Campaign Finance

Questions and Answers

Missouri Ethics Commission

www.mec.mo.gov

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Missouri Ethics Commission

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Information about the Missouri Ethics Commission (MEC), including forms, publications & other resources, 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 Missouri Ethics Laws. For the Law's complete requirements, consult the law itself codified in Chapters 105 & 130 of the Revised Statutes of Missouri.

Introduction

Important Note...

The questions and answers included in this booklet are just a sample of the questions submitted by election authorities and is not inclusive of all of the requirements of campaign finance disclosure. See Chapter 130 RSMo., for the law's complete requirements.

Meet our Department...

Many of you may already be acquainted with our department staff either over the phone, by email or in person. Anytime you have questions, always feel free to contact us.

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Forming a Committee

When is a candidate required to form a committee?

This is a popular question and we agree that it can be confusing. Whether or not a candidate is required by law to form a committee depends on a variety of factors:

1. What office are they are running for?

   ⇒ Statewide office, General Assembly (State Senator or Representative), or for a municipal office in a municipality with a population greater than 100,000
   ⇒ All other elected offices

2. How much money have they spent out of their own pocket (the candidate is not accepting money from any other source)?

3. Are they accepting money (receiving contributions) from others? If so, how much have they received? How much of the money received have they spent?

4. Have they received an in-kind contribution (anything of value from themselves or others). If so, what is the fair market value?

KEY: Candidates can spend money from their own pocket and as long as they stay below their specific threshold (based on office seeking), they are not required to form a committee. However, if/when the candidate starts accepting contributions from others, that's what really changes the requirements for forming a committee.

NOTES:

Forming a Committee

When is a candidate required to form a committee? (Cont)

130.016.1 RSMo.
Candidates running for statewide office, the general assembly or for office in a municipality with a population greater than 100,000 must file a ***Statement of Exemption*** and file an *Exemption Statement of Limited Activity* for each reporting period thereafter, if their:

- Total contributions received are $500 or less; and
- Total expenditures made on behalf of the candidate are $500 or less; and
- No single contributor, other than the candidate, contributes more than $325

If the candidate exceeds the thresholds above, they must then form and register a committee by filing a ***Statement of Committee Registration*** and file subsequent campaign finance disclosure reports as required by law.

Counties & Cities with a population of more than 100,000

Boone County
Clay County
Franklin County
Greene County
Jackson County
Jasper County
Jefferson County
St. Charles County
St. Louis County
City of Columbia
St. Louis City
Kansas City
City of Independence
City of Springfield

2010—US Census Bureau Estimates

Forming a Committee

When is a candidate required to form a committee? (Cont)

130.016.1 RSMo.
Candidates running for any other office (other than those listed in §130.016.1 RSMo., and pg 4 of this booklet), are not required to form a committee as long as their:

- Total activity is $1,000 or less (includes contributions received + expenditures made by the candidate or any other person with the candidate's knowledge); and
- No single contributor contributes more than $325

If the candidate exceeds the thresholds above, they must then form and register a committee by filing a ***Statement of Committee Registration*** and file subsequent campaign finance disclosure reports as required by law.

All other candidates include

Supreme Count, Circuit Court, Associate Circuit, political party office candidate, county office, municipal office of 100,000 or less, or any special purpose district office

Record Keeping

All candidates, regardless of the office they are seeking, the amount of money they accept or the amount of money they spend, MUST keep records of all of their campaign finance activity & must keep for 3 years.

NOTES:

Forming a Committee

When is a candidate required to form a committee? (Cont)

When to Form & Register a Committee:

Important things to know:

- ✓ *A campaign finance* ***committee*** *accepts contributions or makes expenditures to influence the action of voters for or against candidates and/or ballot measures or to pay a campaign debt. (§130.011(7) RSMo.)*
- ✓ *Campaign finance* ***contributions*** *are made and received for the purpose of supporting or opposing a candidate or ballot measure. (§130.011(11) RSMo.)*
- ✓ *Campaign finance* ***expenditures*** *are made for the purpose of supporting or opposing a candidate or ballot measure or to pay a campaign debt. (§130.011(15) RSMo.)*
- ✓ *If you are an individual or an entity not defined as a committee, not accepting contributions from others, and you spend $500 or more of your own money, you must file a Non-Committee Expenditure report. You are not required to form a committee. Example: A Lion's Club spending $600 to support a candidate using money collected from annual dues, would be required to file a Non-Committee Expenditure Report. (§130.047.1 RSMo.)*

INSTRUCTIONS:

Answer "Yes" or "No" to each question below.

