



Joint fundraising by political party units

Minnesota Campaign Finance and Public Disclosure Board

How do I record contributions to a joint fundraiser held by party units?

There are two common ways to allocate contributions between party units for reporting purposes. The first option is to record all contributions as contributions to a single party unit, in which case that party unit should record contributions made to the other party units allocating their shares of the proceeds. The second option is to allocate contributors between the party units so that each party unit will record contributions from a discrete subset of contributors. It is important that the allocation method be determined prior to accepting contribution checks or issuing political contribution refund receipts. The guidance above applies to both monetary and in-kind contributions, except that political contribution refund receipts may only be issued for monetary contributions.

For example, if Contributors A and B each donate artwork valued at \$30 and Contributors Y and Z each contribute \$50 by winning that artwork in a silent auction at the joint fundraiser of Party Units L and M, Party Unit L may record all four of those contributions and also record a cash contribution made to Party Unit M accounting for its share of the proceeds, while Party Unit M would record receiving the cash contribution from Party Unit L. Alternatively, Party Unit L could record the contributions from Contributors A and Y while Party Unit M could record the contributions from Contributors B and Z.

How do I record expenditures for a joint fundraiser held by party units?

The allocation methods described above generally apply to monetary expenditures related to a joint fundraising effort. For accounting reasons it may be preferable for a single party unit to record all of the expenditures related to a joint fundraising effort. If that option is utilized, there are two common ways to offset those expenses. The first option is for each party unit that did not directly pay any expenses to pay the party unit that incurred the expenditures for their share of the costs. If this method is utilized, a party unit that pays another party unit for their share of the costs should record the amount paid as an expenditure and the recipient party unit should record that payment as miscellaneous income. For example, if Party Units L and M hold a joint fundraiser and Party Unit L incurs all of the expenditures which total \$2,000, Party Unit M may pay \$1,000 to Party Unit L and record an expenditure accounting for that payment, in which case Party Unit L should record a \$1,000 receipt classified as miscellaneous income.

The second option is for the party unit that incurs all of the expenditures to be allocated a share of the contributions equal to the total expenditures, plus that party's unit's share of the net proceeds. For example, if Party Units L and M hold a joint fundraiser, the total cash contributions received total \$5,000, and Party Unit L incurs all of the expenditures totaling \$2,000, \$3,500 of the contributions may be allocated to Party Unit L and \$1,500 of the contributions may be allocated to Party Unit M, so that each party unit receives half of the net proceeds.