

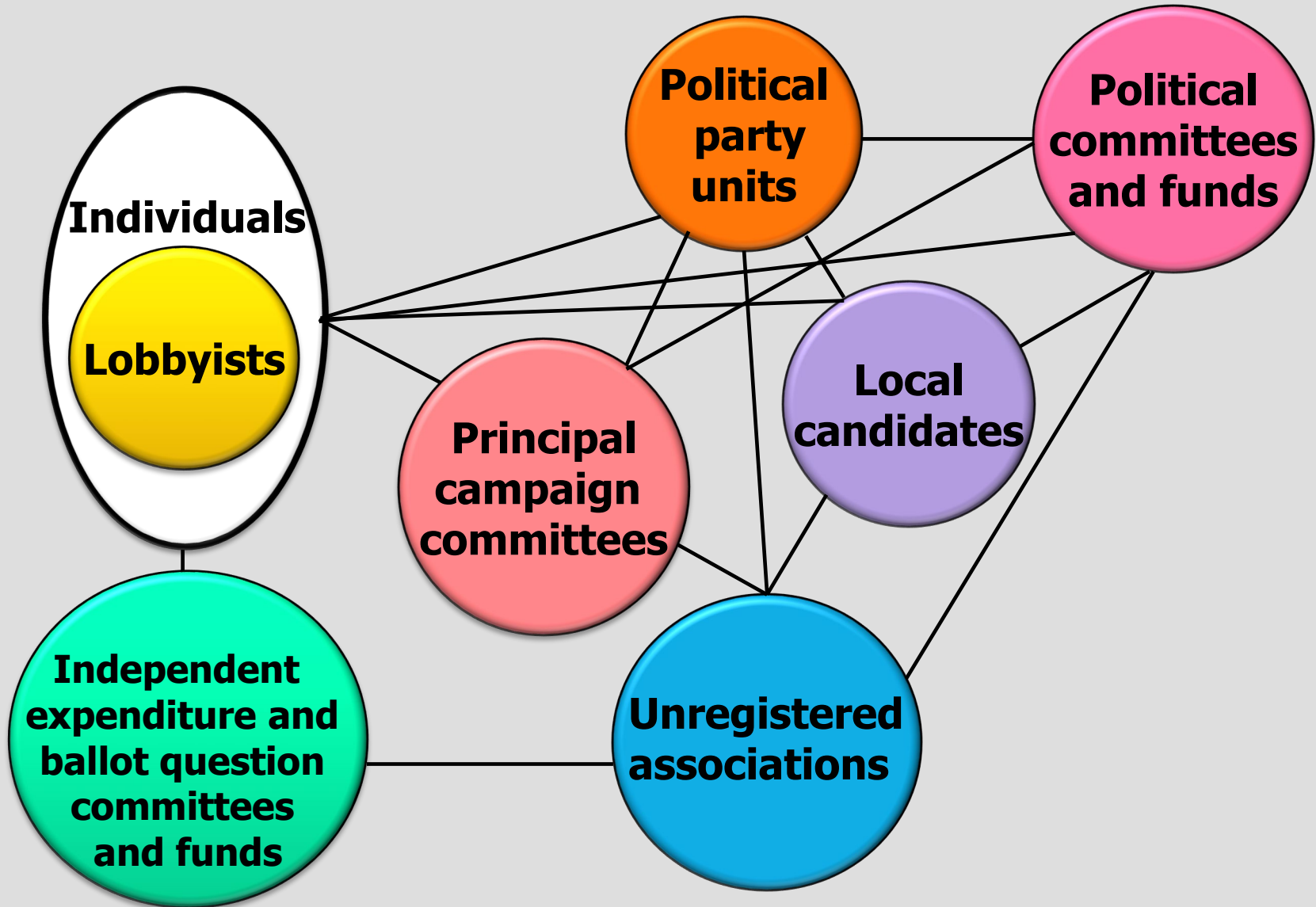
Candidate Training



Topics We Will Cover In This Training Session

- **World of Campaign Finance**
- **Contribution Limits**
- **Expenditures**
- **What do you record and report**
- **Understanding Disclosures
Required for Unregistered
Associations**
- **Public subsidy program**
 - **Captioning**

