

Political Party Unit Handbook

February 2011

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This Handbook is intended to aid treasurers in meeting the requirements of Minn. Stat. Chapter 10A, the Campaign Finance and Public Disclosure Act. Chapter 10A and Minn. Rules Chapters 4501 and 4503 should be consulted as needed for fuller explanation. All forms listed in the Handbook may be downloaded from the Board's Website: www.cfboard.state.mn.us.

This document is available in alternative formats to individuals with disabilities by calling (651)-282-6892 or 800-657-3889 or through the Minnesota Relay Service at (800) 627-3529. Questions about the Handbook or the law may be addressed to staff at (651) 282-6894 or (800) 657-3889.

Registration

Requirements	<p>A treasurer is required to register a political party unit with the Campaign Finance and Public Disclosure Board (Board):</p> <ul style="list-style-type: none">• within 14 days after receiving contributions or making expenditures in excess of \$100 to influence the nomination or election of one or more candidates or to promote or oppose a state ballot question.• Before registering a party unit committee: 1) the treasurer must establish a bank account, and 2) the committee must appoint a chair (the same person may serve as both chair and treasurer).• The state party must approve the registration of any new units of its party. <p>The treasurer must complete, sign, and file with the Board a Registration and Statement of Organization. The registration form may be downloaded from the Board's Website at www.cfboard.state.mn.us, or you may call the Board office for a copy (651) 296-5615 or (800) 657-3889).</p>
Hennepin County	<p>Political party units registered in Hennepin County need not register with the Board and may contribute to state legislative and constitutional office candidates, political committees, political funds, and political party units registered with the Board.</p>
Corporations	<p>Corporations doing business in Minnesota may not make a contribution, or offer or agree to make a contribution, directly or indirectly, to promote or oppose the candidacy of an individual for nomination, election, or appointment to a political office.</p>

Record Keeping

Requirements	<p>The treasurer must keep full and accurate records of all receipts and expenditures. A system for recording receipts and expenditures should be maintained to assist in meeting the reporting requirements. The Campaign Finance Reporter software provided at no cost by the Board can assist your record keeping and reporting. See the Handbook section called Campaign Finance Reporter Software.</p>
Records of monetary receipts	<p>For each receipt in excess of \$20, the treasurer must keep a record of:</p> <ul style="list-style-type: none">▪ Full name and address of the contributor▪ Amount of the contribution▪ Date the contribution was received by the party unit▪ Employer of the contributor – if the aggregate contributions from the individual exceed \$100 in a year▪ The contributor's registration number provided by the Board– if the contributor is a lobbyist, principal campaign committee (candidate committee), political committee, political fund, or political party unit. <p>(Note that, in addition to contributions and loan proceeds received, monetary receipts include interest income and other miscellaneous income.)</p>

Records of monetary expenditures

For each expenditure, disbursement, and contribution made by the committee or fund, the treasurer must keep a record of:

- Name and full address of each vendor to whom payments have been made
- Name, full address, and registration number of each principal campaign committee, political committee, political fund, or political party unit to which contributions have been made
- Date the payment or contribution was made
- Amount of the payment or contribution
- Specific purpose of the expenditure or disbursement (e.g., ads in newspaper)

Records of approved expenditures

An expenditure made on behalf of a candidate by an entity other than the principal campaign committee of the candidate. These expenditures require written authorization to another entity *before a purchase of more than \$20* may be made on behalf of the candidate. A suggested form for [written authorization](#) is available from the Board.

For each approved expenditure in excess of \$20, the treasurer must keep a record of:

- Name and registration number of the candidate committee
- Date the contribution was made
- Fair market value of goods or services
- Detailed description of the goods or services provided
- Name and full address of each vendor paid by the contributor for the goods or services provided

All approved expenditures are contributions to the candidate and may count toward the candidate expenditure limits.

Records of in-kind contributions

All in-kind contributions are contributions to the committee or fund and become expenditures in the same reporting period. In-kind contributions are anything of value that is given to and accepted by the committee or fund other than money.

For each in-kind contribution in excess of \$20, the treasurer must keep a record of:

- Name and full address of the contributor
- Employer of the contributor – if aggregate cash and in-kind contributions exceed \$100 in a year
- Date received by the party unit
- Fair market value of goods or services
- Detailed description of the item received or service provided
- Name and full address of each vendor paid by the contributor for the goods or services provided

Records Retention

Records of all accounts must be kept for four years after the report disclosing the transactions was filed.

Campaign Finance Reporter Software

To assist record keeping and reporting, the Board provides free software, training, and technical support to its clients. Refer to the later section of this Handbook that describes the [Campaign Finance Reporter software](#).

