

**Green Party of Canada**

# **Revenue Sharing Implementation Plan**

**Outcome of GPC Council workshop**

20 November 2005

(this is the document as revised and adopted by Council on 20 November 2005, with formatting)

# 1. Principles

The following hierarchy of overall principles will guide us in the implementation of revenue sharing (i.e. sharing of the *quarterly allowance* received under section 435.01 of the Elections Canada Act (commonly referred to as the \$1.75 per vote funding) after 2004 election debt has been paid off.).

## 1.1 Best interest of the GPC

*In implementing revenue sharing, Council will fulfil its fiduciary and constitutional responsibility to act in the best interest of the Green Party of Canada.*

## 1.2 Direction from membership

There exist two instances of direction from the membership regarding revenue sharing: the motion passed at the 2004 AGM and the ballot vote held in September 2005. The ballot vote was conducted as directed by Council and its results were accepted by Council on October 16, 2005.

*Within the constraints of principle 3.1 above, we will implement revenue sharing as directed by the membership of the GPC.*

## 1.3 Goal

Design an implementation plan to implement the direction received from the membership, in accordance with these principles. Council should review the goals in the future.

## 1.4 Accountability

The revenue from the Quarterly Allowance from Elections Canada comes with a unique set of accountability questions.

Internally to the Party, we are all accountable to each other for how this money is used. This is different from money raised at a unit level, for instance at an EDA fundraising event. In that case the EDA is constitutionally accountable only to its own membership for the use of the funds. In the case of the public money from Elections Canada however, the EDA is accountable to the entire party membership and the other units of the party, because the money was earned jointly by the entire party.

Externally, the GPC (like all federal parties) is accountable to all taxpayers and electors for the proper use of these public funds. Again, this is distinct from the accountability we have regarding fundraising revenue.

*Within the constraints of the other principles above, we will implement revenue sharing in a way that creates mechanisms for appropriate accountability of all party units to one another.*

## 1.5 Incentives

*Within the constraints of the other principles above, we will implement revenue sharing in a way that creates constructive incentives. We will favour measures that create incentives for all units of the party to grow the party membership, establish and strengthen EDAs, share information, and improve election performance. We will avoid measures that create disincentives to the same.*

## 2. Direction from Revenue Sharing Ballot

Council has accepted the results of the ballot vote by motion in October 2005. We feel bound to do our utmost to fulfil the direction from the vote.

### 2.1 English vs. French Ballot

Interpretation by Council:

- a) In the case of any discrepancy the original language (English) ballot will be deemed correct.

### 2.2 Points of Clarification re Ballot Text

**2.2.1. FORMULA:** In the transfer of funds, the party shall adopt a sharing formula of 1/3 central party, 1/3 Provincial/Territorial Divisions and 1/3 Electoral District Associations (EDAs).

Interpretation by Council:

- a) If and when the GPC transfers funds, it will do so based on this formula
- b) By “funds” we mean the gross *quarterly allowance* received under section 435.01 of the Elections Canada Act (commonly referred to as the \$1.75 per vote funding) after 2004 election debt has been paid off.

**2.2.2. EDA CALCULATION:** The 1/3 of funds transferred to Electoral District Associations shall be allocated:

- 1/3 allocated equally among all EDAs;
- 1/3 pro-rated by proportion of vote achieved by the local candidate in the previous federal election or by-election; and
- 1/3 pro-rated by number of members in the EDA (based on the reported number on the last day of each quarter).

Interpretation by Council:

- a) For the purposes of the calculation “member” is defined as a member in good standing, i.e. who has made a membership contribution in the 12 months preceding the last day of the relevant quarter.

The following records are needed in order for the reported number to be counted as members for this purpose of the calculation:

To be a member in good standing:

- a) Last name and initial (or first name)
- b) Complete residential mailing address (for receipting)
- c) Date and amount of membership contribution received at national office
- d) Have submitted a membership form (which asserts that they meet other membership conditions such as not be a member of another federal political party, etc.)

For the calculation of transfers all of the above are required, plus we will use:

- e) EDA assignment as recorded in the central party database

We also encourage units to provide the following to be entered into the central party database:

- f) Date and amount of any other financial contributions
- g) Telephone number

- h) Email address
- i) EDA
- j) Contact opt-outs (e.g. member requests not to be phoned)
- k) All other fields in the database (may include data re: lawn signs, GOTV, loans, etc.)

**2.2.3. DIVISION CALCULATION:** Transfers to Provincial/Territorial Divisions shall be calculated based on the number of electoral districts in a province or territory. Large rural and northern electoral districts (as defined by the requirement to achieve only 50 signatures for a candidate nomination) shall count as two electoral districts.

Interpretation by Council:

- a) The formula is: Transfer to a PD =  $1/3$  of quarterly allowance x (number of EDAs in the PD plus number of large rural and northern electoral districts in the PD) / (number of EDAs in Canada plus the number of large rural and northern electoral districts in Canada).
- b) As a further clarification, PDs are part of the central GPC under the Canada Elections Act, therefore the “transfer” of a PD share is an internal allocation of funds within the central GPC.

