



# Official Agent

## QUICK GUIDE

Legislative references in this guideline are to *The Election Financing Act* (EFA) unless otherwise stated

## **Acknowledging Territory**

*Manitoba is situated on the Treaty Territories and ancestral lands of the Anishinaabeg, Anishininewuk, Dakota Oyate, Denesuline and Nehethowuk Nations, on the Homeland of the Red River Métis and the ancestral lands of the Inuit in parts of Northern Manitoba.*

*Elections Manitoba is committed to building and strengthening respectful relationships with Indigenous communities to support their participation in the democratic process.*



# Table of Contents

<b>EFA - Terms and Concepts</b> .....	<b>4</b>
I.    The Official Agent.....	<b>5</b>
II.   Time Periods.....	<b>6</b>
III.  Maintaining a Financial Account .....	<b>7</b>
IV.   Record Keeping .....	<b>8</b>
V.    Authorization.....	<b>9</b>
VI.   The Auditor.....	<b>10</b>
VII.  Income.....	<b>11</b>
VIII. Income Tax Receipts.....	<b>18</b>
IX.   Loans.....	<b>19</b>
X.    Expenses.....	<b>21</b>
XII.  Advertising Expenses .....	<b>24</b>
XIII. Election Expense Limits .....	<b>25</b>
XIV.  Pre-election Period Advertising Expense Limit in Fixed Date Election Years .....	<b>27</b>
XIII. Inventory .....	<b>28</b>
XIV.  Reporting.....	<b>29</b>
XV.   Reimbursement of Election Expenses.....	<b>31</b>
XVI.  Advisory Opinions .....	<b>32</b>
XVII. Penalties .....	<b>33</b>
<b>Contacting Elections Manitoba</b> .....	<b>34</b>

# EFA - Terms and Concepts

- I. The Official Agent
- II. Time Periods
- III. Maintaining a Financial Account
- IV. Record Keeping
- V. The Auditor
- VI. Income
- VII. Income Tax Receipts
- VIII. Loans
- IX. Expenses
- X. Advertising Expenses
- XI. Election Expense Limits
- XII. Pre-election Period Advertising Expense Limit in Fixed Date Election Years
- XIII. Inventory
- XIV. Reporting
- XV. Reimbursement of Election Expenses
- XVI. Advisory Opinions
- XVII. Penalties

# The Official Agent

The official agent's role is critical to the success of a candidate's campaign. Your primary responsibility as the official agent is to manage the campaign finances for your candidate.

More specifically, you are responsible for ensuring that the following duties are performed:

- Opening and maintaining a campaign account in a financial institution [s.23(a)].
- Keeping detailed records of all income, expenses, transfers, assets, and liabilities of the campaign [s.23(b)].
- Issuing tax receipts to individuals for monetary contributions [s.23(c)].
- Ensuring the campaign does not spend more than the overall election expense limit or the advertising expense limit [s.99(2)].
- Preparing Form 922 - *Candidate's Financial Statements and Supporting Schedules*, arranging for the statements to be audited, filing them with Elections Manitoba [s.63].
- Preparing and filing Form 932 - *Candidate's Detailed Contributors List* [s.63(1.4)].
- Receiving any expense reimbursement cheques and using the funds to first pay off any amounts owing from the campaign [s.74(3)].
- At the end of the campaign, paying the surplus (if one exists) to the party or to the Chief Electoral Officer [s.42(1) and [s.63(4)].
- Authorizing and paying all the campaign expenses [s.23].
- Authorizing advertisements and promotional material [s.61].

### Keys to performing your role effectively:

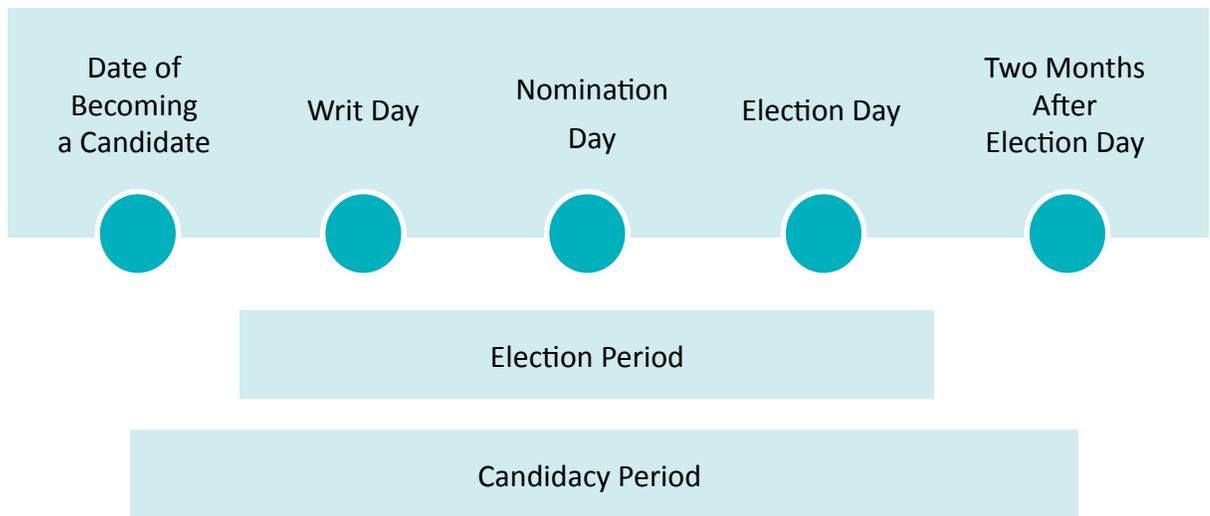
1. Maintain an account in a financial institution.
2. Create records (and maintain documentation) for all transactions.
3. Communicate with your candidate openly and regularly.
4. Attend all campaign meetings.
5. Communicate with other campaign workers.
6. Be proactive – establish spending guidelines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

