

# **Guide for the official representative of an authorized political party**

Municipalities with a population  
of 5,000 and over

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The interpretations presented in this guide do not take precedence over the provisions of the *Act* and are not intended to replace the official text of the *Act*. To interpret or apply the *Act respecting elections and referendums in municipalities*, you must refer to the version published by the Éditeur officiel du Québec, available at [publicationsduquebec.gouv.qc.ca](https://publicationsduquebec.gouv.qc.ca).

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# Introduction

Your political party's authorization has been granted by the Chief Electoral Officer (DGE) and you have agreed to act as its official representative. You are therefore required to comply with certain rules regarding financing and expenses, outlined in Chapter XIII of the *Act respecting elections and referendums in municipalities* (AERM).

The purpose of this Guide is to help official representatives of authorized political parties to understand and comply with the applicable provisions of the AERM. The guide is available on the extranet of the Élections Québec at the following address: [pes.electionsquebec.qc.ca](https://pes.electionsquebec.qc.ca).

The interpretations presented in this guide do not take precedence over the provisions of the *Act* and are not intended to replace the official text of the *Act*. 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 [legisquebec.gouv.qc.ca](https://legisquebec.gouv.qc.ca). In this Guide, references to the provisions of the *Act* are shown as section numbers in parentheses.

Questions about how the provisions of Chapter XIII of the AERM apply to official representatives of authorized political parties can be submitted to the municipal treasurer or to Élections Québec, by contacting a political financing coordinator:

## **Direction du financement politique**

Élections Québec

1045, avenue Wilfrid-Pelletier, bureau 200

Québec (Québec) G1W 0C6

Telephone: 418-644-3570 (Québec area) or 1-866-232-6494 (toll-free)

e-mail: [financement-municipal@electionsquebec.qc.ca](mailto:financement-municipal@electionsquebec.qc.ca)

Web site: [electionsquebec.qc.ca](https://electionsquebec.qc.ca)

Furthermore, any request for additional contribution receipts or follow-up on quarterly receipt shipments can be sent by email to the address: [contribution-municipal@electionsquebec.qc.ca](mailto:contribution-municipal@electionsquebec.qc.ca).



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

# 1 Role and responsibilities



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Every municipal political party must hold authorization from the DGE, granted in accordance with Division III of Chapter XIII of the *Act respecting elections and referendums in municipalities* (CQLR, c. E-2.2) (AERM). This authorization allows the party to solicit or collect contributions, incur expenses or take out loans. An application for authorization may be submitted to the DGE at any time.

## 1.1 Role

(ss. 364 and 382)

The official representative of an authorized political party also acts as the official agent during an election period, unless the party leader appoints someone else in writing. In brief, the official representative is responsible for financing, for expenses incurred outside the election period, and for producing the annual financial report. The official agent is responsible for election expenses and the production of the election expenses return. For further information on the role and responsibilities of the official agent of a party, please consult the [Guide of the official agent of an authorized political party](#).



The election period begins on the 44<sup>th</sup> day before polling day and ends on polling day, at the time the polling stations close.

## 1.2 Appointment

(ss. 380-384 and 397)

When submitting an application for authorization, the party leader must appoint a person to act as the official representative (s. 397(5)).



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The official representative must countersign the application, and the signature serves as confirmation of the appointment. During the election period, the official representative will automatically be the party's official agent unless the party leader appoints someone else in writing. Where this is done, the person concerned must confirm in writing to the DGE that he accepts the position of official agent.

The leader of an authorized political party may also appoint a delegate of the official representative for each electoral district. The deed of appointment of every delegate must be filed with the DGE.

An employer must, upon written request, grant leave without pay to an employee who is acting as the official agent of a party, after the day on which the notice of election is published (s. 349).



In no case may an official representative or delegate be a person who (s. 383):

- is not an elector of the municipality;
- is a candidate for the office of member of the municipal council, except for an authorized independent candidate acting as his 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 of the municipality or an employee of an election officer;
- is an officer or employee of the municipality or of a mandatory body of the municipality;
- is the Chief Electoral Officer or a member of his personnel;
- has been 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 members of the boards of directors of English-language school service centres* or section 567 of the *Election Act*. The disqualification lasts for five years from the day on which the judgment convicting the person becomes a res judicata.

## 1.3 Resignation and replacement

(ss. 386, 387, 392 and 487)

If you or one of your delegates observe that one of the above conditions has not been met, the person concerned must resign immediately. The official representative or a delegate may also resign for any other reason, by notifying the party leader in writing and indicating the date of resignation. A copy of the notice must be sent to the DGE (s. 386), for the attention of the Direction du financement politique, without delay.

An official representative who leaves office must send a financial report to the party leader within 60 days of resigning, covering the period during which he was in office and not covered by a previous report. The report must be accompanied by copies of contribution receipts issued during the period. The report must be accompanied by copies of the contribution receipts issued during the period, as well as by copies of all unused or spoiled contribution receipts and the invoices, proofs of payment and vouchers in his possession.

If the official representative resigns, he is still required to produce all previous financial reports that have not yet been filed unless this is done by the substitute official representative.

When a political party no longer has an official representative, another must be appointed to fill the position as soon as possible. The DGE must be notified in writing.



For more information on appointments and resignations of other executive officers of a party, please consult the [RAPEQ Guide](#).

## 1.4 Mandatory training given by Élections Québec

(ss. 387.1 and 424)



The official representative of an authorized political party and all his delegates must take training given by the DGE on the rules governing political financing.

If you are also the party's official agent, you must, in addition, take training on the rules governing the control of election expenses. This must also be done within 30 days of your appointment.

The training is available [online](#). Everyone who is required to take it must provide an e-mail address when appointed. This address is used to confirm the participant's identity and forward information regarding access to, use of and completion of the training.



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In the Register of Authorized Political Entities in Québec (known by its French acronym REPAQ), a note is placed alongside the name of every person who is required to take training, to make sure this is done within the prescribed time. These notes are available to the general public via the Élections Québec website.

