

GUIDE FOR LEADERSHIP CONTESTS

Election Finances and Contributions Disclosure Act

Under Review

Disclaimer

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

Links to the EFCDA and any other relevant legislation can be obtained through the [Elections Alberta website](#) or the [Alberta Queen's Printer website](#). If the legislation is found to contradict anything presented in this guide, the legislation governs.

Contact Information

If you have any questions that this guide does not cover, please contact us:

Elections Alberta

Suite 100, 11510 Kingsway NW, Edmonton, AB T5G 2Y5

Telephone: 780.427.7191

Toll free: 310.0000.780.427.7191

Fax: 780.422.2900

For general inquiries: info@elections.ab.ca

For financial compliance inquiries: finance@elections.ab.ca

Under Review

Table of Contents

1 Overview	1
What is a Leadership Contest?	1
Navigating This Guide	1
Political Parties.....	1
Leadership Contestants	1
2 Party Responsibilities.....	2
Filing the Leadership Contest Statement.....	2
Fees and Deposits.....	2
Filing the Notice of Leadership Contest Results	4
3 Contestant Registration	5
Registering with Elections Alberta	5
Registration Approval.....	7
Registration Updates and Cancellations	7
Updates	7
Cancellation and Withdrawal	8
Appeals.....	9
Chief Financial Officer (CFO)	9
Appointment	9
Duties.....	9
Bookkeeping Tips.....	10
Records Retention.....	10
4 Contestant Finance Rules and Reporting	11
Contributions	11
Eligible Contributions and Contribution Limits	11
Prohibited Contributors and Contributions	12
Fees and Deposits.....	12
Money Contributions	12
Valued (Non-monetary) Contributions.....	13
Fund-raising Functions	14
Events Held by Ticket Sales or Admission	14
Examples for Method 1 and Method 2	15
Recording Revenue and Expenses from Ticket or Admission Sales.....	15
Auctions.....	15
Door Prizes.....	16



Golf Tournaments.....	16
Trade Union and Corporate Sponsorship.....	17
Recording and Reporting Contributions	17
Sample of Contribution Data Entry in OFS	18
Contribution Receipts	19
Public Disclosure of Receipted Contributions	19
Income Tax Credits	20
Loans from Financial Institutions	20
Guarantees	20
Loan Payments	20
Expenses	21
Campaign Expenses.....	21
Other Expenses.....	21
Transfers	22
Filing the Campaign Return	22
OFS Financial Statement	22
Surplus Campaign Funds	23
OFS Financial Statement – Deficit Retirement.....	23
Failure to File.....	23



1 Overview

What is a Leadership Contest?

A **leadership contest** is the procedure used by registered political parties to select a new leader. Parties must inform Elections Alberta before holding a leadership contest and must report the results of the vote following the contest. A **leadership contestant** is a person seeking to become the leader of the party. Leadership contestants must register with Elections Alberta, maintain up-to-date registration information, and submit a financial return to disclose their financial activities.

Navigating This Guide

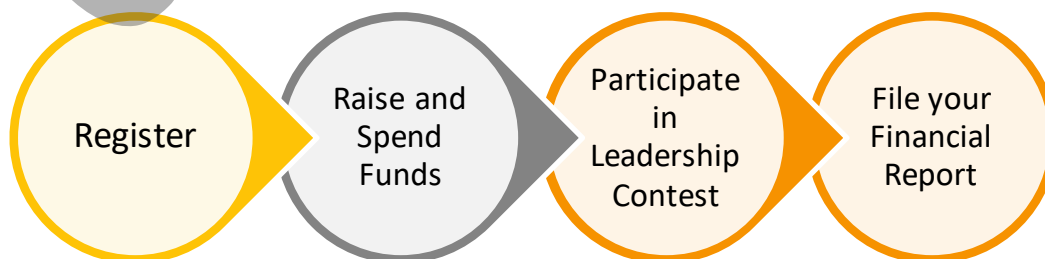
Political Parties

Section 2 provides information on when and how to notify Elections Alberta about your leadership contest and the results after your contest has concluded.



Leadership Contestants

Sections 3 and 4 provide information on when and how to register with Elections Alberta, the duties and responsibilities of your chief financial officer (CFO), rules on raising and spending funds, and filing your financial report.



2 Party Responsibilities

This section outlines your party's responsibilities under the EFCDA to notify Elections Alberta about your leadership contest. How you conduct the contest is an internal matter of your party.

Filing the Leadership Contest Statement

Before the leadership contest starts, your party must submit [Form LC-LCS-01 Leadership Contest Statement](#) to Elections Alberta, signed by your party's CFO. This statement can be submitted electronically.

A party that fails to notify Elections Alberta of their leadership contest could face a fine of up to \$10,000.

Once we receive your statement, we will confirm the Chief Electoral Officer's approval of your contest in writing. We will publish the key contest dates and the names of leadership contestants and their CFOs as they register.

We encourage your party to provide a copy of your leadership contest rules for our review so we can help to ensure that the contest complies with the EFCDA.

Fees and Deposits

If your party charges an **entry fee** to contestants, the amount must be reasonable in relation to the estimated cost of the contest (i.e., the contest should not be wholly funded by the contestants). We will require the party to adjust the fee amount if we determine it to be unreasonable.



