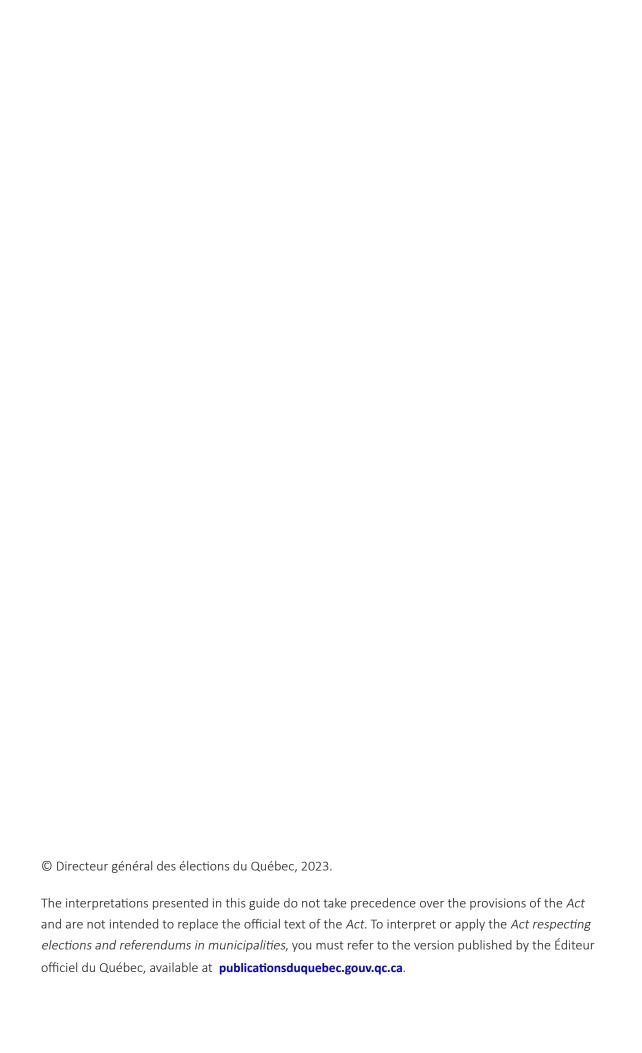
**GUIDE** 

# Guide for the official representative and official agent of an authorized independent candidate

Municipalities with a population of 5,000 or over





# Checklist

Op	pening a bank account specific to the campaign (election fund)
	If you fail to do this, you will not be able to obtain a reimbursement of election
	expenses (see Directive D-M-4)
	$\textbf{N.B.:} \ \ Opening an account is not obligatory if the funds come exclusively from the candidate's personal contribution up to a maximum of $1,000.$
	nvassing and collecting funds or contracting a loan (constituting an election
	nd)
	Only an elector of the municipality may contribute. Maximum \$100 per calendar year.
	During a general election year or when a by-election is held, an elector may make an additional $$100$ contribution to each of the parties and authorized independent candidates.
	Aside from its contribution as an elector, an authorized independent candidate, from the time their nomination is accepted, may make contributions for their
	own benefit, the total of which may not exceed \$800.
	A contribution receipt <b>must be issued</b> to any elector who makes a contribution.
	Canvassers may be designated (see Directive <b>D-M-6</b> ).
In	curring and authorizing election expenses
	Only an official agent may incur and authorize election expenses (from the $44^{th}$ day before polling day up to the closing of polling stations on polling day.)
Pa	ying election expenses from your election fund (bank account)
	Expenses must be paid in full before filing your reports and returns.
	You must keep all vouchers you did not provide to the treasurer of your municipality for a period of seven years.
Re	spect the limit on election expenses
	This limit will be conveyed to you by the treasurer of your municipality.
Id	entifying publicity (mandatory)
	For publicity in a newspaper or on the radio, television or internet, "Name of the official agent" followed by the title of "Official Agent".
	For a leaflet, poster, coroplast board or other printed material:
	"Name of printer (or manufacturer if produced by volunteers)" and "Name of official agent" followed by the title, "Official Agent".

Checklist

#### Filing reports

- Financial report of an authorized elector (when authorized prior to the election year)
  - By April 1 of the election year.
  - Along with contribution receipts.
- ☐ Report and return of an authorized independent candidate
  - No later than 90 days following polling day.
  - Along with the originals of invoices, cheques, copies of publicity, bank statements, deposit slips, etc.
- Additional financial reports (in the case of a surplus or debt identified when producing the reports of an authorized independent candidate).

For additional information, please contact your municipality's treasurer or the Direction du financement politique of Élections Québec at 418 644-3570 (if calling from the Québec area) or 1 866 232-6494 (if calling from elsewhere). You can also contact us by email at: **financement-municipal@electionsquebec.qc.ca**.

# Table of contents

Introduction	. 1
CHAPTER 1	
Role and responsibilities	3
1.1 Role	3
1.2 Appointment	4
1.3 Resignation and replacement	5
1.4 Mandatory training given by Élections Quebec	5
1.5 Summary of main responsibilities	6
1.6 Declaration of a candidate's publicity expenses	6
How do we properly record publicity expenses?	7
1.7 Application for withdrawal	7
1.8 Key dates for a general election	8
1.9 Extranet	9
1.10 Role and responsibilities of your municipality's treasurer	9
CHAPTER 2	
Receipts	11
2.1 General information	11
2.2 Election fund	11
2.3 Contributions	12
Definition	12
Maximum contribution allowed under the Act	13
Additional contribution during an election	14
Contribution of more than \$50	15

	Contribution of \$50 or less	16
	Tax credit	16
	Contribution of goods and services	16
	Illegal contribution	17
	Canvasser	17
	Monitoring of contribution receipts	18
2.4	Political activities	19
	Definition	19
	Sums collected	20
	Can a political activity be split into sub-activities?	22
	Subsidiary revenues	22
2.5	Loans and surety	23
	Line of credit	25
	Current market interest rates	25
	Loan repayment	25
	Payment of interest	26
	Deadline for repayment	26
2.6	Reimbursement of election expenses	27
2.7	Matching revenue during elections	28
2.8	Advance on public financing and on reimbursement	
	of election expenses	29
CI	HAPTER 3	
Dis	sbursements	31
3.1	General information	31
3.2	Election expenses	32
	Definition	32
	Exceptions to election expenses	32
	Election period	33
	Limit on election expenses	34
	Incurring and controlling election expenses	35
	Payment of election expenses	35
	Expenses incurred, but not claimed	37
	Contested claims	37

	Use of goods or services provided free of charge	38
	Recording of an expense based on the use of a good or service before and during the election period	38
	Amounts not included in the election expenses	39
	Candidate elected by acclamation	39
	Group of authorized independent candidates	39
	Categories of election expenses.	40
3.3	Publicity	41
	Recording of expenses	41
	Identification of publicity	43
	Social Media	44
	Non-compliant identification	45
	Advertising material produced by volunteers	45
	Self-service printing	46
	Printing carried out using the personal equipment	
	of the candidate or official agent	46
	Vouchers required for advertising material	47
	Loss of advertising material due to vandalism	
	or theft during an election period	48
	Re-use of advertising material produced and used	
	in a previous election	48
	Use of information and communication technologies (ICTs)	48
	Election posters and billboards	49
3.4	Goods and services	50
	Website	50
	Insurance	50
	Telephone	51
	Equipment rental	52
	Durable goods	52
	Interest on loans	53
	Service charge on an account opened with a financial institution $\ldots \ldots$	54
	Paid work	54
	Volunteer work	54
	Voluntary work done by a person who is not self-employed	55
	Volunteer work by a person who is self-employed	55
	Personal expenses of a candidate	56

3.5	Rental of premises	57
	Calculating expenses	57
	Goods and services used on election premises	58
3.6	Travel and meals	58
	Meals prepared by a volunteer	59
3.7	Petty cash	59
CI	HAPTER 4	
Re	ports and return	61
4.1	Report to file before polling day	61
	Financial report of an authorized elector	61
4.2	Report to file after polling day	62
	Return for payment of and advance	62
	Report and return of an authorized independent candidate	62
	Content of the financial report	63
	Contents of the return of election expenses	63
	Additional financial reports	64
4.3	Documents required with reports	64
4.4	Correcting a report or return	66
4.5	Closing the election fund	66
4.6	Accessibility and publication of reports and returns	67
CI	HAPTER 5	
Pe	nal provisions and other sanctions	68
	Application for inquiry	70

# Introduction

An election period is approaching and you have agreed to act as the official representative and official agent of an authorized independent candidate. In this capacity, you are required to abide by certain rules pertaining to election financing and expenses as set out in Chapter XIII of the *Act respecting elections* and referendums in municipalities (CQLR, c. E-2.2) (AERM).



The text of this Guide also applies to all authorized independent candidates who designate themselves as their own official representative and agent. If this is your case, you must make the necessary adaptations.

The purpose of this Guide is to help official representatives and agents of authorized independent candidates to understand and comply with the provisions of the AERM applicable to them. This Guide is available on the website of Élections Québec at the following address: **electionsquebec.qc.ca**.

The interpretations expressed in this Guide do not take precedence over the provisions of the AERM and are not intended to replace the official text of the AERM. Whenever the AERM must be interpreted or applied, reference should be made to the text published by the Éditeur officiel du Québec, which can be found at the following address: **legisquebec.gouv.qc.ca**. In this Guide, references to the provisions of the *Act* are shown as section numbers in parentheses, where applicable.

Any questions on how the provisions of Chapter XIII of the AERM apply to an official representative and agent of an authorized independent candidate may be addressed to the treasurer of the municipality or to the DGEQ by contacting a political financing coordinator at the:

#### Direction du financement politique

Élections Québec 1045, avenue Wilfrid-Pelletier, bureau 200 Québec (Québec) G1W 0C6

Telephone:

418 644-3570 (city of Québec area) 1 866 232-6494 (toll free)

email: financement-municipal@electionsquebec.qc.ca

Website: electionsquebec.qc.ca



The rules described in this Guide apply to municipalities with 5,000 inhabitants or more, and to any municipality with fewer than 5,000 inhabitants that were already been subject to Chapter XIII of the AERM.

# Role and responsibilities



Any candidate who wishes to solicit or collect contributions, take out loans, use material for their campaign or incur election expenses, however minimal these may be, must be authorized by the Chief Electoral Officer (DGE).

In the case of a general election, an elector may submit an application for authorization with the clerk or secretary-treasurer of their municipality, **beginning on January 1**<sup>st</sup> **of the year preceding the year in which the election is to take place.** In the case of a by-election, electors may apply for authorization as of the day on which the seat becomes vacant.

During an election period, independent candidates may apply to the returning officer of their municipality for authorization when filing their nomination paper or thereafter.

# 1.1 Role

(ss. 164, 382 and 455)

The official representative and the official agent of an authorized independent candidate are one and the same person. The independent candidate may designate himself as their own official agent and official representative. In short, an official representative is responsible for financing, and expenses incurred outside the election period, as well as preparing and filing the financial report. An official agent is responsible for election expenses and for filing the return of election expenses.

# 1.2 Appointment

(Sections 164, 349, 381 to 384, 400 and 400.1)

As part of his or her application for authorization, independent candidate must designate his official representative or designate himself in this capacity. The official representative, if not the candidate, must countersign the application, which is in lieu of consent to his appointment. As for the appointment of the official agent, it must be made when the nomination paper is submitted. The official agent, if he is not the candidate, must also countersign the nomination paper, which is in lieu of consent to his appointment.

Every employer shall, upon written request, grant leave without pay to an employee who is the official agent of a candidate (section 349).



