

A summary of the Official Agent's Guide

The Elections Finances Act (Manitoba)

Legislative references in this guideline are to The Elections Finances Act (EFA) unless otherwise stated

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Definitions

The following definitions are provided for terms that will be used throughout this guide:

Acquisition cost: The greater of the actual cost of the item sold and the fair market value of the item at the time it was acquired.

CEO: Chief Electoral Officer.

EFA: The Elections Finances Act.

Political entity: A political entity is a broad term which refers to Provincial candidates, leadership contestants, registered political parties, and/or constituency associations.

Writ: The document addressed by the Chief Electoral Officer to a returning officer of an electoral division requiring the returning officer to hold an election in the electoral division.

EFA – Terms and concepts

I. The Official Agent

The role of the Official Agent is critical to the success of a candidate's campaign. You should be proud and excited to be appointed as the Official Agent for your candidate. However, while this will be a good experience, it is also a very serious role, and thus you need to pay specific attention to the responsibilities and rules outlined in this summary, the Official Agent's Guide, and the EFA, to ensure that you are adequately prepared to perform your duties.

As Official Agent, your primary responsibility is to manage the finances of your candidate's campaign. More specifically, for the entire time period covered by the candidacy period (which will be defined below), regardless of when you were actually appointed, until the time that all your duties are completed, you are responsible for ensuring that the following are performed [ss.10(4)]:

1. Opening and maintaining a campaign account in a financial institution;
2. Ensuring that records are kept of all income, expenses, transfers, assets, and liabilities of the campaign;
3. Issuing tax receipts to individuals for monetary contributions (if the candidate is registered) [s.35];
4. Making sure that detailed records of contributions received are kept [s.10(1)(b)];
5. Paying all of the campaign expenses [s.55(3)];
6. Authorizing advertisements and promotional material [s.48];
7. Making sure that the campaign does not spend more than the election expense limit or the advertising election expense limit [s.86];
8. Preparing the financial statements for the campaign (Form 922), arranging for the statements to be audited, filing them with Elections Manitoba [s.61];
9. Filing the Candidate's Detailed Contributors' List [s.10(4)(b.1)];
10. Receiving any expense reimbursement cheques and using the funds to first pay off any amounts still owing from the campaign [s.72(3)];
11. At the end of the campaign, paying the surplus (if one exists) to the party or to the Chief Electoral Officer [s.75(2)]; and
12. Answering questions from Elections Manitoba.

Keys to performing your role effectively:

1. Maintain an account in a financial institution.
2. Create records (and maintain documentation) for all transactions.
3. Communicate with your candidate openly and regularly.
4. Attend all campaign meetings.
5. Communicate with other campaign workers.
6. Be Proactive – establish spending guidelines and other procedures early.
7. Contact Elections Manitoba promptly if you have any questions or require clarification.

II. Maintaining a financial account

As an official agent, under the EFA, you are required to:

- Open and maintain an account in a financial institution in the name of the candidate [s.10(4)];
- Ensure that all monetary receipts and disbursements of the candidate's campaign flow through the account before, during and after an election [s.10.1(1)];
- Ensure that each disbursement is substantiated by an invoice or a voucher [s.10.1(2)]; and
- Ensure that only money pertaining to the candidate's campaign is deposited into the account [s.10.1(3)].

You should ensure that the account opened operates like a business account or a not-for-profit or community account rather than a personal account. It must return all cancelled cheques (or photocopies of cancelled cheques) and provide statements show all amounts going through the account [s.98(c)].

It is recommended that you set up the account to require two signatures to permit withdrawals (one of these signatures should be yours) as this will improve the control and accountability over the finances of the campaign.

III. Record keeping [s.10(4)]

One of your primary jobs as an official agent is to record transactions accurately, in an organized way and on a timely basis. Transactions take place whenever:

1. The candidate's campaign receives money, goods or services;
2. The campaign spends or transfers money or incurs a liability; or
3. The campaign uses goods or services.

In order to record transactions accurately, you must:

1. Record all transactions that have occurred; and
2. Record all transactions in the correct place in your records, in the correct amounts.

Continue to record the transactions that occur after Election Day. Remember, you are responsible for the recording the financial activities of the campaign **throughout the entire candidacy period**.

The EFA, and the clarification provided in the Official Agent's Guide and the *Accounting Guide – Accounting For Purposes of The Elections Finances Act*, establish the rules for recording transactions.

