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# CANDIDATE GUIDE

*To the Election Finances and Contributions Disclosure Act*

January 2019  
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# INTRODUCTION

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## PURPOSE OF THIS GUIDE

This guide has been produced to help candidates understand the *Election Finances and Contributions Disclosure Act* (EFCDA), and to ensure compliance with the legislation.

This guide should be reviewed thoroughly for a general understanding of the responsibilities of a Chief Financial Officer (CFO) and the law regarding contributions, official contribution receipts, spending limits, banking, record keeping, and financial reporting.

Do not consider this guide as a replacement of the EFCDA, but as a supplementary document to assist you. Links to this guide, the EFCDA and any other relevant legislation can be obtained through the Elections Alberta website at [www.elections.ab.ca](http://www.elections.ab.ca). Copies of provincial legislation may also be obtained from the Alberta Queen's Printer ([www.qp.alberta.ca](http://www.qp.alberta.ca)).

It is not possible to cover every situation that may arise. If you are unable to find a suitable explanation in the EFCDA or in the materials provided by Elections Alberta, you may write, phone, or visit.

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## DEFINITIONS

A "candidate" is:

- a person who is selected and approved by a registered political party to run as the official candidate for an electoral division, or
- a person who declares themselves to be an independent candidate for an electoral division after a campaign period starts. (EFCDA section 1(1)(c)).



# REGISTRATION

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## INITIAL REGISTRATION

Every candidate must be registered with Elections Alberta prior to raising and spending funds.

### Candidate Supported by a Party

A person who intends to become a party's official candidate must first register as a nomination contestant with Elections Alberta and participate in a nomination process established by the constituency association (CA) or party. If the nomination contestant wins and the party endorses that person as the official candidate, under section 9(3.1) of the EFCDA, that person is automatically considered to be a registered candidate.

Refer to Elections Alberta's website for resources regarding nomination contests and nomination contestants by choosing Parties, Candidates & Contests / Nomination Contests, and for candidate resources choose / Candidates.

### Independent Candidate

A person who intends to run as an independent candidate for an election must apply to register as a candidate with Elections Alberta. The application must contain bona fide physical or electronic signatures of both the independent candidate and candidate's CFO and must provide all the required information under section 9(2) of the EFCDA.

Under section 9(2)(a)(ii) of the EFCDA, candidate registration applications are only accepted by Elections Alberta once a campaign period has started. Refer to page 16 for information regarding campaign period start dates.

When an application for registration is received, the Chief Electoral Officer examines the application to determine if the candidate is qualified to be registered. If qualified, the candidate is notified by Elections Alberta. If not qualified, the candidate is notified of the reason(s).

Resources for candidates are available on the Elections Alberta website by choosing Parties, Candidates & Contests / Candidates.

### Change to Registration

Candidates must inform and update Elections Alberta within 48 hours of making any changes to registration information. Notification of a change to registration provided by fax or email is acceptable.

EFCDA sections 9(4), 9(5)

### Cancellation of Registration

If a candidate withdraws, the candidate must notify the Chief Electoral Officer in writing and the Chief Electoral Officer will cancel the candidate's registration.

The EFCDA also allows the Chief Electoral Officer to cancel registration for any of the following reasons:

- if the Chief Electoral Officer believes, for any reason, that the candidate is no longer qualified to be registered, or
- if the Chief Electoral Officer believes that the candidate used false means of any kind in order to become registered.

When registration is cancelled, the Chief Electoral Officer will notify the candidate by sending them written notice through registered mail. Cancellation of registration becomes effective on and after the third day following the date the notice was mailed.

When the registration of a candidate is cancelled, any of the candidate's remaining funds which are not needed to pay outstanding expenses will be paid to Elections Alberta to be deposited into the General Revenue Fund for the Government of Alberta.

EFCDA section 10

### Appeals

Within 30 days after a cancellation notice is mailed, the candidate can write to Elections Alberta to request a review of the cancellation. Within 48 hours of receiving the request, the Chief Electoral Officer will review the cancellation and give the candidate an opportunity to present an argument. The Chief Electoral Officer may withdraw or confirm the cancellation after the review and will provide written notification of the decision.

EFCDA section 10

## **APPOINTMENT OF A CHIEF FINANCIAL OFFICER (CFO)**

The appointment of a CFO is a mandatory requirement of registration. The CFO is an important role, as many provisions of the EFCDA and most of the contents of this guide apply directly to the CFO's activities. Before committing to the CFO position the individual should read about the CFO's duties and responsibilities in the EFCDA. Elections Alberta is available to assist CFOs with their responsibilities through guides and one-on-one assistance if needed. CFOs are encouraged to contact Elections Alberta with any questions or concerns.

### Appointing a CFO

Every application for registration must include the name (and contact information) of the appointed CFO. A person who is the CFO of a party may also be appointed as the CFO for any number of constituency associations and/or candidates. A registered candidate is not allowed to be a CFO.

If the CFO changes, Elections Alberta must be provided with the name, address, telephone number, and email address of the new CFO, following the timelines outlined in the "Change to Registration" section above.

