



Electoral Finance Newsletter

for Constituency Associations

Initiating Election Expenses

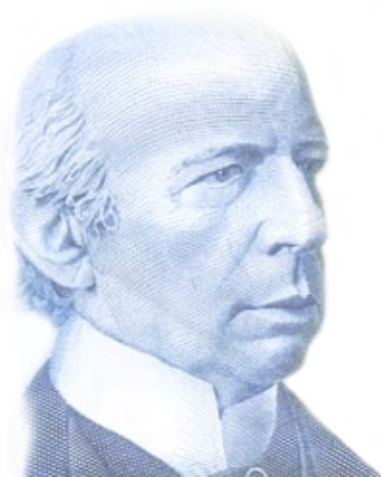
How registered constituency associations incur expenses during an election

An election expense is the value of property or services used during the 60 day pre-campaign period and/or the campaign period to promote or oppose, directly or indirectly, a candidate or registered political party.

Under section 200 of the *Election Act*, election expenses can only be incurred by a registered constituency association if the expenses are incurred on behalf of their selected candidate. In addition, a registered constituency association can only incur election expenses if they are incurred after the election is called (Writ Day) but before the candidate receives their certificate of candidacy from Elections BC.



Valuation of Goods and Services



Sir Wilfred Laurier on the old \$5 bill

If the constituency association is giving goods or services which were not purchased, then the value of the transfer and expense should be reported at fair market value.

If supplies that have already been expensed are given to a candidate, e.g. signs left over from a previous election, the amount must be reported as a transfer and campaign election expense at fair market value. The value of the transfer should also be recorded and reported as other income (gain on assets) in the constituency association's annual financial report, otherwise the report will be out of balance by the value of the transfer.

Also ensure both the "giver" and "receiver" reports the same value for the transfer, otherwise the transfers will not reconcile. If a transfer doesn't reconcile, we will contact you to obtain clarification and may need to amend your financial report.

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Constituency Association Election Expenses

All election expenses incurred by a registered constituency association must be reported by the candidate on whose behalf the expense was incurred. These expenses may be subject to the candidate spending limits depending on the timing and nature of the expense.

If a constituency association incurs an election expense on behalf of a candidate, the details of the expense must immediately be sent to the candidate's financial agent. It's important the candidate's financial agent receives the details in time for the expense to be accounted for in the campaign budget (as it may be subject to the spending limits) and reported in the candidate's election financing report.

Since election expenses do not belong to the constituency association, the constituency association does not report the expenses in its financial report; they are reported in the candidate's election financing report.

Where to Report

To report such transactions, the value of the election expenses are reported as transfers given to the candidate by the constituency association.

The candidate then reports the value of the election expenses in the appropriate expense categories and as transfers received from the constituency association.

Prohibited Contributions Form (S-Ax)

Unregistered Constituency Associations

As a reminder, unregistered constituency associations and constituency associations (electoral district associations) registered under the *Canada Elections Act* are prohibited from making political contributions, transfers or incurring election expenses on behalf of registered political parties or candidates participating in a provincial election.

If a candidate (or registered political party) receives money, goods or services from a constituency association not registered with Elections BC, the amount is a prohibited contribution, and must either be returned to the contributor or remitted to the Chief Electoral Officer and reported on the form S-Ax.

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