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Subparts modified since the July meeting are indicated by yellow highlighting

4503.XXXX EXPENDITURES AND NONCAMPAIGN DISBURSEMENTS: GENERAL PROVISIONS

Subpart. 1. Reimbursements. A. When a committee reimburses an individual or association for an expenditure or a noncampaign disbursement, the reimbursement is not required to be itemized on a report of receipts and expenditures unless the total reimbursements and payments made by the committee during the year to that individual or association exceed \$200.

Commented [PJ(1): This item is intended to clarify confusion about whether the \$200 itemization threshold applies to the total amount paid during the year to the person being reimbursed or to the total amount paid during the year to the vendor of the good or service purchased.

B. When a committee reimburses an individual or association for an expenditure or noncampaign disbursement that requires itemization on a report of receipts and expenditures and chooses under Minnesota Statutes section 10A.20, subdivision 13, to report the expenditure or noncampaign disbursement as a reimbursement to a third party, the committee must disclose the information below on the report.

Earlier versions said that the itemization requirement applied when the total amount paid to the vendor exceeded \$200. In response to comments and reporting concerns, the rule has been revised to require itemization when the payments to the person being reimbursed exceed \$200.

Commented [PJ(2): This item is intended to clarify what information must be included when a committee reports a reimbursement to an individual or association.

1. The name and address of the individual or association to which reimbursement was made;
2. The name and address of the vendor supplying the good or service for which reimbursement was made;
3. The date of the expenditure or noncampaign disbursement for which reimbursement was made;
4. The date of the reimbursement;
5. A description of the specific good or service purchased; and
6. If the reimbursement was for a noncampaign disbursement, the specific noncampaign disbursement category in Minnesota Statutes section 10A.01, subdivision 26, or this chapter that is applicable to the good or service for which reimbursement was made.

Subp. 2. Allocating ongoing expenses. When an ongoing expense has both a campaign purpose and a purpose listed as a noncampaign disbursement in Minnesota Statutes section 10A.01, subdivision 26, or this chapter, the committee must allocate the cost of the expense between the two purposes according to the proportion of actual use for each purpose.

Commented [PJ(3): This subpart is intended to clarify confusion regarding how to report expenses that have both a campaign and a noncampaign component.

Subp. 3. Cellular telephone plans. When a candidate's committee pays for the candidate's cellular telephone plan, the committee must pay only for the cellular telephone use attributable to the candidate. To determine the use attributable to the candidate, the committee must

Commented [PJ(4): This subpart requires committees that want to pay for telephone service for candidates to purchase single-user plans or to use one of the listed methods to determine how much of a multi-user plan is attributable to the candidate.

- A. purchase a single-user plan that covers only the candidate's telephone and data usage;
or
- B. purchase a multi-user plan and pay only the candidate's share of the monthly cost.

To determine the candidate's share of the monthly cost of a multi-user plan, the committee must use one of the following methods:

- A. Track the data, text, and telephone calls used each month by each user on the plan to determine the portion of the plan cost that should be allocated to the candidate's telephone for that month and add that amount to the line cost for the candidate's telephone; or
- B. Divide the total monthly cost of the plan by the number of users covered by the plan.

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Subp. 4. Mileage. The recordkeeping requirements in Minnesota Statutes sections 10A.025, subdivision 3, and 10A.13, subdivision 2, are satisfied for mileage expenses paid by a committee when the committee obtains a mileage log that shows the information listed below:

Commented [PJ(5)]: This subpart is intended to clarify what information must be kept to support the payment of mileage expenses. It follows the requirements of Minnesota Statutes section 10A.155.

- A. The date of each trip taken;
- B. The purpose of each trip taken;
- C. The distance traveled during the trip; and
- D. If the mileage is not being paid at the lowest rate used by the state to reimburse its employees for automobile use, the actual cost of fuel, maintenance, repairs, and insurance directly related to the use of the automobile.

Subp. 5. Purpose of expenditure or noncampaign disbursement. When an expenditure or noncampaign disbursement must be itemized on a report of receipts and expenditures under Minnesota Statutes section 10A.20, subdivision 3, the report must establish the purpose of the expenditure or noncampaign disbursement by explaining how the specific good or service purchased was used.

Commented [PJ(6)]: This subpart is intended to clarify confusion about the level of specificity required on reports to describe the purpose of a payment. To ensure that the report shows the purpose of the purchase as required by Minnesota Statutes section 10A.20, subdivision 3 (h), the language at the end of the subpart was changed from requiring a description of the good or service purchased to requiring an explanation of how the good or service was used.