Suggestions for maintaining adequate records:

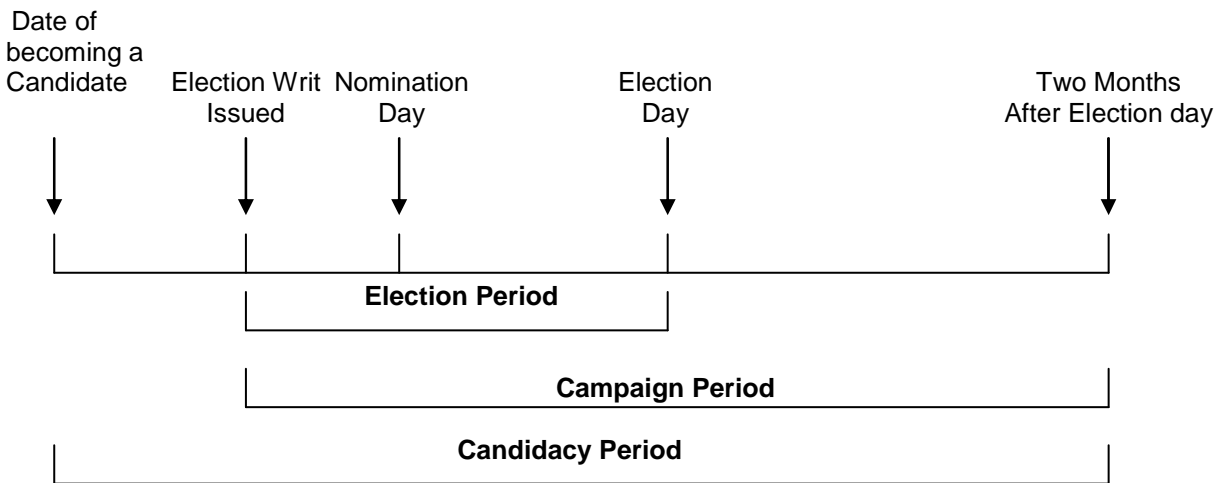
- Waiting to record everything at the end of the candidacy period is not advisable and is strongly discouraged. Instead you should record transactions on a timely basis.
- Develop your record keeping system based on the reporting requirements (From 922).
- Meet with the campaign auditor when developing your accounting system so that you can get his/her advice on how to set-up an effective and reliable system. (A \$500 subsidy is available to the auditor for performing these services provided that certain criteria are met).
- Seek clarification from Elections Manitoba when you have concerns regarding the treatment of specific types of transactions or any other issues.

IV. Time periods

In Manitoba, an election must be held every four years (on the first Tuesday of October), unless an election is called for an earlier date. As a result, there are two possible ways in which an election date is set:

1. An election is called (i.e. the writ is issued) in conjunction with the dissolution of the Legislature by the Lieutenant-Governor; or
2. No election is called and the writ is issued in accordance with the Fixed Date Election provision of the Elections Act.

The following illustration and table outline the various time periods to which there is frequent reference in the EFA, the Official Agent's Guide, and the Accounting Guide:



Time period	Start date	End date
Candidacy period	<i>Endorsed Candidate</i> – Earlier of: 1. Date of nomination; and 2. Date of filing of the nomination papers (Form 400) <i>Independent Candidate</i> – Earlier of: 1. Date stated on Form 905; and 2. Date of filing of the nomination papers (Form 400)	Two months after election day
Election period	Day the writ is issued (Writ Day)	Election day
Campaign period	Day the writ is issued (Writ Day)	Two months after election day
Reporting period	First day of Candidacy Period (as described above)	Two months after election day

Election Day: The day on which voting takes place for the election at the voting stations. This is the last day of the election period.

V. Income

For reporting purposes, campaign income must be categorized among five possible sources: Contributions, sales of merchandise, fund raising, transfers and other sources of income.

Contributions

Contributions refer to amounts received by or for the benefit of the candidate (or other political entity) without compensation.

Cash contributions

Cash contributions are those contributions made in forms such as money, cheque, or credit card payment.

Donation in kind contributions

Donation in kind means goods and services that are provided without compensation to or for the benefit of a candidate, leadership contestant, constituency association or registered political party, including services provided by a self-employed individual who normally sells or otherwise charges for them, but not including:

1. Services provided without compensation by an individual outside his or her working hours, unless he or she is self-employed and normally sells or otherwise charges for them, or
2. The services of a person who acts without compensation as an auditor, a chief financial officer, an official agent or legal counsel to a candidate, leadership contestant or a registered political party [s.1].

Further, any amounts spent on behalf of a candidate, or goods or services provided for the benefit of a candidate with the knowledge and consent of the candidate are considered to be donations in kind.

Valuing donations in kind: Donation in kind contributions are valued and recorded at the market value of the goods or services provided at the time of the contribution [ss.40(1)]. In situations where a campaign pays for goods or services, but the amount paid is less than the market value of the goods or services, the provider of the goods or services is considered to have made a contribution equal to the difference between the market value and the amount charged [ss. 40(2)].

Sale of merchandise

Contributions can result from a sale of merchandise. This can occur when, for the purpose of raising money, an item is sold by or on behalf of a candidate, leadership contestant, constituency association or registered political party and the proceeds received from the sale exceed the item's acquisition cost (this is called the Net Profit).

