



OFFICIAL AGENT AND FINANCE GUIDE

Becoming an Official Agent

Requirements

Official Agents **MUST** be a resident of the Northwest Territories (NWT). You cannot be a candidate, an election officer, or a public service employee.

Expectations

As an Official Agent, you have financial and reporting obligations when assisting your candidate. Your responsibilities include setting up the campaign account, helping to raise funds, receiving contributions, issuing tax receipts, paying, and approving campaign expenses, and submitting the completed candidate Financial Report (CFR) to the Office of the Chief Electoral Officer (OCEO).

It is important to accurately record all contributions received and expenses incurred related to the candidate's campaign. If applicable, make sure to have the necessary supporting documentation such as receipts, invoices, emails, etc.

Responsibilities

During the campaign period:

- Receiving and record all contributions for your candidate's campaign.
- Keep a record of the names and communities of each person or organization that contributes to the campaign.
- Issue official tax receipts for monetary contributions.
- Approve, pay, and record all campaign expenses.
- Reimburse your candidate for any expenses incurred, before the campaign period, using contributions received.
- Deposit all contributions into a bank account or other institution approved by the Chief Electoral Officer (CEO).
- Provide written authorization to other individuals who can receive contributions or incur expenses on your behalf.

During the reporting period:

- Ensure all expenses are paid within 60 business days after the election day.
- Return all tax receipt books to the OCEO within 60 business days after election day.
- Submit a complete and accurate CFR.
- If necessary, request an extension to the deadline for submitting the CFR.

Financial Obligations

Setting Up Campaign Account

The Returning Officer will give your candidate a "Receipt of Official Candidacy". You can use this receipt to open a campaign bank account. However, please note that different financial institutions have their own rules for opening an account. It is best to contact the financial institution directly for more detailed information.

Collecting Contributions

It is your responsibility to collect and record contributions, however you can authorize another person to collect contributions on your behalf. It is important to note that your candidate should not personally collect contributions, and you cannot authorize the candidate to collect contributions on your behalf.

Issuing and Managing Tax Receipts

You are responsible for issuing tax receipts. Tax receipts can only be issued for monetary contributions. You can obtain official tax receipt books from the Returning Officer. Remember to return the books to the OCEO when submitting the CFR.

Authorizing and Paying Expenses

During the campaign period, only you, or a person authorized in writing by you, can incur election expenses. If your candidate has incurred any election expenses before the campaign period, they can request a reimbursement from you using collected contributions.

Reporting Responsibilities

Keeping Records

It is important to keep records of any expenses related to the election. These records can include receipts, invoices, or emails. Other types of documentation may be acceptable, but the OCEO will determine if they are appropriate or not.

Filling Out the Candidate's Financial Report

It is your responsibility to ensure that all sections of the CFR are properly completed. Make sure that the information provided is accurate, complete, and supported by the necessary documentation. If the CFR is found to be incomplete, inaccurate, or lacking documentation, it may cause delays in its approval process. Failure to have the CFR is not approved within the given deadline or the extended deadline, may result in penalties and fines for your candidate.

Financial Guide

Campaign Account

Opening a Campaign Account

When your candidate has been confirmed by the Returning Officer, you need to open a bank account where you can deposit all monetary contributions you received. The “Receipt of Official Candidacy” can be used as supporting documentation to open a bank account. Keep in mind that different financial institutions may require additional requirements or ask for more details, so it is best to contact the financial institution for information on setting up your campaign account.

Account Statements

Once your campaign account is set up, the financial institution will keep track of all contributions you deposit or withdraw. You can request an account statement that shows all the details of transactions in your account. This statement must be included when submitting the CFR. If the financial institution cannot provide an account statement, you can request a form from the OCEO to report the transactions.

Closing the Account

When you have paid all the expenses and your account balance is zero, you can close the account.

