

## Eligibility of durable goods as election expenses

Reference : *Act respecting elections and referendums in municipalities*  
(s. 499.11, which refers to ss. 451, 452 and 499.18)

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### **PURPOSE**

Define the concept of durable goods as campaign expenses and prescribes the basis for allocating the cost of such goods, which the financial representative of a leadership candidate must report in the Return of leadership campaign income and expenses of a party leadership candidate.

### **DEFINITION OF DURABLE GOODS**

To qualify as a election expense, a durable good must be a movable asset acquired and used for the purposes of a political party leadership campaign, but whose normal useful life extends beyond that campaign.

Office equipment (computer, fax machine, telephone, cell phone, etc.), furnishings (table, chair, etc.) and clothing are examples of durable goods that qualify as campaign expenses.

### **ELIGIBLE EXPENSES**

When a durable good is recorded in the return of leadership campaign income and expenses, the financial representative must report, as election expenses, the lesser of the following amounts: 50 % of the acquisition cost of the durable good or the estimated rental cost of a similar good used during the same period.

For the purposes of applying this directive, the estimated rental cost of a similar good is established based on the lowest retail price at which such good is offered to the public in the normal course of business, according to the market in the region and the time when the good is used for purposes of the leadership campaign.

## **DISCLOSURE OF THE RETURN OF LEADERSHIP CAMPAIGN INCOME AND EXPENSES**

The acquisition cost of the durable good must be reported on the return of leadership campaign income and expenses. The portion of the cost equivalent to the eligible campaign expense should be reported in the « Goods and services » category, while the non-eligible portion of the acquisition cost must be reported as another expense.

Where the financial representative uses a durable good acquired by the official representative of the party prior to the beginning of the leadership campaign, the official representative must invoice the financial representative for the rental cost of such a good according to the market value of the good and the time when the good is used for purposes of the campaign.

## **DELIVERY OF DURABLE GOODS TO THE OFFICIAL REPRESENTATIVE OF THE PARTY**

As required under section 499.18 of the *Act respecting elections and referendums in municipalities*, the financial representative must return any surplus funds in his or her campaign fund to the official representative of the party at the end of a leadership campaign. The goods held by the financial representative, in particular durable goods, are associated with surplus funds. Therefore, the goods must be given to the official representative of the party.