



# ELECTIONS BC

## ELECTION FINANCE NEWSLETTER

### **ANNUAL FINANCIAL REPORTS**

It's that time of year to start preparing to file your annual financial report with Elections BC. If you are an experienced financial agent and you have been carefully recording the financial activities of your organization throughout the year, the report should not be a problem. But what if this is your first time filing? Or you've forgotten everything since the last time you filed? To help you prepare your 1997 annual financial report, this edition of the Election Finance Newsletter will discuss some of the more important financing provisions which affect annual financial reports.

### **Updating registration information**

If your organization has experienced change in principal officers or financial agents, or if you've moved to a new location during the year, update your registration information with us. You can request change of information forms from Elections BC during regular office hours. The *Election Act* requires that you inform us in writing of any changes in your organization. It is also important that we have current information because it might affect your filing of the annual financial report. If we have not been informed of a new financial agent or we do not have the proper correspondence addresses this could delay the processing of your report.

### **What is an annual financial report and who has to file one?**

An annual financial report is a report which must be filed by every registered political party and registered constituency association in British Columbia. The report includes information on the income and expenses, and assets and liabilities of the filing organization.

The annual financial report consists of a set of forms which have been regulated under the *Election Act*. Only those forms are acceptable to be used for the financial report.

For political parties, only the appointed financial agent can sign the annual financial report. For constituency associations, the only people who can sign the financial report are the constituency's financial agent or the political party's financial agent. Elections BC can't accept reports signed by someone whom we don't have on file because we don't know if that person is legitimately filing on behalf of the organization.

### **When is the annual financial report due?**

The report must be filed by 4:30 p.m., March 31, 1998. Filed means that the report has been received by Elections BC, signed by the financial agent we have on file, and accompanied by an audit report if one is required. Postmarks are not acceptable.



### **Are there penalties for filing the report late or not filing a report at all?**

Yes! If a report is not received by the deadline, the political party or constituency association must pay a \$100 late filing fee before Elections BC can accept the report as filed. If the report is not filed, with the late filing fee, by June 30, 1998, the organization must be deregistered.

The *Election Act* does allow a political party or constituency association to apply to the Supreme Court for relief of the obligation to file an annual financial report. The Court may grant such relief if it considers that the financial agent has acted in good faith.

The Act also permits the Chief Electoral Officer to allow extensions to the March 31 deadline in emergencies or extenuating circumstances. If you require an extension you must apply in writing to the Chief Electoral Officer, outlining the reasons why you are asking for an extension and the date to which you need the deadline extended. The CEO will review your request and you will be notified of his decision. Requests for extensions will not be granted except in bona fide emergencies or extenuating circumstances.

### Does the annual financial report need to be audited?

The oft-used answer - it depends! If your political party or constituency association received \$10,000 or more in political contributions during 1997, or if it spent \$10,000 or more in election expenses, the report must be audited. The audit must be performed by the auditor whose appointment form has been filed with Elections BC. The auditor must be a chartered accountant (CA) or a certified general accountant (CGA).

The auditor's report must refer to the annual financial report. We can't accept auditor's reports which refer to other financial statements, such as those printed by the financial agent or auditor.

### Review of financial reports

Each financial report is reviewed by staff at Elections BC. We check for things like arithmetic errors, correct carry-forward of figures from one form to another, a balanced balance sheet, agreement between the income statement and balance sheet, and sufficient disclosure of political contributions.

If we find an apparent mistake or if we need further information, we will contact you. Please keep in mind that the *Election Act* stipulates that once a financial agent knows of an error or omission in a report, they must file a supplementary report within 30 days. The deadlines we give you are set by the legislation, and are not established by Elections BC.

### Public documents

The financing reports are available for public inspection at the Chief Electoral Office in Victoria. They are also summarized in the annual report of the Chief Electoral Officer.

### Helpful hints

- Take your time!
- Re-read the Guide for Financial Agents and previous editions of this newsletter to refresh your memory about the rules.
- Please use care when carrying amounts forward to other forms.
- Complete and submit all forms included in the annual financial report.
- Sign and date the cover sheet and submit the report to Elections BC on or before March 31 to avoid penalties.
- Call us if you need any help!



### How to contact us

If you have any questions regarding annual financial reports or anything else related to election financing please contact us. We are always happy to hear from you.

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