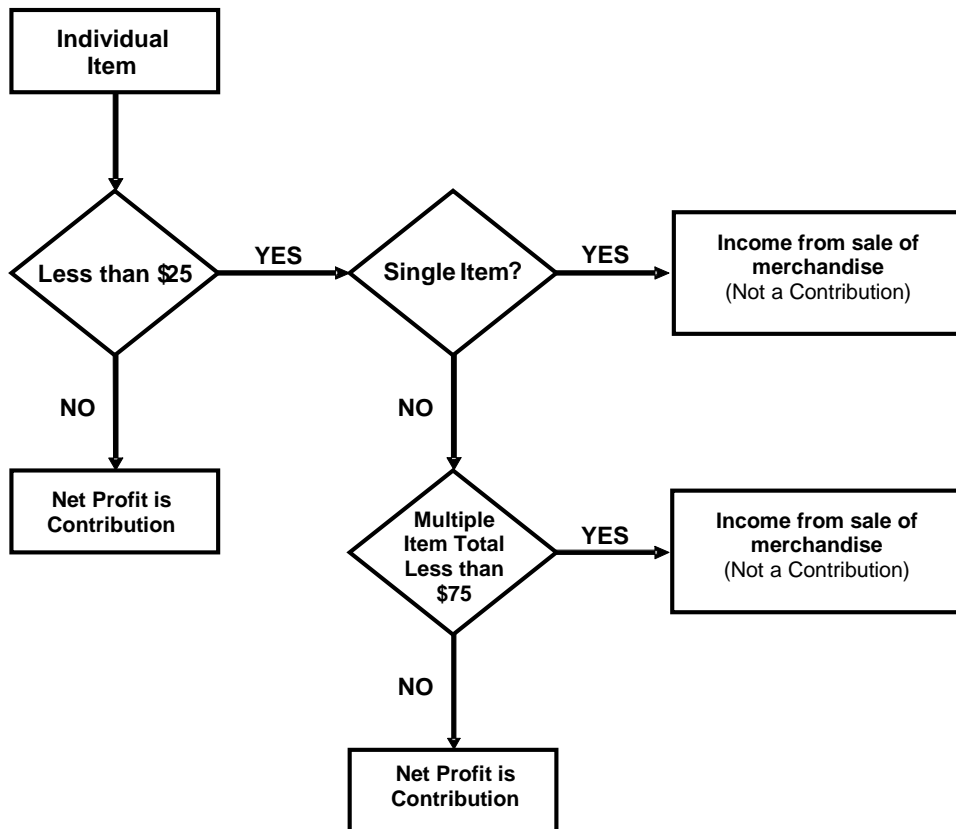
Contribution = Net Profit = Sale proceeds less acquisition cost [s.38.1].

The "**Acquisition Cost**" of merchandise sold is determined as the greater of the actual cost of the item and the fair market value of the item (at the time it was acquired).

Exception for nominal amounts: Proceeds from sales are considered 100% sale of merchandise income when:

1. Item sale price is less than \$25; and
2. Multiple sales of the same item total less than \$75.

The following decision tree can be used to determine the treatment of net profit:



Fund raising

A **Fund Raising Function** is any social function that is held for the purpose of raising money for a registered political party, candidate, leadership contestant, or constituency association [s.1].

General rule for treatment of fund raising income:

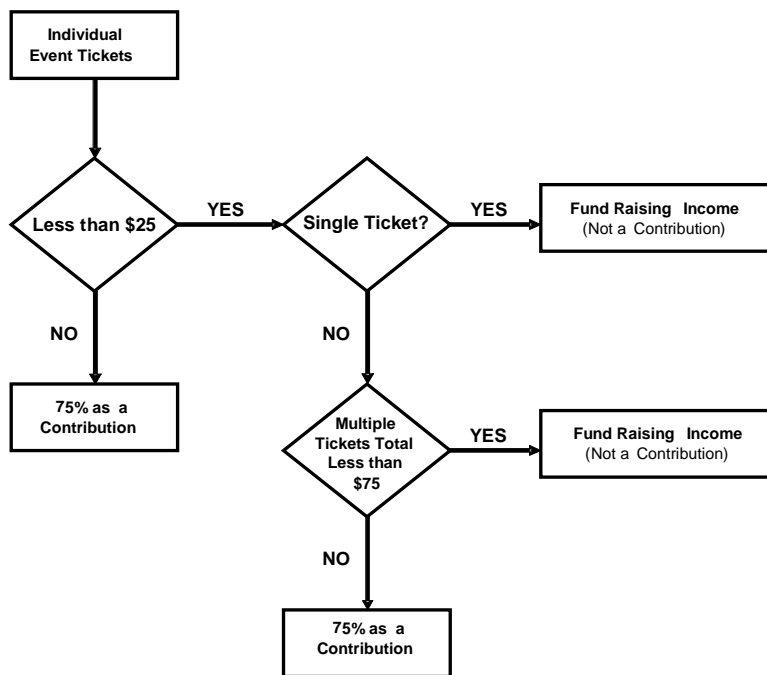
1. 75% of the ticket price or individual charge is deemed to be contribution income; and
2. The remaining 25% is considered to be fund raising income [ss.38(2)].

Exceptions to this general rule exist when:

1. The ticket price or individual charge is less than \$25; or
2. Where multiple tickets, priced at less than \$25 each, purchased for a single fund raising function total less than \$75 [ss.38(3)].

