

Instructions for Completing the *Annual Financial Return for Registered District Association*

(Political Process Financing Act, R.S.N.B. 1978, c. P-9.3, s. 60)



P 04 913
(2021-03-08)

Please read this document prior to completing the *Annual Financial Return for Registered District Association* (P 04 911).

A. DUE DATE

The annual financial return **MUST** be submitted no later than March 31st.

B. WHAT YOU NEED TO SUBMIT TO ELECTIONS NEW BRUNSWICK

Along with the Return, where applicable, submit the following required supporting documentation:

- Bank statements with images of cancelled cheques, or Party's financial report, covering the reporting period;
- Documents related to any investments and GIC's (Guaranteed Investment Certificates) covering the reporting period;
- Detailed deposit slips covering the reporting period;
- Loan agreements and statements;
- Invoices for advertising subject to the \$3,000 annual limit and a copy of each advertisement;
- Expenditure invoices greater than \$500 for all other expenditures;
- Contributions of property and services; and
- Deemed contributions from unreimbursed personally-incurred expenditures.

While photocopies or electronic copies of these documents are acceptable, most official representatives submit the original invoices and receipts. Elections New Brunswick will retain your submission for six years before sending it to the Provincial Archives.

C. REFERENCE DOCUMENT

The *Provincial Political Financing Manual* (P 04 941) (the "Manual") is intended to be the primary reference document for stakeholders involved with the financing of the provincial political process in New Brunswick. The Manual will be referenced throughout these instructions. We highly recommend that you review the role and responsibilities of an official representative, section 3.1.2.2.

The Manual may be found on our website at:

<http://www.electionsnb.ca/content/dam/enb/pdf/finance/P-04-941ProvincialPoliticalFinancingManual.pdf>

D. GENERAL INSTRUCTIONS FOR COMPLETING THE RETURN

1. Generally, the reporting period is the calendar year from **January 1st to December 31st**.
2. The official representative of the registered district association may report using either the "cash basis" of accounting or the "accrual basis" of accounting. The cash basis only includes those transactions that affected bank balances during the reporting period. The accrual basis, on the other hand, includes transactions that have not yet affected the bank account, such as receivable and payables. Most official representatives will choose the cash basis of accounting.
3. As a matter of proper internal control procedures, expenses should not be paid from cash that has not yet been deposited; however, in the event this did happen, report both the expenses and the full amount of the revenue that should have been deposited.
4. If there is insufficient space in the Transaction Journal or a Schedule, you may insert additional rows or columns. Alternatively, you may indicate "*See attached Schedule*" and attach a separate sheet with the same headings and information.

5. Make two photocopies of the completed Return. One copy should be sent to your Party's official representative and the other retained for your personal files. A copy of all supporting documentation should also be retained. You may need to confirm details of the Return when it is examined by Elections New Brunswick.
6. The official representative shall submit the Return and all applicable supporting documentation to Elections New Brunswick by mail or email. **Please see our communication coordinates at the end of this document.**
7. Any required supporting documentation not submitted with the Return will delay our examination.

E. GETTING STARTED

1. Retrieve the prior year's examined annual financial return (received by email from Elections New Brunswick).
2. To make it easier to complete the Return, we recommend you use the electronic template. Visit our website at <http://www.electionsnb.ca> and click on the "Political Financing / Annual Financial Returns: Templates" menu to find an electronic template in Microsoft Excel.

If completing by hand, the information entered on the Return must be in ink and must be legible. You have received two blank paper copies of the Return template; one may be used as a working copy.

3. Assemble all applicable required supporting documentation listed in section B above.

Submit legible, detailed invoices and **a copy of the advertisement** supporting all expenditures subject to the \$3,000 annual limit.

Provide invoices to support all other expenditures, including election expenses, greater than \$500.

An invoice should provide all the particulars that are required for reviewing each purchase and the rate or unit price used for computing the amount of the invoice. A statement of account will not be accepted in lieu of an invoice. A credit/debit card slip is acceptable only if it includes full details of the expenditure, not just the total value of the credit or debit charge.

