

Missouri Ethics Commission

A Guide to Record-Keeping

For All Candidates and Committees



www.mec.mo.gov

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Missouri Ethics Commission

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Information about the Missouri Ethics Commission (MEC) & all forms & requirements can be found on the Commission's website at www.mec.mo.gov

This booklet is intended only as a guide to aid understanding of the Campaign Finance Disclosure Law.
For the Law's complete requirements, consult the law itself codified at Chapter 130 of the Revised Statutes of Missouri.

About Record-Keeping

What is record-keeping?

Campaign finance disclosure law requires that all committees and all candidates, regardless of their reporting status, as well as certain individuals and entities, maintain accurate and up-to-date accounts and records regarding their campaign-related financial activity.

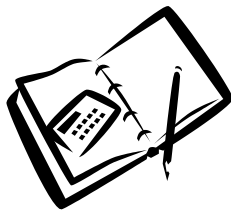
What is the purpose of record-keeping?

Provide the information necessary to complete required reports *and* provide a continuing record of financial transactions about committee activity and/or election.

What are the requirements of record-keeping? (130.036 RSMo)

Records must be:

- Maintained in accordance with accepted normal bookkeeping procedures;
- Accurate and up-to-date;
- Started when first become candidate or committee;
- Established for each election;
- Kept for 3 years after election (candidate) or after report filed (all other committees); and
- Available for inspection by the MEC.



About Record-Keeping

When am I defined as a candidate? (130.011 RSMo)

When you:

- Announce candidacy or
- File a declaration of candidacy or
- Receive contributions or make expenditures or reserve facilities for campaign or
- Know or have reason to know others are receiving contributions or making expenditures or reserving facilities for candidacy on your behalf.

What is a committee? (130.011 RSMo)

A committee is a person or person(s) who:

- ✓ Accepts contributions or spends money for the purpose of attempting to influence the action of voters *and*
- ✓ The money spent or received exceeds certain dollar amounts (See *When to Form & Register a Committee Brochure*).

What are the types of committees? (130.011 RSMo)

Candidate—Formed by single candidate for office for a specific election

Campaign—Formed to support or oppose a ballot measure in a specific election or the retention of judges

Continuing (Political Action or PAC)—Formed and directed by someone other than the candidate and remains in existence beyond any one election or ballot issue

Debt Service—Formed to retire a candidate committee's debt

Exploratory—Formed to receive and spend money to determine whether an individual will seek public office

Political Party—Formed to influence or attempt to influence the action of voters on behalf of a political party

About Record-Keeping

Who is responsible for record-keeping?

Candidate (candidate committees)
Treasurer
Deputy Treasurer (if appointed)

What are requirements of the treasurer? (130.021 RSMo)

Must be resident of Missouri
Must be resident of the candidate's district or any county which contains a portion of that district (MEC Adv. Opin 2008-10.CF.009)
If candidate committee, must be appointed by candidate

What are requirements of the deputy treasurer? (130.021 RSMo)

Must be resident of Missouri
Must be resident of the candidate's district or any county which contains a portion of that district (MEC Adv. Opin 2008-10.CF.009)
If candidate committee, must be appointed by candidate

What are the duties of the treasurer? (130.021 RSMo)

Deposit/Withdraw/Write Checks
From official bank account
Can also be done by candidate and/or deputy treasurer
Maintain committee record-keeping
Maintain committee reporting
Ensure that committee funds are not comingled
Invest funds in savings/investment account
Provide contact information for person responsible for preserving committee's records for 3 years after election/report and within 10 days after termination

About Record-Keeping

What must the records include? (130.036 RSMo)

Records and accounts must contain detailed information and any documentation necessary to prepare and substantiate any statement or report filed.

Examples:

- Receipts
- Deposit slips & records
- Bills/invoices/debit card & ATM receipts
- Canceled checks, checkbook register/stubs, bank statements
- Credit card statements
- Loans received or loans made documentation
- Fund-raiser announcement/invite
- Fund-raiser documentation (bills, invoices, etc.)
- Log/time sheet for campaign workers
- Petty cash ledger
- Receipts for all cash activity
- Any other** documents used to verify an activity

Candidate Committees:

Records only apply to one election (primary or general). Individual records must be established for each election in which the candidate is involved. All records are required to be kept for at least three (3) years after the election.

All Other Committees:

Individual records must be established from the date the committee is formed and kept for 3 years from date of report.



About Record-Keeping

What are the time periods?

