 604?

Form 604 must be filed directly with the Chief Electoral Officer at the same time you file your report of election expenses (Form 601) and contributions (Form 2). Make sure the form is accompanied by your auditor's report.

15. Completing Form 2

15.1 How do I Complete Form 2, Candidate's Financial Statements and Supporting Schedules

Form 2, Candidate's Financial Statements and Supporting Schedules, is the form that the official agent of a candidate uses to report contributions, disclosure information, transfers, loans and other financial information. The schedules to Form 2 have been previously referenced in various chapters of this handbook. A summary of the schedules that make up Form 2 is as follows:

Form 2: The **declaration** part of Form 2 must be signed by the official agent of the candidate and dated [11].

Form 2 includes the following schedules:

"A" Schedules: financial statements including balance sheet and income statement.

"B" Schedules: disclosure schedules for monetary contributions, fundraising contributions, donations in kind contributions and contributions from loans.

"C" Schedules: schedules for recording transfers both given and received.

"D" Schedules: schedule for reporting fundraising activities.

"E" Schedules: schedule for reporting loans.

If you have followed the advice provided in this handbook and recorded transactions, including required disclosure information, on a timely basis, completing the remainder of the forms will be a relatively straightforward exercise. Since the totals from a number of schedules are carried forward to lines on the financial statements ("A" schedules) it is recommended that you complete the forms in the order shown below in brackets [] beside each schedule. If the balance of the completed form is zero enter the number "0" or the word "NIL" on the form.

15.2 "A" Schedules

a. Schedule A-1 [10] Candidate's Statement of Assets, Liabilities and Surplus:

These are balances at the year end or the date you have established as a cut-off for reporting, including banks, investments, accounts payable, loans and your surplus or deficit. All lines on Schedule A-1 must be entered directly into the appropriate line on the schedule:

Line 100 Cash:

This is the balance of cash on hand at the time you complete Form 2. In

most cases this will equal the amount of your reconciled bank balance.

Line 110 Accounts receivable:

This is the balance of all amounts that are due to the campaign at the time you complete Form 2. Typical amounts that would be owed to a campaign at this point in time would be:

- a. the amount of election expense reimbursement that you are eligible to receive. See Line 335 below for additional information on how you calculate this amount.
- b. the amount that you expect to receive as reimbursement for audit expenses. Refer back to Section 3.2.8 of Chapter 3 for calculation of this amount.
- c. refund of the candidate's nomination deposit (your candidate must receive not less than 10% of the valid vote cast in order to be eligible for a refund of the nomination deposit).

Other accounts receivable in addition to those listed above are also included on Line 110.

Line 130 and Line 140 Other assets:

If at the time you complete Form 2 the campaign has assets other than cash or accounts receivable the amount should be entered on this line along with a description of the asset. An example of another asset would be the cost of a capital asset such as a computer purchased by the campaign that has not been recorded as either an election or non-election expense.

Line 200 Accounts payable:

Include amounts that are owed by the campaign at the time Form 2 is completed. Accounts payable would typically include;

- a. amounts shown as "unpaid and uncontested" on Form 601 Part III;
- b. amounts included on Line 400, Non-election expenses that have not been paid.

Line 210 Overdraft/line of credit:

Include on this line;

- a. the amount of any campaign bank account where the balance of that account is negative (i.e. overdraft);
- b. the balance outstanding on any line of credit if that balance has not been reported on Schedule E, Candidate's Statement of Loans.

A candidate may use a personal line of credit to pay for election expenses. The balance that is owing on any personal line of credit that was used to pay for election expenses must be reported. For reporting purposes there is no distinction between the campaign and the candidate as an individual.

Line 220 Other liabilities:

Most campaigns will not have liabilities other than accounts payable, bank overdraft or line of credit and outstanding loan balances. If you do have a liability that is not included in one of those categories the amount and a description of the liability must be included on Line 220.

