

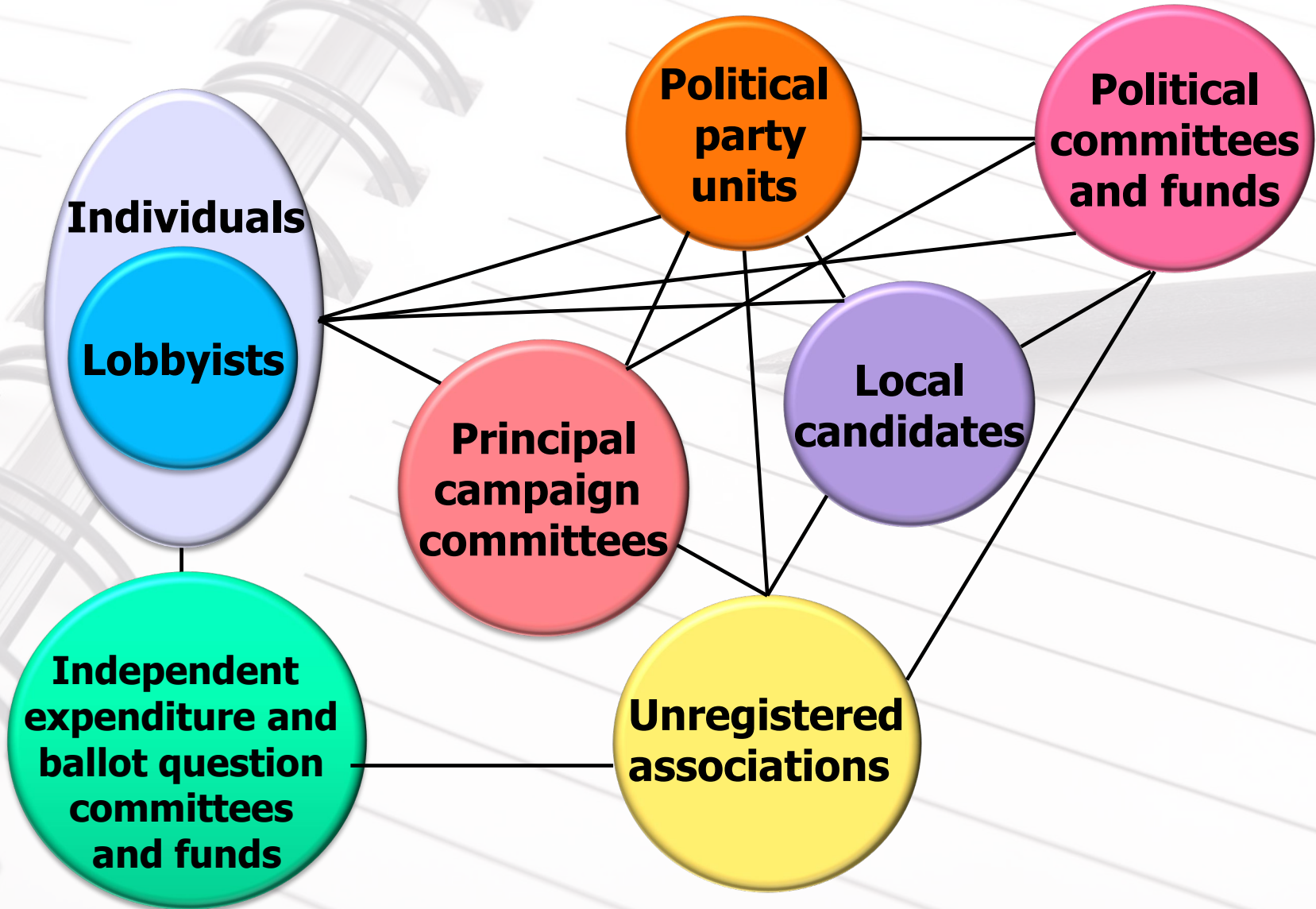
# Party Unit and Political Committee or Fund Training