The time period for each report begins the day after the closing date of the last previously filed disclosure report (or the date the Statement of Committee Organization was filed) and continues through the closing date for the specific report being filed. (Do not double report activity by including it on more than one report).

Candidate/Campaign Committees: Aggregate totals of campaign finance activity are required for each election cycle (§130.041.2 RSMo). An election cycle is defined as:

- ✓ The period beginning on the date the candidate became a candidate and ending on 11:59 pm on the date of the primary election, if the candidate has a primary election, or at 11:59 pm on the day of the general election.
- ✓ If the candidate has a general election held after a primary election, the next aggregating period begins at midnight on the day after the primary and closes at 11:59 pm on the day of the general election

Continuing Committees (Political Action/PAC) and Political Party Committees: Aggregate totals of campaign finance activity are required for each calendar year.

What do I need to keep track of?

- Contributions (including loans received)
- Fund-raising activities
- Expenditures (including loans made)
- Bank Account Balance
- Petty Cash

Bank Account

Bank (Official Depository) Account

What is an official depository account? (130.021.4 RSMo)

A checking account or similar type of negotiable draft or negotiable order of withdrawal account maintained by the committee. The account must be:

- Held in the name of committee;
- With a federal or state-chartered bank, savings & loan or credit union; and
- Able to provide a record of deposits, canceled checks or other canceled instruments of withdrawal evidencing each transaction.

All contributions received by committee must be deposited in this account AND all expenditures made by the committee must be drawn from this account (except petty cash). Funds cannot be comingled with any other funds. Reconcile bank statements with committee records and keep original documents.

Examples of possible original documents

- ◆ *Monthly bank statements*
- ◆ *Canceled checks/deposit slips*
- ◆ *Check stub/register*
- ◆ **Any other** documents used to verify an activity



Contributions

Contributions

What is a Contribution? (130.011 RSMo)

A payment, gift, loan, advance, deposit or donation of money or anything of value for the purpose of supporting or opposing a candidate or ballot measure. A contribution can be in the form of money (monetary) or in a form other than money (in-kind).

Examples of Monetary Contributions (130.011 RSMo)

- Candidate's own money used (except for candidate's own personal expenses for food, lodging or travel)
- Funds from another source
- Receipts from sale of goods/services or fund-raisers
- Any loan, loan guarantee or cancellation (forgiveness) of a loan or debt by a third party

Examples of In-Kind Contributions (130.011 RSMo)

- Candidate's own property used (except for candidate's own personal expenses for food, lodging or travel)
- Facilities, office space, equipment, or services supplied without charge or at a reduced charge
- Payment by someone other than candidate or the committee to compensate another for services rendered (ex: PAC working with candidate to pay for/place ad in support of candidacy)
- Direct or indirect payment (other than by a connected organization*) of costs associated with a committee (ex: legal, accounting, computer services, fund-raising or solicitations of contributions)

Contributions DO NOT include (Examples)

- Ordinary hospitality or services provided without compensation by volunteers (stuffing envelopes for mailings, phone banks, etc.)
- Interest earned on committee funds (Misc. receipt)
- Costs incurred by a connected organization* to maintain committee or solicit contributions
- A direct expenditure made by a continuing (political action/PAC) or political party committee *without* the receiving candidate/committee's coordination or consultation

Monetary contributions must be deposited into official bank account.

Contributions

What is an Anonymous Contribution? (130.031 RSMo)

A contribution received that is not identified to a specific individual or entity;

Anonymous contributions over \$25 are prohibited (unless received through a fund-raiser, then limited to \$100);

Anonymous contributions cannot exceed, for the entire calendar year, the greater of \$500 or 1% of the total amount of contributions received for that same calendar year; and

Any anonymous contribution over \$25 (not received through a fund-raiser & not returnable to the original contribution) is to be turned over to the state treasurer

Cash Contributions (130.110 RSMo)

- ✓ No contribution of cash in an amount of more than \$100 can be made or accepted from a single contributor for any election
- ✓ Candidates and candidate committees can not accept cash contributions that, in the aggregate, exceed \$100 per person per election cycle

Recording a Contribution (130.036 RSMo)

Required Information (over \$25)

- ◆ Date received (not date deposited)
- ◆ Name & address of contributor
- ◆ Amount of contribution
- ◆ Type of contribution (monetary or in-kind)
- ◆ Employer (or occupation if self-employed)
- ◆ Contractual Relationship (candidate committee only)

If contribution is from a committee, must include committee's name and address, regardless of the amount.

Maintain current list of contributors, a running total for each contributor and keep original documents.