In no case may an official representative or official agent be a person who (section 383):

- is not an elector of the municipality;
- is a candidate for a position on the council of the municipality, except for authorized independent candidate who designates himself or herself as his or her own official agent and representative;
- is the leader of a party carrying on its activities in the territory of the municipality;
- is an election officer in the municipality or an employee of such an election officer;
- is an officer or employee of the municipality or of a mandatary body of the municipality;
- is the Chief Electoral Officer or a member of his personnel;
- is convicted of an offence that is a corrupt electoral practice within the meaning of section 645 of the AERM, section 223.1 the *Act respecting school elections* to elect certain member of the boards of directors of the English-language school service centres or section 567 of the Election Act. The disqualification will be in effect for five years from the day on which the judgment convicting the person becomes a res judicata.



An independent candidate who contributes only personally to his campaign, up to a maximum of \$1,000, and who uses his personal bank account to pay his campaign expenses, must be his own official representative and official agent.

If the obligation, described in the box above, is not met when applying for authorization and the authorized independent candidate has appointed someone other than himself as official representative and official agent despite his intention not to open an election fund, since he will self-finance up to the maximum amount provided for in the AERM, he has two possibilities:

- 1. Open an election fund to allow the official representative and official agent to incur and pay election expenses from this fund.
- 2. Remove the role of official representative and official agent from the person he had previously appointed to appoint himself to these two roles in order to continue using his personal bank account without opening an election fund.

# 1.3 Resignation and replacement

(ss. 386, 387, 393, 425, 487 and 496)

The official representative and agent of an authorized independent candidate who ascertains that one of the aforementioned conditions is not respected must resign immediately. He may also resign, for any other reason. A notice in writing to this effect must then be sent without delay to the candidate and the DGE (section 386) to the attention of the Direction du financement politique.

He must however submit to the candidate, as soon as possible following his resignation, a financial report and where applicable, a return of election expenses. The report and return must cover the period during which he performed his duties and be accompanied by the related invoices, receipts or other vouchers. The resignation of the official agent after the election period does not relieve him of the obligation of filing by the required deadline his return of election expenses, unless filed by a replacement (sections 487 and 496). A vacancy of the position of official representative or official agent position must be filled without delay (section 387).

# 1.4 Mandatory training given by Élections Quebec

(Section 387.1)



Within 10 days of their appointment, official representatives and official agents of authorized independent candidates must take the training on political financing and election expense rules provided by the DGE. Following this, they must take any complementary training given by the DGE to update their knowledge.

The training is available online. Everyone who is required to take it must provide an email address when appointed. The email address will be used to confirm the participant's identity and forward information and to allow transmission of all communications related to accessing, using and taking training.



A note is placed beside each name on the Register of authorized political entities of Québec (known by its French acronym REPAQ) to identify the persons who have or have not taken the mandatory training within the required time limit. The notes are accessible to the public on the website of Élections Québec.

# 1.5 Summary of main responsibilities

- Manage the election fund (election bank account).
- Control the sums collected.
- Incur or authorize expenses.
- Pay expenses.
- Save all vouchers that you have not provided to the treasurer.
- Produce the various reports.

# 1.6 Declaration of a candidate's publicity expenses

(s. 162.1)

Section 162.1 of the AERM stipulates that a candidate's nomination paper must show the total publicity expenses related to the election that the official representative of an authorized independent candidate has incurred and used during the period starting January  $1^{\rm st}$  of the year of a general election and ending on the day on which the election period starts.

In the case of a by-election, January  $1^{st}$  is replaced by the day on which the seat becomes vacant.

Where the total amount spent on publicity exceeds \$1,000, the nomination paper must include a breakdown of the publicity expenses.

These publicity expenses will have to be included in the return of election expenses filed no later than 90 days following polling day, in the column "Amounts not included in the election expenses".

### How do we properly record publicity expenses?

The publicity expenses that the candidate must detail in the nomination paper are expenses related to the election regardless of the medium used. They may be expenses for publicity on the radio or television, in newspapers, in printed documents or on any other medium or technology platform (pamphlets, posters, signs, badges, website, etc.). Publicity expenses include all expenses incurred for the design, development, production, dissemination and distribution of advertising material.



Moreover, in the case of a publicity expenses incurred for goods or services used both before and during the election period, these must be prorated based on the frequency of use prior to the election period in relation to the frequency before and during the election period.

#### **EXAMPLE OF CALCULATION**

A future authorized independent candidate (elector authorized by the returning officer) has election signs installed 10 days before an election period lasting 45 days and the cost of the signs totals \$7,000. The amount of the publicity expense to indicate in the nomination paper is \$1,272.73 (10 days X \$7,000/55 days).

$$\$7,000 \times \left( \frac{10 \text{ days}}{55 \text{ days}} \right) = \$1,272.73$$

# 1.7 Application for withdrawal

(ss. 403, 404, 407, 408 to 411 and 413)

If the authorized independent candidate that you represent wishes to file an application for withdrawal of authorization, contact a coordinator or advisor with the Service du Registre et de la coordination et de la gestion des contributions politiques at 418,644 644-3570 from the Québec area, or 1 866 232-6494 (toll free) elsewhere in Québec.

# 1.8 Key dates for a general election

**DAY -44** 

Start of the election period
First day for filing a nomination paper

**DAY - 40** 

First day for accepting an application for authorization from a private intervenor

**DAY - 30** 

Last day for filing a nomination paper

DAY - 20

Last day for accepting an application for authorization from a private intervenor

DAY 0

Polling day

**DAY +30** 

Deadline for filing the expenses returns of private intervenors

DAY +60

Deadline for accepting a claim from your suppliers for expenses incurred, but not claimed

DAY +90

Deadline for filing the report and return of an authorized independent candidate

# 1.9 Extranet

Élections Québec provides you with an online platform where all the documents necessary to fulfill your role as official representative and official agent are available. All the information guides, directives, forms and other various tools can be found there. It is also where all news about political financing are published and where you can access the Web application for filing your report of an authorized independent candidate.



You can access it with the same login information used during your mandatory training. Go to **pes.electionsquebec.qc.ca** to consult all the available documentation.

# 1.10 Role and responsibilities of your municipality's treasurer

The treasurer's role is to assist the Élections Québec team in the application of Chapter XIII of the *Act*. When acting in this capacity, the treasurer is under the sole authority of the DGE (section 376).





Among other things, the treasurer must:

- Provide the relevant documents to an authorized independent candidate (Guide for the official representative and official agent of an authorized independent candidate, contribution receipt booklets) and provide the candidate with relevant instructions:
- Post and keep up to date the list of official agents of parties and authorized independent candidates and, where applicable, the lists of deputy official agents of parties (section 394) as well as the limit on allowable election expenses for each elected position;
- Calculate election expense limits and convey a copy to all official agents (preliminary and final);
- Receive and verify the return of election expenses of the authorized independent candidates and the political parties;
- Issue to those concerned notices of failure to file a report or return within the required time limits (sections 64 and 502 to 504);
- Calculate and pay out matched revenues (for municipalities with a population of 20,000 or more);

Introduction

- In accordance with the AERM and with the approval of the DGE, reimburse election expenses to independent candidates so entitled (section 476);
- Forward to the DGE a copy of all financial reports and activity reports and, upon request, a copy of all return of election expenses that the treasurer has received (section 500);
- Publish, in a newspaper distributed throughout the municipality, a summary of the return of election expenses (section 499);
- Produce and file with the municipal council, if applicable, on or before April 1<sup>st</sup> of
  each year, a report on the treasurer's activities under Chapter XIII of the Act for
  the past fiscal year; the treasurer must also send a copy to the DGE (section 513).

# Receipts

## 2.1 General information

There are different ways of generating financing to cover election expenses. The most common is unquestionably through contributions, but it is also possible to take out a loan or organize political activities. This second part of the guide provides information for the official representative (the sole person responsible for revenue) on the various funding methods and the rules governing political financing.

However, before generating revenue, there is an essential step that must be taken, which is the opening of a bank account to use for your bank account (the election fund).

# 2.2 Election fund

(ss. 457 and 458)



Once authorization has been obtained, the second step consists of opening a bank account through which **all** receipts and **all** disbursements must transit. This account, known as the "election fund", has to be opened in a Québec branch of a financial institution. Also, you **must** receive a monthly bank statement, and cheques (originals or scanned) must be returned to you.

The official representative must deposit in the account all contributions received from electors, all loans and all sums and subsidiary revenues collected during political activities. Subsequently, every disbursement for an election expense or an election-related expense must be made from this fund. Directive D-M-4 contains the information required to open this account.

Also, after the election period, any amount paid by the municipality as matched revenue or to reimburse election expenses, whether or not in the form of an advance, must be deposited in the election fund. Moreover, you are not allowed to close the account until all election-related debts are paid off in full. The account must remain open until all transactions related to the election have been concluded.



The opening of this account is not required when the sums held in their election fund come **exclusively** from contributions made by the authorized independent candidates themselves up to the maximum of \$1,000.

## 2.3 Contributions

(ss. 47, 401, 427, 429, 430, 433, 439, 454, 458 and 498)

#### **Definition**



The donation of a sum of money to a party or an authorized independent candidate, the services rendered (except in the case of volunteer work, see section 3.4 in this guide) and the property provided free of charge are contributions.

A sum of money, a good or service provided by the candidate himself for the purpose of his or her election are also considered as political contributions, other than an amount used to pay for a transportation expense or a personal expense that is not reimbursed and that does not include the cost of any publicity.



Only an elector of the municipality may make a contribution for the benefit of a party or an independent candidate authorized for that municipality. The contribution must be made by the elector and must come out of the elector's own property. In addition, the contribution must be made voluntarily, without compensation or consideration, and must not be reimbursed in any way (s. 429 and 430).

Under section 47 of the AERM, an elector of the municipality is any person of full age, who is a Canadian citizen, who has not lost the right to vote because of tutorship, who has not been found guilty, within the last five years, of an

offence that is a corrupt electoral practice within the meaning of the *Election Act*, the *Referendum Act*, the *Act respecting elections and referendums in municipalities* or the *Act respecting school elections* (sections 1 and 568), and who meets one of the following two conditions:

- 1. his domiciled in the territory of the municipality, and has been, for at least six months, domiciled in Québec;
- 2. has been, for at least 12 months, the owner of an immovable or the occupant of a business establishment, within the meaning of the *Act respecting municipal taxation* (CQLR, c F-2.1), located in the territory of the municipality.

In the case of co-owners or co-occupants of an immovable, only the co-owner or co-occupant designated by means of a power of attorney (DGE-1419) granted by a majority of all co-owners or co-occupants is entitled to contribute to the financing of political parties and authorized independent candidates. The person designated by such a power of attorney must make such contributions out of his own property. The municipality must have received the power of attorney for this person to be permitted to make a contribution.



Contributions may only be made to the official representative or to a person designated in writing (canvasser). Contributions must be deposited in the account opened as an election fund.

Contributions may be canvassed or collected up to the date the on which the authorized independent candidate's reports and the return are filed. After that day, the official representative is authorized to solicit and to collect contributions for the sole purpose of paying off debts contracted during the candidate's authorization. If there are no debts, and funds or assets still remain in the election fund on December 31<sup>st</sup> following the year of the election, the funds must be remitted to the treasurer of the municipality who will deposit them in the general fund of the municipality (s. 401 and 498).

#### **EXCEPTION**

Exceptionally, when a surplus results from the candidate's own contributions, the candidate may keep the surplus as a reimbursement of his own contribution. The initial contribution receipt, however, will have to be cancelled and a new contribution receipt issued.