If you have withdrawn any extra funds to achieve a zero balance, those funds are considered surpluses. You have two options for handling surpluses: you can donate them to a charity of your candidate’s choice or deliver them to the OCEO. If you choose to give the surplus to the OCEO, it will be deposited into the GNWT Consolidated Revenue Fund.

Surpluses are to be reported in the CFR.

If you deposited your own funds to cover a negative balance and obtain a zero balance, those considered deficits, your candidate must pay back that amount and it must be reported in the CFR.

Contributions

Definition

Contributions are donations of money, property (excluding personally owned vehicles), services (including advertising), or goods that are used during the campaign period.

Monetary contributions are any cash donations from individuals or organizations, as well as profits from ticket sales at a fundraiser.

Non-monetary contributions are goods, property, or services that are donated and that have fair market value.

Fair market value is defined as the price for goods or services that would be obtained in the open market, in an arm’s length transaction.

Example scenarios for non-monetary contributions:

- Ann is a carpenter, and charges \$30 an hour. If Ann spends 3 hours building a campaign sign for Bob, Ann donated \$90 in non-monetary services to Bob.
- Cass sells wood for \$40. If Cass donates 3 pieces of wood to Dave, then Cass donated \$120 in non-monetary goods to Dave.

Discounts on services or goods are considered non-monetary contributions. For instance, if a store sells pamphlets worth \$100, but offers a \$50 discount to your candidate in support of their campaign, the \$50 discount would be recorded as a non-monetary contribution.

Anonymous contributions are donations made by people who wish to remain anonymous and do not want to disclose their personal details.

Contribution Requirements

Contributions can only be made by residents of the NWT. This includes:

- Individuals who are currently residents in the NWT.
- Corporations that have an office in the NWT or conduct business in the NWT.
- Associations or organizations operating in the NWT.

Contributions can only be received by you, or a person authorized by you in writing. Your candidate is not allowed to receive contributions or be authorized to receive them on your behalf.

Contributions can only be accepted once the campaign period begins, which starts when an individual's nomination paper is accepted by an authorized election officer. The campaign period ends at the same time polling day ends.

Contributions cannot be accepted before the campaign period starts. However, contributions can still be accepted 60 days after polling day to offset a campaign deficit. Collection of contributions during this time must not delay the submission of the CFR.

Limits and Restrictions

The maximum combined amount of monetary and non-monetary contributions that an individual, corporation, association, or organization can contribute is \$1,500.

If a contribution over that limit has been made, you must:

- Immediately return the excess monetary amount or contribution to the contributor, or
- Provide the amount that exceeds the limit to the OCEO if the donor cannot be identified.

The limit does not apply to non-monetary contributions for transportation services or the use of office space.

If an individual, corporation, association, or organization wants to make an anonymous contribution, either monetary or non-monetary, it must not exceed \$100. The total of all anonymous contributions cannot exceed \$1,500 (treat "Anonymous" contributors as a single entity, and the maximum contribution cannot exceed \$1,500.).

Anonymous contributions are not eligible for a tax receipt.

If an anonymous contribution exceeds this limit, you must:

- Immediately return the excess anonymous amount or contribution to the contributor, if their identity can be established, or,
- Provide the amount that exceeds the limit to the OCEO.

Any accepted contributions that do not meet the eligibility criteria must be returned to the contributor immediately.

Reporting in Candidate's Financial Report

Monetary contributions are to be recorded in Section Three – Part 1 and 2 of the CFR. Part 1 covers monetary contributions during the campaign period, while part 2 relates to monetary contributions after polling day. Fill out each part accurately and ensure that it links to supporting documentation.

- Details such as the date of the contribution, the name of the contributor, their address, the tax receipt # issued to them, if applicable, and the amount of contribution must be recorded in this section.
- Anonymous contributions do not require the contributor's name and address, but it should be identified as "Anonymous".
- Non-monetary contributions are to be recorded in Section Three – Part 3 of the CFR. Fill out each part accurately and ensure that it links to supporting documentation.
- Details such as the date of the contribution, the name of the contributor, their address, the description of the non-monetary contribution provided, and the fair market value amount of the non-monetary contribution must be recorded in this section.
- Anonymous contributions do not require the contributor's name and address, but it should be identified as "Anonymous".