Contributions

Contributions that May be Accepted*

A party unit **may accept** monetary or in-kind contributions from:

- Individuals; or
- Other political party units, political committees, and political funds, that are registered with the Board; or
- Principal campaign committees; or
- Political committees registered in Hennepin County.

* See below for certain prohibitions

Contributions that May Not be Accepted

A party unit **may not accept**:

- **A party unit established by a legislative caucus may not accept contributions from lobbyists or from political committees or funds during a regular session of the legislature.**

Restrictions on Caucus committees

Anonymous Contributions

- **A contribution of more than \$20** for which the name and full address of the contributor cannot be determined.

You must forward the entire anonymous contribution to the Board within 14 days for deposit in the general account of the State elections Campaign Fund.

Unregistered Associations

- Contributions of **more than \$100 from an association that is not registered with the Board**. Registered principal campaign committees, political committees, political funds, and political party units are listed on the Board's Website www.cfboard.state.mn.us. *Call the Board office before accepting a contribution if you cannot find an entity on the lists.*

Unregistered Associations – Exception

Exception: If an association that is not registered with the Board makes a contribution of more than \$100, the association *must provide to the recipient committee or fund, at the time the contribution is made*, a report meeting the requirements of Minn. Stat. § 10A.20. This disclosure may be made on the Report of Receipts and Expenditures.

Earmarked contributions

- **An earmarked contribution** – a contribution with the express or implied condition that all or any part of the contribution would be given to a particular candidate.

Corporate Contribution

- **Any contribution from** a corporation (the corporate prohibition is in Chapter 211B);

Contribution Written on a Joint Check

The contribution is credited to the party or parties that signed the check. *However*, if the treasurer has personal knowledge or affirmatively determines from any account holder who did not sign the check that such person is a joint contributor, the contribution is credited to both parties on the joint account. A written note explaining the basis for considering the contribution to be joint should be made at the time the contribution is accepted and kept with the committee or fund official records. All information required to be kept for contributions from individuals must be recorded and reported for each account holder separately.

Deposit of Contributions and Penalty

Contributions must be deposited within 10 business days from receipt. A penalty of up to \$1,000 may be imposed for failure to deposit contributions promptly.

Return Contributions Within 60 Days Contributions not returned within 60 days are deemed accepted. If more than 60 days have passed since a contribution was deposited and you wish to return the contribution, call the Board office for assistance.

Political Contribution Refund (PCR) Program

Status of Program Funding for this program for fiscal years 2010 and 2011 was unallotted by the Governor. Contributions made after July 1, 2009 are not eligible for a refund. It is unclear whether the legislature will allow this program to become active in the future.

Contributions to Candidate Committees

General Information Contributions to a candidate committee – from party units – include monetary contributions, in-kind contributions, and loans.

Registration Number Required A party unit must give the party unit name and registration number when making contributions to a candidate.

Contribution Limits Summary **Please open and print the current [Contribution and Spending Limits bulletin for quick reference.](#)**

http://www.cfboard.state.mn.us/campfin/Limits/Contributions_Spending_Limits.pdf

Timing Restrictions on Contributions

- **During a regular legislative session**, a candidate committee may not accept contributions from a legislative caucus and the caucus may not make such contributions. This prohibition applies to all candidates registered with the Board, not just incumbents.

Exception: The prohibition on fundraising during a legislative session does not apply:

- during a **special session** of the legislature, or
- to candidates involved in a **special election**, from the date the writ for the special election is signed by the Governor to the date of the special general election.

Bundled Contributions Bundled contributions are those delivered to candidates by someone other than the original contributor. The amount of the bundled contributions – collected and delivered by an individual or party unit – is applied to the candidate's contribution limit applicable to the individual or party unit that makes the delivery *as well as* to the original contributor.

The bundling provision does not apply to contributions delivered by a member of the candidate's principal campaign committee or an individual on behalf of the individual's spouse.

Written Authorization from Candidate Committee Written authorization from a candidate's treasurer must be obtained before a purchase (approved expenditure) of more than \$20 may be made on behalf of the candidate. All approved [expenditures](#) are contributions to that candidate and may apply to the candidate's expenditure limits.

Loans

Documentation Requirement	The committee must keep on file a signed agreement for each loan.
Loans Payable	Loans payable may be from an individual, financial institution, or other entity. If a loan is forgiven by the lender, or paid by another entity, it is recorded as a contribution from this lender or other entity in the year in which the loan was originally made.
Loans Receivable	Loans receivable are those made by the party unit to an individual or other entity that must be repaid to the party unit. The party unit may not lend money to anyone for purposes unrelated to the conduct of a campaign.

