



STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

DATE: October 6, 2006
TO: Statewide Ballot Question Committees
FROM: Michigan Department of State, Bureau of Elections
SUBJECT: **Filing Deadlines For November 7, 2006 General Election**

Carefully read this memo to determine if the described filings are required of your committee.

The reports are required of ballot question committees that participate in the November 7, 2006 general election.

Each Ballot Question Committee registered on the state level that (1) received or expended \$20,000.00 or more in 2006 or (2) expects to receive or expend \$20,000.00 or more in 2006 is required to file electronically. Committees may apply for MERTS Plus software on line at the MERTS Plus web site: www.mertsplus.com .

Statewide Proposals on November 7, 2006 General Ballot

- PROPOSAL 06-1** A proposed constitutional amendment to require that money held in conservation and recreation funds can only be used for their intended purposes.
- PROPOSAL 06-2** A proposal to amend the State Constitution to ban affirmative action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity or national origin for public employment, education or contracting purposes.
- PROPOSAL 06-3** A referendum on Public Act 160 of 2004 – an Act to allow the establishment of a hunting season for mourning doves.
- PROPOSAL 06-4** A proposed constitutional amendment to prohibit government from taking private property by eminent domain for certain private purposes.
- PROPOSAL 06-5** A legislative initiative to establish mandatory school funding levels.

Campaign Statement Filing Deadlines

- I. **The Pre-General Campaign Statement**, due October 27, 2006, covers the committee's financial activity through October 22, 2006.

Your committee must file the Pre-General Campaign Statement if by October 22nd the committee makes an expenditure to support or oppose a ballot question on the November 7 general election ballot.

- II. **The Post-General Campaign Statement**, due December 7, 2006, covers the committee's financial activity through November 27, 2006.

Your committee must file the Post-General Campaign Statement if the committee was required to file the Pre-General Campaign Statement or, if between October 23rd and November 27th the committee makes an expenditure to support or oppose a ballot question on the November 7 general election ballot.

Campaign Statement Coverage Dates

A Campaign Statement's opening date is the day after the closing date of the last Campaign Statement filed by the committee. If the committee has never filed Campaign Statements, the opening date of the first Campaign Statement filed is the earlier of the following two dates: (1) the date the committee accepted its first contribution or made its first expenditure or (2) the committee's formation date.

Campaign Statement Forms

Campaign Statement forms and instructions are available on the Department of State's website <www.michigan.gov/sos>.

Timely, Accurate Campaign Statements Required!

If the committee raised **\$10,000.00 or less** during the previous 2 years, a \$25.00 late filing fee will be assessed each business day the Pre-General Campaign Statement remains unfiled up to \$1,000.00.

If the committee raised **more than \$10,000.00** during the previous 2 years, a \$50.00 late filing fee will be assessed each business day the Pre-General Campaign Statement remains unfiled up to \$2,000.00.

- An electronically filed Pre-General Campaign Statement, sent via the Internet, must be transmitted and received by the Department of State's Bureau of Elections by 5:00 p.m. on the filing deadline.
- A Pre-General Campaign Statement filed on paper or by diskette that is hand delivered or sent by first class mail must reach this office before 5:00 p.m. on the filing due date. Committees must be sure to allow ample mailing time if sending a filing by first class mail.
- A Pre-General Campaign Statement filed on paper or by diskette that is mailed by registered mail, certified mail or an overnight delivery service and postmarked on or before the filing deadline will be viewed as a timely filing regardless of when it arrives.

- Be sure to fill out all forms as accurately as possible. Notices will be sent to the committee if forms are omitted, figures are wrong, addresses are incorrect, etc. The committee is then required to file an amendment to correct the error.
- A Campaign Statement will not be accepted if it is illegible, does not bear a proper signature, is not the proper size, or is presented in a computer format that has not been approved by the Department of State's Bureau of Elections.
- If filing on paper, a single original Campaign Statement must be filed. No additional copies are needed.
- A committee that files electronically via the Internet or by diskette is not required to submit a paper copy of the Campaign Statement.
- A committee planning to file electronically must use MERTS Plus software issued by the Department of State's Bureau of Elections.

Late Contribution Reports

A Ballot Question Committee that participates in the November 7 general election is required to file a Late Contribution Report if the committee receives a contribution of \$200.00 or more from October 23, 2006 through November 4, 2006.

- A Late Contribution Report must be received by this office within 48 hours after the committee's receipt of the contribution. A Late Contribution Report must contain the date and amount of the contribution along with the contributor's name, street address, occupation, employer and principal place of business. The report may be made in a telegram, e-mail or fax or by any other means of written communication. The fax number for the Bureau of Elections is (517) 241-4785. The e-mail address for Late Contribution Reports is: lcr@michigan.gov. A Late Contribution Report does not have to contain an original signature. In addition to this report, a late contribution must be disclosed on the next Campaign Statement filed by the committee.
- Committees that are required to file Campaign Statements electronically must also file Late Contribution Reports electronically.
- Late contribution reports are not waived by a Reporting Waiver. However, committees with a Reporting Waiver are not required to show late contributions on a subsequent Campaign Statement.
- A late filing fee will be assessed each business day a required Late Contribution Report is late up to \$2,000.00. The late filing fee will be assessed as follows:
 - (a) \$25.00 for each business day the report remains unfiled.
 - (b) An additional \$25.00 for each business day after the first three business days the report remains unfiled.
 - (c) An additional \$50.00 for each business day after the first 10 business days the report remains unfiled.