EFCDA sections 7(1)(f), 8(2)(d), 9(2)(f), 29



## Duties of a CFO

CFO duties include ensuring:

- proper records are kept of all revenue, expenses, assets and liabilities,
- contributions are placed in an account on record with Elections Alberta,
- official contribution receipts are issued in accordance with the EFCDA,
- every payment of more than \$25 is vouched for by:
  - a document from the supplier that states the particulars of the expense, and
  - a receipt or other proof of payment acceptable to the Chief Electoral Officer,
- financial statements, returns and reports under the EFCDA are filed with the Chief Electoral Officer,
- non-monetary contributions are properly valued and recorded, and
- valuing goods used in the campaign from a previous election

EFCDA section 30

## Retention of Records

The CFO must hold all the financial records for three years after the date a financial statement or return is due to be filed with Elections Alberta. This is because the CFO must be able to supply backup documentation to support the financial filing and records if it is requested by Elections Alberta.

EFCDA section 10.1

## Bookkeeping Tips

If the CFO records financial data accurately and in a timely manner, preparing the financial statement or return at the end of the reporting period will be much easier. In this respect, CFOs should ensure that:

- all revenue and expenses are recorded and reported on the financial statement or return,
- a petty cash fund is set up to handle minor expenses that are normally paid in cash (all invoices and major purchases should be paid by cheque),
- a reconciliation of accounts is completed regularly to maintain an accurate balance,
- copies of all bank deposit slips are collected
- bank statements are received or printed, and reconciled with the CFO's record of deposits and withdrawals,
- expenses are categorized by type
- expenses are identified as either an election expense or a campaign expense
- official contribution receipts, when required, are prepared, and issued in a timely manner,
- all supporting documents are filed in sequence by date or by other acceptable filing methods,
- the amounts, sources, and details of transfers issued and received are recorded, and
- all books of account and supporting documents are securely stored for three years and can be made readily available for examination by Elections Alberta or a designated representative.

# CONTRIBUTIONS

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## DEFINITION OF CONTRIBUTION

“Contribution” means any money, real property, goods or services or the use of real property, goods or services provided

- to a political party, constituency association, **candidate**, nomination contestant or leadership contestant, or
- for the benefit of a political party, constituency association, **candidate**, nomination contestant or leadership contestant, with the consent of the political party, constituency association, candidate, nomination contestant or leadership contestant,

without compensation from that political party, constituency association, **candidate**, nomination contestant or leadership contestant.

EFCDA section 1(1)(e)

## LIMITS ON CONTRIBUTIONS

Under section 17(1) of the EFCDA, contributions made by any single contributor cannot exceed a total of **\$4,243\*** in any calendar year to any combination of the following:

- a registered party,
- a registered constituency association,
- a registered candidate,
- a registered nomination contestant, and
- a registered leadership contestant.

\*The contribution limit of \$4,243 came into effect January 1, 2020 per EFCDA section 41.5 pertaining to inflation adjustment/indexing. The contribution limit for 2019 and earlier years was \$4,000.

Political parties and candidates are prohibited from colluding with third party advertisers to circumvent / avoid contribution limits (EFCDA sections 41.42 and 44.11).

Contributions can only be accepted after a candidate has had their registration confirmed by Elections Alberta and *only* during a campaign period for an election. Also, if a candidate's campaign has a deficit at the end of the campaign period, there is an authorized deficit retirement period when contributions can be accepted (refer to page 21 for more information).

A campaign period for a general election held in accordance with section 38.1(2) of the *Election Act*, starts on February 1 in the year the election is held and ends two months after election day. A campaign period for a general election held *other than* in accordance with section 38.1(2) of the *Elections Act*, and for any by-election, starts on the date a writ of election is issued and ends two months after election day (refer to page 16 for more information on campaign periods).

### Eligible Contributors

Only a person who is ordinarily resident in Alberta can make contributions to parties, constituency associations and **candidates**.

The CFO is responsible for making sure prospective contributors are aware of the EFCDA guidelines regarding contributions.

Registered candidates can contribute to their campaign with their own funds. The contribution limit under section 17(1) of the EFCDA applies. If campaign expenses that the candidate pays for themselves exceeds the contribution limit, the candidate must be reimbursed for the excess amount from the campaign account on record with Elections Alberta.

EFCDA sections 15.1, 16(1), 17(7), 17(8), 30(2)

### Prohibited Contributors

A prohibited person or entity means a person not ordinarily resident in Alberta, a corporation and an unincorporated association or organization. A prohibited person or entity shall not contribute to a party, constituency association or **candidate**.

EFCDA section 1(1)(l.01), 16(2)

### Prohibited Contributions

A contributor is not permitted to contribute funds that are not their own funds, nor any funds that have been given to them by someone else for the purpose of contributing to a candidate.

No candidate, or any person acting on their behalf, is permitted to directly or indirectly solicit or accept contributions from a prospective contributor that they know or should know is not eligible to contribute, or that the amount of the contribution would exceed the limit prescribed by section 17.

No candidate may accept funds from a federal political party, federal electoral district association, or candidate registered under the *Canada Elections Act*, in respect of an election under the *Election Act*.

In summary, the following contributions are **not** to be accepted:

- any anonymous contribution over \$50,
- any contribution from a prohibited person or entity,
- any contribution not belonging to a contributor, and
- any contribution from out of province.