# Maximum contribution allowed under the Act (s. 431)



The total contributions, in money and in goods and services, made by the same elector during the same fiscal year (calendar year), cannot exceed **\$100** to each of the parties and to each of the authorized independent candidates.

## Additional contribution during an election

(s. 431)

In addition to the regular contributions, which may total \$100 in a given fiscal year, an elector of a municipality in which an election is being held may, for that election, pay additional contributions not exceeding \$100 to each of the parties and to each of the authorized independent candidates.

These additional contributions can be made:

- during the fiscal year in which a general election is held;
- during a by-election, as of the vacancy of the position and until the 30<sup>th</sup> day after polling day.



In addition, the *Act* provides that an authorized independent candidates may, as soon as his nomination paper is accepted, and until December 31 of the year in which the poll is held, make contributions on their own behalf, the total of which may not exceed \$800. In all, and only during the year of an election, an authorized independent candidate may contribute up to \$1,000 to their own campaign.

When?	Who?	Maximum contribution
Every year	For every elector	\$100 per entity (party or authorized independent candidate)
The year of a general election	For every elector	An additional \$100 per entity
For each by-election, from the notice of vacancy to the 30 <sup>th</sup> day after polling day	For every elector	An additional \$100 per entity
From the acceptance of the candidate's nomination paper to December 31 of the year in which the poll is held	For every candidate	Additional \$800 for the candidate's own campaign

### Contribution of more than \$50

(ss. 436 and 480)



Every monetary contribution of more than \$50 must be made by cheque or other payment order signed by the elector and drawn on the elector's personal account in a financial institution having an office in Québec.

The cheque or the payment order must be made out to the authorized independent candidate's electoral fund. In this respect, we strongly recommend that you make copies of the contribution cheques and that you remit them with the other supporting documents accompanying the authorized independent candidate's reports. That said, it is clear that a contribution of more than \$50 cannot be made in cash or by means of a postal money order or a bank draft. This is because postal money orders and bank drafts are not signed by the elector and are not drawn on the elector's account in a Québec branch of a financial institution.

A bank draft is a document drafted and signed by a financial institution that guarantees payment. Thus, such a payment order is not signed by the elector and is drawn up by a financial institution without the payment being drawn on the elector's account.

A contribution may also be made by credit card. However, there are conditions for accepting this type of contribution. If you intend to use this method of payment, please refer to Directive D-M-21 and contact a political financing coordinator at the Direction du financement politique.



The Report of an authorized independent candidate (Section 4 of the guide) must specify the number of contributors and the total amount of contribution of more than \$50 collected during the period covered by the report. In addition, the report must be accompanied by a list, in alphabetical order, showing the name and address of each contributing elector, the number and date of the receipt and the amount contributed.

#### Contribution of \$50 or less

(s. 480)

Contributions of \$50 or less must be recorded and paid into the election fund like any other revenue. The financial report must give the number of contributors and the total contribution amount for contributions of \$50 or less collected during the fiscal year.

All payment methods are accepted for contributions of \$50 or less. They can therefore be paid by cheque, credit card **D-M-21**, cash, bank draft and bank transfer.

#### Tax credit

At the municipal level, under the *Taxation Act*, money contributions are eligible for a tax credit equivalent to 85% of the first \$50 and 75% of the amount in excess of \$50 up to \$200, constituting a maximum credit of \$155 per calendar year, excluding money contributions made by authorized independent candidates for their own benefit.

## Contribution of goods and services

(s. 427)

A good or a service provided free of charge to an authorized independent candidate (with the exception of volunteer work; see section 3.4 of the guide) constitutes a contribution. This should be reflected in the financial report. Like any other contribution, a contribution of goods or services must be solicited or obtained under the authority of the official representative or persons designated by the representative (canvassers).



Only an elector of the municipality may make a contribution in the form of goods and services. The maximum annual amount allowed by the *Act* for a political contribution must also be respected.

The good or service is evaluated at the current market price, i.e. at the lowest market retail price offered to the general public in the normal course of business, in the region and at the time it is provided. In addition, an invoice describing the good or service and attesting to its value must be produced by the elector and a contribution receipt must be issued. (See also section 3.2 of the guide entitled, "Use of goods or services provided free of charge").

## Illegal contribution

(ss. 440 and 90.6)

Every contribution made contrary to the provisions of the *Act* (e.g. a contribution from a company [legal person], a contribution exceeding the maximum permitted by section 431 of the AERM, etc.) must be returned to the municipal treasurer as soon as the fact is known, and the treasurer must pay it into the municipality's general fund.



The DGE may write to an official representative of an authorized independent candidate to claim any political contributions deemed to be illegal.

The DGE will post on the Elections Québec website any claim for illegal contributions made to a political entity.

#### Canvasser

(s. 432)

As the official representative, you are responsible at all times for the contributions solicited or collected and deposited. You may, however, designate persons in writing (canvassers), to assist you in this task. You must then provide each of them with a signed certificate attesting to their capacity as a canvasser and keep a copy. Every canvasser must, upon request, show this certificate, a model of which can be found in Directive **D-M-6**. Where applicable, you must remit with each of your reports the all of the canvasser's certificates who were active during the period covered by the report along with the list of canvassers even if you did not designate any during the period.

If the candidates themselves wish to collect contributions and they are not their own official representative, they must first be issued a canvasser certificate by their official representative.

#### Contribution receipt

(s. 434)



For every contribution, **regardless of the amount**, without however exceeding the maximum allowable under the *Act*, the official representative or designated canvasser **must** issue a receipt to the contributor. When a contribution is received by mail or by other means without having been directly solicited, a receipt must be issued within 30 days after cashing it. You are provided with contribution receipts prescribed by the DGE for this purpose.

When issuing a contribution receipt, the official representative or the designated canvasser must ensure that the space entitled "Declaration signed by the elector" is completed and signed by the contributor.

If an elector wishes to send you a contribution by mail, you can ask the elector to print and complete the temporary contribution receipt found on the Élections Québec website, sign the elector's declaration and send the receipt with the payment. You must then send an official contribution receipt that the contributor can use for tax purposes, and keep an official representative copy to use when you reconcile your contributions. The temporary contribution receipt signed by the elector must be stapled to the copy of the receipt intended for the DGE.



**Note**: An authorized independent candidate who funds his or her own campaign must issue a contribution receipt.

# Monitoring of contribution receipts

The official representative must monitor all contribution receipts provided by Élections Québec or approved by the Chief Electoral Officer and print them for their own use.

To ensure effective monitoring, you can ask canvassers to whom you issue receipts to provide you with a report on their use. They can also give you cancelled and spoiled receipts. You will find a model reconciliation report for receipts provided to a canvasser **DGE-1099** on the extranet. You can also consult Directive **D-M-6** for more information on this subject.

You must submit the copy of the contribution receipt intended for the treasurer and the copy intended for the Chief Electoral Officer to the treasurer when filing the report of an authorized elector, the reports of the authorized independent candidate, and the additional financial reports, where applicable. You must also submit these copies before requesting an advance, so that it can be paid out. The transmission slip for contribution receipts (*Bordereau de transmission des reçus de contribution*, **GCEMCIA-3**) must accompany the copies of the receipts.



When submitting the copies intended for the Chief Electoral Officer, you must attach a copy of the cheque to the receipt if the contribution was made by cheque; a copy of the transaction confirmation email (payment form) if the contribution was made by credit card on a transactional website; and a copy of the elector's consent if the contribution was made by credit card without a transactional website.

## 2.4 Political activities

#### **Definition**

(ss. 428(7) and 480)



A political activity is an activity organized with the aim of raising funds for an authorized candidate's election campaign through the sale of tickets. For example, a dinner, a golf tournament, a cocktail, etc. may, under certain conditions, constitute activities of a political nature.

As the official representative, you are responsible for all amounts collected in connection with a political activity. All such revenue must be recorded and paid into the election fund. This revenue must be included in the financial report of the authorized independent candidate's report and you must also, for each activity held, if you collected admission fees, complete the form *Political activity or financing return* prescribed in Directive **D-M-26**. The form must be enclosed with the report and return. If no money is collected at an activity, you do not need to produce a report for it.

#### Sums collected

(ss. 428.7 and 453(4.1))

The AERM defines the circumstances under which admission fees collected during political activities may be accepted without issuing a contribution receipt.



The total amount of activity revenue collected without a receipt may not exceed 3% of total contributions collected during the period covered by the financial report. Here's how to manage this revenue according to whether the admission fee per day is \$60 or less, or more than \$60.

If the admission fee is equal to or less than \$60: two possible options:



#### THE ADMISSION FEE IS \$60 OR LESS

#### Treated as a contribution

#### **CONDITIONS:**

- ▶ this choice must be applied uniformly to all participants;
- ▶ a contribution receipt must be issued for the amount of the admission fee;
- ► for admission fees over \$50, the payment must be made by cheque or credit card D-M-21 from the elector's own property;
- the person paying the admission fee must be a qualified elector and his or her payment must be considered in the total amount of the contributions he or she pays.



#### THE ADMISSION FEE IS \$60 OR LESS

#### NOT treated as a contribution

#### **CONDITIONS:**

- this choice must be applied uniformly to all participants;
- contribution receipts must not be issued, except as mentioned below;\*
- any person (natural or legal) may pay the admission fee, once, whether or not they are a qualified elector;\*
- ▶ income is limited to 3% of the total amount of contributions collected during the period covered by the financial report;
- ▶ a list of the people present must be drawn up.
- \* A person who is a qualified elector may pay for more than one admission. However, the amount over and above the price of one admission must be treated as a contribution, and a contribution receipt must be issued for it.



The official representative is solely responsible for financing activities. In this respect, when the admission fee to a political activity or rally is \$60 or less and you choose to treat it as activity income and not issue contribution receipts, you must **institute the necessary controls** so that, if asked by the DGE, you are able to prove compliance with this provision of the AERM.

For control purposes, the official representative must compile a list of the names and addresses of the persons (natural or legal) who paid an admission fee. This list must be filed at the same time as the political activity report, as prescribed by Directive **D-M-26**.

More specifically, for every person who buys more than one ticket to the event, you must ensure that:

- the person is a qualified elector (s. 47 and 429);
- the payment method complies with section 436;
- a contribution receipt is issued for the amount in excess of the first admission fee (s. 434);
- the receipt is signed by the contributor;
- the limit on contributions from that elector has been respected (s. 431).



Under section 440.1 of the AERM, all illegal financing must be returned to the municipal treasurer within 30 days after filing the financial report.

#### **EXAMPLE**

Total contributions collected during the period covered by the report:		5 000 \$
Maximum amount of income that can be collected without a contribution receipt at political activities:	×	3 %
Maximum amount that can be collected without a receipt:		150 \$



#### THE ADMISSION FEE IS MORE THAN \$60

#### Must be treated as a contribution

#### **CONDITIONS:**

- A contribution receipt must be issued for the amount of the admission fee;
- ► The receipt must be signed by the contributor (who must be an elector of the municipality);
- ► The payment must be made by the elector, by cheque, out of his own property;
- ▶ The amount paid must be included in the total amount of contributions made by that elector.

During the election period, the expenses incurred to hold a political activity are considered election expenses, except for the cost of any food or beverages served when included in the admission fee paid by the participant.

#### Can a political activity be split into sub-activities?

It is possible to divide a political activity into sub-activities by applying different admission fees. However, you cannot do so for the purpose of circumventing the rules applicable to a political activity for which the total admission fee is greater than \$60.