### RESPONSIBILITIES



### OFFICIAL REPRESENTATIVE

## 1.5 Summary of main responsibilities

- Manage the funds of the party.
- Control the sums collected.
- Authorize and pay party expenses.
- File the annual financial report.
- Conserve all vouchers.
- Transmit quarterly contribution receipts to the DGE.
- Provide the DGE with the information needed to update the register of authorized entities.

## 1.6 Declaration of publicity expenses of a party candidate

Section 162.1 of the AERM stipulates that a candidate's nomination paper must indicate the total amount of the publicity expenses that the party's official representative incurred for that candidate and also used during the period beginning on January 1<sup>st</sup> of the year of the election and ending on the day when the election period begins.

In the case of a by-election, the period in question begins on 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 expenses. You must give this information to your party's candidates so that they are able to include it on their nomination papers. For publicity expenses that are shared, you must calculate the portion attributable to each candidate.

These publicity expenses must also be entered by the official agent in the "Expenses other than election expenses" column of the return of election expenses, which must be filed no later than 90 days after polling day.

### How do we properly account for advertising expenses?

The publicity expenses that the candidate must itemize in the nomination paper are those relating 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, web site, etc.). Publicity expenses include all expenses incurred for the design, development, production, dissemination and distribution of advertising material.

#### EXCEPTION

You don't have to account for an expense relating to an announcement of a meeting to select a candidate, provided the announcement includes only the date, time and location of the meeting, the name and visual symbol of the party and the names of the people concerned.

You must inform each of the candidates of the share of the publicity expenses you incurred for each of them, individually or jointly. For joint publicity expenses, the breakdown should be established in accordance with the examples below.

In the case of a publicity expense incurred for a good or service used both before and during the election period, the amount must be calculated in proportion to the frequency of use before the election period compared to the frequency of use before and during that period.

Here are a few examples of how expenses may be divided:

- pro-rata to the limit on the candidate's election expenses, if it is known;
- 50 % for the candidate for the position of mayor and 50 % in equal parts for the other seats.

#### EXAMPLE OF DIVISION

A political party presents seven candidates and erects billboards ten days before the 45-day election period. The total cost of the billboards is \$7,000. The amount of the publicity expense to be entered on the nomination paper is therefore \$1,272.73 :

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

Assuming the party chooses the 50-50 format for division, the amount of the publicity expense to be entered for the candidate for the position of mayor is \$636.37 and the amount for each candidate running for a seat as a councillor is \$106.06.

## 1.7 Provide the information needed to update the Register of authorized political entities of Québec

(ss. 392, 397, 399.2, 399.3, 404 and 425)



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OFFICER

The official representative, party leader or any other person appointed by the leader must notify the DGE of any appointment of a new leader, new officials, an official representative or delegate of the official representative, an official agent or deputy of the official agent, or a party auditor. The DGE must also be given any other information, in writing, required to update the register.

The political party must, no later than April 1<sup>st</sup> of each year, send a list to the DGE containing the names and addresses of the **minimum number of members** stipulated in section 397 of the AERM, i.e.:

- 100 in the case of a municipality with 100,000 or more inhabitants;
- 50 in the case of a municipality with 50,000 or more inhabitants, but less than 100,000;
- 25 in the case of a municipality with 5,000 or more inhabitants but less than 50,000.

The members concerned must be **qualified electors and hold valid membership cards**.

If a party fails to comply with these requirements, its authorization will be withdrawn by the DGE.

For the appointment of a new leader, a notice announcing the appointment must be accompanied by a copy of the resolution adopted in compliance with the party's by-laws and certified as being valid by at least two other officers of the party.

## 1.8 Withdrawal of authorization

(ss. 403, 408 and 491)

The DGE may withdraw the party's authorization upon a written request by the party leader. The application for withdrawal of authorization must be accompanied by the following documents:

- a copy of the resolution adopted in compliance with the party's by-laws, and certified true by at least two of the party's officials;
- the closing financial report covering the period from January 1<sup>st</sup> of the current year to the date of the application for withdrawal;
- any other prior financial report, if it has not been filed with the treasurer, and the auditor's report where applicable;
- the declarations signed by the official representative and party leader;
- the amounts and assets held by the party;
- a list of creditors, showing their names, addresses and amounts owing to them;
- all unused contribution receipts, with a reconciliation report;
- all books, accounts and documents pertaining to the party's financial affairs, if the DGE so requests;
- bank statements for the current year of the withdrawal, and proof that the account has been closed.



The closing report must contain the same elements as the annual financial report, except for the independent auditor's report.

In cases such as this, we strongly recommend that you contact the Direction du financement politique of Élections Québec at the coordinates found in the introduction to this Guide.

## 1.9 The extranet

Élections Québec provides you with an online platform where all the documents necessary to fulfill your role as official representative are made available. All the information guides, guidelines, forms and other various tools can be found there. It is also where all news about political financing are published.



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You can access it with the same login information used during your mandatory training. Go to [pes.electionsquebec.qc.ca](https://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 (s. 376).

### RESPONSIBILITIES



### TREASURER

Among other things, the treasurer must:

- post and update the list of official agents of the parties and authorized independent candidates and, where applicable, the list of deputies of official agents (s. 394);
- calculate and post the limits on election expenses and send a copy (preliminary and final) to every official agent;
- receive and verify the election expense returns received from authorized political parties;

- receive the annual financial reports and reports of political activities from the political parties;
- issue notices for failure to submit a report or return by the stipulated deadline, and send the notices to the people concerned (arts. 64 and 502-504);
- calculate and remit matching sums (for municipalities with a population of 20,000 or more);
- carry out, in accordance with the AERM and with the agreement of the DGE, the reimbursement of election expenses to eligible political parties (s. 475);
- forward to the DGE a copy of any financial report and activity report and, on request, a copy of any election expenses report received (s. 500);
- publish a summary of the election expense returns in a newspaper distributed throughout the municipality (art. 499);
- reimburse a portion of the cost of auditing the party's financial report, where an audit is required, to the party out of the municipality's general fund (s. 490);
- carry out, in accordance with the AERM and with the agreement of the DGE, the reimbursement of matching sums to eligible political parties (s. 442.1 442.5);
- produce and file with the municipal council, if applicable, on or before April 1<sup>st</sup> of each year, a report of its activities under Chapter XIII of the Act for the previous fiscal year. The treasurer must also send a copy to the DGE (s. 513).