# 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 (the writ is issued) in conjunction with the dissolution of the Legislature by the Lieutenant-Governor.
2. 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 referenced in this guide:



Time Period	Start date	End date
<b>Candidacy period</b>	<i>Endorsed Candidate</i> – Earlier of:	
	1. Date of nomination (Form 904) 2. Date of filing of the nomination papers (Form 400)	Two months after election day
<i>Independent Candidate</i> – Earlier of:		
	1. Date stated on Form 905 2. Date of filing of the nomination papers (Form 400)	
<b>Election period</b>	Day the writ is issued (Writ Day)	Election day
<b>Reporting period</b>	First day of candidacy period (as described above)	Two months after election day

## 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.23(a)].
- Ensure that all monetary receipts and disbursements of the candidate's campaign flow through the account before, during and after an election [s.27].
- Ensure that each disbursement is substantiated by an invoice or a voucher [s.27].
- Ensure that only money pertaining to the candidate's campaign is deposited into the account [s.27].

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 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.

## Record Keeping

### IV

One of your primary jobs as an official agent is to record transactions accurately, in an organized way and on a timely basis [s.23]. Transactions take place whenever:

- The candidate's campaign receives money, property, or services.
- The campaign spends or transfers money or incurs a liability.
- The campaign uses property or services.

To record transactions accurately, you must:

- Record all transactions that have occurred.
- 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 recording the financial activities of the campaign **throughout the entire candidacy period**.

#### Suggestions for maintaining adequate records:

- Waiting until the end of the candidacy period to record everything is not recommended. Transactions should be recorded as soon as possible.
- Develop your record keeping system based on the reporting requirements (Form 922) or use Elections Manitoba's user-friendly, web-based record keeping system.
- Seek clarification from Elections Manitoba when you have concerns regarding the treatment of specific types of transactions or any other issues.

# Authorization

V

As the official agent, it is necessary that you authorize **all advertising and promotional** material that is printed or distributed at any time throughout the entire candidacy period (i.e., both inside and outside of an election period).

It is also necessary that your authorization appear or is announced or shown on all advertisements made through television, radio, or other electronic media [s. 61(2)].

The statement of authorization should be presented in a form like the following:

- “Authorized by the official agent for (*candidate’s name*)”
- “Authorized by the official agent” (if the full name of the candidate is evident on the material)

**Note:**

1. All advertising and promotional material must be authorized by the official agent or candidate (if there is not official agent).
2. A public statement of authorization must appear with all advertising and promotional material

## The Auditor

Every candidate must appoint an auditor who will review the candidate's financial statements and then expresses an opinion regarding whether the statements have been prepared in accordance with the EFA.

Auditors will receive a subsidy of up to \$1,500 plus PST for performing their review of Form 922 and Form 932 [s.30].

VI

**Note:**

1. It is your job as the official agent to ensure that Forms 922 and 932 are 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.

# Income

For reporting purposes, campaign income must be categorized among five possible sources: contributions, transfers, fundraising, sale of merchandise, and other sources of income.

## CONTRIBUTIONS

Contributions refer to amounts received by or for the benefit of the recipient without compensation.

Additional rule: what are contributions?

- Fees paid for membership in a political party.
- Fees paid to attend a political party conference, convention or leadership convention count as a contribution.

## MONETARY CONTRIBUTIONS

Monetary contributions are those contributions made in forms such as cash, cheque, or credit card payment.

## NON-MONETARY CONTRIBUTIONS

A non-monetary contribution is the provision of property or services **provided free of charge** or at **less than market value** to or for **the benefit of a recipient**. There is no compensation to the contributor, and the transaction is not a loan or a transfer. A non-monetary contribution excludes:

- Volunteer labour.
- The services of any person who serves without compensation as an auditor, a financial officer of a registered party, official agent for a candidate, or legal counsel for a party or a candidate.

Further, any amounts spent on behalf of a candidate, or property or services provided for the benefit of a candidate with the knowledge and consent of the candidate are non-monetary contributions.

## VALUING OF NON-MONETARY CONTRIBUTIONS

Non-monetary contributions are valued and recorded at the market value of the property or services provided at the time of the contribution [s.32(2)]. In situations where a campaign pays for property or services, but the amount paid is less than the market value of the property or services, the provider of the property or services is considered to have contributed equal to the difference between the market value and the amount charged [s.32(2)].

