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# **Guidelines issued by the Supervisor of Political Financing**

*Political Process Financing Act*

June 2010

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## **1 Introduction**

### **1.1 Disclaimer**

These Guidelines are issued by the Supervisor of Political Financing (the “Supervisor”) for the guidance of persons entrusted with responsibilities under the *Political Process Financing Act* (the “PPFA” or the “Act”).

The Guidelines are intended to clarify and are written and indexed in such a way as to provide a useful guide to those persons who must work with the Act.

In the event of conflict or uncertainty between the information contained in these Guidelines and the *Political Process Financing Act*, the Act shall prevail.

### **1.2 Administration of the PPFA**

The responsibility for administering the PPFA is that of the Supervisor of Political Financing. The Chief Electoral Officer shall be the Supervisor of Political Financing under this Act. Every effort is made to administer the PPFA fairly, impartially and in a non-partisan manner.

The PPFA provides for an Advisory Committee whose function is to offer its opinion on any questions posed by the Supervisor relating to the financing of the political process and to the application of the PPFA. The Advisory Committee shall consist of the Supervisor and two representatives of each registered political party that had official candidates in at least one-half of all electoral districts at the immediately preceding general election.

The Supervisor retains legal counsel and consults with legal counsel on all matters requiring a legal interpretation of the Act.

### **1.3 Offences and Penalties under the PPFA**

Sections 85 to 89 cover offences and penalties under the PPFA. Briefly, any person who authorizes election spending which exceeds the maximum fixed by Section 77 of the Act, or who willfully submits a false statement of election expenses under Section 81 or 82 of the Act, commits an offence.

Refer to Schedule B of the Act for the category of offence for different sections of the Act. See Appendix I for an excerpt from the *Provincial Offences Procedure Act* for the amount of the fine for the category of offence.

A candidate, whose official agent with the knowledge of the candidate commits an offence under subsection 85(1), also commits an offence. Furthermore, the election of any candidate who has been convicted of an offence under subsection 85(1) or 85(2) is null and void, and his seat shall be vacated from the time of such conviction.

## 2 Overview of the PPFA

### 2.1 General Principles of Political Financing

The PPFA establishes general principles of political financing in New Brunswick and sets out the procedures to ensure that these principles are observed and respected in practice.

The four (4) main principles embodied in the PPFA are:

1. Limits on political contributions;
2. Funding provided from the public treasury;
3. Limits on election expenses; and
4. Full disclosure of political financing.

#### 2.1.1 Limits on political contributions

A limit is placed on political contributions and the sources of those contributions must be publicly disclosed.

Only individuals, corporations and trade unions may make political contributions. Furthermore, “Corporation” and “Trade Union” have limited definitions under the PPFA; i.e. only those corporations and trade unions which have a connection with New Brunswick may contribute. In the case of corporations, they must do business in the Province. In the case of trade unions, only those trade-union locals who represent New Brunswick workers may contribute.

Associations or groups may not contribute. Likewise, partnerships may not contribute. Individual partners may contribute in their own names but the partnership may not.

Contributions are limited in that an individual, corporation or trade union may during a calendar year make contributions totaling six thousand dollars (\$6,000) to (a) each registered political party or any registered district association of that registered political party and to (b) one registered independent candidate.

A contribution not in excess of six thousand dollars (\$6,000) may be made

- a) either to a registered political party or to a registered district association of that registered political party,
- b) so that a portion is given to a registered political party and a portion is given to one or more registered district associations of that registered political party, or
- c) so that portions are given to more than one registered district association of a registered political party.

There is an “associated corporations” provision in the PPFA whereby corporations deemed to be associated with one another under Section 256 of the *Income Tax Act* (Canada) are considered to be one corporation for the purposes of applying the contribution limit.

Contributions from individuals totalling more than \$100 in the aggregate for each semi-annual period of a calendar year are subject to public disclosure. In other words, if an individual makes a number of contributions, each of \$100 or less, which in the aggregate exceed \$100, these are subject to public disclosure. All contributions from corporations and trade unions, regardless of the amount, are subject to public disclosure.

Monetary contributions are eligible for tax credits for provincial income taxes otherwise payable on the same basis as for contributions to Federal Parties. See Appendix C for details.

### **2.1.2 Funding provided from the public treasury**

The political process should be partially funded from the public treasury.

An annual allowance is payable to those registered political parties which are represented in the Legislature and to those registered political parties which, although not represented in the Legislature, ran ten (10) or more candidates in the immediately preceding general election.

These allowances are paid to the parties (and not to the district associations) and are to be used for paying the cost of their current administration, for propagating their political programs and for coordinating the political activities of their members.

### **2.1.3 Limits on election expenses**

Limits are placed on how much candidates and parties may spend to contest elections. These limits are adjusted on January 1 each year based on the Consumer Price Index for Canada (the "CPI").

As per the adjustment made to the CPI at September 30, 2009, the limits for 2010 are estimated as follows:

- a) In a General Election
  - a. the candidate is limited to the sum of \$3.08 for each elector registered in the electoral district for which he is a candidate, with a "floor" of \$19,349 and a "ceiling" of \$38,698 (contact Elections New Brunswick for current amounts); and
  - b. each registered political party is limited to an amount equal to the product obtained by multiplying \$1.76 by the number of electors registered in the aggregate of the electoral districts in which the party has candidates (contact Elections New Brunswick for current rate)
- b) In a By-Election
  - a. the candidate is limited to the sum of \$3.52 for each elector registered in the electoral district for which he is a candidate, with a "floor" of \$19,349 and a "ceiling" of \$38,698 (contact Elections New Brunswick for current amounts).
  - b. each registered political party is limited to a total amount of \$12,313 (contact Elections New Brunswick for current amounts).

The PPFA attempts to encourage the use of volunteers in the process. The voluntary contribution of supporters' time and talents are not included in the spending limits.

## Overview of the PPFA

“Election expenses” includes the value of contributions made “in kind”; i.e. property, goods, and services.

Providing the candidate qualifies by having obtained 15% or more of the valid votes cast, he will be entitled to an election expense reimbursement equal to the lesser of the amount spent or the calculated reimbursement. This reimbursement is based on the number of electors registered on the *Preliminary List of Electors* times an amount per elector (2010 rate of 99¢). The 99¢ is arrived at by allowing 35¢ for each elector registered in the electoral district and adding thereto the current cost of 64¢ for mailing a single one ounce (30 gram) first class letter (contact Elections New Brunswick for current rates).

### 2.1.4 Full disclosure of political financing

There must be full disclosure of all sources of revenue and of all political expenditures by the recognized political entities.

This disclosure requires the submission of annual financial returns by the official representatives of each electoral district association to the Supervisor.

Registered political parties are required to submit financial returns on a semi-annual basis, with the return for the last half of the year accompanied by an audit report for the full year. The PPFA provides for reimbursement of up to \$2,000 per year for audit expenses.

In addition, full disclosure of all election spending is required by way of election financial returns. The returns are submitted to the Supervisor and ultimately are made available for public examination.

## 2.2 Persons with specific responsibilities under the PPFA

Certain persons have specific responsibilities under the PPFA. In these Guidelines, we will mention in particular those who have reporting responsibilities under the Act. They are:

1. The **Official Representative** (of a registered political party, registered district association, or registered independent candidate);
2. the **Official Agent** (of an official candidate of a registered political party or a registered independent candidate); and
3. the **Chief Agent** (of a registered political party).

### 3 Official Representatives

#### 3.1 Function

The official representative is responsible for the solicitation of contributions, the coordination of the raising of other sources of revenue, the authorizing of all non-election spending and the keeping of adequate records of all these transactions in compliance with the provisions of the PPFA [subsections 41(1) and 49(1)].

Each registered political party, registered district association and registered independent candidate must have an official representative [*Elections Act*, subsections 137(2), 137(3) and 137(4)].

#### 3.2 Appointment

Each registered political party shall, within ten (10) days after the party becomes registered, file with the Chief Electoral Officer a notice signed by the leader of the party setting out the name and address of its official representative and the names and addresses of any deputy official representatives appointed up to that time pursuant to subsection 7 of the Elections Act [*Elections Act*, subsection 137(2)].

Each registered district association shall, within twenty (20) days after the association becomes registered, file with the Chief Electoral Officer a notice signed by the leader of the party associated therewith, or the official representative of such party, setting out the name and address of its official representative [*Elections Act*, subsection 137(3)].

Each registered independent candidate shall, within twenty (20) days after he/she becomes registered, file with the Chief Electoral Officer a notice signed by him or her setting out the name and address of his or her official representative [*Elections Act*, subsection 137(4)].

The official representative of the party is appointed by the leader of the party. The official representative of the district association is appointed either by the leader of the party or the official representative of the party. The Elections Act makes provision for the replacement of such individuals as required.

#### 3.3 Responsibilities

The official representative is responsible for:

1. The solicitation of contributions. He/she may “deputize” other persons to assist in the solicitation of contributions; however, this should be evidenced in writing by the official representative. Every person authorized to solicit contributions by an official representative shall, on request, exhibit a certificate signed by the official representative evidencing his/her authority. See Appendix A for a sample certificate.
2. The coordination and control of all other sources of revenue including fund-raising events, membership dues, etc.
3. The authorizing and control of all non-election spending.
4. The issuance of official receipts for all contributions received.

## *Official Representatives*

5. The arranging of loans, including those for election financing.
6. The maintenance of adequate financial records of the financial affairs of the party, district association or independent candidate.
7. The submission of annual financial returns (semi-annual for the party), in a form prescribed by the Supervisor, to the Supervisor of Political Financing.
8. In all his/her functions, ensuring compliance with the provisions of the PPFA.

### **3.4 Banking**

All contributions of money shall be deposited with a chartered bank, trust company or credit union having a place of business in the Province [PPFA, s. 45].

All contributions of more than \$100 must be made by cheque, credit card, debit card or other order of payment drawn by the contributor on a chartered bank, trust company or credit union and be made payable to the order of the registered political party, registered district association or registered independent candidate [s. 44(1) and 44(2)].

It follows that the account must be established in the name of the registered political party, registered district association or registered independent candidate, as the case may be, and not in the name of the individual or an individual in trust; e.g. Kent Liberal Association, Saint John Portland NDP Association, Memramcook-Lakeville-Dieppe P.C. Association.

The executive of the party or district association would be responsible for authorizing the signing officers on the account, one of whom must be the official representative. It may be prudent to have two (2) signatories on each cheque, one of whom must be the official representative, since he/she is ultimately responsible for controlling and reporting on the expenditures and sources of income.

The general account should be a chequing account whereby the bank returns bank statements and “cleared” cheques on a regular basis.

Surplus funds (those not required for current operations) may be put in an interest-earning savings account, a term deposit, a GIC, etc. However, such accounts must also be established in the name of the party, district association or independent candidate and not an individual’s name.

Election expenses are not paid by the official representative of the party, district association or independent candidate. These are paid by the chief agent (in the case of the party) or official agent (in the case of the candidate) who will establish a separate election account in which he/she will deposit all monies received from the official representative to finance the electoral campaign. All election expenses must be paid from this account.

The only exception to this is for such things as telephone deposits and advertising authorized by the official agent of the candidate but requiring payment before the separate election account has been established. Such payments may be made from the regular association account by the official representative. Such payments must be treated as a transfer to the official agent by the official representative when filing his/her annual financial return.

The official representative is cautioned that proceeds from lotteries cannot be used to finance election campaigns. This is regulated by the Lotteries Commission.

### **3.5 Accounting methods to be followed**

The accounting methods set out below have been prescribed by the Supervisor for use in preparation of all financial returns to be submitted to the Supervisor pursuant to the PPFA.

1. The accrual basis of accounting is to be used. Expenses are recorded when they are incurred - not when paid. All items of revenue are reported when earned - not as received (except for contributions, which are sometimes uncertain until received and, as such, are recorded when received).
2. Bonds, stocks and other marketable securities are to be valued at cost. When securities are sold, any resulting profit or loss is to be reflected in the financial return.