It is the responsibility of the CFO to return/refund an unauthorized contribution to the contributor. If the identity (name and/or address) of the contributor cannot be established, Elections Alberta must be notified, and the contribution must be paid over for deposit into the General Revenue Fund for the Government of Alberta.

EFCDA sections 1(1)(l.01), 16(2), 19, 21.1, 34(1), 34(2), 35, 36

## Understanding Contribution Limits

The following examples are provided to assist CFOs to understand the limits on contributions, and the importance of making sure eligible contributors know about the rules in the EFCDA.

### *Example 1*

An individual contributes \$1,000 each to a candidate, a constituency association, and a political party for a total of \$3,000. The individual is a self-employed communications specialist and makes a valued contribution of \$1,200 to another candidate (\$1,200 is market value for 8 hours of work x specialist's hourly rate of \$150). This brings the contributor's total to \$4,200 which is just under the maximum \$4,243\* contribution limit for the calendar year. The individual contributor has only \$43 of "contribution room" left for the remainder of the calendar year.

### *Example 2*

An individual makes regular automatic monthly contributions of \$250 to a political party. At a different political party's silent auction fund-raiser in November of that year, the individual successfully bids \$2,300 for an all-inclusive trip with a market value of \$1,000. The excess amount of \$1,300 is the amount of the individual's contribution. At this point the contributor's total is \$4,050. In December when the individual's regular automatic monthly contribution of \$250 is made, the contributor's total will reach \$4,300 which would be a violation of the EFCDA for exceeding the \$4,243\*.

\*The contribution limit of \$4,243 came into effect January 1, 2020 per EFCDA section 41.5 pertaining to inflation adjustment/indexing. The contribution limit for 2019 and earlier years was \$4,000.

Elections Alberta's Online Financial System (OFS) has been created so that political entities can record and maintain both contributor and contribution information. OFS is also an effective tool in preventing contributors from exceeding their contribution limits. Within OFS, parties, constituency associations and candidates can see all contributions made within the party, not including contributions made to leadership or nomination contestants. OFS also serves as a tool for Elections Alberta to monitor all contributions recorded by all political entities, across all political events.

## Deposit of Contributions

All money contributions accepted by or on behalf of a candidate, and any contribution other than money that is converted into money, must be deposited into the appropriate bank account on record with Elections Alberta.

The "received date" of a contribution is the date it is received by and under the control of the CFO of the candidate.

EFCDA section 14

### Valuing Contributions Other Than Money

Real property, goods or services, or the use of real property, goods or services, provided to a party, constituency association or candidate are considered contributions. The value of the contribution is the market value at that time.

If real property, goods or services, or the use of real property, goods or services, are provided/sold to a candidate at a discounted price (price paid is less than market value), the amount by which the market value exceeds the price paid is a contribution.

Valued contributions qualify for official contribution receipts. It is the CFO's responsibility to evaluate/decide on the appropriate market value of contributions other than money.

The definition of "services" does *not* include:

- volunteer labour provided by a person, if that person does not receive from their employer, or any person, compensation, or paid time off to volunteer,
- audit and professional services provided free of charge to the recipient for work relating to compliance with the EFCDA,
- services provided free of charge by a person acting as the CFO for work relating to compliance with the EFCDA, or
- services that a candidate, nomination contestant, or leadership contestant provides in support of his or her own campaign.

Some examples of real property, goods or services, or the use of real property, goods or services are:

- a computer or furniture,
- signage / pamphlets / buttons,
- the use of a car,
- the use of a venue to hold a meeting or to use as an office,
- provision of professional services, including legal services, and
- services provided by a person that is self-employed if the services are normally charged for by that person.

EFCDA section 22

## Fund-raising Functions

A fund-raising function includes any event held by or on behalf of a candidate in order to raise funds.

If a fund-raising function is held by the sale of tickets or otherwise, the contribution portion, if any, of the amount paid to attend the fund-raiser is determined under either EFCDA section 23(3) clause (a) or (b), below.

- a) if the individual charge is:
- (i) **\$50 or less:** it is not considered to be a contribution unless the person who pays the charge specifically requests that it be so considered, in which case 1/2 of the amount is allowed for expenses and 1/2 is considered to be a contribution,
  - (ii) **more than \$50 but not more than \$100:** \$25 is allowed for expenses and the balance is a contribution, and
  - (iii) **more than \$100:** 25% of the amount is allowed for expenses and the balance is a contribution.
- b) the amount of the contribution is the difference between the price of the ticket and the market value of what the ticket entitles the bearer to obtain.

The table below shows examples of fund-raising events and how to determine the contribution portion of each ticket sold or admission charged.

