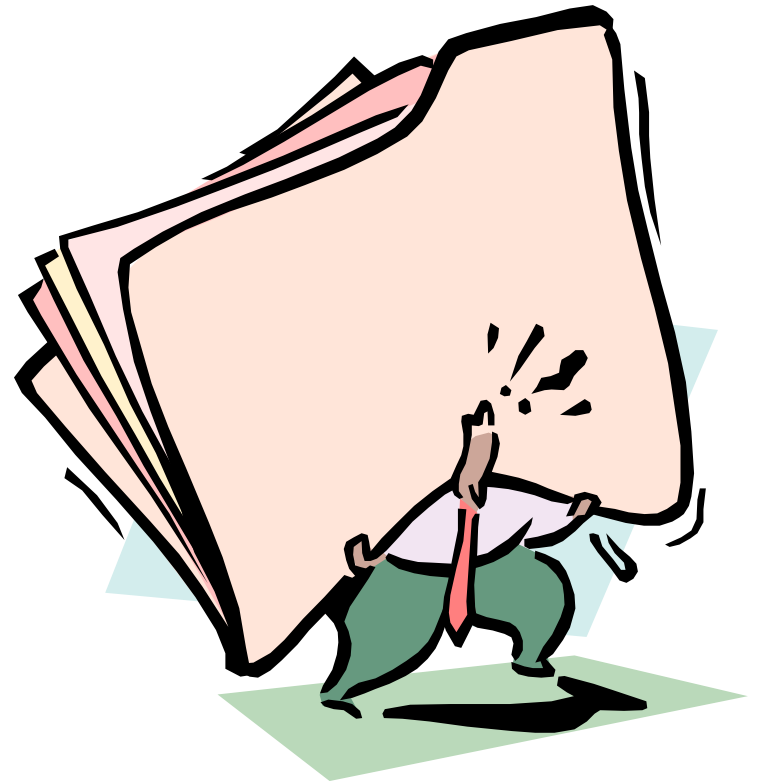


**Campaign Finance and Public
Disclosure Board
Compliance Training for
Those Seeking to Influence
Hennepin County Elections**