### **3.6 Contributions**

“Contribution” means, subject to Section 2, services, money or other property donated to a political party, an association or a person to support the political purposes of a political party, association, or candidate [ss.1(1)].

#### **3.6.1 Donations not considered contributions**

The following are not considered contributions under the PPFA:

1. The donation of an individual of his/her personal services, talents or expertise, or the use of his/her vehicle and the product of that donation, where it is given freely and not as part of his/her work in the service of an employer [par. 2(1)(a)].

The intent behind this paragraph is to encourage the voluntary participation of as many individuals as possible in the political process.

2. Amounts paid to a registered political party or candidate under any Act [par. 2(1)(b)]

Political parties qualifying for the annual allowance payable under the PPFA are receiving amounts far in excess of the limit placed on normal contributions. It is felt that this exemption is necessary to make clear that such annual allowances do not constitute a violation under the Act.

3. A loan granted for political purposes at the current rate of interest in the market at the time it is granted [par. 2(1)(c)].

Loans, as such, cannot be considered contributions since they are repayable; however, see the section “Forgiveness of a Loan” below for instances when a loan can become a contribution.

The interest on such a loan would be considered an expense and would be included in the expenses of the association or party.

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In the case of loans taken out specifically to finance an election campaign, the interest incurred during the election period is reported by the official/chief agent as an election expense and is included in the election expense limit.

The loan amounts received and repaid, the interest rate, and the source of all loans to the party, district association or independent candidate must be reported on the financial return by the official representative of said party, district association or independent candidate.

The name and address of any guarantor on such loans must be disclosed. An individual may not be guarantor for a total annual amount in excess of the contribution limit (\$6,000) [s. 40].

4. An annual amount of not more than twenty-five dollars (\$25) paid by a person as dues for membership to a political party [par. 2(1)(d)].

The official receipts for contributions, as provided by the Supervisor, are not to be issued for membership dues. However, if the amount per person exceeds \$25, the full amount of the membership dues is considered a contribution and an official receipt would be issued for the full amount.

The total amount received by a party or district association as dues for membership must be disclosed in the financial return submitted to the Supervisor.

5. An amount of not more than twenty-five dollars (\$25) in each case paid as registration fees at political conventions [par. 2(1)(e)].

The official receipts for contributions, as provided by the Supervisor, are not to be issued for registration fees. However, if the amount per person exceeds \$25, the full amount of the registration fee is considered a contribution and an official receipt would be issued for the full amount.

The total amount collected by way of registration, together with the details of date, place held and individual registration fee charged for each activity, must be disclosed in the financial return submitted to the Supervisor.

6. An amount of not more than ten dollars (\$10) in each case paid as an entrance fee to an activity or demonstration of a political nature [par. 2(1)(f)].

The official receipts for contributions, as provided by the Supervisor, are not to be issued for entrance fees. However, if the amount per person exceeds \$10, the full amount of the entrance fee is considered a contribution and an official receipt would be issued for the full amount.

## *Official Representatives*

The total amount collected at each activity or demonstration, together with details of date, place held, nature of activity and individual fee charged, must be disclosed in the financial return submitted to the Supervisor.

7. Without limiting the preceding Item 1, a donation, other than a donation of money, for political purposes made by any person, if:
  - (a) the donation is made out of the property or undertaking of that person;
  - (b) the total value of all such donations made by that person in the calendar year is less than one hundred dollars (\$100); and
  - (c) that person is not reimbursed or rewarded in any way for having made the donation [par.2(1)(g)].

### **3.6.2 Fundraising Activities**

Fundraising activities may be held by a district association or a political party. Such activities often generate sufficient funds so that individual donations constitute a contribution. If the donation exceeds ten dollars (\$10), the donation constitutes a contribution. If the donation is \$10 or less, the donation is exempted from being a contribution, as provided in paragraph 2(1)(f) of the Act and described in the previous topic. Examples of fundraising activities include tickets sold for dinners, golf tournaments, etc.

The following steps are required to calculate, acknowledge, and report contributions from fundraising activities:

- (a) On the financial return, indicate the date, location, nature of the activity, the individual fee or ticket price, the number of participants or tickets sold, and the gross revenue.
- (b) Provide details of fundraising expenses incurred for the activity.
- (c) Calculate the net profit from the fundraising activity.
- (d) Calculate the net profit per ticket sold.
- (e) If the net profit per ticket is greater than \$10, the total net profit is a contribution that must be remitted to the Party. The Party will issue official income-tax receipts to the ticket purchasers.
- (f) If the net profit per ticket is \$10 or less, the total net profit is not considered a contribution and may be retained by the association.

### **3.6.3 Auctions**

In regards to auctions as a source of revenue, there are two possible elements of contribution related to this type of activity. These are:

1. The value of the item donated; and
2. The price for which the item sells at auction.

The value of the item donated is determined in accordance with subsection 39(3) of the Act. The value of the item donated must be evidenced by an invoice / document indicating the name and address of

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the donor, the item donated and the value of the item. The invoice/document is to be marked "Donation" and dated and signed by the donor. This also applies to items donated by the party or district association; i.e., items with party logo, etc.

An official receipt is to be issued for any donation received from a Corporation or Trade Union. An official receipt is to be issued for any donation from an individual which is not exempted under subsection 2(1), paragraphs (a) and (g).

If the item sells at auction for a price which exceeds its evidenced value, an official receipt is issued to the purchaser for the amount by which the selling price exceeds the value.

### **3.6.4 Discount on election expenses**

Subject to Sections 2 and 48 of the PPFA, any person who accepts for election expenses a price less than his/her regular price for similar work, merchandise or services outside the election period is deemed to have made a contribution equal in value to the difference between his/her regular price and the price accepted [ss. 72(2)].

A deemed contribution as determined above shall,

- a) in the case of election expenses incurred on behalf of a registered political party, be deemed to have been made to the official representative of that party;
- b) in the case of election expenses incurred on behalf of an official candidate of a registered political party, be deemed to have been made to the official representative of the registered district association, associated with that party in the electoral district in which he/she is a candidate;
- c) in the case of election expenses incurred on behalf of a registered independent candidate, be deemed to have been made to the official representative of that candidate; and
- d) in every other case, be deemed to have been made to the political party or candidate on whose behalf the expenses were incurred [ss. 72(3)].

### **3.6.5 Candidate's personal expenses which are not reimbursed**

A candidate who, out of his/her own money, incurs election expenses pursuant to subsection 71(1) of the Act that are not reimbursed to him/her by his/her official agent shall be deemed to have made a contribution equal in value to the amount of the expenses [ss. 71(2.1)]. An official receipt must be issued to the candidate for such contribution(s).

### **3.6.6 Forgiveness of loan and/or interest**

The forgiveness of a loan is a contribution under the definition of "contribution" [ss. 1(1)].

If there was no intention that the loan be repaid at the time the loan was made, the contribution is deemed to have been made on the date the loan is made. Similarly, if there is an understanding that the loan will eventually be forgiven, it is a contribution when the loan is made.

If the forgiven loan was a genuine loan intended to be repaid with interest, it is deemed to be a contribution on the date the loan is forgiven.

## *Official Representatives*

Interest on a loan, which is forgiven or not charged, is deemed to be a contribution and shall be calculated at the rate of interest for such a loan prevailing at the time the loan was made.

The Supervisor will require documentation signed by the lender to indicate that the loan and/or interest has been forgiven. This document shall set out the date the loan was made, the original principle of the loan, the rate of interest at the which the loan was made, any repayments on this loan and/or interest, the unpaid principle and interest owing and the date on which the loan and/or interest was forgiven. This document shall be dated and signed by the lender and the individual having signing authority for arranging loans on behalf of the registered political party, registered district association or registered independent candidate.

### **3.6.7 Contribution Limit in a Calendar Year**

Contributions are limited in that an individual, corporation or trade union may during a calendar year make contributions totaling six thousand dollars (\$6,000) to (a) each registered political party or any registered district association of that registered political party and to (b) one registered independent candidate [ss. 39(1)].

For the purposes above, a contribution not in excess of six thousand dollars (\$6,000) may be made

- a) either to a registered political party or to a registered district association of that registered political party,
- b) so that a portion is given to a registered political party and a portion is given to one or more registered district associations of that registered political party, or
- c) so that portions are given to more than one registered district association of a registered political party [ss. 39(1.1)].

### **3.6.8 Who may make contributions**

Only individuals, corporations and trade unions may make a contribution [ss. 37(1)].

“Corporation” and “trade union” have limited definitions under the PPFA. Essentially, only corporations and trade unions having a particular connection with New Brunswick will be allowed to make contributions [ss. 1(1)].

It should be noted that only those trade unions as defined by the *Industrial Relations Act* and the *Canada Labour Code*, Chapter L-1 of the Revised Statutes of Canada, 1970, that hold bargaining rights for employees in the Province to whom those Acts apply would be eligible to make contributions. Thus, public service unions covered under the *Public Service Labour Relations Act* are not permitted to make contributions under the Act.

The limit placed on corporate contributions will apply to an associated corporate group and not to each corporation individually. For example, if one individual controls several corporations, all of these corporations as a group will be limited to make contributions totalling the maximum contribution limit in a calendar year under the PPFA(\$6,000). For purposes of the PPFA, the definition of “associated” corporations is that found in Section 256 of the *Income Tax Act*, Chapter 148 of the Revised Statutes of Canada, 1952 [ss. 1(3)].

### **3.6.9 Who may not make contributions**

Contributions may not be accepted from partnerships, committees or associations. To accept a contribution from “The Committee to Elect John Doe” is effectively to make no disclosure at all since the contributors are not known.

The main concern in limiting contributions to individuals, corporations and trade unions is to ensure as fully as possible that when disclosure of contributions is made, the disclosure is full and effective disclosure and does not serve to keep the real source of the contribution(s) “in the dark”.

### **3.6.10 To whom contributions may be made**

Contributions may only be made to a registered political party, registered district association, or registered independent candidate [ss. 37(2)].

### **3.6.11 Contributions may only be made from own property**

An individual, corporation or trade union may make a contribution only out of his/her or its own property [ss. 38(1)].

### **3.6.12 Services, money or other property shall not be accepted by contributor**

No individual, corporation or trade union shall solicit or accept services, money or other property from any source

- a) as a consideration or reward for having made a contribution, or
- b) on the condition, agreement or understanding, expressed or implied, that he or it will, as a result, make a contribution [ss. 38(2)].

### **3.6.13 Valuation of non-monetary contributions**

For the purposes of the Act, contributions other than contributions of money shall be valued as follows:

- a) in the case of property and services contributed by a trader in such property and services, at the lowest price at which he/she offers such property and services to the public at the time when it is contributed;
- b) in the case of property and services contributed by a non-trader in such property and services, at the retail price of such property and services prevailing in the area in which and at the time when the contribution is made [ss. 39(3)].

A voucher from the supplier (contributor) should be kept on file by the official representative and he/she must issue an official receipt for said non-monetary contribution.

### **3.6.14 Contributions received in contravention of the PPFA**

No registered political party, registered district association or registered independent candidate and no person on its or his/her behalf, shall knowingly accept any contribution made in contravention of this Act [ss. 39(4)].

Section 47 of the PPFA explains how such illegal contributions are to be handled. If the identity of the contributor can be determined, we recommend that the contribution be returned directly to the

contributor without being deposited to your account [par. 47(2)(a)]. If the identity of the contributor cannot be determined, the contribution should be deposited to the bank account, a notation made on the deposit slip that it is in contravention of the PPFA, and a cheque should be drawn on the bank account payable to the Supervisor of Political Financing [par. 47(2)(b)]. The Supervisor shall remit the amount of the illegal contribution to the Minister of Finance and paid into the Consolidated Fund [ss. 47(3)].