In both of the exception cases: All of the income from the sale is reported as fund raising income.

The decision tree on the following page can be used to determine the treatment of the 75% of the total ticket charge typically treated as contribution income.



Who can contribute?

Only **individuals normally resident in Manitoba** are permitted to make contributions to a political entity [ss.41(1)].

How can contributions be made?

Contributions may be made directly to a political entity or through an individual normally resident in Manitoba who is collecting contributions and forwarding them to the political entity [ss.37.1(1), 37.1(2)]. In the latter situation, when an individual is collecting contributions, three requirements must be satisfied:

1. The collector must maintain a contribution record detailing each of the contributors and the amount contributed;
2. Both the contribution record and the funds collected must be forwarded to the political entity on a timely basis;

3. When collecting cash contribution, the contributor must sign the contribution record if the amount is over \$100 [ss.37.2(1)].

Key things to remember about forwarding collected contributions:

1. If an individual collects cash, he or she must:
 - i. Forward cash directly to the political entity or deposit the amount in his or her own bank account and then make a cheque or money order payable to the political entity and forward it to the entity on a timely basis; and
 - ii. Forward a contribution record to the political entity at the same time. [ss.37.2(2), ss.37.2(3)]
2. If an individual collects cheques or credit card payments:
 - i. Cheques and credit card payments must be made payable directly to the political entity;
 - ii. Contributions must be forwarded to the entity on a timely basis; and
 - iii. Contribution records must be forwarded at the same time. [ss.37.1(3), ss.37.2(2)]

Professional Fund Raisers can be hired by political entities to solicit contributions and collect information about potential contributors [s.37.4].

Records to be maintained

Contribution records must include:

1. The contributor's name and residential address;
2. The date the contribution was collected or received;
3. The amount or value contributed;
4. The name of the individual serving as the collector (if applicable); and
5. The signature of all contributors providing cash in excess of \$100. [ss.37.2(1)].

A contribution may not be accepted by a political entity without a complete contribution record. [ss.37.2(4)]

Reporting requirements

Candidates must disclose to Elections Manitoba the names and addresses of all contributors, as well as the aggregate amount of an individual's contributions during the candidacy period. Information about contributors providing more than \$250 will be publicly disclosed [s.64].

Contribution limits

The following table provides some of the specific limitations that have been established in the EFA relating to contributions and contributors:

Contribution limits and restrictions:

1. The combined total of all contributions made by an individual to all recipients (including contributions to leadership contestants after the leadership contest period ends) may not exceed \$3,000 per calendar year [s.41(1.1)];
2. Individuals must use their own resources when contributing. A director of a corporation, for example, may not make a contribution using corporate funds, but may contribute using his or her own personal funds [s.41(1.2)];
3. Individuals cannot make contributions if in doing so they are expecting to be compensated or reimbursed by another person or organization for all or part of the value of the contribution [s.41.1];
4. No person or organization can provide (or offer to provide) reimbursement or compensation (either in part or in whole) to an individual for making a contribution [s.41.2];
5. No person or organization is allowed to accept a contribution from an individual if the person or organization knows that the individual expects to be reimbursed or compensated for all or part of the contribution made [s.41.3];
6. No person may solicit or knowingly accept a prohibited contribution. Any contributions of this type must be returned. Further, if subsequent to receiving a contribution a person learns that the contribution was prohibited, then that contribution must be returned (even though it was not known to be prohibited at the time of receipt) [s.41(2) and (3)];
7. Anonymous contributions of more than \$10 must not be used and must be returned [s.42] except for some donations in kind as outlined in s.40.1(1).

Use of force or intimidation

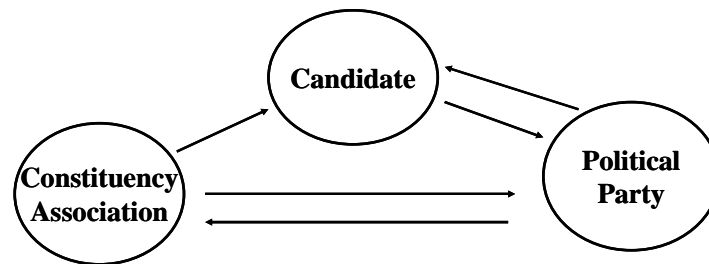
A person is guilty of an offence who, directly or indirectly, uses or threatens to use force or violence, or threatens to inflict an injury, damage, harm or loss upon another person to induce or compel the other person to make or refrain from making a contribution [s.78.1].

Transfers

Transfers are money, goods, or services provided amongst political entities without compensation being provided by the receiving entity.

- A candidate may receive transfers from his or her endorsing political party or his or her nominating constituency association.
- A candidate may send transfers **only** to his or her political party [s.44(1), 44(2), 44(3)].
- Political Parties can make and receive transfers to and from both candidates and constituency associations.
- Constituency associations may make transfers to candidates and political parties, but can only receive transfers from political parties.

The following diagram illustrates the permitted flow of transfers between entities:



If a candidate receives a transfer from his or her constituency association for \$250 or more, then he or she must disclose information the information provided by the constituency association relating to contributors who provided \$250 or more to the association [s.64].

