

# 2016 Candidate Quick Guide



## Traditionally Financed Legislative Candidates

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Maine Commission on Governmental Ethics and Election Practices

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# 2016 GENERAL INFORMATION - TRADITIONALLY FINANCED CANDIDATES

## Introduction

Dear Candidate:

Thank you for registering as a legislative candidate in Maine's 2016 elections. This Quick Guide introduces you to the key elements of running as a traditionally financed candidate. You will find more detailed information in the 2016 Guidebook for Traditionally Financed Candidates. Neither this Quick Guide nor the Candidate Guidebook, however, is a substitute for the Commission's statutes and rules. Please do not hesitate to email or call your Candidate Registrar if you have any questions. We are here to help in any way that we can.

- Ethics Commission Staff

## Filing Financial Reports

Candidates must file financial reports according to the schedule below. If reports are late, the Commission assesses late-filing penalties automatically, and penalties increase every day. Therefore, it is critical that candidates file the report by 11:59 p.m. on each deadline. Please get an early start. The Commission staff is available to help until 5:00 p.m. on each filing deadline.

## Filing Schedule

Report	Due Date	Period Begin Date	Period End Date
2016 January Semiannual	<b>January 15</b>	Date of Registration	December 31, 2015
11-Day Pre-Primary Report	<b>June 3, 2016</b>	January 1, 2016	May 31, 2016
42-Day Post-Primary Report	<b>July 26, 2016</b>	June 1, 2016	July 19, 2016
42-Day Pre-General Report	<b>September 27, 2016</b>	July 20, 2016	September 20, 2016
11-Day Pre-General Report	<b>October 28, 2016</b>	September 21, 2016	October 25, 2016
42-Day Post-General Report	<b>December 20, 2016</b>	October 26, 2016	December 13, 2016

### 24-Hour Reporting Periods\*

June 1 - June 13, 2016 (before the Primary Election)

October 26 - November 7, 2016 (before the General Election)

\* In the thirteen days prior to an election, campaigns are responsible for filing 24-Hour Reports if they **accept a single contribution of \$1,000 or more, or make a single expenditure of \$1,000 or more.** Within one day of the contribution or expenditure that triggers a 24-Hour Report, campaigns must log in to the E-Filing website, add the transaction, and then file the automatically created 24-Hour Report.

## Contribution Limits

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For 2016, the contribution limit for legislative candidates is **\$375 per election**. The primary and general elections are considered separate elections. Therefore, if a candidate is in both a primary and general election, they are allowed to accept **\$750** from a single source. Contribution limits do not apply to a candidate or the candidate's spouse/domestic partner. They are allowed to donate unlimited funds to the campaign.

Candidates who are not enrolled in one of the three political parties in Maine - the Maine Democratic Party, the Maine Republican Party, or the Maine Green-Independent Party - are only running in the general election. Unenrolled candidates may only accept up to \$375 from a single contributor.

All types of contributions count towards the contribution limit of \$375. For instance, a candidate cannot accept a \$300 cash contribution as well as an in-kind contribution with a value of \$100 from the same contributor for the same election.

A candidate may accept contributions for the general election before the primary, but must keep the funds for each election separate. Funds raised for the general election may not be spent until after the primary.

## Loans

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Loans are contributions to a campaign that the candidate intends to pay back. Typically, loans are from the candidate or his or her spouse/domestic partner to help get the campaign started. Loans from the candidate, the candidate's spouse/domestic partner, or from a financial institution in Maine are not subject to the contribution limit, but loans from any other source can be no greater than \$375 per election.

## In-Kind Contributions

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In-kind contributions are donations to a campaign of goods, materials, or services that have a monetary value. For instance, if a supporter of the campaign purchases office supplies for the campaign's headquarters and is not reimbursed by the campaign, the campaign has accepted an in-kind contribution in the amount of what the supplies cost. There is no limit on the amount of in-kind contributions the candidate and his or her spouse/domestic partner can give to the campaign, but from other sources the limit is \$375 per election.

There are many ways campaigns can receive in-kind contributions. There are also several exemptions for certain goods and services that do not count as in-kind contributions. Candidates should refer to the 2016 Candidate Guidebook for more information.



# SURPLUS FUNDS & POST-ELECTION RESPONSIBILITIES

*For many traditionally financed candidates, the general election does not mark the end of campaign finance reporting responsibilities. All candidates must file a post-general report in December, and for candidates with surplus funds there are semiannual reports that must be filed.*

## 42-Day Post-General Report

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All candidates must file a **42-Day Post-General Report**, due by **December 20, 2016**. This report will cover the period of **October 26 - December 13, 2016**. While the report is due after the election, the reporting period covered is usually one of the busier periods for financial activity. The report is also due during the busy holiday season, so it is important that candidates remember to file the report **on time**, and make sure it is an **accurate and complete** report.