Revenue that your party receives from fees must be reported as "Other Income" on the party's annual financial return; fees cannot be considered contribution revenue.

Your party may also charge a **refundable deposit** to contestants for good conduct. Revenue your party receives from deposits must be reported as "Other Income" on the party's annual financial return. Report refunds under operating expenses.

Your party's leadership contest rules should set out the conditions that leadership contestants must meet in order to qualify for their deposit refund.



Example of Form LC-LCS-01, available on our website.



		ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT LEADERSHIP CONTEST STATEMENT FORM LC-LCS-01		OFFICE USE ONLY
NAME OF REGISTERED POLITICAL PARTY Rocky Party				
DATE OF OFFICIAL CALL OF LEADERSHIP CONTEST 05/24/2021				
DATE OF CLOSE OF NOMINATIONS (OPTIONAL)				
DATE OF LEADERSHIP VOTE(S) 08/28/2021				
PARTY ENDORSEMENT DEADLINE (10 CALENDAR DAYS AFTER DATE OF FINAL LEADERSHIP CONTESTANT VOTE) 09/08/2021				
<p>List fee and/or deposit amount(s) required to be paid by leadership contestant as a condition for entering the contest. Also list the estimated cost for holding the leadership contest.</p> <p>Amount of fee (if applicable): \$ 1,000</p> <p>Amount of deposit (if applicable): \$ 1,000</p> <p>Estimated cost to hold the leadership contest: \$ 7,000</p>				
<p align="center">CHIEF FINANCIAL OFFICER SIGNATURE</p> <p align="center">This leadership contest statement is hereby submitted by the Chief Financial Officer of the registered political party named above.</p> <p>James Brown  05/26/2021</p> <p align="center"><small>Print Name Signature mm / dd / yyyy</small></p>				
<p align="center">ACCEPTANCE BY ELECTIONS ALBERTA</p> <p>_____ <small>Authorized Signature mm / dd / yyyy</small></p>				
<p>FORWARD SIGNED ORIGINAL TO ELECTIONS ALBERTA</p> <p>Suite 100, 11510 Kingsway NW, Edmonton, AB T5G 2Y5 780.427.7191</p> <p>FAXED OR SCANNED COPIES ARE NOT ACCEPTABLE - ORIGINAL FORM ONLY</p>				<p align="center">OFFICE USE ONLY</p> <p>ENTERED:</p>

Filing the Notice of Leadership Contest Results

Within 10 days after the contest conclusion, your party must submit [Form LC-LCR-01 Notice of Leadership Contest Results](#) to Elections Alberta, signed by your party's CFO.

Example of Form LC-LCR-01, available on our website.

A party that fails to notify Elections Alberta of contest results within 10 days could face a fine of up to \$10,000.

 ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT NOTICE OF LEADERSHIP CONTEST RESULTS FORM LC-LCR-01		OFFICE USE ONLY
NAME OF REGISTERED POLITICAL PARTY Rocky Party		
CONTEST INFORMATION (MUST MATCH INFORMATION SUBMITTED ON LEADERSHIP CONTEST STATEMENT FORM LC-LCS-01)		
Date of official call of leadership contest	05/24/2021	
Date of leadership vote(s)	08/28/2021	
Leader endorsement deadline (10 calendar days after date of final leadership contestant vote)	09/08/2021	
REGISTERED LEADERSHIP CONTESTANT(S) WHO WERE CONSIDERED FOR LEADERSHIP		
	Last Name	First Name
1.	Smith	Joe
2.	Cook	Marty
3.		
4.		
Add additional rows as needed.		
REGISTERED LEADERSHIP CONTESTANT(S) WHO WITHDREW FROM THE CONTEST		
	Last Name	First Name
1.	Doe	Jane
2.		
3.		
4.		
Add additional rows as needed.		
OFFICIAL DECLARATION OF LEADERSHIP CONTEST RESULTS		
I certify that <u>Joe Smith</u> is the officially endorsed leader <small>Name of Registered Leadership Contestant</small>		
of the <u>Rocky Party</u> <small>Registered Political Party</small>		
<u>James Brown - Chief Financial Officer</u> <small>Print Name and Title of Authorized Representative</small>	 <small>Signature of Authorized Representative</small>	<u>09/03/2021</u> <small>mm / dd / yyyy</small>

This information must match what you entered on Form LC-LCS-01.

3 Contestant Registration

Registering with Elections Alberta

This section outlines the registration application process for leadership contestants, and the duties of their appointed CFO.

You must apply to register with Elections Alberta as soon as you:

- announce your intention to seek the leadership of a registered party, or
- incur a campaign expense for your leadership campaign, or
- receive a contribution for your leadership campaign.

To register, submit [Form LC-R-01 Registration of a Leadership Contestant](#) to Elections Alberta, signed by you and your CFO. An electronic copy of your registration form can be submitted to initiate your registration. ¹


The date you trigger the requirement to register becomes the effective date of your registration and the start of your campaign period. You must register with Elections Alberta in order to raise and spend funds for your campaign and to participate in a leadership contest.

You need to register regardless of whether you have met the party's requirements to participate in their contest.

Under Review



Example of Form LC-R-01, Page 1 of 2.

 ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT REGISTRATION OF A LEADERSHIP CONTESTANT FORM LC-R-01 Page 1 of 2						OFFICE USE ONLY	
<input checked="" type="checkbox"/> INITIAL REGISTRATION <input type="checkbox"/> UPDATE TO REGISTRATION							
NAME OF REGISTERED POLITICAL PARTY Rocky Party				DATE OF LEADERSHIP VOTE(S) 08/28/2021			
LEADERSHIP CONTESTANT							
Prefix	First Name	Last Name		Email Address			
	Joe	Smith		JS@email.com			
Street Address or P.O. Box 12 West Street							
City / Town / Village / Municipality Edmonton		Prov. AB	Postal Code T7X3F2	Primary Phone 111-111-1111	Alternate Phone		
CONTACT INFORMATION TO BE POSTED ON ELECTIONS ALBERTA WEBSITE (OPTIONAL)							
Leadership Contestant Website (Optional)		Leadership Contestant Email Contact (Optional)			Municipality (Optional)		
CHIEF FINANCIAL OFFICER (CFO)							
Prefix	First Name	Last Name		Email Address			
	Ron	McDonald		RM@email.com			
Street Address or P.O. Box 123 MacDonald Dr.							
City / Town / Village / Municipality Sherwood Park		Prov. AB	Postal Code T5X6H1	Primary Phone 222-222-2222	Alternate Phone		
LOCATION RECORDS ARE MAINTAINED AND COMMUNICATIONS ADDRESSED (IF OTHER THAN CFO'S ADDRESS)							
Prefix	First Name	Last Name		Email			
Street Address or P.O. Box							
City / Town / Village / Municipality		Prov. AB	Postal Code	Primary Phone	Alternate Phone		
FINANCIAL INSTITUTION							
Name Royal Bank of Canada							
Street Address or P.O. Box 35 12 ST NW		City / Town / Village / Municipality Edmonton		Prov. AB	Postal Code T7X3D4		
Name(s) of Signing Officer(s) Joe Smith, Ron McDonald							
DATE OF REGISTRATION							
REGISTRATION STARTS ON THE EARLIEST DATE OF THE FOLLOWING - CHECK ONE BOX ONLY AND PROVIDE DATE							
<input type="checkbox"/> Announcement of intention to seek leadership of registered political party				_____ mm / dd / yyyy			
<input type="checkbox"/> Campaign expense incurred				_____ mm / dd / yyyy			
<input checked="" type="checkbox"/> Contribution received				06/15/2021 mm / dd / yyyy			
CONTINUED ON PAGE 2...							

If a campaign website is provided, we will publish it on our website.

Fill out only if the financial records are not kept at the CFO's address.

Fill out completely even if the campaign account is not opened yet

This date will indicate the beginning of your campaign period.



Example of Form LC-R-01, Page 2 of 2.

 ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT REGISTRATION OF A LEADERSHIP CONTESTANT FORM LC-R-01 Page 2 of 2	
NAME OF LEADERSHIP CONTESTANT Joe Smith	Rocky Party
I, (Print Name of Leadership Contestant) Joe Smith declare that the information provided in this registration form is complete and correct; and that in accordance with the constitution of my party, I am qualified to be registered for the upcoming leadership contest. <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Signature of Leadership Contestant </div> <div style="text-align: center;"> 06/16/2021 mm / dd / yyyy </div> </div>	
I, (Print Name of CFO) Ron McDonald confirm that I have accepted the appointment as the contestant's Chief Financial Officer and that I am aware of the duties and responsibilities of that position as prescribed by the <i>Election Finances and Contributions Disclosure Act</i> . <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Signature of Chief Financial Officer </div> <div style="text-align: center;"> 06/16/2021 mm / dd / yyyy </div> </div>	
ACCEPTANCE OF LEADERSHIP CONTESTANT BY POLITICAL PARTY The individual named above has been accepted as a leadership contestant by the registered political party. <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> Print Name of CFO or Principal Officer _____ </div> <div style="text-align: center;"> Title _____ </div> <div style="text-align: center;"> Signature _____ </div> <div style="text-align: center;"> mm / dd / yyyy _____ </div> </div>	
ACCEPTANCE BY ELECTIONS ALBERTA <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> Authorized Signature _____ </div> <div style="text-align: center;"> mm / dd / yyyy _____ </div> </div>	
FOR INITIAL REGISTRATION FORWARD SIGNED ORIGINAL TO ELECTIONS ALBERTA Suite 100, 11510 Kingsway NW, Edmonton, AB T5G 2Y5 FOR UPDATE TO REGISTRATION ONLY, FAXED OR SCANNED COPIES ARE ACCEPTABLE. Phone 780.427.7191 Fax 780.422.2900 Email finance@elections.ab.ca Website www.elections.ab.ca	OFFICE USE ONLY ENTERED: _____

Your party must sign and date the confirmation. This section can be completed after you have submitted your registration form.

Registration Approval

Once Elections Alberta receives your registration form, we will process your application and confirm your registration in writing. Once registered, you are obligated to follow all financial rules under the EFCDA, including the filing of a campaign financial return within four months after the leadership vote, even if you withdraw or your registration is cancelled.

