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LEADERSHIP CONTESTANT GUIDE

To the Election Finances and Contributions Disclosure Act

June 2017
(updated January 2018)



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INTRODUCTION

PURPOSE OF THIS GUIDE

This guide has been produced to assist leadership contestants in understanding the *Election Finances and Contributions Disclosure Act* (EFCDA), and to ensure compliance with the legislation.

The 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, 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. Copies of provincial legislation may also be obtained from the Alberta Queen's Printer (www.qp.alberta.ca).

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

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DEFINITIONS

In accordance with section 1(1), subsections (b)(vi), (i.1), (i.2), (i.3) and (n.1) of the EFCDA:

- a leadership contest “campaign period” begins on the date the leadership contestant is required to register under section 9.2 of the EFCDA, and ends two months after the date of the leadership vote;
- a “leadership contest” means the procedure by which a registered party selects a leader;
- a “leadership contestant” means a person who seeks the leadership of a registered party at a leadership contest called by that party for that purpose;
- a “leadership vote” means the vote at which the leader of a registered party is selected; and
- a “registered leadership contestant” means a leadership contestant registered under section 9.2 of the EFCDA.

In this guide, “leadership contestant” refers to any registered leadership contestant under the EFCDA.

PUBLIC DISCLOSURE

All documents, including financial statements and registration documents, required to be filed with Elections Alberta by a leadership contestant become part of the public files and are available for public review. Financial statements are also posted on the Elections Alberta website at www.elections.ab.ca under Parties, Candidates & Leadership Contests / Financial Disclosure.

EFCDA sections 4(h), 11

REGISTRATION

POLITICAL PARTY RESPONSIBILITY

The CFO of a registered political party that proposes to hold a leadership contest shall promptly notify the Chief Electoral Officer by filing a statement setting out:

- the date of the official call of the leadership contest,
- the date fixed for the leadership vote or votes,
- the amount of the fee or deposit, if a fee or deposit is required to be paid by a person as a condition of entering the leadership contest, and
- the estimated cost for holding the leadership contest.

Within 10 days of the conclusion of a leadership contest, the registered party shall file with the Chief Electoral Officer a statement setting out:

- the full names of the leadership contestants who were considered for leadership,
- the full name of the person selected as the leader, and
- the names of any persons who withdrew as leadership contestants.

Forms for the party to provide Elections Alberta with contest registration and result information are available on the Elections Alberta website at www.elections.ab.ca under Parties, Candidates & Leadership Contests.

If joint solicitation of contributions is contemplated by the party, Elections Alberta should be contacted for further information to ensure compliance with the EFCDA.

Fees and Deposits

A registered political party may charge an entry fee to the leadership contestant(s), as a reasonable cost recovery of running the leadership contest itself. Any amounts collected from a leadership contestant in excess of the cost recovery of the leadership contest, as determined at the outset of the contest, are considered a contribution from the leadership contestant to the political party.

The amount of the fee must be reasonable in relation to the cost for holding the leadership contest. The Chief Electoral Officer may require the amount of the fee to be reduced, or give other direction, if he or she is of the opinion that the amount is not reasonable.

A registered political party may require a refundable deposit from the leadership contestant(s). The amount that is refunded to the contestant is not considered to be a contribution. However, a deposit that is not refunded will be considered a contribution from the leadership contestant to the political party. It is advisable that the party set out the conditions the leadership contestant must meet in order to obtain the refund. If a portion of the deposit may be used for reasonable cost recovery for the party holding the contest, that must also be clear.

EFCDA sections 9.2(2), 13(3)

LEADERSHIP CONTESTANT RESPONSIBILITY

Leadership contestants have a distinct set of registration requirements set out by section 9.2 of the EFCDA. A person who intends to seek the leadership of a registered party shall file an application for registration with the Chief Electoral Officer as soon as the person:

- has announced his or her intention to seek the leadership of a registered party; or
- has incurred campaign expenses in relation to the person's leadership campaign; or
- has received contributions in relation to the person's leadership campaign.