# Topics We Will Cover In This Training Session

- **World of campaign finance**
- **Contribution limits**
- **Expenditures**
- **Registered committees**
- **What do you record and report**
- **Independent expenditures**
- **Electioneering**
- **Unregistered associations**
- **Disclaimers**
- **Political contribution refund program**

# The World Of Campaign Finance





# Campaign Finance Entities

- Principal campaign committees – committees of candidates for state office
- Political party units – state central committees and their subsidiary units organized within a house of the legislature, congressional district, county, legislative district, etc.
- Political committee – group whose major purpose is to influence election of candidates or to promote or defeat a ballot question
- Political fund – money used by a group, which doesn't fit any category listed above, to influence election of candidates or to promote or defeat a ballot question

# Campaign Finance Entities, cont.

- Local candidates – candidates for local office such as county commissioner, city council, school board, etc.
- Independent expenditure and ballot question political committees and funds – political committees and funds that cannot give contributions to or coordinate with other entities but may accept corporate contributions
- Lobbyists – individuals who are lobbyists
- Unregistered associations – groups of two or more persons, not registered with the Board as a committee, fund, or party unit





# Contribution Limits

# Contribution Limits for State Candidates

- Contribution limits apply to two-year periods referred to as segments
- There are election and non-election segments for candidates whose election cycle is longer than two years
- Treasurer must track contributions over the two-year segment so limits are not exceeded
- A list of contribution and spending limits is available at [cfb.mn.gov/pdf/camfin/contrib\\_limits.pdf](http://cfb.mn.gov/pdf/camfin/contrib_limits.pdf)



# Individual Contribution Limit

Office	2023 – 2024 Individual Limit
Governor/Lt. Governor	\$2,000
Attorney General	\$1,500
Secretary of State and State Auditor	\$1,000
Senate	\$1,000
House of Representatives	\$1,000
Judicial Office	\$2,500

- Limit for constitutional office candidates increases when office is on the ballot



# Contribution Limits for Local Candidates

- Limits apply to calendar years
- \$250 limit in nonelection year
- \$600 limit in election year
- \$600 limit increased to \$1,000 if territory of office has population over 100,000:
  - Hennepin County: Sheriff, attorney, commissioner
  - SSD 1: At-large School Board seats only
  - Minneapolis: Mayor, BET, at-large Park Board seats
- See [Minn. Stat. § 211A.12](#)

# Contributions to Political Party Units, Political Committees, and Funds

- No limit on amount of contribution accepted
- Additional disclosure required if from an association not registered with the Board
- Corporate funds prohibited



# Corporate Contributions Prohibited

- Corporations cannot contribute to candidate committees, political committees or funds, or party units
- Corporations can only contribute to independent expenditure and ballot question committees and funds

# Prohibited Contributions During Legislative Session

- Candidates and caucuses may not accept or solicit contributions from prohibited sources during the legislative session
- Applies to a recipient that is a legislative or constitutional office candidate or a legislative caucus
- The session includes the entire day the session starts to the entire day the session ends
  - February 12, 2024 – May 20, 2024
  - Applies to full day – when contribution received not mailed
  - Prohibition does not apply to a special session or special election
- Prohibited sources are
  - Lobbyists
  - Political committees and political funds
  - Unregistered associations



# Return of Contribution

- Contributions generally must be deposited within 10 business days and within the reporting period received
- If received within the last 3 days of a reporting period, a contribution must be deposited within 72 hours
- Contributions may be returned within 90 days to clear violation
- 90 days starts when contribution is deposited
- After 90 days contribution is deemed accepted

# If Contribution is Returned

- If contribution was not deposited, do not report it
- If contribution was returned within 90 days after deposit and before being reported to the Board, do not report it
- If contribution was returned within 90 days after deposit but has been reported to the Board, zero out the contribution
- If contribution was returned more than 90 days after deposit, report both the contribution and the amount returned