Line 240 Loans payable:

This is the amount of any loan balance outstanding at the time you complete Form 2. It will equal the amount reported on Line 810 of Schedule E.

b. Schedule A-2 [9] Candidate's Statement of Income, Expense and Transfers:

The amounts you will enter on most lines on this schedule come from other schedules. The lines that are completed directly on Schedule A-2 are:

Line 335 Election expense reimbursement:

At the time you complete Form 2 you will not have received any eligible election expense reimbursement. **You will need to enter the amount of any reimbursement you expect to receive.** In order to determine the amount to enter you should:

- a. confirm that your candidate has received not less than 10% of the valid vote cast and is therefore eligible for reimbursement of election expenses;
- b. where your candidate is eligible enter the lesser of:
 - i. the maximum election expense reimbursement for candidates in your electoral district (see Elections Nova Scotia website); or
 - ii. actual election expenses incurred as shown on Line 410 of Schedule A-2.

Line 380 Other income:

You should include the amount you expect to receive for:

- a. the reimbursement of your audit expenses; and

- b. the return of your nomination deposit (your candidate must receive not less than 10% of the valid vote cast in order to be eligible for a refund of the nomination deposit)

With the exception of these two amounts most campaigns will not have other income. Most income will be classified as contributions or transfers.

If you do have a source of income that does not fit into one of those categories include the amount and a description of the income source on line 380.

Line 400 Non-election expenses:

Enter the total of all expenses incurred by the campaign that did not meet the definition of election expenses. Refer back to Chapters 7 and 8 if you need to confirm if an expense is an election expense or a non-election expense.

The total of lines 400 and 410 should equal all expenses incurred by the campaign up to the time Form 2 is completed.

Line 445 Other expenses:

Similar to the category of "other income" very few expenses would be reported on this line since the total expenses of the campaign have already been reported as either election or non-election expenses. Where this line is used provide the amount of the expense and a description of the expense.

15.3 "B" Schedules - Disclosure Statements (all "B" Schedules must be audited)

- a. **Schedule B-1 [6] Candidate's Annual Statement of Political Contributions Monetary Contributions:** Transfer the information from your working copy onto a final copy of Schedule B-1 following the rules set out for disclosure described in Chapter 10. Total contributions exceeding \$50 (from all "B" schedules) by a single contributor require full disclosure. Total all other contributions under \$50 and report as a lump sum on the first row of schedule B-1. Carry the total on Schedule B-1, line 500 to Schedule A-2, line 300.

- b. **Schedule B-2 [4]:** Candidate's Annual Statement of Political Contributions Fundraising Contributions. Transfer the information from your working copy on to a final copy of schedule B-2. The amounts you are disclosing are the contributions over \$50 (from all "B" schedules) that arose from fundraising events as summarized on Schedule D. Since total fundraising revenue and expenses reported on lines 330 and 435, (schedule A-2) originate from Schedule D, you do not have to carry the total from line 510 to any other schedule. If you did not hold fundraising events during the campaign report a -0- amount on this schedule.

- c. **Schedule B-3 [5]:** Candidate's Annual Statement of Political Contributions Donation in Kind Contributions. Record the disclosure information related to all donations in kind. Remember that a contributor is permitted to make exempt donations in kind of \$50 in a calendar year. The total from Schedule B-3, line 520 does not carry over to any other schedule. If you have correspondence from contributors declaring the fair market value of a donation in kind contribution you should attach it to this schedule to assist your auditor in confirmation of fair market value. If you did not receive donations in kind from any single contributor that exceed \$50 enter -0- on this schedule.

- d. **Schedule B-4 [2]:** Candidate's Annual Statement of Political Contributions Loan Contributions. If you have a loan with an interest benefit the amount of that benefit is recorded on Schedule E, line 820. Provide the necessary disclosure information related to the individual or organization that provided the loan and the amount of the interest benefit on Schedule B-4. If you have other loan related items requiring disclosure (default or payments by a person or organization other than the EDA) enter the disclosure information related to the person or organization making the contribution on Schedule B-4. If you did not borrow any money during the campaign enter -0- on this schedule.

15.4 "C" Schedules - Transfers

- a. **Schedule C-1 [7]:** Candidate's Statement of Transfers Received. This is the record of all transfers received from your party or your electoral district association. The totals from lines 600 and 610 are carried to Schedule A-2, lines 310 and 320.

