

# CAMPAIGN FINANCE DISCLOSURE FOR GUBERNATORIAL CANDIDATES

MICHIGAN DEPARTMENT OF STATE  
BUREAU OF ELECTIONS

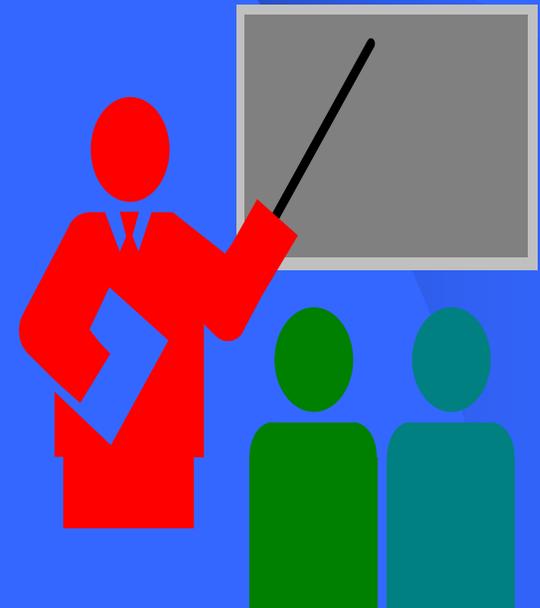


# Introduction:

- **The Michigan Campaign Finance Act provides for public disclosure of the funds spent and received to support or oppose people and issues on the ballot**
- **All candidates must register a candidate committee even though they do not expect to spend or receive any money for their campaign**
- **This session will introduce you to the registration and disclosure requirements for candidates in Michigan**

# TOPICS:

- **Types of Committees**
- **Definition of a Candidate**
- **Statement of Organization**
- **Reporting Waiver**
- **Campaign Statements and Filing Dates**
- **Contributions, Limits and Election Cycles**
- **Expenditures**
- **Debts and Obligations**
- **Fundraising Events**
- **Dissolving a Candidate Committee**
- **Identification Requirements**
- **Notices and Late Filing Fees**
- **Good Cause Waivers**
- **Referrals and Complaints**
- **MERTS Plus Software**



# Campaign Statements – Filing Statements

- All Campaign Statements must contain a Cover Page, Summary Page and other Schedules as needed
- Campaign Statements hand delivered, sent by first class mail or any other means must be received on the filing deadline
- Pre Election Statements sent by certified or registered mail or an overnight delivery service will be timely if post marked 2 days before the filing deadline (or late fees apply)
- Post Election and Annual Statements sent by certified or registered mail or an overnight delivery service will be timely if post marked on or before before the filing deadline (or late fees apply)

# Campaign Statements – Filing Deadlines

- **Pre Election (or Convention) Statement**

Books Close 16 Days before election

Due 11 Days before election

- **Post Election (or Convention) Statement**

Books Close 20 Days after election

Due 30 Days after election

- **Annual Statement (Annual Waived when a Post General is filed in December)**

Books Close December 31

Due January 31

- **Late Contribution Report**

Covers period between the 15<sup>th</sup> and the 3<sup>rd</sup> day before an election - Due within 48 hours

# **Campaign Statements – State Filing Deadlines**

## **2010 PRIMARY ELECTION**

**7/18/10 - 2010 Pre Primary Statement Close of Books**

**7/23/10 - 2010 Pre Primary Statement Filing Deadline**

**8/03/10 - STATE PRIMARY ELECTION DATE**

**8/23/10 - 2010 Post Primary Statement Close of Books**

**9/05/10 - 2010 Post Primary Statement Filing Deadline**

## **2010 GENERAL ELECTION**

**10/17/10 - 2010 - Pre General Statement Close of Books**

**10/22/10 - 2010 Pre General Statement Filing Deadline**

**11/02/10 - STATE GENERAL ELECTION DATE**

**11/22/10 - 2010 Post General Statement Close of Books**

**12/02/10 - 2010 Post General Statement Filing Deadline**

## **2011 ANNUAL STATEMENT**

**12/31/10 - 2011 Annual Statement Close of Books**

**01/31/11 - 2011 Annual Statement Filing Deadline**

# Campaign Statements - Late Contribution Reports

- If a committee receives a contribution from any single contributor (including the candidate) of \$200.00 (direct or in-kind) or more from the 15<sup>th</sup> through the 3<sup>rd</sup> day before an election - a separate Late Contribution Report must be filed with the filing official within 48 hours of receipt by any written means (including fax or e-mail):

