

Here is a summary of the rules to be followed concerning financing and election expenses.

Every municipality with a population of 5,000 or more is subject to the rules set out in Chapter XIII of the Act respecting elections and referendums in municipalities (AERM), which govern all aspects of financing including authorization of candidates and control of election expenses.

Steps that must be followed by an independent candidate or a political party:

1. Obtain an authorization and appoint the persons to be responsible

First step: If you wish to collect contributions and incur expenses as an independent candidate or as a political party, you must first obtain an authorization in accordance with the Act. The returning officer of your municipality grants authorizations to independent candidates, and the Chief Electoral Officer of Québec grants authorizations to parties. An independent candidate or a person wishing to become one can apply for authorization as from January 1st of the year in which a general election will be held, or from the date on which the seat becomes vacant in the case of a by-election.

To obtain authorization for yourself or your party, you must first appoint an official representative and an official agent.

Definitions

→ **Official representative:** The person responsible for soliciting and receiving contributions and for contracting loans. The official representative is also responsible for expenses incurred outside the election period.

Official agent: The person who authorizes and incurs election expenses during the election period. For a party, the same person may act as official representative and official agent. For an authorized independent candidate, the official representative and the official agent must be the same person. An independent candidate may also act as his own official representative and official agent.

2. Take the mandatory training

The official representative or official agent must take mandatory training, given by the Chief Electoral Officer, on political financing rules. This must be done within 10 to 30 days, depending on the date of appointment.

3. Open a bank account

A For an independent candidate

After obtaining an authorization, the official representative and official agent must open a bank account into which **all** funds received must be deposited and from which **all** disbursements must be paid. In addition, all expenses must be paid using cheques drawn on this bank account. The account, named “election fund”, must be opened in a Québec branch of a financial institution. Its characteristics **must** include a monthly statement, and double-sided copies (original or scanned) of all honoured cheques (front/back).

An authorized independent candidate is under no obligation to open a bank account if the election fund does not exceed \$1,000 and is financed **solely** out of personal contributions made by the candidate himself.

B For a party

The official representative must open an account that provides for the return of all honoured cheques or scanned copies of them (front/back), at a financial institution with a branch in Québec. All amounts collected must be deposited in this account, and all expenses must be paid using cheques drawn on this account.

The party’s official agent must also open a bank account that provides for the return of all honoured cheques or scanned copies of them (front/back). The account must be separate from that of the official representative. The official agent’s account is the election fund and must only be used to pay election expenses. Only transfers of money from the official representative’s account may be deposited in the election fund. **The official agent’s account must be different to and separate from the official representative’s account.**

4. Finance your election campaign

A By means of contributions

A contribution is defined as a gift of money to a party or authorized independent candidate, or services rendered and goods furnished to a party or candidate, free of charge and for political purposes (s. 427 (1) and (2)).

Only an elector of the municipality can make a contribution to a party or authorized independent candidate in that municipality. **Contributions from legal persons or other organizations are strictly forbidden.**

The total amount of contributions in money, goods and services made by the same elector to each party and authorized independent candidate in any given fiscal year (calendar year) cannot exceed \$100. In addition to these regular contributions, an elector in a municipality in which an election is held may make additional contributions not exceeding \$100 for that election.

The Act also allows for party candidates and authorized independent candidates to make contributions totalling not more than \$800 **from the time their nomination papers are accepted.** Therefore, a candidate may make one or more personal contributions totalling \$1,000, but **only** in a year in which an election takes place.

Every monetary contribution of more than \$50 must be made by cheque, and contributions can only be collected by an official representative or a person designated in writing by the official representative (a canvasser).

A contribution receipt must be issued for every contribution made, even where the contributor is the candidate himself.

B By means of loans

Your election campaign may also be financed by means of a loan from a financial institution or from an elector of the municipality. In the case of an elector, the loan or surety cannot exceed \$5,000. Loans may also be made by candidates, since they are qualified electors.

A loan agreement must always be completed and signed, and payment must be made by cheque. Loans made by an authorized independent candidate must be reimbursed using contributions or reimbursements of election expenses, no later than December 31 of the second year following the year of the election.

C By means of political activities

Financing can also be obtained from political activities (benefit dinners, golf tournaments, etc.) for which an admission fee is charged. Specific rules apply to these activities, including the amounts that may come from activities for which receipts are not issued: they are limited to 3% of the total amount of contributions collected during the fiscal year. See section 428.7 of the AERM for further details.

D By means of matching sums paid during elections

During a general election or by-election, the treasurer of every municipality with 20,000 inhabitants or more pays matching sums to authorized independent candidates and political parties, at the same time as the reimbursement of election expenses.

For every dollar collected as contribution income, you will receive \$2.50 from the treasurer, up to the stipulated ceiling. This measure applies from January 1st of the year in which a general election is held until polling day or, in the case of a by-election, during the election period. When calculating matching payments, contributions made by candidates are excluded (ss. 442.1 to 442.4).

5. Identify your advertising

The following elements must appear on all advertising or advertising material used during an election period. If not, the expense will not qualify for reimbursement.

Important To prove that your advertising is properly identified, the official agent must append a copy of every advertisement to the return of election expenses.

All advertising and advertising material must be identified in accordance with the Act, as follows:

Type of advertising	Identification required
Written advertising, objects, advertising material	Name and title of the official agent Name of the manufacturer or printer
Advertisement in a newspaper, advertising on the radio or television, messages on the Internet or social media	Name and title of the official agent

6. Respect your election expense limit

During an election period, all goods and services used to promote or oppose a candidate must be recorded in the return of election expenses. Election expenses are limited; you will be informed of the limit by the municipal treasurer.

7. File reports and returns

Where an elector who undertakes to run as a candidate obtains an authorization in the year **preceding** the year of the general election, his official representative must file an authorized elector's financial report with the municipality's treasurer by April 1st of the year in which the election is held.

In addition, the official agent of an authorized independent candidate or political party must produce returns of election expenses within 90 days after polling day. These returns must be filed with the municipality's treasurer, along with supporting vouchers.

All financial reports and returns of election expenses must be signed by the candidate or party leader, as the case may be, and by the official representative and official agent.

8. Obtain a reimbursement of election expenses

For every person who is elected or who obtains at least 15% of the votes, an amount equal to 70% of the election expenses (incurred and paid in accordance with the AERM) can be reimbursed once they have been audited by the municipality's treasurer. In the case of an independent candidate, the reimbursement cannot exceed the candidate's loans and personal contributions.

9. Comply with the Act

It is important to comply with the Act. The AERM provides for many penalties, including loss of the right to vote, to be a candidate or to act as an official representative.

10. Obtain additional information

For further information, please contact your municipality's treasurer or the Direction du financement politique et des affaires juridiques of Élections Québec.

Telephone – Québec City region: 418-644-3570

Telephone – toll free: 1-866-232-6494

Email: financement-municipal@dgeq.qc.ca

Website: electionsquebec.qc.ca

Tip line concerning political party financing: 1-855-644-9529

Toll-free number for people who are deaf or hard of hearing: 1-800-537-0644.