



Campaign Finance
Michigan Department of State

Campaign Finance Candidate Committee Training

2024

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Introduction

The Michigan Campaign Finance Act (MCFA) provides for public disclosure of the funds spent and received to support or oppose candidates and ballot issues

Candidate and other committee types are required to register and file campaign statements with the appropriate filing official

This session will introduce you to the disclosure requirements for candidate committees

MCFA Committee Types – [Appendix H](#)

Candidate Committees

State & Local

PACs (Political, Independent, Caucus, & Super PACs)

State & Local

Ballot Question Committees

State & Local

Political Party Committees (State, County, & Congressional District)

State Only

When do I Become a Candidate?

[MCL 169.203](#) defines a candidate as an individual who does one of the following:

- Files a fee, affidavit or nominating petition OR
- Is nominated by your party OR
- Receives a contribution, makes an expenditure or authorizes someone else to do so on your behalf OR
- Holds office and are the subject of a recall vote OR
- Holds an elective office and can seek re-election

Candidate Definition Exceptions

[MCL 169.205\(4\)](#) and [169.220\(1\)](#) provide the following exceptions to the definition of a candidate for individuals:

- Running for precinct delegate
- Running for federal (U.S.) office
- Running for certain school boards
 - Who withdraw within time limit as established by Michigan Election Law and have not spent or received money
 - Nominated by a political party that does not qualify to have its name or candidates on the ballot and have not spent or received money
 - Who have been appointed for elective office but have yet to meet the criteria under [MCL 169.203\(1\)](#)

Determining Your Campaign Finance Filing Official

State Level & Judicial candidates file with the Bureau of Elections:

Governor/Lt. Governor, Attorney General, State Senator, State Representative, State Board of Education, University Board (UofM, MSU, WSU), Justice of the Supreme Court, Court of Appeals, Circuit Court, District Court, Probate Court, & Municipal Court

All local level candidates file with their County Clerk

Where to Start

Review the [Getting Started as a Candidate](#) website

Statement of Organization

- Electronic filers [Statement of Organization](#)
- Paper Filers [Statement of Organization](#)

Read the [Candidate Committee Manual](#) and [Appendices](#)

Get to know your filing

- [Dates and Deadlines](#)
- [Quick Reference Guide](#)

Familiarize yourself with [MERTS](#) well ***before*** filing deadlines

Statement of Organization Due Date and Late Fees [MCL 169.224](#)

The Statement of Organization (SofO) is due within 20 days after meeting the definition of a candidate

- A candidate has 10 days to form the committee (This is the committee's formation date)
- The SofO is due 10 days from the formation date
 - The fees are assessed based on the formation date supplied by the committee on their SofO.
 - The fees accrue at \$10 per business day to a maximum of \$300.00.

Reporting Waiver [MCL 169.224\(5,6\)](#)

The current reporting waiver threshold is \$1,000.00 per election

Requesting the Reporting Waiver exempts committees who do not anticipate spending/receiving over the threshold from filing campaign statements

You **must** answer Yes in the Reporting Waiver section of the SofO to request the waiver

- Selecting No will require campaign statements to be filed regardless of the committee's financial activity
- Committees who have failed to file cannot retroactively request the waiver after the filing deadline

The waiver does not exempt committees from filing:

- An original or amended SofO
- Late Contribution Reports

Losing the Reporting Waiver

Once on a Reporting Waiver the committee's financial activity must still be recorded and tracked to monitor for the loss of the waiver:

- Once a committee spends/receives over the threshold the next campaign statement due of the committee must be filed.
- All contributions both direct and in-kind (including those from the candidate), debts owed, and balances from previous elections count towards the threshold

Regaining the Reporting Waiver

The committee can regain the Reporting Waiver by:

- Filing a campaign statement reporting an end balance and debt balance under the threshold
- Filing an Amended SofO with Yes selected in the Reporting Waiver section

Disclosing Committee Activity [MCL 169.226](#)

Committees disclose campaign finance activity on campaign statements

All Campaign Statements MUST contain a Cover page and a Summary page

A series of schedules are then used as needed to itemize the committee's activity:

- Direct and In-Kind contributions
- Other Receipts
- Expenditures
- Debts and Obligations
- Fund Raisers held by the committee

The Electronic Filing Requirement [MCL 169.218](#) and [Appendix D](#)

Any State level committee can file electronically, however, if the committee spends or receives **\$5,000.00** or more in a calendar year MCFA requires electronic filing

To file campaign statements electronically the committee must use Michigan Electronic Reporting and Tracking System (MERTS) or an approved vendor software.