Examples of possible original documents

- ◆ *Receipts & deposit slips*
- ◆ *Loans received documents*
- ◆ **Any other** documents used to verify an activity

Contributions

Rejecting a Contribution (130.036.2 RSMo)

A contribution can be rejected by a candidate or committee and returned to the donor within 10 business days after its receipt (or transmitted to the state treasurer).

- ✓ Rejecting **before** contribution deposited:
 - ◆ Return to contributor
 - ◆ Note in record-keeping the receipt and date returned
- ✓ Rejecting **after** contribution deposited:
 - ◆ Note in record-keeping the receipt and date returned
 - ◆ Issue check from committee bank account to original contributor
 - ◆ Report as miscellaneous disbursement (attach addendum statement)

Contributions—Sample
(to obtain contributor information)

| Contributions Received | |
|--|--|
| Date | 06/01/xx |
| Contributor name & address (or Committee info) | John Smith 101 Big Jake’s Way Anytown MO 64555 |
| Employer/Occupation (over \$25) | Landscape Architect |
| Amount | \$125.00 |
| Contractual Relationship over \$500 w/state or political subdivision (If yes, give brief description of relationship) | Yes. Owner of <i>The Grass is Greener Lawn Care</i> . Contract with City of Anytown, 41 Main Street, Anytown MO 64555. Contract dates 04/01/xx – 09/30/xx. Contract amount \$750.00. |

Contributions

Contributions—Sample
(for treasurer's record-keeping)

| Individual Contribution File | | | | | | | Committee type will determine if aggregate is for calendar year or election cycle |
|--|-----------------|----------------------|----------|------|----------------------|-----------------|---|
| Name of Contributor: John Smith Address: 101 Big Jake's Way, Anytown MO 64555 Employer: Landscape Architect Contractual Relationship: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If yes, give brief description: City of Anytown, Contract for lawn care services) | | | | | | | |
| Date | Monetary Amount | In-Kind Contribution | | Loan | Rec-d at Fund-raiser | Amount Reported | Aggregate |
| | | Description | Value | | | | |
| 02/25 | \$ 50.00 | | | No | No | \$ 50.00 | \$ 50.00 |
| 04/01 | | Calculator | \$ 30.00 | No | No | 30.00 | 80.00 |
| 05/03 | 50.00 | | | No | No | 50.00 | 130.00 |
| 06/01 | 125.00 | | | No | Yes | 125.00 | 255.00 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Contributions Review

| Contribution Type | | Record-Keeping | | Reporting |
|--|---------------------------------------|--|---|-----------|
| Anonymous (without contributor info) | \$0 – \$25 | Maintain running total | Non-Itemized Contributions Received | |
| Anonymous (without contributor info) | >\$25 | Prohibited | Prohibited | |
| Anonymous (without contributor info) Fund-Raiser Only | \$25 – \$100 | Maintain total received during event & fund-raiser information | Fund-raising Events Held (Events Receipts) | |
| Cash or check from an individual (as defined) | \$25-\$100 | Include contributor information** (Name, address & employer/occupation) | Non-Itemized Contributions Received* | |
| Check From an individual (as defined) | >\$100 | Include contributor information** (Name, address & employer/occupation) | Itemized Contributions Received | |
| Cash | >\$100 | Prohibited | Prohibited | |
| From a Committee | Cash < \$100 or Check (any amt) | Include contributor information (Committee's name & address)) | Itemized Contributions Received | |

*If total received (aggregate) from single contributor exceeds \$100; must itemize. **If applicable, contractual relationship information.

Expenditures

Expenditure

What is an Expenditure? (130.011 RSMo)

A payment, advance, conveyance, deposit, donation or contribution of money or anything of value to support or oppose a candidate or ballot measure (or to pay a previously incurred campaign debt or obligation).

Any expenditure can be either actual (payment made) or incurred (promise/commitment to pay).

Each expenditure of more than \$50 (except in-kind) must be made from the official depository account. Expenditures of \$50 or less may be made from petty cash (if exists).

Expenditures include (130.011 RSMo)

Payment or promise to pay money or anything of value for the purpose of goods, services, property, facilities or anything of value to support or oppose a candidate, ballot measure or a committee;

Purchase of tickets, goods, services, or political merchandise or advertisement;

Transfer of funds to another committee;

Direct or indirect payment, other than by a connected organization*, for the costs of maintaining a committee and soliciting contributions;

Direct payment by a continuing (political action/PAC) or political party committee to support/oppose a candidate or ballot measure

Expenditures DO NOT include (130.011 RSMo)

Any news story, commentary, or editorial published without charge; Internal dissemination of information by any organization (unless over \$2,000/calendar year);

Repayment of loan (separate category);

Services rendered by volunteers;

Costs incurred by a connected organization to maintain a committee or for soliciting contributions;

Use of candidate's own money or property for personal expenses and filing fee for candidacy

* See §130.011 for definition

Expenditures

Incurred Expenditure (130.011.15 & 130.036.4 RSMo)

An agreement or promise to pay an expense (even if the candidate has received the good or service). If made during one reporting period but paid in another see below for record-keeping & report requirements (will show as debt until paid).

