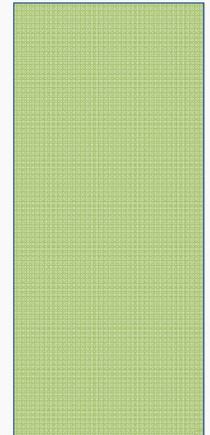


CAMPAIGN FINANCE DISCLOSURE TRAINING

BALLOT QUESTION COMMITTEES



TOPICS

- Introduction & Topics of Discussion
- MCFA Committee Types
- MCFA Definition of a Committee
 - What is a Ballot Question Committee?
- Statement of Organization/Reporting Waiver
- Statement Types and Due Dates
- Assessing Late Filing Fees
- Late Contribution Reports
- Good Cause Waiver Requests
- Campaign Statement Review
- Notices to Committees
- Duties of the SOS
- Tips for Treasurers and Successful Reporting

WHAT IS A “COMMITTEE”?

- Committees are “persons” or groups that:
 - Receive contributions or make expenditures to influence voters to vote for or against the nomination or election of a candidate (PACs);
 - Receive contributions or make expenditures to influence voters for the qualification, passage or defeat of a ballot question;
 - Make independent expenditures to influence voters;
 - Or receive contributions or make expenditures to assist a political party in qualifying for ballot access in Michigan

Candidate
Committee
State and Local

Political/Independent
Committees
(PAC)

Ballot Question
Committee

Political Party
Committee

MCFA COMMITTEE TYPES

WHEN A POLITICAL GROUP SHOULD REGISTER

MCL 169.203 (4)

- As soon as a “person” or group receives or spends \$500.00 or more in a calendar year **to support or oppose a candidate or ballot issue**, the MCFA requires the “person” or group to form and register a committee.
- Once the \$500.00 threshold is met, the group has 10 days **to form a committee and another 10 days** from that date to file the Statement of Organization with their filing official.

DETERMINE YOUR FILING OFFICIAL

**Local Issue:
County Clerk's
Office**

**Statewide Issue:
Bureau of Elections**



What's Next?

- File your Statement of Organization
- Read the Ballot Question Committee Manual
- Get to know your dates and deadlines
- Get familiar with the MCFA
- Familiarize yourself with MERTS well *before* filing deadlines

Links:

- [Statement of Organization](#)
- [Ballot Question Committee Manual](#)
 - [Appendices](#)
- [Dates and Deadlines](#)
- [Michigan Campaign Finance Act](#)
- www.mertsplus.com

WHAT IS THE REPORTING WAIVER?

SECTION 169.224 (5, 6)

Exempts Committees who do not anticipate spending/receiving over \$1000.00 per election cycle from filing campaign statements

Question 10 on **the S of O** must be marked "YES" to honor waiver

Financial activity must still be recorded and tracked

The waiver does not exempt committees from filing:

- The original **or amended** Statements of Organization
- Late Contribution Reports
- Petition Proposal Statements (Statewide issues only)

REPORTING WAIVER (CONT.)

When the Reporting Waiver is Lost

- Once a committee spends/receives over \$1000.00, the next campaign statement is required.
 - The \$1000.00 threshold includes debts owed, balances from previous election cycles and all contributions both direct and in-kind

How to regain the Reporting Waiver

- The reporting waiver may be obtained again if the committee requests **one** on an amended SofO
- The Committee must:
 - Submit an Amended SofO with box 10 checked
 - Amended SofO must have appropriate signatures
 - Committees ending balance must be less than \$1000.00
 - Committees debts and obligations must be under \$1000.00

Are There Fines for Filing the SofO Late?

YES! - The fee for filing a Statement of Organization late accrues at a rate of \$10/business day to a maximum of \$300.00

WHERE DOES A COMMITTEE REGISTER?