Paper forms filled out and sent via email or fax are NOT considered electronically filed

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

Candidate Filing Schedule [MCL 169.233](#)

A candidate committee's filing schedule depends on whether the candidate will seek nomination or election during the calendar year

- If yes, the committee will owe the Annual along with the Pre and Post Election Statements for each election the candidate participates in
- If no, the committee will owe the Annual, July and October statements

Annual Statements exemptions:

- Incumbent Judges/Justices
- An officeholder whose salary is less than \$100/month
- A committee who filed a campaign statement between December 1st and December 31st

Cover Page and Summary Page

The Cover Page provides information about the committee including the committee's name, address, coverage period, type of statement, and Treasurer information

The Summary Page provides the totals of the committee's activity that was itemized on the schedules along with a balance statement to report the committee's cash on hand at the beginning and ending period covered by the statement

Contributions Direct and In-Kind

Direct Contributions

Money contributed to the campaign by cash or written instrument

- All contributions over \$20.00 must be by written instrument (check, money order, debit, credit)
- This also includes money contributed by the candidate

Reported on Schedule 1A

In-Kind Contributions

A donation of goods or services to the campaign

- They do count towards a contributor's contribution limit
- This also includes goods or services purchased by the candidate on behalf of the committee

Reported on Schedule 1-IK

All Contributions can be loans that would also be reported as debts owed by the committee on the Debts and Obligations schedule

What is a Contribution Limit? [MCL 169.252](#)

A contribution limit is the amount of money a candidate is allowed to receive from a contributor based on the office the candidate is running for and the Election Cycle of the candidate

Current [contribution limits](#) can be found on our website

Contribution limits are adjusted every four years per [MCL 169.246](#)

Contributor → Office ↓	Individual	Political Committee	Independent Committee	Caucus Committee**	District or County Political Party Committee	State Central Political Party Committee
Governor & Lt. Governor with Public Funding	\$8,325	\$8,325	\$83,250	\$83,250	\$30,000	\$750,000
Governor & Lt. Governor without Public Funding Secretary of State Attorney General State Board of Education University of Michigan Regents Michigan State University Trustees Wayne State University Governors Justice of the Supreme Court	\$8,325	\$8,325	\$83,250	\$83,250	\$83,250	\$166,500
State Senate	\$2,450	\$2,450	\$24,500	*Unlimited	\$24,500	\$24,500
State Representative	\$1,225	\$1,225	\$12,250	*Unlimited	\$12,250	\$12,250

What is an Election Cycle? [MCL 169.205](#)

General Election:

Election cycle begins the day following the last general election in which the office appeared on the ballot and ends on the day of the next general election in which the office appears on the ballot

Special Election:

Election cycle begins the day the special general election is called or the date the office becomes vacant (which ever is earlier) and ends on the day of the special general election

More information on [Election Cycles](#) can be found on our website

Who can Contribute to My Campaign? [MCL 169.254](#)

A candidate committee may receive contributions from legal sources to support their campaign. Legal sources include:

- The candidate and their immediate family (unlimitedly)
 - See [MCL 169.208](#) for the definition of immediate family
- Individuals (contribution limit)
- Independent, Political, and Political Party Committees registered at the state (contribution limit)
- *Out of state groups giving to your committee must ahead to the requirements of MCFA*
- Partnership, LLC, and PLLC (see [Appendix O2](#) for more information)
- Other Candidate Committees may purchase fundraiser tickets up to \$100/calendar year

Prohibited Contributions [MCL 169.254](#) and [Appendix O](#)

The Michigan Campaign Finance Act prohibits candidate committees from receiving contributions from the following :

- Anonymous
- Cash over \$20.00
- Candidate to Candidate over \$100.00
- Earmarking
- Excess Contributions
- Foreign Nationals
- Corporations
- Joint Stock Companies
- Labor Organizations
- Domestic Dependent Sovereigns
- Casinos

A contribution that is returned within 30 business days of receipt is not considered to be a contribution and is, therefore, not a violation of the Act.