Registration Updates and Cancellations

Updates

It is important that you advise Elections Alberta of any changes to your registration. Changes must be submitted within 48 hours of their coming into effect. File all changes using Form LC-R-01. Updates can be provided to Elections Alberta by faxing or emailing Form LC-R-01. ²

Cancellation and Withdrawal

If for any reason you choose to withdraw, you must notify us by completing [Form LC-R-02 Notice of Withdrawal from a Leadership Contest](#). The Chief Electoral Officer will cancel your registration without delay, following notification.

Example of Form LC-R-02, available on our website.

Your party will also indicate that you withdrew when the party files Form LC-LCR-01 Notice of Leadership Contest Results.

		ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT		OFFICE USE ONLY
		NOTICE OF WITHDRAWAL FROM A LEADERSHIP CONTEST		
FORM LC-R-02				
NAME OF REGISTERED LEADERSHIP CONTESTANT Jane Doe				
NAME OF REGISTERED POLITICAL PARTY Rocky Party				
STATEMENT OF WITHDRAWAL BY REGISTERED LEADERSHIP CONTESTANT				
I, <u>Jane Doe</u> , hereby withdraw my name from consideration as a Name of Leadership Contestant				
leadership contestant for the <u>Rocky Party</u> Name of Registered Political Party				
I acknowledge my responsibility for filing a Leadership Contestant Campaign Return under the <i>Election Finances and Contributions Disclosure Act</i> .				
 Signature			06/01/2021 mm / dd / yyyy	
ACCEPTANCE BY ELECTIONS ALBERTA				
_____ Authorized Signature			_____ mm / dd / yyyy	
FORWARD SIGNED ORIGINAL TO ELECTIONS ALBERTA Suite 100, 11510 Kingsway NW, Edmonton, AB T5G 2Y5 780.427.7191 FAXED OR SCANNED COPIES ARE NOT ACCEPTED - ORIGINAL FORM ONLY			OFFICE USE ONLY ENTERED:	

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

- We determine that you are no longer qualified to be registered, or
- We determine that your application contains false information.

We will notify you by registered mail when your registration has been cancelled. Cancellation of registration becomes effective starting on the third day following the date the notice was mailed. Any of your campaign funds not needed to pay outstanding expenses must be paid to Elections Alberta for deposit into the General Revenue Fund of the Government of Alberta.³

If you withdraw from the contest or your registration is cancelled, you must still file a campaign financial return within four months after the leadership vote.



Appeals

If your registration has been cancelled, you can write to us within 30 days to request a review. The Chief Electoral Officer will review the cancellation within 48 hours of receiving your request and give you an opportunity to present your argument. We may choose to reinstate your registration or confirm the cancellation after this review. We will provide you with written notification of the Chief Electoral Officer's decision.⁴

Chief Financial Officer (CFO)

Appointment

You must appoint a CFO. Many provisions of the EFCDA apply directly to your CFO and the appointed individual must be aware of these duties and responsibilities. A registered contestant cannot be a CFO for themselves or anyone else during their leadership campaign period.

*Elections Alberta must be notified in writing, within 48 hours, if there is any change to the CFO's contact information or if a new CFO is appointed.*⁵

Your application for registration must include the name and contact information of your appointed CFO. Your CFO may be the CFO for another leadership contestant, and they may also be the CFO for a political party, constituency association, candidate, or nomination contestant.⁶

Duties

CFO duties include ensuring:

- proper records are kept of all revenue and expenses
- 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 supported by:
 - a document from the supplier that states the particulars of the expense, or
 - 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.⁷



Bookkeeping Tips

Maintaining accurate and up-to-date records are crucial to ensuring compliance with legislation. 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,
- expenses are categorized by type,
- 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 three years and can be made readily available for examination by Elections Alberta or a designated representative.

Records Retention

The CFO must retain all the financial records for a period of three years following the date your campaign return is required to be filed with Elections Alberta. The CFO must be able to supply documentation to support the financial filing and records if it is requested by Elections Alberta.⁸



4 Contestant Finance Rules and Reporting

This section outlines the rules for contributions, fund-raising activities, expenses, and when and how to report to Elections Alberta. Your CFO and anyone helping with your campaign must understand and follow these rules to avoid non-compliance penalties.

Contributions

A contribution is any money, real property, goods or services, given to benefit your campaign without compensation from your campaign to the contributor.

Eligible Contributions and Contribution Limits

You can only accept contributions during your campaign period. Your campaign period begins on your effective registration date and ends the earlier of the date you withdraw or two months after the leadership vote.

Only persons ordinarily resident in Alberta can contribute to your campaign – contributions from trade unions and corporations are prohibited.

*An individual's contributions to a leadership contestant, or any combination of leadership contestants, candidates, political parties, constituency associations, and nomination contestants, shall not exceed **\$4,243** in total per calendar year.*

See Elections Alberta's [Guide for Contributors](#).

Should your campaign receive an over-contribution, your CFO must refund the excess to the contributor and inform Elections Alberta of the circumstances and steps taken to resolve the matter.

As a registered leadership contestant, you can contribute up to \$4,243 of your own funds to your campaign, typically as self-funded expenses. Self-funded contributions can only be made during the campaign period.