### **3.6.15 Anonymous contributions**

An amount equal to the value of every anonymous contribution received by a registered political party, registered district association or registered independent candidate shall

- a) if the identity of the contributor can be established, be returned to that contributor, or
- b) if the identity of the contributor cannot be established, be remitted to the Supervisor

by the official representative of that party, association or independent candidate [ss. 47(2)]. The Supervisor shall remit the amount of the anonymous contribution to the Minister of Finance and paid into the Consolidated Fund [ss. 47(3)].

### **3.6.16 Who may solicit contributions**

Contributions may be solicited only under the direction of the official representative of a registered political party, registered district association or registered independent candidate by persons authorized in writing by the official representative [ss. 41(1)].

Every person authorized to solicit contributions by an official representative shall, on request, exhibit a certificate signed by the official representative evidencing his/her authority [ss. 41(2)]. See Appendix A for a sample certificate.

Contributions are made only to the official representative of the registered political party, registered district association or registered independent candidate for whom it is intended, or to a person authorized in writing by the official representative [s. 42].

Subsequent to the polling day of the election at which he/she is a candidate, a registered independent candidate may collect contributions only up to an amount equal to an amount that his/her expenditures, including election expenses, up to and including polling day, exceeds the amount of the contributions received by him/her or on his/her behalf up to that date [s. 29].

### **3.6.17 Form of legal tender for contributions**

Contributions of money may be made by cash or by cheque, credit card, debit card or other order of payment drawn by the contributor on a chartered bank, trust company or credit union on an account in the name of the contributor [s. 43.1]. However, all contributions of more than \$100 must be made by way of cheque, credit card, debit card or other order of payment drawn on an account in the name of the contributor [ss. 44(1)]. Thus, the maximum contribution by way of cash, postal money order or bank draft is one hundred dollars (\$100).

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If a contribution of more than \$100 is drawn on a joint account, the official receipt is issued to the person signing the cheque.

A cheque or other order of payment constituting a contribution shall be made payable to the order of the registered political party, registered district association or registered independent candidate, as the case may be [ss. 44(2)].

### **3.6.18 When is a contribution deemed to have been made**

A contribution of money shall be deemed to have been made on the date when the cash, cheque, credit card, debit card or other order of payment is received by the official representative of the registered political party, registered district association or registered independent candidate for whom it is intended [ss. 44.1(1)].

Notwithstanding subsection 44.1(1), in the case of a contribution of money delivered by mail, the contribution shall be deemed to have been made on the date of the postmark on the envelope in which it was mailed [ss. 44.1(2)].

A contribution other than a contribution of money shall be deemed to have been made on the date when the property or service was made available to the registered political party, registered district association or registered independent candidate [ss. 44.1(3)].

A contribution, other than a contribution of money that continues for more than one day during a year shall be deemed to have been made on the date the property or service was first made available during the year, and, notwithstanding Section 46, one receipt showing the date may be issued for the total value of the contribution made during the year [44.1(4)].

### **3.6.19 Deposit of Contributions**

All contributions of money (cash, cheque, etc.) shall be deposited intact with a chartered bank, trust company or credit union having a place of business in the Province [s. 45]. Note particulars of the deposit on the bank deposit slip, indicating the name of the contributor and the amount. A duplicate deposit slip is retained by the official representative of the party, district association or independent candidate, as the case may be.

Do not make payments from un-deposited cash contributions.

### **3.6.20 Issuing official receipts for contributions received**

The official representative of a registered political party, registered district association or registered independent candidate shall issue a receipt to the contributor for every contribution to such party, district association or independent candidate [ss. 46(1)].

Every receipt shall be in the form prescribed by the Supervisor and shall accurately record the following information:

- a) full and complete name and address of the contributor;
- b) method of payment, i.e., cash, cheque, debit/credit card, or goods/services;

## *Official Representatives*

- c) contributor category, i.e. individual, corporation, or trade union;
- d) amount or value of the contribution;
- e) date the contribution is made;
- f) date the receipt is issued (this date will usually differ from the date the contribution is received)
- g) full name of the political party, district association, or independent candidate; and
- h) signature of the official representative [ss. 46(2)].

See Appendix B for a sample official receipt. The official receipts are provided by the Supervisor and are pre-numbered, three-part receipts in laser-printer format. The white copy (Copy 1) goes to the contributor, the yellow copy (Copy 2) is included with the financial return filed with the Supervisor, and the pink copy (Copy 3) is retained by the official representative.

An official receipt shall not be issued for any purpose except to acknowledge a contribution [ss. 46(3)].

### ***3.6.20.1 Centralized receipting process***

At the present time, all the registered political parties have centralized the “receipting” function; i.e., issuing official receipts for contributions. The procedure goes somewhat as follows:

- a) Contributions are received by the district association and interim receipts (those provided by the party and not the official receipt forms issued by the Supervisor) are issued to the contributor.
- b) Contributions are forwarded to the party. Depending on the political party, this may occur in one of two ways:
  - i. Cash contributions would be deposited to the district association’s bank account. Cheques received from contributors and a district association cheque to cover any cash contributions are mailed directly to the party for deposit;
  - or
  - ii. The monies collected at the District Association level are deposited into the Association’s bank account, noting in detail the particulars of each donation on the deposit; i.e., name, amount and method of payment. At least twice yearly, one hundred percent (100%) of the monies so collected at the District Association level, together with a copy of each interim receipt, are sent to party headquarters. Please note that 100% of all contributions received by a district association during the calendar year must be sent to party headquarters prior to December 31 of that same year.
- c) By June 30<sup>th</sup> and by December 31<sup>st</sup>, or shortly thereafter, the Party must issue official receipts for 100% of all contribution revenue received at the association and party level and report this revenue in its financial return for the six-month period during which this revenue was received. The party issues official receipts directly to the contributors.

A portion of the contribution will be returned by the party to the district association. The percentage to be returned to the district association is an internal party matter and is not determined by the Supervisor.

### **3.6.20.2 Accounting for contributions**

Accounting for the amounts referred to above must be handled as follows:

- a) The district association will report any contributions deposited in its bank account as “Monetary contributions owed to Party” on Schedule 11 of the annual financial return.
- b) The district association will report funds subsequently remitted to the Party for receipting purposes as a reduction to “Monetary contributions owed to Party”. Ideally, this account should have a nil balance at the end of the year.
- c) The party will be responsible for reporting all contributions received at 100% of the value contributed.
- d) The party will report the portion of contributions transferred back to the district association as a “Transfer out to associations”.
- e) The district association will report the amount returned by the party as a “Transfer in” on Schedule 6 of its annual financial return. Amounts in (d) and (e) should agree.

### **3.6.20.3 Replacement and Duplicate receipts**

In the event that an official receipt issued to a contributor contains an error, the official representative shall obtain the original white copy of the incorrect receipt before issuing a replacement receipt. The pink copy of the incorrect receipt is to be clearly marked “Replaced by Receipt #XXXXXX”. The replacement receipt shall be clearly marked as such; e.g. “Replacement for Receipt #YYYYYY” on all three parts.

In the event that an official receipt issued to a contributor has been lost, the official representative shall issue a duplicate receipt which is clearly marked as such; e.g. “Duplicate of receipt #AAAAAA” on all three parts. The pink copy of the original receipt being duplicated is to be clearly marked “Duplicated with receipt #BBBBBB”.

### **3.6.21 New Brunswick Political Contributions Tax Credit**

Monetary contributions made by individuals and corporations will entitle the contributor to a non-refundable credit against provincial income taxes otherwise payable. See Appendix C for the amount of the credit.

Contributions made “in kind”, such as property, goods, and services, are not eligible for the income tax credit. However, an official receipt must be issued for each such contribution and clearly marked as “goods / services”.

## **3.7 Non-Election Expenditures**

### **3.7.1 Who may authorize or incur non-election expenditures**

Expenditures other than election expenses, or “non-election expenditures”, of registered political parties, registered district associations or registered independent candidates shall be incurred only under the direction of the official representative of the party, association or independent candidate by persons authorized by the official representative [ss. 49(1)].

### **3.7.1.1 Certificate of authorization**

Every person authorized to make expenditures by an official representative shall, on demand, exhibit a certificate signed by the official representative evidencing his/her authority [ss. 49(2)]. See Appendix D for a sample certificate.

### **3.7.1.2 Costs of a nominating convention during an election period**

Subsection 67(4) lists the following reasonable expenses incurred in relation to holding a convention for the selection of a candidate for an electoral district during a general election or a by-election which are considered non-election expenditures:

- a) the cost of renting a hall for the convention;
- b) the cost of advertising the date, place, time, programme and organizers of the convention;
- c) the cost of the convening of delegates to the convention;
- d) the cost of providing refreshments and entertainment for those attending the convention;
- e) the expenses of up to one thousand dollars (\$1,000) of the candidate selected at the convention; and
- f) the reasonable expenses of all other candidates at the convention.

Any of these expenses paid for by the party or the registered district association of the electoral district shall be included in the non-election expenditures reported by the official representative. If the chief/official agent pays for these expenses, they are considered as having been authorized and paid by the official representative.

Any expenses incurred in excess of the above-noted reasonable costs shall be deemed to be election expenses incurred by the official agent of the candidate [ss. 67(4)].

### **3.7.2 Limits on non-election advertising**

Non-election expenditures incurred by registered political parties, registered district associations or registered independent candidates for advertising on broadcasting undertakings or in newspapers, periodicals or other printed matter shall be limited so as not to exceed:

- a) in the case of registered political parties, thirty-five thousand dollars (\$35,000) in each calendar year, and
- b) in the case of registered district associations and registered independent candidates, two thousand dollars (\$2,000) in each calendar year [ss. 50(1)].

The limits noted above do not apply to:

- a) Advertising limited to:
  - i. publicizing the date, place, time, scheduled program and organizers of a public meeting; and
  - ii. publicizing any corrections to an advertisement described in paragraph (i) [ss. 50(2)];

and

- b) Expenditures incurred for
  - i. the mailing of letters, printed material and cards, including Christmas cards,
  - ii. the production and distribution of
    - i. newsletters distributed solely to members of a registered political party, and
    - ii. Christmas cards, and
  - iii. the publication in a newspaper of season's greetings, congratulatory messages or best wishes for community events [ss. 50(3)].

### **3.7.3 Expenses not considered an expenditure under the PPFA**

An expense incurred for political purposes by any person shall not be considered as an expenditure under this Act if

- a) the expense is incurred out of that person's own money;
- b) the aggregate of all such expenses incurred by that person in the calendar year is less than one hundred dollars (\$100), and
- c) no part of such expense is reimbursable to that person from any other person [ss. 2(3)].

## **3.8 Suggestions on record-keeping and Books of Account**

The following suggestions are intended to give practical guidance on the maintenance of good accounting records.

As official representative of a registered political party, registered district association or registered independent candidate, you will be required to submit a financial return to Supervisor reporting on revenue and non-election expenditures. The chief agent of the party or official agent of the candidate is responsible for submitting a financial return reporting election expenses incurred for a general election or by-election.

In some cases, the official representative and the chief/official agent will be one and the same person. If this is the case, it is strongly recommended that two separate accounting records be kept — one for the regular party/association financial transactions and one for financial transactions relating to election expenses to be reported by the chief/official agent. A separate bank account should be opened for the financial activity related to the election.

If the official representative and the chief/official agent are not the same person, separate books of account must be kept.

The annual financial return required of the official representative will cover transactions for the calendar year.

Keep a record of all amounts received and all amounts paid out. This can be accomplished most effectively by observing the following practices:

- a) Ensure that all bank or similar accounts to be used for cash disbursements are of the type where you will receive a monthly statement and details of cancelled cheques.

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- b) Make all payments (except petty cash disbursements, which should be kept to a minimum) by cheque.
- c) Retain invoices from suppliers and other documentation (receipts, vouchers, etc.) relating to expenses. Please note that a credit/debit card transaction slip alone will not be accepted to vouch an expense. (Of course, these are often combined in one slip in today's business environment.) Invoices to support any expenses of more than \$100 will be required to be submitted with the financial return sent to the Supervisor.

