

Missouri Ethics Commission

A Guide to Record-Keeping

For All Candidates and Committees



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.

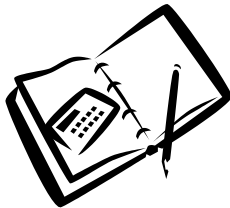
What is the purpose of record-keeping?

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/incurs 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(s) 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 state, district, county or area committee of a political party (Ch. 115 RSMo)

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?

Full Disclosure Report: from the day after the closing date of the last Full Disclosure Report (not St. of Limited Activity) filed through the closing date of the current report being filed;

St. of Limited Activity Report: from the day after the closing date of the last report filed through the closing date for the current report being filed.

NOTE: 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;

Able to provide a record of deposits, canceled checks or other canceled instruments of withdrawal evidencing each transaction; and

Know your bank/account policies.

All contributions received by committee (including candidate's own money) 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 fundraiser & 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 cannot 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 if self-employed, list occupation
- ◆ 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

Name of Contributor: John Smith
 Address: 101 Big Jake's Way, Anytown MO 64555
 Employer: Landscape Architect
 Contractual Relationship: Yes No
 (If yes, give brief description: City of Anytown, Contract for lawn care services)

Committee type will determine if aggregate is for calendar year or election cycle

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	133	102 Missouri Jeff City MO 63101	Water	Yes	27.50		No	
06/01	US Post Office	134	288 Weber St. Tipton MO 65081	Stamps	No	150.00		No	

FR = Fund-Raiser

*Continuing Committee (PAC): include support/oppose in purpose section

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

Cont. 

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 candidate/ committee funds were raised for	Marvin Senator 48 Second Street Ava MO 62222	Total anonymous contributions (\$100 or less/ person) received through this fund-raising event (contributor's information was not obtained)	\$ 1,280.00
Location name & address	Capital Plaza	Explanation why contributor's information was not obtained	Pass the hat
Description	Reception	Total contributions received with contributor's information	\$ 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	Event Expenditures:	
Number of participants	60	Food	\$ 350.00
		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	
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 single 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

Actual reporting dates may vary depending upon date committee formed.

40 Day Before** only required if accepted contributions or made expenditures for that election. *8 Day Before** only required if spent money (made contributions or expenditures (paid or incurred)) for that election. *****30 Day After** only required if: 1) spent money (made contributions or expenditures (paid or incurred)) for that election; or, 2) if debt is more than \$1,000; and, if required, must be filed before taking office.

Missouri Ethics Commission

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7th Congressional District
Term expires March 15, 2018

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Term expires March 15, 2018

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Term expires March 15, 2020

George Ratermann

Republican
2nd Congressional District
Term expires March 15, 2020

Don Summers

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