8/3/10 Primary Election Late Contribution Reporting Period  
7/19/10 (15<sup>th</sup> day) - 7/31/10 (3<sup>rd</sup> day)

11/2/10 General Election Late Contribution Reporting Period  
10/18/10 (15<sup>th</sup> day) - 10/30/10 (3<sup>rd</sup> day)

- Contributions must still be disclosed on the Post Election Statement - File a separate report within 48 hours for each date on which a late contribution(s) was received - Late Contribution Report late filing fees accrue up to maximum of \$2000.00

# Contributions and Limits – Definition

## Michigan Campaign Finance Act

**Sec. 4. (1) “Contribution” means a payment, gift subscription, assessment, expenditure, contract, payment for services, dues, advance, forbearance, loan, or donation of money or anything of ascertainable monetary value, or a transfer of anything of ascertainable monetary value to a person, made for the purpose of influencing the nomination or election of a candidate, or for the qualification, passage, or defeat of a ballot question.**

# Contributions and Limits - Exceptions

- A volunteer's personal services – not to be reimbursed
- A volunteer's travel and lodging up to \$500 per year
- A volunteer's donation of food and beverages up to \$100 per year

# Contributions and Limits

## Election Cycles since the 2002 General Election

| ELECTION DATE<br>(Previous General) | NEXT ELECTION<br>CYCLE BEGINS | ELECTION CYCLE<br>ENDS<br>(Next General) |
|-------------------------------------|-------------------------------|--|
| <b>11/5/02</b><br>(8 year cycle)    | <b>11/6/02</b>                | <b>11/2/10</b>                           |
| <b>11/2/04</b><br>(6 year cycle)    | <b>11/3/04</b>                | <b>11/2/10</b>                           |
| <b>11/7/06</b><br>(4 year cycle)    | <b>11/8/06</b>                | <b>11/2/10</b>                           |
| <b>11/4/08</b><br>(2 year cycle)    | <b>11/5/08</b>                | <b>11/2/10</b>                           |

# Contributions and Limits

## Election Cycle Limits - State Level Offices

| State Office      | Individual or Political Committees | Independent Committees and District/County Political Party Committees | State Central Political Party Committees |
|-------------------|------------------------------------|---|--|
| Representative    | \$500                              | \$5,000   | \$5,000                                  |
| Senator           | \$1,000                            | \$10,000  | \$10,000                                 |
| <b>Governor *</b> | <b>\$3,400</b>                     | <b>\$34,000</b>   | <b>\$68,000</b>                          |

\*Does not apply to Gubernatorial Committees receiving Public Funding

# **Contributions and Limits Election Cycle Limits – Public Funding Gubernatorial Candidates**

| <b>Individual<br/>or Political<br/>Committees</b> | <b>Independent/<br/>Caucus<br/>Committees</b> | <b>District/County<br/>Political Party<br/>Committees</b> | <b>State Central<br/>Political Party<br/>Committees</b> |
|---|---|---|---|
| <b>\$3,400</b>                                    | <b>\$34,000</b>                               | <b>\$30,000</b>   | <b>\$750,000</b>  |

# Prohibited Contributions

- Labor Unions
- Corporations (Does not apply to: Limited Liability Companies, Sole Proprietorships, Partnerships)
- Domestic Dependent Sovereigns (Indian Tribes)
- Public Body Funds or use of Public Facilities
- Detroit Casino and Supplier Licensees
- Foreign Nationals
- Contributions to other Candidate Committees (Does not apply to: Tickets to another candidate fundraiser- \$100/year max)
- Anonymous (Must be donated to a charity)
- Cash over \$20
- Earmarked

# Return of Contributions

- Contributions returned to a contributor within 30 business days after the date of receipt are not viewed as a “contribution” under the Campaign Finance Act – receipt must be disclosed if it was deposited into the committee account
- If funds are deposited, receipt and return must be reported on the next campaign statement
- Funds returned before being deposited do not need to be reported

