

**Instructions for Completing the Annual Financial Return
for Registered District Association**
(Political Process Financing Act, S.N.B. 1978, c. P-9.3, s. 60)



P 04 913
(2023-02-06)

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 for Registered District Association* (the “return”) must be submitted by March 31.

B. DOCUMENTS TO SUBMIT TO ELECTIONS NEW BRUNSWICK (ENB)

Please include the following supporting documents with the return, if applicable:

- Bank statements with images of cancelled cheques, or Party’s funds-on-deposit report, covering the reporting period
- Investments and Guaranteed Investment Certificates (GIC) covering the reporting period
- Detailed deposit slips covering the reporting period
- Loan agreements and statements
- Advertising invoices 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
- Deemed contributions of unreimbursed personally-incurred expenditures

C. REFERENCE DOCUMENT

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

The PPFM is available on ENB’s 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, **January 1 to December 31**. Enter the reporting period and complete the Identification section on page 1.
2. The official representative of the registered district association may prepare the report using either the “cash” or “accrual” method of accounting. The cash method only includes transactions that affected the bank balances during the reporting period. The accrual method includes transactions that have not yet affected the bank balances such as accounts receivable and accounts payable. Most official representatives choose the cash method.
3. As a matter of proper internal control procedures, expenses should not be paid from cash that has not yet been deposited. In the event this happened, report both the expenses and the total amount of the revenue that should have been deposited.
4. If there is insufficient space in the Transaction Journal or a Schedule, insert additional rows or columns.
5. Make two photocopies of the completed return: one for your Party’s official representative and one for your personal files. A copy of all supporting documentation should be retained. You may be required to confirm certain details when ENB examines the return.
6. The return and supporting documentation may be submitted to ENB by email, in person, by courier, or by mail. **You will find ENB’s communication coordinates in Section J of these instructions.**
7. Examination of the return will be delayed if a required supporting document is missing.

E. GETTING STARTED

1. Retrieve the prior-year return.
2. Please use ENB's electronic template to facilitate the preparation of the return. Visit ENB's website at <https://electionsnb.ca/content/enb/en/political-financing/annual-financial-returns.html> to find the electronic template in Microsoft Excel format.

If you are completing the return by hand, print the template or request paper copies from ENB.

3. Gather all necessary supporting documentation listed in Section B above.

For all advertising expenditures subject to the \$3,000 annual limit, submit itemized invoices and **a copy of the advertisement**.

Provide a copy of invoices greater than \$500 for all Other expenditures, including election expenses.

An invoice must provide all information required for verification of each purchase and include the rate or unit price used to calculate the invoice amount. A statement of account cannot be used as an invoice. A credit or debit card slip is only acceptable if it includes all details of the expense, not just the total amount debited or credited.

4. **Complete the return in the following order: Sections F through J.**

F. COMPLETE THE IDENTIFICATION SECTION

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.
3. Indicate with an "X" which applicable supporting documents are being submitted with the return.

G. COMPLETE THE TRANSACTION JOURNAL

Refer to the Questionnaire on page 2 for an overview of the types of transactions to be included in the return.

Complete the Transaction Journal on page 3 of the return.

When printed, the Transaction Journal is two pages wide by one page high on **legal size paper**. If this space is insufficient, you may insert additional rows. If you are completing the return by hand, make as many copies of the Transaction Journal as needed.

The last column of the Transaction Journal is a "control total". The amount for each row should be zero, indicating the transaction has been entered correctly and is balanced. Control totals not equal to zero will be highlighted in red. There is also a message in cell A7 indicating whether the journal is in balance or not.

The last row of the Transaction Journal contains "=SUM()" formulas that will automatically calculate the total for each column. If you are completing the return by hand, 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 in this section:

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

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

1. From the prior-year return, enter the applicable reconciled year-end balances in the first row of the Transaction Journal:
 - Bank / Funds on deposit with Party (Column E)
 - GIC / Savings account (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)
 - Amounts owed to Party (Column L)
2. From the prior year electoral financial return of a candidate, if any, enter applicable reconciled year-end balances on the second row of the Transaction Journal. This would typically be accounts payable assumed by the association from the electoral return.