A person who fails to submit an application for registration when one of the above events has occurred shall not incur a campaign expense or accept a contribution during the campaign period for the leadership contest. The registration application must set out:

- the full name and contact information of the leadership contestant,
- the addresses of the place or places where records of the leadership contestant are maintained and of the place to which communications may be addressed,
- the name and contact information of the chief financial officer of the leadership contestant,
- the name and address of the financial institution where an account has been opened to be used by or on behalf of the leadership contestant for the purpose of participating in the leadership contest,
- the names of the signing authorities for the account referred to above, and
- the date the person first received contributions or incurred campaign expenses for the purpose of participating in the leadership contest.

The leadership contestant registration form is available on the Elections Alberta website at www.elections.ab.ca under Parties, Candidates & Leadership Contests.

EFCDA sections 9.2(4)-9.2(6)

Change to Registration

Where there is any change to the information contained on the registration application for a leadership contestant, Elections Alberta is to be notified in writing within 48 hours of the change. Notification by fax or email is acceptable and should occur as soon as possible to avoid interruptions in communications with the leadership contestant.

EFCDA sections 9.2(8), 9.2(9)

Withdrawal

If a leadership contestant decides to withdraw from the leadership contest that person shall immediately notify the Chief Electoral Officer in writing and the Chief Electoral Officer shall cancel the registration of that person. A duly completed Leadership Contestant Campaign Return will still need to be filed with Elections Alberta. The leadership contestant withdrawal form is available on the Elections Alberta website at www.elections.ab.ca under Parties, Candidates & Leadership Contests.

EFCDA section 10(2.1)

Cancellation

The Chief Electoral Officer may cancel the registration of a leadership contestant if the Chief Electoral Officer is, for any reason, of the opinion that a leadership contestant:

- is no longer qualified to be registered, or
- obtained registration on the basis of an application that was false in any material way.

When such cancellation occurs, the Chief Electoral Officer shall send written notice of the cancellation, together with the reasons for the cancellation, by registered mail to both the leadership contestant and to the political party concerned. Cancellation of registration becomes effective on and after the third day following the date the notice was mailed.

EFCDA sections 10(5), 10(6)(e)

Appeals

A leadership contestant whose registration has been cancelled may, within 30 days after the mailing of the Chief Electoral Officer's notice, request in writing that the cancellation be reviewed. The Chief Electoral Officer shall, within 48 hours after receiving a written request, review the cancellation and give the leadership contestant an opportunity to make representations.

Following the review of a cancellation, the Chief Electoral Officer may withdraw or confirm the cancellation of the registration of the leadership contestant and shall give written notification of the decision to the leadership contestant.

EFCDA sections 10(7) to 10(9)

Obligation to File Campaign Return

Every leadership contestant that has been registered with Elections Alberta is required to file a Leadership Contestant Campaign Return within 4 months after the leadership vote, even if the leadership contestant subsequently withdraws or has his/her registration cancelled. For further details, refer to the "Reporting" section later in this guide.

EFCDA section 43.02

LEADERSHIP CONTESTANT'S CHIEF FINANCIAL OFFICER (CFO)

The appointment of a leadership contestant's CFO is a mandatory requirement. Many of the provisions of the EFCDA and most of the contents of this guide apply directly to the activities of the CFO. Committing to the CFO position is something that should be done by an individual who has read and accepted the duties set out in the EFCDA. Elections Alberta is available to assist CFOs with their responsibilities through guides and one-on-one assistance as requested.

Appointing a CFO

The EFCDA requires that a CFO be appointed on each registration application. The CFO for one leadership contestant may be the CFO for multiple leadership contestants and may also be the CFO for a political party, constituency association, candidate, or nomination contestant.