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 for candidates whose election cycle is longer than two years
- 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

Corporate Contributions Prohibited

- Corporations cannot contribute to candidate committees
- 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
 - February 12, 2024 – 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

- Lobbyists, political committees and funds, and party units are required to include registration number on contribution checks
- 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

Reporting In-Kind Contributions

- In-kind contributions are recorded at fair market value
- 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 consent of, or in coordination with, 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 2024 is 67 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 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 counts 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 must be provided verbally or via a prominent sign within three feet of the point of sale, if sale is in person
- Disclosure must be provided via a prominent notice on the page used to make the purchase if sale is made by electronic means
- Exception for fundraising events

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



Expenditures

Expenditures

- Expenditures are reportable when an obligation to pay is incurred
- Report expenditure as an unpaid bill if not paid or no invoice at time of report
- Remember that an in-kind contribution is an in-kind expenditure during same report period

Candidate Spending Limits

- Campaign expenditures are limited if a public subsidy agreement is signed
 - Limit increased 10% for 1st time running for office and 20% for closely contested primary
 - 1st time running for office means
 - Never held the same office
 - Name has never appeared on primary or general election ballot for the same office
 - In the past ten years has not spent more than \$750 for any other office that represents more than 1/3 of population of current office sought

Candidate Spending Limits, cont.

- Campaign spending limit is based on two-year segment
 - Higher limit during two-year election segment
 - Lower limit in two-year non-election segment
- A list of 2023 – 2024 spending and contribution limits is available at cfb.mn.gov/pdf/camfin/contrib_limits.pdf

Candidate Spending Limits, cont.

Office	A 2023 – 2024 Base Limit	B 2023 – 2024 First-Time Candidate Limit	C 2023 – 2024 Closely Contested Primary Limit	D 2023 – 2024 Limit for Candidate to whom B & C Apply
Governor/Lt. Governor	\$1,882,000	\$2,070,200	N/A	N/A
Attorney General	\$251,100	\$276,210	N/A	N/A
Secretary of State and State Auditor	\$125,700	\$138,270	N/A	N/A
Senate	\$36,400	\$40,040	N/A	N/A
House of Representatives	\$72,700	\$79,970	\$87,240	\$95,964

- The limits for House candidates will be adjusted for inflation in April 2024

Noncampaign Disbursements

- Only candidate committees have noncampaign disbursements
- May be cash or in-kind
- Noncampaign disbursements do not apply to spending limits
- Noncampaign disbursements are limited to specific purposes allowable by statute

Noncampaign Disbursement Categories

- Incumbents may pay for constituent services such as informational mailings about the session
 - 100% during session
 - 50/50 from end of session (May 20, 2024) to 60 days after final adjournment (July 19, 2024)
 - After 60 days – 100% campaign expenditure
- Some other categories include:
 - Payment processing fees
 - Food and beverages for a fundraiser
 - Food and beverages for candidate and volunteers while campaigning
 - Filing fees
 - Security expenses for candidate up to \$3,000 every two years
- Find a full list at cfb.mn.gov/pdf/publications/guidance/ncd_guidance.pdf

A close-up photograph of a desk setup. In the foreground, a spiral-bound notebook with a white cover and a grid pattern is open. A black pen with gold accents lies across the notebook. In the background, a smartphone with a white frame and a black screen is visible. The desk surface is dark wood. A white banner with blue text is overlaid on the notebook.

What Do I Record and Report?