For example, you are organizing a golf tournament. The cost for participants is \$50 for golf, \$35 for the dinner and \$15 for the dance afterwards. Separate tickets are sold for each sub-activity. If a participant buys three tickets, for each of the golf tournament sub-activities, you must treat the total price paid as a contribution because they are for the same activity and the total cost is more than \$60.

# Subsidiary revenues

(ss. 428(8) and 480)

Subsidiary revenue can only be collected during a political activity, and it is not necessary to issue a contribution receipt for it. It may include revenue from a cloakroom or the sale of non-alcoholic beverages. The official representative of any authorized political entity, or his or her delegate, may obtain a permit to sell and serve alcoholic beverages in political activities. For further details, please verify with the Régie des alcools, des courses et des jeux and the Regulation respecting the procedure applicable before the Régie des alcools, des courses et des jeux.



Subsidiary revenues must be reasonable, namely minor, non-recurrent and corresponding to the number of participants attending a political activity.

Promotional items sold during political activities are considered subsidiary revenue. The purchase price, the sale price and the quantities sold must appear in the activity report. Please note that you may sell promotional items at any time in a reasonable quantity, provided that it does not constitute commercial income and that it cannot be equated with such income.

The total amount of subsidiary revenues collected must appear in the financial report included in the *Report of an authorized independent candidate* **DGE-1027**. In addition, the details, nature, location and date of the activity or event must be specified in an activity report to be filed with the financial report (see Directive **D-M-26** for more information).



The DGE evaluates the reasonable nature of the subsidiary revenues collected by an authorized independent candidate. Any subsidiary revenue not meeting the aforementioned conditions will be considered an illegal contribution and will have to be returned to the treasurer of the municipality in accordance with the provisions of section 440 of the AERM.

# 2.5 Loans and surety

(ss. 446, 446.1, 447, 447.1 and 448)



As the official representative, you are the only person authorized to contract a loan with an elector of the municipality or a financial institution. You can also contract loans from the candidate, as he is a qualified elector. A loan from an elector must be made by cheque or other order of payment signed by the elector, and must be drawn on the elector's own account at a financial institution having an office in Québec.

A loan agreement, like a suretyship agreement, must include a declaration by the elector attesting that the loan is made or the suretyship is contracted from the elector's own assets, voluntarily, without compensation or consideration, and that it will not be reimbursement in any way other than as provided in the loan agreement.

Only an elector can stand surety for a loan. The total amount of unpaid capital of the loan granted and the amount for which the elector provides surety cannot exceed \$5,000. Pay special attention to surety contracts, because in financial institutions, all sureties are joint sureties unless otherwise indicated. Hence, if an elector wishes to provide surety for a loan, he must ensure that the loan agreement stipulates that the suretyship will apply up to a maximum amount of \$5,000.



All loans must be contracted at the current market interest rate and be **ascertained in writing**. The loan document must indicate:

- the lender's name and address:
- the date, amount and term of the loan;
- the rate of interest on the loan;
- the terms and conditions for repayment of capital and the frequency of payment of interest;
- a declaration by the elector, stating that the loan is granted or the surety contracted out of the elector's own property, voluntarily, with no compensation or consideration, and that it will not be reimbursed in any way other than as provided in the loan or surety agreement. A model loan agreement is made available to official representatives by Élections Québec via the extranet of authorized political entities.

Be aware that a loan agreement must always be drawn up and signed and annual interest must be paid, even when it is the independent candidates themselves who are loaning money to their own election campaign.

#### IMPORTANT >>>



We strongly recommend that you maximize your contributions before taking out a loan. It is better for you to use the maximum contribution of \$1,000 from an authorized independent candidate before taking out a loan, since the remaining balance of an excessive loan may prove difficult to repay after the election.

Moreover, a candidate who has not repaid his loan at the end of his authorization cannot run as a candidate again for a period of four years (section 65).

#### Line of credit

A line of credit may be used to have all or part of the expenses of your candidate paid off by the date of filing of the *Report of an authorized independent candidate*. You must include, in the loans, the amount owing on the line of credit. When a line of credit is required at the time of filing the financial report to cover cheques not yet cleared, you must ask the financial institution to transfer the necessary amounts into the current account prior to submitting your report. That way, all your claims (invoices) will be considered paid, as required under the *Act*.

#### Current market interest rates

(s. 428(4))



The current market interest rate for a loan or line of credit is the rate of interest established by a financial institution in the normal course of business, at the time the loan is granted. This rate takes into account the circumstances, repayment possibilities and additional sureties offered by the borrower. To determine the rate established by a financial institution, you must identify the rate that the institution would charge the public for a loan of the same amount, with the same repayment guarantees.

When a loan granted by an elector is offered at a rate lower than the current market interest rate, the difference between the amount of interest charged by this elector and the amount of interest that a financial institution would charge the public for this same loan constitutes a contribution. Thus, failing to provide for a higher interest rate, this contribution must be calculated the same way as any other contribution and is subject to the same rules.

## Loan repayment

(s. 449

A loan may only be repaid with contributions made by an elector (within the limits set out in section 431 of the AERM), by revenues from political activities, by matching sums or reimbursement of election expenses. In this respect, the candidate must stay within his contribution limit when repaying a debt out of his own property. This rule also applies in the case of a loan from the authorized independent candidate.

Also, after the election period, the election fund may not be closed until all loans are repaid in full.

## Payment of interest

(s. 448)



The official representative must pay, at least once a year, any interest owing on loans that they have contracted, even when a loan has been granted by the candidate himself.

#### Deadline for repayment

(ss. 65, 402, 474 and 509)



December 31<sup>st</sup> of the second year following the year of the election is the deadline for repayment of any loan. When a loan is not repaid or is repaid after the deadline, as of that date the candidate in question, whether elected or unelected, becomes ineligible to run as a candidate for the next four years.

However, the ineligibility of an elected independent candidate ceases on the day of filing a financial report showing that all of the candidate's debts have been paid off, when filing occurs before the end of the four-year period.

Moreover, elected independent candidates who on December 31<sup>st</sup> of the second calendar year following the election year have not paid off their debts incurred during their authorization lose the right to sit as members of their municipal council as of that date and until such time as they have paid off all debts and have filed an additional financial report evidencing such payment.



CHIEF ELECTORAL OFFICER

The loss of the right to attend these municipal council sessions includes the loss of the right to attend as a member the sessions of the boards, committees, commissions and bodies referred to in section 504.

# 2.6 Reimbursement of election expenses

(ss. 476, 477 and 478)

It is only after receiving and auditing the reports of the authorized independent candidate that the treasurer can reimburse from the municipality's general fund the candidate:

- who was elected;
   or
- who obtained at least 15% of the votes cast in the election for the seat in question.



An eligible independent candidate shall be reimbursed for his or her election expenses the lesser of:

 the amount equal to 70% of the eligible election expenses recorded in the return of election expenses

or

 the total amount of debts arising from the candidate's election expenses plus the candidate's personal contribution

When calculating the reimbursement, the amount to which the authorized independent candidate is entitled in as matching sums pursuant to section 442.1 to 442.3 is subtracted from the admissible election expenses.



This method of calculation thus avoids the personal enrichment of authorized independent candidates when paying the reimbursement of election expenses to which they are entitled.

The reimbursement is made jointly to the candidate and his or her official representative and must be deposited in the election fund.

Where proof of payment was not provided when the return was filed, the cheque honoured by the financial institution or any other proof of payment must be sent to the treasurer at a later date.

# 2.7 Matching revenue during elections

(ss. 442.1 to 442.5)

In general or by-elections, the treasurer of any municipality with a population of 20,000 and over will pay matched revenues to authorized independent candidates, along with the reimbursement of election expenses.

This income is calculated at the rate of \$2.50 per dollar received as a contribution income as of January 1<sup>st</sup> of the year in which a general election is held until polling day or, for a by-election, during the election period.



When calculating matched sums, you must exclude the contributions made by the candidates themselves for their own benefit.



Maximum amount to which an authorized independent candidate running for the office of mayor or borough mayor is entitled:

(office of mayor	NUMBER OF INHABITANTS IN THE MUNICIPALITY/BOROUGH		
or borough mayor)	Lower limit	Upper limit	
\$1,000	<ul><li>Under 20,000 (borough)</li><li>20,000 or more (municipality)</li></ul>	49,999	
\$2,000	50,000	99,999	
\$3,000	100,000	199,999	
\$3,500	200,000	299,999	
\$4,000	300,000	399,999	
\$4,500	400,000	499,999	
\$5,000	500,000	999,999	
\$10,000	1,000,000 or more		



Maximum amount to which an authorized independent candidate running for the office of councillor is entitled:

MAXIMUM AMOUNT (office of councillor)	NUMBER OF INHABITANTS IN THE MUNICIPALITY/BOROUGH	
	Lower limit	Upper limit
\$500	<ul><li>Under 20,000 (borough)</li><li>20,000 or more (municipality)</li></ul>	49,999
\$750	50,000	499,999
\$1,000	500,000 or more	

When calculating the reimbursement of election expenses, the treasurer must subtract from the election expenses shown in the return, the amount of matching sums to which an independent candidate is entitled.



In addition, the amount to which an independent candidate is entitled in the way of matched revenue plus the reimbursement of election expenses may not exceed the total calculated by adding the debts resulting from their election expenses incurred and paid in accordance with the *Act* and the amount of the personal contribution of the candidate as attested to by a contribution receipt.

# 2.8 Advance on public financing and on reimbursement of election expenses

(ss. 474.1 and 474.2)



After receiving the *Return on the payment of an advance* **DGE-1045** as prescribed in Directive **D-M-32** (see also section 4.1), the treasurer of a municipality must immediately pay to the candidates entitled to matched revenue an advance of 50% of the matched revenue amount and, for candidates entitled to reimbursement of their election expenses, an advance of 50% of the reimbursement. The advance is made jointly to the authorized independent candidates and their official representative.

Receipts

Any overpayment of an advance must be repaid to the treasurer within 30 days after notice is sent to the official representative.

If the advance is paid before the authorized independent candidate's report is filed, it must be considered as an entry into your election fund. It should only be used to pay the balance of a loan and should be reported as such in your report.

# 3 Disbursements

# 3.1 General information

(ss. 455, 457, 458, 459, 460, 463 and 465)

All expenses, whether election expenses or non-election expenses, must be paid by cheque, debit card, credit card or bank transfer from the election fund. The official agent is solely responsible for election expenses and must authorize and pay for them. The vouchers defined in Directive **D-M-34** are required as they constitute proof of payment of an expense. The official agent must also keep the original invoices for all of his or her expenses (including federal and provincial taxes) and enclose them with the return of election expenses.

An election expenses limit is conveyed to you by the municipality's treasurer. This limit must never be exceeded, otherwise the official agent commits an offence, could be prosecuted and, as the case may be, accused of committing a corrupt electoral practice.



The third part of this guide describes the four categories of expenses, namely:

- publicity, which is by far the most common expense, but which must be very carefully identified (section 3.3);
- goods and services;
- rental of premises;
- travel and meal expenses.

# 3.2 Election expenses

#### **Definition**

(s. 451)



An election expense is the cost of any goods or services **used** during an election period in order to:

- promote or oppose, directly or indirectly, the election of a candidate or the election of candidates of a party;
- propagate or oppose the program or policies of a candidate or party;
- approve or disapprove of courses of action advocated or opposed by a candidate or party;
- approve or disapprove of any act performed or proposed by a party, candidate or their supporters.