# Income

## FUNDRAISING

A **Fundraising Event** is a social function or other event held for the purpose of raising money for a registered party, candidate, leadership contestant, or constituency association [s.115].

### General rule for treatment of fundraising income:

*75% of the ticket price or individual charge is deemed to be contribution income and the remaining 25% is fundraising income [s.32(6)]*

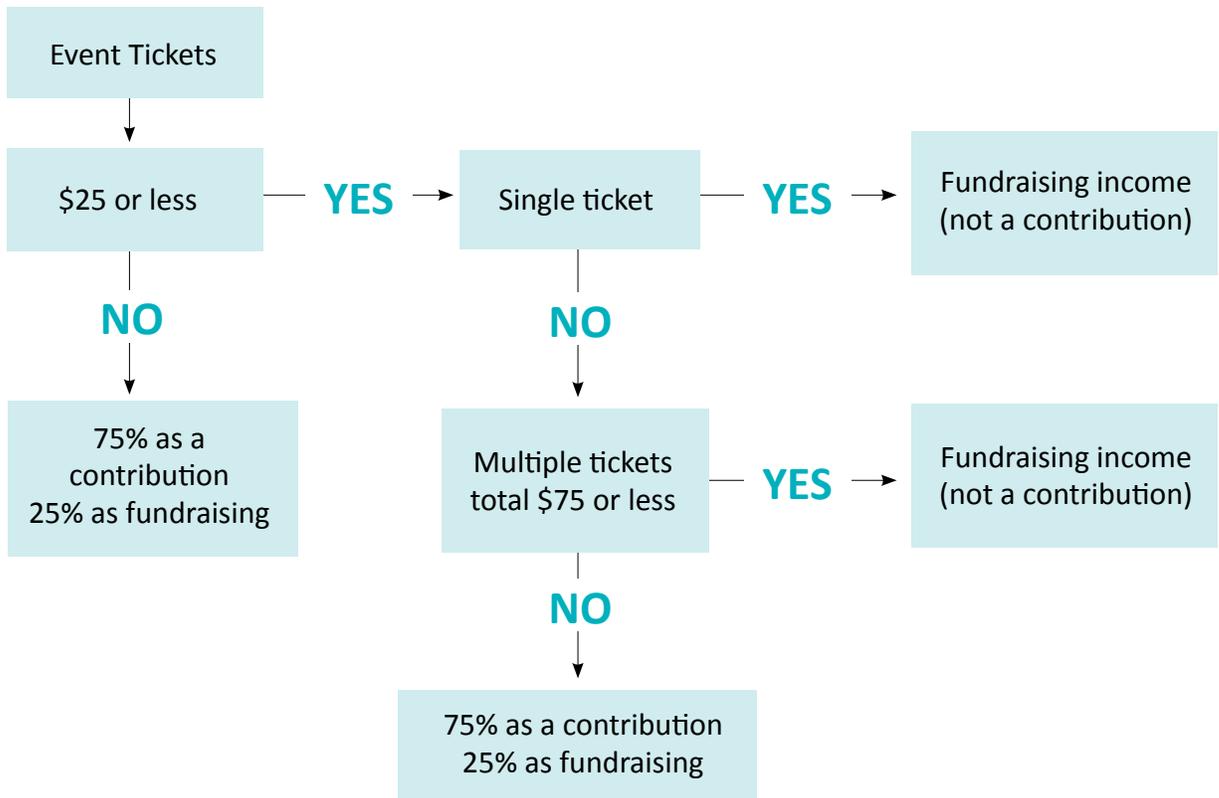
### Exceptions to this general rule exist when:

*The ticket price or individual charge is \$25 or less or where multiple tickets, priced at \$25 or less each, purchased for a single fundraising function total \$75 or less [s.32(6)].*

In both exception cases: All the income from the sale is reported as fundraising income.

VI

The decision tree below can be used to determine the treatment of the total ticket charge:



