

State of Minnesota
Campaign Finance & Public Disclosure Board
Suite 190, Centennial Building. 658 Cedar Street. St. Paul, MN 55155-1603

**THE FOLLOWING PUBLICATION DOES NOT IDENTIFY THE
REQUESTER OF THE ADVISORY OPINION, WHICH IS NON PUBLIC DATA
under Minn. Stat. § 10A.02, subd. 12(b)**

RE: Contribution to Political Party Unit

ADVISORY OPINION 399

SUMMARY

Payment by an individual for services provided by a vendor to a political party unit is a donation in kind from the individual making the payment to the party unit.

FACTS

As the representative of a political party unit ("the Party Unit") registered with the Campaign Finance and Public Disclosure Board, ("the Board"), you ask for an advisory opinion based on the following facts:

1. The Party Unit wishes to conduct an issue-oriented polling project in several areas of Minnesota. The polling will not mention any individual candidates.
2. An individual donor has agreed to pay for a large portion of the polling project with a payment directly to the polling firm.

You ask the two questions, as stated in the issues below.

Issue One

Should the individual donor's payment be reported as an in-kind contribution to the political party unit?

Opinion

According to the facts, payment for the polling will not be made in the form of a direct contribution to the Party Unit, but by means of a payment on behalf of the party unit to the polling organization. It is apparent from the facts that the Party Unit is collaborating with the individual donor in this project and that if the project moves forward, payment by the donor will be with the approval of the Party Unit and the benefit will be accepted by the Party Unit.

A "donation in kind" is anything of value that is given to an entity registered with the Board, other than money. Donations in kind include donations of physical goods as well as of services that are either provided by the donor or paid for by the donor. The facts describe a donation in kind from the individual donor in the form of services for which the donor will pay.

Donations in kind, also often referred to as in-kind contributions, are reported as such on the schedule of contributions received by the Party unit. Nothing in the facts suggests that this in-kind contribution should be treated differently.

Issue Two

Does the transaction described in the facts raise any other concerns that might result in violations of Minnesota Statutes Chapter 10A?

Opinion

The limited facts stated do not give rise to other potential Chapter 10A violations.

However, if there is a relationship between the polling organization and the individual donor, the transaction described may not be entirely at arms length. In such a case, it would be important to be certain that the total compensation paid to the polling organization by the Party Unit and the individual donor represents the full fair market value of the services provided. If less than full compensation is paid and the polling organization is a corporation, a violation of Minnesota Statutes, Section 211B.13 (a statute not in the Board's jurisdiction to administer) might result.

This opinion is based on the limited facts as stated. If relevant facts are omitted or the fact situation that exists when the actual transaction occurs is different than stated above, the Board's opinion could be different. For example, if revised facts suggested that the donor's payment for the polling services was actually intended to benefit specific candidates, a different opinion might result.

Issued June 17, 2008


Sven Wehrwein, Chair
Campaign Finance and Public Disclosure Board

Cited Statutes and Rules

10A.01 DEFINITIONS.

Subdivision 1. **Application.** For the purposes of this chapter, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

...

Subd. 13. **Donation in kind.** "Donation in kind" means anything of value that is given, other than money or negotiable instruments. An approved expenditure is a donation in kind.