- b. **Schedule C-2 [8]:** Candidate's Statement of Transfers Given. This is the record of all transfers given to your party or your electoral district association.

The totals from lines 630 and 640 are carried to Schedule A-2, lines 420 and 430.

15.5 "D" Schedule [3] - Candidate's Summary of Fundraising Functions:

This is a listing of all the fundraising events held by the campaign. You have already identified amounts from fundraising that require disclosure and recorded the disclosure information on Schedule B-2. If you received a donation in kind which was used for a fundraising event it must be disclosed on schedule B-3 (if required). The total fundraising revenue on line 770 must be recorded on Schedule A-2, line 330. Your total fundraising expense from line 780 must be recorded on Schedule A-2, line 435. Do not include the fair market value of a donation in kind as a fundraising expense on Schedule D.

15.6 "E" Schedule [1] - Candidate's Statement of Loans: This statement shows the details of loans and the calculation of any interest benefit (loan related disclosures are recorded on Schedule B-4). If you have difficulty completing this statement you should consult with your auditor. Any loan balance payable from line 810 is carried over to Schedule A-1, line 240. Be sure to attach copies of all loan agreements to the schedule.

16. Disposal of Excess Contributions

16.1 What is Disposal of Excess Contributions?

A campaign account cannot be left open between elections. Disposal of excess contributions is the term that refers to the final transfer of a campaign surplus. This would be the final campaign account transaction. After excess funds are disposed (transferred) the campaign account must be closed.

16.2 To Whom do I Transfer Excess Contributions?

1. Where the political affiliation of the candidate is shown on the ballot paper as a recognized party the excess contributions are transferred to:
 - a. the candidate's electoral district association; or
 - b. in the case that no electoral district association has been established, the candidate's recognized party.
2. Where the candidate is an independent candidate (not affiliated with a recognized party) excess contributions must be conveyed to the Minister of Finance. A cheque or money order may be sent to the Chief Electoral Officer, who will in turn forward the funds to the Minister of Finance.

16.3 Is there a Deadline for Transferring Excess Contributions?

Yes, there is a deadline for disposing of excess contributions.

1. Where the candidate was not eligible to receive reimbursement of election expenses the disposal must be made within two months of the filing of election expenses.
2. Where the candidate is eligible for reimbursement of election expenses the disposal must be made within one month of receiving their final election expense reimbursement.

16.4 Is there a Form for Reporting Disposal of Excess Contributions?

The disposal of excess contributions is reported on Form 608, Notification by Official Agent of Disposal of Excess Contributions. Elections Nova Scotia will send a copy of Form 608 to each official agent when;

1. An election expense report is filed and no election expense reimbursement is due to the candidate; or
2. The final payment of election expense reimbursement is made.

Form 608 is included in Appendix A.

Additional resources

Forms and handbooks as well as links to the *Elections Act*, the *Members and Public Employees Disclosure Act*, the *Political Contributions Disclosure Regulations* or the *Income Tax Act* are available on the Elections Nova Scotia website at:

www.electionsnovascotia.ns.ca

To request documents or to make general enquiries, please contact:

Elections Nova Scotia

7037 Mumford Road, Suite 6

P.O. Box 2246

Halifax, Nova Scotia

B3J 3C8

Telephone and Fax

Business: 902.424.8584

Toll Free 1.800.565.1504

Fax: 902.424.6622

E-mail: elections@gov.ns.ca

Website: www.electionsnovascotia.ns.ca

Appendix A

Forms for reporting election expenses and tax receipts prescribed under the *Elections Act*.