## 1.11 Calendar of activities

Here is a summary of the main deadlines you should refer to for your regular tasks:

### **JANUARY 15<sup>th</sup>**

Quarterly shipment of contribution receipts (October 1 to December 31)

### **APRIL 1<sup>st</sup>**

Deadline for filing the annual financial report to the municipality

Deadline for filing the list of party members with the RAPEQ

### **APRIL 15<sup>th</sup>**

Quarterly shipment of contribution receipts (January 1 to March 31)

### **JULY 15<sup>th</sup>**

Quarterly shipment of contribution receipts (October 1 to December 30)

### **October 15<sup>th</sup>**

Quarterly shipment of contribution receipts (October 1 to December 30)

# 2

## The party's fund and amounts collected

### 2.1 The party's funds

(ss. 432, 435, 439, 449.1 and 480)

The official representative is responsible for all amounts collected for the party, and must make sure that only the amounts collected in accordance with the *Act* are deposited in an account opened in the party's name in a Québec branch of a financial institution. All payments for expenses incurred by the party, other than election expenses, must be made from this account.



The **D-M-4** directive available on the extranet contains the information needed to open an account. The account opened by the official representative cannot be used by the official agent, even if the representative is acting as the official agent. **The official agent's account must be separate and distinct from that of the official representative.**

#### FUNDS



#### COMPOSITION

A political party's funds may be composed of:

- contributions from electors;
- membership fees (membership cards);
- loans;
- amounts collected at political activities or rallies;
- subsidiary revenues;
- reimbursement of election expenses;
- reimbursement of auditing expenses for the annual financial report;
- matching sums (municipalities with 20,000 or more inhabitants);
- payment of allowances (municipalities with 20,000 or more inhabitants).

### Outstanding deposits

Every amount received before the end of the financial year, i.e. December 31, must be recorded and entered in your financial report, even if it is not deposited in the party's account until the following year.

#### EXAMPLE

On December 29, you received a \$100 cheque as a contribution (dated December 22, 20XX and deposited on January 5, 20YY). This amount must appear in the financial report for the year 20XX as an amount receivable.

### N.S.F. cheques

A cheque was received and deposited. If it is subsequently returned by your financial institution marked "N.S.F.", you must subtract this amount from the total of your contributions. Any fees paid to the financial institution must be included in your expenses.

#### EXAMPLE

An elector gave you a cheque for \$100 and it was deposited together with all the other contributions. The cheque is returned due to insufficient funds in the elector's account and your financial institution charges you a \$10 fee.

You must subtract \$100 from your total contributions and add \$10 to your expenses under disbursements.

## 2.2 Contributions

(ss. 47, 427, 429, 429.1, 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) and the property provided free of charge to the party or authorized independent candidate for political purposes are contributions.

A sum of money, a good or service provided by the candidate himself or herself for the purpose of his or her election are also considered as 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.

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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).

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 (s. 47):

1. is 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 granted by a majority of all the co-owners or co-occupants is entitled to contribute to the financing of political parties and authorized independent candidates, from his own property, and only if he meets the criteria set out in section 47 of the *Act* (see above). 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 delegate appointed by the party leader, or to a person designated in writing by the official representative (canvasser). Contributions must be deposited in the account opened by the official representative.

### Maximum contribution permitted under the Act

(s. 431)



The total amount of the 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;
- in the case of a by-election, from the date on which the seat becomes vacant until the 30<sup>th</sup> day after polling day.



In addition, the *Act* provides that a party candidate 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 behalf of the party, the total of which cannot exceed **\$800**. In all, and only during the year of an election, a candidate may therefore make a maximum contribution of \$1,000 to the party.

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 <b>candidate</b>	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 account in a financial institution with an office in Québec.

The cheque must be made out to the authorized party. 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. 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 can also be made by credit card to an account held by the official representative of the authorized political party for which it is intended. However, there are conditions for accepting this type of contribution. If you intend to use this method of payment, see Directive **D-M-21** and contact a political financing coordinator.



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The financial report must state the number of contributors and the total amount of contributions of more than \$50 collected during the fiscal year. In addition, the report must be accompanied with 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 party's fund. The financial report must state the number of contributors and the total amount of 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*, monetary contributions qualify for a tax credit equivalent to 85% of the first \$50 and 75% of the amount in excess of \$50, up to \$200: i.e. a maximum credit of \$155 per calendar year, with the exception of any contribution given by a candidate of an authorized party for the benefit of the part for which he or she is a candidate.



Only an elector of the municipality may make a contribution in the form of goods and services.

### Contribution of goods and services

(s. 427)

A good or a service provided free of charge to an authorized political party (with the exception of volunteer work) constitutes a contribution. This should be reflected in the financial report. Like any other contribution, a contribution in the form of a good or service must only be solicited or obtained under the authority of the official representative or a delegate, or any other person appointed by the official representative (canvasser). 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.

### Illegal contributions

(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 facts are known, and the treasurer must pay it into the municipality's general fund.



CHIEF ELECTORAL  
OFFICER

The DGE may write to an authorized entity to claim back any political contributions obtained by the entity and deemed to be illegal.

Thirty days after such a claim, DGE will post on the Elections Québec website any claim for illegal contributions made to a political entity to provide it with a contribution or part of a contribution pursuant to sections 440 and 440.0.1, as well as an indication concerning the payment.

## Canvasser

(ss. 432 and 435)

As the official representative, you are responsible at all times for the contributions solicited or obtained. You may, however, appoint people in writing (canvassers), to assist you with 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**.



COORDONNATRICE/  
COORDONNATEUR

You must provide the treasurer of the municipality with the annual list of the people authorized to solicit contributions. The list should be sent at the same time as the party's financial report. All canvassers holding a valid certificate (even for one day) during the calendar year corresponding to the year of the financial report must be included on the list. You must produce this list even if you did not designate any during the period.