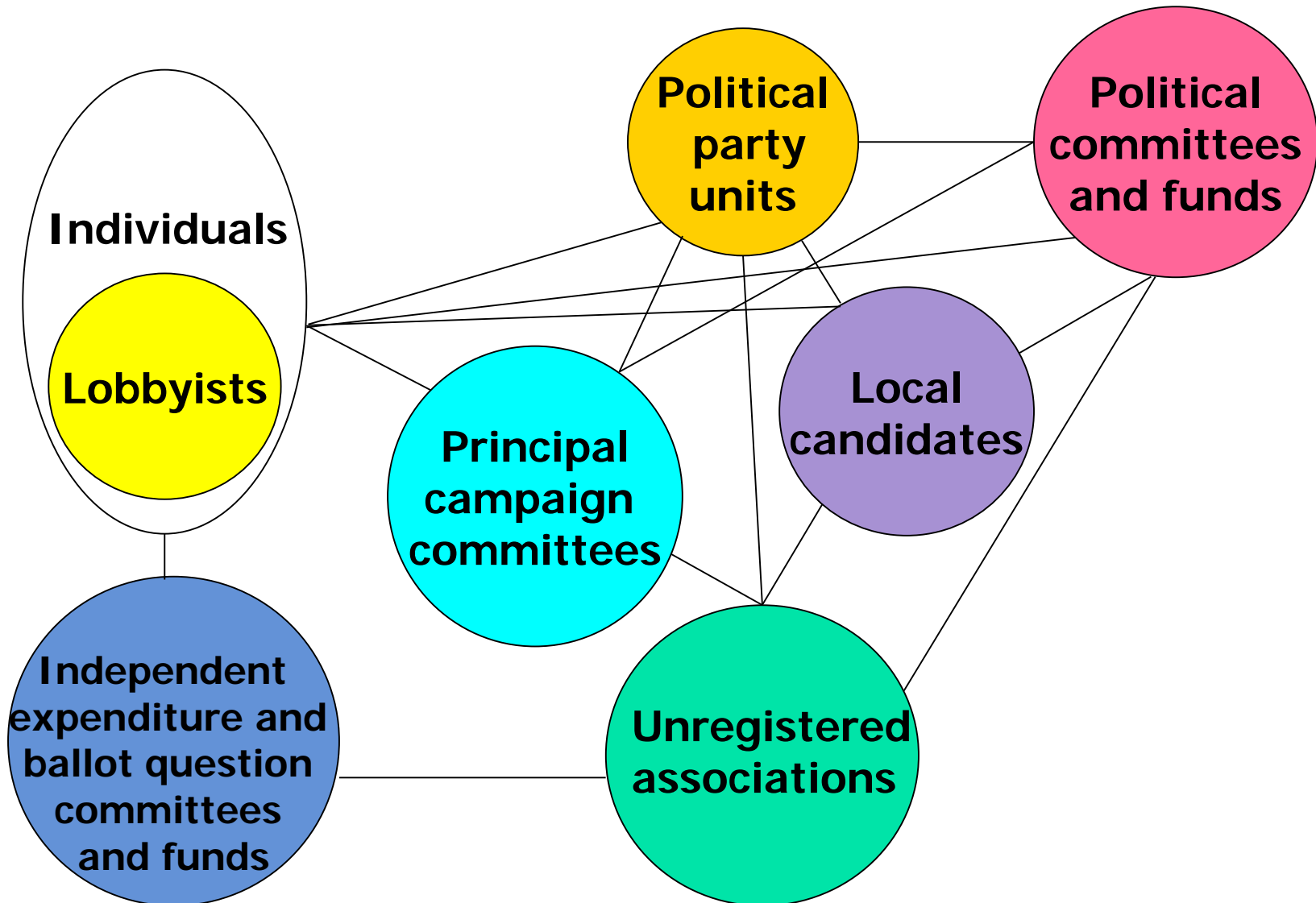


Topics We Will Cover In This Training Session

- World of Campaign Finance
- Contributions
- Expenditures
- What do you record and report
- Independent expenditures
- Unregistered associations
- Disclaimers



The World Of Campaign Finance



Campaign Finance Entities

- Principal campaign committees – committees of candidates for state office
- Political party units – state central committees and their subsidiary units organized within a house of the legislature, congressional district, county, legislative district, etc.
- Political committee – group whose major purpose is to influence election of candidates or to promote or defeat a ballot question
- Political fund – money used by a group, which doesn't fit any category listed above, to influence election of candidates or to promote or defeat a ballot question

Campaign Finance Entities, cont.

- Local candidates – candidates for local office such as county commissioner, city council, school board, etc.
- Independent expenditure and ballot question political committees and funds – political committees and funds that cannot give contributions to or coordinate with other entities but may accept corporate contributions
- Lobbyists – individuals who are lobbyists
- Unregistered associations – groups of two or more persons, not registered with the Board as a committee, fund, or party unit

Contribution Limits



Understanding Contribution Limits for Candidates

- Limits apply to total of donations (cash/in-kind) and loans from one source
- All candidates and only candidates have contribution limits

Contribution Limits for Local Candidates

- Limits apply to calendar years
- \$250 limit in nonelection year
- \$600 limit in election year
- \$600 limit increased to \$1,000 if territory of office has population over 100,000:
 - Hennepin County: Sheriff, attorney, commissioner
 - SSD 1: At-large School Board seats only
 - Minneapolis: Mayor, BET, at-large Park Board seats
- See [Minn. Stat. § 211A.12](#)

Contribution Limits for State Candidates

- Limits apply to two-year periods referred to as segments
- There are election and non-election segments
- Treasurer must track contributions over the two-year segment so limits are not exceeded
- A complete list of contribution and spending limits for state candidates is available at cfb.mn.gov/pdf/camfin/contrib_limits.pdf