Form 601, Report of Candidate's Election Expenses

- Part I - Affidavit of Official Agent
- Part II - Summary of Candidate's Election Expenses
- Part III - Record of Candidate's Election Expenses

Form is mandatory and must be audited

Form 615, Unpaid Contested Claims

Form must accompany Form 601 if candidate has claims that are contested

Form 604, Candidate's Statement of Contributions for Which Official Tax Receipts Issued

Form is mandatory and must be audited

Form 608, Notification by Official Agent of Disposal of Excess Contributions

Form is mandatory

**Part I
Report of Candidate's Election Expenses**

Ordinary Polling Day: _____

Name of Candidate: _____

Electoral District: _____

Official Agent: _____

This report consists of three parts:

- Part I - Affidavit of Official Agent
- Part II - Summary of Candidate's Election Expenses
- Part III - Record of Candidate's Election Expenses

**Part I
Affidavit of Official Agent**

I, _____, of _____
swear (or solemnly affirm)

1. I am the Official Agent for _____,
(name of candidate)
who was a candidate in the election held on the _____ day of _____, _____.
2. This Report of Candidate's Election Expenses (Parts I, II, and III) was prepared by me, complies with the *Elections Act* and all statements and figures therein are true and accurate.
3. This report includes all payments for election expenses as defined in the *Elections Act*, made with my knowledge and consent.

Sworn at _____
in the County of _____
this _____ day of _____, _____ .
before me.

A Commissioner of the Supreme Court
of Nova Scotia
(See S. 196 of the *Elections Act*)

Signature of Official Agent



Part II Summary of Candidate's Election Expenses

Candidate: _____

Official Agent: _____

Electoral District: _____

1. Headquarter Expenses	\$	_____
2. Worker Remuneration	\$	_____
3. Publicity / Advertising	\$	_____
4. Travel	\$	_____
5. Campaign Functions	\$	_____
6. Other	\$	_____
7. Personal Expenses of Candidate	\$	_____
Subtotal	\$	_____
8. Disputed Claims:		

_____	\$	_____
Total	\$	=====

Number of Electors on the Official List _____

Maximum Election Expenses Permitted \$ _____

Signature of Official Agent

Unpaid Contested Claims

This form is to be attached to the Report of Candidate's Election Expenses or the Report of Recognized Party's Election Expenses of Official Agent pursuant to S.187 (1) of the *Elections Act*.

Claimant	Particulars	Amount Claimed	Amount Agreed
	Total		



Candidate's Statement of Contributions for Which Official Tax Receipts Issued

Name of Candidate: _____

Reporting Period: January 1st to _____, _____, _____ .
 (Month) (Day) (Year)
 (ordinary polling day)

Number of Tax Receipts Issued for Political Contributions:

	Total Number	Total Amount
\$50 or less		\$
Over \$50 but not exceeding \$250		\$
Over \$250 but not exceeding \$1,000		\$
Over \$1,000		\$
Totals		\$

Declaration

I the undersigned Official Agent, hereby file with the Chief Electoral Officer a completed Form 604, *Candidate's Statement of Contributions for Which Official Tax Receipts Issued*, along with an Auditor's Report from a qualified auditor.

I declare that to the best of my knowledge and belief the information contained herein is complete, true and correct and in compliance with the *Elections Act*, the *Members and Public Employees Disclosure Act*, the *Political Contributions Disclosure Regulations* and the *Income Tax Act*.

Dated at _____, in the _____ of _____,
 this _____ day of _____, _____.

 Signature of Official Agent



Notification by Official Agent of Disposal of Excess Contributions

This Form is to be filed

Within one month after final payment is received election expense reimbursement
or

Within two months after filing the Form 601, Report of Candidate's Election Expenses if not entitled to any reimbursement

Candidate:	
Electoral District of:	
Representing:	or <input type="checkbox"/> Independent

(Name of Recognized Party)

A) Total amount in contributions for which tax receipts are issued:
 (total from Form ENS-02-604) _____ **(A)**

B) Amounts spent for:

- a) _____ deposit **(if not reimbursed)**.
- b) _____ election expenses.
- c) _____ auditor's fee in excess of reimbursement amount.
- d) _____ costs with respect to a recount.

_____ **(B)**

C) Excess Contributions (A - B = C) _____ **(C)**

Excess contributions returned to:

To: _____
(Name of the electoral district association for the candidate representing a recognized political party or Recognized party if no electoral district association established).