- ✓ *If you answer "Yes" to any of the questions, then you are required to form a committee.*
  - ⇒ *Register the committee, within 20 days of forming, by filing a Statement of Committee Organization with the proper election authority. (Campaign committees formed for ballot measures, see §130.046.2 RSMo for 15-Day Report requirements)*
- ✓ *If you answer "No" to all of the questions, then you are not required to form a committee at this time.*

1.	Are you an individual or a group of individuals that during the calendar year: • Made expenditures totaling more than $500; or • Received contributions totaling more than $500; or • Received contributions totaling more than $250 from a single contributor? (§130.011 RSMo.)	Yes	No
2.	Are you a corporation, partnership, committee, proprietorship, joint venture, entity of the state, union, trade, professional or business association, association, club or organization, or political party that during the calendar year: • Received contributions totaling more than $500; or • Received contributions totaling more than $250 from a single contributor? (§130.011 RSMo.)	Yes	No
3.	Are you a **candidate** for statewide office, the general assembly (state representative/senator) or a municipal office with a population greater than 100,000, that: • Received contributions totaling more than $500; or • Made expenditures totaling more than $500; or • Received contributions totaling more than $325 from a single contributor? (§130.016.1 RSMo.)	Yes	No*
4.	Are you a **candidate** for any other office (other than those identified in question #3 above), that: • Had total activity of more than $1,000 (including contributions received + expenditures made by the candidate or any other person with the candidate's knowledge); or • Received contributions totaling more than $325 from a single contributor? (§130.016.6 RSMo.)	Yes	No

*** Candidates that file a Statement of Exemption, must also file an Exemption Statement of Limited Activity for each required reporting period.**

See Ch 130 RSMo for specific requirements for forming a committee.

Examples of Forming a Committee:

Appointing a committee treasure and/or deputy treasurer; Opening a committee bank account; or establishing committee record-keeping.

When to Form & Register a Committee Brochure

Forming a Committee

When is a candidate required to form a committee? (Cont)

Examples	Required to form a committee?
Candidate is running for County Commissioner, is accepting no contributions from others and has spent $1,000 or less from his own pocket.	No
Candidate is running for City Mayor in a municipality with a population over 100,000, is accepting no contributions from others and has spent $500 or less from his own pocket.	No, but must file Statement of Exemption (and Statements of Limited Activity for each reporting period unless exceed thresholds.)
Candidate is running for School Board, has accepted $300 from another source, spent that $300 in addition to the $500 spent from his own pocket ($1,100 total activity).	Yes
Candidate is an incumbent Alderman running for re-election in a municipality with a population under 100,000, uses signs from past election and gives them fair market value of $300, candidate has also spent $750 from his own pocket ($1,050 total activity).	Yes
PAC works with a candidate running for the fire protection board to create mailers, valued at $1,200.	Yes

NOTES:

Registering a Committee

Where does a candidate register their committee?

Once a candidate forms their committee, (i.e. they have appointed a treasurer, opened a bank account, etc.), they must then register that committee by filing a ***Statement of Committee Organization*** with the appropriate election authority:

Type of filer	Where to register committee	Where to file disclosure reports
MEC filers • Candidates for Statewide Office • Statewide ballot measure (campaign committee) • Continuing Committee (political action/PAC) • State Political Party committees (State and local) • Local political party committee • Candidates for: ▪ State Senator ▪ State Representative ▪ County Office ▪ Partisan Circuit Court Judge ▪ Partisan Associate Circuit Court Judge ▪ School, fire, ambulance, or any other special purpose district	**MEC** (Missouri Ethics Commission)	**E-file** using MEC's e-filing system
Local Filers: • Local ballot measure committee (campaign committee)	**Local Election Authority** (County Clerk or Board of Election Commissioners)	**Paper file** With local election authority ***or*** **E-file** using MEC's e-filing system

Registering a Committee

Where does a candidate register their committee? (cont)

They must file an original ***Statement of Committee Organization*** with all required filing entities. Once they have their committee registered they must then file disclosure reports for each reporting period.

MEC filers establish their e-filing account when registering the committee and from that point on must file their disclosure reports electronically.

E-filers will receive their username and passwords via email.

Anytime a committee wishes to amend their committee information, they must file an original **Amended Statement of Committee Organization** .

NOTES:

Contributions

What is considered a contribution?

A **contribution** is any 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. Contributions can be monetary (in the form of money) or in-kind (in a form other than money).

§130.011 RSMo.

Examples of **monetary contributions**:

- Candidate's own money used (except for their 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 loan or debt by a third party.

Examples of **in-kind contributions**:

- Candidate's own property used (except for their own 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
- Direct or indirect payment (other than by a connected organization) of costs associated with a committee (ie: legal, accounting, computer services, fund-raising, solicitation of contributions).