Other income

Other income arises from income from investments and revenue from the sale of merchandise that is not in excess of the cost of the merchandise, as well as any other type of income that is not included as Contributions, Transfers, or Fund raising.

Income tax receipts

Tax Receipts are receipts issued for income tax purposes.

- Only an official agent, and his or her deputy (if one is appointed), is able to issue tax receipts on behalf of the campaign [ss.8(1), 10(4)].
- In order to be able to issue tax receipts, your candidate must register to do so by filing forms 400 and 911 [s.32(2)].

Critical requirement: To register and be eligible to issue tax receipts, candidates must have submitted *Form 911: Candidate's Application for Registration to Issue Income Tax Receipts* prior to the end of the candidacy period (which is the registration deadline) [ss.25, 33(2)].

If Form 911 is not submitted prior to the deadline, the official agent will not be permitted to issue income tax receipts to contributors.

Once your candidate has registered you can begin to provide tax receipts for all cash contributions made during the candidacy period.

Key points about tax receipts:

1. Tax receipts can only be issued for cash contributions (i.e. no receipts are provided for donation in kind contributions) [ss.36(1), 36(2)].
2. Receipts can be issued for cash contributions made at any point during the candidacy period, even if they were made before the candidate registered (although the receipt cannot be issued until the registration is complete).
3. Receipts must be issued for all cash contributions exceeding \$10; however it is recommended that tax receipts be provided for all contributions [s.35].
4. If a contributor requests a tax receipt, regardless of the amount of his or her contribution, a tax receipt must be issued to the contributor.

Remember: It is critical that you keep track of all of the tax receipts that are provided to you after registration as you are required to reconcile all tax receipts used, unused, and voided to the tax receipts received from Elections Manitoba on Schedule 5 of Form 922.

All unused and voided tax receipts, as well as the Elections Manitoba copy of used tax receipts, must be returned to Elections Manitoba as part of the candidate's Form 922 submission.

If you have any questions in regards to the issuance or handling of tax receipts please do not hesitate to contact Election Manitoba for clarification.

VI. Loans

Under the EFA there are specific restrictions on the lending/borrowing activities of political entities (restrictions 3 and 4 below are not applicable to loans made from financial institutions, registered political parties, or constituency associations [ss.44.1(3.3)]):

1. Candidates cannot lend to any person or organization (including their constituency association or party) money that has been raised for the purposes of an election [s.44.3];
2. A constituency association may only lend money to its nominated candidate or its registered political party [s.44.4];
3. The maximum period of any loan made to a political entity (including refinancing loans) is 24 months [ss.44.1(3.1)]; and
4. No person or organization shall, in a single year, provide a loan to a political entity in excess of \$3,000 [ss.44.1(3.2)].

Key points to remember:

1. Immediately after getting a loan, it is necessary to file a copy of the loan agreement with the Chief Electoral Officer, unless the loan is made by a financial institution or is for an amount less than \$250 [ss.44.2(1.1), 44.2(1.2)].
2. It is critical that all loan agreements be written documents.

Loans considered deemed transfers [s.44.5]

If your candidate receives a loan from a registered political party or constituency association, it is possible that the loan may be deemed to be a transfer when:

1. The loan is given at a rate of interest that is less than the prime rate;
2. It remains outstanding 12 months after it became due; or
3. A registered political party, a constituency association, or another candidate makes a payment on the loan on behalf of the debtor.

Loans considered to be deemed contributions [ss.44.1(2), 44.1(3), 44.1(4)]

If your candidate receives a loan (from an entity other than a political entity) to finance election or other expenses, in certain circumstances it is possible that this loan may be considered a deemed contribution. This may happen when:

1. The loan is given at a rate of interest that is less than the prime rate;
2. The loan has not been paid within 6 months of becoming due and the creditor has not initiated legal proceedings to collect the debt; or
3. Someone other than the political entity makes a payment on the loan on behalf of the debtor.

Reporting of outstanding balances

If a candidate still has a loan balance greater than \$250 outstanding at the end of the candidacy period, this balance must be reported to Elections Manitoba.

VII. Expenses

Election expenses

Election Expenses refers to the value of goods and services that are **used** by the campaign during the election period for an election purpose [s.1].

- The value of these good and services may be established as:
 - The money spent or liabilities incurred to obtain the goods or services used; or
 - The value of donations in kind accepted and used [s.1].
- The value of donations in kind **used** during the election period (i.e. the related election expense) is the market value of the goods or services at the time of the contribution [ss.40(1)].
 - Market Value* is the lowest price that would normally be charged by a supplier to purchase or rent the good or service at or about the same time and in the same market area.

If an expense incurred relates to both the election and the non-election period, only the portion of the expense relating to the election period should be classified as an election expense (the remainder should be a non-election expense). (For examples of such an allocation of expenses please see page 54 of the Official Agent's Guide).

Only you, in your capacity as the official agent, may make payments for election expenses.