OR

Minister of Finance (independent candidate).

No excess contributions.

Dated at _____, this ____ day of _____, _____

 Signature of Official Agent

Appendix B

Forms for providing candidate information, reporting financial transactions, including disclosure of contributions and fundraising events made under the *Political Contributions Disclosure Regulations*.

Form 1, Candidate Information

Form is mandatory

Form 2, Candidate's Financial Statements and Supporting Schedules

Form is mandatory and "B" schedules must be audited

Form 5, Statement of Fundraising Event Revenue and Expenses

Form is optional, however must be filed with and approved by the Chief Electoral Officer in order for the official agent to issue tax receipts to participants in a fundraising event.

Members and Public Employees Disclosure Act
Reporting Period: January 1st to December 31st, _____ .

Note: This Form must be filed by a candidate in order to accept political contributions. A candidate officially nominated must appoint an auditor. All other candidates must appoint an auditor if total contributions are more than \$5,000.00 for the reporting period.

Full name of candidate: _____

Electoral district: _____

Party affiliation (if any): _____

Candidate:

<i>Name</i>	<i>Mailing Address</i>	<i>Telephone #</i>

Official Agent:

<i>Name</i>	<i>Mailing Address</i>	<i>Telephone #</i>

Auditor:

<i>Name</i>	<i>Mailing Address</i>	<i>Telephone #</i>

Financial Institution to be used as a depository for contributions:

<i>Institution and Branch Location:</i>	
<i>Mailing Address:</i>	
<i>Account Number</i>	

I confirm the information contained in this form for the purpose of Part II of the *Members and Public Employees Disclosure Act* and the *Political Contributions Disclosure Regulations*.

Dated at _____, Nova Scotia this _____ day

of _____, _____ .

Signature of Candidate

Members and Public Employees Disclosure Act

 Reporting Period From _____ to _____ (non-election year)

OR

 Reporting Period January 1st to _____, _____ (election year)

Note: If you were a candidate officially nominated in an election, this statement must be audited, otherwise this statement must be audited if the value of disclosed contributions exceeds \$5,000.00

Full name of candidate: _____

Electoral district of: _____

Party affiliation (if any): _____

Official Agent:

<i>Name</i>	<i>Mailing Address</i>	<i>Telephone #</i>

Auditor:

<i>Name</i>	<i>Mailing Address</i>	<i>Telephone #</i>

Declaration

I, the undersigned Official Agent, hereby file with the designated person a completed Form 2, *Candidate's Financial Statements and Supporting Schedules*, along with an Auditor's Report from an independent public accountant.

I declare that to the best of my knowledge and belief that the information contained in the form is complete, true and correct and in compliance with the *Members and Public Employees Disclosure Act* and the *Political Contributions Disclosure Regulations*.

Dated at _____, Nova Scotia this _____ day
of _____.

Signature of Official Agent



Form 2: Schedule A-1
Candidate's Statement of Assets, Liabilities and Surplus

Candidate name: _____

Recognized party: _____

Assets:

100 Cash \$ _____

110 Accounts receivable _____

Other assets (provide details)

130 _____

140 _____

190 **Total assets** (total lines 100 to 140) \$ _____

Liabilities:

200 Accounts payable \$ _____

210 Overdraft/line of credit _____

Other liabilities (provide details)

220 _____

240 Loans payable _____ ← from schedule E line 810

260 **Total liabilities** (total lines 200 to 240) \$ _____

Surplus/(deficit)

275 Surplus/(deficit) _____ ↕ from schedule A-2 line 490

290 **Total liabilities and surplus:** (add line 260 and line 275) \$ _____



Form 2: Schedule A-2
Candidate's Statement of Income, Expense and Transfers

Candidate name: _____

Recognized party: _____

Income and transfers:

300	Contributions	\$ _____	↔	from schedule B-1 line 500
310	Transfers from recognized party	_____	↔	from schedule C-1 line 600
320	Transfers from electoral district association	_____	↔	from schedule C-1 line 610
330	Fundraising revenue	_____	↔	from schedule D line 770
335	Election expense reimbursement	_____		
	Other income (provide details)			
380	_____	_____		
390	Total income and transfers (total lines 300 to 380)		\$	_____