4. **Complete the Return in the order of the following sections F through J.**

F. COMPLETE THE IDENTIFICATION SECTIONS

Complete the Identification section on page 1 of the Return:

1. Enter the beginning and ending dates of the reporting period;
2. Enter the communication coordinates; and
3. Indicate with an "X" which applicable supporting documents are being submitted with the Return.

G. COMPLETE THE TRANSACTION JOURNAL

Review the Questionnaire on page 2 to give you an overview of the types of transactions to be reported in the Return.

Complete the Transaction Journal on page 3 of the Return.

The Transaction Journal prints two pages wide by two pages high on **legal-size paper**. If there is insufficient space, you may insert additional rows.

The last column of the Transaction Journal is a "control total". The amount for each row should be zero, indicating that the transaction has been correctly entered and is balanced. Control totals not equal to zero will be highlighted in red. There is also a message at cell A5 that displays whether or not the journal is in balance.

Please note that the last row of the Transaction Journal contains "=SUM()" formulas that will automatically total the amounts entered in each column.

If completing by hand, make extra copies of the blank Transaction Journal pages as needed. Tabulate the net total of each column once the Transaction Journal is complete.

If not already referenced from the Identification section, enter in Column D the number and name of the registered district association.

The following sources of transactions, and how to enter the transactions in the Transaction Journal, will be discussed below:

1. Prior-year reconciled year-end balances;
2. Operating bank account transactions / Transactions through the Party's centralized financial system;
3. Accounts receivable;
4. Accounts payable;
5. Contributions of property and services;
6. Deemed contributions of money; and
7. Expenditures other than election expenses incurred by the official agent of the candidate.

G.1. Prior-year reconciled year-end balances

From the prior year's examined financial return, enter the applicable reconciled year-end balances in the first row of the Transaction Journal, for:

- Bank / Funds on deposit with Party (Column E),
- GIC / Savings (Column F),
- Accounts receivable (Column G),
- Prior-year fundraising & auction expenses recoverable (Column H),
- Loans receivable (Column I),
- Accounts payable (Column J),
- Loans / Other borrowings (Column K), and
- Amounts owed to Party (Column L).

G.2. Operating bank account transactions / Transactions through the Party's centralized financial system

We recommend that you use your bank statements as the primary document from which to prepare the Return. Examine each transaction in the order in which they appear on the bank statements – both deposits and withdrawals – and enter them on the Transaction Journal. **Work from the bank statements to the Return.**

For those official representatives using their registered political party's centralized financial system, use the financial report supplied by the Party in place of bank statements.

For official representatives who maintain an accounting system, enter the transactions in chronological order on the Transaction Journal.

For each transaction on the bank statement, Party's financial report, or from your accounting records:

1. Enter the date.
2. Enter a reference number; e.g. cheque number, DEP (deposit), DM (debit memo), etc.
3. Enter the source or supplier. If the cheque is payable to a payee that is different from the supplier, list the payee along with the supplier.
4. Provide a description of each transaction.
5. Enter the value of the transaction as a deposit (positive) or withdrawal (negative) in Column E, Bank / Funds on deposit with Party. **Each transaction must include an amount in this column.**
6. Enter the value of the transaction **in at least one other column** in the Transaction Journal to classify it appropriately. Enter it as a positive or negative value. Typical positive and negative transactions are provided for each column; e.g. Other expenditures: *Invoice (+)* and *Credit notes (-)*. If appropriate, the transaction value may be split and classified in more than one column.
7. Ensure that the Control total (Column AA) is zero ("–"). If it is not zero, check the signs on the amounts entered.

Classification Columns

Assets

Column F: Guaranteed Investment Certificates (GIC) / Savings account

Enter the value of investment transactions from a GIC or a Savings Account. These may include the purchase of such an investment or the transfer of funds from or to the operating bank account. Redemption of GICs upon maturity and the interest paid should be entered.

The total of the column should match the balance at the end of the reporting period, as reported by your financial institution(s).

Column G: Accounts receivable

If applicable, ensure accounts receivable at the end of the prior year are entered on the first row of the Transaction Journal. Attach a detailed schedule of the receivables from the prior period's financial return.