Treasurer's Duties

- Must record and deposit all cash receipts
- Keep records of expenditures
 - Invoice or receipt for all expenditures over \$100
- Reports to Board are basically bank statements
 - Make sure that reports list cash balances that match your bank statements, unless there were checks in transit

Itemization Threshold

- Contributions and expenditures are itemized at over \$200 in aggregate per contributor or vendor
- Recordkeeping required by treasurer changes as contribution size increases

Collect All Required Information

Contributions have 3 levels of recordkeeping -

- \$20 and less, no record of in-kind contribution, date and amount of cash contribution – unless used for affidavit of contributions
- Over \$20 to \$200, record name & address of contributor, date and amount of contribution, and description if in-kind
- Over \$200, all of above plus employer or occupation and Board registration number. Contribution is itemized on report

Anonymous Contributions

- Cash contributions of \$20 or less may be accepted without recording information on contributor
- If over \$20, may not be accepted without contributor information
- Anonymous cash contributions over \$20 must be forwarded to the Board

Contributions Needed to file Affidavit of Contributions

- To qualify for public subsidy payment campaign must raise specified amount from MN eligible voters counting no more than first \$50 of contribution
- You may not count anonymous contributions
- Must collect name and address if you wish to count \$20 and less contributions

Collect All Required Information

■ Expenditures

- Keep a record of cash expenditures
- All in-kind expenditures of over \$20
- Record date, amount, name and address of vendor, description/purpose of item or service purchased
- Itemize expenditures on the report if over \$200 of expenditures with a vendor

Know Filing Deadlines For Reports

- Legislative candidates
- District court judicial candidates
 - Odd-numbered year and even-numbered year when candidate is not on the ballot – only year-end report
 - Election year
 - 1 pre-primary report (not required to file if no affidavit of candidacy is filed)
 - 1 pre-general report (not required to file if not on general election ballot)
 - Year-end report

Filing Deadlines For Reports, cont.

- Constitutional office candidates
- Appellate court judicial candidates
 - Odd-numbered year and even-numbered year when candidate's office or judicial seat is not on the ballot – only year-end report
 - Election year
 - First quarter report (January 1 – March 31)
 - 2 pre-primary reports (not required to file if no affidavit of candidacy is filed)
 - 2 pre-general reports (not required to file if not on general election ballot)
 - Year-end report

Pre-Election Large Contribution Notice

- Applies to election years only
- Two large contribution notice periods
 - Before primary election (July 23 – August 12, 2024)
 - Before general election (October 22 – November 4, 2024)
- Loan or contribution received during period
- Notice must be filed by end of next business day after receipt
- Triggering amounts
 - Appellate court – more than \$2,000
 - District court – more than \$400
 - House – more than \$500
- Pre-primary period does not apply to unopposed candidates
- Pre-general period does not apply to candidates who are not on general election ballot

Amendments

- An amendment to a previously filed document must be filed within 10 days after the person responsible for filing the document becomes aware that the information previously provided has changed or is inaccurate.

Watch Out for Fines

- Start day after deadline without notice
- Pre-election reports - \$50 per day up to \$1,000
- Year-end, first quarter, and May reports - \$25 per day up to \$1,000
- Large contribution notices - \$50 per day up to \$1,000
- Plus civil penalty of up to \$1,000

Carry Forward for Candidate Committees

- At the end of an election cycle a principal campaign committee may not carry forward more than 25% of the base election cycle spending limit
- The carry forward limit at the end of 2024 for House candidates is currently set at \$18,175
- This amount will be adjusted for inflation in April 2024

A stack of several books with dark covers and white pages, resting on a wooden surface with a checkered pattern. The books are slightly offset, creating a sense of depth. The lighting is dramatic, highlighting the edges of the pages and the texture of the covers.

Understanding Disclosures Required from Unregistered Associations

Contributions from Unregistered Associations

- Unregistered association may be a nonprofit organization or a political committee registered in another state or with the FEC
 - If the contributor does not have a Board registration number and is not an individual, it is probably an unregistered association
- May NOT be a corporation
- May accept from unregistered association
 - If \$200 or less, without disclosure
 - If over \$200, then only if additional disclosure is provided **at the time** the contribution is made
- Please contact us for assistance when seeking to accept a contribution from an unregistered association

Disclaimers

- A disclaimer tells the public who is responsible for a communication
- A disclaimer is required on all campaign material including websites and Facebook
- Exceptions for online ads that link to page with the disclaimer, apparel, stickers, pins, buttons, and personal letters or business cards clearly distributed by candidate