All invoices (receipts, vouchers, etc.) should be retained. In the case of the parties, the auditor will require these when making the audit examination. In the case of the district associations and independent candidates, the Supervisor may, from time to time, require an audit of your accounts, in which case these invoices will be required.

- d) Maintain a petty cash fund to handle minor expenses that are normally paid in cash. To operate such a fund, simply have a cheque drawn on your operating account for a reasonable sum. We recommend against making the petty cash fund any larger than is absolutely necessary since it is not good practice to have large amounts of money lying around. A petty cash fund of one hundred dollars (\$100) would be sufficient in most instances.

This money should be placed under the care of one individual who will be responsible for its maintenance. At any point in time, the cash on hand plus the total of the receipts for invoices paid from the petty cash fund should be equal to the original amount of the fund. Replenish the petty cash fund by drawing another cheque on your operating account for an amount equal to the total of paid receipts.

Invoices (receipts, vouchers, etc.) for expenses paid out of the petty cash account should be retained since they will be necessary for audit purposes.

Be sure to replenish the petty cash fund in full at the end of the calendar year. All expenses paid from the petty cash fund are to be included in the non-election expenses reported by the official representative in the financial return submitted to the Supervisor.

- e) Deposit intact all contributions and other monies received in an authorized bank account. DO NOT USE UNDEPOSITED CASH CONTRIBUTIONS (OR OTHER MONIES) TO PAY OFF DEBTS OR TO PAY FOR PURCHASES. Any departure from this rule makes record keeping extremely difficult.

Keep a copy of each bank deposit slip. Deposits should be made on a regular basis and the deposit slip should be completed in proper detail; i.e. it should show the name of the contributor and amount of contribution when paid by cheque and the total value of cash contributions. Your copy of the deposit slip should also show the detail of cash deposited; i.e. name of contributor and amount contributed; other cash revenue such as lottery draw and amount; etc.

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- f) It is not necessary to keep a complicated set of accounting records. The following should be all that are needed to comply with the PPFA to enable you to report to the Supervisor and to satisfy your auditor (in the case of the party):
  - i. Deposit slip for all deposits, showing detail of sources of revenue as noted above.
  - ii. Record of contributions of goods and services and the fair market value of each. You should have an invoice to vouch the donated goods and services.
  - iii. Name and address of each contributor and identified as either: Individual, Corporation or Trade Union. Your interim receipt copies will provide you with this record. The interim receipt is either a receipt book purchased by the official representative (duplicate copies) or provided by party headquarters.
  - iv. Record of all contributions returned to contributors (with same detail as (iii) above).
  - v. Cancelled cheques and bank statements.
  - vi. Invoices, petty cash slips, and other vouchers supporting all payments made.
  - vii. Cash receipts and cash disbursements books in accordance with the format suggested by the Supervisor. Alternatively, computer software programs such as Quicken and Simply Accounting are recommended.
  
- g) Since the financial returns are prepared on an accrual basis, in addition to records of each receipt and disbursement, it will be necessary to also take into account:
  - i. Expenses incurred but not paid prior to the end of the period covered by the financial return; i.e. accounts payable.
  - ii. Expenses incurred for which bills have not yet been received; i.e. accruals.
  - iii. Interest on deposits or on other investments which has been earned but which has not yet been received; i.e. accrued interest receivable.
  - iv. Share of contributions receivable from the party at year-end; i.e. accounts receivable.
  
- h) Individual accounts set up in accounting software or manual books of account should match the reporting requirements of the annual financial return. See Appendix E for a sample Cash Receipts Book. See Appendix F for a sample Cash Disbursements Book.

## **3.9 Submission of Financial Returns to Supervisor**

### **3.9.1 Registered Political Party**

For each financial year, the official representative of a registered political party shall submit two financial returns to the Supervisor

- a) one, for the first six months of the year, to be submitted not later than the first day of October of that year; and
- b) one, for the last six months of the year, to be submitted not later than the first of April of the following year [ss. 59(1)].

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Although the Act says the financial return for the last six months shall be accompanied by an auditors' report prepared in respect to the full year [ss. 59(2)], in practice, each financial return is submitted with its own audit report.

The financial return shall be accompanied by copies of all receipts issued for the contributions received together with such invoices and other vouchers, or certified copies thereof, evidencing the expenditures of the party as the Supervisor may require of that party from time to time [ss. 58(2)].

### **3.9.2 Registered District Associations**

Not later than the first day of April of each year, the official representative of each registered district association shall submit a financial return to the Supervisor for the preceding calendar year [ss. 60(1)].

The financial return of a registered district association shall be accompanied by receipts, invoices and other vouchers as required by the Supervisor [ss. 60(2)].

### **3.9.3 Extension of submission date**

When the date for submitting financial returns fixed in sections 59 and 60 falls during an election period, the date shall be extended to ninety (90) days after the polling day of the election [s. 61].

### **3.9.4 Registered Independent Candidate**

The official representative of a registered independent candidate shall, within ninety (90) days after the polling day of the election for which he is a candidate, submit a financial return to the Supervisor covering the period from that candidate's registration, or the date of his last financial return, whichever period is shorter. (PPFA, 62(1))

The financial return of a registered independent candidate shall be accompanied by receipts, invoices and other vouchers as required by the Supervisor [ss. 62(2)].

## **3.10 Women's, Men's, Youth Associations**

Women's, men's, or youth associations formed to support a registered political party or a registered district association must report, on a regular basis, its financial activity to the official representative of the registered political party or registered district association. Such revenue and expenses must be included in the financial returns of the parties and associations required under the PPFA.

The official representative of the registered political party or registered district association may authorize a women's/men's/youth association to generate revenue and incur expenses. The types of revenue could include: memberships, fines, pins, lottery tickets, or other similar types of activities which generally do not generate a large amount of revenue. The types of expenses could include such things as cards, postage, flowers, bank charges, gifts to graduates or service groups, hall rental, etc. We would note, based on our review of past financial returns reporting on financial activity by a women's/men's/youth's association, that their gross revenue/expenses for the year do not usually exceed \$1,000.

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The official representative of the registered political party or registered district association may authorize a women's/men's/youth association to maintain a bank account for deposit of its revenue and payment of its expenses; and may also authorize such an association to maintain a small petty cash.

If the official representative authorizes (in writing) a member of such an association to collect contribution revenue, this contribution revenue must be deposited directly into the Association's bank account, and not in the women's/men's/youth's association account, with sufficient information to enable the official representative to issue the required official receipts.

## **4 Official Agent of a Candidate**

### **4.1 Function**

The official agent of the candidate is responsible for authorizing and controlling all election spending on behalf of the candidate. Such spending is to be done in conformity with the limits contained in the PPFA and the requirements under the PPFA for reporting on such expenditures.

### **4.2 Appointment**

The chief agent of a registered political party may, on a written authorization of the leader of that party, appoint at any time not more than one **electoral district agent** for that party for each electoral district and file the name and address of such appointment with the Chief Electoral Officer [*Elections Act*, ss. 138(7)].

Every candidate at an election shall have an **official agent** [PPFA, ss. 69(1)]. The electoral district agent of a registered political party for a particular electoral district shall be the official agent of the official candidate of that party in that district [ss. 69(2)].

Any candidate, including the official candidate of a registered political party, who does not have an official agent registered with the Chief Electoral Officer on the date his/her nomination paper is filed shall, within three (3) days of that date, appoint an official agent by a writing signed by him/her and filed with the offices of the Supervisor and the Chief Electoral Officer [ss. 69(3)].

### **4.3 Replacement**

If the official agent of a candidate dies, resigns or becomes unable to act during an election period, the candidate shall forthwith appoint a new official agent by a writing signed by such candidate and filed with the Chief Electoral Officer [ss. 69(4)]. A candidate may, during an election period, dismiss his/her official agent and appoint another by a writing signed by him/her and filed with the Chief Electoral Officer [ss. 69(6)].

### **4.4 Responsibilities**

The official agent of an official candidate is responsible for:

1. Ensuring compliance with the election spending limit and other constraints contained in the provisions of the Act.
2. Authorizing and controlling all election spending on behalf of the candidate. Only the official agent of the candidate, or someone authorized by him/her, may incur election period spending for the candidate's election campaign [ss. 70(1)]. The official agent should exercise caution in the delegation of his/her authority to incur election period spending.
3. The maintenance of adequate financial records of the financial affairs of the candidate's electoral campaign.
4. The reporting of such election period spending in a form prescribed by the Supervisor.

## **4.5 Banking**

A separate election bank account must be opened for the electoral campaign by the official agent of the candidate. The account should be a current account in the name of, for example, “**John Doe, Official Agent for Jane Smith**”.

It is recommended that there be two signatories on cheques drawn on this account, one of whom must be the official agent.

The official agent is not responsible for the raising of monies or the arrangement of loans necessary to contest the election. This is the responsibility of the official representative. All funds received from the official representative must be deposited into the election account.

### **4.5.1 Early election expenses**

All election expenses must be authorized by the official agent and paid from the election account. The only exception is where certain expenditures may be necessary prior to the establishing of the separate election account; e.g. telephone deposits, advertising authorized by the official agent of the candidate, etc. Such payments may be made from the regular association account by the official representative. Such payments must be treated as a transfer to the election account by the official representative when filing his/her annual financial return. The official agent must include such expenses in his/her election period return and will also account for the amount(s) as a transfer of monies from the official representative.

## **4.6 Accounting method**

The accrual method of accounting (whereby expenses are recognized as they are incurred, not when they are paid) must be followed.

## **4.7 Election Expenses**

### **4.7.1 Definitions**

“Election expenses” means all expenditures incurred during an election period for the purpose of promoting or opposing directly or indirectly, the election of a candidate or that of the candidates of a party, including every person who subsequently becomes or who is likely to become a candidate, and includes all expenditures incurred before an election period for literature, objects or materials of an advertising nature used during the election for such purposes [ss. 67(1)].

“Election expenses of a candidate” means election expenses incurred or authorized, or deemed to have been incurred or authorized by the official agent of that candidate, and includes the value, determined in accordance with subsection 39(3) of the Act, of every contribution, other than contributions of money, made during an election,

- a) in the case of a candidate of a registered political party, to the registered district association associated with that party in the electoral district in which that person is a candidate; or
- b) in the case of any other candidate, to that candidate[ss. 1(1)].

“Election period”: In the PPFA, the term “during the election” or “an election period” is taken from the *Elections Act* and means “the period commencing with the issue of a writ for an election and ending when the candidate or candidates have been returned as elected” [*Elections Act*, s. 2]. The return of candidates as elected occurs 11 days subsequent to ordinary polling day. Notwithstanding this definition, the Office of the Supervisor of Political Financing has historically adopted a convention whereby, for political financing purposes, the election period is deemed to extend from the issuing of the writ of election until the close of polls on ordinary polling day.

#### **4.7.2 Authorization by official agent required**

No person other than the official agent of the candidate shall authorize election expenses for such candidate, and no election expenses shall be incurred except by the official agent or by a person authorized by such agent [ss. 70(1)].

All persons authorized to incur election expenses by the official agent of a candidate shall, on request, exhibit a certificate of such authorization. See Appendix G for a sample authorization certificate.

No person during an election period shall accept or execute an order for election expenses in excess of one hundred dollars (\$100) if such order is not given or authorized by the official agent or in that agent’s name by the designated publicity agency of that candidate [ss. 70(2)].

#### **4.7.3 Authorization exceptions during an election**

During an election, the following exceptions are permitted under the Act:

1. The candidate him/herself is permitted to spend up to two thousand dollars (\$2,000) on personal expenses which constitute election expenses. He/she must submit a detailed statement of such expenditures to the official agent within twenty (20) days after polling day. These expenses are included in the overall spending limit of the candidate [ss. 71(1) and (2)].