Contribution Exemptions [MCL 169.204\(3\)](#)

Committees should track, but do not have to report the following:

- A volunteer's personal services that aren't reimbursed
- A volunteer's travel and lodging up to \$500.00/year
- An individual's donation of food and beverages up to \$1000.00/year
- A contribution that is returned to the contributor within 30 days.

What Information do I Gather from Contributors?

Required information:

Name

Address

Amount

Date of receipt

Is the contribution over \$100.00 or the cumulative for that contributor over \$100.00?

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

Other Receipts

Money received by the committee NOT intended to further the nomination or election of the candidate including:

- Bank interest
- Refunds
- Rebates

Loans received from a financial institution

These are also reported as a debt owed by the committee on the Debts and Obligations schedule

Reported on Schedule [1A-1](#)

Debts and Obligations

Report funds owed by or to the committee

- Contribution loans
 - Loans count toward the contribution limit until paid off
- Financial institution loans
- Invoices received by the committee not yet paid
- Expected refunds or rebates
- Payments made to those debts
- Report forgiveness of loans

Reported on Schedule 1-E

Expenditures Direct and In-Kind

Direct Expenditures

- Money spent from the committee account for good and services that tangibly further the nomination or election of the candidate
- Written instrument is required for expenditures over \$50.00

Reported on schedule 1B

In-Kind Expenditures

Donation of good or services to other committees or charitable organizations

Reported on Schedule 1B-1K

Incidental Office Disbursements and Get Out the Vote

Incidental Office Disbursements

- Used by office holders only
- Used for expenses incidental to holding office (office rent, constituent meetings)
- Not used for election related purposes

Get Out the Vote

Election day expenses - Busing voters to the polls, Slate Cards, Poll Workers

Memo Itemization of Expenditures

Required when a committee makes an expenditure to a person that pays more than \$50.00 to another party on behalf of the committee

- Vendors, consultants, campaign workers
- Credit card payments
- Reimbursement
- Independent Contractors ([Appendix L](#))

What Information Should I Gather for Expenses?

Required Information

Name of payee

Amount of payment

Address of payee

Date of payment

Purpose (be specific)

Prohibited Expenditures

A candidate committee may **not**:

- Lend funds to another Candidate Committee
- Lend funds to the candidate or to any other person
- Make an expenditure to or on behalf of another Candidate Committee
- Purchase ads in other candidates' program books
- Use the funds for personal non-campaign related expenses
- Contribute another committee without a tangible benefit to the candidate

Fundraisers

A fundraiser is an event such as a dinner, reception, auction or similar event where contributions are solicited by the purchase of a ticket, donation or purchase of goods or services

- All contributions and expenditures for a fundraising 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
- Gambling or other activities that require licensing are prohibited at fundraisers

Late Filing Fees for Campaign Statements [MCL 169.233\(7\)](#) and [169.235](#)

Annual Statements:

- Committees with financial activity **less than** \$10k Late fee of \$25.00/business day – Maximum \$500.00
- Committees with financial activity **more than** \$10k Late fee of \$50.00/business day – Maximum \$1000.00

Pre and Post Election Statements and July and October Statements:

- Committees with financial activity **less than** 10k in last 2 years: \$25.00/business day – Maximum \$500.00
- Committees with financial activity **more than** 10k in last 2 years:
 - Day 1-3: \$25.00/business day*
 - Day 4-10: \$50.00/business day*
 - Day 11-16: \$100.00/business day*
 - Maximum: \$1000.00*

Late Contribution Reports

A late contribution is a contribution from the same contributor (both Direct and In-Kind) with a cumulative of \$500 or more between the 15th and 3rd day before an election. It begins the day after the close of books for the Pre-Election reporting period.

[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 Post-Election Statement.

It is very important that contributions both Direct and In-Kind are accurately reported on the Post-Election Statement. If a mistake is made with the date and it appears that it is an unreported Late Contribution, a Late Filing Fee will be assessed. In order to get the fee waived, proof will have to be shown that the contribution was not received during the Late Contribution Reporting period otherwise the fee will remain owed.