Fund-raising Function	Ticket / Admission Price	Contribution Portion (receipted)	Expense Portion (not receipted)	Section Reference	Explanatory Note
Luncheon	\$35	\$0	\$35	23(3)(a)(i)	CFO opts to follow clause (a)(i) for ticket price \$50 or less. No official contribution receipt is required to be issued to buyer.
Luncheon	\$35	\$17.50	\$17.50	23(3)(a)(i)	CFO opts to follow clause (a)(i) for ticket price \$50 or less. Ticket buyer asks for official contribution receipt. Expense portion is deemed to be half of ticket price (\$17.50), and official contribution receipt is issued to buyer for \$17.50.
Dinner	\$75	\$50	\$25	23(3)(a)(ii)	CFO opts to follow clause (a)(ii) for ticket price more than \$50 but less than \$100. Expense portion is deemed to be \$25, and official contribution receipt is issued to buyer for \$50.
Golf Tournament	\$200	\$150	\$50	23(3)(a)(iii)	CFO opts to follow clause (a)(iii) for ticket price more than \$100. Expense portion is deemed to be 25% of ticket price (\$50), and official contribution receipt is issued to buyer for \$150.
Golf Tournament	\$400	\$100	\$300	23(3)(b)	CFO opts to follow clause (b). Regardless of ticket price, CFO has determined expense portion to be \$300 (market value), so official contribution receipt is issued to buyer for \$100.

If the fund-raising function uses some means of raising funds other than selling tickets, the price paid in excess of the market value for goods or services received is a contribution.

The gross income of a fund-raiser, minus the contribution portion determined by either clause (a) or (b) above, must be recorded as fund-raising function revenue on the financial statement or campaign return of the candidate. The CFO should keep a separate record of the event showing the date of the function, ticket/admission price, and the number of tickets sold or admission charged.

Only residents of Alberta can purchase a ticket or pay for admission for a fund-raising event. It is a violation of the EFCDA if prohibited persons or entities purchase tickets, pay admission, or offer a reimbursement for the full ticket/admission price.

### Silent Auctions

The following scenarios are examples of how to report the revenue and contributions from silent auctions which are often held alongside fund-raising events.

#### *Scenario 1*

A lawyer, Mr. Doe, agrees to provide legal services for the preparation of a personal will to a silent auction fund-raising event. Mr. Doe advises in writing that the **fair market value (FMV)** is **\$200** based on his current professional fee structure. The CFO verifies that the fee reflects FMV.

The donor of the service, Mr. Doe, is issued a “valued” contribution receipt for \$200 by the CFO.

The purchaser of the legal services (successful bidder), pays the bid amount, and

- if the successful bid was equal to or less than the FMV, no contribution receipt is issued to the bidder, or
- if the successful bid was more than the FMV, for example the bid was \$275, a \$75 “money” contribution receipt is issued to the purchaser by the CFO (EFCDA section 23(4))

#### *Scenario 2*

A decorative crystal vase is donated by an individual to a silent auction at a fund-raising function. The vase, along with the donor’s purchase receipt, is given to the CFO. The CFO determines the FMV of the vase to be **\$60**, which is easily done using the submitted receipt.

The donor of the vase is issued a “valued” contribution receipt for \$60 by the CFO.

The purchaser of the vase (successful bidder), pays the bid amount, and

- if the successful bid was equal to or less than the FMV, no contribution receipt is issued to the bidder, or
- if the successful bid was more than the FMV, for example the bid was \$75, a \$15 “money” contribution receipt is issued to the purchaser by the CFO (EFCDA section 23(4))

Section 23(4) of the EFCDA applies only to a person acquiring a good or service through a fund-raising function. It does not apply to the person providing the service.

It is important for organizers and CFOs to be careful when deciding the FMV and maximum bid price allowable because they need to make sure the FMV is appropriate and defensible. This will help prevent contributors (successful bidders) from making contributions that go over the limit (excessive contributions), as well as help the party, constituency association or candidate avoid accepting them. If the CFO learns that an excessive contribution has been accepted, the CFO must advise Elections Alberta in writing within 30 days after learning of it and return the excess amount to the contributor.

Should a questionable situation arise, the CFO is encouraged to contact Elections Alberta as quickly as possible to reduce the risk of potential violations of the EFCDA.

### General Collections

Any money, goods or services, or the use of goods or services, provided by a person in the amount of \$50 or less is not considered a contribution, but the gross amount collected must still be recorded as revenue by the CFO. This includes money solicited from people who attend a meeting held for a candidate and the individual amounts given are \$50 or less.

However, if a person would like the amount, they give to be considered a contribution, the CFO must record that amount as a contribution, and issue an official contribution receipt.

EFCDA sections 13(2), 24, 33

## **PUBLIC DISCLOSURE OF CONTRIBUTIONS**

For public reporting and disclosure purposes, all parties, constituency associations and **candidates** are required to report the contributions they have received in two categories:

- the total amount of all contributions received during the reporting period\* that did not exceed \$250 in aggregate from any single contributor, and
- the total amount contributed, together with the contributor's name and address, when the contribution(s) of that contributor during the reporting period\* exceeded \$250 in aggregate.

\*Reporting period refers to a quarter, annual or campaign period.

Public information regarding contributions is disclosed by Elections Alberta on our website and in the public files (located at Elections Alberta). For contributions over \$250 in total, the website shows the name of the contributor and the amount they contributed during the reporting period, whereas the public files disclose the address of the contributor along with their name and the amount they contributed.