#### **EXCEPTIONS**

# **Exceptions to election expenses**

(ss. 453 and 454)

Some goods and services are not considered to be election expenses. They include:

- 1. The cost of publishing articles, editorials, news, interviews, or letters to the editor in a newspaper, periodical or other publication. When this is done, the following conditions must be respected:
- the publication must be made in the same manner and under the same rules as outside the election period;
- there must be no payment, reward or promise of payment;
- it must not be a newspaper, periodical or other publication established for the purposes or in view of the election;
- the circulation and frequency of publication must be the same as outside the election period.
- 2. The cost of broadcasting a public affairs, news or public opinion program on a radio or television station. Such programs must be broadcast in the same manner and under the same rules outside the election, without payment, reward, promise of payment or promise of reward.

#### **EXCEPTIONS**

- 3. The transportation costs of a person other than a candidate paid out of the person's own money and not reimbursed to the person.
- 4. The cost of food and beverages served at a political activity where the cost is included in the admission fee paid by participants.
- 5. Interest accrued from the date on which a loan is contracted during an election period to the 90<sup>th</sup> day after polling day, on any loan granted to an official representative to cover expenses, unless this interest was paid by the official agent and declared in the return of election expenses.
- 6. Any reasonable costs incurred by a candidate for his or her transportation or other personal expenses that are not reimbursed.
- 7. Expenses incurred for the holding of meetings by non-partisan organizations, the total of which does not exceed \$200 for the entire election period, including the renting of halls and the convening of participants, provided the meetings are not directly or indirectly organized on behalf of a candidate or party. For further information on the organization and holding of public meetings during an election period by non-partisan organizations, please see Directive **D-M-24**.
- 8. Publicity expenses incurred by a private intervenor, the total of which does not exceed \$300 for the entire election period.
- 9. Recounting expenses (new count or counting of ballots).
- 10. All expenses incurred to express thanks, after the polling stations have closed (volunteers' evening, thank-you cards, advertisements in a newspaper, etc.).

# **Election period**

(s. 364)



The election period begins on the  $44^{\rm th}$  day before polling day and ends on polling day at the polling stations closing time.

If a candidate uses goods and services during the election period before being authorized to do so, the cost of these goods and services must still be taken into consideration with respect to the election expenses limit stipulated in the *Act* and be included in the return of election expenses. However, these expenses cannot be reimbursed as election expenses because they were not incurred in accordance with the *Act*.

## Limit on election expenses

(s. 465)

The election expenses of an authorized independent candidate during an election period must not exceed the following limit:



#### In an election for the office of mayor, an amount of \$3,780 plus:

- \$0.30 per person entered on the municipality's list of electors, for the segment ranging from 1 to 20,000 registered electors;
- \$0.51 per person entered on the municipality's list of electors, for the segment ranging from 20,001 to 100,000 registered electors;
- \$0.38 per person entered on the municipality's list of electors, for the segment over and above 100,000 registered electors.

In an election for the office of councillor, an amount of \$1,890, increased by \$0.30 per person entered on the electoral district's list of electors.

Each official representative and agent will be given two limits on election expenses: the preliminary limit, calculated on the unrevised list of electors, and the final limit, calculated after the final revision of the list of electors. The greater of the two will be the official limit to be respected.



CHIEF ELECTORAL OFFICER

The municipality's treasurer will inform you of the preliminary limit and final limits in writing. If you exceed the official limit, you will be committing an offence that constitutes a corrupt electoral practice.

## Incurring and controlling election expenses

(ss. 455 and 461)



As the official agent of an authorized independent candidate, you are the only person who can incur or authorize election expenses.

#### **IMPORTANT**

#### You must ensure that:

- → no one pays a price for goods or services that is different from the market price (price charged in the normal course of business, according to the market in the region and at the time when the goods or services are provided). However, this does not prevent a person from doing volunteer work. For more information, you can refer to the section of this chapter on volunteer work.
- → all cheques you issue and all payments you make using a debit or credit card or bank transfer are entered in the return of election expenses.

# Payment of election expenses

(ss. 466 and 468)

Before filing your return of election expenses, all claims (invoices) received in the 60 days following polling day must be paid unless you have contested them. When the expense is paid by cheque, the cheque will serve as proof of payment. For payments made by debit or credit card and bank transfers, the vouchers shall be proof of payment. Refer to **D-M-34** to learn of the vouchers specific to each payment method.



At no time can you pay an expense in cash unless you do so with a petty cash from the election fund for minor expenses. If a cheque has not been cleared before the date on which the return is filed (outstanding funds), the expense is considered to have been paid in accordance with the *Act*, provided the following conditions are met:

- the cheque, card payment or transfer of funds must have been issued and sent to the supplier before the date on which the return is filed;
- at all times between the date on which the return is filed and the date on which the cheque is cashed, there are sufficient funds in the election fund to cover the outstanding cheque, the payment or transfer still not cashed by the supplier.

For an election expense to be reimbursed, when proof of payment has not been provided by the time the return is filed, the cheque, proof of payment or transfer, once honoured by the financial institution, must subsequently be sent to the treasurer so that the amount can be reimbursed as an election expense.

In the case where a designated bank account (election fund) was not opened (see Directive **D-M-4**), you must nevertheless provide a voucher as proof that the supplier was paid for the good or service. You may not pay your expenses in cash. You must use a personal credit card or debit card and save the official receipts from a point-of-sale terminal as proof of payment. It is important to remember that the non-opening of an election fund is only permitted for a candidate who is self-financed and who is his own official representative and official agent, as previously specified in this guide.

You must ensure that all election expenses are supported by an invoice. The invoice must include the following information, depending on whether the expense is under \$100 or \$100 and over:



#### **UNDER \$100**

- supplier's name and address
- ▶ invoice date\*

- description of goods and services
- ▶ total amount

#### **\$100 OR OVER**

- supplier's name and address
- ▶ invoice date\*
- quantity

- description of goods and services
- unit rate
- ▶ total amount

<sup>\*</sup> If the invoice date is outside the election period, indicate the dates on which the goods and services were used and the quantities used during the election period, and sign the document

## Expenses incurred, but not claimed

(ss. 467, 472 and 494)

If one of your suppliers has not submitted a claim (invoice or bill) to you in the 60 days following polling day, you must indicate this in the return of election expenses and enclose with the return a cheque drawn on the election fund and made out to the municipality, covering all the expenses incurred but not claimed.

This means that you cannot pay any claim received after the 60-day deadline. The supplier will have 120 days to submit the claim to the treasurer of the municipality, who will inform you of any discrepancy, as the case may be. Beyond this additional period, the supplier's debt is prescribed and the amount you paid is kept in the municipality's general fund. Note that expenses incurred, but not claimed fall within the election expenses limit and are eligible, where applicable, for a reimbursement of election expenses.

#### Contested claims

(ss. 468, 473 and 493)



You can contest a claim (invoice) or a portion of a claim if the expense was incurred without your knowledge or authorization, or if the terms and conditions of the order were not met (quantity, quality, delivery date, price, etc.). If you ordered material and you are contesting the expense, you must not use the material at any time.

Contested claims are not election expenses, provided that the disputed goods or services have not been used. These claims must be entered in your return of election expenses. After the production of the return, you cannot pay a claim which is contested therein, unless expressly authorized by the treasurer. If you find yourself in this situation, contact a political financing coordinator at the Direction du financement politique of Élections Québec, at the contact information mentioned in the introduction to this guide.





### Use of goods or services provided free of charge

During an election period, when a good or service for which you issued a contribution receipt (see heading "Contributions of goods and services" in Section 2 of this guide) is used to promote or oppose the election of a candidate, the cost of such use must be included in the return of election expenses. A voucher describing the good or service and attesting to their value must be submitted by the elector and enclosed with the return. It should be remembered that only an elector of the municipality can donate goods or services, and these goods or services are considered to be a contribution.



The good or service is evaluated at the current market price, i.e. at the lowest market retail price offered to the general public in the normal course of business, in the region and at the time it is provided. A contribution receipt must be issued to the person providing the good or service as a contribution. The value of the good or service may not exceed the maximum annual amount allowed for a contribution.





# Recording of an expense based on the use of a good or service before and during the election period

(Art. 452)



When a good or service is used both before and during an election period, the portion of its cost that constitutes an election expense is calculated as a ratio of the frequency of its use during the election period compared to the frequency of its use the entire time it was used.

#### **EXAMPLE**

For example, if the cost of 1,000 brochures is \$1,000 and 200 brochures are distributed before the election period, \$200 (200/1,000 or 20% of total) will be considered to be a non-election expense and \$800 will constitute an election expense.

It is therefore possible that the amount reported as an election expense in the return of election expenses is not the same as the amount paid to a supplier for the good or service concerned. The difference between the amount paid and the amount posted is not considered an election expense and must be indicated in the "Amounts not included in the election expenses" section.

#### Amounts not included in the election expenses

(ss. 400.1, 443, 452 and 453)

All expenses incurred and **used** from January 1<sup>st</sup> of the year preceding the election year up to the day before the start of the election period must be shown in the "Amounts not included in the election expenses" section. In the case of a by-election, they are the expenses incurred and used from the day the position becomes vacant until the day before the beginning of the election period.

This section of the return of election expenses must also show any other expenses that are not election expenses or that the official agent chooses not to include in the expenses, such as interest on loans, bank charges, legal fees, or the candidate's personal expenses. All these expenses must be paid from the election fund. All accounts and invoices must have been paid by the time the return is filed, unless you are contesting them.

# Candidate elected by acclamation



From the date on which the nomination period ends, you may no longer incur or authorize expenses for a candidate who was elected by acclamation.

In this case, the only eligible election expenses are those that were incurred before the deadline for submitting nomination papers and those arising from orders that could not be cancelled before being used.

# Group of authorized independent candidates

Authorized independent candidates may share common expenses related to their election campaigns. An expense is considered common when the cost is attributable to all the authorized independent candidates in a group, due to their common usage of the expense and the visibility of each candidate in relation to the expense.

## IMPORTANT >>>

The common costs must be charged only to the candidates concerned. These expenses must be distributed on a pro rata basis of the limit on the election expenses of each candidate.

You can refer to Directive **D-M-19** for more information on the distribution of common expenses among several candidates.

The suppliers concerned must bill each candidate in a group according to how their common election expenses are being shared. If for some reason a supplier is unable to provide multiple invoices, one of the official agents must pay the total expense amount and make photocopies of the invoice for the other official agents, indicating on the photocopies the amount owed by each, in order to be reimbursed by the other official agents.

Note that a group is not a political party and that each candidate must appoint an official representative and an official agent. Each candidate's official representative and official agent must pay for all goods and services used in relation to their own candidate's election campaign and each official agent must file their own return of election expenses.

# Categories of election expenses

The following pages address how to calculate, by expense category, the amounts to be treated as election expenses. The categories are:

Publicity	Goods and services
Rental of premises	Travel and meals

# 3.3 Publicity



Radio, television, newspapers, brochures, posters, billboards, badges, Internet and any other advertising material.

As a general rule, advertising and publicity expenses account for the largest share of an election campaign budget. They are also the ones that require the most care in order to comply with the provisions of the *Act*.

# Recording of expenses

(s. 452)

All expenses incurred for the design, development, production and circulation of advertising material used in an election period and meeting the definition of an election expense must be included in your calculations without restriction. However, if use begins before and continues during the election period, you must record the expense using a method based on the frequency of use during the election period compared to the complete frequency of use of the expense. The scale chosen may fluctuate according to the nature of the advertising material used, i.e. the number of units, hours, days, etc.



