

Candidate in an election in a municipality of 5,000 inhabitants or more?

Political financing and election expenses.
It's your business!

Here is a summary of rules governing political financing and election expenses.

Municipalities of 5,000 inhabitants or more are subject to political financing rules, including those pertaining to the authorization of a candidate and the control of election expenses set out in Chapter XIII of the *Act respecting elections and referendums in municipalities* (AERM).

Steps to follow for an independent candidate or a political party

1. Obtain an authorization and nominate the persons in charge

Anyone wishing to collect contributions and incur expenses must first obtain authorization in accordance with the Act. Independent candidates must apply for this authorization to the returning officer of their municipality; political parties must instead apply to the Chief Electoral Officer of Québec. An independent candidate or a person seeking to become an independent candidate may apply for authorization on or after January 1 of the year preceding the year in which the general election is to be held or, in the case of a by-election, on the date on which the seat becomes vacant.

To obtain your authorization or that of your party, you will have to appoint an official representative and an official agent.

DEFINITIONS

Official representative:

Person responsible for soliciting and receiving contributions and taking out loans. The official representative is also responsible for expenses incurred outside the election period.

Official agent:

Person who authorizes and incurs election expenses. An authorized independent candidate's official representative must also be their official agent. An independent candidate can act as their own official representative and official agent. A political party may appoint a single person or two separate persons to these two positions.

2. Complete the compulsory training

From 10 to 30 days after their entry on the Register, persons appointed as official representatives or official agents must undergo compulsory training on the rules governing political financing. This training is offered by the Chief Electoral Officer.

3. Open a bank account

A FOR AN INDEPENDENT CANDIDATE

Once an independent candidate has obtained authorization, their official representative and official agent must open a bank account. **All receipts and disbursements** must flow through this account, which is the election fund. All expenses must be paid by cheque, debit card, credit card or bank transfer drawn on this account. The features of this account, which must be opened at a Québec branch of a financial institution, must include a monthly statement.

However, opening such an account is not required when the amounts in the election fund account come **exclusively** from an authorized independent candidate's own contributions (maximum \$1,000).

B FOR A PARTY

The official representative must open an account in a Québec branch of a financial institution. All amounts collected must be deposited in this bank account and all expenses must be paid by cheque, debit card, credit card or bank transfer from this account.

The official agent of the party **must open a separate bank account** from that of the official representative. This account is the election fund account and must be used solely to pay for election expenses. Only money transfers from the official representative's account may be deposited into the election fund account.

4. Financing your election campaign

A BY COLLECTING CONTRIBUTIONS

Monetary contributions are donations to a party or an authorized independent candidate, services rendered to this party or candidate (with the exception of volunteer work), and goods provided to the party or candidate free of charge, for political purposes.

Only electors of the municipality can make a contribution to a party or to an authorized independent candidate for that municipality. **Contributions received from legal persons or any other organization are strictly prohibited.**

The total contributions in money and goods and services cannot exceed, during a fiscal year (calendar year), for an elector, the sum of \$100 to each party and each authorized independent candidate. In addition to regular contributions, the elector of a municipality in which an election is conducted can make additional contributions for that election not exceeding \$100.

In addition to these regular contributions, the elector of a municipality where an election is being held may make additional contributions up to a total of \$100 between January 1 and polling day. During a by-election, they can make these additional contributions from the date on which the seat becomes vacant until 30 days after polling day.

In addition, **once the returning officer has accepted the candidate's nomination paper**, an authorized candidate may make contributions totalling up to \$800. Therefore, a candidate can make contributions totalling \$1,000 to themselves only in an election year.

All cash contributions over \$50 must be made by cheque or credit card (upon approval by Élections Québec, see directive **D-M-21** to this effect) and only an official representative, or a person designated in writing (canvasser) by the former, can collect contributions.

A contribution receipt must be issued for each contribution made, even when the contributor is the candidate.