Penalties for Contribution/Loan Violations

Penalties for Contribution Violations	<p>A penalty of up to \$1,000 may be imposed for failure to forward to the Board an anonymous contribution in excess of \$20.</p> <p>A penalty of up to four times the amount of the contribution in excess of \$100 may be imposed on a political party unit for accepting a contribution from an unregistered association that does not provide proper disclosure.</p> <p>A penalty of up to \$1,000 may be imposed on an unregistered association for failing to provide the proper disclosure when contributing more than \$100 to a political party unit.</p> <p>A penalty of up to \$3,000 may be imposed for the acceptance of an earmarked contribution. An individual acting on behalf of a political party unit who knowingly accepts any earmarked contribution is guilty of a gross misdemeanor.</p> <p>A penalty of up to \$3,000 may be imposed for attempting to circumvent the requirements of this chapter by redirecting a contribution through or making a contribution on behalf of another. Violation of this provision is a gross misdemeanor.</p> <p>A penalty of up to \$1,000 may be imposed on a legislative caucus for making a contribution during a regular legislative session: to a principal campaign committee.</p>
Penalties for Loan Violations	<p>A penalty of up to \$3,000 may be imposed on a political party unit for lending money it has raised to anyone for purposes not related to the conduct of a campaign. Violation of this provision is a gross misdemeanor.</p>

Expenditures

General Information

The treasurer must keep records of all expenditures and disbursements.

Expenditure Types

The types of expenditures are:

- Disbursements made by your party unit, including committee operating costs.
- Contributions given by your party unit to a state legislative, constitutional office, or judicial candidate committee, candidate committee or political fund registered with the Board.
- Contributions given by your party unit to other committees and funds not regulated by the Board. Contributions may be given to Hennepin County candidates, committees, and funds without the need to report to Hennepin County.

Approved Expenditures

An approved expenditure is a payment for goods or services made on behalf of a candidate by an entity other than the principal campaign committee. All approved expenditures are in-kind contributions to the principal campaign committee and may apply to the candidate's spending limit. The candidate or the candidate's treasurer must provide [written authorization](#) before an approved expenditure of more than \$20 may be made on behalf of the candidate. A suggested form for written authorization is available on the Board's Website.

Independent Expenditures

Expenditures made on behalf of a candidate without the express or implied consent, authorization, cooperation of, and not in concert with or at the request or suggestion of the candidate, the candidate's treasurer, or the candidate's agent. A political party unit may make an independent expenditure provided that:

- the communication contains a statement (disclaimer) that the activity is an independent expenditure and the candidate is not responsible for it; *and*
- this statement (disclaimer) is included in oral communications, in conspicuous type on the front page of all literature and advertisements published or posted, and at the end of all broadcast advertisements; *and*
- the treasurer of the party unit making the independent expenditure reports the expenditure on the Affidavit of Independent Expenditures with a sworn statement that the expenditure was not made with the authorization or expressed or implied consent of, or in cooperation with or in concert with, or at the request or suggestion of any candidate, candidate's committee, or candidate's agent.

Multi-candidate Expenditures

Political party units may make certain expenditures that are not considered to be contributions to candidates or in-kind expenditures made on behalf of candidates. Multi-candidate expenditures are:

- Expenditures on behalf of party candidates generally in any advertisement published, posted, or broadcast, no reference may be made about specific candidates;
- Expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot that lists the names of three or more individuals whose names will be on the ballot;
- Expenditures for telephone conversations including the names of three or more individuals whose names will be on the ballot;
- Expenditures for political party fundraising effort on behalf of three or more candidates; and
- Expenditures for party committee staff member services that benefit three or more candidates.

Penalties for Expenditure Violations

Civil Penalty of up to \$1,000

For failure to receive written authorization from the treasurer of a candidate committee prior to making an approved expenditure of more than \$20.

Civil Penalty of up to \$3,000

For failure to disclose an independent expenditure or falsely claiming that the expenditure was an independent expenditure. Violation of this provision is also a gross misdemeanor.

Campaign Finance Calendar

Deadlines for Disclosure

Deadlines for filing reports, agreements, statements, and other important dates are listed in the [Disclosure Calendar](#) maintained on the board's website, available here:

<http://www.cfboard.state.mn.us/campfin/Calendar/2011DisclosureCalendar.pdf>

Reporting

Notes on Responsibilities

- If the position of treasurer is vacant, the chair is responsible for filing all reports.
- The treasurer must file reports even if the party unit had no activity since the previous report.
- For each filed report, the beginning cash balance must be the same as the ending cash balance of the previous year's annual report. The reported cash balance should reconcile to the committee's bank account.

Receiving Forms and Where to File

The Board mails a Report of Receipts and Expenditures to the treasurer of record about three weeks prior to each filing date. Forms are also available for download on the Board's Website at www.cfboard.state.mn.us.