All costs related to the development, design, strategy, programming and maintenance of social media platforms or the use of a Web platform must be included in the calculation of the amount to be considered an election expense according to the frequency of use. Also, any changes made during an election period to a website, to social media or to a Web platform involving costs constitutes an election expense.

Disbursements

The calculation is as follows:

#### **BROCHURES, WRITINGS, ADVERTISING OBJECTS**

Printing and design costs

X

Quantity used during the election period

Quantity used before and during the election period

In case of reprinting of material used during the election period, the reprinting costs must be included as election expenses.

#### POSTERS, BILLBOARDS, INTERNET ADVERTISING

X

All costs

Number of days during the election period

Number of days of use before and during the election period

#### **ADVERTISING SPOTS**

All costs (development, design, etc.)

×

Number of days of use before and during the election period

Number of days of use before and during the election period

# Identification of publicity

(s. 463)

**Important:** To prove that your publicities are well identified, the official agent must provide a copy of every publicity when filing the return.

All publicity or advertising material must be identified, in accordance with the *Act*, in the following manner:

TYPE OF PUBLICITY	IDENTIFICATION REQUIRED
Written material, object, advertising material	Name and title of the official agent Name of manufacturer or printer
Advertisement in a newspaper	Name and title of the official agent
Advertising on the radio or television	Name and title of the official agent mentioned at the beginning or end of the message
Social Media	Name and title of the official agent of the candidate on each paid-for post
Messages circulated on the Internet	Name and title of the official agent of the candidate

If you are dealing with an advertising agency and the agency requires the services of a printer for various elements of advertising, it is the name of the printer that must be indicated on the advertisement rather than the name of the agency for the identification to be considered compliant.



The terms authorized and paid by are not obligatory.



If authorized independent candidates wish to regroup to do common publicity expenses, they must, **in addition** to respecting the conditions of the aforementioned categories, indicate the name of **each** of the independent candidates concerned, followed by the mention "independent candidate".

#### **EXAMPLE OF IDENTIFICATION**

The following is an example of the proper identification when there are three independent candidates joining together to do common publicity but who each have their own official agent:

- Benoit Legrand, official agent of Bernadette Lecours, independent candidate
- Sylvain Loignon, official agent of Renaud Picard, independent candidate
- · Aline Sévigny, official agent of Roberte Noël, independent candidate

Here is a second example of the proper identification when there are three independent candidates who are doing common publicity and who have the same official agent:

- Benoit Legrand, official agent of:
  - Bernadette Lecours, independent candidate
  - Renaud Picard, independent candidate
  - Roberte Noël, independent candidate

#### Social Media



Twitter, Facebook, Instagram and any other social media can be used for advertising. When <u>expenses</u> are incurred, the name and title of the official agent must be used.

All other costs relating to the development, design, strategy, programming, maintenance of social media platform must be counted when calculating the amount to be assigned as election expenses, depending on the frequency of use. On the other hand, when no costs are incurred to advertise or engage in other activities on social media, it is not necessary to use the official agent's name and title, but it's strongly suggested.

# Non-compliant identification

When publicity is not identified in accordance with the AERM, you may proceed as follows:

- add a sticker or stamp or identify the document by hand;
- take any other steps, as soon as possible, to correctly identify the publicity.

In the case of publicity in a newspaper, the newspaper must not republish a message free of charge, or publish an erratum.



If, despite everything, the publicity or advertising material used is not identified in accordance with the *Act*, you nevertheless record the related expense as an election expense subject to the allowable limit. This election expense, however, is not reimbursable since it is non-compliant. So be vigilant and very careful not to penalize the independent candidate that you are representing as the official agent.



# Advertising material produced by volunteers

If, with the authorization of the official agent, volunteers make posters and billboards, or photocopy messages for election purposes, it is important to remember the following:

- Work done on a voluntary basis does not constitute an election expense within the meaning of section 428 of the AERM;
- Billboards must be properly identified with:
  - the name and title of the official agent;
  - the name of the committee or organization that printed or manufactured them;
- The cost of any material used to manufacture the advertising material, such as wood, paint, nails or paper, is an election expense and must be included in the return of election expenses. In addition, if a photocopier or other type of equipment is used, the official agent must ask the equipment owner to invoice you for its use.

# Self-service printing

The official agent or a person authorized by the official agent may produce advertising materials using self-service printing facilities made available by certain organizations, businesses and other providers. As with any advertising, such in-house advertising must be properly identified. The service provider whose printers and copiers are made available to the public should be considered the printer of the advertising materials and be identified as such. The official agent is responsible for ensuring proper identification. Such identification is required even if the service provider does not review or approve the advertising content in advance.

For the identification to be considered compliant with section 463 of the AERM, the following information must appear on each advertisement:

- The official agent's name and title;
- The name of the printer (the company where the self-service printing was carried out).

All costs associated with such advertising must be reported on the return of election expenses.



# Printing carried out using the personal equipment of the candidate or official agent

If the candidate or his or her official agent uses personal equipment to print in-house advertising, certain information must appear on each advertisement to ensure compliance with section 463 of the *AERM*.

In cases where printing is carried out using the candidate's equipment, the following information must appear on the advertisements:

- The official agent's name and title;
- The candidate's name (as the printer).

In cases where printing is carried out using the official agent's equipment, the following phrasing should be used to emphasize that the printer is the official agent:

• "Authorized and printed by (official agent's name and title)."



The cost of operating any equipment used to produce advertising materials, along with any associated costs (ink, stationery, etc.), must be reported on the return of election expenses.

# Vouchers required for advertising material

In your return of election expenses, for every election expense relating to advertising, you must attach not only the invoice and proof of payment of the expense, but also the vouchers listed below, to show that the advertising was identified in accordance with the *Act*.





#### **Television and radio**

▶ Proof of publicity, such as a letter from the media, the text of the message or an audio recording provided, for example, on a USB key or DVD or sent by email to the treasurer of your municipality, or as a last resort, an attestation\* by you.

#### Internet and social media

▶ A printout of the homepage or publication (page where the name and title "official agent" appears) or, as a last resort, an attestation\* from you.

#### **Newspapers**

▶ Proof of publicity consisting of the **full page** of the newspaper in which an advertisement appeared.

#### Posters, promotional items, and other print material

▶ Proof of publicity, i.e. a copy of the badge, brochure, poster, etc.

#### Streamers, signs and billboards

▶ A photograph or photographs on which it is possible to verify that the identification is in compliance, or as a last resort, an attestation\* by the supplier or by you stating that the name of the manufacturer or the printer and the name and title of the official agent appear on the item in question.

<sup>\*</sup> A template for the advertisement certificate for advertising **DGE-10906** is available on the official agent's extranet.

# Loss of advertising material due to vandalism or theft during an election period

Directive **D-M-18** provides information on how to handle any loss of advertising material as the result of vandalism or theft during the election period.

# Re-use of advertising material produced and used in a previous election

A candidate's advertising material must be delivered to the municipality at the end of its authorization as provided for in section 498 of the *Act*.

In the event that the municipality does not wish to store the advertising material delivered to it at the end of the authorizations, the candidates may keep it for storage, but **the municipality remains the owner**. They will therefore have to pay the municipality accordingly if they decide to reuse them for a new election.

The price of the equipment must be invoiced to the official agent at the current market price for similar equipment at the time of its re-use. This price will then be divided by the number of elections in which it was used.



If you are in this situation, contact a political financing coordinator using the contact information provided in the introduction of this guide or see Directive **D-M-20**.

# Use of information and communication technologies (ICTs)

With respect to publicity using ICT, the *Act to establish a legal framework for information technology* (CQLR, c. C-1.1) states that the legal value of a document is neither increased nor diminished solely because of the medium or technology chosen. This means that publicity appearing on a website or any other medium must be identified in accordance with the AERM.

For websites and social media, the name of the official agent and the title of "official agent" must appear on the home page.

## Election posters and billboards

(s. 285.1 to 285.9)

The AERM contains a series of provisions on election posters and billboards. Among other things, it states that election posters and billboards are permitted on government property and on property belonging to public agencies, state-owned corporations, municipalities and school boards, but not on buildings belonging to any of the above.

In addition, election posters and billboards are permitted on public utility poles. Posters on public utility poles cannot be attached with nails or metal staples, and must not have metal or wooden frames.



Posters and billboards must not be placed on buildings or heritage sites, monuments, sculptures, trees, fire hydrants, bridges, viaducts or electricity pylons, or on the right of way of a public road if it is adjacent to a residential building. In addition, posters and billboards must not be placed on bus shelters or public benches unless space is provided for that specific purpose, in which case the applicable rules must be followed.

Electoral signs must be placed in such a way as not to obstruct traffic or pedestrians, to avoid any visual obstruction of road signs and not to endanger road safety or public safety.



All election posters and billboards must be removed no later than 15 days after polling day, failing which they may be removed by the municipality or the owner of the property or poles, at the expense of the candidate concerned. During the election period, election signage is subject to certain restrictions as stipulated in sections 285.1 to 285.9 of the AERM.

# 3.4 Goods and services



Insurance, telephone, office supplies, leasing of office equipment and furniture, stamps, wages, interest on loans, etc.

#### Website

The cost of programming, hosting, production and maintenance of your website must be accounted for.

Election expenses will be charged only to the number of days during the election period on which the website was accessible online. For example:

#### **CALCULATION**

All costs related to the online website



Number of days during the election period (45 days)

Total time for the online presence of the website



#### **VOUCHERS REQUIRED**

- ▶ Proof of payment for all sections of the expense
- ▶ A detailed invoice for each of the services that will have been used to make your website available online, which specifies the total time the website has been online.

#### Insurance

Liability insurance policy may be taken out when premises are rented. You must treat the cost of the insurance for the period covered as an election expense based on the "minimum cost expense" basis. A "minimum cost expense" is characterized by the fact that the cost of goods or services remains invariable even when the period for which the goods or services are used extends beyond the election period.



#### **VOUCHERS REQUIRED**

- ▶ the proof of expense payment;
- ▶ the policy showing the cost and period covered, plus a description of the protection.

### **Telephone**

The cost of installation, service and long-distance calls must be included.

#### Installation costs

Given that the installation costs for a given set of equipment will be the same regardless of when installation takes place, all the expenses are considered to be election expenses.

Installation costs should be calculated on a pro-rata basis only if the equipment installed before the election period is not the same as the equipment used during the election period.

#### Service costs

If the use of these services begins prior to the election period and continues during the election period, but is cancelled the day following polling day, the official agent must record the service fees according to the duration of the use before and during the election period.

#### **EXAMPLE**

Un téléphone a été installé 10 jours avant la période électorale. La facturation du service débute dès le moment de son installation jusqu'au jour du scrutin.

Les frais de service du premier compte constituant des dépenses électorales doivent être calculés en fonction de la période d'utilisation en période électorale par rapport à toute la période de facturation du compte, soit :

#### Scenario:

Installation date: April 1
Start of election period: April 10
Billing Period: April 1 to 30

Service costs  $\times \frac{21 \text{ days}}{30 \text{ days}}$ 

#### Long-distance charges

With respect to long-distance charges, only those made during the election period are recorded as an election expense.



#### **VOUCHERS REQUIRED**

- la preuve de paiement de la dépense;
- ▶ le sommaire du compte et les annexes, soit le détail des communications facturées et des autres frais ou crédits. Si un sommaire comporte un report d'un compte précédent, vous devez fournir le compte où apparaissent les détails de ce report.