- **County Level:** Ballot Issues that are only voted on at the local level, registers with their County Clerk
- **State Level:** Ballot Issues that are voted on at the Statewide level, register with the Bureau of Elections

Campaign Statements



CAMPAIGN STATEMENT DUE DATES

Type of Statement	Closing Date of Statement	Statement Due Date
Pre-Election Campaign Statement	16 days before election	11 days before election
Post Election Campaign Statement	20 days after election	30 days after election
Annual Campaign Statement	December 31	January 31
February Quarterly Campaign Statement	February 10	February 15
April Quarterly Campaign Statement	April 20	April 25
July Quarterly Campaign Statement	July 20	July 25
October Quarterly Campaign Statement (Odd Years only)	October 20	October 25
Petition Proposal Campaign Statement (State Filers only)	28 days after filing	35 days after filing

*Quarterly statements are waived if pre/post are required

ARE THERE LATE FILING FEES IF THE STATEMENT IS LATE OR NOT FILED?

- **YES!! Save money by filing on time!**
- Committees with **more** than \$10k in financial activity in last two years: Fees accrue \$25 per first 3 days late and then \$50/day up to \$1000
- Committees with **less** than \$10k in financial activity in last two years: Fees accrue \$25/day up to \$500



WHAT IS A LATE CONTRIBUTION REPORT?

- When committee receives a single or cumulative contribution of \$2,500 or more and
 - The contribution is received from the same individual between the day following the close of books of the last campaign statement required to be filed by the committee and the 3rd day before the date of any election;
 - And the committee has made an expenditure to support or oppose a **ballot question** on the ballot during the same late contribution report period described above.
 - Section 32 of the MCFA requires that late contributions be reported within 48 hours of the date the contribution was received. The contribution is also reported on the subsequent campaign statement
- [Late Contribution Report form](#) (paper)
- [e-IDR](#) (electronic; state level)

IS THERE A FEE FOR NOT FILING LATE CONTRIBUTIONS ON TIME?

YES!! Avoid late fees by filing on time!

Fee Schedule:

- Late filing fees shall not exceed the lesser of the following:
- The Total amount of omitted contributions - or –
- \$2,000.00 to be assessed as follows
 - \$25.00/business days 1-3
 - \$50.00/business days 3-10
 - \$100.00/business days 11-26

What is an Election Cycle?

The election cycle begins the day following the last general election and ends on the day of the next general election.

WHAT IS THE ELECTRONIC FILING REQUIREMENT?

The Michigan Campaign Finance Act ([MCL 169.218](#)) requires that state level committees that spend or receive **\$5,000.00** or more in a calendar year file electronically

If a committee anticipates spending or receiving **\$5,000** or more in a calendar year they are required to file electronically

WHAT DO I USE TO FILE ELECTRONICALLY?

The state provides software free of charge to state level and judicial committees for **the electronic filing of campaign statements** called the Michigan Electronic Reporting and Tracking System (MERTS)

It is **HIGHLY** recommended to complete the online training or scheduling a Lansing training session to become familiar with the software well before the committee's first filing is due

For more information and to download MERTS, visit www.mertspplus.com

WHAT'S REPORTED IN A CAMPAIGN STATEMENT?

Contributions:
money, goods or
services provided
with the intent to
influence
Michigan
elections.

Expenditures:
payment for
services, goods
and facilities
that influence
Michigan
elections

Debts and
Obligations
(record of debts
owed to or by
the committee)

Fundraiser
Information
(fundraiser
event detail)

COVER PAGE & SUMMARY PAGE

Cover Page: provides information about the committee such as:

- Committee ID number/ Committee Name
- Coverage Period
- Committee's name, address and county of residence
- Committees mailing address
- Treasurers name and address
- Designated Record Keeper (if applies) name and address
- Type of Statement
- Treasurer signature
- Designated Record Keeper signature (if applies)

Summary Page: Provides a snapshot of the entire statement including:

- Total contributions and expenditures for calendar year (column I)
- Total cumulative contributions and expenditures for calendar year (column II)
- Balance statement (first statement always begins with \$0)

WHO CAN CONTRIBUTE TO A BQ?