Amounts collected on accounts receivable will be entered as negative amounts in this column.

Column H: Prior-year fundraising & auction expenses recoverable

Fundraising and auction expenses may not have been reimbursed by the registered political party in the prior year. If applicable, ensure these amounts are carried forward from the prior year's annual financial return (Columns M-P) and the total entered on the first row of the Transaction Journal in Column H.

Enter reimbursements by the registered political party as negative amounts in this column. The column total should be nil at the end of the period.

Column I: Loans receivable

If applicable, ensure loans receivable at the end of the prior year are entered on the first row of the Transaction Journal. Attach a detailed schedule of the loans receivable from the prior period's annual financial return.

Enter amounts collected on these loans receivable as negative amounts in this column.

Enter money loaned to the registered political party or other registered district associations as positive amounts in this column.

The total of the column should represent the exact amount of any loans receivable at the end of the reporting period.

Liabilities

Column J: Accounts payable

If applicable, ensure accounts payable at the end of the prior year are entered on the first row of the Transaction Journal. Attach a detailed schedule of the payables from the prior period's annual financial return.

If the association is assuming liabilities incurred by an official agent and reported on the electoral financial return of a candidate, enter the total amount under Column J in the next row of the transaction journal.

Payments made on accounts payable will be entered as negative amounts in this column.

Column K: Loans / Other borrowings

If applicable, ensure loans or other borrowings at the end of the prior year are entered on the first row of the Transaction Journal. Attach a detailed schedule of the loans or other borrowings from the prior period's annual financial return.

Report all loans, lines of credit, and any other borrowings held at any point in the year. If more than one loan existed, copy and insert an extra column for each loan.

Enter balances, proceeds and repayments of each loan. Include advances and repayments on lines of credit, even though the lines of credit may have been accessed and completely repaid during the period.

Report interest expense associated with a loan in Column X, Other expenditures.

For each loan, you also need to complete Schedule 2, Loans / Other Borrowings, on page 4, identifying the:

- Name and address of the lender;
- Date the loan was arranged;
- Terms of the borrowing; e.g. a term or demand loan, interest rate, repayment schedule, etc.; and
- Name and address of any guarantor(s) and the amount of any guarantee(s).

Copy the schedule on a separate page, if necessary, if more than one loan, line of credit, or other borrowing existed.

Column L: Amounts owed to Party

A registered district association must not deposit funds (contributions, membership dues, ticket sales, auction proceeds, and other revenue) in its local bank account; rather, all funds must be deposited with the registered political party. Details of the funds for deposit, as documented on an interim receipt or other supporting documentation, must be forwarded immediately to the Party so that all contributions may be properly processed on a timely basis.¹

If, however, such funds were deposited in the registered district association's bank account, enter the deposit as a positive amount in this column.

Funds remitted to the registered political party should be entered as a negative amount in this column.

The total of the column should equal any amounts owed to the Party at the end of the reporting period.

Any amounts still owing to the Party should be remitted as soon as possible.

Fundraising activities

Columns M-O: Fundraising activities

The full price of a ticket costing more than \$10 to attend a fundraising activity must be treated as a contribution. Prior to 2018, only the profit portion of the price of a fundraising ticket or entrance fee was treated as a contribution.²

A registered district association must not deposit ticket revenue in its local bank account; rather, all funds must be deposited immediately with the registered political party. Details of the funds for deposit must be forwarded to the Party.

If, however, ticket revenue was deposited in the registered district association's bank account, enter the deposit as a positive amount in Column L, Amounts owed to Party. Enter any remittance to the Party as a negative value in Column L.

Details of the direct costs, including any contributions of property and services, associated with the activity also need to be forwarded to the registered political party to calculate the profit earned. The direct costs will be reimbursed to the registered district association by the Party.

The profit will be shared and transferred to the registered district association at a percentage agreed upon within the Party. Contributions of property and services associated with the activity should not be reported on the Return.

All expenses related to the fundraising activity paid by the registered district association should be reported in Columns M-O, Fundraising activities, as a positive amount. The reimbursement received from the registered political party for the expenses should be reported as a negative amount in this column. The reimbursement of expenses may be included in a cheque along with the transfer of a share of the contributions. Classify this deposit in two columns, one for the reimbursement of expenses (Columns M-O) and one for the transfer of funds (Column R, Transfers from Party).