Every delegate of an authorized party's official representative has, for the electoral district in which he is appointed, the powers entrusted to the official representative in this respect. If the candidate wishes to collect contributions in person, he or she must obtain a canvassing certificate from the official representative.

## Contribution receipt

(s. 434)



For every contribution, **regardless of the amount**, which must not exceed the maximum allowed by the Act, the official representative, his delegate, or the designated canvasser **must** issue a receipt to the contributor. When a contribution is received by mail or otherwise, and has not 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 a contribution receipt is issued, the official representative, his delegate or the designated canvasser must ensure that the box 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 contributor to print and complete the model provisional 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.

The official representative of a party may also use contribution receipts that he has printed for his own use, as long as they contain all the mandatory information described in Directive **D-M-5**, and provided prior written authorization is obtained from the DGE.

### Monitoring and retention of contribution receipts

(s. 483)

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. When filing any financial report, the official representative must complete Section 5, "Reconciliation of receipts." Consult Directive **D-M-10** for more information.

For more 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. Consult Directive **D-M-6** for more information.



Each quarter, the official representative must send the Chief Electoral Officer a copy of the contribution receipts issued during that period that is intended for the Chief Electoral Officer. If the party has not received any contributions during a quarter, it must notify Élections Québec by email at [contribution-municipal@electionsquebec.qc.ca](mailto:contribution-municipal@electionsquebec.qc.ca). A copy of the cheque must be attached 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.

The official representative's copies of the receipts issued for collected contributions must be kept for seven years after the financial report has been filed.

**EXCEPTION****Free air time***(s. 442)*

Outside an election period, a radio, television or cable broadcaster or the owner of a newspaper, periodical or other publication may, without it constituting a contribution, provide authorized political parties with free air time on the radio or television or free space in the newspaper, periodical or other publication, provided it offers this service fairly, in terms of quality and quantity, to all the authorized parties in the municipality.

**Good or service provided by the party to the official agent**

During an election period, if goods or services provided by the party are used to promote or oppose the election of a candidate, you must bill the cost to the party's official agent. The cost of the goods or services is determined using the assessment method mentioned in the 2nd paragraph of the section entitled "Contributions of goods and services" and must be included in the party's return of election expenses and must be included in the party's return of election expenses. The official agent must pay you the established price for the goods or services, from the electoral fund at his disposal.

**Volunteer work***(ss. 428(1) and 461)*

A person may provide personal services and the use of his or her vehicle, provided it is done freely and not as part of the person's work for his or her employer. Volunteer work is work done by an individual 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 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.

Volunteer work can be done by two types of people: those who are not self-employed, and those who are self-employed.

### Voluntary work of 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 also performs the regular tasks for his employer without claiming overtime pay, for example. If the employer grants leave during normal working hours so that the person can work for a party, the hours or days worked for the party must be deducted from the bank of leave to which the person is entitled.



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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 ss. 47, 427, 429 and 431).**

### Volunteer work of a self-employed person

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.

## 2.3 Party membership (membership cards)

(s. 428(6))



Political parties may collect an annual amount of not more than \$25 paid by a natural person for membership. This amount is not considered to be a contribution, but rather as membership income.

For example, if the cost of membership in or renewal of the membership card of a party is \$15 per year, this amount, when paid by a natural person for his membership, cannot be considered to be a contribution. However, if the cost of membership is \$15 and the elector pays \$25, a contribution receipt must be issued for the excess amount of \$10.

If the cost of membership in or renewal of the membership card of a party is \$35, only the amount in excess of \$25, i.e. \$10 in this case, constitutes a contribution.

You can charge various membership prices for various categories of people. However, these categories must be known, well identified and uniformly applied.

## 2.4 Political activities

### Definition

(ss. 428(7) and 480)



A political activity is an activity organized with the aim of raising funds for the party 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 amounts raised must be accounted for and deposited into the account opened by the official representative of the party. This should be reflected in the financial report. For each activity, you must complete the Political activity or financing return form prescribed in directive **D-M-26**.

The form must be appended to the annual financial report. The person responsible for the activity must, when handing over his report, also hand over the amounts collected. If no money is collected at an activity, you need not produce a report for it.

## Amounts collected

(s. 428(7))

The AERM establishes the circumstances in which the admission fee collected for a political activity may be accepted without issuing a contribution receipt.



**Basically, the total amount of money collected without receipts (activity income) must not exceed 3% of the total amount of contributions collected by the party during the period covered by a financial report.** The following pages show how these amounts must be treated, depending on whether the admission fee is \$60 or less, or more than \$60.

If the admission fee is \$60 or less: 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.

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The official representative is solely responsible for financing activities. Therefore, where the admission fee for a political activity or rally is \$60 or less and you choose to treat the admission fee 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, you must prepare a list of the names and addresses of the people (physical and 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. 429);
- the method of payment is in compliance with section 436;
- a contribution receipt is issued for additional admission fees paid (s. 434);
- the receipt is signed by the donor;
- 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 of contributions collected during the year (with receipts):		\$ 25,000
Maximum amount of income that can be collected without contribution receipts at political activities	×	3 %
		<hr/>
Maximum amount that can be collected without receipts:		\$ 750



### 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.

### Can we split a political activity 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.



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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 revenue

(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 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*.

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.



Subsidiary revenues must be reasonable, i.e. small, non-recurrent and consistent with the number of participants at a political activity.

The total amount of subsidiary revenues collected must appear in the financial report. A breakdown of the amounts and the nature, location and date of the activity or rally, must also appear in the activity report filed with the annual financial report (please see Directive **D-M-26** for additional information, available on the extranet).



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

### Payment of expenses

(s. 453(4.1))



All amounts collected for an authorized political party, including revenue collected as admission fees for a political activity or rally, must be deposited into the account of the party's official representative. Consequently, all expenses related to the political event or rally must be paid by cheque or transfer of funds drawn on the official representative's account, or from the petty cash.