G.2. Bank transactions / Transactions made through the Party's centralized financial system

ENB recommends official representatives use bank statements as the primary document from which to prepare the return. Examine each transaction (deposits and withdrawals) in the order in which they appear on the bank statements and enter them in the Transaction Journal. **Work from the bank statements to the return.**

Official representatives who use their Party's centralized financial system will use the Party's funds-on-deposit report rather than bank statements.

Official representatives who maintain an accounting system should record transactions in the Transaction Journal in chronological order.

For each transaction on the bank statement, Party's funds-on-deposit report, or from your accounting records, you must:

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 different from the supplier, list the payee and supplier.
4. Provide a description of each transaction.
5. Enter the amount 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 properly classify the transaction. Enter it as a positive or negative amount. Typical positive and negative transactions are provided for each column, e.g., Other expenditures: *Invoice* (+) and *Credit Notes* (-). If appropriate, the transaction amount may be split and classified in more than one column. See the following section for more details on the classification columns.
7. Ensure the Control total (Column AA) is zero ("-"). If it is not zero, check the plus or minus signs on the amounts entered.

Classification Columns

Assets

Column F: GIC / Savings account

If applicable, ensure GIC or savings at the end of the prior year are entered on the first row of the Transaction Journal.

Enter the value of transactions arising from investments in a GIC or found in a savings account. This can be a purchase of this type of investment or a transfer of funds to or from the operating bank account. Redemption of a GIC at maturity and the interest received should be entered.

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

Column G: Accounts receivable

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 return.

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

The total of this column must equal the amount of any accounts receivable at the end of the reporting period.

Column H: Prior-year fundraising & auction expenses recoverable

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

Enter reimbursements from the Party as negative amounts.

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 return.

Enter amounts collected on these loans receivable as negative amounts.

Enter amounts loaned to the Party or other registered district associations as positive amounts.

The total of this column must equal the 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 payables from the prior-period 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 second row of the transaction journal. Payments made on accounts payable will be entered as negative amounts.

The total of this column must equal the amount of accounts payable at the end of the reporting period.

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 loans or other borrowings from the prior-period return.

Report all loans, lines of credit, and other borrowings held during the year.

Enter balances, proceeds and repayments for each loan. Include advances and repayments on lines of credit, even if they were repaid in full during the reporting period.

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

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

- Name and address of the lender
- Date of the loan agreement
- Terms of the loan, e.g., term or demand loan, interest rate, repayment schedule, etc.
- If any, name and address of the guarantor(s) and the amount(s) of the guarantee(s)

If you have multiple loans, lines of credit, or other borrowings, copy the table and complete one table per borrowing.

Column L: Amounts owed to Party

A registered district association must not deposit funds (contributions, membership dues, ticket sales, auction proceeds, and other revenue) into its local bank account. All funds must be deposited with the Party. The details of funds to be deposited, as described on interim receipts or other documents, must be immediately forwarded to the Party so all contributions can be processed in a timely manner.¹

Nevertheless, if funds were deposited in the registered district association's bank account, enter the deposit as a positive amount.

If applicable, ensure amounts owed to the Party at the end of the prior year are entered on the first row of the Transaction Journal.

Funds remitted to the Party should be entered as a negative amount.

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

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

Fundraising activities

Columns M-O: Fundraising activities

In New Brunswick, the full price of a ticket costing more than \$10 to attend a fundraising activity must be treated as a contribution.²

A registered district association must process the revenue from ticket sales as described under Column L.

Details of direct costs related to the activity, including the value of contributions of property and services, must also be provided to the Party to calculate the profit. Direct costs will be reimbursed by the Party to the registered district association.

The profit will be shared between the registered district association and the Party and transferred to the registered district association based on a percentage agreed upon within the Party.