[e-IDR](#) (electronic; state level)

[Late Contribution Report form](#) (paper)

Late Contribution Report Examples

Candidate Committee Example: A candidate committee participates in a general election and is required to file late contributions from 10/20 - 11/1

Contributor A gives \$600.00 on 10/20: A report is required within 48 hours with a cumulative of \$600.00

Contributor B gives \$400.00 on 10/20: No report is required

Contributor B gives \$50.00 on 10/21: No report is required

Contributor B gives \$100.00 on 10/25: A report is required within 48 hours of this receipt with a cumulative of \$550.00

Contributor B gives \$1000.00 on 10/31: A report is required within 48 hours of this receipt with a cumulative of \$1550.00

Fees for Late Contribution Reports

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

Dissolving the Committee [MCL 169.224](#)

Committees with an active reporting waiver may file for dissolution using the [Single Page Dissolution Statement](#) or the filing official may automatically dissolve a Candidate Committee with a Reporting Waiver when an officeholder vacates office, or an individual is defeated in the election

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 THE CANDIDATE MANUAL COVERS DISSOLUTION AND DISPOSITION OF UNEXPENDED FUNDS](#)

Identification Requirements [MCL 169.247](#)

Section 47 of the MCFA requires that all printed matter, radio or television paid advertisement that refers 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

EXAMPLE: Paid for by The Committee to Elect Barry Smith, 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	Ashtrays	Badges & Badge Holders	Balloons
Bingo Chips	Brushes	Bumper Stickers (4"x15" or smaller)	Buttons
Campaign Stickers (3"x1 ½" or smaller)	Candy Wrappers (1 ½"x2 ½" or smaller)	Cigarette Lighters	Cloth Potholders
Clothes Pins	Clothing	Coasters	Combs
Cups	Drinking Glasses	Earrings	Emery Boards
Envelopes	Erasers	Fortune Cookie Messages (1/2"x 2" or smaller)	Frisbees
Glasses	Golf Balls	Golf Tees	Hats
Horns	Ice Scrapers	Jar Lid Grippers (5" or smaller)	Key Rings
Knives	Labels	Lapel Pins/Stickers	Magnifying Glasses
Matchbooks	Nail Clippers	Nail Files	Noisemakers
Paper & Plastic Cups	Paper & Plastic Plates	Paper Weights	Pencils
Pendants	Pennants	Pens	Pinwheels
Plastic Tableware	Pocket Protectors	Potholders	Refrigerator Magnets
Ribbons	Shoehorns	Staple Removers	Sunglasses
Sun Visors	Sweatshirts	Swizzle Sticks	T-shirts
TV Scroll Advertisements	Whistles	Wooden Nickels (Approx size of a 5cent coin)	Wooden Ruler (12" or smaller)
Yo-Yo's	Chip Clip	x	x

Notices, Fees and Referrals

Failure to File – Committees are notified within 4 business days when required filings are not submitted. The Failure to file is referred to AG between the 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 MCFA

- 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 Statement. The committee’s lack of response to an Error or Omission is referred to the Attorney General between the 9th and 12th business day following the due date.

Good Cause Waivers [MCL 169.215\(f\)](#)

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

An 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.

Other unique, unintentional factors beyond the filer's control not stemming from a negligent or a non-action so that a reasonably prudent person would excuse the filing on a temporary basis. 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.

Campaign Finance Complaints [MCL 169.215\(5\)](#)

- **All** complaints alleging violations of MCFA are filed with the SOS
- All complaints **MUST** be submitted using the complaint form available on our website
- Anonymous complaints are not accepted
- All parties will be given written notification regarding the disposition of the complaint
- Questions regarding complaint process will be directed to the Regulatory section of the Bureau

Declaratory Rulings & Interpretive Statements

Interested parties may request clarification of MCFA by requesting a Declaratory Ruling. The Department would issue a ruling only if the person provided actual statements of fact.

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

If the Department declines to issue a declaratory ruling, they will issue an Interpretive Statement.

The Regulatory section provides responses to requests. Time frames are outlined in any committee manual.

Previous 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
- Gathering the information for the contribution and authorizing expenditures
- Timely filing
- Responds to Notices of Error or Omission and Late Filing Fee notices

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
- Knowledge of MCFA or a willingness to become familiar with the law
- Proficient at recording and tracking financial activity and balancing accounts
- Technical skills: should be able to navigate the internet and have basic knowledge of computer software

Tips for Successful Reporting

Read the [Candidate Manual](#)

Record and track ALL financial activity of the committee, even if the committee has 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

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 SofO information up to date. We send mail and e-mail to the addresses we have on file.

Candidate/treasurer communication 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

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