Recording an Expenditure (130.036.4 RSMo)

Required Information

- ◆ Date of transaction or date agreement/promise to pay was made
- ◆ Amount of transaction (may be estimated amount if incurred expenditure)
- ◆ Name & address of person paid or to be paid
- ◆ Purpose of expenditure
- ◆ Indicate if actual (paid) or incurred expense
- ◆ Keep original documents
- ◆ Continuing (political action/PAC) Committees: Dived records in support/oppose categories.

Examples of possible original documents

- ◆ *Bills/invoices/statements, Credit card statements*
- ◆ *Check stub/register, Debit card & ATM receipts*
- ◆ *Log/time sheet for campaign workers*
- ◆ *Loans made documents*
- ◆ **Any other** documents used to verify an activity

Expenditure — Sample

| Individual Expenditure Made | |
|---|---|
| Date | 04/10/xx |
| Amount | 65.40 |
| Name & Address (Payee) | Campaign Supplies PO Box 1614, Jefferson City Mo 63103 |
| Purpose | Brochures |
| Type (Actual (paid) or Incurred) | Actual |
| Support or Oppose | N/A |
| Verifying Document(s) | Check stub #130, Invoice |

Expenditures

Expenditure — Sample
(for treasurer's record-keeping)

| Expenditure Log | | | | | | | | | |
|-----------------|----------------------|-----------|---------------------------------------|------------|-----|------------------|-----------|--------------|--|
| Date | Recipient | Check No. | Address City, State Zip | Purpose | FR | Actual (paid) | Incurred | Loan Made | |
| 04/10 | Campaign Supplies | 130 | PO Box 1614 Jeff City MO 63103 | Brochures | No | \$ 65.40 | | No | |
| 04/15 | Petty Cash | 131 | | Petty Cash | No | 50.00 | | No | |
| 04/30 | Deli Store | 132 | 123 Rodeo Rd Jeff City MO 63103 | Deli-trays | Yes | 85.00 | | No | |
| 05/01 | Photo Shop | | PO Box 32 Jeff City MO 63103 | Photos | No | | \$ 200.00 | No | |
| 05/15 | Country Mart | 134 | 102 Missouri Jeff City MO 63101 | Water | Yes | 27.50 | | No | |
| 06/01 | US Post Office | 135 | 288 Weber St. Tipton MO 65081 | Stamps | No | 150.00 | | No | |
| | | | | | | | | | |
| | | | | | | | | | |

FR = Fund-Raiser

Fund-raisers

Fund-raising

What is fund-raising? (130.011 RSMo)

An event such as a dinner, luncheon, reception, coffee, testimonial, rally, auction or similar affair through which contributions are solicited or received by:

- ◆ Purchase of tickets
- ◆ Payment of attendance fees
- ◆ Donations for prizes
- ◆ Purchase of goods, services or political merchandise

Fund-Raising Events Held (130.031.6 RSMo)

This is the only time contributions can be accepted in amounts between \$25-\$100 without the contributor's information, these are known as "anonymous contributions received through fund-raising event" (ex: pass the hat, fishbowl, donation bucket, etc.). Additional record-keeping and supplemental reporting are required. To qualify as a fund-raising event, the following conditions must be met:

- ◆ 25 or more participants must contribute to the event
- ◆ Anonymous contributions cannot exceed \$100 per person
- ◆ An announcement must be made stating that no person may make an anonymous contribution exceeding \$100 (Any contributions accepted exceeding \$100 must have the contributor's name, address and employer or occupation, etc.)
- ◆ The person responsible for conducting the activity does not knowingly accept any contributions exceeding \$100 without the contributor's name, address and employer or occupation, etc.
- ◆ A statement describing the event is filed with the committee's disclosure report

Recording a Fund-raiser (130.031.6.4 RSMo)

Required Information

- ◆ Event Information
- ◆ Event Receipts
- ◆ Event Expenditures
- ◆ Person Responsible



Fund-raisers

Recording a Fund-raiser (continued)