Late Contribution Reports – Electronic Filing

In June, the Michigan Department of State’s Bureau of Elections announced the Immediate Disclosure Reporting or “e-IDR” program that allows committees registered with the Department of State to file Late Contribution Reports electronically. A memo dated June 30, 2006, was sent to all active committees registered with the Bureau of Elections announcing the program.

All committees are encouraged to use the e-IDR program voluntarily. However, committees that are required to file electronically because they have exceeded the \$20,000.00 threshold must also file Late Contribution Reports using e-IDR. Paper, email or fax copies no longer meet the filing requirements of the Michigan Campaign Finance Act; late filing fees may be assessed against reports that are required to be filed electronically and are not filed using e-IDR.

To file using e-IDR, go to www.Michigan.gov/sos and click the following: “Elections in Michigan,” “Campaign Finance Disclosure,” “Electronic Filing and MERTS” and then “Immediate Disclosure Reports (e-IDR).” Please bookmark this page for easy access the next time you need to file.

Reporting Waiver Provisions

A committee that does not expect to receive or spend more than \$1,000.00 in a calendar year is eligible for a Reporting Waiver. A committee that qualifies for, and receives, a Reporting Waiver is exempt from filing Campaign Statements.

- To become eligible for a Reporting Waiver, the committee must check item 10 on its Statement of Organization. This tells the filing official that the committee does not expect to receive or spend more than \$1,000.00 in a calendar year. The committee can check item 10 on its original Statement of Organization or on an amendment to its Statement of Organization.
- A committee that does not check item 10 on its Statement of Organization is not eligible for a Reporting Waiver. This means that the committee must file Campaign Statements regardless of the amount received or spent during the reporting period.
- A committee loses its Reporting Waiver if it receives or spends more than \$1,000.00 in a calendar year. Note that funds leftover at the end of the year count toward the amount received for the next calendar year. If the Reporting Waiver is lost, the committee must file the next required Campaign Statement.

Identification Requirements

The Michigan Campaign Finance Act requires PAC’s, Ballot Question Committees and Political Party Committees to add the statement “**paid for with regulated funds**” to the identification or disclaimer included on printed matter or in paid radio or television advertisements. The following wording is recommended: “Paid for with regulated funds by (name and address of committee).”

Statement of Organization

A committee registered under Michigan’s Campaign Finance Act is required to amend its Statement of Organization if any information presented on the form changes. Required

amendments to the form must be filed no later than the due date of the next upcoming Campaign Statement required of the committee. Therefore, if your committee is required to file the Pre-General Campaign Statement, we urge you to review your committee's Statement of Organization before you file the Campaign Statement. If any information on the Statement of Organization has changed, be sure to file an appropriate amendment to the form no later than the filing deadline.

Dissolution Information

To be eligible for dissolution, a Ballot Question Committee must have no assets or outstanding debts. An unpaid late filing fee is considered a committee debt.

Funds leftover in a Ballot Question Committee's account may be returned to contributors, donated to another Ballot Question Committee, or expended in any legal manner. Funds may not be given to a candidate, political party, PAC or any other type of committee that supports or opposes candidates.

When a dissolving committee contributes all or part of its remaining funds to a tax-exempt charitable organization, it must provide this office with an acknowledgement letter or a receipt from the charitable organization to confirm that the contribution was received.

If the committee has a Reporting Waiver, it is dissolved by filing a single-page Dissolution Campaign Statement form. If the committee does not have a Reporting Waiver, it is dissolved by filing a detailed Campaign Statement with supporting Schedules. A Dissolution Campaign Statement can be combined with the Pre General Campaign Statement by checking item 8f on the cover page of the Campaign Statement form.

Merts Plus Software for Ballot Question Committees

The following reminders are offered for Ballot Question Committees that must use MERTS Plus software to electronically file Campaign Statements via the Internet or by diskette. **Questions concerning use of the software should be directed to MERTS Plus Tech Support at: (703) 749-4642 or sent by e-mail to <mertstechsupport@nicusa.com>.**

It merits note that all committees that file with the Bureau of Elections are encouraged to electronically file even if the committee does not expect to meet the \$20,000.00 receipts/expenditure threshold explained earlier.

- **Election Cycles** – Make sure the correct election cycle(s) are entered into the Election Cycles Window. For expenditures made after the November 2, 2004 general election to support or oppose an issue, a new election cycle must be created for each ballot issue (Section 1.4 of the MERTS Plus Manual). The election cycle begins on the day after the last general election and ends on the day of the general election.
- **Campaigns** – Make sure the correct campaign(s) are created in the Campaign Window for each issue supported or opposed by the committee. For expenditures made after the November 2, 2004 election to support or oppose issues, a new campaign must be created for each ballot issue (Section 1.5 of the MERTS Plus Manual). For specific dates, please refer to the Election Cycle Chart provided by the Bureau of Elections.