# Understanding In-Kind Contributions

- In-kind contributions are donations of goods or services other than money
- A committee volunteer's time is not an in-kind donation
- In-kind are recorded and reported **ONLY** if over \$20
  - No de minimis exception for corporate contributions

# Reporting In-Kind Contributions

- In-kind contributions are recorded at fair market value
- An in-kind contribution is also an in-kind expenditure in the same reporting period



# Approved Expenditures

- An approved expenditure is an expenditure made on behalf of a candidate with the consent of, or in coordination with, the candidate's committee
- An approved expenditure **is always** a donation in kind and applies to the candidate's contribution limit
- The candidate's committee limits the dollar value of an approved expenditure in advance and in writing
- Keep a copy for your committee records



# Cost of Using a Car

- A volunteer using a personal car for campaign purposes is not an in-kind contribution
- If you choose to reimburse, the rate for 2024 is 67 cents per mile



# Loans

- Loans cannot be made from committee funds for personal reasons
- Loans require a written agreement
- If a loan is forgiven it is considered a contribution from the lender in the year the original loan was made

# Auctions

- Items cannot be donated by corporations
- Fair-market value of a donated item is reported as an in-kind contribution if the value exceeds \$20 and each contribution results in an equivalent in-kind expenditure
- The full amount paid by a winning bidder should be reported as a cash contribution
- Find more information at:  
[cfb.mn.gov/pdf/issues/Conducting\\_auctions.pdf](http://cfb.mn.gov/pdf/issues/Conducting_auctions.pdf)



# Sales for Fundraising Purposes

- When selling goods or services as a fundraiser, must disclose to customers that their purchase is a political contribution and to whom the contribution is made
- Disclosure must be provided verbally or via a prominent sign within three feet of the point of sale, if sale is in person
- Disclosure must be provided via a prominent notice on the page used to make the purchase if sale is made by electronic means
- Exception for fundraising events

# Raffles

- A raffle involves participants providing something of value, such as money, in order to be eligible to win a prize
- If no payment or other consideration is given by participants, it is a drawing
- Proceeds from raffles and other types of gambling may not be used for political purposes or to make political contributions
- Find more information at:  
[cfb.mn.gov/pdf/issues/raffles.pdf](http://cfb.mn.gov/pdf/issues/raffles.pdf)



# Expenditures

- Expenditures are reportable when an obligation to pay is incurred
- Report expenditure as an unpaid bill if not paid or no invoice at time of report
- Remember that an in-kind contribution is an in-kind expenditure during same report period



A background of numerous US one-dollar bills scattered across the frame. The bills are in various orientations, some overlapping, and feature the portrait of George Washington. The text "THE UNITED STATES OF AMERICA" and "ONE DOLLAR" are visible on the bills. A white rectangular box is centered over the bills, containing the main title.

# Contributions Made by a Registered Committee



# Identification of Contributor

- Put Board registration number on check!
- Lobbyists, political committees and funds, and party units are required to include registration number



# Contributions by a Political Committee or Fund or Party Unit

- If you make contributions to federal or local candidates, report them as expenditures
  - Starting in 2022, contributions to candidates seeking an office of the following are reported as contributions:
    - Hennepin County, Minneapolis, Bloomington, Brooklyn Park, Plymouth, or Minneapolis Public Schools (SSD 1)
  - Contributions to or disbursements related to federal or local candidates may trigger separate reporting requirements under federal, state, or local law
- May make contributions to other political committees and funds and party units without limit
- Contributions to candidates, cash and in-kind, count against candidate contribution limits



The background of the slide is a collage of various US dollar bills, including one-dollar, five-dollar, and ten-dollar bills, scattered and overlapping. The bills are in various orientations, creating a textured, financial-themed background.