EFCDA sections 4(1)(f), 11, 32



## OFFICIAL CONTRIBUTION RECEIPTS

Official contribution receipts are issued to contributors by candidates to comply with the EFCDA and are eligible for Alberta income tax credits. The CFO is responsible for preparing and issuing official contribution receipts to contributors.

Electronic receipting is an approved method of issuing official receipts, using Elections Alberta's Online Financial System (OFS). CFOs should contact Elections Alberta for OFS access in order to record contributions and generate official contribution receipts. Elections Alberta will provide CFOs with a user ID and password, and a link to [ofs.elections.ab.ca](https://ofs.elections.ab.ca). The link is also available on Elections Alberta's website homepage under "Secure login".

It is the CFO's responsibility to make sure contributors know the EFCDA contribution rules and that contributors are provided with, or directed to, the information they need to confirm their eligibility. The following warning about the requirements can be found on the official receipts:

***Only a person ordinarily resident in Alberta may contribute to a political party, constituency association, candidate, leadership contestant, or nomination contestant, in accordance with section 16 of the Election Finances and Contributions Disclosure Act (EFCDA). Contribution limits are established by law (EFCDA, section 17). As a contributor, you are responsible for ensuring that you are eligible to make this contribution (EFCDA, section 15.1).***

***Your acceptance of this official receipt acknowledges that the contribution is made in compliance with the EFCDA. Violations are subject to administrative penalties and prosecution.***

EFCDA section 33

### Control of Official Contribution Receipts

OFS has been designed to maintain all records of official contribution receipts generated and issued to contributors by CFOs, including any cancelled and reissued receipts.

### Official Contribution Receipt Preparation and Procedures

The following contributor and contribution information must be recorded in OFS before an official contribution receipt can be generated:

- date the contribution was received,
- first and last name of the contributor\*,
- mailing address of the contributor\*\*,
- amount of the contribution, and
- whether the contribution is money (e.g. cash, cheque) or valued (e.g. real property, goods or services, or the use of real property, goods, or services).

\*Do not record or issue contribution receipts that contain the names of two or more people. For example, do not record a contribution or issue an official receipt to Mr. and Mrs. Smith, nor to John and Mary Smith. Instead, John Smith and Mary Smith should each have their contribution recorded and receipted separately.

\*\*In addition to recording the mailing address for each contributor, if the CFO collects the contributor's email address, the CFO can have OFS send the official receipt by email. If no email address is available, the CFO can print the official receipt and deliver or mail it to the contributor.

Once the contribution information is confirmed, the CFO generates the official receipt(s) in OFS. The CFO distributes the receipts by email or prints and mails them. One official contribution receipt can be issued per contributor for the total of all the contributor's contributions during the reporting period; the receipt will list the individual contributions and the date each was received.

When a contributor has misplaced their copy of the official receipt, the CFO can resend or reprint a copy to the contributor. If a receipt was issued incorrectly (e.g. wrong address or amount), the CFO must cancel the original receipt and issue a replacement following the prompts in OFS.

### Income Tax Credits

Official contribution receipts for contributions made to parties, constituency associations, and **candidates** may be used by contributors to claim income tax credits. CFOs are not responsible for calculating the amount of any tax credit the contributor may be eligible to receive. Alberta Treasury Board and Finance, Tax and Revenue Administration Division, is responsible for determining and administering applicable political income tax credits, as shown in the table below. For information purposes only, the maximum tax credit of \$1,000 is reached when contributions total \$2,300.

Amount Contributed	Available Tax Credit	Maximum Credit	Cumulative Amount
Up to \$200	75%	\$150	\$150
Next \$900 (\$201 to \$1,100)	50%	\$450	\$600
Next \$1,200 (\$1,101 to \$2,300)	33.3%	\$400	\$1,000
Over \$2,300	Nil	Nil	\$1,000

## **LOANS FROM FINANCIAL INSTITUTIONS**

A candidate can borrow money from any financial institution, except an Alberta Treasury Branch (ATB Financial).

Only a person ordinarily resident in Alberta may sign, co-sign, guarantee or provide collateral security for a loan on behalf of candidates. The CFO must record and report the details of the loan to Elections Alberta on the applicable financial statement or campaign return. The amount of the guarantee or collateral security is considered a contribution and goes against the limit of yearly contributions as set under section 17(1) of the EFCDA. No receipts are issued to guarantors or those providing collateral security for the loan.

Only a person ordinarily resident in Alberta may make a payment on behalf of the borrower or guarantor in respect of a loan. Loan payments made on behalf of candidates are considered contributions, and are subject to contribution limits under section 17(1) of the EFCDA, unless:

- they are reimbursed by the borrower, or
- the payment is made by the guarantor of the loan.

A registered candidate may sign or otherwise guarantee or provide collateral security for any loan, monetary obligation or indebtedness on behalf of or in the interest of the registered party for which the registered candidate is the official candidate for amounts that in the aggregate do not exceed \$26 517 (\$25 000 for 2019 and prior years).

EFCDA sections 40, 41

# EXPENDITURES

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## LIMITS ON EXPENDITURES

The EFCDA places limitations on expenditures categorized as “election expenses”. All other expenditures are not subject to limits, such as operating expenses to maintain a permanent office etc. The following information provides a brief description of expenses related to campaign periods and election periods as defined by the EFCDA.