Campaigns are welcome to file the 42-Day Post-General Report early, if the campaign has entered all contributions and expenditures for the period and has paid all outstanding obligations and loans. If the campaign's cash, debt or loan balance is \$100 or less, the 42-Day Post-General Report will be the campaign's last report.

## Surplus Funds & Semiannual Reports

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If the ending cash, loan, or debt balance is **greater than \$100** on a campaign's 42-Day Post-General Report, the campaign is considered to still be **financially active**, and must continue to file periodic reports. **Semiannual reports** must be filed on **January 15<sup>th</sup> and July 15<sup>th</sup>** of each year until the campaign has disposed of the surplus funds, or repaid or forgiven all debts and loans. Campaigns have **four years** from the election to dispose of surplus funds and end all financial activity.

Surplus funds can be disposed of in multiple ways, the following being the most common:

- Transferring the funds to a subsequent election
- Returning the funds to contributors (provided no contributor receives more in return than his or her original contribution)
- Making a donation to a local, county, or state political party
- Making a donation to a registered non-profit
- Paying for any expense incurred in the proper performance of the office to which the candidate was elected

Please consult the 2016 Candidate's Guidebook for other options for disposing of surplus funds, or contact your Candidate Registrar.



# FREQUENTLY ASKED QUESTIONS

**Q: When do I have to register as a candidate?**

**A:** Candidates must **appoint a treasurer and register** with the Commission before raising or spending any money.

**Q: Do I have to have a separate bank account for my campaign?**

**A:** Yes. Candidates must open and use a **separate bank or credit union account** to deposit all contributions and from which to make campaign expenditures. If a candidate intends to collect general election contributions before the primary election, the candidate will have to have another account to deposit general election contributions into. For example, the candidate could open a checking account and a separate savings account for general election contributions. After the primary election, the funds in the savings account can be transferred to the checking account to be used for the general election.

**Q: What is the contribution limit for 2016?**

**A:** In 2016, the contribution limit for legislative candidates is **\$375 per election**. The primary and general elections are separate elections. For the 2016 election cycle, a candidate who is in both elections can accept \$750 from a single contributor. Candidates who are not enrolled in a political party may only accept up to \$375 per contributor.

**Q: Can a contributor write a single check for \$750 for both elections?**

**A:** Yes. A contributor can write a single check of up to \$750 (or \$1,500 if both spouses/ domestic partners contribute the maximum for both elections). The candidate must deposit the primary and general election contributions into separate accounts.

**Q: Am I required to report contributors' occupation and employment information?**

**A:** If a contributor has donated **more than \$50** to your campaign during a reporting period, you must report the **contributor's name and address**. You are also required to report the **contributor's occupation and employment information**. Campaigns must use "reasonable efforts" to obtain the employment information of their contributors. For example, if the campaign mails out contribution cards or collects contributions on the Internet, there must be a way for the contributor to provide their employer and occupation.

**Q: I am using an online fundraising service to solicit and accept contributions. Do I report contributions received online differently? How do I report the fees that are applied to the contributions?**

**A:** Contributions received online should be reported no differently than contributions received by check. The full amount of the contribution is reported in the contributor's name. If there is a processing fee for online contributions, the fee should be reported as an expenditure. For example, if a contributor donates \$100, but there is a \$5 fee, the contribution should be reported as \$100, and there should also be an expenditure for \$5.

**Q: I have received contributions from corporations/organizations owned by the same person or group of people. Do these count as coming from the same source, and do I have to return any of the contributions?**

**A:** In some circumstances, the Election Law considers businesses, for-profit and non-profit corporations, and other organizations to be a single contributor if they have common owners or officers. A sole proprietorship and its owner are considered to be a single entity. Two or more entities are considered a single contributor if they share the majority of the members of their boards of directors; share two or more officers; are owned or controlled by the same majority shareholder(s); are in a parent-subsidary relationship; or are LLCs owned by the same member or member majority. If the entities are considered to be a single contributor, the combined total of their contributions may not exceed \$375 per election. Contributions in excess of the limit should be returned immediately.

**Always feel free to contact a Candidate Registrar with any questions**

# COLLECTING & REPORTING CONTRIBUTIONS

As a candidate begins to fundraise, it is important to have procedures in place to collect and maintain the information about contributors that must be reported in a campaign finance report, and to avoid accepting an over-the-limit contribution (for more information on contribution limits, see “2016 Contribution Limits | Loans | In-Kind Contributions”).