Individual Contribution Limit

Office	2023 – 2024 Individual Limit
Governor/Lt. Governor	\$2,000
Attorney General	\$1,500
Secretary of State and State Auditor	\$1,000
Senate	\$1,000
House of Representatives	\$1,000
Judicial Office	\$2,500

- Limit for constitutional office candidates increases when office is on the ballot

Contributions to Political Party Units, Political Committees, and Funds

- No limit on amount of contribution accepted
- Additional disclosure required if from an association not registered with the Board
- Corporate funds prohibited

Corporate Contributions Prohibited

- Corporations cannot contribute to candidate committees, political committees or funds, or party units
- Corporations can only contribute to independent expenditure and ballot question committees and funds

Prohibited Contributions During Legislative Session

- Do not accept or solicit contributions from prohibited sources during the legislative session
- Applies to a recipient that is a legislative or constitutional office candidate or a legislative caucus
- The session includes the entire day the session starts to the entire day the session ends
 - January 3, 2023 – May 22, 2023
 - ? – May 20, 2024
 - Applies to full day – when contribution received not mailed
 - Prohibition does not apply to a special session or special election
- Prohibited sources are
 - Lobbyists
 - Political committees and political funds
 - Unregistered associations

Identification of Contributor

- Put Board registration number on check!
- Lobbyists, political committees and funds, and party units are required to include registration number
- Candidates may customize their online contribution forms to allow lobbyists to include their registration number and tips are available at cfb.mn.gov/pdf/issues/Customizing_contribution_forms.pdf

Return of Contribution

- Contributions generally must be deposited within 10 business days and within the reporting period received
- If received within the last 3 days of a reporting period, a contribution must be deposited within 72 hours
- Contributions may be returned within 90 days to clear violation
- 90 days starts when contribution is deposited
- After 90 days contribution is deemed accepted

Understanding In-Kind Contributions

- In-kind contributions are donations of goods or services other than money
- A committee volunteer's time is not an in-kind donation
- In-kind are recorded and reported ONLY if over \$20
 - No de minimis exception for corporate contributions
- In-kind contributions are recorded at fair market value
- An in-kind contribution is also an in-kind expenditure in the same reporting period

Approved Expenditures

- An approved expenditure is an expenditure made on behalf of a candidate with the knowledge of the candidate's committee
- An approved expenditure **is always** a donation in kind and applies to the candidate's contribution limit
- The candidate's committee limits the dollar value of an approved expenditure in advance and in writing
- Keep a copy for your committee records

Cost of Using Car

- A volunteer or candidate using a personal car for campaign purposes is not an in-kind contribution
- If you choose to reimburse, the rate for 2023 is 65.5 cents per mile

Loans

- Loans cannot be made from committee funds for personal reasons
- Loans count towards contribution limits unless made by a financial institution with no endorser or cosigner
- Loans to candidates and political committees and funds require a written agreement
- If a loan is forgiven it is considered a contribution from the lender for the year the original loan was made

Auctions

- Items cannot be donated by corporations
- The value of items donated to candidate committees count against contribution limits
- Fair-market value of a donated item is reported as an in-kind contribution if the value exceeds \$20 and each contribution results in an equivalent in-kind expenditure
- The full amount paid by a winning bidder should be reported as a cash contribution
- Find more information at:
cfb.mn.gov/pdf/issues/Conducting_auctions.pdf

Sales for Fundraising Purposes

- When selling goods or services as a fundraiser, must disclose to customers that their purchase is a political contribution and to whom the contribution is made
- Disclosure may be provided verbally or via a prominent sign at the point of sale
- Exception for fundraising events that require the purchase of a ticket and events where the main purpose is fundraising

Raffles

- A raffle involves participants providing something of value, such as money, in order to be eligible to win a prize
- If no payment or other consideration is given by participants, it is a drawing
- Proceeds from raffles and other types of gambling may not be used for political purposes or to make political contributions
- Find more information at:
cfb.mn.gov/pdf/issues/raffles.pdf