If these personal expenses are not reimbursed to the candidate by the official agent, the candidate shall be deemed to have made a contribution equal in value to the amount of the expenses [ss. 71(2.1)]. The official agent must advise the official representative of these election expenses in order that the official representative may issue an official receipt for said contribution.

All election expenses incurred by a candidate in accordance with ss. 71(1) and reported to his/her official agent in accordance with ss. 71(2) are, for the purposes of the Act, deemed to have been incurred or authorized by the official agent of that candidate [ss. 71(3)].

2. The official agent may designate a publicity agency for the candidate by a writing signed by him/her and filed with the office of the Supervisor setting out the name and address of the agency [ss. 74(1)].

## *Official Agent of a Candidate*

All election expenses incurred or authorized by a designated publicity agency shall be deemed to be incurred or authorized by the official agent of the candidate who designated the agency [ss. 74(4)].

**The official agent is cautioned that he/she must, at all times, be aware of the expenditures by the candidate and/or the publicity agent since it is ultimately his/her responsibility to ensure that the total spending does not exceed the limit as permitted under the PPFA.**

### **4.7.4 Other election expenses**

#### ***4.7.4.1 Goods & services contributed***

Goods and services contributed to an election campaign and not excluded under subsection 2(1) of the Act are to be valued in accordance with subsection 39(3) and must be reported as election expenses and must be included in the election spending limit. The official agent must advise the official representative of all contributed goods and services so that official receipts are issued.

#### ***4.7.4.2 Interest on loans***

It may be necessary for the official representative of the district association to arrange a loan to provide funding for the electoral campaign. Any interest incurred on such a loan during the election period must be included by the official agent in his/her election expenses reported to the Supervisor.

#### ***4.7.4.3 Excessive costs of a nominating convention***

With the exception of those reasonable expenses noted in subsection 67(4) of the PPFA, all other costs relating to holding a convention for the selection of a candidate for an electoral district during a general election or a by-election period in that district are deemed to be election expenses of the candidate selected for that electoral district and must be included by the official agent in his/her report to the Supervisor [ss. 67(4)]. Refer to the previous chapter on "Official Representatives" for the list of reasonable expenses that are not considered election expenses.

#### ***4.7.4.4 Discount on election expenses***

As discussed under the topic of contributions, subject to Sections 2 and 48 of the PPFA, any person who accepts for election expenses a price less than his/her regular price for similar work, merchandise or services outside the election period is deemed to have made a contribution equal in value to the difference between his/her regular price and the price accepted [ss. 72(2)]. The regular price of the material is considered to be an election expense.

The official agent must advise the official representative of any discounts on election expenses in order that the official representative may issue an official receipt for such contribution(s).

#### ***4.7.4.5 Election Day expenses***

Just prior to Election Day, the poll captain may be given a sum of money with which to operate his/her poll. The official agent should obtain a temporary receipt from each poll captain to cover the sum of money advanced to cover Election Day expenses.

This money is intended to cover the cost of the poll workers, transporting voters to the polls, providing meals for poll workers, etc. Expenses incurred on Election Day are subject to the same limitations as all other election expenses.

The poll captain should, within a reasonable time after the election (say, one week), submit an itemized statement of Election Day expenses to the official agent to support the actual amount spent. Any monies not spent are to be returned to the official agent for deposit to the election account.

#### **4.7.5 Expenses not considered election expenses**

Notwithstanding the definition in subsection 67(1) of the Act, “election expenses” does not include:

- (a) the publishing in a newspaper or other periodical of editorials, news, reports, or letters to the editor, if
  - i. they are published in the same manner and under the same standards as prevail outside an election period, without payment, reward or promise of payment or reward, and
  - ii. the newspaper, or other periodical is not established for the purpose of the election or with a view to the election;
- (b) the transmission by a broadcasting undertaking of a broadcast of news or comment, if such broadcast is made in the same manner and under the same standards as prevail outside the election period, without payment, reward or promise of payment or reward;
- (c) the reasonable expenses incurred by a candidate or any other person, out of his own money, for his own lodging and food during a journey for election purposes, if such expenses are not reimbursed to him;
- (d) the reasonable expenses incurred by a candidate, or any other person, out of his own money, for his own transportation, during a journey for election purposes, if such expenses are not reimbursed to him;
- (e) the sum required to be deposited with a candidate’s nomination paper;
- (f) the reasonable expenses incurred for the publication of explanatory commentaries on the *Elections Act* and the instructions issued under its authority, if such commentaries are strictly objective and contain no statements of such a nature to support or oppose a candidate or a political party;
- (g) the reasonable expenses usually incurred for the current operation of the principal permanent office of a registered political party in the Province, if the leader of such party, before the seventh day following the issue of the writs of election has given written notice to the Supervisor of the existence of such office, and of its exact address; and
- (h) expenditures incurred by any person in the course of or for the purpose of making a donation not considered a contribution under this Act [ss. 67(2)]. Donations not considered a contribution under the Act include the donation by an individual of his/her personal services, talents or expertise, or the use of his/her vehicle and the product of that donation, where it is given freely and not as part of his/her work in the service of an employer.

Also, the PPFA states that all expenses incurred for political purposes by any person shall not be considered an expenditure (and, in this context, an election expense) under the Act if:

- (a) the expense incurred is paid for out of that person's own money;
- (b) the aggregate of all such expenses incurred by that person in the calendar year is less than one hundred dollars (\$100); and
- (c) no part of such expenses is reimbursed to that person from any other person [ss. 2(3)].

#### **4.7.6 Advertising identification requirements**

##### ***4.7.6.1 Printed advertisements***

Every printed advertisement, placard, poster, pamphlet, handbill or circular relating to an election and ordered by an official agent or a person authorized by an official agent must show the name and address of the printer and the name of the candidate on whose behalf it was ordered [ss. 73(1)].

##### ***4.7.6.2 Newspapers, periodicals, and other publications***

Every advertisement relating to an election published in a newspaper, periodical or other publication and ordered by an official agent or a person authorized by an official agent must show the name of the candidate on whose behalf it was ordered [ss. 73(2)].

##### ***4.7.6.3 Radio and television***

Every broadcast of a sponsored radio or television advertisement relating to an election and ordered by an official agent or a person authorized by an official agent must mention the name of the candidate on whose behalf it was ordered, at the beginning or the end of the broadcast [ss. 73(3)].

##### ***4.7.6.4 Advertisements not authorized by official agent***

Any type of advertisement described in subsections 73(1), 73(2) or 73(3) of the PPFA and not ordered by an official agent or person authorized by him/her shall

- (a) in the case of an advertisement described in subsection (1), bear the name and address of its printer and the name of the person who ordered its publication;
- (b) in the case of an advertisement described in subsection (2), bear the name of the person who ordered its publication; and
- (c) in the case of an advertisement described in subsection (3), mention at the beginning or at the end of the broadcast the name of the person who ordered the broadcast [ss. 73(4)].

#### **4.7.7 Suppliers**

No person shall claim or receive for election expenses a price in excess of his/her regular price for similar work, merchandise or service outside the election period [ss. 72(1)].

Any payment for election expenses in excess of \$100 must be evidenced by an itemized invoice (not a statement) [ss. 75(1)].

*Official Agent of a Candidate*

An itemized invoice shall provide all of the particulars required for auditing each item of work, service or material for which the expenses were incurred. The rate or unit price used shall be included in the amount of the invoice [ss. 75(2)].

Every person to whom an account is due for election expenses must present his/her claim to the official agent responsible therefore not later than 45 days following polling day or otherwise such person shall forfeit the right to recover his/her claim [ss. 76(1)].

### **4.8 Election Expenses Limit for Candidates**

Refer to Chapter 2 for a discussion of the limits placed on election expenses for candidates.

Following the issuing of the writ of election, the Chief Electoral Officer prepares a *Preliminary List of Electors*. From this list, the Supervisor calculates the election expenses limit for each electoral district. The official election expenses limits are posted on Elections New Brunswick’s website and the Supervisor advises, in writing, the official agent of each candidate.

#### **4.8.1 Managing election expenses**

Keeping in mind the election expense limit of the candidate, the official agent, candidate and other advisors should prepare a budget of how the monies are to be spent. The budget should be broken down into functional areas as reported on the election financial return:

<b>Schedule 7 STATEMENT OF ELECTION EXPENSES</b>	
<b>Schedule</b>	
<b>7A</b> Election Advertising	\$ -
<b>7B</b> Office and Administration	\$ -
<b>7C</b> Travel, Accommodations, and Meals	\$ -
<b>7D</b> Rallies and Meetings (other than nominating convention)	\$ -
<b>7E</b> Salaries, Wages and Honoraria	\$ -
<b>7F</b> Election Day Expenses (poll workers, transportation, etc.)	\$ -
<b>7G</b> Unreimbursed Personal Expenses of Candidate	\$ -
<b>7H</b> Excessive Nominating Convention Expenses	\$ -
<b>7I</b> Other Election Expenses	\$ -
(Carry forward to Page 1) <b>TOTAL ELECTION EXPENSES</b>	\$ -

See Appendix H for an example of a Cash Book – Election Period.

In order to maintain control of election spending and stay within the election expense limit, the official agent must exercise discretion in the delegation of his/her authority to incur expenses.

The penalties for spending beyond the election expense limit are severe. Refer to Chapter 1 of these Guidelines for more detail.

## **4.9 Election Expenses Reimbursement**

### **4.9.1 Qualifications**

An election expenses reimbursement shall be paid to the official agent of each candidate at any election declared elected under the *Elections Act* and to the official agent of each candidate having obtained, according to the official or the final addition of the votes cast at such election, fifteen percent (15%) of the valid votes cast in the electoral district in which he/she was a candidate [ss. 78(1)].

### **4.9.2 Calculation**

The election expenses reimbursement which will be paid to the official agent of the candidate entitled thereto shall be an amount equal to the lesser of

- (a) the amount of the election expenses of the candidate as set out in his/her election period return, excluding claims contested by his/her official agent, and excluding amounts representing the value of contributions referred to in paragraphs (a) and (b) of the definition “election expenses of a candidate” in Section 1 of the PPFA, or
- (b) an amount equal to the sum obtained by allowing 35¢ for each of the electors in the electoral district and adding thereto the cost of mailing a single one ounce first class letter to each elector in the electoral district [ss. 78(2)].

Refer to Chapter 2 for current rates.

### **4.9.3 Disposition of reimbursement not required to cover expenses**

Any part of the election expenses reimbursement received by the official agent not required to meet election expenses incurred or authorized by him/her and repay money borrowed for the purposes of incurring such expenses shall

- (a) in the case of an official agent of the official candidate of a registered political party, be paid by the agent to the official representative of the party, and
- (b) in every other case, be paid by the agent to the candidate for whom he/she was the official agent [ss. 78(3)].

Any balance of the election expenses reimbursement which remains after the official agent has paid outstanding election accounts is to be transferred to the district association. If there are outstanding loans incurred to finance the election campaign, the official representative shall apply the balance of the election expenses transferred to him/her against such loans. If there are no outstanding loans the official representative shall transfer the balance of the election expenses reimbursement to the official representative of the party or to the independent candidate as the case may be.

### **4.9.4 Who pays election expenses reimbursement**

All election expense reimbursements will be paid by the Minister of Finance upon receipt of a certificate signed by the Supervisor authorizing payment and setting out the amount of the reimbursement and the name and address of the person to whom payment is to be made [ss. 79(1)].

### *Official Agent of a Candidate*

The Supervisor shall not issue a certificate to the Minister of Finance authorizing payment of an election expense reimbursement to the official agent of a candidate until he/she has had submitted to him a return of election expenses for the candidate in accordance with Section 81 of the PPFA [ss. 79(2)].