If a fundraising activity is held during the election period, all direct costs for the activity must be treated as election expenses authorized by the official agent, even if they were incurred by the official representative of the registered district association,³ and must be reported in Column Z, Election expenses paid on behalf of official agent. The reimbursement of expenses from the Party must be reported in Column Q, Other income.

¹ Ibid., Section 2.8.19.1 Political parties, district associations, and candidates

² Ibid., Section 2.8.14 Fundraising activities

³ Ibid., Section 3.3.7 Direct costs of fundraising activity held during an election period

The totals in Columns M-O at the end of the year for the activities should be nil, unless the registered district association was not reimbursed by the Party until the following year.

Column P: Auctions

The full amount of the successful bid for an item at a fundraising auction must be treated as a contribution of money.⁴

You should have previously submitted an *Auction Item Detail* (P 04 955) report for each auction item to your registered political party. If not, contact your Party's financial officer immediately.

The donation of the item to be auctioned will continue to be recognized as a contribution of property and services at its current retail value.⁵ Contributions of property and services associated with an auction should not be reported on the Return; rather, they are attached to the *Auction Item Detail* report.

A registered district association must not deposit auction proceeds in its local bank account; rather, all funds must be deposited with the registered political party.

If, however, auction proceeds are deposited in the registered district association's bank account, enter the deposit as a positive amount in Column L, Amounts owed to Party. Enter any remittance to the Party as a negative value in Column L.

Enter the cost of any auction items purchased as a positive amount in Column P, Auctions. The reimbursement received from the registered political party for the auction items purchased must be reported as a negative amount in this column. The total in this column at the end of the year for the event should be nil, unless the registered district association was not reimbursed by the registered political party until the following year.

Revenue

Column Q: Other income

Enter other income; e.g. interest on investments, etc.

As regulated by the provincial *Gaming Control Act*, "games of chance", such as lotteries, raffles, Chinese auctions, and 50-50 draws, are not permitted to be held by registered political parties and registered district associations in New Brunswick.⁶ Further, the funds raised from these games of chance are generally not attributable to the ticket purchasers. As a result, the proceeds are considered to be anonymous contributions. Other anonymous contributions come from collections taken or "passing the hat" at meetings. Enter any such funds in Column J, Accounts payable.

The *Political Process Financing Act* requires that anonymous contributions must be returned to the contributors, if their identity can be established, or otherwise remitted to the Supervisor of Political Financing.

To remit any anonymous contributions still on deposit, prepare a cheque payable to the *Minister of Finance* and submit it with your Return.⁷

Transfers between Party and Associations

Column R: Transfers from Party

Enter funds transferred from your registered political party; e.g. the share of contributions returned by the Party to the registered district association.

Column S: Transfers to Party

Enter funds transferred to the registered political party; e.g. if applicable to your Party, the portion of a reimbursement of election expenses shared with the Party.

Column T: Transfers with other Associations

Enter transfers from or to another registered district association; e.g. funds given to a neighboring association to assist with an election campaign's expenses, a redistribution of funds due to a change in electoral district boundaries, etc.

⁴ Ibid., Section 2.8.15 Auctions

⁵ Ibid., Section 2.8.15 Auctions

⁶ Ibid., Section 2.8.14 Fundraising activities

⁷ Ibid., Section 2.8.17 Benefit of a contribution contrary to the Act and anonymous contributions

Expenditures other than election expenses

Column U: Advertising subject to \$3,000 annual limit

Enter advertising expenditures subject to the \$3,000 annual limit; e.g. advertising that promotes the political agenda of a registered political party, registered district association, or candidate and is distributed on broadcasting undertakings (radio, television, or internet) or in newspapers, periodicals or other printed matter.⁸ This includes “pre-writ” advertising during the year of a provincial general election.