# Income

## SALE OF MERCHANDISE

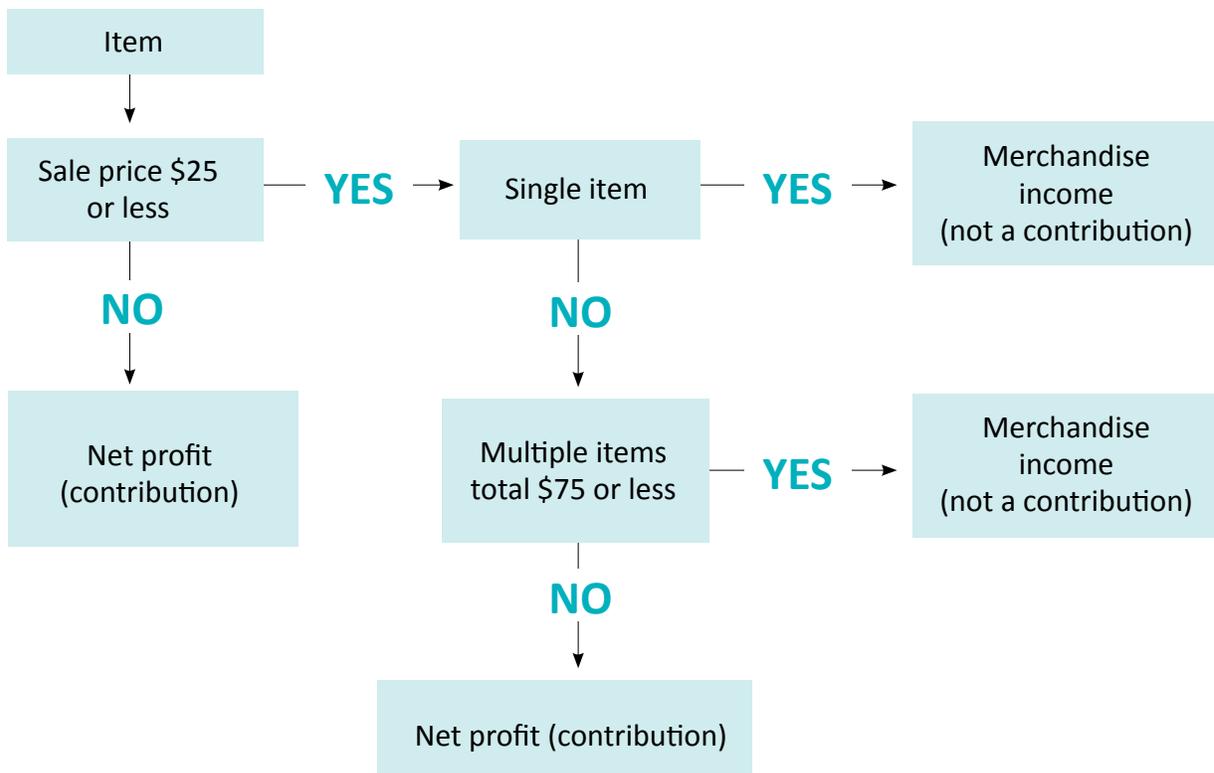
**Contributions can result from a sale of merchandise.** This can occur when, for the purpose of raising money, an item is sold by or on behalf of a candidate, leadership contestant, constituency association or registered party and the proceeds received from the sale exceed the item's acquisition cost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

Contribution = Net Profit = Sale proceeds minus the acquisition cost [s.32(7)].

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 the item sale price is \$25 or less; and multiple sales of the same item total \$75 or less.

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



VI

# Income

VI

## WHO CAN CONTRIBUTE

Only **individuals normally resident in Manitoba** are permitted to make contributions. How can contributions be made?

- a) Contributions may be made directly to a recipient.
- b) Through an individual normally resident in Manitoba who is collecting contributions and forwarding them to the recipient [s.35(1.2)]. When an individual is collecting contributions, three requirements must be satisfied:
  - The collector must maintain a contribution record detailing the name of the individual accepting the contribution, the name of the recipient, the name and residential address of each of the contributors and the amount contributed, and the date of the contribution [os.37(2)].
  - Both the contribution record and the funds collected must be forwarded to the recipient on a timely basis.
  - An individual must not contribute cash in an amount that exceeds \$25 [s.35(3.1)].

### Key things to remember about forwarding collected contributions:

1. If an individual collects cash, they must:
  - i. Forward cash directly to the recipient or deposit the amount in his or her own bank account and then make a cheque or money order payable to the recipient and forward it to the entity on a timely basis.
  - ii. Forward a contribution record to the recipient at the same time. [s.37(3)]
2. If an individual collects cheques or credit card payments:
  - i. Cheques and credit card payments must be made payable directly to the recipient.
  - ii. Contributions must be forwarded to the recipient on a timely basis.
  - iii. Contribution records must be forwarded at the same time. [s.37(3)]

Professional fundraisers can be hired by recipients to solicit contributions and collect information about potential contributors [s.37(1)].

## RECORDS TO BE MAINTAINED

Contribution records must include:

- The name of the individual accepting the contribution and the name of the recipient.
- The contributor's name and residential address.
- The date the contribution was collected or received.

# Income

- The amount or value contributed.
- The name of the individual serving as the collector (if applicable).

A contribution may not be accepted by a recipient without a complete contribution record. [s.37(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. Names of contributors providing \$250 or more will be publicly disclosed [s.63(1.1) (f)].

### Contribution Limits

#### Contribution limits and restrictions:

1. The combined total of all contributions made by an individual to all recipients (other than contributions to a leadership contestant during a leadership contest period) may not exceed \$5,000 per calendar year [s.34(1)]. This limit is indexed to inflation at the beginning of the year after the year in which a fixed date election was held as set out under s. 34(1.1).
2. Individuals must use their own resources when contributing. A director of a corporation, for example, may not contribute using corporate funds, but may contribute using his or her own personal funds [s.35(3)].
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.35(5)].
4. No person or organization can provide (or offer to provide) reimbursement or compensation (either in part or in whole) to an individual for contributing [s.35(4)].
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.35(5)].
6. No person may solicit or knowingly accept a prohibited contribution. Any contributions of this type must be returned. Further, if after 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.38].
7. Anonymous contributions of more than \$10 must not be used and must be returned [s.38] except for some non-monetary contributions as outlined in s.32(5).