## COLLECTING

- **Complete name and address for each contributor.** The campaign is **required** to obtain and record this information as well as the **date and amount** for each contribution greater than \$10.
- **Occupation and employer.** This information **must** be requested from every individual contributor who has given the campaign more than \$50. The candidate is required to make a “**reasonable effort**” to obtain a contributor’s employment information.
- **Joint contributions from spouses/domestic partners.** Contributions can only be reported in the name of **an individual, not a couple**. The campaign must determine who the contributor is and, if the contribution is from both spouses/domestic partners, how it should be allocated between them.
- **Contributions from corporations and LLCs.** Some corporations and LLCs that are owned and controlled by the same group of people may be considered to be a **single entity** for the purpose of contribution limits. For more information about corporate contributions, contact a Candidate Registrar.



## REPORTING

- **The contributor’s full name and address, and occupation and employer** must be reported for each contributor who gave **more than \$50**, in aggregate, in a reporting period.
- Campaigns **may** report all **contributions of \$50 or less** during a reporting period in **one lump sum**.
- Each contribution must be attributed to either the primary or general election.
- For contributions received online, the campaign should use the date the funds were transferred to the candidate as the contribution date

# MAKING & REPORTING EXPENDITURES

*All purchases of goods and services with campaign funds should be for a campaign-related purpose. Campaigns are required to report every expenditure they make, so it is important that candidates keep complete and accurate records to make reporting smooth and simple.*



## MAKING

- If a candidate **purchases goods and services with personal funds and does not get reimbursed** by the campaign, **those purchases are not expenditures** for reporting purposes; they are **in-kind contributions**. Please contact a Candidate Registrar for more information on how in-kind contributions work and should be reported.
- All **expenditures should** be made out of the campaign bank account **by check or debit card**. Doing so will help with record-keeping and reporting requirements.
- All **campaign literature** (other than small items) must have a **proper disclosure statement** on it—the most simple version of a disclosure statement is: **“Authorized and Paid For by the Candidate.”**
- If a campaign has **received goods or services and has not paid for them by the end of the reporting period**, the campaign has **incurred an unpaid debt**. Please contact a Candidate Registrar on how debts should be reported and managed.

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## REPORTING

- Every expenditure, regardless of amount, **must be itemized** in campaign finance reports.
- Campaigns are **required** to report the **amount and date** of the expenditure, the **full payee name and address**, choose an appropriate **expenditure type**, and include a **brief description of what was purchased** – campaigns will be asked to amend their reports if any of this information is **missing, inaccurate, or incomplete**.
- When choosing an **expenditure type**, filers should do their best to make sure they are selecting an **appropriate option**. Incorrect expenditure types are the most common reason campaigns need to amend reports.
- When reporting a **reimbursement**, the **vendor that the goods or services were purchased from** should be reported as the **payee**, not the person who was reimbursed, and the date should be the date of the original purchase, not the date the reimbursement was made. In the **description** area, the campaign should include the information of **who was reimbursed and on what date**
- When reporting a **mileage reimbursement** expenditure, **the payee should be the individual who is receiving the reimbursement**; the campaign should include in the description the purpose for the travel.
- In the 13 days before an election, **most expenditures of \$1,000 or more** have to be reported in a special **24-Hour Report**. Please refer to the 2016 Candidate's Guidebook or contact your Candidate Registrar for more information about filing 24-Hour Reports.



# RECORD-KEEPING & BANK ACCOUNT INFORMATION

## BANK ACCOUNT

Candidates are **required** to have a **separate bank account** for their campaign funds. If a candidate raises general election contributions before the primary, the candidate must keep primary and general election contributions in separate accounts until after the primary election.

The account should be a checking account. Candidates should have a way to pay for purchases directly from the account, such as checks and/or a debit card.

Candidates may not **commingle personal and campaign funds** in the same account.

Candidates should request to receive **paper or electronic monthly statements** from their bank to help with record-keeping and reporting requirements.

## RECORD KEEPING

Candidates are **required** to keep all of their campaign records for **two years after the election**.

For each expenditure of **over \$50**, campaigns must obtain and keep a receipt or invoice that states the goods and services purchased.

For contributions of **\$50 or less**, the campaign must keep a record of the contributor's **name and address, and date and amount** of the contribution. For contributions **over \$50**, the campaign must also keep record of the **contributor's occupation and employer**.

Expenditures made by consultants on the candidate's behalf have different record-keeping requirements. Please see the 2016 Candidate Guidebook or contact a Candidate Registrar for more information.