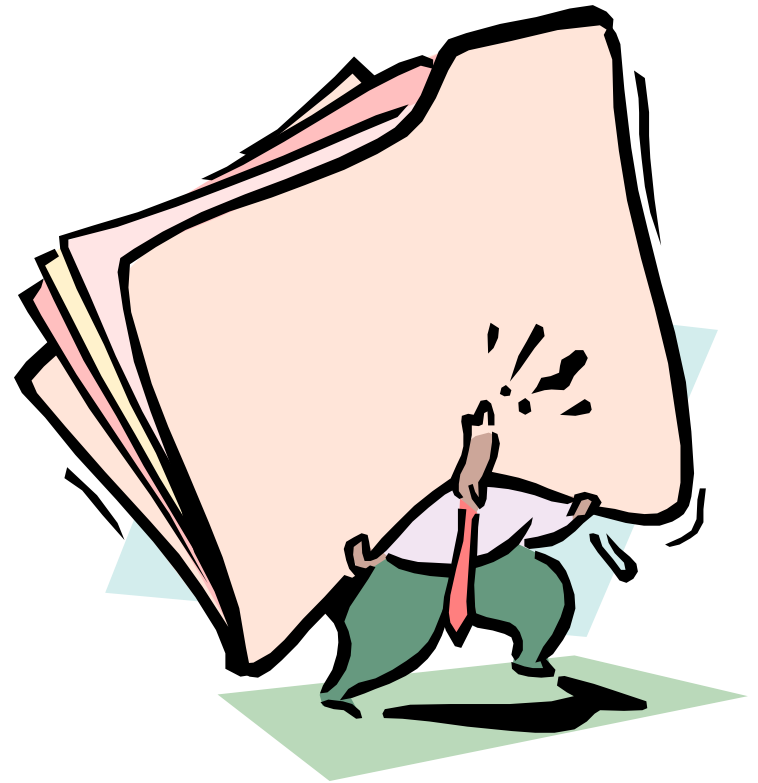


Campaign Finance and Public Disclosure Board Compliance Training

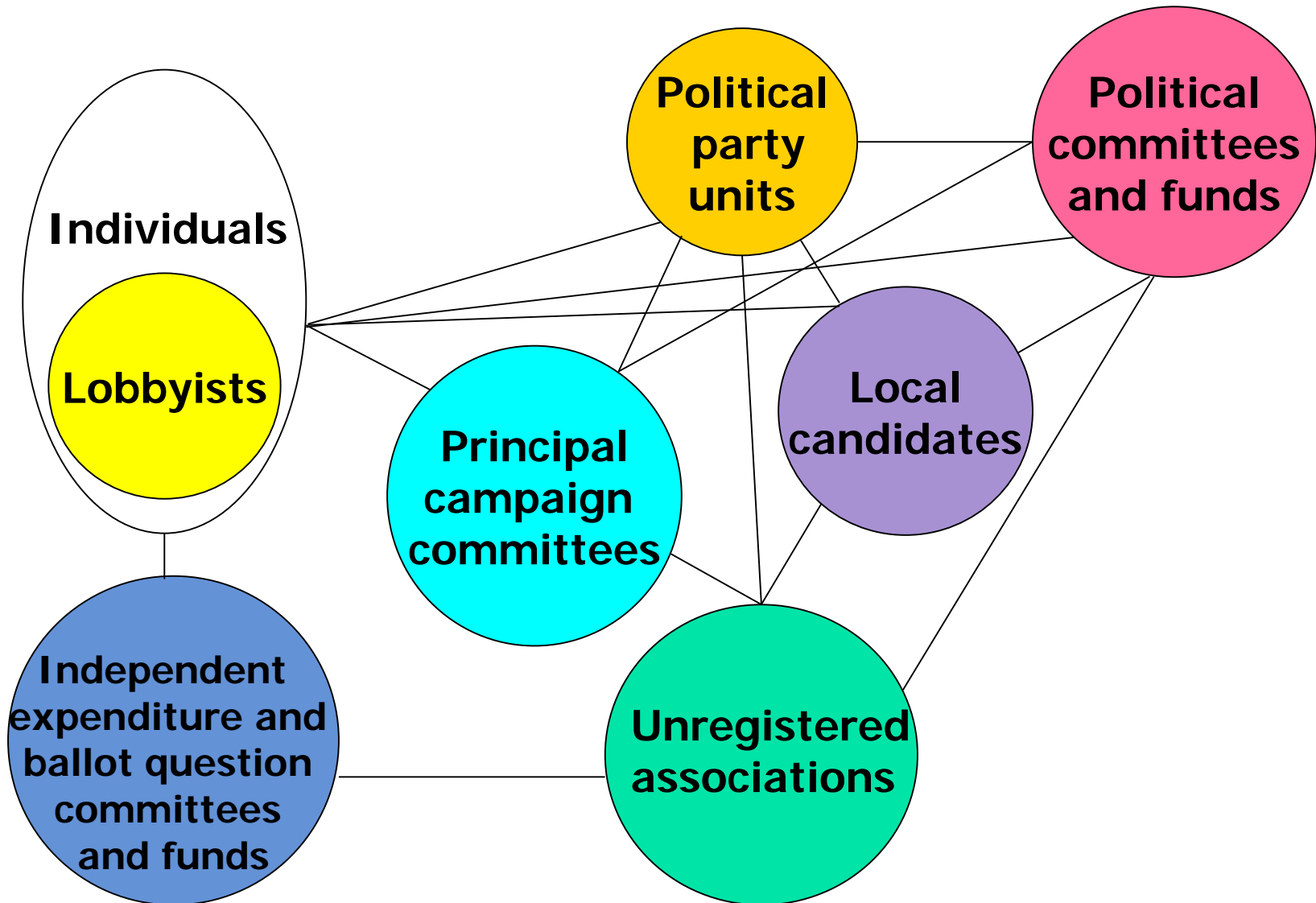


Topics We Will Cover In This Training Session

- World of Campaign Finance
- Contributions



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
- Exception for personal contribution of candidate, limited only if public subsidy agreement signed

Contribution Limits for State Candidates

- Contribution 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 list of contribution and spending limits 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

Personal Contribution Limit

Office	2023 – 2024 Candidate's Personal Contribution Limit
Governor/Lt. Governor	\$10,000
Attorney General	\$7,500
Secretary of State and State Auditor	\$5,000
Senate	\$5,000
House of Representatives	\$5,000
Judicial Office	Not applicable

- Limit only applies if candidate signs public subsidy agreement

Aggregate Party Unit + Terminating Candidate Contribution Limit

Office	2023 – 2024 Party Unit + Terminating Candidate Committee Limit
Governor/Lt. Governor	\$20,000
Attorney General	\$15,000
Secretary of State and State Auditor	\$10,000
Senate	\$10,000
House of Representatives	\$10,000
Judicial Office	\$25,000

- Includes all contributions from party units and terminating state candidates

Aggregate Special Source Contribution Limit

Office	2023 – 2024 Special Source Limit
Governor/Lt. Governor	\$376,400
Attorney General	\$50,200
Secretary of State and State Auditor	\$25,100
Senate	\$7,300
House of Representatives	\$14,500

- Includes all contributions from political committees and funds, unregistered associations, and lobbyists
- The amount for House candidates will be adjusted for inflation in April 2024

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](#)

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

If Contribution is Returned

- If contribution was not deposited, do not report it
- If contribution was returned within 90 days after deposit and before being reported to the Board, do not report it
- If contribution was returned within 90 days after deposit but has been reported to the Board, zero out the contribution
- If contribution was returned more than 90 days after deposit, report both the contribution and the amount returned

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

Reporting In-Kind Contributions

- If a contributor pays a processing fee to a contribution processor such as PayPal and the fee exceeds \$20, that amount must be recorded as an in-kind contribution
- 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 and may count towards the campaign spending 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

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