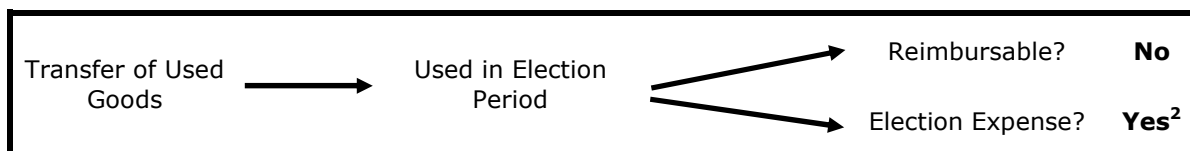
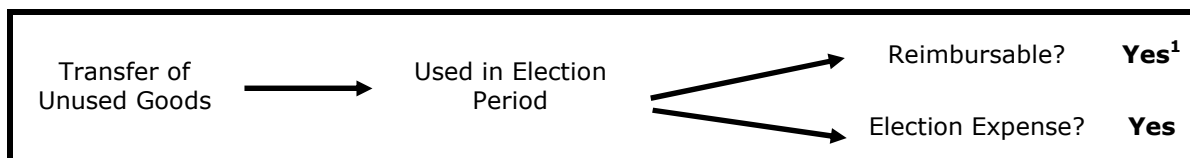
However, if you are unable or unwilling to authorize or make valid and allowable expenses, in such circumstances, the candidate is also able to authorize the related payments.

With respect to the work performed by campaign workers, the following table shows different payment situations and how each situation should be treated:

Source of Payment for the Services of Campaign Workers	Election Expenses <i>(if services were provided during the election period)</i>	Non-election Expenses <i>(if services were provided outside the election period)</i>
1. Paid by campaign	Yes (Monetary)	Yes (Monetary)
2. Paid by another entity	Yes (Donation in Kind)	Yes (Donation in Kind)
3. Volunteer Services - No payment - Not a self-employed individual	No	No
4. Self-employed Individual	Yes (Donation in Kind)	Yes (Donation in Kind)

Transfers of goods and services as election expenses

When a goods or services are received by a campaign as a transfer, and are subsequently used, an expense will need to be recognized. The following illustrations should help you to determine the treatment of transferred items.



¹ Reimbursable to the source of the transfer (i.e. the political party or the constituency association)

² Expenses should be reported as *donations in kind*

Note: For items used outside of the election period, the value for the goods/services transferred and used would be non-election expenses for the campaign.

Non-election expenses

Non-election Expenses refers to goods or services used, that are either:

1. **Used outside of the election period;** or
2. Specifically excluded from the definition of election expenses.

The Official Agent's Guide (and the EFA) identifies an extensive list of items which specifically do not qualify as election expenses and accordingly do not count towards the spending limit. Two of the more **notable exceptions** relate to costs associated with childcare and disabilities.

- Reasonable Childcare costs, and reasonable costs related to an individual's disability, that are incurred in order to allow the candidate to campaign during the election period are considered non-election expenses (even though they may be incurred during the election period) [s.1].
- *Reasonable costs* are those expenses incurred by the candidate that are over and above that which the candidate would have normally spent [s.1.1].
- It should also be noted that reasonable child care and disability expenses are 100% reimbursable [ss.71(2)].

Advertising expenses

Advertising expenses means money spent or liabilities incurred, and the value of donations in kind accepted, for advertising in newspapers, magazines or other periodicals, on the Internet, radio or television, or on billboards, buses or other property normally used for commercial advertising [s.1]. Direct production expenses (i.e. the costs related to the production of a specific advertisement) are considered advertising expenses as well [s.1].

As the official agent, you are responsible for approving all advertising and promotional materials that are published by the campaign at any time during the year. If you have not yet been appointed as the official agent, then the authorization of materials must be provided by the candidate [ss.54.2(1)]. An authorizing statement must be printed on, or announced or shown with each piece of advertising or promotional material published [ss.54.2(2)].

Annual advertising expense limits in fixed date elections

In addition to the election expense advertising limit, the EFA also limits the amount that candidates can spend outside of the election period during the year of a fixed date election to \$6,000 [ss.54.1(1)] (adjusted annually for inflation). In the year of a fixed date election, the definition of advertising expenses expands to include posters, leaflets, letters, cards, signs, banners, and other similar printed material which is designed to support or oppose, directly or indirectly, a candidate.

The annual advertising expense limit is separate from and in addition to, the election period spending limit. Advertising expenses incurred using this limit may not be incurred during an election period. In the year of a fixed date election, candidates must report their advertising expenses incurred outside of the campaign period as part of their endorsing party's respective Annual Financial Statements (Form 920).

Per diems

Per Diems paid to campaign workers will not be eligible for reimbursement unless there are supporting invoices, receipts, or other documentation to back up the expenses incurred. Only actual expenditures paid to suppliers are reimbursable, not general amounts paid in lieu of expenses

Petty cash systems

You should implement a **petty cash system** to enable the campaign to make small purchases on a timely basis while still ensuring that the appropriate records/documentation is maintained for you to complete the required reports and to account for all of the campaign's expenses.