## DEFINITIONS

### Campaign Expenses

A **campaign** expense is any expense incurred, or non-monetary contribution received, by a candidate to the extent that the property or service that the expense was incurred for, or that were received as a non-monetary contribution, is used to directly promote or oppose a candidate during a **campaign** period.

Some examples of campaign expenses are:

- the production of advertising or promotional material,
- the distribution, broadcast, or publication of advertising or promotional material in any media or by any other means during a **campaign** period, including using a capital asset,
- the payment of remuneration (paying someone for their work or service) and expenses to or on behalf of a person for the person’s services as a CFO or in any other capacity,
- securing a meeting place, or
- the conduct of election surveys or other surveys or research during a campaign period.

EFCDA sections 1.1(1)(a), 1.1(3)

### Election Expenses

An **election** expense is any expense incurred, or non-monetary contribution received, by a candidate to the extent that the real property, goods or services that the expense was incurred for, or that were received as a non-monetary contribution, are used to directly promote or oppose a candidate during an **election** period.

Some examples of election expenses are:

- the production of advertising or promotional material,
- the distribution, broadcast, or publication of advertising or promotional material in any media or by any other means during an **election** period, including using a capital asset,
- the payment of remuneration (paying someone for their work or service) and expenses to or on behalf of a person for the person’s services as a CFO or in any other capacity,
- securing a meeting space, or
- the conduct of election surveys or other surveys or research during an election period.

EFCDA sections 41.1(1)(a), 41.1(3)

## Campaign Periods and Election Periods

For a general election held in accordance with section 38.1(2) of the *Election Act*, the campaign period begins on February 1 in the year the election is held; the election must be held within a three month period beginning on March 1 and ending on May 31. For a general election held other than in agreement with section 38.1(2) of the *Election Act*, including a by-election, the campaign period begins on the date a writ of election is issued.

The campaign period for any general election or by-election ends two months after election day.

For any general election or by-election held, the election period is a four week period which begins on the day the writ of election is issued and ends at the end of election day. The election period is a sub-set of the campaign period.

EFCDA sections 1(1)(a.1), 1(1)(b)(i), 1(1)(b)(ii), 1(1)(b)(iv), 1(1)(f.1)

## **CAMPAIGN AND ELECTION EXPENDITURES**

**Campaign** expenses involve the entire **campaign** period, while **election** expenses only involve the **election** period and have set spending limits. The CFO must confirm the start and end dates of both the campaign and election periods so that expenditures are categorized and reported correctly.

While financial statements and reports submitted as part of a campaign return apply to the entire campaign period, some of the reports filed with the campaign return – such as election expense limit reports – apply specifically to the election period within the campaign period.

## **ELECTION EXPENSE LIMITS**

The election expense limit for candidates is **\$53,034\*** for a general election or a by-election in an electoral division, under section 41.3 of the EFCDA. A candidate or candidate's CFO that exceeds the maximum election expense limit may be fined up to \$10,000 under EFCDA section 48.1.

\*The expense limit \$53,034 came into effect January 1, 2020 per EFCDA section 41.5 pertaining to inflation adjustment/indexing. The expense limit for 2019 and earlier years was \$50,000.

Election expenses incurred by a party or constituency association *on behalf of a specific candidate* are subject to that candidate's spending limit. The expenses are reported on the party's or constituency association's financial statement, as the case may be, and as these expenses count toward the candidate's election expense limit, they must also be accounted for on the candidate's corresponding campaign return / expense limit report accordingly.

The definition of election expenses and a list of such expenses was provided on page 15. The following list outlines expenses under section 41.3(2) of the EFCDA which are *not* considered candidates' election expenses, therefore the election expense limit does not apply to these:

- a candidate's travel expenses reasonably related to the election, including meals and accommodation,
- a candidate's childcare expenses,
- expenses related to the provision of care for a person with a physical or mental incapacity for who the candidate normally provides such care,
- in the case of a candidate who has a disability, additional expenses that are related to the disability,
- audit and financial fees necessary for compliance with the EFCDA, and
- reasonable incidental expenses incurred by or on behalf of volunteers.

## TRANSFERS

A registered party and any of its constituency associations and candidates may transfer to and accept from each other:

- funds,
- real property, goods or services, or the use of real property, goods or services, or
- debts incurred during a campaign period for the purpose of eliminating a campaign deficit (refer to page 21 for more information).

Any transferred funds received must be deposited by the recipient in the appropriate account on record with Elections Alberta.

The only restriction on transfers between a party, its constituency association(s) and candidate(s) are that transfers *to* candidates are restricted to the campaign period and, if applicable, the deficit retirement period.

Transfers are not considered contributions, but must be recorded by the party, constituency association and candidate that issued and/or received the transfer, including the following:

- date the transfer was issued / received,
- name of the party, constituency association, and candidate that issued / received the transfer, and
- amount or value of the transfer and, if applicable, a suitable description of the goods.

No provincial party, constituency association or **candidate** may accept funds from a federal party, electoral district association or candidate registered under the *Canada Elections Act*, in respect of an election under the *Election Act*.