- BQ's can receive **unlimited** contributions from **legal sources**.
- Legal Sources **do not** Include:
 - Public Body Funds or use of Public Facilities
 - Foreign Nationals (Federal Prohibition)
 - Anonymous (Must be donated to a charity)
 - Cash over \$20
 - Earmarked
 - Given in the name of another

NOTE: BQ'S MAY NOT CONTRIBUTE TO OTHER COMMITTEE TYPES EXCEPT SUPER PACS

Contributions, Other Receipts & Schedules

Itemized (Direct) Contribution :

- Money contributed to the committee by cash or written instrument.
- Reported on Schedule [4A](#)
- **Note: All contributions over \$20.00 must be by written instrument (check, money order, debit, credit)**

In-Kind Contribution :

- A donation of goods or services to the committee
- Reported on Schedule [4-IK](#)

Loan as a Contribution

- A committee may accept loans from legal sources
- Must be reported on Schedule 4A or 4-IK as appropriate

Other Receipt:

- Money NOT intended to influence elections such as bank interest or refunds
- Reported on Schedule [4A-1](#)

WHAT INFORMATION IS GATHERED FROM CONTRIBUTORS?

Required information:

- Name
- Address
- Amount
- Date of receipt

Is the contribution over \$100 or the cumulative for that contributor over \$100?

- If the answer is YES, then request the contributor's occupation, employer name and the address of their place of business

CONTRIBUTION EXCEPTIONS

- Committees should track, but do not have to report the following:
 - A volunteers personal services that aren't reimbursed
 - A volunteers travel and lodging up to **\$500.00/year**
 - A volunteer's donation of food and beverages up to **\$1000.00/year**
 - A contribution that is returned to the contributor within 30 days.

EXPENDITURE TYPES AND SCHEDULES

Itemized (Direct) Expenditure:

- Money spent from committee account for goods, services and facilities
- Written instrument is required for expenditures over \$50.00
- Receipts must be obtained for each expenditure
- Reported on schedule [4B](#)

In-Kind Expenditure:

- Goods, services and facilities donated at no cost
- Items purchased on behalf of another committee
- Reported on Schedule [4B-2](#)

Itemized Independent Expenditures

- Expenditures made on behalf of ballot issues **without** the direction or control of the ballot question committee
- **Independent Expenditures can be made in any amount**
- Reported on Schedule [4B-1](#)

Get Out the Vote (GOTV)

- Election day expenses
- Busing Voters to the polls
- Slate cards
- Poll workers, watchers & challengers
- Reported on Schedule [4B-G](#)

WHAT INFORMATION SHOULD I GATHER FOR EXPENSES?

Required Information

- Name of payee
- Amount of payment
- Address of payee
- Date of payment
- Purpose (be specific)
- Campaign information

WHAT IS A “CAMPAIGN”?

- When supporting/opposing a ballot issue the campaign will include:
 - Ballot proposal name
 - County
 - Support or oppose

INDEPENDENT CONTRACTOR EXPENSES

- A Committee that contracts with an agent or an independent contractor to make expenditures on its behalf (over \$50.00) must disclose the expenditures made to and by the agent or independent contractor.
- Agents and independent contractors typically employed by committees are:
 - political consultants
 - public relations consultants
 - political consulting firms
 - public relation firms
 - media buyers
 - advertising agencies
 - marketing firms

HOW DO I REPORT MEMO ITEMIZATION OF AN EXPENDITURE?

- Required when a committee makes an expenditure to a person that pays more than \$50 to another party on behalf of the committee
 - Vendors, consultants, campaign workers
 - Credit card payments
 - Reimbursement
 - Independent Contractors ([Appendix L](#))

Expenditure # 4 Name: DOWNTOWN CONSULTANTS Address: 123 LINCOLN BLVD RIVERTOWN MI 40000 <input type="checkbox"/> Fund Raiser	Purpose: <u>FIRM HIRED TO DO TV ADS</u> Expenditure Code <u>CN</u> <input type="checkbox"/> Check box if this expenditure is payment of debt or obligation reported on previous statement.	12/01/2000 Memo - itemization below	500.00
Expenditure # 5 Name: WJMI TV Address: 123 TELEVISION WAY ELMDALE MI 40000 <input type="checkbox"/> Fund Raiser	Purpose: <u>SUB VENDOR/TV AD</u> Expenditure Code <u>BA</u> <input type="checkbox"/> Check box if this expenditure is payment of debt or obligation reported on previous statement.	12/01/2000 Memo - itemization	(400.00)