Transfer (expenses)

Transfers sent are considered to be expenses.

Election expense limits

The amount of money that can be spent (and liabilities that can be incurred) by a campaign is subject to two expense limits:

1. *Total Election Expense Limit*: The maximum permitted amount for the total value of all election expenses incurred during an election period [ss.51(1)].
2. *Total Advertising Expense Limit*: The maximum permitted amount for the total value of all advertising expenditures incurred during an election period [ss.51(2)]. (It is important to note that the advertising expenses subject to this limit are also included as part of *Total Election Expenses* and subject to the total election expense limit [s.51(3)]).

Both expense limits are calculated using the same formula:

Expense Limit = Per voter dollar rate x the number of voters on the voters list.

The per voter dollar rate is established by Elections Manitoba as of the writ day (i.e. the day the election is called). This rate is determined as follows [s.52]:

Per Voter Rate	=	Per-voter rate specified in the EFA [s.50, 51]	X	($\frac{\text{Consumer Price Index (CPI) for the City of Winnipeg in the second month preceding the month in which the writ is issued}}{\text{CPI for Winnipeg in June 2008}}$)
Note: The CPI levels used for the purposes of this calculation are those published by Statistics Canada.				

Per voter rates specified in the EFA:**Total election expense limit:**

1. For candidates in electoral divisions with areas less than 30,000 square miles: \$2.72 per name on the voters list; or
2. For candidates in election divisions with areas of 30,000 square miles or more: \$4.33 per name on the voters list.

Total advertising expense limit:

1. For all candidates, regardless of the size of their electoral division: Total advertising expenses of a candidate are not to exceed \$0.56 per name on the voters list.

Each of the expense limits is calculated and communicated to you several times during a campaign. Changes in the expense limits are the result of differences in the number of voters on the various versions of the voters list used. The following tables summarize when the limits are calculated, the version of the voters list used in each instance, and the date upon which each limit calculation will be communicated.

In a fixed date election:

Limit calculation	Voters list used and date of determination
Minimum or base	Enumeration voters list. Established and communicated within three days of the end of the enumeration period.
Second	Revised voters list. Established and communicated within three days of the end of the revision period and prior to advance voting (approximately 10 days prior to election day).
Third	Final voters list. Established and communicated approximately 1 week after election day.

In a non-fixed date election

Limit calculation	Voters list used and date of determination
Minimum or base	Final voters list in the preceding general election. Established and communicated within three days of Writ Day (i.e. the day the election is called).
Second	Preliminary voters list. Established and communicated within three days of the end of the enumeration period (approximately 10 days into the election).
Third	Revised voters list. Established and communicated within three days of the end of the revision period (approximately 17 days into the election).
Fourth	Final voters list. Established and communicated approximately 1 week after election day.

The Minimum or Base Limit calculated represents the lowest amount at which the particular spending limit may be set. If any of the subsequent calculations result in a higher figure, the spending limits will be revised upwards to this new limit; however, if subsequent calculations are lower than the base limit, no revision will take place.

VIII. Inventory

Inventory refers to any goods or supplies that are on hand to be used or consumed. Common types of inventory found in campaigns include signs and supports, banners, pamphlets, letterhead, and posters; however, it does not include "capital items" such as computers, desks, or other office furniture.

Inventory should be counted three times during the candidacy period:

1. At the start of the election period (the day the writ is issued);
2. At 8:00pm on election day; and
3. At the end of the candidacy period.

The performance of each of these counts is necessary to ensure that you are including all non-election and election expenses into your reporting. When performing your counts it is necessary to maintain a record or document substantiating your work and your results.

Ending inventory should be valued at its cost (i.e. the money spent or liabilities incurred for an item of inventory, including all duties, and freight) except where the market value of the items purchased exceeds the price paid.

Your inventory records should include the following details of the inventory items on hand:

1. Description of the goods and materials;
2. The date acquired;
3. The supplier name;
4. The unit value;
5. The quantity, and
6. The total value.

IX. The auditor

Every candidate must appoint an auditor who will review the candidate's financial statements (Form 922) and then expresses an opinion regarding whether or not the statements have been prepared in accordance with the EFA.

Auditors will receive a subsidy of up to \$1,500 for performing their review of Form 922 [ss.10.6(1), 10.6(2)]. The auditor is also eligible for another subsidy of up to \$500 if he or she provides advice in relation to the development and operation of your record keeping system.

Remember:

1. It is your job as the official agent to ensure that the form is correctly completed and filed. (If you do not believe that you have sufficient accounting knowledge then you may need to find knowledgeable person who can assist you in preparing the statements.)
2. It is the auditor's job to express an opinion regarding whether the forms present fairly the financial results and position of the campaign. It is not the auditor's job to correct the form.

X. Reporting

Deadlines

The following table provides a listing of all of the major forms that may need to be filed by you and your candidate and the dates by which each of the forms are due [ss.10(3.3), s.60, s.61].