If it is necessary to appoint a person as a replacement for the CFO whose name is on file with Elections Alberta, the leadership contestant must advise Elections Alberta in writing of the name, address, telephone number, and email address of the newly appointed CFO within 48 hours of the change.

EFCDA section 9.2(8)

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 made by the registered leadership contestant or CFO 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,
- campaign returns and reports required under the EFCDA are filed with the Chief Electoral Officer, and
- non-monetary contributions are properly valued and recorded.

EFCDA section 30

Retention of Records

The CFO of a leadership contestant must retain all of the financial records for a period of 3 years following the date the campaign return is required to be filed with Elections Alberta. Elections Alberta may review the financial affairs and records of a leadership contestant and the CFO is required to supply backup documentation to support the financial filing, upon request.

EFCDA section 10.1

Bookkeeping Tips

Recording the financial data accurately and in a timely manner will simplify the CFO's responsibilities and will eliminate potential difficulties in preparing the campaign return. CFOs should ensure that:

- all revenue and expenses are recorded and reported on the campaign 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 conducted periodically to maintain an accurate balance,
- copies of all bank deposit slips are retained,
- bank statements are obtained and are reconciled with the CFO's record of deposits and withdrawals,
- official contribution receipts are prepared and issued in a timely manner,
- all supporting documents are filed in sequence by date or by other acceptable filing methods, and
- all books of account and supporting documents are securely stored for 3 years and can be made readily available for examination by Elections Alberta or a designated representative.

CONTRIBUTIONS

DEFINITION OF CONTRIBUTION

In accordance with the EFCDA section 1(1)(e), “contribution” means any money, real property, goods, or services, or the use of real property, goods, or services that is 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.

LIMITS ON CONTRIBUTIONS

Contributions from any single contributor shall not exceed a total of \$4,000 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 CFO of a registered leadership contestant shall not accept a contribution he or she knows or ought to know would exceed the limits established in section 17 of the EFCDA.

Leadership contestants are prohibited from colluding with third party advertisers to circumvent contribution limits (EFCDA sections 41.42 and 44.11).

Contributions, as defined by the EFCDA, may only be accepted:

- after a leadership contestant has received written confirmation of registration from Elections Alberta,
- during the leadership contest campaign period (from the date a contestant is required to register under section 9.2 of the EFCDA, to 2 months after the leadership vote), and
- from eligible contributors.

EFCDA sections 17(1), 17(5), 19(1)

Eligible Contributors

Only a person who is ordinarily resident in Alberta may make contributions to leadership contestants. A prospective contributor is responsible for ensuring that, before making a contribution under the EFCDA, the contributor is not prohibited from making a contribution.

The CFO is responsible for making every reasonable effort to advise prospective contributors of the provisions of the EFCDA regarding contributions.

Registered leadership contestants are permitted to contribute to their campaign from their own funds. The contribution limit under section 17(1) of the EFCDA applies. If campaign expenses paid for by the leadership contestant's own funds exceed the contribution limit in section 17(1), the leadership contestant must be reimbursed from the campaign account on record with Elections Alberta for the amount in excess of the limit.

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

Prohibited Contributions

A prohibited person or entity shall not make a contribution to a registered leadership contestant. A prohibited person or entity means a person not ordinarily resident in Alberta, a corporation and an unincorporated association or organization.

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 making a contribution to a leadership contestant.

Similarly, no leadership contestant, or any person acting on their behalf, is permitted to directly or indirectly solicit or accept contributions if the leadership contestant, or person acting on their behalf, knows or ought to know that the prospective contributor is not eligible to contribute. The CFO must ensure that all contributions comply with the EFCDA and that contributions from a prohibited person or entity are not solicited or accepted.

No registered leadership contestant 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* or a leadership contest under the EFCDA.