# **Equipment rental**

For this type of expense, only the rental costs for the election period should be included as an election expense. The election expense is then calculated as follows:

#### **CALCULATION**

Rental cost



Number of days during the election period (45 days)

Total length of the rental period



#### **VOUCHERS REQUIRED**

- ▶ the proof of payment of the expense;
- ▶ a detailed invoice showing:
  - the rental period;
  - the unit cost or rate;
  - the total amount of the expense;
  - a description of the equipment rented.

# **Durable goods**



Durable goods eligible as election expenses can be defined as property acquired and used during an election period, but whose normal length of use extends well beyond that period. Durable goods include but are not limited to office equipment (computers, fax machines, cell phones, etc.), furniture (tables, chairs, etc.) and clothing.

When a durable good is recorded in the return of election expenses, the official agent must report, as an election expense, the lesser of the following amounts:

- 50% of the cost of acquiring the goods, or
- the estimated rental cost of similar property used for the same time period.



The estimated rental cost of similar goods is calculated using the lowest retail price at which the goods are offered to the public in the normal course of business, according to the market in the region, at the time they are supplied for the purpose of the election. The difference between the amount paid and the amount entered as an election expense must be listed in the section entitled "Amounts not included in election expenses".

#### IMPORTANT >>>



#### Disposal of durable goods

After the election, at the end of the candidate's authorization, the official representative and official agent must return the remaining goods to the municipality. He may also decide to dispose of them by selling them at a reasonable price. At that time, he will have to deposit the money resulting from this sale in the election fund. This money may be used to repay a loan, if necessary, or remitted to the treasurer of the municipality in the event of a surplus.

Information on durable goods can be found in Directive D-M-23.

#### Interest on loans

(s. 453(7))

When a loan is taken out to finance your election fund, the interest from the date the loan is granted during the election period to the date on which your return is filed (not exceeding 90 days after polling day), may or may not be considered an election expense. The choice lies with the official agent. If you treat it as an election expense, it will affect your election expenses limit and you must:

- enter the interest paid as an election expense in the "Goods and services" column of the return of election expenses;
- have paid the interest from your election fund before filing your return.



If you do not wish to treat interest as an election expense, it must be reported on the return in the "Amounts not included in the election expenses" column.



#### **VOUCHERS REQUIRED**

- copy of the loan agreement and a statement of account from the financial institution, or an invoice from the elector who granted the loan, providing details of the interest (rate, period, amount);
- proof of payment.

# Service charge on an account opened with a financial institution

The service charges paid for the administration of your election fund may or may not be considered election expenses under the same terms and conditions as interest on loans.

#### Paid work

For all paid work, you must enclose with the return:

- a signed and dated receipt giving the name and address of the worker
- the details of the days and hours worked
- the hourly, daily or weekly rate
- a description of the work performed
- the total amount paid, as well as the proof of payment

#### Volunteer work

(ss. 428(1) and 461)

A person may provide personal services and the use of his vehicle, provided it is done freely and not as part of the person's work for his or her employer. Volunteer work is therefore work done personally, voluntarily and without consideration.

#### → Personally

Work done **personally** means work done by a natural person who may or may not be a qualified elector, since volunteer work is not considered to be a contribution.

#### → Voluntarily

Work done **voluntarily** means work done freely and without constraint, and with no penalties or reprisals from the employer or anyone else if the person decides not to perform the work.

#### → Without consideration

Work done **without consideration** means work for which the person concerned does not receive direct or indirect remuneration or a monetary or tangible benefit from a candidate, his or her own employer, or anyone else.

It is necessary to distinguish between two categories of persons who do volunteer work, namely a person who is not self-employed and a person who is self-employed.

# Voluntary work done by a person who is not self-employed

A person who has a job and wishes to perform volunteer work must do so while on vacation or in his or her spare time.

The person may also perform volunteer work at any other time, as long as he or she also performs the regular tasks for his or her employer without claiming overtime pay, for example. If the employer grants leave during normal working hours for the specific purposes of working for a candidate, the hours or days so worked will have to be deducted from the leave bank to which this employee is entitled.



Please note that the use of employer-owned equipment (truck, computer equipment, etc.) must be invoiced by the employer to the official agent. Labour may be free, but this is not the case for equipment belonging to an organization.

If an employee works for a party during his or her regular or normal working hours, is paid a full salary from the employer, and the hours or days are not deducted from the bank of leave, this is not voluntary work, but rather a contribution from the employer. This type of contribution may be illegal (see sections 47, 427, 429 and 431 of the AERM).

# Volunteer work by a person who is self-employed

Volunteer political work by a person who manages his or her own time, is his or her own boss or owns a business can be performed at any time, as long as the volunteer work leads to a loss of remuneration or recovery of lost professional time without additional remuneration.

# Personal expenses of a candidate



The personal expenses of a candidate may or may not be treated as an election expense. This choice lies with the candidate and the official agent.

In an election, a candidate's personal expenses include the following:

- an expense that is incurred to promote the candidate's election, directly or indirectly;
- a personal expense by the candidate or member of the candidate's immediate family (spouse and children);
- an expense related to transportation, food, clothing, babysitting, hairdresser, etc.;
- an expense that does not include publicity of any kind.

When a personal expense of a candidate is treated as an election expense, it must be included in the return of election expenses. The candidate must provide you with the original invoices or other vouchers as well as proof of payment, which you must enclose with your return and pay for them from your election fund.



The official agent is not formally required to reimburse a personal expense incurred by a candidate, especially when he or she has already incurred or authorized election expenses up to the permitted limit. It is, therefore, strongly recommended that the official agent agree with the candidate at the start of the election period on a certain amount to be set aside for the reimbursement of the candidate's personal expenses.



Last, personal property belonging to a candidate does not need to be recorded as an election expense (e.g. computer, printer). However, if additional costs for personal services are invoiced to the candidate – such as a home telephone, cell phone or Internet service – and these costs are related to the candidate's campaign, it is possible to treat these additional expenses as election expenses.

# 3.5 Rental of premises



Commercial premises, school classroom, church basement, private residence, etc.

## Calculating expenses

(s. 452)

For this type of expense, you may only record the cost of rental during the election period as an election expense.

The calculation is as follows:

#### **CALCULATION**

**Rental fees** 



Number of days during the election period (45 days)

Duration of the lease or rental



#### **VOUCHERS REQUIRED**

- ▶ the invoice and proof of payment of the expense;
- ▶ the commercial or residential lease (a model **DGE-10900** of which is shown on the extranet).

If you use the basement or a room in a private residence as election premises, you must assess its value and declare that value as an election expense. The amount calculated at the current market price must be paid to the owner of the home or be considered a contribution. You can use the model lease provided by Élections Québec. The room in a private residence must truly be election premises. This premises must be used for the purposes of the election, by the candidate and his or her team.



If you rent commercial premises, you must sign a commercial lease. The model lease offered by Élections Québec cannot be used in these circumstances.

As far as private homes used for marking off votes and voter follow-up on polling days (satellite house) are concerned, you must enter an amount at the current market price. This expense is an election expense under section 451 of the AERM and must be reported as such in your return of election expenses.

## Goods and services used on election premises

All goods and services used on election premises must be paid for and entered in the return of election expenses. This means that they cannot be provided free of charge, and that the owners of any goods that are used must be paid by the official agent, at the current market price. For example, the value of chairs, desks, computers or telephones provided by a volunteer must be assessed, the volunteer must be paid by cheque out of the election fund, and the items must be listed in the return. The volunteer can supply these goods as a contribution, as long as the limit stipulated in section 431 of the AERM is not exceeded.

## 3.6 Travel and meals



Gas, amount per kilometer, bus tickets, meal expenses, etc.

In this expense category, you must indicate all transportation and meal expenses authorized and paid by the official agent during the election period.



A person's travel and meal expenses may or may not be treated as election expense. The choice lies with the official agent. If they are considered an election expense, they must be reasonable, supported by relevant vouchers, paid from the election fund and entered in the return of election expenses (sections 453(4) and 454 of the AERM).

The person claiming travel expenses may ask to be reimbursed on a per diem (daily allowance) basis, with an amount per kilometer that must not exceed the limit established by the municipality. This is subject to acceptance by the official agent. Otherwise, the person will have to provide the relevant vouchers, such as gas bills, taxi coupon, etc.

Meal expenses, however, may be reimbursed on a daily basis (per diem), but only on the advance polling day and polling day. At all other times, relevant vouchers, such as restaurant invoices and receipts, must be provided.

In Directive **D-M-17** you will find information on how to process the per diem for transportation expenses and some meal expenses reimbursed during the election period. In addition, the vouchers to be submitted are described, and a sample claim for transportation and meal expenses is available on your extranet.

## Meals prepared by a volunteer

In the case of meals prepared by a volunteer, only the cost of purchasing the food must be included in the return of election expenses.

If a meal is served after the polling stations close on polling day, the meal and all the related expenses cannot be treated as election expenses, because they are used after the end of the election period. Moreover, if these expenses are paid from the election fund, this must not increase your debt.



#### **VOUCHERS REQUIRED**

- grocery bill (cost of food purchased);
- bill for personal products used by the volunteer.

# 3.7 Petty cash



Some election expenses may be paid from a petty cash fund, under the following conditions:

- The petty cash account must be set up with the authorization of the official agent;
- It must be used only to pay **small** cash amounts (\$20 or less);
- Any amount intended to create or sustain petty cash must be drawn from the official agent's election fund;
- At all times, the total of cash and invoices paid must be equal to the authorized amount of petty cash.

The person in charge of administering the petty cash may request a reimbursement (replenishment) up to the amount of the disbursements made, by appending invoices paid and other relevant vouchers to the request.

A person who ceases to be responsible for administering the petty cash must reconcile the petty cash and return the money to you, along with all the invoices and vouchers. A model petty cash statement can be found on your extranet **DGE-10907**.



### **VOUCHERS REQUIRED**

- ▶ invoices paid;
- copies of the cheques or other proof of payment used to replenish the petty cash;
- ▶ a statement detailing all the expenses paid out of petty cash.

At the end of the election period, any funds remaining in the petty cash will be deposited in the election fund. You must indicate the date of the deposit on the petty cash statement.

Petty Cash Statement ofOfficial Agent				
Date	No.	Suppliers	Description	Amount
	1	F. Pilon	Supplies	\$19.10
	2	Van Houtte	Café	\$4.15
	3	Taxi Réal	Taxi	\$8.40
Total:		\$31.65		
Balance deposited in the election fund on		\$68.35		
			Total:	\$100.00

# 4

# Reports and return

Depending on the time of authorization of an authorized independent candidate and the candidate's financial situation, several reports must be produced covering all of the revenues and expenses related to the candidate's authorization. Also, note that copies of the reports and related vouchers must be kept by the official representative and agent for a period of seven years.

# 4.1 Report to file before polling day

# Financial report of an authorized elector

(s. 483.1)

When electors who undertake to run as candidates are authorized in the year **preceding** the general election year, their official representative must, no later than April 1<sup>st</sup> of the election year, file with the treasurer the financial report of an authorized elector as directed by the DGE **D-M-33**. The report must cover the period from the start of the authorization to December 31<sup>st</sup> of the year preceding the election year and must be accompanied by a copy of all receipts issued for contributions collected during the same period.



In order for the report to be admissible, the sections "Signature and statement of the official representative" and "Signature and signature of the authorized elector" must be signed.

# 4.2 Report to file after polling day

# Return for payment of and advance



The return for the payment of the advance is optional. However, we strongly recommend that you produce it in order to benefit quickly from a partial reimbursement of your election expenses.

