



Elections BC

Electoral Finance Newsletter

Welcome to the pre-election edition of our Electoral Finance Newsletter. In this newsletter we will cover several topics which will be of interest to financial agents as we get closer to the upcoming election. The next provincial general election will be held on May 17, 2005. At the same time as the election, there will be a referendum on electoral reform.

**THIS
ELECTION,
VOTE
TWICE.**

Therefore, this election, you get to vote twice – once for your MLA and once on the process.

Volunteers Working on Campaigns

A major change in the electoral finance rules since the 2001 General Election is the change to the rules around volunteers. The definition of a volunteer under the *Election Act* has changed so that volunteers can now receive no compensation, directly or indirectly, in relation to their services or the time spent providing the services. This means that people whose employers continue to pay them while they are working on an election campaign are not volunteers. Since they are not volunteers, the value of their services would be a political contribution and, if provided during the campaign period (April 19, 2005 to 8:00 p.m., Pacific time, May 17, 2005), an election expense.

If you have any questions or concerns about volunteers, call Elections BC at **1-800-661-8683** and we'll be pleased to help you.



Charitable Organizations Cannot Make Political Contributions

Another change since the last general election is that charitable organizations are now prohibited from making any political contributions. This

applies whether or not the organization is a registered charity for income tax purposes. A charitable organization includes any organization whose objectives are the relief of poverty, advancement of education or religion, protection of health, governmental or municipal purposes, and other purposes beneficial to the community. It's a very broad definition so you may want to ask the organization if they would consider themselves to fit this definition.



Advertising Before the Election Starts

Since the May election will be the first election with a fixed election date, we have been getting many questions that were not as relevant for past elections.

One of the more frequent questions we are getting is,

“Can we do advertising now, before the election is actually called?”

The answer is yes.

Although the election will not be actually “called” until April 19, and that is when the official campaign period starts, advertising related to the election can happen at any time.

If advertising that promotes or opposes a candidate or a political party is conducted before April 19, it is not “election advertising” as defined by the *Election Act*. The costs still need to be reported by the candidate, registered political party or registered constituency association in their financing reports but the expenses are not subject to the election expenses limit.





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Remember, though, that after April 19 all advertising by a candidate, registered constituency association or registered political party, that promotes or opposes, directly or indirectly, a candidate or registered political party, is election advertising, is subject to the election expenses limit and must include the financial agent's authorization statement.

You can find out more information about election advertising in our Guide for Financial Agents.

Campaign Bank Accounts

Remember that every candidate must have a separate bank account and that all monies received on behalf of the candidate must be deposited into the account and all expenses incurred must be paid out of the account. Candidates cannot share bank accounts with other candidates, political parties or constituency associations.

Candidate bank accounts can be opened now, even before the candidate files any nomination papers with Elections BC.



Candidates can accept transfers now from their registered political parties and registered constituency associations and can accept political contributions.

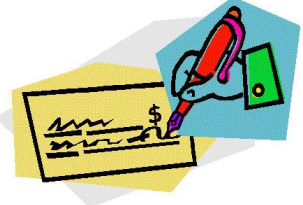
Remember that income tax receipts cannot be issued for political contributions to candidates who have not completed the nomination process with Elections BC.

Income Tax Receipts for Contributions to Candidates

And talking about income tax receipts, remember that tax receipts for political contributions to candidates can only be issued for political

contributions of money received after the candidate has their Certificate of Candidacy from Elections BC.

Those certificates are only issued after the writ of the election is issued, i.e., after April 19, 2005. Tax receiptable political contributions to candidates can be made until the writ is returned on June 8, 2005.



To summarize, for candidates, only political contributions of money made in the period between when the candidate gets their certificate and June 8, 2005 can be tax receipted. Although it is okay for candidates to accept political contributions now, those political contributions must be reported in the candidate's election financing report and they can never be tax receipted.

Constituency Associations & Election Expenses

An election expense is the value of property or services used during the campaign period to promote or oppose, directly or indirectly, a candidate or a registered political party.

Unregistered political parties and unregistered constituency associations cannot make political contributions or transfer any money, goods or services to another political party, constituency association or a candidate. They cannot incur any election expenses.