DEBTS AND OBLIGATIONS

Contributions as loans are reported on schedule [4E](#) as well as on the appropriate contribution schedule

Payments to loans are Reported on this schedule as well as on the expenditure schedule

Required information:

- Date debt was incurred and original amount
- Name and address of person debt is owed to
- Any payments to previous debt

FUND RAISERS

Fundraising event means an event such as a dinner, reception, auction or similar event where contributions are solicited by purchase of a ticket, donation or purchase of goods or services.

- Fund raiser events are reported on schedule [4F](#)
- All contributions and expenditures for a fund raising event must be reported in detail on the appropriate schedules
- Joint fundraisers have specific rules that are outlined in [Appendix F](#) of the candidate manual.

NOTE: NO GAMBLING OR EVENTS THAT REQUIRE LICENSING

HOW DO I DISSOLVE MY COMMITTEE?

Committees with an active reporting waiver may file for dissolution using the [Single Page Dissolution Statement](#)

Committees without a reporting waiver must file a Dissolution Statement

To be eligible for dissolution a committee must:

- Have no assets
- No outstanding debt
- No outstanding fees or filings owed to the filing official

APPENDIX W OF ANY MANUAL COVERS DISSOLUTION AND DISPOSITION OF UNEXPENDED FUNDS

IDENTIFICATION REQUIREMENTS

- Section 47 of the MCFA requires that all printed matter, radio or television paid advertisements that refer to an election, candidate or ballot question have an identification statement
- Printed matter- “Paid for by (committee name, address)”
- Robo calls: prerecorded messages shall contain name, phone number, address or other contact for person paying for the message
- Mass mailings: Any mailing by U.S. mail or facsimile of 500 or more pieces of identical or similar nature within any 30 day period
- Radio or television- Must identify person sponsoring the ad; as required by the FCC
- Independent Expenditures- “Not authorized by any candidate”
- Committee types aside from candidate must also read or say “paid for with regulated funds”
- **EXAMPLE: Paid for with regulated funds by ABC BQC, 123 Main St. Lansing, MI 48918**

IDENTIFICATION REQUIREMENT EXEMPTIONS

- [Appendix J](#) has a list of items that are exempt from the identification requirement rule:

Aerial Banners	Frisbees	Pens
Ashtrays	Glasses	Pinwheels
Badges & Badge Holders	Golf Balls	Plastic Tableware
Balloons	Golf Tees	Pocket Protectors
Bingo Chips	Hats	Pot Holders
Brushes	Horns	Refrigerator Magnets
Bumper Stickers (4" X 15" Or Smaller)	Ice Scrapers	Ribbons
Buttons	Jar Lid Grippers (5" Or Smaller)	Shoe Horns
Campaign Stickers (3" X 1 ½" Or Smaller)	Key Rings	Staple Removers
Candy Wrappers (1 ½" X 2 ½" Or Smaller)	Knives	Sun Glasses
Cigarette Lighters	Labels	Sun Visors
Cloth Pot Holders	Lapel Pins/Stickers	Sweatshirts
Clothes Pins	Magnifying Glasses	Swizzle Sticks
Clothing	Matchbooks	T-Shirts
Coasters	Nail Clippers	TV Scroll Advertisement
Combs	Nail Files	Whistles
Cups	Noisemakers	Wooden Nickels (Approx. Size of a 5-Cent Coin)
Drinking Glasses	Paper & Plastic Cups	Wooden Rulers (12" Or Smaller)
Earrings	Paper & Plastic Plates	Yo-Yo's
Emery Boards	Paper Weights	
Envelopes	Pencils	
Erasers	Pendants	
Fortune Cookie Messages ½" X 2" Or Smaller)	Pennants	

NOTICES, FEES AND REFERRALS

Failure to File – Committees are notified within 4 business days when required filings are not submitted. Refer to AG/County Prosecutor between 9th and 12th Business Day following the deadline

Late Fees – Notify committees when a statement is not filed on time based on the schedules provided under the Campaign Finance Act

- Unpaid fees are referred to the State/County Treasurer for collection
- Fees may be appealed for “good cause”

Error or Omission – Committees are notified when clarifications or corrections are needed to a Campaign Statement. Lack of response to an Error or Omission is referred to the Attorney General between the 9th and 12th business day following the deadline.