EFCDA sections 13, 36, 38

# REPORTING

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Every candidate that has been registered with Elections Alberta is subject to financial reporting requirements to disclose all revenue and expenses for the campaign period, regardless of the level of financial activity.

Candidates that have a deficit at the end of the campaign period will need to complete additional reporting to disclose and specify how the deficit was eliminated.

## FILING THE CAMPAIGN RETURN

The candidate's campaign return must be filed with Elections Alberta within four months after election day. If the filing deadline date falls on a weekend or holiday, the deadline is extended to the first business day following. The campaign return includes:

- a financial statement,
- a contribution detail report per EFCDA section 32(4),
- a campaign expense report,
- an expense limit report per EFCDA section 41.2(4) for parties and 41.3(4) for candidates, and
- any supporting information and documents relating to the campaign return.

EFCDA section 43(1)

### Electronic Financial Statement and Expense Reporting

Elections Alberta is rolling out modules in OFS allowing candidates to file electronic financial statements and expense reports, replacing paper form submissions. Electronic filing using the secure online application eliminates the need for physical paper documents to be signed and delivered to Elections Alberta.

Maintaining a record of financial transactions enables smoother and faster completion and submission of the OFS financial statement. For suggestions on helpful record-keeping practices, refer to "Bookkeeping tips" on page 5 of this guide.

Using OFS, record and reconcile financial transactions and balances (including nil if applicable) through a series of user-friendly screens with "help" features. Automated calculations and cross-referencing on schedules within the financial statements bring significant benefits for both users and Elections Alberta Finance Analysts who review submissions. Bank account statements and other supporting documents are uploaded and submitted with the financial statements.

Electronic sign-off is required by both the CFO and candidate. No one can sign in place of the candidate. If the CFO is unavailable or has resigned, the candidate must appoint a new CFO and inform Elections Alberta in writing using the Registration of a Candidate form (CD-R-01) as an "update to registration". The form is available to download from the Elections Alberta website. Submit the completed form as soon as possible to Elections Alberta so that user access to OFS can be updated to allow the new CFO to enter and sign-off the financial statement.

Registered candidates that have had no financial activity whatsoever must file a nil financial statement and expense report by the filing deadline with the appropriate signatures.

EFCDA section 43

## Electronic Contribution Reporting and Receipting

As part of the campaign return filing, candidates must file a contribution detail report using Elections Alberta's Online Financial System (OFS) to record all contributions and issue official contribution receipts to contributors. Elections Alberta will maintain a list of contributors and their contributions, and those who contributed a total of over \$250 based on the contribution information in OFS will be made public.

EFCDA section 32

## Candidate Nomination Deposit (*Election Act*)

Payment of the candidate's nomination deposit, and refund of the nomination deposit, is expected to be accounted for in the financial statement. The nomination deposit is a \$500 deposit payable to the Government of Alberta. It is required to be paid by the registered candidate's campaign as part of conditions for the candidate's name to be added to the ballot paper in an election. The deposit payment is provided to the returning officer in the electoral division that the candidate is seeking to be elected in.

The **source** of the \$500 nomination deposit may come from:

- surplus funds brought in from the candidate's *nomination contest* campaign and/or the candidate's previous election campaign, or
- contributions received by the candidate's current election campaign including the candidate's own funds, or
- transfer(s) received from the candidate's party, constituency association(s) or other candidate(s).

The candidate's CFO records the revenue on the appropriate line of the financial statement depending on the source. The funds are expected to be deposited, into the candidate's election campaign account on record with Elections Alberta. A bank draft, money order or certified cheque is then issued payable to the "Government of Alberta" and given to the returning officer and recorded on the appropriate expense line of the financial statement.

For the nomination deposit refund, if the candidate's campaign return is filed in good order by the filing deadline, under section 62(2.1) of the *Election Act*, a nomination deposit refund cheque will be issued payable to the candidate's CFO. The refund should be deposited into the campaign account; therefore, the campaign account should be kept open. The candidate's CFO records the refund as 'other assets' ("nomination deposit refund"). If the refund is forfeited because of the campaign return being filed late or not at all, it is not recorded as other assets.

Once the refund has been received and deposited, it may be:

- returned to the person, including the candidate if paid from the candidate's own funds, only if that person/candidate did *not* consider the original \$500 as a contribution, or
- transferred back to the party, constituency association or other candidate that originally provided the funds, or
- used to pay outstanding payables, or
- added to the campaign surplus to be held in trust.

If the refund is to be returned, transferred, or used as described above, it is recorded as other liabilities ("nomination deposit refund paid to..."). If the refund is added to the campaign surplus to be held in trust, it is not recorded as other liabilities.

#### Exceptions:

- If the source funds for the nomination deposit are not first deposited into the candidate's campaign account for whatever reason, and are instead provided directly to the returning officer, the funds must still be recorded on the financial statement as if they were deposited and paid from the campaign account.
- If the CFO has closed the campaign account before the refund cheque arrives for whatever reason, the CFO should accept the cheque and give it to whomever the funds were intended to be returned or transferred to. The refund must still be recorded on the financial statement as if it was deposited and paid out from the campaign account.