Keep original documents

Examples of possible original documents

- ◆ Fund-raising announcement/invite
- ◆ Rental agreement for location
- ◆ Roster of attendees
- ◆ Tally of contributions
- ◆ Bills/invoices for expenses made for activity
- ◆ **Any other** documents used to verify an activity

(See Fund-Raising Activity Brochure)

Fund-raiser—Sample

| Fund-raiser | | | |
|--|--|--|--------------------|
| Name & address of person funds were raised for | Marvin Senator 48 Second Street Ava MO 62222 | Total Contributions (\$100 or less/person) whose information not obtained | \$ 1,280.00 |
| Location name & address | Capital Plaza | Explanation why information of persons contributing \$100 or less not obtained | Pass the hat |
| Description | Reception | Total contributions from persons whose information is in committee records | \$ 5,530.00 |
| Name & address of person responsible for event | Joe Entertainer 3411 Wildwood Fulton MO 65555 | Gross Receipts | \$ 5,530.00 |
| Date | 06/15/xx | Expenditures: | Food \$ 350.00 |
| Number of participants | 60 | | Rent <u>250.00</u> |
| | | Total | \$ 600.00 |
| Verifying Document(s) | Invite, Rental agreement, Guest sign-in sheet, Statements from vendors and hotel | | |

Remember, contributions received from, and expenditures made for, the fund-raising activity must ALSO be reported in the next full disclosure report.

Petty Cash

Petty Cash

What is petty cash? (130.031.2 RSMo)

Petty cash is money kept on hand to use for smaller items, such as postage, parade expenses, candy, etc.

Cannot exceed \$50 per expenditure;

A petty cash fund can only be replenished by a check, made payable to “cash”, drawn from the committee’s bank (official depository) account;

Each cash expenditure should be recorded;

The aggregate of all expenditures from a petty cash fund during a calendar year can not exceed the lesser of \$5,000 or ten percent of all expenditures made during that calendar year;

Keep original documents.

Examples of possible original documents:

- ◆ Petty cash ledger/log
- ◆ Receipts for all cash activity
- ◆ **Any other** documents used to verify an activity



Petty Cash —Sample

| Petty Cash Log | | | |
|----------------|-----------------|---------|----------|
| Date | Purpose | Amount | Balance |
| | Balance Forward | | \$ 50.00 |
| 05/15/xx | Staples | \$ 4.50 | 45.50 |
| 05/22/xx | Refreshments | 23.72 | 21.78 |
| | | | |
| | | | |

Reporting Checklist

| Report Information | |
|---|---|
| Name of Report | Report Information |
| Statement of Committee Organization | Within 20 days of forming committee |
| Electronic Filing Agreement | Used to apply for MEC ID & password for campaign finance e-filing system |
| April Quarterly | Jan 1 – Mar 31 |
| July Quarterly | Apr 1 – June 30 |
| October Quarterly | July 1 – Sept 30 |
| January Quarterly | Oct 1 – Dec 31 |
| 40 Day Before Election Report* | Closes 45 th day prior to election |
| 8 Day Before Election Report** | Closes 12 th day prior to election |
| 30 Day After Election Report** | Closes 30 days after election |
| 48 Hr. Report of Contribution over \$5,000 | Anytime a contribution is received over \$5,000 |
| 24 Hours After Receipt Report | Between 11 th day through 1 day prior to election for any contrib. over \$250 |
| Late Expenditure Report (Continuing (Political Action/PAC) Committee) | Expenditures of \$250 or more after the 12 th day before the election |

*Only required if accepted contributions or made expenditures for that election.

** Only required if spent money (made contributions or expenditures) for that election.

Actual reporting dates may vary depending upon date committee formed.

Missouri Ethics Commission

COMMISSIONERS

Charles E. Weedman
Chair
Republican
4th Congressional District
Term expires March 15, 2016

John Munich
Vice Chair
Democrat
2nd Congressional District
Term expires March 15, 2016

William Stoltz
Republican
8th Congressional District
Term expires March 15, 2016

Bill Deeken
Republican
3rd Congressional District
Term expires March 15, 2018

Nancy Hagan
Democrat
7th Congressional District
Term expires March 15, 2018

Contact Information

Staff Contacts

| | |
|--------------------------------|---|
| James Klahr | Executive Director |
| Stacey Heislen | Assistant Executive Director |
| Betsy Byers | Director of Business Services (Campaign Finance) |
| Elizabeth (Liz) Ziegler | General Counsel |

Missouri Ethics Commission

| | |
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