# Multi-Candidate Political Party Expenditures

- May only be made by political party units
- Do not count as contributions to candidates



# 6 Types of Multi-Candidate Expenditures

- To promote party without mentioning any candidate
- Phone calls, text/mms/chat messages, or emails for at least 3 persons on ballot
- Official sample ballot with at least 3 persons on the ballot
- Costs for a party unit's booth at a community event, county fair, or state fair that benefits three or more individuals who will appear on the ballot
- Staff services for at least 3 state candidates
- Fundraiser for at least 3 state candidates



A close-up photograph of a desk setup. In the foreground, a spiral-bound notebook with a white cover and a grid pattern is open. A black pen with gold accents lies across the notebook. In the background, a smartphone with a white frame and a black screen is visible. The desk surface is dark wood. A white banner with blue text is overlaid on the notebook.

**What Do I Record and Report?**



# Treasurer's Duties

- Must record and deposit all cash receipts
- Keep records of expenditures
  - Invoice or receipt for all expenditures over \$100
- Reports to Board are basically bank statements
  - Make sure that reports list cash balances that match your bank statements, unless there were checks in transit



# Itemization Threshold

- Contributions and expenditures are itemized at over \$200 in aggregate per contributor or vendor
- Ballot question committee or fund contributions itemized at over \$500
- Recordkeeping required by treasurer changes as contribution size increases



# Collect All Required Information

Contributions have 3 levels of recordkeeping -

- \$20 and less, no record of in-kind contribution, date and amount of cash contribution
- Over \$20 to \$200, record name & address of contributor, date and amount of contribution, and description if in-kind
- Over \$200, all of above plus employer or occupation and Board registration number. Contribution is itemized on report



# Anonymous Contributions

- Cash contributions of \$20 or less may be accepted without recording information on contributor
- If over \$20, may not be accepted without contributor information
- Anonymous cash contributions over \$20 must be forwarded to the Board



# Collect All Required Information

## ■ Expenditures

- Keep a record of cash expenditures
- All in-kind expenditures of over \$20
- Record date, amount, name and address of vendor, description/purpose of item or service purchased
- Itemize expenditures on the report if over \$200 of expenditures with a vendor



# Know Filing Deadlines For Reports

- Most party units not involved in Hennepin County elections
  - Odd-numbered year – only year-end report
  - Even-numbered year
    - 1 pre-primary report
    - 1 pre-general report
    - Year-end report



# Filing Deadlines For Reports, cont.

- Political committees and funds
- Independent expenditure and ballot question committees and funds
- Party central committees and legislative caucuses
  - Odd-numbered year – only year-end report (unless involved in Hennepin County elections)
  - Election year
    - First quarter report (January 1 – March 31)
    - 2 pre-primary reports
    - 2 pre-general reports
    - Year-end report



# Additional Reports for Hennepin County Spending

- Starting in 2023 party units and political committees and funds must file additional reports in an odd-numbered year after more than \$200 is spent to influence either the election of candidates seeking an office of, or a ballot question that may be voted on by all voters in:
  - Hennepin County
  - Minneapolis, Bloomington, Brooklyn Park, or Plymouth
  - Special School District 1 (Minneapolis Public Schools)
- Additional reports include:
  - First quarter report (January 1 – March 31)
  - 2 pre-primary reports
  - 2 pre-general reports



# Pre-Election Large Contribution Notice

- Applies to election years only
- Two large contribution notice periods
  - Before primary election (July 23 – August 12, 2024)
  - Before general election (October 22 – November 4, 2024)
- Loan or contribution received during period
- Notice must be filed by end of next business day after receipt
- Triggering amounts
  - Political committee or fund – more than \$1,000
- Political party units do not file large contribution notices
- Pre-primary period does not apply to ballot question committees



# Amendments

- An amendment to a previously filed document must be filed within 10 days after the person responsible for filing the document becomes aware that the information previously provided has changed or is inaccurate.