#### Surplus Campaign Funds

Under section 12 of the EFCDA, any campaign funds that a candidate still holds at the end of a campaign period may be held in trust for the candidate's use in the *next election*. No additional funds may be added, except interest earned. From time to time, the candidate has the option to transfer the surplus funds held in trust to:

- the party that proposed or supported the candidate's registration at the previous election,
- the constituency association(s) of the party that proposed or supported the candidate's registration at the previous election, or
- the candidates of the party that proposed or supported the candidate's registration at the previous election.

If the funds cannot be transferred in accordance with the above, the funds are paid to the Crown in right of Alberta by sending payment to Elections Alberta for deposit.

At the next election, if the candidate is not nominated or does not declare candidacy as an independent, the candidate must make sure all funds held in trust are transferred or paid out as above – no exceptions – and has seven days after nomination day to do so. Nomination day refers to a specific date that is chosen during an election period for candidates to file nomination papers with the returning office in their electoral division. Refer to *Election Act* sections 39(c) and 67(1) for further information.



## **CAMPAIGN DEFICIT AND FILING A DEFICIT RETIREMENT PERIOD FINANCIAL STATEMENT**

If a candidate's campaign has a deficit at the end of the campaign period (not enough funds to pay campaign expenses), additional contributions may be accepted during the **deficit retirement period**. All contribution limits and statutory provisions of the EFCDA apply within the deficit retirement period.

The **deficit retirement period** is a three month period which *starts the day after the campaign return filing deadline date*. The candidate or CFO may request an extension to the deficit retirement period, which must be received in writing by the Chief Electoral Officer before the three months have ended. If approved, the extension will be for another three months, giving the candidate's campaign a total of six months to eliminate the campaign deficit. No further extensions are allowed under the EFCDA.

In addition to accepting contributions during the deficit retirement period, a candidate may receive a transfer of funds from the party or constituency association, or have the party or constituency association accept responsibility for the debt (must be decided and documented with the deficit retirement period).

Within one month after the end of the deficit retirement period, the candidate's campaign must file an amended campaign return or use Elections Alberta's Candidate Deficit Retirement Period Financial Statement form, to verify and provide details on the deficit elimination. Additional contributions received are reported and receipted in OFS. Contact Elections Alberta for further information.

EFCDA section 43.1

## **FAILURE TO FILE AND LATE FILING FEE**

Failure to file a campaign return or deficit retirement period financial statement with Elections Alberta by the filing deadline will each result in an automatic late filing fee of \$500 and may result in administrative penalties or prosecution against the candidate and CFO.

EFCDA section 43.2(2)

## TIMELINE

The following is based on a fixed campaign period under section 1(1)(b)(i) of the EFCDA and section 38.1(2) of the *Election Act*. In this example, the campaign period begins on February 1, and the election must be held between March 1 and May 31. Note that election day is a key date from which all future dates and deadlines are determined.

Event / Period	Date / Comments
Campaign period	<ul style="list-style-type: none"> <li>• Starts February 1</li> <li>• Registered candidate may accept contributions and transfers, and incur expenses</li> </ul>
Election period	<ul style="list-style-type: none"> <li>• Starts with issuance of writ of election</li> <li>• Ends 28 days later</li> </ul>
<b>Election day</b>	<ul style="list-style-type: none"> <li>• Last day of election period</li> </ul>
Campaign period	<ul style="list-style-type: none"> <li>• Ends 2 months after election day</li> <li>• Last day candidate may accept contributions and transfers, and incur campaign expenses</li> </ul>
Candidate's campaign return	<ul style="list-style-type: none"> <li>• Due 4 months after election day</li> <li>• If date falls on weekend or holiday, due date is extended to next business day</li> </ul>
DRP-1 start	<ul style="list-style-type: none"> <li>• Starts the day after the campaign return due date</li> <li>• Deficit retirement period (DRP) starts for candidate that reported deficit on campaign return</li> <li>• Candidate may start accepting contributions and transfers for deficit elimination</li> </ul>
DRP-1 end	<ul style="list-style-type: none"> <li>• Ends 3 months after DRP-1 starts</li> <li>• Extension request for deficit elimination due today</li> <li>• If no extension requested or request was denied, last day candidate may accept contributions and transfers for deficit elimination</li> </ul>
DRP-2 start	<ul style="list-style-type: none"> <li>• Starts day after DRP-1 ends</li> <li>• DRP-2 starts for candidate that requested extension and was approved</li> <li>• Candidate may continue accepting contributions and transfers for deficit elimination</li> </ul>
DRP-1 financial statement	<ul style="list-style-type: none"> <li>• Due 1 month after DRP-1 ends</li> <li>• Applies to candidate that did not request extension or request was denied</li> <li>• If date falls on weekend or holiday, due date is extended to next business day</li> </ul>
DRP-2 end	<ul style="list-style-type: none"> <li>• Ends 3 months after DRP-2 starts</li> <li>• No further extension allowed</li> <li>• Last day candidate may accept contributions and transfers for deficit elimination</li> </ul>
DRP-2 financial statement	<ul style="list-style-type: none"> <li>• Due 1 month after DRP-2 ends</li> <li>• For candidate that was approved for extension</li> <li>• If date falls on weekend or holiday, due date is extended to next business day</li> </ul>





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