Expenditures

- Expenditures are reportable when an obligation to pay is incurred
- Report expenditure as an unpaid bill if not paid or no invoice at time of report
- Remember that an in-kind contribution is an in-kind expenditure during same report period

Contributions by a Political Committee or Fund or Party Unit

- If you make contributions to federal or local candidates, report them as expenditures
 - Starting in 2022, contributions to candidates seeking an office of the following are reported as contributions:
 - Hennepin County, Minneapolis, Bloomington, Brooklyn Park, Plymouth, or Minneapolis Public Schools (SSD 1)
 - Contributions to or disbursements related to federal or local candidates may trigger separate reporting requirements under federal, state, or local law
- May make contributions to other political committees and funds and party units without limit
- Contributions to state candidate, cash and in-kind, count against party unit aggregate limit of candidate

Multi-Candidate Political Party Expenditures

- May be made only by political party units
- Do not count as contributions to candidates
- 5 types of multi-candidate expenditures
 - To promote party without mentioning any candidate
 - Phone calls, text/mms/chat messages, or emails for at least 3 persons on ballot
 - Official sample ballot with at least 3 persons on the ballot
 - Staff services for at least 3 state candidates
 - Fundraiser for at least 3 state candidates

What Do I Record and Report



Treasurer's Duties

- Must record and deposit all cash receipts
- Keep records of expenditures
 - Invoice or receipt for all expenditures over \$100
- Reports to Board are basically bank statements
 - Make sure that reports list cash balances that match your bank statements, unless there were checks in transit

Itemization Threshold

- Contributions and expenditures are itemized at over \$200
- Ballot question committee or fund contributions itemized at over \$500
- Recordkeeping required by treasurer changes as contribution size increases

Collect All Required Information

Contributions have 3 levels of recordkeeping -

- \$20 and less, no record of in-kind contribution, date and amount of cash contribution
- Over \$20 to \$200, record name & address of contributor, date and amount of contribution, and description if in-kind
- Over \$200, all of above plus employer or occupation and Board registration number. Contribution is itemized on report

Anonymous Contributions

- Cash contributions of \$20 or less may be accepted without recording information on contributor
- If over \$20, may not be accepted without contributor information
- Anonymous cash contributions over \$20 must be forwarded to the Board

Collect All Required Information

- Expenditures
 - Keep record of cash expenditures
 - All in-kind expenditures of over \$20
 - Record date, amount, name and address of vendor, description/purpose of item or service purchased
 - Itemize expenditures on report if over \$200 of expenditures with vendor

Know Filing Deadlines For Reports

- Legislative candidates
- District court judicial candidates
- Most party units not involved in Hennepin County elections
 - Odd-numbered year – only year-end report
 - Even-numbered year
 - 1 pre-primary report (candidates not required to file if no affidavit of candidacy is filed)
 - 1 pre-general report (candidates not required to file if not on general election ballot)
 - Year-end report

Filing Deadlines For Reports, cont.

- Political committees and funds
- Independent expenditure committees and funds
- Party central committees and legislative caucuses
- Constitutional office candidates
- Appellate court judicial candidates
 - Odd-numbered year – only year-end report (unless involved in Hennepin County elections)
 - Election year
 - First quarter report (January 1 – March 31)
 - 2 pre-primary reports (candidates not required to file if no affidavit of candidacy is filed)
 - 2 pre-general reports (candidates not required to file if not on general election ballot)
 - Year-end report

Additional Reports for Hennepin County Spending

- Starting in 2023 party units and political committees and funds must file additional reports in a an odd-numbered year after more than \$200 is spent to influence either the election of candidates seeking an office of, or a ballot question that may be voted on by all voters in:
 - Hennepin County
 - Minneapolis, Bloomington, Brooklyn Park, or Plymouth
 - Special School District 1 (Minneapolis Public Schools)
- Additional reports include:
 - First quarter report (January 1 – March 31)
 - 2 pre-primary reports
 - 2 pre-general reports