# Watch Out for Fines

- Start day after deadline without notice
- Pre-election reports - \$50 per day up to \$1,000
- Year-end, first quarter, June, and September reports - \$25 per day up to \$1,000
- Large contribution notices - \$50 per day up to \$1,000
- Plus civil penalty of up to \$1,000



# Independent Expenditures

- Expenditures made to influence the nomination or election of a candidate without the knowledge, cooperation, or approval of the candidate, the candidate's committee, or the candidate's agent
- Reported differently than contributions and general expenditures

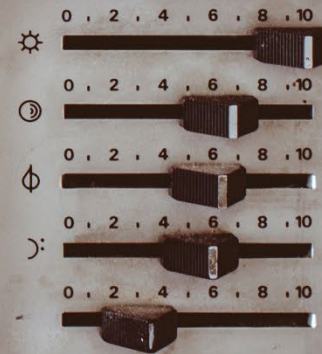


# Independent Expenditures - Express Advocacy

- Express advocacy is communication that clearly identifies a candidate or a local candidate and uses words or phrases of express advocacy or;
- When taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidates because:
  - the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning
  - reasonable minds could not differ as to whether the communication encourages actions to elect or defeat one or more clearly identified candidates or encourages some other kind of action



# Electioneering Communications



# What are Electioneering Communications?

- An electioneering communication is as a communication that:
  - is publicly distributed by a television station, radio station, cable television system, or satellite system
  - can be received by 10,000 or more individuals within the relevant district
  - refers to a clearly identified candidate for state office
  - is distributed within 60 days of the state general election or within 30 days of a state primary election, or a convention or caucus of a political party that has authority to nominate the candidate referenced in the communication
  - is targeted to the relevant electorate
  - is not an independent expenditure, a campaign expenditure, a candidate debate or forum, or paid for by a candidate



# Reporting Electioneering Communications

- A report is required if electioneering communications in aggregate exceed \$10,000 during a year
- Must be filed no later than 11:59 pm of the day following the day on which the electioneering communication is publicly distributed
- New reports are required every time the individual or association spends more than \$10,000 on electioneering communications since the most recent report during the calendar year
- Exception for political committees, which must disclose such communications within normal campaign finance reports instead

# Reporting Electioneering Communications contd.

- The report must disclose:
  - the identification of the person who made the disbursement for the electioneering communication
  - the identification of any person who exercised control or direction of the persons who made the disbursement
  - the identification of the custodian of the accounts from which the disbursement was made
  - the amount of each disbursement made or obligation incurred of more than \$200 during the period covered by the report
  - identification of all candidates referred to in the electioneering communications
  - the date the communication was made public



# Reporting Electioneering Communications contd.

- If the disbursements were made from a segregated account, the report must disclose the name and address of each donor who contributed \$1,000 or more to the segregated account aggregated from January 1 of the preceding calendar year
- If the disbursements were not made from a segregated account, the report must disclose the name and address of each donor who contributed \$1,000 or more to the person making the disbursement, aggregated from January 1 of the preceding calendar year
- If the disbursements were made by a corporation or labor organization, and were not made from a segregated account, the report must disclose the name of each individual who contributed \$1,000 or more in aggregate for the purpose of making electioneering communications

A stack of several books is shown, with the top book slightly offset to the right. The books are resting on a wooden surface with a prominent checkered or checkerboard pattern. The lighting is dramatic, coming from the side, casting long shadows and highlighting the texture of the book spines and the wood. The background is dark, making the books and the text stand out.

