Campaign Finance and Public Disclosure Board Compliance Training
Topics We Will Cover In This Training Session

- World of Campaign Finance
- Effects of 2022 Redistricting
- Contributions
The World Of Campaign Finance

- Political committees and funds
- Principal campaign committees
- Unregistered associations
- Independent expenditure and ballot question committees and funds
- Individuals
- Lobbyists
- Political party units
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
Independent expenditure and ballot question political committees and funds – designated political committees and funds that cannot give contributions to or coordinate with candidates, party units, or regular committees and funds, but may receive corporate contributions

Lobbyists – individuals registered as lobbyists

Non-lobbyist individuals – individuals that are not lobbyists

Unregistered associations – groups of two or more persons, not registered with the Board as a committee, fund, or party unit
Registration Amendments for Candidates and Party Units

- Candidates whose district number has changed must file an amended registration statement, unless the candidate will not seek election in 2022.

- Party units organized based on a congressional or legislative district that changes significantly should follow the direction of the party’s state committee.

- The officers of a party unit may:
  - File an amended registration statement reflecting the party unit’s new name and district number.
  - Register a new party unit and terminate the registration of the old party unit once it has $100 or less in assets.
Public Subsidy Status and Transfer of Assets

- Candidates with a public subsidy agreement on file do not need to sign a new agreement if district number changes, unless seeking a different office.
- Candidates need to notify the Board if their status as a first-time candidate has changed as a result of redistricting.
- Candidates seeking election to a different house of the legislature must register a new committee and may transfer assets from old committee to new committee.
- Party units terminating due to redistricting may transfer assets, as directed by the party’s state committee, and those transfers must be reported as contributions.
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
Two-Year Contribution Limits

- 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

<table>
<thead>
<tr>
<th>Office</th>
<th>2021 - 2022 Individual Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor/Lt. Governor</td>
<td>$4,000</td>
</tr>
<tr>
<td>Attorney General</td>
<td>$2,500</td>
</tr>
<tr>
<td>Secretary of State and State Auditor</td>
<td>$2,000</td>
</tr>
<tr>
<td>Senate</td>
<td>$1,000</td>
</tr>
<tr>
<td>House of Representatives</td>
<td>$1,000</td>
</tr>
<tr>
<td>Judicial Office</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Office</th>
<th>2021 - 2022 Candidate’s Personal Contribution Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor/Lt. Governor</td>
<td>$20,000</td>
</tr>
<tr>
<td>Attorney General</td>
<td>$12,500</td>
</tr>
<tr>
<td>Secretary of State and State Auditor</td>
<td>$10,000</td>
</tr>
<tr>
<td>Senate</td>
<td>$5,000</td>
</tr>
<tr>
<td>House of Representatives</td>
<td>$5,000</td>
</tr>
<tr>
<td>Judicial Office</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

- Limit only applies if candidate signs public subsidy agreement
### Aggregate Party Unit + Terminating Candidate Contribution Limit

<table>
<thead>
<tr>
<th>Office</th>
<th>2021 - 2022 Party Unit + Terminating Candidate Committee Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor/Lt. Governor</td>
<td>$40,000</td>
</tr>
<tr>
<td>Attorney General</td>
<td>$25,000</td>
</tr>
<tr>
<td>Secretary of State and State Auditor</td>
<td>$20,000</td>
</tr>
<tr>
<td>Senate</td>
<td>$10,000</td>
</tr>
<tr>
<td>House of Representatives</td>
<td>$10,000</td>
</tr>
<tr>
<td>Judicial Office</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

- Includes all contributions from party units and terminating candidate committees.
# Aggregate Special Source Contribution Limit

<table>
<thead>
<tr>
<th>Office</th>
<th>2021 - 2022 Special Source Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor/Lt. Governor</td>
<td>$846,500</td>
</tr>
<tr>
<td>Attorney General</td>
<td>$145,200</td>
</tr>
<tr>
<td>Secretary of State and State Auditor</td>
<td>$96,800</td>
</tr>
<tr>
<td>Senate</td>
<td>$21,800</td>
</tr>
<tr>
<td>House of Representatives</td>
<td>$14,500</td>
</tr>
</tbody>
</table>

- Includes all contributions from political committees and funds, unregistered associations, and lobbyists
- These are the final amounts as adjusted for inflation in April 2022
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 5, 2021 – May 17, 2021
  - January 31, 2022 – May 23, 2022
- 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 the first half of 2022 is 58.5 cents per mile and the rate for the second half of 2022 is 62.5 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