In addition to the above provisions, the following contributions must **not** be used or expended:

- any anonymous contribution in excess of \$50,
- any contribution made in contravention of the EFCDA,
- 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 leadership contestant's CFO to return an unauthorized contribution to the contributor. However, 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)(1.01), 16(2), 19, 21.1, 34(1), 34(2), 35, 36

Accepting Contributions for the Purpose of Deficit Retirement

A leadership contestant is encouraged to limit expenses to available revenue, and retire all liabilities within the campaign period. A leadership contestant has a campaign deficit if, at the end of the campaign period, expenses and/or outstanding liabilities exceed revenues.

If a deficit exists, the leadership contestant shall eliminate the deficit within 3 months after the date the leadership contestant campaign return is required to be filed. This additional 3 month period is referred to as the “deficit retirement period”. At the request of the leadership contestant or the leadership contestant’s CFO, the Chief Electoral Officer may extend the initial 3 month deficit retirement period for a second period not exceeding 3 months, provided that such a request is received by the Chief Electoral Officer before the initial 3 month period has expired.

For the purpose of eliminating a campaign deficit during the authorized deficit retirement period, a leadership contestant may accept contributions in accordance with the provisions of the EFCDA. All contribution limits and statutory provisions apply within the deficit retirement period.

The CFO of the leadership contestant shall, within one month after the expiration of the deficit retirement period, file an amended campaign return in the form and manner approved by the Chief Electoral Officer showing any additional contributions accepted and any transfers received to eliminate the deficit.

Failure by the leadership contestant to eliminate the deficit may result in the CFO being prohibited from acting as a CFO for a registered party, registered constituency association, registered candidate or registered third party for five years.

EFCDA sections 29, 43.1

Deposit of Contributions

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

EFCDA section 14(1)

Public Disclosure of Contributions

For public reporting and disclosure purposes, leadership contestants are required to report the contributions they have received in two categories, as follows:

- the total amount of all contributions received during the campaign 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 campaign period exceeded \$250 in aggregate.

Public information regarding contributions is disclosed both in the public files and on the Elections Alberta website. For contributions over \$250 in aggregate, the public files disclose the contributor name, address and total amount contributed, whereas the website discloses only the name and total amount contributed.

EFCDA section 11, 32(4.3)

Valuing Contributions Other Than Money

Real property, goods or services, or the use of real property, goods or services, contributed to a leadership contestant are deemed to be a contribution by the EFCDA. The value of a contribution other than money is the market value of the contribution at that time. Valued contributions qualify for official contribution receipts.

“Services” does not include:

- volunteer labour provided by a person, as long as that person does not receive from his or her 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 leadership contestant provides in support of his or her own campaign.

Services provided by a person that is self-employed are considered a contribution if the services are normally charged for by that person.

Some common 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, and
- provision of professional services including legal services.

When real property, goods or services, or the use of real property, goods, or services are provided to a leadership contestant for a price that is less than the market value at that time, the amount by which the market value exceeds the price paid represents a contribution. It is the CFO’s responsibility to assess the appropriate market value at that time.

EFCDA section 22

Fund-Raising Functions

A fund-raising function includes any event held for the purpose of raising funds for a leadership contestant, either by the leadership contestant or on behalf of the leadership contestant.

If a fund-raising function is held by the sale of tickets or otherwise, the contribution portion, if any, of the amount paid to the fund-raiser is to be determined under either clause (a) or under clause (b) of section 23(3) of the EFCDA, 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 considered to be a contribution, and
 - iii. **more than \$100:** 25% of the amount is allowed for expenses and the balance is considered to be 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.

Examples:

Fund-raising Function	Ticket / Admission Price	Contribution Portion (received)	Expense Portion (not received)	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 considered to be a contribution.

The gross income of the fund-raiser, less the contribution portion as determined by EFCDA section 23(a) or 23(b), must be recorded as fund-raising function revenue on the leadership contestant's financial statement. The CFO should keep a separate record of the event showing the date of the function, the ticket/admission price, and the number of tickets sold or admission charged.