# **Understanding Disclosures Required from Unregistered Associations**



# Contributions from Unregistered Associations

- Unregistered association may be a nonprofit organization, local candidate committee, federal committee, or political committee registered in another state or with the FEC
  - If the contributor does not have a Board registration number and is not an individual, it is probably an unregistered association
- May NOT be a corporation
- May accept from unregistered association
  - If \$200 or less, without disclosure
  - If over \$200, then only if additional disclosure is provided **at the time** the contribution is made

# Disclosure Required from Unregistered Association

- Disclosure is at Minnesota level (\$200 itemization threshold) so FEC report is sufficient
- Must include all transactions of the contributor, nationwide
  - Year-to-date if contribution made after January 30<sup>th</sup>
  - At least 30 days prior to date of contribution if made before January 30<sup>th</sup>
- Party units do not need disclosure from federal candidates for payment of fees to attend events



# Unregistered Association Disclosure Statement

- Copy of disclosure statement provided to Board with next report
  - Disclosure statement may be a printed document, an electronic document, or the URL of a government website containing the document
- Fine of up to 4X amount of contribution if accepted without disclosure

# Disclaimers

- A disclaimer tells the public who is responsible for a communication
- A disclaimer is required on all campaign material including websites and Facebook
- Exceptions for online ads that link to page with the disclaimer, apparel, stickers, pins, buttons, and personal letters or business cards clearly distributed by candidate



# Form of standard non-broadcast disclaimer

- For non-broadcast communications, the disclaimer must say “Prepared and paid for by the ..... committee ..... address”
- If the communication is produced and disseminated without cost, the words “and paid for” may be omitted

# Form of standard broadcast disclaimer

- For broadcast communications, the disclaimer must say "Paid for by the .....committee"
- If the broadcast communication is prepared and disseminated without cost, the disclaimer must say "The ..... committee is responsible for the content of this message"



# Form of independent expenditure non-broadcast disclaimer

- For non-broadcast independent expenditure communications, the disclaimer must say “This is an independent expenditure prepared and paid for by ..... (name of entity), ..... (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it.”

# Form of independent expenditure broadcast disclaimer

- For broadcast independent expenditure communications, the disclaimer must say “This independent expenditure is paid for by ..... (name of entity). It is not coordinated with or approved by any candidate nor is any candidate responsible for it.”



# Additional Disclaimer Information

- Find more information about disclaimer requirements for campaign material at [cfb.mn.gov/pdf/issues/disclaimers\\_campaign\\_material.pdf](http://cfb.mn.gov/pdf/issues/disclaimers_campaign_material.pdf)
- Find more information about disclaimer requirements for independent expenditures at [cfb.mn.gov/pdf/issues/disclaimers\\_ie.pdf](http://cfb.mn.gov/pdf/issues/disclaimers_ie.pdf)



# Political Contribution Refunds





# Political Contribution Refund Program

- Political parties may issue Political Contribution Receipts (PCR) to contributors
  - Cash contributions only
  - Paper PCR receipt (EP3) from Board or CFRO
  - Dept. of Revenue application - [revenue.state.mn.us/political-contribution-refund](https://revenue.state.mn.us/political-contribution-refund)



## Political Contribution Refund, cont.

- Contribution **must** have been received on or after date the candidate filed public subsidy agreement
- Refunds only available to eligible Minnesota voters
- \$75 per individual per year (\$150 per married couple), tracked by Dept. of Revenue by social security number
- Warn donor to send small PCR receipts in all at one time



## Political Contribution Refund, cont.

- If a contribution consists of money paid for goods or services, including items purchased via auction, the value of the purchase generally must be deducted from the amount paid when issuing a PCR receipt
  - If a contributor pays \$100 for a \$75 gift card via a silent auction, issue PCR receipt for \$25
  - If a contributor pays \$75 for a \$100 gift card, a PCR receipt cannot be issued
- See [Revenue Notice #91-16](#) for more information



**RETAIN ALL RECORDS  
FOR FOUR YEARS**



# When In Doubt Ask

- Online training videos at [cfb.mn.gov/filer-resources/self-help/education-and-tools/online-videos/](http://cfb.mn.gov/filer-resources/self-help/education-and-tools/online-videos/)
- Call (651) 539-1180 or (800) 657-3889
- The website address for the Board is [cfb.mn.gov](http://cfb.mn.gov)
- On the website, you can access handbooks, download forms, and find contact information for staff members.