Form #	Form Name/Description	Due Date
400	Nomination Paper	During the Election Period
905	Declaration of Candidacy (Independent)	Immediately when declaring candidacy
907	Notice of Intent to Appoint Official Agent	15 Days after declaring intent to run as a candidate
908	Notice of Appointment of Auditor for a Candidate	Not later than the filing of Form 400: Nomination Paper
911	Candidate's Application for Registration to Issue Income Tax Receipts	Last day of the Candidacy Period
922	Candidate's Financial Statements	Four Months after Election Day
932	Detailed Contributors' List	Four Months after Election Day

Note: A detailed explanation of how to complete Form 922 is provided in Appendix B of the Official Agent's Guide.

XI. Reimbursement of election expenses

Eligibility for reimbursement [s.71]

In order for a candidate to be eligible for reimbursement he or she must:

1. Receive at least 10% of all valid votes cast in the candidate's electoral division;
2. Have provided adequate support and documentation for the reported expenses; and
3. Have reasonable expenses.

Key point: Reimbursement will only be paid in relation to specific election expenses if those expenses have been adequately supported or documented and are reasonable.

Reimbursed expenses

Candidates can be reimbursed for:

- 50% of the actual election expenses that they have incurred up to a maximum of 50% of the total election expense limit; and
- 100% of the reasonable child care and disability expenses [ss.71(2)].

Key note to remember: If a candidate's campaign has exceeded one of the spending limits, the amount of reimbursement is reduced by \$1 of every \$1 of elections expenses incurred over the specified spending limit.

Payment of reimbursement [s.73.1]

Actual payment of reimbursement amounts depends on whether the candidate has a surplus or deficit as calculated using the prescribed formula in the EFA.

- If there is a surplus, reimbursement funds will be paid to either the CFO of the registered political party (for endorsed candidates) or the Chief Electoral Officer to be held in trust for use by the candidate in the following election (in the case of an independent candidate)
- If there is a deficit, the reimbursement funds will be paid to the official agents of the candidates up the extent of the deficit. Any excess reimbursement funds will be treated identically to reimbursement funds in a surplus situation.

Provided that a candidate's Form 922 is properly completed and submitted, Elections Manitoba may issue a reimbursement cheque in the amount of 50% of the total anticipated reimbursement within 15 days of the statement filing date [ss.72(2)].

Key note to remember: When received, reimbursement funds must be used first to eliminate or reduce any outstanding amounts owed by the campaign [ss.73.3(2)].

XII. Advisory opinions [s.77.4]

When you are unsure about whether a particular act or omission will result in a violation of the EFA, you (or the candidate you represent) can request (preferably in writing) a written opinion from the CEO called an Advisory Opinion. The CEO may or may not issue an opinion. In the latter case, reasons will be provided as to why an opinion has not been issued.

Once an opinion has been issued you can rely on it to ensure that you do not contravene the EFA provided that the opinion states that the act will not contravene the EFA, and that the facts upon which the Advisory opinion are based, have not changed.

Advisory opinions may be subsequently changed or revoked by the CEO as deemed necessary.

XIII. Consequences/penalties

The EFA establishes the rules which must be observed by an Official Agent. Failure to do so could result in a fine of \$5,000 or more and could result in other possible consequences such as injunctions, compliance agreements, or even prosecution (however, most instances of non-compliance are resolved without prosecution). Before implementing any of these consequences, the commissioner must first investigate the matter under suspicion and in doing so must notify the individuals or organizations that are being investigated (unless the commissioner believes that such notification would compromise the investigation).

The EFA establishes that a late-filing fee of \$25 for each day past due (maximum of 30 days), is payable by the following persons:

- 1) The Chief Financial Officer of a registered political party, if he or she fails to file a statement under Section 59 or 60;
- 2) The Official Agent of a candidate or leadership contestant, if the Official Agent fails to file a statement under Section 61 or 61.1;
- 3) A candidate or leadership contestant who fails to file either the information required under clause 44.2(2)(b) or a return under subsection 68.1(2);
- 4) A person who receives a request or notice under subsection 55.11(5), 57(2), or 69(1) and fails to file the requested statement, return or information; or
- 5) A person responsible for the finances of a Constituency Association who fails to file a return under Section 67 for more than 30 days after it is due.

Under 64.1(1), the Chief Electoral Office may deduct the late-filing fee amount from the amount that may be payable under the EFA to this political entity. The Chief Electoral Officer may also make public the name of a person who is obligated to pay a late fee and the amount payable.

References to the Legislative Reference Guide

Topic	Pages – Summary	Pages – OAG
The Official Agent	2-3	9-11
Maintaining a Financial Record	4	12-14
Record Keeping	4	15-18
Time Periods	5	19-21
Income	6-12	22-38
Loans	13	39-41
Expenses	14-18	42-57
Inventory	19	58-61
The Auditor	20	62
Reporting	21	63-69
Reimbursement of Election Expense	22	70-72
Advisory Opinions	23	73
Consequences/Penalties	24	74-75

Contacting Elections Manitoba

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Candidates, official agents and others are **strongly encouraged** to contact Elections Manitoba as often as necessary in order to understand the requirements of *The Elections Finances Act* or *The Elections Act*.