GOOD CAUSE WAIVERS

MCL 169.215 (F)

A person may request a waiver of late filing fees for “Good Cause” as defined below:

- The incapacitating physical illness, hospitalization, accident involvement, death, or incapacitation for medical reasons of a person required to file, a person whose participation is essential to the preparation of the statement or report, or a member of the immediate family of these persons.
- There are other unique factors that might be considered; these factors include the loss or unavailability of records due to a fire, flood, theft, or similar reason and difficulties related to the transmission of the filing to the filing official, such as exceptionally bad weather or strikes involving transportation systems.
- The statement in question must be filed with the appropriate filing official before a waiver for good cause will be considered.

CAMPAIGN FINANCE COMPLAINTS

MCL 169.215 (5)

All complaints alleging violations of the Campaign Finance Act are filed with the SOS

All complaints may be submitted on the required **Campaign Finance Complaint Process** [form](#) and must include all required information

Anonymous complaints are not accepted

All parties will be given written notification with regard to the disposition of the complaint

Questions regarding the complaint process will be directed to the Bureau of Elections

DECLARATORY RULINGS & INTERPRETIVE STATEMENTS

Interested parties may request clarification of the MCFA via Declaratory Rulings. Interpretive Statements may be issued in some cases.

Declaratory rulings are binding on all parties and carry the force of law (formal)

Interpretive Statements provide interpretation of the law (informal)

The Bureau of Elections provides response to requests. Time frames are outlined in any committee manual.

Rulings to date are available on our [web site](#)

TREASURER RESPONSIBILITIES

As outlined in [MCL 169.222](#):

- The treasurer assumes legal responsibility for the committee
- The treasurer is responsible for keeping accounts, records, bills, receipts and electronic files for 5 years
- Authorizes contributions received and expenditures made by the committee
- Timely filing
- Respond to Notices of Error or Omission and Late Filing Fee notices
- Must sign original copy and all amended copies of the Statement of Organization

A treasurer or other individual designated as responsible for the committee's record keeping, report preparation, or report filing who knowingly violates this section is subject to a civil fine of not more than \$1,000.00.

SELECTING A TREASURER

Important things to consider:

- Availability to perform duties in a timely fashion
- Experience (have they ever acted as treasurer for another committee?)
- Knowledge of the MCFA or a willingness to become familiar with the law
- Proficient at recording and tracking financial activity and balancing accounts (checkbook)
- Technical skills: should be able to navigate the internet and have basic knowledge of computer software

TIPS FOR SUCCESSFUL REPORTING

- Read the [Ballot Question Committee Manual](#)
- Record and track ALL financial activity of the committee, even if you have a Reporting Waiver. The law requires you to report the date of receipt. That date is when the treasurer or committee designee receives the contribution.
- Become familiar with [filing materials](#) on our web site
- If you are using MERTS- get efficient [training](#) well before filing deadlines
- File on time! Mark your calendars with important dates to remember (filing deadlines). You can avoid fees by using certified mail when filing on paper.
- Understand **Late Contribution Reporting** and the **penalties** for not filing them.
- **Keep your Statement of Organization information up to date.** We send mail and e-mail to the addresses we have on file. Follow us on Twitter @michCFR
- Treasurer communication with committee must be optimum to avoid mistakes. Consider entering into a written agreement so that there is a clear understanding of each person's responsibility.
- Pick your committee members (treasurer, record keeper) carefully.

THANK YOU



MICHIGAN DEPARTMENT OF STATE
BUREAU OF ELECTIONS
(517) 373-2540

Email: Disclosure@Michigan.gov

Web Site: www.Michigan.gov/Elections

Follow us on Twitter @MichCFR