Fundraising

Types of Fundraising

Candidates can organize events to raise funds for their campaign. Allowable events include meetings, dances, dinners, or other functions.

Fundraising Contributions

Contributions may be made through selling tickets for the event and receiving contributions.

A contribution amount from ticket sales is calculated using the following formula:

- $(\text{Cost of Ticket} \times \text{Number of Tickets Sold}) + \text{Total Anonymous Contributions} - \text{Total Expense to Host Event} = \text{Contribution Amount}$

Example for fundraising contributions:

- Earl organizes a dinner event to support their campaign. The total cost of food and venue rental is \$1,000. Earl sells the tickets for \$50 per person, and 30 people attended the dinner event ($\$50 \times 30 = \$1,500$). After subtracting the total cost of the event, the total contribution amount is \$500 ($\$1,500 - \$1,000$).

- Maria organizes a dance event to support their campaign. The total cost of the venue and music is \$2,000. Maria sells tickets for \$25 per person, and 50 people attended the dance event ($25 \times 50 = \$1,250$). After the event, their Official Agent counted \$1,000 worth of anonymous contributions. After subtracting the total cost of the event, the total combined amount is \$250 ($\$1,250 + \$1,000 - \$2,000$).

Donations may still be received during the event, and the same rules apply as a regular contribution, monetary or non-monetary.

Restrictions

It is illegal to raise funds or collect contributions through lottery, raffles, games of chance, gambling, or the sale of alcohol.

There are no restrictions on the amount of ticket sales that an event can generate. Keep in mind the restrictions previously mentioned in this guide.

People at the event can make contributions. Anonymous contributions cannot exceed a maximum of \$100. If individuals want to contribute anonymously, they do not receive a tax receipt. Remember the total number of anonymous contributions cannot exceed \$1,500.

Reporting in Candidate's Financial Report

Fundraising details are to be recorded in Section Three – Part 4 of the CFR. Make sure to accurately record the details of each event such as the event name, date of the event, name of the sponsor, the cost of a ticket, number of tickets sold, the total expenses incurred for the event, the number of tax receipts issued during the event, the total sum of the tax receipts from the event, total anonymous contributions received during the event, and the total amount of contributions from the event must be recorded in this section.

Expenses

Definition

Election expenses refer to any amount paid, expenses incurred, or the fair market value of any non-monetary contribution accepted to promote or oppose a candidate's campaign. All property, goods, or services used to promote the election of the candidate must be reported as an election expense.

Expenses can vary depending on how a candidate chooses to run their campaign. Election expenses may include, but are not limited to:

- Office expenses (office supplies, postage, rent, staff, utilities)
- Goods & services (advertising, catering, childcare, graphic design, signage)
- Travel (accommodation, fuel, meals, plane tickets, vehicle rentals)

Contact the Finance Officer of the OCEO for inquiries on what qualifies as an eligible expense.

All non-monetary contributions are considered non-monetary election expenses. This is because non-monetary contributions are used to promote your candidate's campaign in which it becomes expensed. It can be alternatively viewed as an "in-kind" donation that is "spent" on the goods or service provided.

Example for non-monetary expense:

- An individual, corporation or organization donates office space for a candidate's campaign. This would be considered a \$1,000 election expense as this office space would normally cost \$1,000 to rent.

Limits and Restrictions

The maximum amount that can be spent on a single election campaign is \$30,000. This amount includes any money spent before, during, and after the campaign period. Non-monetary contributions also count toward this limit.

Only you are authorized to incur election expenses during the campaign period. You may authorize another person, in writing, to incur minor expenses such as stationery, postage, or other petty expenses. The written authorization, you must include a set amount that the authorized person is allowed to spend.