# Income

## 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 contributing [s.99(11)].

### Contribution Summary

<b>Who Can Contribute</b>	<ul style="list-style-type: none"> <li>• An individual normally resident in Manitoba</li> <li>• Organizations, corporations, and unions are not allowed to contribute</li> </ul>
<b>Contribution Limit</b>	<ul style="list-style-type: none"> <li>• \$5,000 maximum per calendar year (in aggregate to all political entities). The limit is indexed under s.34(1.1).</li> <li>• Cash contributions are limited to \$25 or less</li> </ul>
<b>Type</b>	<ul style="list-style-type: none"> <li>• Monetary               <ul style="list-style-type: none"> <li>- Cash, cheque, and credit card</li> </ul> </li> <li>• Non-monetary               <ul style="list-style-type: none"> <li>- Property or services provided free of charge</li> <li>- Valued at fair market value</li> </ul> </li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Contributor's name and residential address</li> <li>• Amount of contribution or value of non-monetary contribution</li> <li>• Date received</li> </ul>

## TRANSFERS

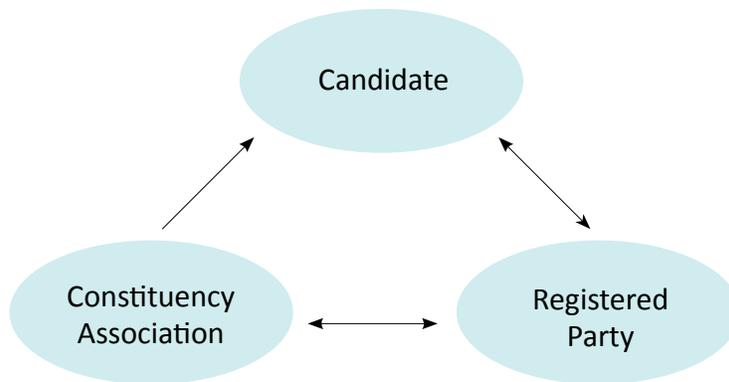
A **“transfer”** means a transfer of money, property or services among registered parties, candidates, constituency associations and leadership contestants without compensation from the entity or person receiving the transfer [s.115]

A person or entity listed in Column 1 of the following table may transfer money, property or services to a person or entity listed opposite in Column 2. Such a transfer is not a contribution [s.41(1)].

# Income

Transferred from	Transferred to
A registered party	<ul style="list-style-type: none"> <li>• A constituency association of the party</li> <li>• A candidate endorsed by the party or nominated by a constituency association of the party</li> </ul>
A candidate	<ul style="list-style-type: none"> <li>• The registered party that has endorsed the candidate</li> </ul>
A constituency association	<ul style="list-style-type: none"> <li>• Its registered party</li> <li>• The candidate nominated by the constituency association or endorsed by its registered party</li> </ul>

The flow of permitted transfers is illustrated in the diagram below:



When property or services are provided to a candidate’s campaign by their registered party or constituency association and the campaign pays for the property or services, **these transactions do not represent transfers, but rather, expenses to the candidate’s campaign** that are treated similarly to any other supplier expense.

## OTHER INCOME

In addition to contributions, fundraising, transfers, and sales of merchandise, all other income of a party, candidate, leadership contestant or constituency association must be recorded. Sources of other income include income from investments (e.g., bank account interest, credit union dividends, and GIC interest).

VI

## Income Tax Receipts

A tax receipt is a receipt issued for income tax purposes in respect of a contribution made to a registered party or a registered candidate [s.115].

- Only an official agent, and the deputy official agent (if one is appointed), can issue tax receipts on behalf of the campaign [s.39(2)].
- To be able to issue tax receipts, your candidate must register to do so by filing Forms 400 and 911 [s.17].

**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) [s.19 & 39(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 monetary contributions made during the candidacy period.

**Note:**

1. Tax receipts may only be issued for monetary contributions received.
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.39].
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 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 regarding the issuance or handling of tax receipts, please do not hesitate to contact Election Manitoba for clarification.

# Loans

The EFA sets out specific requirements regarding the lending of money. Candidates, leadership contestants, constituency associations, and registered parties may all borrow funds to finance their activities. However, the following limitations have been established regarding the lending/borrowing of funds by political entities:

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.48(1)].
2. A constituency association may only lend money to its nominated candidate or its registered party [s.48(3)].
3. The maximum period of any loan made to a political entity (including refinancing loans) is 24 months [s.46(1)].
4. No person or organization shall, in a single year, provide a loan to a political entity more than \$3,000 [s.46(2)].

It should be noted that limitations 3 and 4 above are not applicable to loans made by the following:

- By a financial institution
- By a registered party or a constituency association to a candidate
- Between a registered party and a constituency association [s.46(3)]

**Note:**

1. Immediately after getting a loan, it is necessary to file a copy of the loan agreement with the Chief Electoral Officer [s. 47(1)].
2. It is critical that all loan agreements be written documents.