**2.2.5. NON-REGISTERED UNITS:** Where no Electoral District Association exists, transfers due to the EDA shall be allocated to the Provincial/Territorial Division. Where no Provincial/Territorial Division exists, transfers due to the Division shall remain as central party funds, to be spent in that province or territory.

Interpretation by Council:

- a) Where no Provincial/Territorial Division exists, transfers due to the Division shall remain as central party funds, to be spent on meeting the goals of the GPC in that province or territory, as determined by Council or its designate (e.g. based on the annual plan). For example/currently: To be spent first on political organizing in that province or territory (e.g. provincial organizer’s salary and expenses), and more generally on meeting the goals of the GPC in that province or territory

**2.2.7. FUTURE DEBT:** Notwithstanding the 2004 election debt, debt incurred by the central party is the responsibility of the central party and shall not affect transfers to EDAs and Provincial/Territorial Divisions.

Council’s interpretation:

- a) This applies to debt incurred by and for the central party.
- b) Any borrowing/spending by the central party to provide candidates with their \$1,000 deposit will be an advance against EDA share or where no EDA exists, an advance against the provincial/territorial share, when this deposit is requested by the local campaign.
- c) Any borrowing/spending to provide EDAs with campaigning material (e.g. generic signs, broadsheets etc) will be an advance against EDA share or where no EDA exists the provincial/territorial division share, unless the local campaign declines.
- d) Any borrowing/spending by the central party to finance organizers, their expenses, and overhead that supports them will be an advance against the provincial/territorial share, when no PD exists, or when this borrowing/spending is requested by the PD.

### 3. Pre-Election Transfer Payment Plan

Council directs staff to implement the following **Pre-Election Transfer Payment Plan**

- 1) As soon as possible inform EDAs and PDs of amounts to be transferred
- 2) Send the pre-election cheque, based on data in the central party database as of Nov 20, to EDAs and PDs that meet the following criteria
  - a) Currently registered with Elections Canada
  - b) No known compliance issues
- 3) Include a cover letter with the cheque which requests units to complete a compliance checklist. The letter should provide instructions related to the checklist (e.g. "If you are not in full compliance according to the compliance checklist then do not deposit this cheque, phone us.")
- 4) Staff are to determine the checklist, which may include:
  - a) unit will transact funds in accordance with the GPC constitution
- 5) The letter will also
  - a) Include and explain the option to opt-out of revenue sharing and a return envelope
  - b) Advise that a signed checklist must be returned to the national office before any further transfers will be made.
  - c) Advise that any EDA that does not run a candidate, or has a candidate who withdraws from the election before polling day, will not receive any revenue sharing until the first quarterly payment from Elections Canada after an election in which the EDA presents a candidate. (staff to wordsmith)
  - d) Federal Council reserves the right to withhold funds from any PD that does not run a full slate of candidates in an election.
  - e) Federal Council has directed that if it appears that a PD will not present a full slate of candidates in an election, the central party staff will take whatever steps necessary to run candidates, and Federal Council reserves the right to withhold funds from the PD in such a case.
  - f) Advise that further criteria will be forthcoming.
  - g) After these cheques, election spending as defined in 2.2.7 above accrues against future transfers.
- 6) During the election transfers will accrue but may not be paid until after the election.
- 7) Further details for the longer term revenue sharing implementation plan, including additional eligibility criteria for EDAs and PDs, are to be worked out after the election.

## 4. Questions Answered

### 1. *Constitutional issues*

Council direction:

- Address constitutional issues before implementing revenue sharing: Jon, Matt, Steve to check for any outstanding issues in the next week.

### 2. *Election-related spending*

Responsibility for debt

- Any debt incurred by an EDA is the responsibility of the EDA.
- Any debt incurred by a candidate is the responsibility of the candidate.
- Any debt incurred by a campaign is the responsibility of the campaign.

### 3. *Opting Out*

3.1. How does a unit (EDA or PD) opt out of revenue sharing post-election?

- To be determined post-election.

3.2. What are the implications of opting out for an EDA?

- The transfers that would go to the EDA remain instead with the national office.
- The rest is to be determined post-election.

3.3. What are the implications of opting out for a PD?

- The transfers that would go to the PD remain instead with the national office.
- The rest is to be determined post-election.

### 4. *Timetable*

4.1 When does implementation start overall?

- As specified in the Pre-Election Transfer Payment Plan

4.2 When do transfers to EDAs start?

- As specified in the Pre-Election Transfer Payment Plan

4.3 When do transfers to PDs start?

- As specified in the Pre-Election Transfer Payment Plan

### 5. *Miscellaneous*

- Units may not use these funds for purposes that undermine the GPC.
- Council interprets ballot question 4 (Waiting Period) to mean that filings already made by existing PDs count towards the requirement to file three successive quarters.
- Kevin will work with staff to define details of PD transfers (e.g. administration of provincial organizers).
- Many other details to be worked out after the election.