Self-funded contributions are subject to the annual maximum limit of \$4,243 in total for any contributions you may have made to registered parties, constituency associations, candidates and nomination contestants. If you exceed this amount, the excess must be reimbursed to you from your campaign account, or you will trigger an over-contribution which may result in a penalty.⁹

Both money and non-monetary contributions are eligible for an Alberta income tax credit in the year the contribution is made.

No registered leadership contestant is permitted to circumvent or try to circumvent the contribution limit, including by colluding with a third party advertiser.¹⁰



Prohibited Contributors and Contributions

Your campaign cannot accept contributions from:

- a person not ordinarily resident in Alberta,
- a corporation,
- any unincorporated association or organization,
- an individual whose funds were furnished to them by someone else,
- a federal political party or federal electoral district association,
- a candidate registered under the Canada Elections Act, and
- an anonymous source (i.e., contributor's name and address are not disclosed).¹¹

Contributions are not allowed to be directly or indirectly solicited, or accepted from any prospective contributor if you or your CFO knows, or should know, that:

- the prospective contributor is not eligible to contribute (e.g., contribution from a business or person living outside of Alberta), or
- the amount of the contribution would exceed the contributor's annual \$4,243 limit for contributions to all political participants (except senate candidates), in aggregate.

Prohibited contributions must be returned to contributors. If your campaign accepts a prohibited contribution, your CFO is responsible for notifying Elections Alberta of the steps you will take to rectify the matter as soon as you become aware of it. If the source of a contribution is unknown, your campaign cannot keep the funds—they must be paid to Elections Alberta for deposit into the General Revenue Fund of the Government of Alberta.¹²

Fees and Deposits

If you pay your leadership contest entry fee and/or deposit from your own personal funds, you are allowed—but not required—to take a contribution receipt from your own campaign.^a You cannot take a contribution receipt for any amount personally refunded to you by your party or your campaign. This is considered “Other Income” to your campaign and cannot be considered a contribution.

Money Contributions

Money contributions include any cash, cheque, e-transfer, credit card, or online donation, etc. that must be deposited into your campaign account. Amounts up to \$50 need only be recorded as a contribution if the individual requests a tax receipt.¹³

All cash must be deposited in your campaign bank account—you cannot pay expenses directly with cash you receive.

^a This amount is still subject to the annual contribution limit of \$4,243. You must consider any contributions you have already made in the year to registered parties, constituency associations, candidates, and nomination contestants.



Valued (Non-monetary) Contributions

Valued contributions include any real property, goods, or services, or the use of real property, goods, or services that are provided to your campaign, without compensation from your campaign. The value of the contribution is the fair market value (FMV) at the time of the contribution. Your CFO determines the FMV. Amounts up to \$50 in value need only be recorded as a contribution if the individual requests a tax receipt.

Examples of valued contributions include, but are not limited to:

- use of a computer or furniture,
- promotional items and materials including signage, pamphlets, buttons, etc.
- use of a car,
- use of any office or venue
- legal or consulting services, and
- services from a person who normally charges for that service (e.g., a self-employed graphic designer who provides graphic design services to the campaign).

Some services do not qualify as valued contributions, including:

- volunteer labour provided by a person, if that person does not receive from their employer or any other person, compensation, or paid time off to volunteer,
- audit and professional services provided free of charge for work relating to your campaign's compliance with the EFCDA,
- services provided free of charge by the CFO for work relating to your campaign's compliance with the EFCDA, and
- services that you provide in support of your own campaign.

You can purchase real property, goods, or services at FMV from any individual or business. You can only purchase real property, goods, or services at a discounted price from an individual, because the difference between the FMV and the discounted price is considered a contribution.



Fund-raising Functions

A fund-raising function is any event or activity intended to raise funds for the leadership contestant. The revenue and expenses must be reported whether the event or activity is hosted by your campaign or by someone else. Your CFO should keep a separate record of each event, detailing the date, event type, cost to attend, who purchased tickets, the gross revenue of the event, the value received by attendees and the contribution portion per attendee.

Events Held by Ticket Sales or Admission

Only eligible individuals can purchase tickets or an admission to attend your campaign event or activity. This is because a portion of the purchase price comprises a contribution. Notably, a prohibited person or entity cannot purchase tickets or admission, or be reimbursed, because it is deemed a contribution.

The contribution portion of the ticket or admission price is tax receipted. The non-contribution portion—“expense portion”—recognizes that the person received compensation for attending (e.g., a meal, refreshments, golf game, door prize) and is not tax receipted. When planning an event or activity, your CFO determines the contribution portion vs. the noncontribution portion, based on the ticket price. The EFCDA provides an easy method for your CFO to calculate this (Method 1), or your CFO can choose to calculate actual expenses to determine the non-contribution portion of the ticket price (Method 2) instead.

Method 1:

- a) **Ticket / Admission up to \$50:** Any cost paid, up to \$50, is not required to have a contribution portion. All sales can be recorded as fund-raising revenue, unless your CFO, or any other individual who paid for a ticket or an admission, chooses to consider 50% of the cost as a contribution. (The other half is allowed for expenses, even if actual expenses are less or more.)
- b) **Ticket / Admission \$50.01 to \$100:** The contribution portion of the ticket, less \$25. (The \$25 is allowed for expenses, even if actual expenses are less or more.)
- c) **Ticket / Admission over \$100:** The contribution portion is 75% of the ticket price. (25% is allowed for expenses, even if actual expenses are less or more.)