Expenses and transfers:

400	Non-election	\$ _____		
410	Election expenses	_____	↔	from form 601 Part III
420	Transfers to recognized party	_____	↔	from schedule C-2 line 630
430	Transfers to electoral district association	_____	↔	from schedule C-2 line 640
435	Fundraising expense	_____	↔	from schedule D line 780
	Other expenses (provide details)			
445	_____	_____		
460	Total expenses and transfers (total lines 400 to 445)		\$	_____

490 **Total surplus/(deficit)** (line 390 minus line 460) \$ _____
to Sch. A-1 Line 275



Form 2: Schedule B-1
 Candidate's Annual Statement of Political Contributions
 Monetary Contributions

Candidate name: _____

Recognized party: _____

All fields must be completed for each contribution

Last name of individual or full business name	First name	Type	Nova Scotia civic address	Community	Postal code	Amount	
Total of all monetary contributions under \$ 50.00 not individually disclosed						\$	
Type of contributor (I) Individual (C) Corporation (P) Partnership (U) Union (S) Society					Line 500	Total	\$
carry total to schedule A-2 line 300							



Form 2: Schedule B-2
 Candidate's Annual Statement of Political Contributions
 Fundraising Contributions

Candidate name: _____

Recognized party: _____

All fields must be completed for each contribution

Last name of individual or full business name	First name	Type	Nova Scotia civic address	Community	Postal code	Amount
Type of contributor (I) Individual (C) Corporation (P) Partnership (U) Union (S) Society						Line 510 Total \$



Form 2: Schedule B-3
 Candidate's Annual Statement of Political Contributions
 Donation in Kind Contributions

Candidate name: _____

Recognized party: _____

All fields must be completed for each contribution

Last name of individual or full business name	First name	Type	Nova Scotia civic address	Community	Postal code	Amount	
						\$	
Line 520						Total	\$

- Type of contributor
- (I) Individual
 - (C) Corporation
 - (P) Partnership
 - (U) Union
 - (S) Society



Form 2: Schedule B-4
Candidate's Annual Statement of Political Contributions
Loan Contributions

Candidate name: _____

Recognized party: _____

All fields must be completed for each contribution

Last name of individual or full business name	First name	Nova Scotia civic address	Community	Postal code	Amount	
					\$	
				Line 530	Total	\$



Form 2: Schedule C-1
Candidate's Statement of Transfers Received

Candidate name: _____

Recognized party: _____

Date of transfer	Name of transferring entity	Amount transferred from recognized party	Amount transferred from electoral district association
		\$	\$
Totals		\$	\$
		Line 600	Line 610
		to Sch. A-2 Line 310	to Sch. A-2 Line 320



Form 2: Schedule C-2
Candidate's Statement of Transfers Given

Candidate name: _____

Recognized party: _____

Date of transfer	Name of transferring entity	Amount transferred to recognized party	Amount transferred to electoral district association
		\$	\$
Totals		\$	\$
		Line 630	Line 640
		to Sch. A-2 Line 420	to Sch. A-2 Line 430



Form 2: Schedule D
Candidate's Summary of Fundraising Functions

Candidate name: _____

Recognized party: _____

Date of function	Description of function	Number of attendees	Gross revenue	Expense	Net revenue
			\$	\$	\$
Totals			\$	\$	\$
			Line 770	Line 780	Line 790
			to Sch. A-2 Line 330	to Sch. A-2 Line 435	



Form 2: Schedule E
Candidate's Statement of Loans

Candidate name: _____

Recognized party: _____

Part A - Loans Payable

						Calculation of interest benefit			
						A	B	C	
Date of loan	Full name and mailing address of lender/guarantor	Original amount of loan	Loan balance outstanding	Loan interest rate	Bank prime interest	Interest amount at bank	Actual interest at loan	Interest benefit (contribution)	
Totals			\$					\$	
			Line 810	←				→	Line 820

carry total of line 810 to sch A-1 line 240
Disclose loan interest benefit or loan deemed to be contribution on Sch. B-4