Registered constituency associations, however, can transfer money, goods or services to a candidate at any time. Even now, before the election is actually called.

Registered constituency associations can also incur election expenses, but only for a limited time period. They can only incur election expenses on behalf of their nominated candidate

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in the period between when the election is called (April 19) and when their candidate gets their Certificate of Candidacy. Such expenses must be reported by the candidate in their election financing report as an election expense and a transfer received from the registered constituency association. The constituency association would report it as a transfer given to the candidate.

After a candidate gets their certificate, a registered constituency association can no longer incur or pay election expenses of the candidate. If a registered constituency association wants to pay for something on behalf of a candidate, they must transfer the money to the candidate's financial agent, who will deposit it in the campaign bank account. Again, the candidate would report a transfer received and the constituency association would report a transfer given.

As registered constituency associations can only incur election expenses on behalf of their candidate, and since the costs incurred in holding a fundraising function during the campaign period are an election expense, registered constituency associations cannot hold fundraising functions between when the election is called and 8:00 p.m. on General Voting Day (April 19 – May 17, 2005).

Confused? We hope not, but if you need more information give us a call!

Referendum Advertising

The Referendum on Electoral Reform will happen at the same time as the 2005 General Election. There are rules that must be followed by anyone who conducts referendum advertising.

Referendum advertising is, "advertising used during the referendum campaign period to promote or oppose, directly or indirectly, a specific response in voting in the referendum."

The referendum campaign period started on March 1 and continues until 8:00 p.m., Pacific time, on May 17, 2005.

Anyone who sponsors referendum advertising must register as a referendum advertising sponsor with Elections BC. This includes candidates, political parties and constituency associations. All referendum advertising must include an authorization statement of the sponsor and a B.C. phone number or mailing address.

Referendum advertising sponsors must file financial disclosure reports by August 15, 2005.



The rules are similar to those regarding election advertising and more details are available in the Guide to Referendum Advertising available on our Web site at www.elections.bc.ca.

Registration forms for referendum advertising are also on the Web site.

Reporting Deadlines

Don't forget that the annual financial reports for registered political parties and registered constituency associations must be received by Elections BC on or before March 31. Many folks have already filed their reports. Thanks – it eases out our workload a little bit!



Since we know the date of the general election we also know that the election financing reports for registered political parties, registered constituency associations, candidates and election advertising sponsors will be due on August 15, 2005.

So, if you are a financial agent, you can start to plan your summer now and make sure you include time to prepare the reports.





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Fundraising Functions

The *Election Act* definition of a fundraising function is “includes a social function held for the purpose of raising funds for the organization or individual by whom or on whose behalf the function is held.” Some meetings don’t meet this definition if they are simply meetings and not intended to raise money. During an election period, raising money is pretty important, so most events, other than nomination meetings, are probably fundraising functions!

If tickets are sold for entry to a fundraising function, the price paid is a political contribution if: the ticket price is more than \$50; an organization purchases tickets (at any price); or an individual purchases more than \$250 worth of tickets.

Events such as garage sales, bake sales and auctions may also result in political contributions. If someone donates an item or service that is sold at a fundraising function, and the item is worth \$250 or less, that donation is not a political contribution. If the item is worth more than \$250, it is a political contribution.

When someone buys something at a fundraising function it is not a political contribution if they pay market value or less. However, if they pay more than market value, they are making a political contribution equal to the difference between market value and the amount they paid.

For example, if a person pays \$1,000 for a set of golf clubs worth \$250, they are giving a political contribution of \$750 (\$1,000 - \$250).

We'll Help!!

Those of you who have been around for a while know that we are always happy to hear from you and I think you’ll agree that we do our best to answer your questions thoroughly and in a timely manner.



If you need any assistance or have questions that aren’t answered in our guides, please call us at

250-387-5305 or toll-free at **1-800-661-8683**.

You can email us at electionsbc@elections.bc.ca

Our Web site address is www.elections.bc.ca and you will find lots of electoral financing information there.

For more information
phone toll-free 1-800-661-8683 / TTY
1-888-456-5448

or contact

Elections British Columbia

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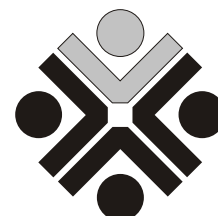
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