All expenses related to the fundraising activity and paid by the registered district association should be entered as a positive amount in Columns M-O, Fundraising activities. Contributions of property and services related to the activity should not be reported in the return. Expense reimbursement received from the Party should be reported as a negative amount.

The expense reimbursement may be included in a cheque with the transfer of a share of the contributions. Enter this deposit in two columns, one for expense reimbursement (Columns M-O) and one for the transfer of funds (Column R, Transfers from Party).

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

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

In New Brunswick, 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* report (P 04 955) for each auction item to your Party. If not, contact the Party's financial officer immediately.

The donation of an 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.

¹ Provincial Political Financing Manual, 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

⁴ Ibid., Section 2.8.15 Auctions

⁵ Ibid., Section 2.8.15 Auctions

Auction proceeds must be processed as described in Column L.

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

Revenue

Column Q: Other income

Enter other income such as interest from bank accounts and investments.

Note that the New Brunswick *Gaming Control Act* prohibits political parties and registered district associations from conducting games of chance such as lotteries, Chinese auctions, 50/50s, and raffles.⁶ Since funds raised from these games of chance are generally not attributable to the ticket purchasers, the proceeds are considered anonymous contributions.

Another form of anonymous contribution is taking collections at meetings, or “passing the hat”. Enter these funds in Column J, Accounts payable.

The *Political Process Financing Act* requires anonymous contributions be returned to the contributor, if the identity of the contributor is known, or remitted to the Supervisor of Political Financing, if the identity of the contributor is not known.

To remit anonymous contributions still on deposit, include a cheque payable to the *Minister of Finance and Treasury Board* with your return.⁷

Transfers between Party and Associations

Column R: Transfers from Party

Enter funds transferred from your 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 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.

Expenditures other than election expenses

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

Visit ENB’s website at <https://electionsnb.ca/content/dam/enb/pdf/finance/fy-2022-23-payments-to-rpps-E.pdf> to find the Annual limit on advertising expenditures other than election expenses, Calendar year 2022, for registered district association.

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

An advertisement such as a sign or billboard, placed prior to the election period by the official representative of a registered district association and remaining in place for any portion of the election period must be treated as a non-election advertising expenditure of the registered district association and an election expense authorized by the official agent.⁹ The total cost of the advertisement must be reported in Column U. If the official agent reimburses the official representative for the total cost of advertising, enter the reimbursement in Column Q, Other Income. If the official agent does not reimburse the amount,

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

⁸ Ibid., Section 2.9.5.1 Annual advertising limits

⁹ Ibid., Section 3.3.3.3.1 Roadside signs

enter the total cost in Column Q, Column U and Column Z, Election expenses paid on behalf of official agent.

In contrast, the cost of an order for brochures and other distributable advertising 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 proportion of the materials distributed during the pre-writ and election periods.¹⁰ The total 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. If the official agent does not reimburse the amount, split the transaction, and enter the corresponding portions in columns U and Z.

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

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

- a. Advertising to publish the date, time, place, and purpose of a public meeting, which may include a photo of a guest speaker and the name (short-form or abbreviation) of the registered district association or the logo of the Party, and to publish any corrections.
- b. The cost of postage for the mailing of letters, printed materials, and cards, including Christmas cards.
- c. The production and distribution of:
 - i. newsletters distributed solely to members of a Party
 - ii. Christmas cards.
- d. The publication in a newspaper of season's greetings, congratulatory messages or best wishes for community events on behalf of the registered district association.¹¹

Column W: Nomination convention

Enter the expenses of holding a nomination convention to select the candidate for an electoral district.

Reasonable costs incurred in holding a nomination convention during the 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
- Advertising the date, place, time, program, and organizers of the convention
- The convening of delegates to the convention
- Providing entertainment and refreshments to the convention attendees

All other costs of a nomination convention held during an election period are considered excessive expenses. These expenses are deemed to be expenses incurred by the official agent of a candidate¹² and must be reported in Column Z, Election expenses paid on behalf of official agent.