# Contributions and Limits

## Candidate and Immediate Family

- Contributions from Candidates not receiving public funds and their immediate family are unlimited (to candidate's own committee). However, must inform the Bureau of Elections within **48** hours if cumulative contributions reach an aggregate total of \$340,000.00 or more
- Immediate family means the candidate's spouse, a child residing in the candidate's home or a person claimed by the candidate or spouse as a dependent for federal tax purposes
- All candidate and immediate family contributions (direct and in-kind) must be disclosed – Loans must be designated as such when received

# Contributions and Limits (1A) Direct Contributions

- All contributions of money must be disclosed (including candidate's) regardless of amount – anonymous contributions must be given to a tax exempt charity
- All contributions (both direct and in-kind) accumulate together toward contribution limits throughout the election cycle
- Contributions up to \$20.00 may be cash
- Contributions over \$20.00 must be by a written instrument (such as a check , credit card or money order)

# Memo Itemization - Contributions

- Required when a contribution is received from a group not registered with the Bureau of Elections as a committee (such as a block club)
- Contributor must provide a list of those persons contributing towards the contribution (may use LIFO)
- Name, address, date and amount is required
- For individuals contributing over \$100, the occupation, employer and business address also required
- Persons listed are not considered to have given a contribution to the candidate committee

# **Contributions and Limits**

## **(1-IK) In-Kind Contributions**

- **A contribution of goods or services (not money)**
- **Value of goods or services counts towards contributions limits for the election cycle (accumulates with direct contributions)**
- **Value reported must reflect usual and normal market value (the value of special discounts would count as an in-kind contribution)**
- **In-kind contributions must be disclosed regardless of the amount**

# **Contributions and Limits**

## **(1A-1) Other Receipts**

- **Other Receipts are receipts of money such as interest received from a bank, refunds or rebates**
- **Other Receipts are not contributions to further the nomination or election of the candidate**
- **Other Receipts do not count towards contribution limits**

# Expenditures – Definition

**Michigan Campaign Finance Act:  
Section 6(1) “Expenditure” means a payment, donation, loan, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities in assistance of, or in opposition to, the nomination or election of a candidate, or the qualification, passage, or defeat of a ballot question.**

# Expenditures – (1B) Direct Expenditures

- All expenditures to another committee are disclosed regardless of amount
- Other expenditures to a vendor or non committee must be disclosed when total to a single recipient exceeds \$50 for the reporting period
- Expenditures over \$50 must be by written instrument
- Petty cash expenditures limited to \$50

# Memo Itemization - Expenditures

- **Required when the committee makes an expenditure to a person that has paid more than \$50.00 to another person on behalf of the committee**
  - **Vendors, Consultants or Campaign Workers**
  - **Credit Card Payments**
- **Vendors must provide a list of those sub-contractors or other persons compensated more than \$50 by the vendor**
- **Name, address, date, purpose/description and amount are required for each person compensated more than \$50 on behalf of the committee by the person receiving the initial payment**

# Expenditures

## (1B-G) Get Out The Vote Expenditures

- Busing voters to the polls
- Slate Cards
- Poll workers, challengers, watchers
- Other get out the vote activity
- All GOTV expenditures are reported regardless of amount

# Expenditures – (1C) Office Related

- **Allowed for incumbent officials only**
- **Not for election related purposes**
- **May be used for district office and constituent expenses that are not paid by any other source**
- **May not be made once an official leaves office except to pay existing debts**

# Expenditures – (1B-IK) In-Kind Expenditures

- **In-kind expenditures of goods or services given to another person or committee (such as the donation of a used computer to a charity)**
- **In-kind expenditures do not affect the committee's cash account – not a monetary transaction**

# **(1E) Debts and Obligations**

- **Used to provide a summary of all debts and obligations outstanding at the end of the reporting period (Also on Summary Page)**
- **Payments are disclosed on this form as well as on Schedule 1B**
- **Separate forms are used to disclose debts owed to the committee and debts owed by the committee**
- **Used to disclose the name of any person who endorses a bank loan for the committee**

