

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

Municipalities of 5,000 inhabitants or more are subject to financing rules, including 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

In accordance with the *Act*, an independent candidate or a political party wanting to collect contributions and incur expenses must first obtain an authorization. The returning officer of your municipality is the person who authorizes independent candidates and the Chief Electoral Officer of Québec who authorizes political parties. 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 on or after the vacancy in a by-election.

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 outside the election period.

Official agent: Person who authorizes and incurs election expenses during an election period. A party might have a person who is both the 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 be his or her own official representative or official agent.

2. Complete the compulsory training

Persons appointed as official representatives or official agents must complete the compulsory training on political financing rules given by the Chief Electoral Officer. A deadline of 10 to 30 days applies depending on the appointment date.

3. Open a bank account

A For an independent candidate

After obtaining an authorization, the official representative and official agent of an authorized candidate must open a bank account through which **all** receipts and **all** disbursements must flow through. In addition, all expenses must be paid by cheque, debit card, credit card or bank transfer drawn on this account. This account, which is called election fund account, must be opened in a Québec branch of a financial institution. The features of this account 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. **The official agent's account must be separate from the official representative's account.**

4. Financing your election campaign

A Through 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.

Furthermore, the *Act* provides for an authorized candidate to be able to, **once his or her nomination paper has been accepted**, make contributions not exceeding \$800. Therefore, a candidate can make to himself or herself contributions totalling \$1000 in an election year **only**.

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 Through loans

Your election campaign can also be financed with a loan. It can be taken out with a financial institution or an elector of the municipality. In the case of an elector, the loan or suretyship cannot exceed \$5,000. Loans can also be taken out with the candidate, as he or she is a qualified elector.

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. Exceptionally, and only for the 2021 municipal general elections, the loan may be taken out by transfer of funds from an account in a financial institution that has an office in Québec. At the conclusion of the November 7, 2021 general election activities, no loans by transfer of funds will be authorized. 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 Through political activities

Political activities (fundraising dinners, golf tournaments, etc.) for which an entrance fee is charged are also a financing method. Some special rules apply, including “without receipt” activity revenues, which is limited to 3% of total contributions collected in the fiscal year. For more information, see section 428.7 of the AERM.

D Through 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
Written advertising, objects, advertising material	Name and title of the official agent Name of manufacturer or printer
Advertisement in newspapers, publicity on the radio or television, messages posted on the Internet or social media	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. These expenses are limited and the limit will be communicated to you by the treasurer of the municipality.

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.

All financial returns as well as return of election expenses must be signed by the candidate or the candidate's leader as well as by the candidate's official representative and official agent.

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) upon audit of such expenses by the treasurer of the municipality. In the case of an independent candidate, this reimbursement cannot exceed the candidate's personal debts and 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 et des affaires juridiques 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**