Name of filing entity: _____

Date of fundraising event: _____

Description of fundraising event: _____

Name of electoral district association (if statement is being filed by a recognized party on behalf of an electoral district association):

Revenue:

Description	Number of tickets	Ticket class	Ticket price	Revenue
			\$	\$
Total			Total	\$

Expenses:

Payee name and description of purchase	Amount
	\$
Attach receipts for all expenses	Total
	\$

Calculation of tax receipt amounts

Total benefit received per class of ticket			\$
Complete separate row for each ticket class	Fee per ticket class	Benefit	Amount of tax receipt
	\$	\$	\$

List participants

Last name of individual or full business name	First name	Type	Nova Scotia civic address	Community	Postal code	Amount
						\$
Type of contributor	(I) Individual (C) Corporation (U) Union (S) Society				Total	\$

By checking the box, I have elected to record as contributions, amounts where the fee paid by a participant less the benefit received by the participant is less than \$50.00 in accordance with Section 22(3) of the *Political Contributions Disclosure Regulations*.

Declaration

I, the undersigned Official Agent, hereby file with the designated person a completed Form 5, Statement of Fundraising Event Revenue and Expenses.

I declare to the best of my knowledge and belief that the information contained in this Form is complete, true and correct and if the calculation contained herein is approved.

Dated at _____, Nova Scotia, this _____ day
 of _____, _____.

 Official Agent

Office of the Chief Electoral Officer	
Approved:	_____
Date	Chief Electoral Officer
Upon approval of the calculation of revenue and expenses contained in this Form tax receipts may be issued in accordance with law.	

Appendix C

Forms prescribed under the *Elections Act* for oaths and appointments by the official agent

Form 315, Oath of Secrecy of Official Agent

Form 316, Appointment of Agent at Large to Represent Candidate at Polls

Form 520, Appointment of Poll Agent

**OATH OF SECRECY OF
OFFICIAL AGENT**

I, the undersigned, appointed as Official Agent for candidate
_____ swear (or solemnly affirm) that I will keep secret
the names of the candidates for whom an elector at any polling station in the electoral
district marks his/her ballot in my presence.

Sworn (or affirmed) at _____ ,
in the County of _____ ,
this _____ day of _____ , _____ ,
before me,

Returning Officer for the Electoral District of

Official Agent

APPOINTMENT OF AGENT AT LARGE TO REPRESENT CANDIDATE AT POLLS

I, the undersigned, a candidate officially nominated for the Electoral District of _____, appoint the following person to represent me during the pending election at all the polling stations in the Electoral District in the manner provided by the *Elections Act*.

_____ of _____
(full name of Agent at Large) _____
(his/her address)

Dated at _____, this _____ day of _____.

Candidate for the Electoral District of _____

OATH OF SECRECY OF AGENT AT LARGE

I, the undersigned, swear (or solemnly affirm) that I will keep secret the names of the candidates for whom an elector at any polling station in the electoral district marks his/her ballot paper in my presence.

Sworn (or affirmed) at _____,
in the County of _____,
this _____ day of _____,
before me,

A Commissioner, etc.
(See the *Elections Act*, Section 196)

Agent at Large

APPOINTMENT OF POLL AGENT

I, the undersigned, a candidate officially nominated for the undermentioned electoral district, (or his/her official agent), appoint the following person as my (his/her) agent:

Name:

Address:

with authority to represent me (him/her) in the manner provided by the *Elections Act* at
polling station numbers _____ ,
or at the revision station located at _____

Dated at _____ , this _____ day of _____ , _____ .

Candidate (or his/her Official Agent) for the Electoral District of

Appendix D

Establishing and Maintaining a Petty Cash Fund

1. Funding your petty cash

- a. designate a person to be the petty cash custodian. Make sure you have authorized this person to incur election expenses.
- b. write a cheque on your campaign account to the petty cash custodian for \$100 (assuming you wanted to create a petty cash fund of \$100)
- c. record on your cheque stub "Establish petty cash fund"
- d. the funding of the petty cash fund is not an expense

2. Making disbursements from the petty cash fund

- a. before making disbursements you will need a petty cash voucher. This is a form on which the petty cash expense and amount is noted and the person receiving the disbursement can sign to acknowledge receipt of reimbursement. This form can be produced by you or be purchased. A sample of a petty cash voucher is below.