# **(1F) Fund Raiser Schedule**

- **Used to provide a summary of receipts and expenditures associated with each event held by the committee**
- **Does not replace or substitute for disclosure of receipts and expenditures as required on the appropriate schedule pages**
- **Discloses information concerning any co-sponsors**
- **No bingo, millionaire party or other events requiring licensing permitted**
- **One event per schedule page**

# Dissolving a Candidate Committee

- The committee must bring all debts and assets to \$0.00 and provide the date of dissolution on the Cover Page of the final report
- All required reports must be filed
- All outstanding notices and fees must be answered, paid or successfully appealed prior to dissolution
- Incumbents cannot dissolve their committee until they are no longer eligible to run for the office again
- The Single Page Dissolution Form is only used by committees with reporting waivers

# Identification Requirements on Ads

- All paid political ads must contain an identifier (other than those paid by individuals, acting alone, who are not candidates)
- Print ads must contain - “Paid for by (Name and Address of Committee)”
- Broadcast ads must contain - “Paid for by (Name of Committee)”
- Detailed information concerning identification requirements and a list of exempted items are provided in the Candidate Committee Manual

# Notices

- Failure to File - Committees are notified in writing when required filings are not submitted – failure to receive a notice does not relieve the committee of the obligation to file
- Late Fees - Fees are assessed when a statement is not filed on time based on the schedules provided under the Campaign Finance Act - failure to receive a notice does not relieve the committee of the obligation to pay (Fees may be appealed for “good cause” such as an accident, illness or loss of records due to fire, theft or flood – the statement must be filed before the appeal will be considered)
- Error or Omission - Committees are required to provide missing information or explain possible errors - failure to receive a notice does not relieve the committee of the obligation to correct errors or omissions

# Notices - Referrals

- All notices are sent to committees at the most recent mailing address of record
- Committees that fail to respond to a notice or pay a late fee (or file an appeal) within the required time period will be referred to the Attorney General
- Candidates are required to sign statements attesting they have no outstanding notices or late fees for any committee when applying for the ballot and prior to taking office – check with your filing official for information concerning penalties for fraudulent statements
- It is important to update the Statement of Organization when information changes in order to ensure notices reach your committee

# The Complaint Form

**Michigan Department of State  
Campaign Finance Complaint Form**

This complaint form may be used to file a complaint alleging that someone violated the Michigan Campaign Finance Act (the MCFA, 1976 P.A. 388, as amended; MCL 169.201 et seq.).  
Please print or type all information.

I allege that the MCFA was violated as follows:

| Section 1. Complainant |       |                          |
|------------------------|-------|--------------------------|
| Your Name              |       | Daytime Telephone Number |
| Mailing Address        |       |                          |
| City                   | State | Zip                      |

| Section 2. Alleged Violator |       |     |
|-----------------------------|-------|-----|
| Name                        |       |     |
| Mailing Address             |       |     |
| City                        | State | Zip |

| Section 3. Alleged Violations (Use additional sheet if more space is needed.)                          |
|--|
| Sections of the MCFA violated:   |
| Explain how those sections were violated:  |
|  |
|  |
|  |
| Evidence that supports these allegations (attach copies of pertinent documents and other information): |

Signed complaints may be submitted on this form (available at [www.michigan.gov/sos](http://www.michigan.gov/sos)) to the Secretary of State by any interested person to report an alleged violation of the law - All parties to a complaint are notified in writing concerning the disposition of the complaint

# MERTS Plus Software – State Level Committees

- Electronic filing of campaign finance statements is mandatory for all committees that file with the Secretary of State that spend or receive \$20,000 or more in a calendar year
- MERTS PLUS allows all committees (filing with the Secretary of State) to receive software training, download software from the Internet and file campaign statements electronically over the Internet or via diskette
- All cumulatives, receipts and expenditures totals are automatically compiled by the software
- Committees that file with the Secretary of State may obtain the training and software at no cost on the Web at: [www.mertsplus.com](http://www.mertsplus.com)



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BUREAU OF ELECTIONS

(517) 373-2540

[www.michigan.gov/sos](http://www.michigan.gov/sos)

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**THE END**