24-Hour Notice of Large Contributions

- Applies in odd-numbered years to political committees and funds that must file additional reports due to Hennepin County activity
- Two 24-hour notice periods
 - Before primary election (July 18 – August 7, 2023)
 - Before general election (October 24 – November 6, 2023)
- Loan or contribution received during period
- Electronically within 24 hours, in person by next business day
- Triggering amount – more than \$1,000
- Political party units do not file 24-hour notices
- Pre-primary period does not apply to ballot question committees or unopposed candidates
- Pre-general period does not apply to candidates who are not on general election ballot

Amendments

- An amendment to a previously filed document must be filed within 10 days after the person responsible for filing the document becomes aware that the information previously provided has changed or is inaccurate.

Watch Out for Fines

- Start day after deadline without notice
- Pre-election reports \$50 per day up to \$1,000
- Year-end, first quarter, and May reports \$25 per day up to \$1,000
- 24-hour reports \$50 per day up to \$1,000
- Plus civil penalty of up to \$1,000

Independent Expenditures

- Expenditures made to influence the nomination or election of a candidate without the knowledge, cooperation, or approval of the candidate, the candidate's committee, or the candidate's agent
- Include express advocacy
- Are reported differently than contributions and general expenditures

Understanding Disclosure Required from Unregistered Associations



Contributions from Unregistered Associations

- Unregistered association typically is a local candidate committee, federal committee, or a political committee registered in another state
 - If the contributor does not have a Board registration number and is not an individual, it is probably an unregistered association
- May NOT be a corporation
- May accept from unregistered association
 - If \$200 or less, without disclosure
 - If over \$200, then only if additional disclosure is provided **at the time** the contribution is made

Disclosure Required from Unregistered Association

- Disclosure is at Minnesota level (\$200 itemization threshold) so FEC report is sufficient
- Must include all transactions of the contributor, nationwide
 - Year-to-date if contribution made after January 30th
 - At least 30 days prior to date of contribution if made before January 30th
- Party units do not need disclosure from federal candidates for payment of fees to attend events

Unregistered Association Disclosure Statement

- Copy of disclosure statement provided to Board with next report
 - Disclosure statement may be a printed document, an electronic document, or the URL of a government website containing the document
- Fine of up to 4X amount of contribution if accepted without disclosure

Disclaimers

- A disclaimer tells the public who is responsible for a communication
- A disclaimer is required on all campaign material including websites and Facebook
- Exceptions for online ads that link to page with the disclaimer, apparel, stickers, pins, buttons, and personal letters or business cards clearly distributed by candidate

Form of standard non-broadcast disclaimer

- For non-broadcast communications, the disclaimer must say “Prepared and paid for by the committee address”
- If the communication is produced and disseminated without cost, the words “and paid for” may be omitted

Form of standard broadcast disclaimer

- For broadcast communications, the disclaimer must say "Paid for by thecommittee"
- If the broadcast communication is prepared and disseminated without cost, the disclaimer must say "The committee is responsible for the content of this message"

Form of independent expenditure non-broadcast disclaimer

- For non-broadcast independent expenditure communications, the disclaimer must say "This is an independent expenditure prepared and paid for by (name of entity), (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it."

Form of independent expenditure broadcast disclaimer

- For broadcast independent expenditure communications, the disclaimer must say “This independent expenditure is paid for by (name of entity). It is not coordinated with or approved by any candidate nor is any candidate responsible for it.”

Additional Disclaimer Information

- Find more information about disclaimer requirements for campaign material at cfb.mn.gov/pdf/issues/disclaimers_campaign_material.pdf
- Find more information about disclaimer requirements for independent expenditures at cfb.mn.gov/pdf/issues/disclaimers_ie.pdf

RETAIN ALL
RECORDS
FOR FOUR
YEARS



When In Doubt Ask



- Online training videos at cfb.mn.gov/filer-resources/self-help/education-and-tools/online-videos
- Call (651) 539-1180 or (800) 657-3889
- The Board website address is: cfb.mn.gov
- You can find handbooks, download forms, and obtain staff contact information on the website