**Loans Considered Deemed Transfers**

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

- The loan is given at a rate of interest that is less than the prime rate [s.49(a)].
- A registered party, a constituency association, or another candidate makes a payment on the loan on behalf of the debtor [s.49(b)].
- It remains outstanding 12 months after it became due [s.49(c)].

# Loans

## LOANS CONSIDERED DEEMED CONTRIBUTIONS

Loan proceeds may be received to finance election or other expenses. Such loans are generally not contributions. However, there are circumstances where a loan results in, or is deemed to be a contribution. Loans deemed to be contributions are not eligible for tax receipts [s.39(4)(a), 45(4)]. This may happen when any of the following occur:

- The loan is given at a rate of interest that is less than the prime rate [s.45(1)].
- Someone other than the recipient makes a payment on the loan on behalf of the debtor [s.45(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 [s.45(3)].

## 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.

### VIII

#### Loan Summary Table

<b>Restrictions</b>	<ul style="list-style-type: none"> <li>• Candidates can not lend funds to any person or organization if the funds have been raised for election purposes</li> <li>• Constituency associations can only lend money to their nominated candidates and registered party</li> </ul>
<b>Loan Period</b>	<ul style="list-style-type: none"> <li>• The maximum period is 24 months unless it is issued by a financial institution, registered party, or a constituency association</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• If a loan is made at less than the prime rate of interest, the lender makes a contribution which is the difference between interest payable at prime and the rate being charged</li> </ul>
<b>Amount</b>	<ul style="list-style-type: none"> <li>• A loan cannot exceed \$3,000 unless it is issued by a financial institution, registered party, or a constituency association</li> </ul>
<b>Documentation</b>	<ul style="list-style-type: none"> <li>• A loan agreement must be filed immediately after it is made</li> <li>• All loan agreements must be written documents</li> </ul>

# Expenses

## ELECTION EXPENSES

**Election Expense** refers to the value of property and services that are **used** by the campaign during the election period for an election purpose.

The value of these good and services may be established as:

- The money spent or liabilities incurred to obtain the property or services used or
- The value of non-monetary contributions accepted and used.

The value of non-monetary contributions used during the election period (i.e., the related election expense) is the market value of the property or services at the time of the contribution [s.50(1)].

- Market Value is the lowest price that would normally be charged by a supplier to purchase or rent the property 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).

**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:

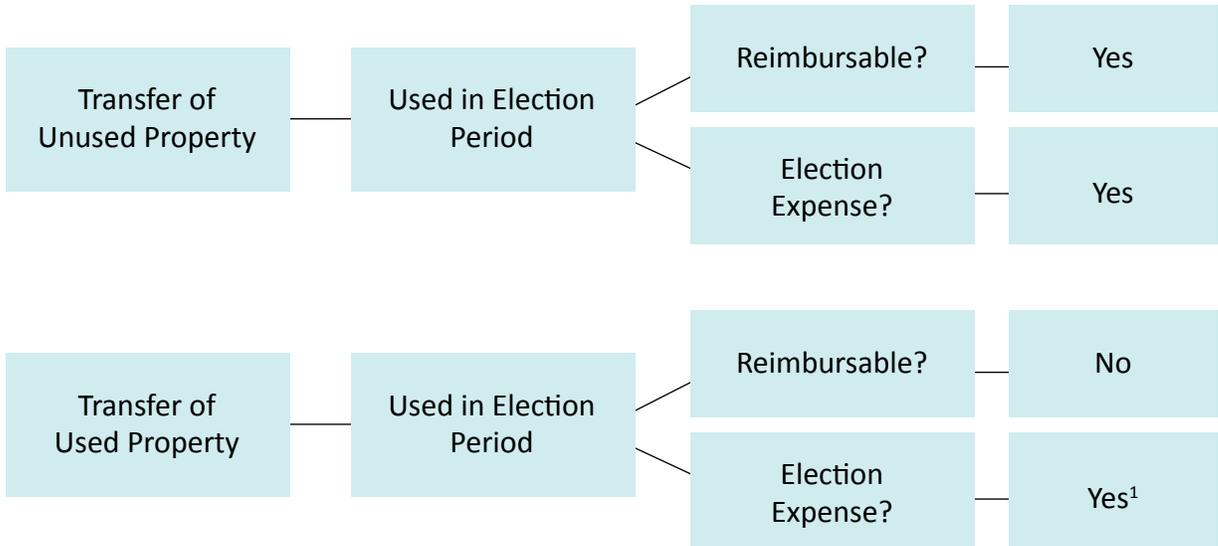
Source of Payment for the Services of Campaign Workers	Election Expenses <i>(if services were provided during the election period)</i>	Non-election Expenses <i>(if services were provided outside the election period)</i>
1. Paid by campaign	Yes (Monetary)	Yes (Monetary)
2. Paid by another entity	Yes (Non-monetary)	Yes (Non-monetary)
3. Volunteer Services <ul style="list-style-type: none"> <li>• No payment</li> <li>• Self-employed individual</li> </ul>	No	No



# Expenses

## TRANSFERS OF PROPERTY AND SERVICES AS ELECTION EXPENSES

When property 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.