No. _____	
DATE _____	
DESCRIPTION DES DÉPENSES DESCRIPTION OF EXPENSE	MONTANT AMOUNT
TAXE TAX	
MONTANT TOTAL TOTAL AMOUNT	\$
FACTURER À CHARGE TO _____	
RECU PAR RECEIVED BY _____	
APPROUVE PAR APPROVED BY _____	
BON DE PETITE CAISSE PETTY CASH VOUCHER	

- b. when an individual presents a receipt to the custodian for reimbursement the petty cash voucher should be completed, signed and the disbursement made. The custodian should also categorize the expense using one of the expense categories contained on Form 601, Part III.

- c. attach the receipt to the voucher and keep with the fund.
- d. continue to make disbursements in this manner. At any point in time the amount of cash plus the amount recorded on vouchers should add up to the total amount funded in part 1, in this case \$100.00
- e. when the amount of petty cash gets low you will need to replenish the petty cash fund.

3. Replenishing the petty cash fund

- a. add up the vouchers in the petty cash fund and write a cheque to the custodian for that amount. The remaining cash in the fund and the cheque should add up to the amount that was initially funded (i.e. \$100)
- b. on your cheque stub record "petty cash replenishment".
- c. record the cheque/expenses on Form 601 Part III (assuming all expenses are election expenses).
- d. Put all the vouchers in an envelope and treat as you would any other single receipt or voucher.
- e. Mark the consecutive document number on the envelope in order to reference the petty cash receipts to the line on Part III.
- f. continue to replenish in this manner.

4. Closing the petty cash fund

- a. to close the petty cash fund you will repeat step 3 a, however, you will not prepare a replenishment cheque
- b. take the remaining cash in the fund and deposit it to your campaign account. Mark on the deposit slip "Close petty cash fund".
- c. record the receipts from part 4 a above on Form 601 Part III.
- d. this final expense claim plus the amount that was deposited back into your campaign account will equal the amount that was initially put in to fund the petty cash.
- e. neither the initial funding amount (\$100) nor the remaining amount that was deposited back into the campaign account are recorded as expenses.

Appendix E

Use of Automobiles in a Campaign

- 1. A vehicle is provided free of charge to a candidate's campaign by an individual:**
 - A donation in kind contribution must be recorded by the official agent. The basis for valuation is fair market value. Fair market value is the amount that it would normally cost to rent the same vehicle (i.e. the number of days of vehicle use multiplied by the daily rental rate)
 - Operating costs paid by the provider of the vehicle must be reported as a donation in kind contribution
 - No tax receipt can be issued for donation in kind contributions
 - A candidate cannot claim operating costs as an election expense
 - Fuel costs paid by the candidate would be a non-election expense.

- 2. A vehicle is rented by a candidate's campaign for use by campaign staff:**
 - If the vehicle is rented from a rental company the amount spent on rent would be recorded as an election expense and is eligible for reimbursement
 - If the vehicle is rented from an individual the rent paid must equal fair market value. Remuneration for election expenses cannot be renounced, meaning the vehicle cannot be provided as a donation in kind or provided at a discount. The amount paid would also be recorded as an election expense and is eligible for reimbursement
 - Any money spent by the campaign for operating costs would be an election expense and is eligible for reimbursement.

- 3. A volunteer uses his or her own vehicle in a candidate's campaign**
 - Neither the use of the vehicle nor operating expenses are valued. It is not recorded as either a donation in kind or an election expense. Since this is the use of personal property by a volunteer the vehicle is considered as part of the service provided by a volunteer
 - If the vehicle is volunteered as part of that individual's service to their employer a donation in kind contribution must be recorded by the official agent for the fair market value and the operating costs. In this case the contributor is the individual's employer.