During an election period, except for the cost of food and drinks served during a political activity, where that cost is included in the admission fee paid by participants, all other expenses are election expenses (s. 453(4.1)). They must therefore be:

- incurred or authorized by the official agent;
- recorded in the return of election expenses;
- paid by the official agent from his election fund.

## 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 with a financial institution. You may also contract loans with party candidates, since they are in principle qualified electors. 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 with an office in Québec.

The loan or surety agreement must include 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 agreement.

Only an elector of the municipality can provide 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. In other words, if an elector wishes to provide surety for a loan, he must ensure that the loan agreement stipulates that the surety applies up to a maximum amount of \$5,000.



Every loan must be contracted at the current rate of interest on the market, **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.

### Line of credit

A line of credit may be used to pay all or part of the regular expenses of the party, and to replenish the election fund made available to the official agent. You must include, in the loans, the amount owing on the line of credit.

### Current market interest rates

(s. 428(4))



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COORDINATOR

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. It must be recorded in the same way as every other contribution and is subject to the same rules.

### Repayment of a loan

(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 membership revenues, revenues from political activities, or by amounts paid by the municipality, including the matching sums or reimbursement of election expenses. A loan must always appear in the party's financial report, until it has been repaid in accordance with the current rules.

### Payment of interest

(s. 448)



The official representative is required to pay, at least once a year, the interest owing on the loans that he contracted.

## 2.6 Reimbursement of election expenses

(ss. 475, 477 and 478)



This reimbursement is made to the official representative of the party, must be deposited to the account he or she holds and the amount must appear in the financial report.

It is only after receiving and auditing the return of election expenses of an authorized political party that the treasurer reimburses, out of municipality's general fund, an amount equal to 70% of the election expenses recorded in the return, that were incurred and paid in accordance with the *Act*. **The reimbursement is made if either of the following conditions is met:**

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

When calculating the reimbursement, the amount of election expenses reported in the return must be reduced by the amount of expenses refused after verification and by the amount to which a party is entitled as matching sums under sections 442.1 to 442.3.

## 2.7 Matched sums 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 sums to authorized political parties, 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 of the year in which a general election is held until polling day or, for a by-election, during the election period.

**When calculating the matching sums, contributions paid by candidates for the benefit of the political party he presents himself to are excluded.**

## MATCHING SUMS



## MAYOR

There is a maximum amount to which a party is entitled for its candidate for the office of mayor or borough mayor.

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

## MATCHING SUMS



## COUNCILLOR

The maximum amount to which the party is entitled for each candidate for the office of councillor is as follows:

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

When calculating the reimbursement of election expenses, the treasurer must subtract the amount to which the political party is entitled as matching income from the amount of election expenses entered in the return (s. 475).



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In addition, the amount to which an authorized political party is entitled in matching sums may not exceed the amount of election expenses incurred and paid for in accordance with the Act for its candidate for the office of mayor or borough mayor and for each of each candidate for the office of councillor.

## 2.8 Advance on a party's matched sums and reimbursements of election expenses

(ss. 474.1 and 474.2)



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Upon receipt of the *Return on the payment of an advance* **DGE-1045** form prescribed in Directive **D-M-32**, the municipal treasurer must immediately pay an advance equal to 50% of the matching sums to which the party is entitled and, if it is also entitled to a reimbursement of election expenses, an advance equal to 50% of that amount.

The return may only be filed on or after the fifth day after polling day. It must be produced by the official agent and the official representative, and 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 attesting to the accuracy of the return.

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

## 2.9 Annual allowance to authorized parties

(ss. 449.1 to 449.3)

The annual allowance is granted to authorized political parties in municipalities with 20,000 inhabitants or more that obtained at least 1% of the votes in the last general election. The form entitled Application for payment – Allowance for authorized parties **DGE-1020** must be used, and the schedule entitled Detailed statement of expenses incurred and paid **DGE-1046** is mandatory. These forms are prescribed by Directive **D-M-31**.



The treasurer pays the allowance on a monthly basis to the official representative of the party, upon production of vouchers. It is intended to cover expenses incurred and paid for the day-to-day administration of an authorized party, the dissemination of its political program and coordination of its members' political activities.

The allowance may not be used to pay election expenses, or to repay the interest or principal of a loan that has been paid into the election fund.

The allowance is adjusted on January 1<sup>st</sup> of each year, according to the change in the average Consumer Price Index for the preceding year. The amount awarded is therefore recalculated each year for each party that is entitled to it and is communicated by Élections Québec to the official representative.

#### EXCEPTION

When the DGE withdraws the authorization of a political party, no later than December 31<sup>st</sup> of the current year, the amount of allowance to which that party was entitled is then redistributed during the annual recalculation to the other parties entitled to it. The redistribution of the envelope is based on the votes obtained by the eligible parties in the last general election.

## 2.10 Reimbursement of auditing expenses

(s. 490)

A party with receipts of more than \$5,000 in a year must have its financial report audited.

Upon presentation of the independent auditor's original invoice and proof of payment, the treasurer reimburses the party, from the municipality's general fund, the auditing expenses for its annual financial report up to a maximum of:

- \$2,010 in the case of a municipality with a population fewer than 50,000;
- \$2,961 in the case of a municipality with a population of 50,000, but less than 100,000;
- \$5,921 in the case of a municipality with a population of 100,000 or more.\*

\*these amounts are adjusted on January 1<sup>st</sup> of each year according to the change in the CPI.

A model application for reimbursement of auditing costs **DGE-1416** can be found on the extranet.



The term “receipts” means all products from operations, as well as funds obtained from non-operating activities. These amounts include contributions, reimbursements of election expenses, reimbursements of auditing expenses, matching sums, loans and so on. In other words, they are all deposits recorded in the party's bank account during the year, excluding cash inflows caused by overpayments or over receipts. For example, a transfer from the official agent to the official representative or a refund of an overpayment on an invoice from a supplier.