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

## NON-ELECTION EXPENSES

**Non-election expense** refers to property or services used, that are either:

- Used outside of the election period or
- Specifically excluded from the definition of election expenses.

The Official Agents 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 expense limit. Two of the more notable exceptions relate to costs associated with child care and disabilities.

Reasonable child care costs, and reasonable costs related to an individual’s disability, that are incurred 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.50(3)].

IX

# Expenses

**Reasonable costs** are those expenses incurred by the candidate that are over and above that which the candidate would have normally spent [s.115].

It should also be noted that reasonable child care and disability expenses are 100% reimbursable [s.74(2)].

## PER DIEMS

**Per diems** paid to campaign workers **will not be eligible for reimbursement**. Only actual expenditures paid to suppliers are reimbursable, not general amounts paid in lieu of expenses.

## PETTY CASH SYSTEMS

You can 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 the campaign's expenses.

## TRANSFER (EXPENSES)

**Transfers sent** are expenses.

IX

## Advertising Expenses

**Advertising expense** means advertising that promotes or opposes (directly or indirectly) a registered party or a candidate or leadership contestant.

- a) In newspapers, magazines, or other periodicals, or on the Internet.
- b) On radio or television.
- c) On billboards, buses or other property normally used for commercial advertising.

Advertising expenses do not include publishing a commentary, letter to the editor or a similar expression of opinion of a kind normally published without charge in a newspaper or other periodical publication or on the Internet, or normally broadcast without charge on television or radio.

Advertising expenses also includes direct production expenses (i.e., the costs related to the production of a specific advertisement) [s.115].

As the official agent, you are responsible for approving all advertising and promotional materials that are published by the campaign throughout the candidacy period. If you have not yet been appointed as the official agent, then the authorization of materials must be provided by the candidate [s.61(1)]. An authorizing statement must be printed on or announced or shown with each piece of advertising or promotional material published [s.61(2)].

X

# Election Expense Limits

The amount of election expenses that may be incurred by the party and campaign is limited by the EFA. Specifically, there are two limits during the election period:

- **Overall Election Expense Limit:** The maximum permitted amount for the overall value of all election expenses incurred during an election period [s.52(1)].
- **Advertising Election Expense Limit:** The maximum permitted amount for the total value of all advertising expenditures incurred during an election period [s.52(2)]. It is important to note that the advertising expenses subject to this limit are also included as part of the overall election expenses and subject to the overall election expense limit [s.52(3)].

Both expense limits are calculated using the same formula:

$$\text{Expense Limit} = \text{per voter dollar rate} \times \text{the number of voters on the voters list.}$$

XI

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]:

$$\text{Per Voter Rate} = \frac{\text{Per-voter rate specified in the EFA [s.51, 52]} \times \left( \frac{\text{Consumer Price Index (CPI) for the City of Winnipeg in the second month preceding the month in which the writ is issued}}{\text{CPI for Winnipeg in January 2012}} \right)$$

**Note:** The CPI levels used for the purposes of this calculation are those published by Statistics Canada.

## Election Expense Limits

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.54(2)]:

### Per voter rates specified in the EFA:

#### Overall election expense limit:

1. For candidates in electoral divisions with areas less than 30,000 square miles: \$2.91 per name on the voters list.
2. For candidates in electoral divisions with areas of 30,000 square miles or more: \$4.64 per name on the voters list.

#### Advertising election expense limit:

1. For all candidates, regardless of the size of their electoral division: Advertising expenses of a candidate are not to exceed \$0.60 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 and a non-fixed date election:

Expense limit	Voters list used and date of determination
<b>Preliminary</b>	<ul style="list-style-type: none"> <li>• Preliminary voters list</li> <li>• Established and communicated within two days after a writ of election is issued</li> </ul>
<b>Revised</b>	<ul style="list-style-type: none"> <li>• Revised voters list</li> <li>• Established and communicated as soon as reasonably practicable after the revised voters list for the electoral division are available at the end of the second Thursday before election day</li> </ul>
<b>Final</b>	<ul style="list-style-type: none"> <li>• Final voters list</li> <li>• Established and communicated as soon as reasonably practicable after election day</li> </ul>

XI

## Pre-election Advertising Expense Limit in Fixed Date Election Years

In a year where there is a fixed date election, candidates and registered parties are subject under the EFA to limits on the amount that can be spent on advertising outside of the election period. These limits differ from the election expense advertising limits discussed in the Election Expense Limits section of this guide.

The limits on advertising expenses during the 90 days pre-election period are as follows [s.58(1)&(2)]:

- registered parties - \$268,000; and
- candidates - \$6,500.

These two limits are indexed to inflation at the beginning of each year in which a fixed date election will be held as set out under s. 59. Visit Elections Manitoba's website for the indexed limits.

Advertising costs include paid advertising only; promotional costs are not included.

