

ETHICAL PRACTICES BOARD

First Floor South, Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

THE FOLLOWING PUBLICATION DOES NOT IDENTIFY
THE REQUESTER OF THE ADVISORY OPINION, WHICH IS NONPUBLIC DATA
under Minn. Stat. § 10A.02, subd. 12(b) (1994 Minn. Laws, ch. 377, sec.1)

RE: Campaign Finance Disclosure

ADVISORY OPINION #211

SUMMARY

211. The purchase of computer equipment from funds that have been contributed to a principal campaign committee must be reported as a campaign expenditure on the committee's periodic report that covers the period in which the equipment was purchased. Minn. Stat. §§ 10A.01, subd. 10, 10A.20, 10A.25. The committee treasurer must approve the purchase and maintain records on the transaction, including invoices, bills, worksheets, and receipts in sufficient detail to support the report of receipts and expenditures disclosing the transaction. Minn. Stat. §§ 10A.17, 10A.22.

FACTS

As a legislator you have a principal campaign committee registered with the Ethical Practices Board. You ask the Board for an advisory opinion based upon your statement of the following facts and information provided:

1. You would like to have your campaign committee purchase a computer and printer from your family's business. The equipment will no longer be used by your family's business.
2. The equipment will be appraised by a third party involved in the computer business to put a fair market value on the equipment.
3. You intend to locate the equipment in your home and use the equipment in your work as a legislator for correspondence and record keeping.

QUESTION ONE

How should you proceed with this transaction so that you comply with the requirements of Minn. Stat. Ch. 10A, the Ethics in Government Act?

OPINION

The treasurer of your principal campaign committee must keep records of the purchase including the bill presented to your committee for the equipment showing the fair market value at which

the equipment was purchased and on which the bill from your family's business is based. Your family's business must render in writing to the treasurer of your principal campaign committee the bill for the equipment within 60 days after the equipment is provided. Your treasurer must maintain records on the transactions involving the equipment, including invoices, bills, worksheets, and receipts in sufficient detail to support the report of receipts and expenditures disclosing the transaction. Minn. Stat. §§ 10A.17, 10A.18, 10A.20, 10A.22.

Upon purchase by your committee the computer becomes a physical asset of your committee. If an asset is used for other than committee business, your committee must be compensated at fair market value for the use. Physical assets must be listed at their fair market value when dissolving or terminating your principal campaign committee. To meet the statutory requirements for dissolution, a committee must settle all its debts, dispose of all its assets in excess of \$100, and file a termination report. Minn. Stat. §§ 10A.20, 10A.24.

QUESTION TWO

Is your principal campaign committee's purchase of a computer and printer to be reported as a campaign expenditure and, therefore, to be subject to the applicable campaign expenditure limit?

OPINION

Yes. Generally, the funds from which a candidate's principal campaign committee may elect to purchase equipment for the committee have accumulated as the result of contributions made to the committee to influence the nomination or election of the candidates. Your campaign committee's purchase of computer equipment from contributions made to your committee must be reported as a campaign expenditure on your committee's periodic report that covers the period in which the equipment was purchased. Minn. Stat. § 10A.01, subd. 10, § 10A.25.

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Douglas H. Sillers, Chair
Ethical Practices Board