**If you are not required to have your financial report audited since your revenues do not exceed \$5,000, you will not be eligible for a reimbursement of audit costs and will have to pay the entire bill from the funds held by the party if you still decide to have your financial report audited.**

# 3 Authorize and pay expenses

## 3.1 Payment of expenses

(ss. 443 to 445)



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The expenses of an authorized party, other than election expenses, may be incurred only by the party's official representative. These expenses must be paid out of the amounts collected in accordance with the *Act*.

All accounts and invoices must be paid within six months after they are received, unless you contest them. All expenses must be paid by cheque, debit card, credit card or bank transfer from the party fund. The official representative must sign the cheques or be responsible for payment by any other payment order. The vouchers defined in Directive **D-M-34** must be kept, as they constitute proof of payment of an expense. In addition, you may decide to add a second signature to the cheques for internal control purposes.

The official representative may designate a delegate in writing to support him or her in his or her duties. The official representative's delegate has, for the electoral district for which he or she is appointed, the power to incur expenses and to appoint people to incur expenses, in the same capacity as the official representative. However, the official representative retains responsibility for paying the invoice for expenses incurred by his or her delegate(s).

### Outstanding funds



All cheques or transfers you made and issued before December 31<sup>st</sup> must be entered on your financial report, even if they are not presented or cleared to your financial institution until the following year.

## 3.2 Petty cash

Some election expenses may be paid from petty cash, on the following conditions:

- it must be set up with the written authorization of the official representative;
- the amounts deposited in the petty cash must be determined by the official representative;
- 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 bank account.
- 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 reimbursement (replenishment) up to the amount of the outlays, 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 the official representative, along with all the invoices and vouchers.

A model **petty cash statement** **DGE-10907** can be found on your extranet.

## 3.3 Authorization of election expenses

(ss. 455 and 457)

In anticipation of a general election or by-election, the official representative of an authorized party and his delegates may authorize election expenses before the beginning of the election period. If these goods or services are used both before and during the election period, then these expenses are deemed to have been incurred and paid by the official agent of the party.



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The person authorizing these expenses must provide the official agent with a detailed breakdown, so that the expenses can be included in the party's return of election expenses.

However, if the official representative paid for good or a service used only during the election period, this expense must be invoiced back to the official agent who must reimburse the official representative from his or her electoral fund.

### 3.4 Transfer to the official agent's election fund

(ss. 458 and 498)

Only amounts held by an authorized party in compliance with the Act may be paid into the election fund made available to the official agent. After production of the return of election expenses, the official agent must give all monies remaining in his or her election fund, and all property in his or her possession, to the official representative.

### 3.5 Payment of contested claims

(s. 473)

Before filing the return of election expenses, the official agent must have paid all debts for which claims are received in the 60 days after polling day, unless he or she contests them. They must then be mentioned as such in the return of election expenses (s. 468).



The official agent may contest all or part of a claim relating to an election expense if the expense was incurred without his authorization or if the conditions of the order were not met (quantity, quality, delivery date, price, etc.) provided that the contested goods and services were not used.

When a claim has been contested by the official agent, it can be paid only by the official representative, and then only to execute a ruling obtained by a court of jurisdiction by the creditor after a hearing, and not as a result of acquiescence to the request or upon a settlement agreement.

However, the treasurer may allow the official representative to pay all or part of a contested claim if the refusal or failure to pay it is due to an error committed in good faith, and if none of the parties or candidates objects to the payment.

# 4

## Official representative during a leadership campaign

### 4.1 The party's expenses for the leadership campaign

(ss. 499.6 to 499.15)



During a leadership campaign of a political party, the party's official representative is responsible for incurring or authorizing expenses on behalf of the party in order to organize the leadership campaign.

An account held by the party's official representative under section 439 of the AERM may be used to pay the campaign expenses and, where applicable, to deposit the amount of loans contracted by the official representative for the purpose of the leadership campaign.

The official representative, his or her deputies and his or her replacement can incur campaign expenses on behalf of the party. The official representative, with the approval of the party leader or interim leader, may appoint sufficient deputies and allow them to incur or authorize campaign expenses. All campaign expenses incurred by the official representative's deputy are deemed to have been incurred by the official representative, up to the amount fixed in the deed of appointment.

This amount may be changed at any time, in writing, by the party's official representative before filing the return of campaign expenses.

The deputy must provide the party's official representative with a detailed statement of the expenses he or she has incurred or authorized.

The official representative of the party and his or her deputies must ensure that any payment of a campaign expense is supported by an invoice. The invoice must include the information shown in the table below, depending on whether the expense is \$100 or less, or more than \$100. The following table provides the necessary information:


**INVOICE**
**UNDER \$100**

- |                               |                                     |
|-------------------------------|-------------------------------------|
| ▶ supplier's name and address | ▶ description of goods and services |
| ▶ invoice date*               | ▶ total amount                      |

**\$100 OR OVER**

- |                               |                                     |
|-------------------------------|-------------------------------------|
| ▶ supplier's name and address | ▶ description of goods and services |
| ▶ invoice date*               | ▶ unit rate                         |
| ▶ quantity                    | ▶ total amount                      |

\* 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

Every person to whom an amount is owed for an expense incurred by the official representative for the purposes of the leadership campaign must submit a claim to the official representative within 60 days after the day of the vote.

If the party's official representative has died, has resigned or is unable to act and has not been replaced, the claim must be sent to the party leader or interim leader, within the same period.

If the claim is not submitted within the 60-day period, the debt is prescribed.

A chapter of the AERM contains provisions governing the financing of a political party leadership campaign. Please refer to sections 499.1 to 499.21 for full details.

## 4.2 Exceptions to campaign expenses

(ss. 499.11 – reference to 453)

### EXCEPTIONS

Section 499.11 refers to section 453 of the AERM, which provides, with the necessary modifications, that reasonable expenses incurred by a person for lodging, meals and travel for the purposes of a leadership campaign, and paid out of his or her personal property, do not constitute campaign expenses of the party if they are not reimbursed to the person.

Similarly, reasonable expenses ordinarily incurred for the everyday administration of the party's permanent office, the address of which is recorded in the register of the DGE, are not campaign expenses.