Advertising expenses are discussed in greater detail in the Advertising Expense section of this guide.

The pre-election advertising expense limit is separate from and in addition to, the election period expense limit [s.58(1) & (2)]. Further, advertising expenses incurred using this limit may not be incurred during an election period. In other words, a political entity may not "double up" the expense limits during an election.

XII

# Inventory

**Inventory** refers to any property 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:

- At the start of the election period (the day the writ is issued)
- At 8:00pm on election day
- 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:

- Description of the property and materials
- The date acquired
- The supplier name
- The unit value
- The quantity
- The total value

XIII

# Reporting

## DEADLINES

The following table provides a listing of all 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.

Form #	Form Name/Description	Deadline	Filed By
904	Notice of Nomination	Immediately upon receiving the successful nomination	Registered party
905	Independent Candidate's Declaration of Candidacy	Immediately upon declaring candidacy	Candidate
907	Notice of Intent to Appoint Official Agent	15 days after declaring intent to run as a candidate	Candidate
400	Nomination Paper	Fixed date election <ul style="list-style-type: none"> <li>• Before 1:00 pm the Monday 22 days before election day</li> </ul> Any other election <ul style="list-style-type: none"> <li>• Before 1:00 pm the Monday 15 days before election day</li> </ul>	Candidate
402	Endorsement of Candidate	Fixed date election <ul style="list-style-type: none"> <li>• Before 1:00 pm the Monday 22 days before election day</li> </ul> Any other election <ul style="list-style-type: none"> <li>• Before 1:00 pm the Monday 15 days before election day</li> </ul>	Registered party
908	Notice of Appointment of Auditor for a Candidate	Not later than the filing of Form 400	Candidate
911	Candidate's Application for Registration to Issue Income Tax Receipts	Last day of the candidacy period	Candidate or Official Agent
922	Candidate's Financial Statements and Supporting Schedules	Four months after election day	Official Agent
932	Candidate's Detailed Contributors List	Four months after election day	Official Agent

XIV

## Reporting

XIV

Form #	Form Name/ Description	Deadline	Filed By
925	Candidate's Outstanding Liabilities and Loan Status	Not later than 30 days after the end of each calendar year until the outstanding liabilities/loans have been eliminated	Candidate
935	Candidate's Outstanding Liabilities and Loans Contributors List	Not later than 30 days after the end of each calendar year if contributions have been collected to reduce/eliminate liabilities/loans	Candidate

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

# Reimbursement of Election Expenses

## ELIGIBILITY FOR REIMBURSEMENT

For a candidate to be eligible for reimbursement they must:

- Receive at least 5% of all valid votes cast in the candidate's electoral division [s.74]
- Have provided adequate support and documentation for the reported expenses
- Have reasonable expenses

**Note:** 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:

- 25% of the actual election expenses that they have incurred up to a maximum of 25% of the total election expense limit.
- 100% of the reasonable child care and disability expenses.

**Note:** If a candidate's campaign has exceeded one of the expense limits, the amount of reimbursement is reduced by \$1 of every \$1 of elections expenses incurred over the specified expense limit.

## PAYMENT OF REIMBURSEMENT

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 financial officer of the registered 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 [s.74(3)].
- 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 [s.74(3)].

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 [s.74(4)].

**Note:** When received, reimbursement funds must be used first to eliminate or reduce any outstanding amounts owed by the campaign [s.73(3)].

## Advisory Opinions

XVI

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 (in writing) a written opinion from the CEO called an Advisory Opinion [s.96]. 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.

## Penalties

The EFA establishes 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 [s.70]:

- 1) The financial officer of a registered party if the financial officer fails to file a statement under s.62.
- 2) The official agent of a candidate or leadership contestant if the official agent fails to file a statement under s.63 or s.65.
- 3) A candidate or leadership contestant who fails to file either the information required under s.63(3.1) or a return under s.65(3).
- 4) A person who receives a request or notice under s.67(1), or s.68(1) and fails to file the requested statement, return or information.
- 5) A person responsible for the finances of a Constituency Association who fails to file a return under s.64 for more than 30 days after it is due.

Under s.70(5), the Chief Electoral Officer shall deduct the late filing fee amount from the amount that may be payable under the EFA to this recipient. The Chief Electoral Officer shall also make public the name of a person who is obligated to pay a late fee and the amount payable.

XVII

# CONTACTING ELECTIONS MANITOBA

## GENERAL INQUIRIES:

Elections Manitoba  
120 – 200 Vaughan Street Winnipeg MB R3C 1T5

Telephone: 204-945-3225  
Toll Free in Manitoba: 1-866-628-6837 Fax: 204-945-6011

General Email Address: [election@elections.mb.ca](mailto:election@elections.mb.ca)  
Website: [www.elections.mb.ca](http://www.elections.mb.ca)

## INQUIRIES ON THE ELECTION FINANCING ACT:

Email: [finance@elections.mb.ca](mailto:finance@elections.mb.ca)

## INQUIRIES ON THE ELECTIONS ACT:

Email: [operations@elections.mb.ca](mailto:operations@elections.mb.ca)

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