Form of standard non-broadcast disclaimer

- For non-broadcast communications, the disclaimer must say “Prepared and paid for by the committee address”
- If the communication is produced and disseminated without cost, the words “and paid for” may be omitted

Form of standard broadcast disclaimer

- For broadcast communications, the disclaimer must say "Paid for by thecommittee"
- If the broadcast communication is prepared and disseminated without cost, the disclaimer must say "The committee is responsible for the content of this message"

Additional Disclaimer Information

- Find more information about disclaimer requirements for campaign material at cfb.mn.gov/pdf/issues/disclaimers_campaign_material.pdf



Public Subsidy Program



Political Contribution Refund Program

- Candidates who sign public subsidy agreements may issue Political Contribution Receipts (PCR) to contributors
 - Cash contributions only
 - Paper PCR receipt (EP3) from Board or CFRO
 - Dept. of Revenue application - revenue.state.mn.us/political-contribution-refund

Political Contribution Refund, cont.

- Contribution **must** have been received on or after date the candidate filed public subsidy agreement
- Refunds only available to eligible Minnesota voters
- \$75 per individual per year (\$150 per married couple), tracked by Dept. of Revenue by social security number
- Warn donor to send small PCR receipts in all at one time

Political Contribution Refund, cont.

- If a contribution consists of money paid for goods or services, including items purchased via auction, the value of the purchase generally must be deducted from the amount paid when issuing a PCR receipt
 - If a contributor pays \$100 for a \$75 gift card via a silent auction, issue PCR receipt for \$25
 - If a contributor pays \$75 for a \$100 gift card, a PCR receipt cannot be issued
- See [Revenue Notice #91-16](#) for more information



Public Subsidy Payments

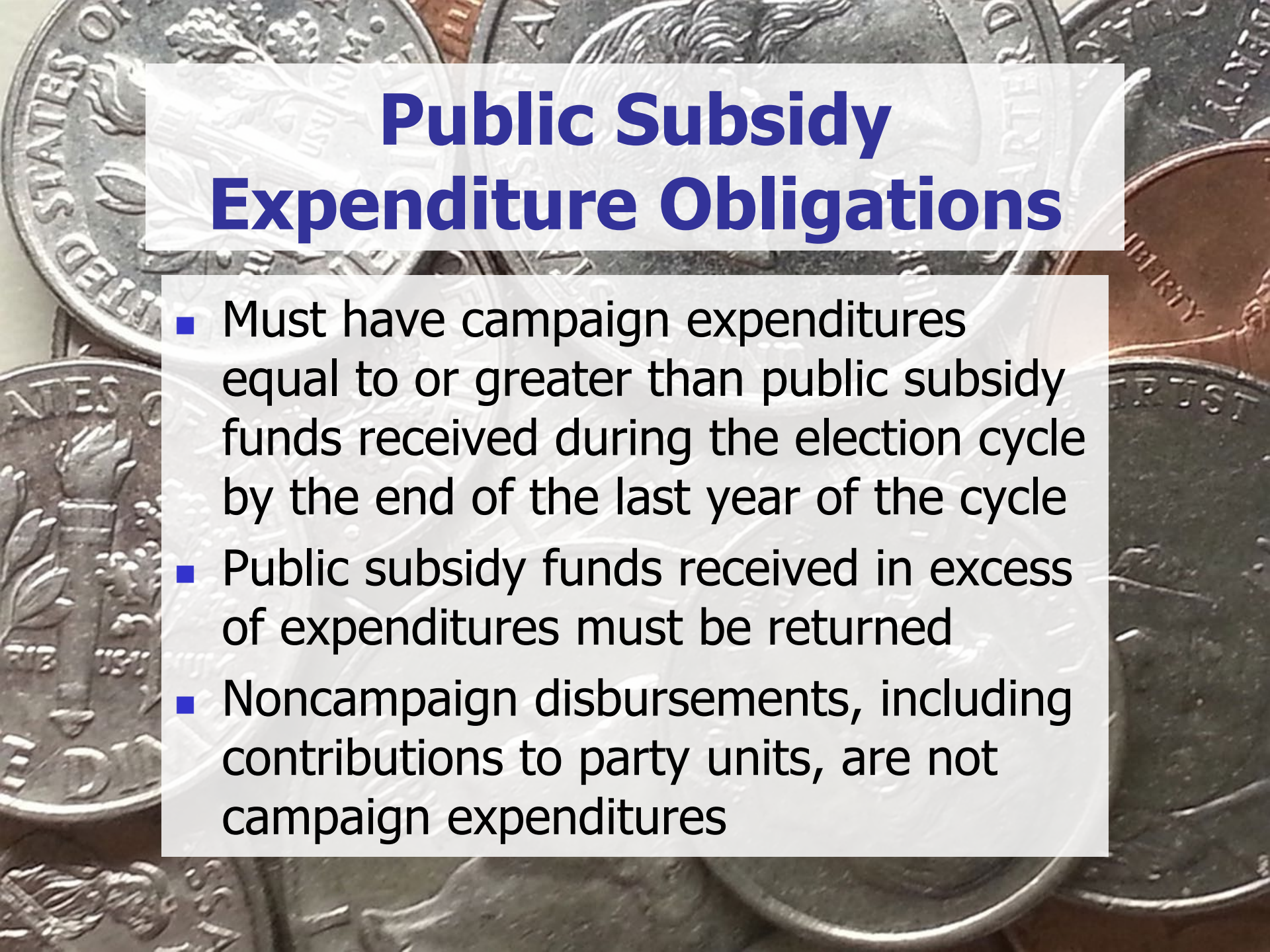
- To receive a General Account payment, must be running with a major political party
- Party Account payment, must be with major or minor political party
- Must win the primary election