Item	**Contribution Type**
Cash, anonymous donation	Monetary
Fence posts from my pasture	In-kind
Signs from prior campaign	In-kind
Candidate's own money	Monetary

EXPENDITURES

WHAT IS CONSIDERED AN EXPENSE (EXPENDITURE)?

An **expenditure** is any 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). Expenditures can be actual (payment made) or incurred (promise or committment to pay). §130.011 RSMo.

Examples of **expenditures**:

- Payment or promise to pay money or anything of value for the purpose of goods, services, property, facilities, tickets, political merchandise, advertisements, or anything of value
- Transfer of funds to another committee (Contribution Made)
- 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 committee (PAC) or political party committee to support or oppose a candidate or ballot measure.

An **incurred** expenditure is an agreement or promise to pay an expense that was made during one reporting period but will be paid in another (even if the candidate has received the good or service). Shows as debt, doesn't come out of Money on Hand until the expense is actually paid.

REMEMBER...a candidate and his/her committee are separate entities. A committee must have its own bank account and funds cannot be commingled with any other funds.

NOTES:

Committees

What can a Central Committee spend their money on?

A Central Committee that has formed a campaign finance committee for the purposes of accepting contributions or making expenditures to influence the action of voters can spend their money as they choose. They are required by law to disclose their activity in their committee's campaign finance disclosure reports.

A Central Committee that is not accepting contributions or making expenditures to influence the action of voters may not need to form a campaign finance committee unless their activity exceeds the thresholds for forming and registering a committee.

MEC Advisory Opinion 2008.07.CF.006:

> Summary of opinion—a non-profit group which educates its members on issues, candidates, and a political party philosophy, and support the party, but which does not operate for a primary or principal purpose other than that of influencing or attempting to influence the action of voters does not by its actions constitute a "committee" for purposes of Chapter 130.

Can a Campaign Committee convert to a PAC?

No, a campaign committee is election specific and must be closed after an election. It must terminate its status by filing a ***Termination Statement*** along with a last full disclosure report and then the individuals may form a new continuing committee (PAC).

NOTE

The only time a committee can file an *Amended Statement of Committee Organization* to change their committee type is an exploratory committee changing to a candidate committee or a candidate committee converting to a debt service committee.

Limited Activity

When can a limited activity report be filed?

A committee can file a ***Statement of Limited Activity*** report instead of a full disclosure report, if:

- Contributions received are $500 or less since the last full disclosure report was filed
- Expenditures made are $500 or less since the last full disclosure report was filed
- No single contributor has contributed more than $300 during the reporting period

A committee cannot file a ***Statement of Limited Activity*** report, for:

- Two (2) or more consecutive reporting periods if either contributions received or expenditures made during those reporting periods exceed $500
- The 30 Day After Election report, if the committee has a deficit (debt) of more than $1,000
- The January and July Quarterly reports if the committee has a deficit (debt) of more than $5,000

NOTE

Any contribution received or expenditure made, which are not reported because a Statement of Limited Activity report is filed instead of a full disclosure report, must be included in the next full disclosure report.

NOTES:

LIMITED ACTIVITY

WHEN CAN A LIMITED ACTIVITY REPORT BE FILED?

Examples:

Scenario	Contributions Received	Expenditures Made	Single Contribution over $300	Can a Limited Activity Report be filed?
A	Total rec'd for period = $ 100	Total made for period = $ 700	No	**No** (expenditures over $500)
B	Total rec'd for period = $ 350	Total made for period = $ 0	Yes (Rec'd $350 from single contributor)	**No** (rec'd contribution over $300 from single contributor)
C	Total rec'd for period = $ 200	Total made for period = $ 250	No	**Yes** (less than $500)
D	Total rec'd & not reported from last period = $ 200 + Total rec'd for current period = $ 450 _____ Total rec'd = $ 650	Total rec'd & not reported from last period = $ 150 + Total rec'd for current period = $ 400 _____ Total made = $ 550	No	**No** (amounts not reported from last reporting period plus activity from current reporting period exceed thresholds)

Use of Cash

What are the restrictions on using cash?

The Commission recommends that all candidates and committees avoid the use of cash if at all possible.

However, if the use of cash is unavoidable, the following restrictions apply:

- No contribution of cash in an amount of more than $100 can be made by or accepted from any single contributor. (§130.031 RSMo.)
- Candidate and candidate committees cannot accept cash contributions that total more than $100 per person per election cycle. (§130.110 RSMo.)
- No candidate or committee may accept more than $25 anonymously, unless through a fund-raiser. At the fund-raising event, anonymous contributions may be accepted in an amount up to $100 from a single contributor. (§130.031 RSMo.)
- No candidate or committee may use cash to pay an expenditure in an amount over $50. Cash expenditures may be made through a petty cash fund, if one has been established. (§130.031 RSMo.)