- **Reporting Periods** – A separate report record (with correct coverage period dates) must be created in the Reports Window for each Campaign Statement that will be electronically submitted by the committee (Section 1.6 of the MERTS Plus Manual).
- **Amendments to Campaign Statements** – An amended Campaign Statement cannot be filed until an original Campaign Statement has been electronically filed. If more than one amendment to a report has been created, each amendment must be electronically submitted in the order it was created.

Obtaining Merts Plus Software

State level committees wishing to obtain MERTS Plus software may apply on-line at the MERTS Plus web site (www.mertsplus.com). Both on-site and on-line software training options are available.

Questions?

If you have any questions please feel free to phone us at (517) 373-2540 or write us at the address indicated below. The address below should also be used to mail your filings by first class mail, registered mail or certified mail.

Michigan Department of State
Bureau of Elections
Post Office Box 20126
Lansing, Michigan 48901-0726

If you would like to visit our office or mail a filing by an overnight delivery service, the address below is provided.

Michigan Department of State
Bureau of Elections
Richard H. Austin Building, 1st Floor
430 W. Allegan St.
Lansing, MI 48918

MERTS Plus Steps to Creating a Committee File

Begin by taking the MERTS Plus online training at www.mertsplus.com. Once you have passed the MERTS Plus quiz, please follow the steps below to create your committee file using the MERTS Plus software.

First, download the software.

- Log on to: www.mertsplus.com
- Click on “**Software Downloads**”
- Click on “**Committee Module**”
- Enter user name and password
- Follow the prompts given to install the MERTS Plus software.

Note: The user name and password are for downloading the software, you will receive a second email with your password for filing campaign statements electronically.

Second, create a new DCF/committee file.

- Click “**Start**”, “**Programs**”, “**Michigan Application**” and “**MERTS Plus.**”
- Click “**File**”, and “**New**” to access the “**Names box.**”
- Replace “**My committee**” with the committee’s name.
- Type the committee's 7-digit ID number (including dash) in the “**ID field.**”
- Complete the committee address information and select “**OK.**”

Next, save your DCF/committee file.

- Click “**File**”, then select “**Save**” and name your DCF/committee file.
- Click “**Save**” then select “**File**” and “**Close**” to close out of the MERTS Plus program.

Finally, open your newly created DCF/committee file.

- Click “**Start**”, “**Programs**”, “**Michigan Applications**” and “**MERTS Plus.**”
- Click “**File**” then “**Open**” and double-click on the DCF/committee file created in the previous step.

Note: Never create a new DCF file for the same committee. One DCF file will contain all of the committee reports (Annuals, Pre Primary, July Triannual, etc.).

There are a number of windows for the MERTS Plus software. Windows are used to enter data, create reports, etc. Before you refer to the MERTS Plus manual, try opening all the windows in the software.

- Click “**View**” then select “**Open all**” to open all windows.
- Click “**Window**” then select “**Tile horizontal**” to view all windows.
- **Candidate committees only:** Click “**View**” and select each window separately before clicking on “**Window**” and “**Tile horizontal.**”

You have successfully opened all your windows! To get started entering data, log on to www.mertsplus.com to obtain your MERTS Plus Manual.

Most Common Errors for Electronic Filers

Unclosing an Uploaded Report

Once a campaign statement has been closed and uploaded (filed electronically), it should never be unclosed. Unclosing a campaign statement that has been filed electronically may result in the committee losing data and having to start over with enter all lost data (names, campaign statements, transactions, etc.). In order to make changes to a electronically filed campaign statement the committee must right-click on the campaign statement in the “Reports Window” and select “amend.”

Beginning/Ending Balances

There should never be a time when the beginning balance of one campaign statement is different from the ending balance of a previous campaign statement. In addition, there should never be a time when the beginning or ending balance of a campaign statement reflects a negative amount.

The following are the most common mistakes that results in this type of error:

- **Incorrect coverage dates:** The campaign statement’s coverage dates should never gap or overlap in coverage. When this occurs the beginning and ending balances of campaign statement will not reconcile.
- **Incorrect transaction date:** Be sure that the date of your transactions fall within the campaign statement you have created. For instance, if you select a date previous of the current campaign statement you are working with, the transaction, will attach to a previous report and result in the ending balance of the previous campaign statement not reconciling with the beginning balance of the current campaign statement.
- **Committee incorrectly entered Inkind contributions as expenditures:** Inkind contributions do not affect the beginning and ending balance of a campaign statement. However, if a committee incorrectly enters an Inkind contribution as an expenditure, it can reflect a negative ending balance on the campaign statement.
- **Committee did not enter all contributions.** If a committee fails to report all its contributions, it can reflect a negative ending balance on the campaign statement.
- **Committee has created a new DCF file to create a campaign statement:** Be sure to never create a new DCF file. A committee should only have one DCF file to create all campaign statements. When a committee creates a new DCF file, the former DCF file and its data are not connected to the previous file and therefore the ending balance of the previous campaign statement will not reconcile with the beginning balance of the current campaign statement.