For an advertisement, such as a sign or billboard, that is placed prior to the election period by the official representative of a registered district association and that remains in place for any portion of the election period, the full cost must be treated as both a non-election expenditure of the registered district association and as an election expense authorized by the official agent.⁹ The full cost of the advertisement must be reported in Column U. If the full cost of the advertisement is reimbursed by the official agent to the official representative, report the reimbursement in Column Q, Other income. If the reimbursement is not made by the official agent, enter the full cost in Column Q, Column U, and Column Z, Election expense paid on behalf of official agent.

The cost of an order for brochures and other such distributable advertising, however, must be allocated between non-election advertising expenditures of a registered district association and election expenses authorized by the official agent, based on a reasonable physical proportion of the materials distributed during the pre-writ and election period.¹⁰ The full cost of materials must be reported in Column U. The cost of the portion of materials distributed during the election period must be reimbursed by the official agent to the official representative, and reported as a negative amount in Column U, leaving the net cost of material distributed during the pre-writ period. Alternatively, if the reimbursement is not made by the official agent, split the transaction and report the applicable portions in Columns U and Z.

Column V: Advertising not subject to \$3,000 annual limit

Enter advertising not subject to the \$3,000 annual limit:

- a. Advertising that is limited to publicizing the date, time, place and subject matter of a public meeting, that may include a photo of a guest speaker, and the name (short-form name or abbreviation) of the registered district association or the logo of the registered political party, or any corrections;
- b. The cost of postage for the mailing of letters, printed material and cards, including Christmas cards;
- c. The production and distribution of:
 - i. newsletters distributed solely to members of a Party, and
 - ii. Christmas cards; and
- d. The publication in a newspaper of season’s greetings, congratulatory messages or best wishes for community events from the registered district association.¹¹

Column W: Nominating convention

Enter amounts for holding a nomination convention for the selection of a candidate for an electoral district.

The reasonable expenses related to a nomination convention held during an election period are also considered non-election expenditures and should be entered in this column. Reasonable expenses include:

- the cost of renting a hall for the convention;
- the cost of advertising the date, place, time, program and organizers of the convention;
- the cost of the convening of delegates to the convention; and
- the cost of providing refreshments and entertainment for those attending the convention.

All other costs of a nominating convention held during the election period are considered excessive and are deemed to be election expenses of the candidate selected. Such expenses shall be deemed to have been incurred by the official agent of the candidate,¹² and must be reported in Column Z, Election expenses paid on behalf of official agent.

⁸ Ibid., Section 2.9.5.1 Annual advertising limits

⁹ Ibid., Section 3.3.3.3.1 Roadside signs

¹⁰ Ibid., Section 3.3.3.3.2 Brochures, handbills, door knockers, and other distributable advertising

¹¹ Ibid., Section 2.9.5.2 Exemptions from annual advertising limits

¹² Ibid., Section 2.9.7 Costs of a nominating convention held during an election period

Column X: Other expenditures

Enter all other expenditures other than election expenses, such as amounts for meetings, office, travel, charitable donations, banking fees, riding celebrations, etc., in this column.

Election-related expenditures

Column Y: Transfers with official agent

Enter transfers of funds to the official agent of a candidate as positive amounts.

Enter funds received from the official agent upon closing the electoral bank account as a negative amount.

Column Z: Election expenses paid on behalf of official agent

Enter election expenses paid on behalf of the official agent; e.g. campaign office rent, telephones, advertising expenditures, etc. If advertising expenditures are used during both the pre-writ and election period, see Column U, Advertising subject to \$3,000 annual limit, above for further details.

Schedule 1, Bank / Funds on Deposit with Party, Reconciliation at End of Reporting Period

After entering all transactions from the bank statement, Party's financial report, or from your accounting records, complete Schedule 1, Bank / Funds on Deposit with Party, Reconciliation at End of Reporting Period, on page 4.

- A. Enter the financial institution or registered political party where the funds are on deposit and the account number.
- B. Enter the date of your most recent statement or report. This would normally be the same date you determined in the Identification section on page 1 for the end of the reporting period.
- C. Enter the ending balance from the statement or report.
- D. If reporting using the cash basis of accounting, there will be no outstanding deposits or cheques. Otherwise, if reporting using the accrual method of accounting, enter the following:

(For those official representatives who maintain an accounting system, any outstanding deposits and cheques would already be recorded in the accounting system and, therefore, should already be entered on the Transaction Journal.)