#### **4.10 Filing sworn statement of election expenses**

The official agent of each candidate in an election, within sixty (60) days following the date fixed by the *Elections Act* for the return of the writ of election, shall submit to the Supervisor a sworn statement of the election expenses of that candidate and all claims for election expenses of the candidate contested by the official agent, in the form prescribed by the Supervisor, together with any invoices, receipts and other vouchers that may be required by the Supervisor [ss. 81(1)].

If a statement submitted to the Supervisor in accordance with Section 81 contains any error, including an error of omission, the candidate may apply for and obtain permission from a judge of the Court of Queen's Bench of New Brunswick to rectify such error on establishing that it was made through inadvertence [ss. 83(1)].

## 5 Chief Agent of a Registered Political Party

### 5.1 Function

The chief agent of a registered political party is responsible for authorizing and controlling all election spending on behalf of that party. Such spending is to be done in conformity with the limits contained in the PPFA and the requirements under the PPFA for reporting on such expenditures.

### 5.2 Appointment

Each registered political party, shall, within ten (10) days after the party becomes registered, file with the Chief Electoral Officer a notice signed by the leader of the party setting out the name and address of its chief agent [*Elections Act*, ss. 138(2)].

### 5.3 Replacement

If the chief agent of a registered political party dies, resigns or becomes unable to act during an election period, the leader of the party shall forthwith appoint a new chief agent by a writing signed by such leader and filed with the Chief Electoral Officer [ss. 69(4)]. The leader of a registered political party may, during an election period, dismiss the chief agent of his party and appoint another by a writing signed by him/her and filed with the Chief Electoral Officer [ss. 69(5)].

### 5.4 Responsibilities

The chief agent of a registered political party is responsible for:

1. Ensuring compliance with the election spending limit and other constraints contained in the provisions of the Act.
2. Authorizing and controlling all election spending on behalf of the registered political party. Only the chief agent of the registered political party, or someone authorized by him/her, may incur election period spending for the party's election campaign [ss. 70(1)]. The chief agent should exercise caution in the delegation of his/her authority to incur election period spending.
3. The maintenance of adequate financial records of the financial affairs of the party's electoral campaign.
4. The reporting of such election period spending in a form prescribed by the Supervisor.

### 5.5 Banking

A separate election bank account must be opened for the electoral campaign by the chief agent of the party. The account should be a current account in the name of, for example, "**John Doe, Chief Agent for (Name of registered political party)**".

It is recommended that there be at least two signatories on cheques drawn on this account, one of whom must be the chief agent.

The chief agent is not responsible for the raising of monies or the arrangement of loans necessary to contest the election. This is the responsibility of the official representative. All funds received from the official representative must be deposited into the election account.

### **5.5.1 Early election expenses**

All election expenses must be authorized by the chief agent and paid from the election account. The only exception is where certain expenditures may be necessary prior to the establishing of the separate election account; e.g. telephone deposits, advertising authorized by the chief agent of the party, etc. Such payments may be made from the regular association account by the official representative. Such payments must be treated as a transfer to the election account by the official representative when filing his/her annual financial return. The chief agent must include such expenses in his/her election period return and will also account for the amount(s) as a transfer of monies from the official representative.

## **5.6 Accounting method**

The accrual method of accounting (whereby expenses are recognized as they are incurred, not when they are paid) must be followed.

## **5.7 Election Expenses**

### **5.7.1 Definitions**

“Election expenses” means all expenditures incurred during an election period for the purpose of promoting or opposing directly or indirectly, the election of a candidate or that of the candidates of a party, including every person who subsequently becomes or who is likely to become a candidate, and includes all expenditures incurred before an election period for literature, objects or materials of an advertising nature used during the election for such purposes [ss. 67(1)].

“Election expenses of a registered political party” means election expenses incurred or authorized, or deemed to have been incurred or authorized, by the chief agent of that party, and includes the value, determined in accordance with subsection 39(3) of the Act, of every contribution, other than contributions of money, made during an election to that party.

“Election period”: In the PPFA, the term “during the election” or “an election period” is taken from the *Elections Act* and means “the period commencing with the issue of a writ for an election and ending when the candidate or candidates have been returned as elected” [*Elections Act*, s. 2]. The return of candidates as elected occurs 11 days subsequent to ordinary polling day. Notwithstanding this definition, the Office of the Supervisor of Political Financing has historically adopted a convention whereby, for political financing purposes, the election period is deemed to extend from the issuing of the writ of election until the close of polls on ordinary polling day.

### **5.7.2 Authorization by chief agent required**

No person other than the chief agent of a registered political party shall authorize election expenses for such party and no election expenses shall be incurred except by a chief agent or by a person authorized by such agent [ss. 70(1)].

All persons authorized to incur election expenses by the chief agent of a registered political party shall, on request, exhibit a certificate of such authorization. See Appendix G for a sample authorization certificate.

No person during an election period shall accept or execute an order for election expenses in excess of one hundred dollars (\$100) if such order is not given or authorized by the chief agent or in that agent's name by the designated publicity agency of the party [ss. 70(2)].

### **5.7.3 Authorization exceptions during an election**

During an election, the chief agent may designate a publicity agency for the party by a writing signed by him/her and filed with the office of the Supervisor setting out the name and address of the agency [ss. 74(1)].

All election expenses incurred or authorized by a designated publicity agency shall be deemed to be incurred or authorized by the chief agent of the party who designated the agency [ss. 74(4)].

**The chief agent is cautioned that he/she must, at all times, be aware of the expenditures by the publicity agent since it is ultimately his/her responsibility to ensure that the total spending does not exceed the limit as permitted under the PPFA.**

### **5.7.4 Other election expenses**

#### ***5.7.4.1 Goods & services contributed***

Goods and services contributed to an election campaign and not excluded under subsection 2(1) of the Act are to be valued in accordance with subsection 39(3) and must be reported as election expenses and must be included in the election spending limit. The chief agent must advise the official representative of all contributed goods and services so that official receipts are issued.

#### ***5.7.4.2 Interest on loans***

It may be necessary for the official representative of the party to arrange a loan to provide funding for the electoral campaign. Any interest incurred on such a loan during the election period must be included by the chief agent in his/her election expenses reported to the Supervisor.

#### ***5.7.4.3 Discount on election expenses***

As discussed under the topic of contributions, subject to Sections 2 and 48 of the PPFA, any person who accepts for election expenses a price less than his/her regular price for similar work, merchandise or services outside the election period is deemed to have made a contribution equal in value to the difference between his/her regular price and the price accepted [ss. 72(2)]. The regular price of the material is considered to be an election expense.

The chief agent must advise the official representative of the party of any discounts on election expenses in order that the official representative may issue an official receipt for such contribution(s).

### **5.7.5 Expenses not considered election expenses**

Notwithstanding the definition in subsection 67(1) of the Act, "election expenses" does not include:

- a. the publishing in a newspaper or other periodical of editorials, news, reports, or letters to the editor, if

*Chief Agent of a Registered Political Party*

- i. they are published in the same manner and under the same standards as prevail outside an election period, without payment, reward or promise of payment or reward, and
  - ii. the newspaper, or other periodical is not established for the purpose of the election or with a view to the election;
- b. the transmission by a broadcasting undertaking of a broadcast of news or comment, if such broadcast is made in the same manner and under the same standards as prevail outside the election period, without payment, reward or promise of payment or reward;
- c. the reasonable expenses incurred by a candidate or any other person, out of his own money, for his own lodging and food during a journey for election purposes, if such expenses are not reimbursed to him;
- d. the reasonable expenses incurred by a candidate, or any other person, out of his own money, for his own transportation, during a journey for election purposes, if such expenses are not reimbursed to him;
- e. the sum required to be deposited with a candidate's nomination paper;
- f. the reasonable expenses incurred for the publication of explanatory commentaries on the *Elections Act* and the instructions issued under its authority, if such commentaries are strictly objective and contain no statements of such a nature to support or oppose a candidate or a political party;
- g. the reasonable expenses usually incurred for the current operation of the principal permanent office of a registered political party in the Province, if the leader of such party, before the seventh day following the issue of the writs of election has given written notice to the Supervisor of the existence of such office, and of its exact address; and
- h. expenditures incurred by any person in the course of or for the purpose of making a donation not considered a contribution under this Act [ss. 67(2)]. Donations not considered a contribution under the Act include the donation by an individual of his/her personal services, talents or expertise, or the use of his/her vehicle and the product of that donation, where it is given freely and not as part of his/her work in the service of an employer.

For the purpose of paragraph (g), the principal permanent office of a registered political party is the principal office where, in order to ensure dissemination of the political programme of such party and to coordinate the political activity of its members, employees of the party or of a body associated therewith work on a permanent basis outside the election period, for the attainment of its objects [ss. 67(3)].

Also, the PPFA states that all expenses incurred for political purposes by any person shall not be considered an expenditure (and, in this context, an election expense) under the Act if:

- (d) the expense incurred is paid for out of that person's own money;
- (e) the aggregate of all such expenses incurred by that person in the calendar year is less than one hundred dollars (\$100); and

- (f) no part of such expenses is reimbursed to that person from any other person [ss. 2(3)].

## **5.7.6 Advertising identification requirements**

### ***5.7.6.1 Printed advertisements***

Every printed advertisement, placard, poster, pamphlet, handbill or circular relating to an election and ordered by a chief agent or a person authorized by a chief agent must show the name and address of the printer and the name of the registered political party on whose behalf it was ordered [ss. 73(1)].

### ***5.7.6.2 Newspapers, periodicals, and other publications***

Every advertisement relating to an election published in a newspaper, periodical or other publication and ordered by a chief agent or a person authorized by a chief agent must show the name of the registered political party on whose behalf it was ordered [ss. 73(2)].

### ***5.7.6.3 Radio and television***

Every broadcast of a sponsored radio or television advertisement relating to an election and ordered by a chief agent or a person authorized by a chief agent must mention the name of the registered political party on whose behalf it was ordered, at the beginning or the end of the broadcast [ss. 73(3)].

### ***5.7.6.4 Advertisements not authorized by chief agent***

Any type of advertisement described in subsections 73(1), 73(2) or 73(3) of the PPFA and not ordered by a chief agent or person authorized by him/her shall

- (d) in the case of an advertisement described in subsection (1), bear the name and address of its printer and the name of the person who ordered its publication;
- (e) in the case of an advertisement described in subsection (2), bear the name of the person who ordered its publication; and
- (f) in the case of an advertisement described in subsection (3), mention at the beginning or at the end of the broadcast the name of the person who ordered the broadcast [ss. 73(4)].

## **5.7.7 Suppliers**

No person shall claim or receive for election expenses a price in excess of his/her regular price for similar work, merchandise or service outside the election period [ss. 72(1)].

Any payment for election expenses in excess of \$100 must be evidenced by an itemized invoice (not a statement) [ss. 75(1)].

An itemized invoice shall provide all of the particulars required for auditing each item of work, service or material for which the expenses were incurred. The rate or unit price used shall be included in the amount of the invoice [ss. 75(2)].

Every person to whom an account is due for election expenses must present his/her claim to the chief agent responsible therefore not later than 45 days following polling day or otherwise such person shall forfeit the right to recover his/her claim [ss. 76(1)].

## 5.8 Election Expenses Limit for Registered Political Parties

Refer to Chapter 2 for a discussion of the limits placed on election expenses for registered political parties.

Following the issuing of the writ of election, the Chief Electoral Officer prepares a *Preliminary List of Electors*. From this list, the Supervisor calculates the election expenses limit for each registered political party based on the number of electors in all electoral districts in which the party offers a candidate. The official election expenses limits are posted on Elections New Brunswick’s website and the Supervisor advises, in writing, the chief agent of each registered political party.