Only individuals ordinarily resident in Alberta are allowed to purchase a ticket or pay admission to a fund-raising event. Prohibited persons or entities shall not purchase a ticket or pay admission, nor offer a reimbursement for the full cost of the ticket/admission, as this would be a violation of the EFCDA. Only the expense portion of the ticket/admission, as determined by the leadership contestant or CFO, may be reimbursed.

The following scenarios are provided as examples of how to report the revenue and contributions from fund-raising activities, specifically silent auctions:

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 leadership contestant's 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, then a \$75 "money" contribution receipt is issued to the purchaser by the CFO.

Scenario 2

A decorative crystal vase is donated by an individual to a silent auction fund-raising function. The vase, along with the donor's purchase receipt, is given to the leadership contestant's 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, then 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.

General Collections

When money is given at a meeting held for a leadership contestant, in response to a general collection of money solicited from the persons in attendance at the meeting, individual amounts of \$50 or less shall not be considered a contribution but shall be recorded as to the gross amount and reported as “other income” on the campaign return.

EFCDA section 24

OFFICIAL CONTRIBUTION RECEIPTS

Contributions made to leadership contestants are eligible for income tax credits. It is the leadership contestant CFO’s responsibility to prepare and issue official contribution receipts to contributors in the form and manner approved by the Chief Electoral Officer, to comply with the EFCDA.

It is also incumbent upon the CFO to ensure that contributors are made aware of the contribution rules imposed by the EFCDA and that contributors are provided with, or directed to, the information they need to confirm their eligibility. These requirements are addressed, in part, by the following warning imprinted on the back of the Contributor Copy of the receipt:

As a contributor, you have an obligation to ensure that you are eligible to make this contribution in accordance with the Election Finances and Contributions Disclosure Act (section 15.1).

Violations are subject to administrative penalties and prosecution.

ONLY eligible individuals may make contributions. (section 16)

Your acceptance of this official receipt acknowledges that the contribution is made in compliance with the EFCDA.

Contributions to registered leadership contestants are eligible for income tax credits.

For further information, go to the Elections Alberta website at: www.elections.ab.ca, select Parties, Candidates & Leadership Contests.

EFCDA section 33

Control of Official Contribution Receipts

The CFO is accountable for all official contribution receipts obtained from Elections Alberta, and is expected to store the receipts in a secure location and maintain proper records. An official contribution receipt order form is available on the Elections Alberta website at www.elections.ab.ca under Parties, Candidates & Leadership Contests.

Official contribution receipts are sequentially numbered and controlled, and printed in triplicate for distribution as follows:

- **Contributor Copy:** The CFO provides this copy to the contributor, who in turn submits it with their income tax return to claim an income tax credit.
- **Elections Alberta Copy:** The CFO attaches this copy to the Leadership Contestant Campaign Return being filed with Elections Alberta.
- **Chief Financial Officer Copy:** The CFO retains this copy for a period of 3 years following the date on which the Leadership Contestant Campaign Return is required to be filed with Elections Alberta. (EFCDA section 10.1)

Official Contribution Receipt Preparation and Procedures

Only the CFO whose name is on file with Elections Alberta may issue official contribution receipts for contributions received. The CFO shall ensure that each official contribution receipt indicates the following:

- end date of the leadership contest campaign period,
- date the contribution was received,
- date the receipt was issued,
- full name of the contributor (only one name per receipt),
- full address of the contributor,
- amount of the contribution - dollar sign "\$" must be placed in box immediately preceding first digit of the amount,
- whether the contribution is money (cash, cheque) or valued (real property, goods or services, or the use of real property, goods or services),
- name of the political party,
- name of the leadership contestant, and
- name and signature of the leadership contestant's CFO.

Official contribution receipts must not be issued jointly in the names of two or more persons. For example, receipts should not be issued to Mr. and Mrs. Smith, nor to John and Mary Smith. Instead, John Smith and Mary Smith should each receive a separate receipt showing the amount that each contributed.