4503.0900 NONCAMPAIGN DISBURSEMENTS.

Subpart 1. **Additional definitions.** In addition to those listed in Minnesota Statutes, section 10A.01, subdivision 26, the following expenses are noncampaign disbursements:

- A. transportation, meals, and lodging paid to attend a campaign school;
- B. costs of campaigning incurred by a person with a disability, as defined in Minnesota Statutes, section 363A.03, subdivision 12, and which are made necessary by the disability;
- C. the cost to an incumbent or a winning candidate of providing services to residents in the district after the general election in an election year for the office held;
- D. payment of advances of credit in a year after the year in which the advance was reported as an expenditure;
- E. payment of fines assessed by the board; ~~and~~
- F. costs of running a transition office for a winning gubernatorial candidate during the first six months after election;

G. a contribution to a fund established to support a candidate's participation in a recount of ballots affecting that candidate's election;

Commented [PJ(7)]: Items G, H, I, and J codify Advisory Opinions 415, 424, and 433.

H. costs paid by a candidate's principal campaign committee for a single reception given in honor of the candidate's retirement from public office after the filing period for affidavits of candidacy for that office has closed;

I. a donation from a terminating principal campaign committee to the state general fund;
and

J. a donation from a terminating principal campaign committee to a county obligated to

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incur special election expenses due to that candidate's resignation from state office.

Subp. 2. [Repealed, 21 SR 1779]

Subp. 3. **Reporting purpose of noncampaign disbursements.** Itemization of an expense which is classified as a noncampaign disbursement must include sufficient information to justify the classification.

Subp. 4. **Services for a constituent.** A. A candidate's committee may claim the expenses listed below as services for a constituent during the periods listed in Minnesota Statutes section 10A.01, subdivision 26, paragraph (6).

1. The cost of a charter bus to transport constituents to an educational day held at the state capitol during a legislative session;
2. The cost of hiring an intern that is directly attributable to the intern's provision of services for constituents;
3. The cost of congratulatory letters sent to the office holder's constituents that include information about government services available to the recipient or how the recipient can register to vote; and
4. The cost of printing and distributing a review of legislative action and issues to the office holder's constituents if the distribution occurs prior to the sine die adjournment of the legislature.

If the review of legislative action described in subitem 4 is distributed after the legislature adjourns sine die, the printing and distribution costs must be prorated between noncampaign disbursements and campaign expenditures as described in Minnesota Statutes section 10A.01, subdivision 26, paragraph (6), even if the printing occurred prior to adjournment.

B. A candidate's committee may not claim the expenses listed below as services for a constituent under Minnesota Statutes section 10A.01, subdivision 26, paragraph (6).

1. The cost of food or beverages consumed by a constituent during a meeting with the office holder; and
2. The cost of a communication to constituents that advocates for the re-election of the office holder, solicits campaign contributions to the candidate or a political party, or advocates for or against the election of candidates of a political party.

Subp. 5. **Food and beverages while campaigning.** A candidate's committee may not claim the expenses listed below as payments for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities under Minnesota Statutes section 10A.01, subdivision 26, paragraph (7).

A. The cost of food and beverages consumed by the candidate or volunteers when the candidate or volunteers are distributing communications that qualify as a service to a constituent under Minnesota Statutes section 10A.01, subdivision 26, paragraph (6); and

B. The cost of food and beverages consumed by the candidate and volunteers when the candidate and volunteers are campaigning outside of the candidate's district.

Subp. 6. **Food and beverages; legislative duties.** A candidate's committee may not claim the expense of food and beverages consumed by individuals other than the legislator at a

Commented [PJ(8): Subparts 4 through 7 are intended to clarify confusion about which expenses may be claimed under the different noncampaign disbursement categories.

The language in each subpart is intended to be a starting point for discussion of these issues.

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reception or meeting as a noncampaign disbursement under Minnesota Statutes section 10A.01, subdivision 26, paragraph (8).

Subp. 7. **Expenses for serving in public office.** A. A candidate's committee may claim the expenses listed below as expenses for serving in public office under Minnesota Statutes section 10A.01, subdivision 26, paragraph (10).

1. The cost of transportation, lodging, meals, and other expenses necessary to attend meetings and conferences when the reason that the candidate attends the event is to assist the candidate in performing the duties of the office held and the candidate would not attend the event if the candidate were not an office holder;
2. The cost of traveling to the state capitol for scheduled legislative committee meetings and regular and special legislative sessions when those costs are not reimbursed by another source;

B. A candidate's committee may not claim the expenses listed below as expenses for serving in public office under Minnesota Statutes section 10A.01, subdivision 26, paragraph (10).

1. The cost of meals for staff;
2. The cost of membership fees and dues necessary to belong to organizations located in the office holder's district;
3. Costs incurred for transportation, lodging, and other expenses for trips taken outside of the office holder's district for the purpose of relationship building; or
4. Costs incurred for transportation, lodging, and other expenses by an individual accompanying an office holder on a trip unless the office holder is a person with a disability, as defined in Minnesota Statutes, section 363A.03, subdivision 12, and the accompanying individual is providing services that are made necessary by the disability.

C. Item B, subitem 4, does not require a committee to allocate a travel expense between an office holder and an individual accompanying the office holder on a trip when the presence of the accompanying individual does not increase the amount of the expense.