Any official agent of an authorized independent candidate who is entitled to the payment of matching sums or who qualifies for a reimbursement of election expenses may, on the fifth day after the polling day, send the municipal treasurer a Return for payment of an advance <code>DGE-1045</code>. This report must, among other things, mention the amount of contributions received and the amount of election expenses for which invoices have been received. In addition, the official agent and official representative must sign a declaration certifying the exactness of the report. The contribution receipts issued since the last report submitted on behalf of the independent candidate as well as the supporting documents prescribed by Directive <code>D-M-5</code> must also accompany the report so that the advance can be paid.

# Report and return of an authorized independent candidate

As the official representative and agent of an authorized independent candidate **DGE-1027**, you must file your candidate's report and return with the treasurer of the municipality no later than 90 days following polling day as directed by the DGE **D-M-15**.

These reports consist of a financial report and a return of election expenses. To be admissible, the sections "Signature and declaration of the official representative and agent" and "Signature and declaration of the authorized independent candidate" must be signed.



An electronic version of the report and return is available. Access to these returns will be protected by an access code and a password, which will be provided to you in a letter sent by the Direction du financement politique of Élections Québec.

The report and return that you file must make it possible to trace and understand where your financing comes from and what it was used for, e.g. to pay what expenses. The *Report of an authorized independent candidate* must show and make it possible to trace all receipts (revenue) and disbursements, in order to ensure compliance with the AERM.

## Content of the financial report

(ss. 479 to 487)



The financial report mainly describes your receipts. It explains where your funding comes from:

- 1. Contributions of more than \$50 (complete section 1);
- 2. Contributions of \$50 or less;
- Sums collected during political activities (complete section 3 and provide the form stipulated in Directive D-M-26);
- 4. Subsidiary revenues (collected during political activities);
- 5. Loans (complete section 2 and provide a loan agreement specifying the terms and conditions of the contract);
- 6. Other receipts.

This report also presents an expense summary, making it possible to determine whether receipts are equal to disbursements (line 15: Cash on hand at the end of the period) or if there is a surplus.



#### UNDER NO CIRCUMSTANCES MAY YOU SUBMIT A NEGATIVE REPORT.

If, at the time of submitting your report, the amount of your expenses exceeds the amount of your cash inflows, you must regularize the situation by means of contributions or a loan agreement.

# Contents of the return of election expenses

(ss. 492 to 494)

A return of election expenses provides details on all of the expenses you incurred. It allows you to distribute the amounts charged to election expenses, according to any of the categories of expenses, as well as the portion of the expenses you paid from your election fund that are not included in the election expenses.

Part of the return also serves to indicate the names and addresses of creditors who failed to make their claim by the  $60^{th}$  day after polling day and to indicate the amount of any debt, the nature of expenses and the date of any claim when known. The return of election expenses must also specify any contested claims among the claims received by the  $60^{th}$  day following polling day.

## Additional financial reports

(ss. 474 and 485)

The official representative of an authorized independent candidate must file one or more additional financial reports with the treasurer, after the filing of the report and return of an authorized independent candidate, when:

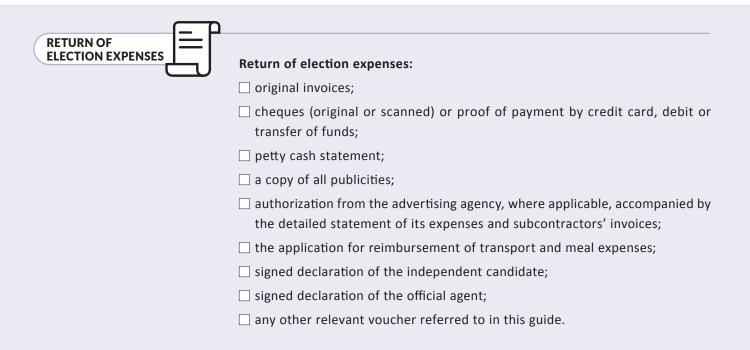


- the candidate has outstanding debts that were contracted during the candidate's authorization (balance on one or more loans, or unpaid claims);
   or
- the official representative holds property or money that remains in the candidate's election fund.

If you are in this situation, the treasurer of the municipality will send you a notice of production for the report as well as the necessary documents (form **DGE-1040** and instructions for completing this kind of report) so that you can file an additional financial report annually and reimburse all of your debts no later than December 31st of the second year following the election. In order for the report to be admissible, the sections "Signature and declaration of the official representative" and "Signature and declaration of the authorized independent candidate" must be signed.

# 4.3 Documents required with reports

FINANCIAL REPORT	Financial report:
	☐ bank statements;
	☐ deposit slips;
	copies of contribution receipts that you have not already sent with your <i>Report</i> for the payment of an advance <b>DGE-1045</b> accompanied by the supporting documents prescribed by Directive <b>D-M-5</b> ;
	☐ loan agreement;
	suretyship agreement;
	☐ the form in Directive ☐ D-M-26 for any political activity held;
	$\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ $
	signed declaration of the independent candidate;
	☐ signed declaration of the official representative;
	any other relevant voucher referred to in this guide.



ADDITIONAL FINANCIAL REPORTS	Additional financial reports:
	☐ bank statements;
	<ul> <li>copies of contribution receipts issue during the reporting period accompanied</li> <li>by supporting documents prescribed by Directive D-M-5;</li> </ul>
	☐ the form in Directive ☐-M-26 for any political activity held;
	<ul> <li>canvasser's certificates issued accompanied by the list of canvassers; proof of repayment of the debt or remission of the surplus to the municipality;</li> </ul>
	<ul> <li>proof that the bank account has been closed if the debt has been repaid or the surplus has been remitted;</li> </ul>
	$\square$ signed declaration of the independent candidate;
	$\square$ signed declaration of the official representative;
	any other relevant voucher referred to in this guide.

# 4.4 Correcting a report or return

(s. 507)

Before the deadline for the filing of a report or return, when an error is ascertained, you can correct it directly with the treasurer.



After that date, the authorized independent candidate must obtain permission from the DGE to correct an error by showing that it was made inadvertently. To do so, the authorized independent candidate must use the model letter available on the extranet of their official representative and agent. Any document that may support the merits of such an application must also be submitted.

Upon receipt of an application to correct a report or return, the DGE sends a copy to the opposing parties or authorized independent candidates, informing them that they have 10 days to voice their opposition. If there is no objection or if the DGE considers the objection unfounded, the correction can be made. Otherwise, the authorized independent candidate must request the permission of a competent judge.

# 4.5 Closing the election fund



The election fund, under the responsibility of the official representative and official agent of an authorized independent candidate, must remain open until all debts have been paid or all surpluses have been returned to the municipality. You must also ensure that all outstanding cheques or transfers have been cashed. A report acknowledging the discharge of the debts or the remission of the surplus must be sent to the treasurer of your municipality.

# 4.6 Accessibility and publication of reports and returns

(ss. 90.6, 499, 501 and 659)



The information contained in each report or return of an authorized independent candidate and the documents required under the *Act* are public in nature from the date of filing, except for contribution receipts of \$50 or less. Any person may examine the reports and documents filed by contacting the treasurer of the municipality.

The treasurer shall publish a summary of the return of election expenses in a newspaper circulated in the territory of the municipality within 30 days after the deadline for filing.

The original copies of reports and returns are kept permanently by the treasurer of the municipality. However, on the expiry of a seven year period following their receipt, the treasurer of the municipality may, upon request, return the invoices and other vouchers to the authorized independent candidates. In the absence of such a request, the treasurer may destroy these documents.

# 5

# Penal provisions and other sanctions

An offence is likely to be committed as soon as a section of the *Act* is not complied with. The AERM contains number of penal provisions under which legal action can be taken. Legal action can be taken against an official representative, official agent or candidate.

• Here is a summary of the main offences and penalties stipulated in the AERM: If you fail to file a return by the prescribed deadline, you are liable to a fine of \$50 per day for each day of delay (ss. 626 and 642). The delay also has repercussions for the party's candidate, whether elected or not, because he or she is disqualified from being a candidate in a subsequent election until the report or return is filed (s. 64).

In the case of elected candidates, late filing will result in their losing, as of the 10<sup>th</sup> day following the deadline, the right to attend, as a member, the meetings of their municipal council until the report or the return is filed (s. 503).

However, a judge can, upon a request made before the person loses his or her right to attend council meetings, allow the person to continue to sit for an additional period of not more than 30 days (s. 505).

- Official representatives and official agents are committing an offence and are liable to a fine of \$1,000 to \$10,000 if they (s. 640):
  - file a false report or return (s. 597);
  - produce an invoice, voucher or receipt that is incomplete, false or falsified (s. 597);
  - pay a claim other than as permitted by section 473 (s. 596(2)).

- Official agents are committing an offence when they do not adhere to the election expenses limit (s. 595) and are liable to a fine of \$1,000 to \$10,000 (s. 640).
- These offences also constitute corrupt electoral practices, meaning that the
  official agent loses the right to vote, engage in partisan work, act as official
  representative or official agent of an authorized entity, act as an election officer
  or be a candidate in an election, for a period of five years (s. 645).
- An elector who makes a contribution of more than \$50 in a manner that contravenes section 436 (s. 612.1) is committing an offence and is liable to a fine of \$500 to \$10,000 (s. 641).
- In addition, the following persons are also committing an offence (s. 610):
  - Any person who is not a qualified elector and who makes a contribution to an authorized entity, and any person who exceeds the maximum amount for a contribution.
  - Any person who uses threats, coercion or a promise of compensation, consideration or reimbursement to incite an elector to make a contribution;
  - Any elector who falsely declares that their contribution is made out of their own property, voluntarily, without compensation or consideration, and that it has not and will not be reimbursed in any way, and such a person is liable (s. 641.1):
- in the case of an natural person, to a fine of \$5,000 to \$20,000 for a first offence and \$10,000 to \$30,000 for any subsequent offence within 10 years;
- In the case of a legal person, to a fine of \$10,000 to \$50,000 for a first offence and of \$50,000 to \$200,000 for every subsequent offence within 10 years.
- These offences also constitute corrupt electoral practice (s. 645).
- Any person who canvasses or collects contributions, contracts a loan or incurs
  a non-election expense for an authorized independent candidate without being
  that candidate's official representative is liable to a fine of \$500 to \$10,000
  (ss. 611, 617 and 641).

In accordance with section 648.1 of the AERM, all information relating to any criminal proceedings instituted by the Directeur général des élections du Québec and all convictions in respect of the offences listed in sections 610 (2) (3),(4) and 610.1(2) of the AERM will be submitted to the Associate Commissioners for Audits of the Permanent Anti-Corruption Unit (UPAC) and to the Secrétariat du Conseil du trésor for appropriate processing under the *Act* respecting contracting by public bodies.



You must therefore remain vigilant and take great care to comply with the *Act*. When in doubt, feel free to contact your treasurer or a coordinator from the Direction du financement politique.

We strongly encourage you to read sections 64, 503 to 512 and 595 to 645 of the AERM.

## **Application for inquiry**

(s. 90.1)

The *Act* stipulates that the DGE may, on his or her own initiative or at the request of a person, inquire into the legality of the expenses, loans, contributions and election expenses of a party or authorized independent candidate. Although there is no legally prescribed form for this, it is strongly recommended to use the model provided in the extranet to formulate an application for inquiry to the DGE.



You may also use our political financing reporting line to report any situation regarding financing.



Contact us at 1 855 644-9529 or at 418 644-9529, on Monday to Friday from 8:30 a.m. to 12 p.m. and from 1 p.m. to 4:30 p.m.

The information received will be treated confidentially and safely, and you may remain anonymous.