Candidates may incur petty expenses, travel, and accommodation costs during the campaign period. You can reimburse your candidate for these types of expenses once the supporting documentation has been provided.

Prospective candidates may incur expenses before their nomination paper has been accepted. Once the individual becomes a candidate, they must provide all supporting documentation for the expenses incurred is provided to you to record all these expenses in the CFR.

Your candidate may request reimbursement for the expenses incurred before the campaign period once you have confirmed the supporting documentation. Reimbursements to your candidate, or prospective candidate, must come from received contributions.

If the contributions are not enough to cover the election expenses incurred, then your candidate may use their own funds to pay for any outstanding expenses. The amount personally paid by your candidate must be recorded in the monetary contributions section of the CFR.

Reporting in Candidate's Financial Report

Expenses are to be recorded in Section Four – Part 1 and Part 2 of the CFR. Part 1 covers the expenses before the campaign period. Part 2 covers the expenses during the campaign period. Fill out the information accurately, and make sure it links to supporting documentation.

- Details such as the date of the expense, the supplier or vendor's name, the description or type of expense, the identification of an expense being monetary or non-monetary, and the amount of the expense must be recorded in this section.
- Along with the expense being reported, supporting documentation must be included with the expense to show that it has been incurred and paid.
- Expenses under \$50 do not need supporting documentation but must still be recorded.
- If the supplier or vendor does not use traditional forms of supporting documentation, such as receipts, invoices, or emails, then you must prepare a document and have the supplier or vendor sign the document to confirm they received payment. The details of this document must include:

- The date of the transaction
- The name of the supplier or vendor
- A list of goods and services provided
- The amount paid to the supplier or vendor
- The signature of the supplier or vendor

Official Tax Receipts

Definition

An official tax receipt is a document that proves an individual's monetary contribution to support a candidate running for MLA in the Northwest Territories. It is used by individuals who want to claim a tax deduction for their contribution when filing their tax return with form NT479 and worksheet NT479. If the Canada Revenue Agency requires supporting documentation for this deduction, then the official tax receipt is used for this purpose.

Official Tax Receipt Book

The Returning Officer will issue a Monetary Contribution Official Receipt book to either you or the candidate. Only these individuals may receive the book from the Returning Officer. More books may be requested, if necessary, as there is no limit to how many tax receipts can be issued. Keep in mind that the maximum amount a campaign can spend is \$30,000, that includes non-monetary expenses.

Issuing and Recording Receipts

Only you are authorized to issue an official tax receipt. You cannot authorize anyone to issue these receipts.

Official tax receipts can only be issued for known monetary contributions, up to a maximum of \$1,500. There is no minimum amount when issuing an official tax receipt.

Non-monetary contributions are not eligible for an official tax receipt.

If your candidate used personal funds to cover any election expenses incurred and was not reimbursed for the amount, you can issue an official tax receipt to your candidate upon request, up to a maximum of \$1,500.

Each receipt book contains three copies. The white copy is given to the contributor, the yellow copy is for your records, and the pink copy is to remain in the book for the OCEO's records.

All three copies of any unused, voided, or damaged receipts must be returned in the book and cannot be used as an official tax receipt for an individual's tax return. You must issue a new tax receipt, if necessary.

Reporting in Candidate's Financial Report

Tax receipts are to be recorded and reconciled in Section Five of the CFR.

- Details such as the status, the name of the contributor, and the amount on the receipt must be recorded in this section.

- The receipt # must reconcile with the tax receipt # column in Section Three – Part 1 and 2, monetary contributions.
- Ensure that all tax receipt books are returned when submitting the CFR.

Candidate's Financial Report

Definition

The Candidate's Financial Report ensures that all financial aspects of the candidate's campaign are properly accounted for and is used for public reporting of all candidate's campaign finances.