Method 2:

The contribution portion is the amount paid above the FMV of what the ticket or admission purchaser received. Your CFO calculates the actual cost per person to determine the contribution portion vs the non-contribution portion.



Examples for Method 1 and Method 2

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

Fund-raising Function	Ticket / Admission Price	Method	Contribution Portion (receipted)	Non-Contribution "Expense" Portion (Not receipted)
Barbecue	\$35	Method 1	\$0 -or- \$17.50 (50%)	\$35 -or- \$17.50 (50%)
Dinner	\$80	Method 1	\$55	\$25
Meet the Contestant	\$200	Method 1	\$150 (75%)	\$50 (25%)
Golf Tournament	\$400	Method 2	\$163.55	\$236.45 (actual)

Recording Revenue and Expenses from Ticket or Admission Sales

When there is a contribution and non-contribution portion applied for each ticket sold or admission paid, the revenue is split into two categories:

- 1) the contribution portion is recorded as "receipted contributions" and
- 2) the non-contribution portion is recorded as "fund-raising function" revenue.

Auctions

If an auction or silent auction is held in conjunction with an event, a separate record of the auction revenue and expenses must be kept, because different rules apply.

Your campaign can purchase items for the auction and accept items donated by individuals, and the cost or FMV of auctioned items are expenses of the fund-raising event. Only individuals can donate items for the auction. Individuals who donate items valued up to \$50 get to choose whether they want a tax receipt for their donation. All those who donate items valued at over \$50 are tax receipted.

Only individuals can bid on auction items, as bids that exceed the value of the donated items are considered contributions made by the individual.

The following scenarios illustrate how to report the revenue (and expenses) from silent auctions. In all cases, your CFO records the date, names, and addresses of donors and winning bidders, the amounts and whether valued or money for tax receipt purposes.

Auction Scenario 1

An accountant donates services for personal tax preparation, with a stated value of \$300. The CFO verifies that the stated value is FMV. The winning bidder pays \$375. The CFO records:

- \$300 valued contribution received from the donor, and \$300 expense,
- \$300 as fund-raising revenue received from the winning bidder,
- \$75 contribution received from the bidder.



Auction Scenario 2

A store wants to donate a \$700 art deco lamp, but businesses are prohibited from donating under the EFCDA. Instead, an individual purchases the lamp for \$700 and donates it to the auction with a copy of the store receipt to validate the value. The winning bidder pays \$550. The CFO records:

- \$700 valued contribution received from the donor, and \$700 expense,
- \$550 as fund-raising revenue received from the winning bidder,
- No contribution recorded for the bidder because the bid was lower than the value.

Auction Scenario 3

A member of the contestant's campaign team owns a cabin in the mountains and wishes to donate two night's accommodation. The member estimates the value at \$1,000. The CFO conducts online research on similar cabins and locations and decides the value should be \$800. The CFO advises the donor, who acknowledges the revised value. The winning bidder pays \$2,000. The CFO records:

- \$800 valued contribution received, and \$800 expense,
- \$800 as fund-raising revenue received from the winning bidder,
- \$1,200 as a contribution received from the bidder.

The CFO needs to be mindful of contribution limits when accepting auction items at FMV, and maximum bids accepted, to ensure they are appropriate and defensible, and to reduce the risk of over-contributions.

Door Prizes

Only individuals can donate prizes, and your campaign can purchase items for prizes. Individuals who donate items with a value up to \$50 get to choose whether they want a tax receipt for their donation. All those who donate items valued at over \$50 are tax receipted.

Your CFO should retain documentation verifying the amount paid for purchased prizes and the FMV of donated prizes. Donated prizes must be recorded as both contribution revenue and fund-raising expenses.

Golf Tournaments

Only individuals can pay an entry fee to a golf tournament. If the entry fee exceeds the FMV of goods and services received, the excess should be recorded as a contribution. The entry fees should be recorded as a contribution and non-contribution (expense) per s. 23(3) of the EFCDA. A corporation or union is not allowed to pay an entry fee or reimburse a fee paid by an individual.



Trade Union and Corporate Sponsorship

Elections Alberta discourages leadership contestants from accepting trade union or corporate sponsorships at their fundraising events. Such sponsorships are likely to be prohibited contributions, since trade unions and corporations are not allowed to contribute money, goods, or services to a leadership contestant.

A payment by a trade union or corporation to a contestant is only permissible if the compensation received is not greater than the FMV of the benefit obtained. You must be able to demonstrate that the fair value of the benefit is reasonable relative to equivalent advertising opportunities in the local market.

For the same reasons, corporate advertising affiliated with an individual (e.g., Ms. Smith, Realtor for XYZ Realty Co.) is also generally prohibited. To fund-raiser attendees and Elections Alberta as a regulator, such an affiliation makes it impossible to discern whether the contributor is the individual or the corporation. This restriction does not apply to the normal social networking that occurs at such events (e.g., exchange of business cards).