Public Subsidy Payments, cont.

- To receive public subsidy payment candidate must:
 - File signed agreement for the election cycle
 - Raise a specified amount in contributions from eligible Minnesota voters in increments of \$50 or less and file affidavit of contributions
 - House candidate must raise \$1,500 in contributions of \$50 or less by July 22, 2024, file signed agreement by July 23, 2024, and file affidavit by July 29, 2024

Public Subsidy, cont.

- Subsidy payment made after primary election
- Candidate may be released from spending limit depending on conduct of opponent
- Payment is a combination of general account and party check-off from tax form
- Estimate will be published on Board's website in May 2024
- 2022 public subsidy payment amounts may be viewed at cfb.mn.gov/pdf/publications/public_subsidy/historical/2022_public_subsidy_payments.pdf

The background of the slide is a close-up, slightly blurred image of several US coins, including quarters and pennies, scattered across the surface. The coins are in various orientations, showing different parts of their designs, such as the eagle on the quarter and the profile of Lincoln on the penny.

Public Subsidy Expenditure Obligations

- Must have campaign expenditures equal to or greater than public subsidy funds received during the election cycle by the end of the last year of the cycle
- Public subsidy funds received in excess of expenditures must be returned
- Noncampaign disbursements, including contributions to party units, are not campaign expenditures

Captioning by Public Subsidy Candidates

- Professional television ads must include closed captioning unless statement is filed with the Board prior to the ad running explaining why captioning was not included
- Professional visual or audio ads on the candidate's website must include closed captioning unless:
 - a transcript is posted to the website; or
 - a statement is filed with the Board prior to the ad running explaining why captioning was not included

Captioning by Public Subsidy Candidates, cont.

- Professional radio ads may not be run unless:
 - a transcript is posted to the candidate's website; or
 - a statement is filed with the Board prior to the ad running explaining why a transcript was not posted
- Civil penalty of up to \$1,000 for candidates who do not comply with the closed captioning requirements for campaign advertisements placed on broadcast or cable television, or the transcription requirements for radio advertisements
- See MNCDHH page on captioning and transcription for more information:
 - mn.gov/deaf-commission/get-involved/voting/candidate-campaign-ad-captioning/



**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 website address for the Board is cfb.mn.gov
- On the website, you can access handbooks, download forms, and find contact information for staff members.