Column X: Other expenditures

Enter all other expenditures other than election-related expenses, e.g., meeting, office, and travel expenses, charitable donations, bank fees, riding celebrations, etc.

Election-related expenditures

Column Y: Transfers to or from 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 an 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 of a candidate, e.g., campaign office rental, telephone charges, advertising expenses, etc. If advertising expenses are used during the pre-writ and election periods, refer to Column U, Advertising subject to \$3,000 annual limit, above for details.

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

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

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

- A. Enter the name of the financial institution or Party where the funds are on deposit and the account number.
- B. Enter the end date of your most recent statement or report, which is normally the same date you indicated 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. If reporting using the accrual method of accounting, enter the following:

(For official representatives using an accounting system, outstanding deposits and cheques are already recorded and should have already be entered in the Transaction Journal.)

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

Outstanding cheques: Enter cheques and other withdrawals outstanding at the end of the reporting period, i.e., cheques that did not clear the bank until after the reporting period. If not using an accounting system, the outstanding cheques and other withdrawals must be entered in the Transaction Journal in Column E, Bank / Funds on deposit with Party, and 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 is working properly. If you are completing the return by hand, enter the total from Column E of the Transaction Journal.

If the difference is not nil, the return is not balanced, and more work is required. Go back and check the numbers you entered. If you cannot get the return to balance, seek the assistance of your Party's financial officer before submitting your return to ENB.

G.3. Accounts receivable

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

The total of the column should represent the exact dollar amount of 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 positive amounts in Column J and entered in at least one other column. These entries do not affect Column E, Bank / Funds on deposit with Party.

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

G.5. Contributions of property and services

There are three types of contributions of property and services that may be received:

- 1) To fund election expenses (details are not reported in this return but must be reported by the official agent in the *Electoral Financial Return of a Candidate*);
- 2) Related to a fundraising activity or an auction (details are not reported on this return but must be forwarded to the Party to properly process the event); or
- 3) Not related to election expenses, a fundraising activity, or an auction. Details are reported on this Schedule.

G.6. Deemed contributions of money

Any person authorized by an official representative to make expenditures who, out of their own money or credit, incurs expenditures 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

¹³ Ibid., Section 3.1.2.3.3 Responsibilities of electoral district agent / official agent

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 a candidate

If applicable, review the examined electoral return of your recent candidate (return received by email from ENB) and any additional documentation attached thereto. This additional documentation may indicate expenditures other than election expenses to include in the Transaction Journal, e.g., pre-writ advertising expenditures reported in Column Q, Other income, and Column U, Advertising subject to \$3,000 annual limit.

H. FINAL REVIEW

If you have any questions or require assistance with the completion of the return, please contact the financial officer of your Party. If you require further assistance, you may contact Lisa Page-Soucy, Manager of Political Financing at ENB.

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 journal is in balance."
- 3) Complete the Questionnaire on page 2
- 4) Complete the section "Compliance with the *Political Process Financing Act*" on page 1

I. DECLARATION

On page 1 of the return, 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).

If filing your return in paper format, the Declaration must be signed by the official representative of the registered district association.

If submitting the template in electronic form, the return must come directly from the official representative's email. You may either:

- 1) Type the name of the official representative on the signature line.
- 2) Add an electronic image of the official representative's signature to the signature line.
- 3) Sign the paper version of the return, scan page 1, and submit this pdf along with the other attachments.

J. COMMUNICATION COORDINATES

Email your completed return with scanned copies of supporting documents to:

ENBFinancialReturns@qnb.ca

Deliver or **courier** your completed return with supporting documents to:

Elections New Brunswick
545 Two Nations Crossing
Fredericton, NB E3A 0H9

Mail your completed return with supporting documents to:

Elections New Brunswick
PO Box 6000
Fredericton, NB E3B 5H1

For more information, please contact:

Lisa Page-Soucy, Manager of Political Financing
Lisa.page.soucy@qnb.ca

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