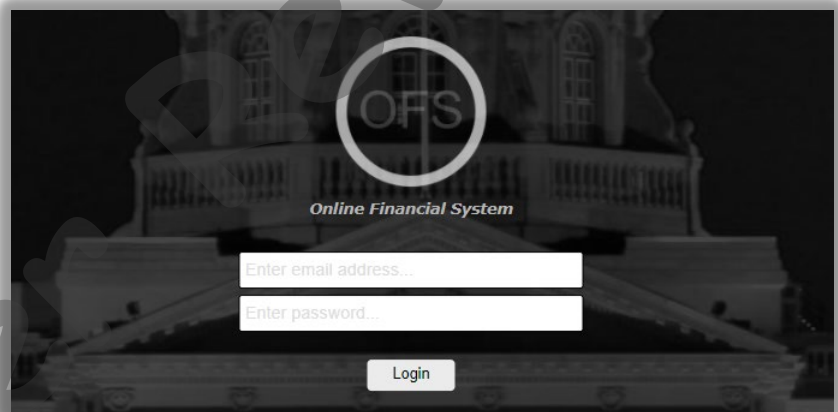
Recording and Reporting Contributions

Elections Alberta provides you and your CFO with access to our Online Financial System (OFS) to report your campaign contributions. Your CFO must report as contributions all amounts over \$50 and any amounts of \$50 or less for which the donor wishes to receive a tax receipt.

The CFO must enter the following information for each contribution:

- date received
- money or valued
- amount
- contributor first and last name
- contributor mailing address
- contributor email address (optional)

See the next page for an example of the contribution entry screen.



Sample of Contribution Data Entry in OFS

Contribution

Date Received: Jun 14, 2021

Type: Cash

Amount Received: 500.00

Contributor

Contributor:

+ Add New Contributor

ADD CONTRIBUTOR

* Contributor Type: Individual

* Receipt Type: Paper

LC Contributor ID:

EA ElectorId: Enter EA ElectorId

Individual Name

Salutation: -- Select Salutation --

* First Name: John

Middle Name: Enter Middle Name

* Last Name: Doe

Suffix: -- Select Name Suffix --

Email Address: Enter Email Address

Individual Address

Address Type: Alberta

* Address: 1 Main Street

* City/Town/Village/Municipality: RED DEER

* Postal Code: T4R1B3

Okay

Cancel



Contribution Receipts

Your CFO must issue official contribution receipts to contributors using OFS. Your CFO must issue the tax receipts accurately and promptly by the campaign return filing deadline so contributors can claim them for Alberta income tax credits. OFS maintains all records of contributions and tax receipts, including any cancelled and reissued receipts.

There are two ways to issue receipts through OFS:

- for persons preferring an electronic receipt, your CFO generates the receipts and OFS emails them to the contributors, or
- for persons preferring a hard-copy receipt or who do not have a current valid email address, your CFO generates the receipts, then prints and sends them to the contributors.

If a person makes more than one contribution to your campaign, OFS will produce one receipt for that contributor listing the individual amounts and total contribution.

If a contributor misplaces their receipt, your CFO can resend or reprint a copy to send to the contributor. If a receipt was issued incorrectly (e.g., wrong address or amount), your CFO must cancel the original receipt and issue a corrected replacement following the prompts in OFS.

Public Disclosure of Receipted Contributions

Elections Alberta publicly discloses receipted contributions reported by your campaign in two categories:

- For contributions from an individual contributor that exceed \$250 in aggregate, the total amount contributed, and the contributor's name and municipality. Addresses are redacted on Elections Alberta's public website, and
- the total amount of all contributions received that did not exceed \$250 in aggregate from any single contributor.¹⁴



Income Tax Credits

CFOs are not responsible for calculating tax credits that contributors may be eligible for. The table below is provided for information purposes only on how tax credits are calculated and administered under the *Alberta Income Tax Act*. The maximum tax credit of \$1,000 is reached when contributions total \$2,300 across all political participants.

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

Your campaign can borrow money from any recognized financial institution, except an Alberta Treasury Branch (ATB Financial). Your CFO must record and report the loan details as part of your campaign return.

Guarantees

Only a person ordinarily resident in Alberta may sign, co-sign, guarantee or provide collateral for a loan on behalf of your campaign. The amount of the guarantee or collateral is considered a contribution in the year the guarantee or collateral is provided and counts towards the guarantor's annual contribution limit under section 17(1) of the EFCDA. However, no tax receipt is issued to a guarantor or person providing collateral until the guarantor is required to make payment or the collateral is applied to the loan.

Loan Payments

Only a person ordinarily resident in Alberta may make a loan payment or guarantee payment on behalf of your campaign. Loan payments made by you or on behalf of your campaign are considered contributions and count toward the annual contribution limit under section 17(1) of the EFCDA. They can be tax receipted, unless the person who made the payment is reimbursed by your campaign.¹⁵



Expenses

Campaign Expenses

A campaign expense is any expense incurred, or non-monetary contribution received, used to directly promote or oppose a leadership contestant during a campaign period.

Your campaign period begins on the date entered on form LC-R-01 and ends 2 months after the date of the leadership vote. Your campaign must file a campaign return with Elections Alberta within four months after the leadership vote.¹⁶

If your campaign expenses exceed **\$25,000**, an audited financial statement and a copy of the auditor's report must accompany your campaign return.