Candidates and committees should make sure to keep all receipts, etc., documenting any cash activity.

NOTES:

Election Authority

What are my responsibilities/duties as an election authority?

§130.056.2 RSMo., specifies the duties of an election authority as they relate to the MEC, they include:

(1) **Assist** filers with forms & instructional materials
(2) **Accept** reports & statements required to be filed with the office
(3) **Develop** a filing system for campaign finance
(4) **Make** reports & statements available to public
(5) **Preserve** reports & statements for 5 years from the date of receipt
(6) **Examine** reports & statements for compliance with Ch. 130 to determine if complete and timely filed
(7) **Notify** a filer if they have failed to file a report or statement
(8) **Notify** MEC if have reasonable cause to believe a violation of Ch. 130 occurred
(9) **Assess** every candidate a late filing fee of $10 per day for each day a report is past due, if filer persist non-filing for more than 30 days fee increases to $100 per day, not to exceed $300 in total fees assessed. The election authority must mail a notice, by registered mail, to any candidate, committee treasurer and deputy treasurer informing them of such failure to file and the fees.

Any person receiving a copy of, or permitted to make a copy of, any report or statement filed pursuant to Ch. 130, must sign a statement that they will not utilize same or any information therein for any commercial use, except for public news reporting, and will not transfer the information obtained to any other person for such purposes.

Lightning Round FAQS

Can I be my own Treasurer?

Yes, nothing in the law prohibits a candidate from being a committee of one and acting as their own Treasurer.

What's the difference between a contribution or a loan?

A contribution, once made, becomes the property of the committee and can only be spent through the committee bank account as the law allows. A loan, once made, also becomes the property of the committee, however, may be paid back to the lender from committee funds or the debt forgiven by the lender.

Who can I give leftover money to when I terminate?

Excess funds in a committee account may only be disposed of as the law allows, they may be given to another candidate or committee, a charity, or any manner as defined in §130.034 RSMo. They may not be used for any one's personal use. (Also see Terminating a Committee Brochure).

Lightning round FAQS

Where can I put up my signs?

MEC has no authority to govern placement of campaign signs, however, does recommend that candidates have the permission of the property owner before placing signs. Also verify with municipality if an ordinance exists and with MoDOT for their regulations.

Do I have to file an Exemption Statement if I don't form a committee?

Yes, if candidate is running for statewide office, the general assembly or for an office in a municipality with a population greater than 100,000 and is below the $500/$325 thresholds as stated in §130.016 RSMo.

Why do I have to open a bank account for my committee, why can't I just use my personal account?

The law clearly states that contributions received must not be commingled with any other funds and that every committee must have its own bank account and all contributions received and expenditures made must go through that account. (§130.021 RSMo.)

Can I use my old signs from last election?

Yes, but you must assign them a fair market value and record/report them as an in-kind contribution for said value. The "paid-for-by" on the signs must be correct as of the time the signs were originally paid for (prior election info).

BONUS—PFD

FILING A PFD

Certain elected officials and candidates are required to file a Personal Financial Disclosure (PFD) disclosing their financial holdings and those of their spouse and any dependent children.

As a **new candidate**, they must include information for the 12 months prior to the close of candidate filing. **This form is due 14 days after the close of candidate filing.** For example, the last day to declare candidacy for the August 5th, 2014 Primary Election is March 25, 2014, which makes a new candidate's time period covered from March 25, 2013 through March 25, 2014; their PFD is due by April 8, 2014.

Once elected, the official may then be required to file for each year and portion of a year for which they hold the position (**Annual Filer**). They are required to file for the calendar year prior. For example, an annual filer holding a position in 2013, is then required to file their PFD for the time period of January 1, 2012 through December 31, 2012. The form is due by May 1st of said year.

If the elected official decides to run for re-election, thereby becoming an **incumbent candidate**, they need to cover both time periods (as a candidate and as an annual filer), so they will file from January 1 of the prior year through the close of candidate filing, which may be longer than a 12-month period. They must file by the earliest deadline required, which for incumbent candidates will be within 14 days after the close of candidate filing.

Resources

Guide to Ethics Laws (annual)

Guide to Record-Keeping

After Election Requirements & Debt Service Committee Brochure

Campaign Materials Identification Requirements (Paid for by)

Contribution Uses & legal fees

Fund-Raising Activity

Guide to Continuing committees (PACS)

Statement of Limited Activity Requirements

Terminating a Committee

Treasurer's Guide for Campaign finance

When to Form & Register a Committee

Plus Tutorials, FAQS,
Deadlines & Reminders
& more on our website!
www.mec.mo.gov

Notes

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Missouri Ethics Commission

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