Completing the CFR is one of your key responsibilities as the Official Agent. This report is required by law and is to be completed and submitted to the OCEO within 45 business days of election day.

Once the report is submitted, it is reviewed by the Finance Officer. If the CFR is error-free and all supporting documentation is sufficiently provided, then a summary of the CFR will be published as a public document, and your candidate's \$200 deposit will be returned.

Reporting Requirements

You will receive form 2120, the Candidate's Financial Report. Throughout the campaign period, you must fill out this form to ensure that everything is accounted for on the day a contribution is received, a tax receipt is issued, a fundraiser is hosted, and an expense is incurred. After election day, you must finalize the CFR by completing sections one to eight.

Surpluses and Deficits

At the end of the campaign, there may be either a surplus of contributions or a deficit of funds. If there is a surplus, you must dispose of it within 60 business days. You can either give the surplus to a charitable organization of the candidate's choosing, or give the surplus to the OCEO, which will then be deposited in the GNWT Consolidated Revenue Fund. Record the surplus and the chosen method of disposal in the CFR along with supporting documentation.

The donation of the surplus cannot be considered as a tax deduction under the Income Tax Act. It is illegal to claim a tax deduction from contributions donated to a charitable organization.

In case of a deficit, within 60 business days, there are two options to reduce the deficit to zero:

- Continue to collect contributions for 60 business days after election day.
- Your candidate can contribute their own funds to pay any outstanding expenses. This personal contribution must be recorded in section three – part 2 of the CFR.

When submitting the CFR, you must ensure that the balance is zero, with no remaining surplus or deficit when finalizing the report.

Rebate Program

The Rebate Program supports candidates by offering a rebate for their personal monetary contributions to their campaign. All personal monetary contributions that the candidate makes to their own campaign, up to a maximum of \$6,000, is eligible for a 50% rebate, up to a maximum of \$3,000.

Any declared surpluses and liquor and cannabis expenses are deducted from the candidate's personal monetary contribution amount for the rebate.

The Finance Officer of the OCEO will determine if the candidate is eligible for the rebate and will calculate the rebate amount that is applicable based on the information submitted in the CFR.

The candidate must sign the form in the CFR and declare that they will either apply or not apply for the rebate. Should the candidate apply for the rebate and is eligible to receive half of their personal monetary contributions as a rebate, they must declare the method of payment.

Applying for the rebate and the amount rebated will be disclosed in the CFR Summaries.

Deadlines and Extensions

Obtaining the required supporting documentation for the CFR within the 45-business day deadline may pose challenges for you. If supporting documentation cannot be obtained, or it will be delivered too late before the deadline, you may apply for an extension. An extension is allowed for the following:

- A duly elected candidate may apply for an extension of up to 10 business days.
- A non-elected candidate may apply for an extension of up to 15 business days plus 60 business days.

If your duly elected candidate requires more time than allowed by the OCEO, then the elected candidate must apply to a judge of the Supreme Court for an authorized excuse for late filing of the CFR. A duly elected candidate may not take their seat in the Legislative Assembly until after the court authorizes.

Extensions cannot be guaranteed and are considered on a case-by-case basis.

Failure to Report

If the CFR is not submitted, is inaccurate, or incomplete, and is not addressed by you before the regular or extended deadline, the candidate will receive a notice from the OCEO imposing a \$500 penalty. The penalty will increase by \$50 per day, up to a maximum of \$1,000, until the CFR is accurately and completely submitted.

the \$500 penalty will be incurred, and an additional \$50 penalty per day will be incurred, up to a maximum of \$1,000, if the CFR is not submitted accurately and completely.

Additional Information and Inquiries

All guides and forms can be found on electionsnwt.ca.

If additional information is required, or if there are any other inquiries, the Finance Officer can be contacted at the OCEO by either Phone or Email:

- Phone Number: 867-767-9100
- Toll Free: 1-844-767-9100
- Email: finance@electionsnwt.ca