When more than one contribution is made by an individual, the CFO may issue one official contribution receipt to cover all contributions received from that contributor during the financial reporting period. The CFO may enter the date the last contribution was received in the "date received" field of the receipt. The "amount received" field will show the total of all contributions received from the individual during the leadership contest campaign period. Note: separate official contribution receipts must be issued for money and valued contributions received from the same individual.

When a contributor has misplaced his or her Contributor Copy, or it was lost in the mail or issued incorrectly (e.g. wrong address or amount), the CFO shall cancel the original receipt and issue a replacement as follows:

- clearly mark the Chief Financial Officer Copy of the misplaced, lost or incorrect receipt (and the Contributor Copy, if available from the contributor) with "*Cancelled, replaced by receipt number xxx*", and
- issue a replacement receipt and clearly mark all three copies with "*Duplicate, replaces receipt number zzz*".

The CFO then submits the Elections Alberta Copy of the replacement receipt to Elections Alberta together with the cancelled receipt copies. The CFO provides the Contributor Copy of the replacement receipt to the contributor, and retains the Chief Financial Officer Copy for his or her records.

Any receipt issued in error shall be clearly marked with "*Cancelled, not replaced*", and all available copies are forwarded to Elections Alberta.

Income Tax Credits

Official contribution receipts issued for contributions made to leadership contestants 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 leadership contestant may borrow money, but only from a financial institution other than 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 a leadership contestant. The details of the loan shall be recorded by the CFO and reported to Elections Alberta on the campaign return. The amount of the guarantee or collateral security is considered a contribution, and must not exceed the contribution limits in section 17(1) of the EFCDA. However, receipts are not issued to guarantors or those providing collateral security for the amount of the guarantee or collateral.

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 leadership contestants 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.

The CFO of the leadership contestant must issue an official contribution receipt for:

- loan payments made by a person on behalf of the borrower, unless the borrower repays the amount of the loan payment prior to the filing of the campaign return for the leadership contest campaign period, and
- loan payments made by the guarantor.

EFCDA sections 40, 41

EXPENDITURES

LIMITS ON EXPENDITURES

“Campaign Expenses” are defined by the EFCDA as any expense incurred, or non-monetary contribution received, by a leadership contestant to the extent that the property or service that the expense was incurred for, or that was received as a non-monetary contribution, is used to directly promote or oppose a leadership contestant during a campaign period of the leadership contestant.

Examples of campaign expenses include:

- 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 by the use of a capital asset,
- the payment of remuneration and expenses to or on behalf of a 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.

The EFCDA does not place any limitations on the maximum amount of campaign expenses incurred by a leadership contestant. The amount spent is limited only by the total amount of revenue that the leadership contestant is able to raise.

Leadership contestants are prohibited from colluding with third party advertisers to circumvent expense limits.

EFCDA sections 1.1(1)(b), 1.1(3), 41.42, 44.11

TRANSFERS

Surplus Funds

Campaign funds held by a leadership contestant at the end of a leadership contest campaign period must, at the time the Leadership Contestant Campaign return is required to be filed under section 43.02 of the EFCDA, at the option of the leadership contestant:

- be transferred to the registered party for which the leadership contestant sought the leadership, or
- be returned to the contributors who contributed to the leadership contestant’s campaign.

Funds not transferred within 30 days after the Leadership Contestant Campaign return is to be filed must be paid to the Chief Electoral Officer for deposit into the General Revenue Fund of the Government of Alberta.

EFCDA section 12.2

Money Other Than a Surplus

There is no mechanism in the EFCDA, other than that described above, that allows for a transfer of money between a leadership contestant and a registered party, constituency association, nomination contestant, or leadership contestant. Any money or other form of contribution flowing from the leadership contestant to a registered party, constituency association, nomination contestant, or leadership contestant without compensation for the value of the money, will constitute a contribution by that leadership contestant and count towards that individual's annual contribution limit under section 17(1) of the EFCDA.