The reasonable expenses incurred to publish explanatory comments on the provisions of the Act and its regulations, in particular with regard to the financing of a party leadership campaign, are not campaign expenses. However, the comments must be strictly objective and must not contain and publicity in favour of or against a candidate. The person appointed to chair the vote or the party's official representative may deem it appropriate to incur such expenses.

## 4.3 Loans and surety

(s. 499.10)

The party's official representative may contract a loan for the party's leadership campaign expenses. An elector may provide surety for the loan.

The borrowing and bonding requirements are those set out in section 447 of the AERM and, with the necessary adaptations, in section 447.1 of the AERM. You can refer to section 2.5 of this guide for more information on the topic.

## 4.4 Amounts obtained from the financial representatives of candidates

(ss. 428-9, 480-4.2)

The party's official representative may act as supplier for the financial representatives of leadership candidates by offering goods and services at current market prices.



As for all other campaign expenses, the candidates' financial representatives must pay these expenses from their campaign funds.

The payments received by the party's official representative for these goods and services do not constitute contributions if the transactions are carried out in accordance with the *Act*. The payments must appear in the party's financial report, under a special income heading.

## 4.5 Return of campaign expenses

(s. 499.19)



The party's official representative must file a return of the campaign expenses with the DGE within 120 days after the vote. The return must be in the form prescribed, using form **DGE-1078** entitled Report campaign expenses of the party, which is available on the extranet (see Directive **D-M-29** ).

All vouchers pertaining to the return and, where applicable, the deeds of appointment of the official representative's deputies and any changes to those deeds, must be kept by the official representative for a period of seven years and must be submitted to the DGE on request.

## 4.6 Receipt of returns of leadership campaign income and expenses from leadership candidates

(s. 499.17)

The party's official representative receives the returns of leadership campaign income and expenses that every candidate for the party's leadership must file within 90 days after the vote, along with the complementary return of campaign income and expenses required by the *Act*.

The official representative of the party must ensure that the candidates' returns comply with the party's leadership race regulations. Thus, the person presiding over the vote or the official representative may first examine the compliance of the report with the requirements of the *Act*. Where appropriate, the financial representatives of candidates may be asked to correct their reports or send them missing vouchers before the deadline for submitting the report.



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The party's official representative must attach all the returns from the candidates' financial representatives, received after the vote, to his or her own report, and must forward them to the DGE. The official representative must also send the complementary returns to the DGEG, as soon as they are received.

## 4.7 Conservation of vouchers from the returns of leadership campaign income and expenses filed by leadership candidates

(s. 499.17)

The party's official representative must keep all vouchers required to verify compliance with the provisions of the *Act* governing leadership campaign financing, for a period of seven years after the returns of campaign income and expenses are filed by the leadership candidates' financial representatives. Where applicable, he or she must also keep the written authorizations of leadership candidates for any loans contracted, as well as the deeds of appointment of the financial representatives' assistants and any changes to them. He or she must send these documents to the DGE if requested to do so.

## 4.8 Additional period for filing

(s. 499.21)

### EXCEPTION

If the party leader or interim leader can show the DGE that the absence, death, illness or misconduct of the party's official representative, or any other reasonable cause, has prevented the preparation and filing of the campaign expense return, the DGE may grant an extension of not more than 30 days for the preparation and filing of the return.

# 5 Annual financial report

## 5.1 General information

(ss. 479 and 482)



As the official representative of an authorized party, you must, by April 1<sup>st</sup> of each year, send a financial report to the municipal treasurer for the preceding fiscal year ending on December 31<sup>st</sup>. Where the report shows income of more than \$5,000, it is deemed to be filed only if it is accompanied by the duly signed report from the party's independent auditor.

The party's financial report must a balance sheet, an income statement, a statement of evolution of net assets and a cash flow statement, prepared in accordance with generally accepted accounting principles.

The report must also be accompanied by sections containing the additional information required under the *Act*, **including the list of electors whose total contributions are more than \$50 and the reconciliation of contribution receipts**. In addition, you must append copies of all political activity reports for which entry revenues have been generated, **as well as the signed list of canvassers**.

The independent auditor must have a public accounting licence and be legally entitled to practice in Québec. Chapter 6 of this guide contains additional information on auditors.



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For the party's financial report to be valid, the sections entitled "Signature and declaration of the official representative" and "Signature and declaration of the party leader" must be signed.

A model financial report, together with additional notes and schedules, can be found in Directive **D-M-8**.



To facilitate preparation of the annual financial report, we ask that you keep proper accounting registers. In this regard, you should refer to the **D-M-7** directive available on the extranet.

In addition, form **DGE-1050** and a list of accounts are available on the extranet to help you prepare a financial report in accordance with directive **D-M-8**. For more information, contact a political financing coordinator at Élections Québec.

## 5.2 Conservation of documents

(s. 483)



The official representative of an authorized party must keep the copies of all contribution receipts issued and all vouchers relating to contributions for a period of seven years after filing of the financial report. He or she must also keep all financial documents used to produce the report, including invoices and proofs of payment, for the same period.

## 5.3 Application to correct a report or return

(s. 507)

Any report may, up to the deadline for transmission, be corrected directly with the treasurer when an error is detected.

After that date, the leader of the party must obtain permission from the DGE to correct the error by demonstrating that it was inadvertently made. To do so, the leader of the party must use the model **DGE-1415** available on the extranet.



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Before allowing a report to be corrected, the DGE sends a copy to the parties or authorized independent candidates concerned, informing them that they have 10 days to submit their objection. If there is no objection or if the DGE considers the objection unfounded, the correction can be made. Otherwise, the leader of the party must ask the competent judge for permission.

## 5.4 Accessibility

*(ss. 90.6 and 659)*

The information contained in financial reports and in documents prescribed by the *Act* is public information as from the deadline for filing, with the exception of the list of members of an authorized political party and contribution receipts for amounts of \$50 or less. Any person may examine the reports and documents filed by contacting the treasurer of the municipality.