Outstanding deposits: Enter deposits that are outstanding at the end of the reporting period; i.e. deposits that did not clear the bank until after the reporting period. If not using an accounting system, the outstanding deposits must also be entered on the Transaction Journal in Column E, Bank / Funds on deposit with Party, and entered in at least one other column.

Outstanding cheques: Enter cheques and other withdrawals that are outstanding at the end of the reporting period; i.e. the cheques did not clear the bank until after the reporting period. If not using an accounting system, the outstanding cheques and other withdrawals must also be entered on the Transaction Journal in Column E, Bank / Funds on deposit with Party, and entered in at least one other column.

- E. The balance of Bank / Funds on deposit with Party (from the Transaction Journal) should automatically be linked to Schedule 1; ensure this has worked properly. If completing by hand, enter the Column E total from the Transaction Journal.

If the difference is not nil, the Return is not yet in balance and more work is required. Go back and check the numbers you entered. If you cannot get the return to balance, seek assistance from your registered political party's financial officer to balance it before submitting to Elections New Brunswick.

G.3. Accounts receivable

New accounts receivable must be entered as positive amounts in Column G and entered in at least one other column. Note that these entries do not affect Column E, Bank / Funds on deposit with Party.

The total of the column should represent the exact amount of any accounts receivable at the end of the reporting period.

G.4. Accounts payable

Expenditures incurred and remaining unpaid at the time of preparing the Return must be entered as a positive amount in Column J and entered in at least one other column. Note that these entries do not affect Column E, Bank / Funds on deposit with Party.

The total of the column should represent the exact amount of any accounts payable at the end of the reporting period.

G.5. Contributions of property and services

Contributions of property and services, having been donated "in kind" to the registered district association, must be reported on Schedule 3, Contributions of Property and Services, on page 5. Do not report on Schedule 3, however, any contributions (a) made in relation to a fundraising activity or to an auction, or (b) made in relation to an election expense.

All contributions of property and services must be supported by an invoice marked "Contribution" and must be reported to your registered political party. The official representative of your Party will use this information and a copy of the supporting invoices to issue a receipt to acknowledge the contribution of property and services.

G.6. Deemed contributions of money

Any person authorized by an official representative to make expenditures who, out of his or her own money or credit, incurs expenditures that are not reimbursed to the person by the official representative shall be deemed to have made a contribution of money equal in value to the amount of the expenditures.¹³ Report deemed contributions of money from unreimbursed personally-incurred expenditures on Schedule 4, Deemed Contributions of Money, on page 5.

G.7. Expenditures other than election expenses incurred by the official agent of the candidate

Review the examined electoral return of your candidate (received by email from Elections New Brunswick), and any additional documentation attached. This additional documentation may indicate expenditures other than election expenses that must be included in the Transaction Journal; e.g. pre-writ advertising expenditures that would be reported in Column Q, Other income, and Column U, Advertising subject to \$3,000 annual limit.

H. FINAL REVIEW

Once all the transactions have been entered in the Return:

- 1) verify that the control totals are nil;
- 2) verify that the statement in Cell A5 on the Transaction Journal reads "The return is in balance.";
- 3) complete the Questionnaire on page 2; and
- 4) complete the section "Compliance with the *Political Process Financing Act*" on page 1.

I. DECLARATION

The declaration states that the information contained in the Return is true (the transactions are real and not fraudulent), complete (all transactions are reported), and accurate (calculations are mathematically correct).

Complete the Declaration on page 1 of the Return. **The Declaration must be signed by the official representative of the registered district association.** An electronic image of a signature is also acceptable. If submitting the template electronically, the Supervisor will accept the "signature" of the official representative simply being typed on the signature line.

¹³ Ibid., Section 2.9.3 Deemed contributions if expenditures not reimbursed

J. COMMUNICATION COORDINATES

If you have any questions or require assistance with the completion of the Return, please contact the financial officer of your registered political party.



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(Ce document est également disponible en français.)