Non-Money Transfers

A registered party and any of its registered constituency associations, registered candidates, registered nomination contestants and registered leadership contestants may transfer to and accept from each other goods or services, or the use of goods or services. Goods, services, and the use of goods or services transferred among these entities do not constitute a contribution under the EFCDA, but must be recorded as to source and amount.

EFCDA section 38(2)

REPORTING

OBLIGATION TO FILE LEADERSHIP CONTESTANT CAMPAIGN RETURN

Every leadership contestant that has been registered with Elections Alberta is required to file a Leadership Contestant Campaign Return within 4 months after the leadership vote, even if the leadership contestant withdrew or had his or her registration cancelled. CFOs will receive detailed instructions from Elections Alberta for the preparation of the campaign return in advance of the filing deadline.

EFCDA section 43.02

FILING OF THE CAMPAIGN RETURN

The Leadership Contestant Campaign Return must be received by Elections Alberta no later than 4:30 pm on the filing deadline prescribed by the EFCDA. The campaign return must include:

- a financial statement,
- a contribution detail report,
- a campaign expense report,
- an expense limit report, and
- any supporting information and documents relating to the nomination campaign return.

To complete the filing of the campaign return, the CFO must include the following documents:

- Elections Alberta Copy of all official contribution receipts issued to contributors during reporting period,
- all copies of official contribution receipts issued in error or for which valid receipts were re-issued,
- all unused official contribution receipts remaining at the end of the leadership contest campaign period,
- reconciliation of official contribution receipts to account for all receipts ordered, used, voided, spoiled and returned,
- list of contributors who contributed over \$250 in aggregate, including name(s), address(es) and total amount(s) contributed (for public files),
- list of contributors who contributed over \$250 in aggregate, include only name(s) and total amount(s) contributed (for web posting), and
- audited financial statement and auditor's report if campaign expenses exceeded \$25,000, and
- bank statements for the campaign period.

The financial statement form must bear original signatures of both the CFO and the leadership contestant. Faxed or emailed financial statement forms will not be accepted.

EFCDA section 43.02

Late Filing Fee

Failure to file the campaign return with Elections Alberta by the filing deadline will result in a late filing fee of \$500, and may result in administrative penalties or prosecution.

EFCDA sections 43.02, 43.2(2), 44, 48(3), 48(6)

FILING OF THE SURPLUS DISTRIBUTION REPORT

As outlined in the “Expenditures” section of this guide, any surplus campaign funds held by a leadership contestant at the end of the campaign period must be dealt with no later 30 days after the campaign return filing deadline date. Should the leadership contestant’s campaign fail to comply with this requirement under the EFCDA, the campaign must immediately pay the surplus funds to the Chief Electoral Officer for deposit into the General Revenue Fund of the Government of Alberta. A surplus distribution report is required to be filed with Elections Alberta at the end of the 30 day period to confirm that the surplus funds were distributed in accordance with section 12.2 of the EFCDA.

FILING OF THE DEFICIT RETIREMENT PERIOD FINANCIAL STATEMENT

As outlined in the “Contributions” section of this guide, a leadership contestant’s campaign that is in a deficit position at the end of the campaign period must eliminate the deficit within 3 months following the campaign return filing deadline date. An extension may be granted for an additional 3 months to eliminate the deficit. A deficit retirement period financial statement must be filed with Elections Alberta by 4:30 pm one month after the expiry of the deficit retirement period, to show any contributions accepted and any transfers received to eliminate the deficit.

Late Filing Fee

Failure to file the deficit retirement period financial statement (amended campaign return) with Elections Alberta by the filing deadline will result in a late filing fee of \$500, and may result in administrative penalties or prosecution.

EFCDA sections 43.1, 43.2(2), 44

Note: All leadership contestant financial reporting forms are available on the Elections Alberta website at www.elections.ab.ca under Parties, Candidates & Leadership Contests.



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