### 5.8.1 Managing election expenses

Keeping in mind the election expense limit of the registered political party, the chief agent, the leader of the party, and other advisors should prepare a budget of how the monies are to be spent. The budget should be broken down into functional areas as reported on the election financial return:

ELECTION PERIOD* EXPENSE SUMMARY	
(*Refer to Note 2 in "Instructions to chief agent")	
Election Advertising (Schedule 1)	\$ -
Office Expenses (Schedule 2)	\$ -
Travel, Lodging and Meals (Schedule 3)	\$ -
Rallies and Meetings (other than Nominating Convention) (Schedule 4)	\$ -
Salaries, Wages and Similar Benefits (Schedule 5)	\$ -
Interest	
Other (specify) _____	
_____	
_____	
<b>SUB-TOTAL</b>	<b>\$ -</b>

See Appendix H for an example of a Cash Book – Election Period.

In order to maintain control of election spending and stay within the election expense limit, the chief agent must exercise discretion in the delegation of his/her authority to incur expenses.

The penalties for spending beyond the election expense limit are severe. Refer to Chapter 1 of these Guidelines for more detail.

## 5.9 Election Expenses Reimbursement

### 5.9.1 Qualifications

An election expenses reimbursement shall be paid to the official agent of each candidate at any election declared elected under the *Elections Act* and to the official agent of each candidate having obtained,

according to the official or the final addition of the votes cast at such election, fifteen percent (15%) of the valid votes cast in the electoral district in which he/she was a candidate [ss. 78(1)].

### **5.9.2 Calculation**

The election expenses reimbursement which will be paid to the official agent of the candidate entitled thereto shall be an amount equal to the lesser of

- (a) the amount of the election expenses of the candidate as set out in his/her election period return, excluding claims contested by his/her official agent, and excluding amounts representing the value of contributions referred to in paragraphs (a) and (b) of the definition "election expenses of a candidate" in Section 1 of the PPFA, or
- (b) an amount equal to the sum obtained by allowing 35¢ for each of the electors in the electoral district and adding thereto the cost of mailing a single one ounce first class letter to each elector in the electoral district [ss. 78(2)].

Refer to Chapter 2 for current rates.

### **5.9.3 Disposition of reimbursement not required to cover expenses**

Any part of the election expenses reimbursement received by the official agent not required to meet election expenses incurred or authorized by him/her and repay money borrowed for the purposes of incurring such expenses shall

- (a) in the case of an official agent of the official candidate of a registered political party, be paid by the agent to the official representative of the party, and
- (b) in every other case, be paid by the agent to the candidate for whom he/she was the official agent [ss. 78(3)].

Any balance of the election expenses reimbursement which remains after the official agent has paid outstanding election accounts is to be transferred to the district association. If there are outstanding loans incurred to finance the election campaign, the official representative shall apply the balance of the election expenses transferred to him/her against such loans. If there are no outstanding loans the official representative shall transfer the balance of the election expenses reimbursement to the official representative of the party or to the independent candidate as the case may be.

### **5.9.4 Who pays election expenses reimbursement**

All election expense reimbursements will be paid by the Minister of Finance upon receipt of a certificate signed by the Supervisor authorizing payment and setting out the amount of the reimbursement and the name and address of the person to whom payment is to be made [ss. 79(1)].

The Supervisor shall not issue a certificate to the Minister of Finance authorizing payment of an election expense reimbursement to the official agent of a candidate until he/she has had submitted to him a return of election expenses for the candidate in accordance with Section 81 of the PPFA [ss. 79(2)].

### **5.10 Filing sworn statement of election expenses**

Each chief agent of a registered political party, within one hundred twenty (120) days following the date fixed by the *Elections Act* for the return of the writs of election, shall submit to the Supervisor a sworn statement of the election expenses of the party and all claims for election expenses of the party contested by the chief agent, in the form prescribed by the Supervisor, together with any invoices, receipts and other vouchers that may be required by the Supervisor [ss. 82(1)].

If a statement submitted to the Supervisor in accordance with Section 82 contains any error, including an error of omission, the party leader may apply for and obtain permission from a judge of the Court of Queen's Bench of New Brunswick to rectify such error on establishing that it was made through inadvertence [ss. 83(1)].

## Appendix A: Certificate of Authorization to Solicit Contributions on behalf of Official Representative

### Certificate of Authorization to Solicit Contributions on behalf of Official Representative

(Political Process Financing Act, S.N.B. 1978, c.P-9.3, s.41 and s.42)



P 04 931  
(2010-06-03)

#### TO WHOM IT MAY CONCERN:

Pursuant to Sections 41 and 42 of the *Political Process Financing Act*,

I, \_\_\_\_\_, of \_\_\_\_\_,  
(name of official representative) (address of official representative)

of the \_\_\_\_\_,  
(name of party / district association / independent candidate)

a registered political party / district association / independent candidate under the *Elections Act*,

hereby authorize \_\_\_\_\_, of  
(name of authorized person)

\_\_\_\_\_, to solicit and receive contributions on  
(address of authorized person)

behalf of said \_\_\_\_\_  
(name of party / district association / independent candidate)

in accordance with the *Political Process Financing Act*; and I further authorize the said  
\_\_\_\_\_ to exhibit this certificate, upon  
(name of authorized person)

request, as evidence of the authority herein granted.

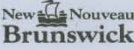
This authorization shall be effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
and shall continue in effect only until the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, or until  
sooner as revoked by me or my successor in office.

\_\_\_\_\_  
Signature of Official Representative


\_\_\_\_\_  
Date Signed

**Note:** This certificate is to be carried at all times when soliciting or receiving contributions and shall be exhibited upon request. The authority herein granted is not transferable.

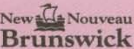
## Appendix B: Example of Official Receipt

 Political Process Financing Act Loi sur le financement de l'activité politique  NEW BRUNSWICK NOUVEAU-BRUNSWICK	DATE RECEIVED DATE DE RÉCEPTION DAY / MONTH / YEAR JOUR / MOIS / ANNÉE  DATE ISSUED DATE DE REMISE DAY / MONTH / YEAR JOUR / MOIS / ANNÉE	<b>OFFICIAL RECEIPT</b> <b>REÇU OFFICIEL</b>  <b>NO.197339</b>
1		AMOUNT RECEIVED / MONTANT REÇU
RECEIVED FROM REÇU DE  FULL NAME / NOM EN TOUTES LETTRES MAILING ADDRESS / ADRESSE POSTALE	PARTY / ASSOCIATION PARTI / ASSOCIATION	SIGNATURE OF OFFICIAL / DEPUTY REPRESENTATIVE SIGNATURE DU REPRÉSENTANT OFFICIEL / ADJOINT
<input type="checkbox"/> CORP. / CORP. <input type="checkbox"/> TRADE UNION / SYNDICAT <input type="checkbox"/> INDIVIDUAL / PARTICULIER <input type="checkbox"/> CASH / EN ARGENT <input type="checkbox"/> CHEQUE / CHÈQUE <input type="checkbox"/> DEBIT/CREDIT CARD / CARTE DÉBIT/CRÉDIT <input type="checkbox"/> GOODS/SERVICES / BIENS/SERVICES		
FIRST COPY - CONTRIBUTOR PREMIÈRE COPIE - DONATEUR	SECOND COPY - SUPERVISOR OF POLITICAL FINANCING DEUXIÈME COPIE - CONTRÔLEUR DU FINANCEMENT POLITIQUE	THIRD COPY - PARTY / ASSOCIATION TROISIÈME COPIE - PARTI / ASSOCIATION


 Political Process Financing Act Loi sur le financement de l'activité politique  NEW BRUNSWICK NOUVEAU-BRUNSWICK	DATE RECEIVED DATE DE RÉCEPTION DAY / MONTH / YEAR JOUR / MOIS / ANNÉE  DATE ISSUED DATE DE REMISE DAY / MONTH / YEAR JOUR / MOIS / ANNÉE	<b>OFFICIAL RECEIPT</b> <b>REÇU OFFICIEL</b>  <b>NO.197339</b>
2		AMOUNT RECEIVED / MONTANT REÇU
RECEIVED FROM REÇU DE  FULL NAME / NOM EN TOUTES LETTRES MAILING ADDRESS / ADRESSE POSTALE	PARTY / ASSOCIATION PARTI / ASSOCIATION	SIGNATURE OF OFFICIAL / DEPUTY REPRESENTATIVE SIGNATURE DU REPRÉSENTANT OFFICIEL / ADJOINT
<input type="checkbox"/> CORP. / CORP. <input type="checkbox"/> TRADE UNION / SYNDICAT <input type="checkbox"/> INDIVIDUAL / PARTICULIER <input type="checkbox"/> CASH / EN ARGENT <input type="checkbox"/> CHEQUE / CHÈQUE <input type="checkbox"/> DEBIT/CREDIT CARD / CARTE DÉBIT/CRÉDIT <input type="checkbox"/> GOODS/SERVICES / BIENS/SERVICES		
FIRST COPY - CONTRIBUTOR PREMIÈRE COPIE - DONATEUR	SECOND COPY - SUPERVISOR OF POLITICAL FINANCING DEUXIÈME COPIE - CONTRÔLEUR DU FINANCEMENT POLITIQUE	THIRD COPY - PARTY / ASSOCIATION TROISIÈME COPIE - PARTI / ASSOCIATION

 Political Process Financing Act Loi sur le financement de l'activité politique  NEW BRUNSWICK NOUVEAU-BRUNSWICK	DATE RECEIVED DATE DE RÉCEPTION DAY / MONTH / YEAR JOUR / MOIS / ANNÉE  DATE ISSUED DATE DE REMISE DAY / MONTH / YEAR JOUR / MOIS / ANNÉE	<b>OFFICIAL RECEIPT</b> <b>REÇU OFFICIEL</b>  <b>NO.197339</b>
3		AMOUNT RECEIVED / MONTANT REÇU
RECEIVED FROM REÇU DE  FULL NAME / NOM EN TOUTES LETTRES MAILING ADDRESS / ADRESSE POSTALE	PARTY / ASSOCIATION PARTI / ASSOCIATION	SIGNATURE OF OFFICIAL / DEPUTY REPRESENTATIVE SIGNATURE DU REPRÉSENTANT OFFICIEL / ADJOINT
<input type="checkbox"/> CORP. / CORP. <input type="checkbox"/> TRADE UNION / SYNDICAT <input type="checkbox"/> INDIVIDUAL / PARTICULIER <input type="checkbox"/> CASH / EN ARGENT <input type="checkbox"/> CHEQUE / CHÈQUE <input type="checkbox"/> DEBIT/CREDIT CARD / CARTE DÉBIT/CRÉDIT <input type="checkbox"/> GOODS/SERVICES / BIENS/SERVICES		
FIRST COPY - CONTRIBUTOR PREMIÈRE COPIE - DONATEUR	SECOND COPY - SUPERVISOR OF POLITICAL FINANCING DEUXIÈME COPIE - CONTRÔLEUR DU FINANCEMENT POLITIQUE	THIRD COPY - PARTY / ASSOCIATION TROISIÈME COPIE - PARTI / ASSOCIATION

## Appendix C: Schedule of New Brunswick Political Tax Credit

<http://www.gnb.ca/0162/tax/nbpoliticalcontribution.asp>



[Home](#) | [Français](#)

**Department of Finance**  
Province of New Brunswick - New Brunswick  
Political Contributions Tax Credit

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**Disclaimer:** This is intended to provide information respecting the New Brunswick Political Contributions Tax Credit in the Province of New Brunswick under the [New Brunswick Income Tax Act](#) (the Act). This should not be regarded as a replacement of the laws, regulations or administrative documents to which it refers.

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**What is the Political Contributions Tax Credit?**

The Political Contributions Tax Credit is a non-refundable income tax credit. A taxpayer (individual or corporation) who contributes to a registered provincial political party, riding association or independent candidate for election to the New Brunswick legislature may claim this credit against provincial income taxes owing.

Amount of Contribution	Tax Credit
\$200 or less	75% of contribution
More than \$200 up to \$550	\$150 plus 50% of contribution exceeding \$200
More than \$550 up to \$1, 075	\$325 plus 33.33% of contribution exceeding \$550
	Maximum credit of \$500

**Inquiries:**

The New Brunswick Political Contributions Tax Credit is administered by the Canada Revenue Agency (CRA). For information, please contact CRA at:

1-800-959-8281 (English)  
1 800-959-7383 (French)

The political tax credit is applicable to cash contributions only; i.e. it is not applicable to contributions in kind (goods and services).