## 6

# The party's independent auditor

(ss. 388, 389, 488, 489 and 490)



The leader of an authorized party must, not later than the 30<sup>th</sup> day after the granting of authorization by the DGE, appoint an auditor. This person must have the legal right to practice public auditing in Québec by being a member of the Ordre des comptables professionnels agréés du Québec and by holding a public accounting licence as an auditor. The RAPEQ Guide contains a model notice of appointment of an auditor.

The following people cannot act as auditors:



1. the DGE;
2. the officers or employees of the municipality or a mandatory body of the municipality;
3. the members of the Parliament of Québec and the Parliament of Canada;
4. the leader of the party or another executive officer of the party;
5. the official agents or representatives of parties carrying on their activities in the territory of the municipality, and those of independent candidates running for election as members of the municipal council;
6. the candidates who ran or are running for election as members of the municipal council at the last general election, any subsequent by-election or the current election;
7. the municipality's auditor;
8. the municipality's election officers;

9. any person convicted of an offence that constitutes a corrupt election practice within the meaning of section 645 of the *Act*, the *Act respecting school elections to elect certain members of the boards of directors of English-language school service centres* (chapter E-2.3) or the *Election Act* (Chapter E-3.3). The disqualification lasts for five years from the day on which the judgment convicting the person becomes a *res judicata*.

The associates and staff members of the people mentioned in subparagraphs 1 to 8 above are also disqualified from holding office as auditor.



The independent auditor of an authorized political party audits the party's financial report in cases where the party collects more than \$5,000 in receipts. He or she then delivers the audit report, prepared in accordance with Directive **D-M-9**, to the official representative no later than the fifth day preceding April 1<sup>st</sup> of each year.

The report must be sent to the party's leadership. It may also contain comments or observations to explain any departure from generally accepted accounting practices, from the *Act* or from the directives of the DGE.

The independent auditor has access to all the books, accounts and documents related to the financial affairs of the party.



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Where the financial report must be audited, the treasurer reimburses the auditing expenses to the party, out of the municipality's general fund, up to the limits mentioned in section 2.10 of this guide.

To be entitled to a reimbursement of auditing expenses under section 490, the official representative must apply to the municipal treasurer, enclosing the original invoice and the proof of payment. A model application for reimbursement of auditing costs **DGE-1416** can be found on the extranet.

# 7

## General information

### 7.1 Updating of the register of authorized entities of Québec

(ss. 399.2 and 399.3)

The official representative, party leader or any other person appointed by the leader must notify the DGE of any appointment of a new leader or new officers, replacement of an official representative or delegate, or an official agent or deputy. He must also provide any other written information required by the DGE to update the register.



The political party must also send a list to the DGE, no later than April 1<sup>st</sup> of each year, showing the names and addresses of the minimum number of members required by the AERM who are qualified electors and who hold valid membership cards.

For the appointment of a new leader, a notice announcing the appointment must be accompanied by a copy of the resolution adopted in compliance with the party's by-laws and certified as being valid by at least two other officers of the party.

### 7.2 Withdrawal of authorization on the initiative of the DGE

(s. 404)



An entity's authorization may be withdrawn by the DGE on the following grounds, among others:

- it does not provide the information required to update the register of authorized entities;
- it does not comply with the provisions relating to the auditor;
- the official representative does not comply with the provisions governing the expenses and loans of authorized entities;

- the official representative does not comply with the provisions governing the financial report;
- the political party does not maintain the minimum number of members who are qualified electors and who hold a valid membership card, or omits to provide a list by April 1<sup>st</sup> of each year, indicating the names and addresses of the members who are qualified electors and who hold a valid membership card.

## 7.3 Increased inspection and investigation powers of the DGE

(ss. 490.1 to 490.4)

As of June 2016, following recent legislative amendments, the DGE has new audit and investigation powers, including:

- access to premises;
- formal demand;
- judicial order.



The DGE may also carry out inspections to ensure compliance with the *Act* or its regulations.

# 8

## 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 may be brought against the official representative, the official agent or the party leader.

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 is disqualified from being a candidate in a subsequent election until the report or return is filed (s. 64).

When the financial report of an authorized entity is not filed within the prescribed time, the party leader loses the right to attend meetings of the municipal council as a member, from the 10<sup>th</sup> day after the deadline and until the report or return is filed (s. 503).

Where the leader is not a member of the council, the person who was the party's candidate for the office of mayor at the last election loses the right to attend meetings of the municipal council as a member, until the report or return is filed. If this person is also not a member of the council, the person who loses the right to attend meetings is the person who is a member of the council, who was a candidate for the party at the last election, and who obtained the most votes (s. 502).

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).

- An official representative commits an offence and is liable to a fine of \$5,000 to \$20,000 when he or she (s. 505):
  - files a false report or return (s. 597);
  - produces an invoice, voucher or receipt that is incomplete, false or falsified (s. 597);
  - pays a claim other than as permitted by section 473 (s. 596 (2)).

- The official agent commits an offence if he fails to respect the permitted limit on election expenses (s. 595) and is liable to a fine of \$5,000 to \$20,000 (s. 640.0.1).

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 way that contravenes section 436 (s. 612.1) is guilty of an offence and is liable to a fine of \$500 to \$10,000 (s. 641).
- The following people are guilty of an offence (s. 610):
  - every person who makes a contribution to an authorized entity and who is not a qualified elector, and every person who exceeds the maximum amount for a contribution;
  - a person who, by threats or constraint or by promise of compensation, consideration or reimbursement, encourages an elector to make a contribution;
  - an elector who falsely declares that a contribution is made out of his own property, voluntarily, without compensation or consideration, and that it has not or will not be reimbursed in any way.
- The penalties for these offences are as follows (s. 641.1):
  - a) in the case of an individual, 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;
  - b) in the case of a legal person, 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). In accordance with section 648.1, all information on penal proceedings instituted by the DGE, and every conviction in respect of an offence 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 Secretariat of the Conseil du trésor for appropriate processing under the *Act respecting contracting by public bodies*.



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

We 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, the model available on the extranet

**DGE-10901** should be used to apply to the DGE for an inquiry.

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 midday and 1:00 p.m. to 4:30 p.m.

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