B BY TAKING OUT LOANS

You can also finance your election campaign with one or more loans. You can take them out with a financial institution or with electors of the municipality. An elector may grant a loan or surety of up to \$5,000 to one or more authorized entities. Candidates themselves can lend money to their campaigns, since they are qualified electors.

A loan agreement must always be completed and signed and the payment must be made by cheque or any other type of payment order signed by the elector and drawn on his or her account in a financial institution that has an office in Québec. Loans made by an authorized independent candidate must be repaid, using contributions or the reimbursement of election expenses, on or before December 31 of the second year following the poll.

C BY ORGANIZING POLITICAL ACTIVITIES

Political activities (fundraising dinners, golf tournaments, etc.) can also be a means of financing, if participants have to pay an entrance fee. Some special rules apply. Income from activities without a receipt is limited to 3% of the total amount of contributions collected during the year. For more details, see section 428(7) of the AERM and the directive **D-M-26**.

D BY OBTAINING MATCHING SUMS DURING ELECTIONS

During general elections or by-elections, the treasurer of any municipality with 20,000 inhabitants or more pays, together with the reimbursement of election expenses, matching sums to authorized independent candidates and political parties.

For every dollar raised as contribution revenue, you will receive \$2.50, up to the maximum established. This measure is applicable as of January 1 of the year in which a general election is held until polling day or, for a by-election, during the election period. Note that the calculation of this revenue excludes the contribution paid by a candidate (sections 442.1 to 442.4).

5. Identify your advertisement

The following items must be included in all advertisements or advertising material used during an election period, without which the expense will not be subject to a reimbursement.



IMPORTANT

In order to prove that your advertisements are correctly identified, the official agent must provide a copy of each advertisement with his or her return.

In accordance with the Act, any advertisement or advertising material must be identified as follows:

TYPE OF ADVERTISEMENT	IDENTIFICATION REQUIRED
<ul style="list-style-type: none"> Written advertising, objects, advertising material 	<ul style="list-style-type: none"> Name and title of the official agent Name of manufacturer or printer
<ul style="list-style-type: none"> Advertisement in newspapers, publicity on the radio or television, messages posted on the Internet or social media 	<ul style="list-style-type: none"> Name and title of the official agent

6. Respect with your election expenses limit

During an election period, all goods and services used for the purpose of promoting or opposing a candidate must be included in the return of election expenses of the authorized entity. These expenses are limited. The treasurer of the municipality will send you the limit during the election period. If you exceed this limit, it may constitute a corrupt electoral practice liable to severe penalties.

7. Filing returns

When an elector who undertakes to run as a candidate obtains his or her authorization in the year preceding the year of the general election, his or her official representative must, on or before April 1 of the election year, file the Financial return of an authorized elector with the treasurer.

In addition, following the election period, the official agent of an authorized independent candidate or a political party must file returns within 90 days of polling day. The official agent must then file them with the treasurer of the municipality, along with the supporting documents.

The candidate or party leader must sign all financial reports and the return of election expenses. The official representative or official agent must also do so, as the case may be.

8. Getting reimbursed for election expenses

Any person who is elected or receives 15% or more of the votes will be reimbursed an amount equal to 70% of election expenses incurred and paid in accordance with the AERM once the treasurer of the municipality has audited these expenses. The independent candidate's reimbursement cannot exceed their debts and personal contributions.

9. Following the provisions of the Act

The Act must be complied with, as numerous penal sanctions are provided for in the AERM, in particular the loss of the voting right, being unable to run in an election or losing the right to serve as an official representative.

10. Getting more information

For more information, contact the treasurer of your municipality or the Direction du financement politique at Élections Québec.

In the Québec City area: **418-644-3570**

From everywhere else: **1-866-232-6494**

By email: **financement-municipal@electionsquebec.qc.ca**

Consult our website: **electionsquebec.qc.ca**

Political financing tip line: **1-855-644-9529**