Each contribution must be evidenced by an official receipt issued under the *Political Process Financing Act* by the official representative of the registered political party or registered independent candidate receiving the contribution.

## Appendix D: Certificate of Authorization to Incur Non-Election Expenditures on Behalf of Official Representative

### Certificate of Authorization to Incur Non-Election Expenditures on Behalf of Official Representative

*(Political Process Financing Act, S.N.B. 1978, c.P-9.3, s.49)*



**P 04 933**  
**(2010-06-03)**

#### TO WHOM IT MAY CONCERN:

Pursuant to Section 49 of the *Political Process Financing Act*,

I, \_\_\_\_\_, of \_\_\_\_\_,  
(name of official representative) (address of official representative)

of the \_\_\_\_\_,  
(name of party / district association / independent candidate)

a registered political party / district association / independent candidate under the *Elections Act*,

hereby authorize \_\_\_\_\_,  
(name of authorized person)

of \_\_\_\_\_, to incur non-election expenditures  
(address of authorized person)

on behalf of said \_\_\_\_\_,  
(name of party / district association / independent candidate)

in accordance with the *Political Process Financing Act*; and I further authorize the said

\_\_\_\_\_ to exhibit this certificate, upon  
(name of authorized person)

request, as evidence of the authority herein granted.

This authorization shall be effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

and shall continue in effect only until the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, or until

sooner as revoked by me or my successor in office.

\_\_\_\_\_  
Signature of Official Representative

\_\_\_\_\_  
Date Signed

**Note:** This certificate is to be carried at all times when incurring non-election expenditures and shall be exhibited upon request. The authority herein granted is not transferable.

## Appendix E: Example of a Cash Receipts Book

### CASH RECEIPTS BOOK

This example relates specifically to the financial return forms submitted to the Office of the Supervisor of Political Financing

		Line Reference numbers relate to those on Statement of Changes in Financial Position - Page 1 of Financial Return							Reconciliation of Contribution Revenue Deposited to Assoc. Account and Contribution Sent to Party Headquarters * See Disbursements Journal For Contributions sent to Party o/s Pty @				
DATE	SOURCE	Line 1 M'SHIP DUES	Line 2 REGIS'N FEES	Line 3 ENTRANCE FEES	Line 8 INVESTMENT INCOME	Line 9-3 EL. EXP. REIMBURSEMENT	Line 10 TRANSFERS RECEIVED	Line 12 LOAN PROCEEDS	Line 13 OTHER INCOME	SOURCE OF OTHER INCOME	Date Dep. Sep. 17/99	Date Pty. Sep. 30/99	Year-End o/s Pty @
Sep. 15/99	John Doe (1)										Sep. 17/99	Sep. 30/99	0.00
	BANK										Sep. 17/99	Sep. 30/99	0.00
Sep. 15/99	ABC Co. Ltd. (2)	2,000.00											
Sep. 15/99	Mrs. E. Smith (3)	25.00		25.00									
Sep. 15/99	Bank of Nova Scotia (4)	1,000.00						1,000.00					
Sep. 15/99	John Doe (5)	25.00											
Sep. 15/99	Labor Day Picnic (6)		25.00						170.25	Labor Day Picnic			
Sep. 15/99	Fredericton South Assoc. (7)						500.00						
Dec. 20/99	XYZ Construction Company(8)	2,500.00									Dec. 22/99	Jan. 05/00	2,500.00
<p>-1 John Doe contributed \$150                  -2 ABC Co. Ltd. contributed \$2,000                  -3 Mrs. Ellen Smith paid \$25 registration fee for Assoc. Annual Meeting                  -4 Borrowed \$1,000 from Bank of Nova Scotia @ 10% interest - Demand loan                  -5 John Doe paid \$25 membership dues                  -6 Pass the hat at Labor Day Picnic — approximately 70 families came - no individual amount in excess of \$10 received                  -7 Transfer of funds received from Fredericton South Association                  -8 XYZ Construction Company contributed \$2,500 – still in association bank acct. at year-end – requires adjustment in Sch. 15, Cash Rec. of 1999 Return - A/P to Party</p>													

# Appendix F: Example of a Cash Disbursements Book

## CASH DISBURSEMENTS BOOK

This example relates specifically to the financial return forms submitted to the Office of the Supervisor of Political Financing

SCHEDULE 13 — NON ELECTION EXPENSES												Reconciliation of Contribution Revenue Deposited to Assoc. Account and Contribution Sent to Party Headquarters					
DATE	CHEQUE NUMBER	PAID TO	BANK	Transfers Out	Sch. 11 Payment On Loan	WAGES & BENEFITS	OFFICE RENT & UTILITIES	OFFICE SUPPLIES	POSTAGE	TRAVEL & ACCOMM.	ADVERTISING & EXEMPTED OTHER	INTEREST & BANK CHARGES	NOM. CONV. EXPENSES	OTHER EXPENSES	Date Dep.	To Pty	To Pty @ Year-End
Mar. 15/99	#001	XYZ Company (1)	250.00														
Mar. 15/99	#002	ACE Realty Ltd. (2)	300.00				300.00										
Mar. 15/99	#003	Canada Post (3)	100.00						100.00								
Mar. 15/99	#004	John Smith (4)	52.45														
Mar. 15/99	#005	York Assoc. (5)	250.00														
Mar. 15/99	#006	Scotia Bank (6)	20.00									20.00					
Apr. 25/99	#007	Official Agent (7)	3,000.00														
May 12/99	#008	Scotia Bank (8)	1,500.00		1,500.00												
Sep. 30/99	#009	Party (9)	2,150.00														
Dec. 31/99	AP	Party (10)	2,500.00														
		Purchased Fax Machine															
		Paid Office Rent															
		Purchased Postage Stamps															
		Travel Expenses — John Smith, Official Representative															
		Transfer of \$250 to York Association															
		Bank Charge for Bank Confirmation for Office of Supervisor of Political Financing															
		Transfer of Funds to Official Agent's election account for the 99 general election															
		Payment on \$5,000 loan taken out in 98 — \$3,500 unpaid at Dec. 31/98 — \$2,000 remaining after this payment															
		\$150 + \$2,000 contributions deposited Sep. 17 sent to Party															
		\$2,500 contribution received Dec. 20 - In Association bank account at Dec. 31/99 - AP to Party															

## Appendix G: Certificate of Authorization to Incur Election Expenses on behalf of Official / Chief Agent

### Certificate of Authorization to incur Election Expenses on Behalf of Official/Chief Agent

(Political Process Financing Act, S.N.B. 1978, c.P-9.3, s.70)



**P 04 935**  
**(2010-06-03)**

#### TO WHOM IT MAY CONCERN:

Pursuant to Section 70 of the *Political Process Financing Act*,

I, \_\_\_\_\_, of \_\_\_\_\_,  
(name of official/chief agent) (address of official/chief agent)

official/chief agent for \_\_\_\_\_,  
(name of candidate/party)

in the \_\_\_\_\_,  
(name of electoral district/the province)

in the general election or by-election to held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

hereby authorize \_\_\_\_\_, of \_\_\_\_\_,  
(name of authorized person) (address of authorized person), to incur election expenses on behalf

of said \_\_\_\_\_ in accordance with  
(name of candidate/party)

the *Political Process Financing Act*; and I further authorize the said

\_\_\_\_\_ to exhibit this certificate, upon  
(name of authorized person)

request, as evidence of the authority herein granted.

This authorization shall be effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
and shall continue in effect only until the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, or until  
sooner as revoked by me or my successor in office.

\_\_\_\_\_  
Signature of Official/Chief Agent

\_\_\_\_\_  
Date Signed

**Note:** This certificate is to be carried at all times when incurring election expenses and shall be exhibited upon request. The authority herein granted is not transferable.

## Appendix H: Example of Cash Book – Election Period

### CASH BOOK — ELECTION PERIOD

DEPOSIT DATE OR CHEQUE NUMBER	PARTICULARS	BANK		Sch. 1	Sch. 2	Sch. 3	Sch. 4	Sch. 5	Sch. 6	Sch. 7	Sch. 8	#9, #10 Page 1 INT. & BANK CHGS	MISCELLANEOUS		
		IN	OUT	CAMPAIGN ADVERTS	OFFICE EXPENSE	TRAVEL LODGING RALLIES & MEALS	SALARIES CANDIDATE CONV.	SALARIES CANDIDATE PERSONAL EXPENSES	NOM. CONV.	ELECTION DAY EXPENSE	DESCRIPTION		EXPENSE	INCOME	
	"Paper"														
Sep. 01/99	T-o-F	1,025.00	1,025.00	1,025.00										Paid by O.R.	1,025.00
Sep. 01/99	DEP	3,000.00												Transfer from O.R.	3,000.00
Sep. 05/99	#001		400.00		400.00										
Sep. 05/99	#002		250.00		250.00										
Sep. 07/99	#003		125.00				125.00								
Sep. 12/99	#004		75.00					75.00							
Sep. 14/99	DEP	2,000.00												Transfer from O.R.	2,000.00
Sep. 14/99	G/S	1,200.00	1,200.00		1,200.00									Donated Rent	1,200.00
-1															
-2															
-3															
-4															
-5															
-6															
-7															
-8															

"Paper" Transfer from Official Representative - Election expenses paid from Association Acct. prior to issue of Writ  
 -1 Transfer from Official Representative to open Election Account  
 -2 Deposit to NBTEL for installation of telephone  
 -3 Rent for Campaign Headquarters  
 -4 Groceries for Rally  
 -5 Payment of invoice for Advertising  
 -6 Transfer from Official Representative — Proceeds of loan from Bank of Montreal for Election Campaign  
 -7 XYZ Real Estate donated the value of the rental of office space for the election period – Invoice required to vouch expense – Provide copy of invoice marked "Donated Goods/Services to official representative of Association who must pass this information on the Party for issuance of official receipt – On Election Period Return also reported at Schedule 10, Goods/Services to

## **Appendix I: Excerpt from *Provincial Offences Procedure Act***

### **Fines**

**56(1)** Where an Act makes an offence punishable as a category A offence, a judge shall impose a fine of one hundred and forty dollars.

**56(2)** Where an Act makes an offence punishable as a category B offence, a judge shall impose a fine of not less than one hundred and forty dollars and not more than three hundred and twenty dollars.

**56(3)** Where an Act makes an offence punishable as a category C offence, a judge shall impose a fine of not less than one hundred and forty dollars and not more than five hundred and seventy dollars.

**56(4)** Where an Act makes an offence punishable as a category D offence, a judge shall impose a fine of not less than one hundred and forty dollars and not more than one thousand and seventy dollars.

**56(5)** Where an Act makes an offence punishable as a category E offence, a judge shall impose a fine of not less than two hundred and forty dollars and not more than two thousand six hundred and twenty dollars.

**56(6)** Where an Act makes an offence punishable as a category F offence, a judge shall impose a fine of not less than two hundred and forty dollars and not more than five thousand one hundred and twenty dollars.

**56(7)** Where an Act makes an offence punishable as a category G offence, a judge shall impose a fine of not less than two hundred and forty dollars and not more than seven thousand six hundred and twenty dollars.

**56(8)** Where an Act makes an offence punishable as a category H offence, a judge shall impose a fine of not less than five hundred dollars and not more than ten thousand two hundred and fifty dollars.

**56(9)** Where an Act makes an offence punishable as a category I offence, a judge shall impose a fine of not less than five hundred dollars and not more than twenty-five thousand two hundred and fifty dollars.

**56(10)** Where an Act makes an offence punishable as a category J offence, a judge shall impose a fine of not less than five hundred dollars and not more than one hundred thousand two hundred and fifty dollars.