Some examples of campaign expenses are:

- the production of advertising or promotional material (see Elections Alberta's advertising guidelines for rules that your advertising must comply with),
- 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,
- the conduct of election surveys or other surveys or research during a campaign period,
- a contestant's travel expenses reasonably related to the leadership contest, including meals and accommodation,
- a contestant's childcare expenses,
- expenses related to the provision of care for a person with a physical or mental incapacity for whom the contestant normally provides such care,
- in the case of a contestant 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. Incidental expenses can include coffee and donuts, the cost of a parking meter, etc. and apply mainly to expenses incurred outside the election period.

Leadership campaigns are not subject to an expense limit.

Other Expenses

The following are not considered campaign expenses but must be reported:

- Fees and deposits paid to the party
- Refunds to contributors if applicable
- Membership revenue paid over to the party^b

^b Membership revenue collected is paid over to the party and must be entered as another expense, not a transfer.

Transfers

You cannot transfer (exchange) money with any party, constituency association, candidate, nomination contestant, or another leadership contestant during your campaign.

If you have surplus funds at the end of the campaign period, you are allowed to transfer these funds to your party in order to eliminate the surplus.

You can transfer (exchange) goods or services with your party and your party's constituency associations, candidates, nomination contestants, and other leadership contestants.¹⁷

Filing the Campaign Return

Your campaign must file a campaign return with Elections Alberta within four months after the leadership vote. **The requirement to file applies even if you withdraw after being registered and even if you have no financial activity.**

The return includes:

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

If your campaign expenses exceed **\$25,000**, an independent audit must be completed by an accounting firm registered under the *Chartered Professional Accountants Act*. An audited financial statement and a copy of the auditor's report must accompany your campaign return.

OFS Financial Statement

Your CFO is responsible for entering and submitting the financial statement in OFS which includes all required components of the campaign return, including nil reporting if applicable. Data entry is completed through a series of user-friendly screens with help features and automatic calculations. The entire process is electronic, including the sign-off by you and your CFO. No one can sign in place of you and your CFO.

Maintaining a detailed record of financial transactions enables smoother and faster completion. For suggestions on helpful record-keeping practices, refer to "Bookkeeping Tips" in Section 3 of this guide.

The screenshot shows a web form titled "Enter an expense" with a "Help" button in the top right corner. The form contains several labeled input fields, each with a red asterisk indicating a required field:

- * Date:** A text box containing "Jun 22, 2021" and a calendar icon.
- * Category:** A dropdown menu showing "1. Advertising, posters, pamphlets, and promotion".
- * Supplier:** A text box containing "Staples".
- * Description:** A text box containing "Posters".
- * Amount:** A text box containing "150.00".

At the bottom of the form is a black button with the text "Add another expense".



Surplus Campaign Funds

Your campaign is expected to fully disburse any surplus funds within 30 days of the filing deadline as follows:

1. return contributions to contributors, and/or
2. transfer funds to your party

If the surplus cannot be dealt with through options 1 or 2, it must be paid to the Chief Electoral Officer for deposit into the Government of Alberta's General Revenue Fund.¹⁸

OFS Financial Statement – Deficit Retirement

If your campaign reports a deficit, you have three months after the filing deadline to eliminate the deficit, and an additional one month to file an amended campaign return to include additional contributions and revenue received. All contribution limits and statutory provisions of the EFCDA apply within the deficit retirement period.

You or your CFO can request an extension for deficit elimination. Your request must be received by Elections Alberta in writing within the initial three month period. If approved, you will have another three months to fund-raise and when that period is over you have one month to file your amended return.

Failure to File

Failure to file a campaign return by the filing deadline and/or an amended campaign return regarding deficit elimination and surplus distribution, will each result in an automatic late filing penalty of \$500.¹⁹



-
- 1 EFCDA sections 9.2(4)-9.2(6)
 - 2 EFCDA sections 9.2(8), 9.2(9)
 - 3 EFCDA sections 10(5), 10(6)(e) EFCDA section 10(2.1) EFCDA section 43.02
 - 4 EFCDA sections 10(7) to 10(9)
 - 5 EFCDA section 9.2(8)
 - 6 EFCDA ss. 7(1)(f), 8(2)(d), 9(2)(f), 29
 - 7 EFCDA section 30
 - 8 EFCDA section 10.1
 - 9 EFCDA s 15.1, 16(1), 17(7), 17(8), 30(2)
 - 10 EFCDA ss. 41.42, 44.11.
 - 11 EFCDA section 1(1)(.01), 16(2)
 - 12 EFCDA ss. 1(1)(1.01), 16(2), 19, 21.1, 34(1), 34(2), 35, 36
 - 13 EFCDA s. 14(1)
 - 14 EFCDA ss. 4(1)(h), 11, 32
 - 15 EFCDA sections 40, 41
 - 16 EFCDA sections 1.1(1)(b), 1.1(3), 41.42, 43.02
 - 17 EFCDA section 38(2) EFCDA sections 12.2, 43.02, 43.1
 - 18 EFCDA section 12.2
 - 19 EFCDA sections 43.1, 43.2(2), 44, 48(3), 48(6)



Under Review



**Suite 100, 11510 Kingsway NW
Edmonton, Alberta T5G 2Y5**

**Toll Free: 310-0000 Phone: 1-877-422-VOTE (8683)
www.elections.ab.ca info@elections.ab.ca**