

Frequently Asked Questions

1. Are there limits on the amount that can be contributed to a candidate, registered constituency association or registered political party?

There are no political contribution limits in British Columbia. However, the *Election Act* does establish limits on the amount of anonymous contributions a candidate, registered constituency association or political party can accept.

2. Are there any restrictions on who can make political contributions to candidates, registered constituency associations or registered political parties?

The *Election Act* prohibits the following types of organizations from making political contributions, including contributions of goods or services:

- unregistered political parties
- unregistered constituency associations
- charitable organizations, which include any organization whose objectives are the relief of poverty, advancement of education or religion, protection of health, government or municipal purposes, and other purposes beneficial to the community. This definition applies whether or not the organization is a registered charity for income tax purposes.
- political parties or electoral district associations registered under the *Canada Elections Act*

3. Are fees for attending political party workshops political contributions?

Yes, fees that a registered political party charges attendees to a workshop or convention are political contributions. An income tax receipt can be issued for the amount charged to attend the workshop less any associated event costs, including food or accommodation.

4. How much is the amount of the provincial political contribution tax credit?

The amount of the provincial political contribution tax credit is established by the *Income Tax Act*. Currently the maximum annual tax credit is \$500 and a taxpayer must contribute a total of at least \$1,150 to receive the maximum tax credit.

5. Can a tax receipt be issued to a lender that forgives a loan?

Yes. If the loan was money and the amount of the forgiven loan becomes a political contribution under the *Election Act*, it is an eligible political contribution under the *Income Tax Act*. A tax receipt can be issued for a forgiven loan providing the loan is forgiven in the year in which the tax deduction is sought by the lender.

6. When can I issue income tax receipts?

For candidates, the financial agent or the deputy financial agent can only issue income tax receipts for political contributions of money that are received after the date that the candidate is issued a Certificate of Candidacy and before the return of the writ. The “received date” represents the day that the contributor made the contribution to the candidate’s campaign.

For registered constituency associations and registered political parties, the financial agent or the

deputy financial agent can issue income tax receipts for political contributions of money that are received at any time after the date that they were registered. An exception to this is if the registration of a constituency association or political party is suspended under the *Election Act*. In that case, the financial agent is prohibited from issuing income tax receipts for political contributions received during the period of suspension.

7. If a candidate receives a political contribution from a corporation or partnership, can the candidate's financial agent issue the tax receipt to an individual who is an owner or partner of the corporation or partnership?

The tax receipt must be made out in the name of the corporation or partnership that made the contribution, not in the name of an individual.

8. What periods are relevant for an election campaign?

Election period – the period between when the writ for an election is issued and the date the writ is returned to the Chief Electoral Officer

60 day pre-campaign period – the 60 days immediately before a general election is called

Campaign period – the period between when the election is called (the date the writ is issued) to the close of voting on General Voting Day

Under the *Election Act*, candidates and political parties have separate election expenses limits for the 60 day pre-campaign period and the campaign period.

9. If a person gives several small items, that in total are worth more than \$250, for sale at a fundraising function, has that person made a political contribution?

Yes. Section 182(4) of the *Election Act* stipulates two criteria that must be met in order for property or services donated to not be considered a political contribution:

- the property or services must be sold at a fundraising function, and
- must have a total value of \$250 or less.

This means if a person donates several small items for an auction, and their total value exceeds \$250, that person has made a political contribution. Contributions of goods and services are not tax receiptable.

10. What must be included in an election financing report?

The *Election Act* requires candidates to include all financial transactions related to their candidacy in their election financing report. Political parties and constituency associations must report most financial transactions incurred during the year in their election financing report but some will be reported only in the annual financial report. Please see our Guide for Financial Agents for more details.

11. How do I report the candidate's nomination deposit and, if applicable, the refund of the deposit?

All candidates are required to submit a \$250 nomination deposit when they file their nomination papers. This expense should be reported on form Sm-E (Summary of Expenses) as an election expense not subject to limits (third column). If the candidate personally paid this deposit, it must also be reported as a political contribution made by the candidate to their own campaign.

For those candidates who receive at least 15% of the total votes accepted and counted in their electoral district, the nomination deposit will be refunded to their financial agent. This refund should be reported as "other income" on form St-I&E-E (Statement of Election Income and Expenses).

12. What are the rules around the candidate's campaign bank account and completing the financial reporting responsibilities?

Box "D" on form St-I&E-E (Statement of Election Income and Expenses) indicates the balance in the campaign bank account as of the date that the election financing report is completed. This box is only to be completed for candidates' election reports.

If a candidate's campaign has surplus funds after paying all debts, the *Election Act* requires the candidate's financial agent to deal with the surplus as follows:

- transfer it to the candidate's registered constituency association if there is one
- transfer it to the registered political party if there is no registered constituency association, or
- if the candidate does not represent a registered political party, submit it to Elections BC (payable to the Minister of Finance)

If a candidate's campaign has a deficit, the candidate's financial agent can either:

- request the registered constituency association or registered political party to transfer the funds to the candidate to pay the bills
- request that the registered constituency association or registered political party assume the outstanding debt by accepting a transfer of the debt, or
- conduct subsequent fundraising activities to cover the outstanding debt. Income tax receipts cannot be issued for any contributions received by the candidate after the return of the writ.

The *Election Act* requires a financial agent to submit a supplementary report to Elections BC within 30 days of their becoming aware of any changes to the submitted election financing report of the campaign for which they are responsible.

13. If an individual, acting as a volunteer, uses a computer from his or her office, would this be considered a political contribution and an election expense?

Section 180(5)(b) of the *Election Act* states that the property of a volunteer, if it is provided or used in relation to the services of the individual as a volunteer, is not a political contribution or an election expense.

If the individual is using a computer from his or her office, they must be the sole shareholder of the company. Otherwise, the value of the computer use is a political contribution from the employer and an election expense.

14. Can campaign workers spend their own money for election expenses, on the understanding they will be reimbursed by the party or candidate for whom they are working?

Yes. A financial agent can reimburse a campaign worker for election expenses if the financial agent or an individual authorized in writing by the financial agent has given prior approval for the election expense to be incurred. Section 193 of the *Election Act* requires that the reimbursement of all election expenses be made from the campaign bank account upon production of receipts.

This means that campaign workers can pay for election expenses that have been authorized by the financial agent and be reimbursed by the financial agent. For example, financial agents can reimburse campaign workers for travel expenses incurred by the worker. Likewise, campaign workers can be sent to pick up campaign supplies or other goods, pay for them with their own funds or credit cards and be reimbursed by the financial agent. Remember, receipts for all expenses, including reimbursements, must be kept with the financial records.

It is also permissible for financial agents to issue campaign workers with cash advances to be used to pay for election expenses which were incurred by the financial agent or individuals authorized in

writing by the financial agent.