Documents may be filed with the Board by:

- U.S. Mail, or
- Personal delivery to the Board office, or
- Facsimile transmission to (651) 296-1722 or (800) 357-4114, or
- Electronic filing using the Board's *Campaign Finance Reporter Software*. See Handbook section called [Campaign Finance Reporter Software](#).

Mailed documents are considered timely filed if they are postmarked on or before the required filing date.

If you electronically file or fax your report, do not mail a copy of the report to the Board office. If you fax your report, you are required to obtain and keep a copy of your fax confirmation.

Filed Statements and Reports are "Public Information"

Filed reports and statements are available to the public and on the Board's website at 8:00 A.M. the day after filings were due.

Campaign Finance Reporter Software

Purpose and Availability	<p><i>Campaign Finance Reporter</i> is record keeping and reporting software developed by the Board for principal campaign committees, political committees, political funds, and party units. Software is provided without charge by the Board for installation on your computer. Contact the Board office for a copy.</p> <p>The software is designed to assist your compliance with the requirements of Minnesota Statutes, Chapter 10A. The software helps to maintain the completeness and accuracy of records, avoid violations, and assist timely reporting. The requirements of Minnesota campaign finance law are incorporated into the software. If you enter a transaction or a series of transactions that would result in a violation, you will be alerted. For the software's violation detection features to work properly, the Board recommends that <i>transactions be entered at least monthly</i>.</p> <p>The software includes a built-in Help system. The <i>Campaign Finance Reporter</i> User Manual is available on the Board's Website or by request from the Board office and is provided with the software. Staff members also provide periodic training sessions.</p> <p>Contact the Board at (651) 282-6893 or (800) 657-3889 to begin using the <i>Campaign Finance Reporter Software</i> for electronic filing.</p>
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Amendments

Required Amendments to Reports or Statements	<p>Within ten days after (1) the date of the event prompting the change, or (2) the date the treasurer became aware of the inaccuracy or the need to make a change, the treasurer must make corrections or changes to information that has been filed with the Board.</p> <p>All changes and corrections must be in writing. You may use a copy of the report or statement – make changes and check the Amendment box. Alternatively, you may provide the Board with other written notice.</p>
Penalty for Failure to Amend	<p>A penalty of up to \$3,000 may be imposed on a political committee or political fund for willfully failing to amend a filed report. Violation is also a gross misdemeanor.</p>

Fees and Penalties for Late Filing

Late Filing Fees

Report	Late Fee Per Day	Late Fee Maximum
Statement of Organization and Registration	\$5	\$100
Pre-primary-election Report of Receipts and Expenditures	\$50	\$1000
Pre-general-election Report of Receipts and Expenditures	\$50	\$1000
Annual Report of Receipts and Expenditures	\$25	\$1000
Failure to amend	\$5	\$100

When Late Filing Fees Begin

Report	When Late Filing Fees Begin
Statement of Organization and Registration	Without notice, on the day after the due date
Pre-primary-election Report of Receipts and Expenditures	Without notice, on the day after the due date
Pre-general-election Report of Receipts and Expenditures	Without notice, on the day after the due date
Annual Report of Receipts and Expenditures	Without notice, on the day after the due date

Civil Penalties

Report	Failure to File
Statement of Organization and Registration	Up to \$1,000
Pre-primary-election Report of Receipts and Expenditures	Up to \$1,000
Pre-general-election Report of Receipts and Expenditures	Up to \$1,000
Annual Report of Receipts and Expenditures	Up to \$1,000
Failure to amend	Up to \$1,000
Willfully fail to amend*	Up to \$3,000
Filing a false statement*	Up to \$3,000

* Also a gross misdemeanor

When Civil Penalties Begin

Report	When Late Filing Fees Begin
<i>For all reports and statements, Failure to File</i>	On the eighth day after a certified letter is sent by the Board, if the statement or report has not been received

Termination of Committees

"May Terminate"
Conditions and
Requirements

The committee treasurer *may* terminate a party unit committee by filing a final [Report of Receipts and Expenditures](#), when:

- (1) there are no loans, notes, or unpaid bills outstanding, and
- (2) physical assets have been disposed of so that the combined fair market value of the remaining assets (including cash) does not exceed \$100.

Contact Board staff at (651) 296-1873 if you have outstanding debts or have questions about termination.

Advisory Opinions, Complaints

Advisory Opinions

Individuals who are subject to the requirements of Minn. Stat. Chapter 10A or their representatives may request an advisory opinion from the Board regarding Chapter 10A to guide their actions for compliance with the law. Requests for an opinion and the Board's opinions are classified as nonpublic data under the Minnesota Government Data Practices Act. A "public" version of Advisory Opinions, (personal and organizational identifying information removed) is published on the Board's Website. Except in limited circumstances, opinions issued are binding on the Board.

Complaints

Any person may file a written complaint with the Board concerning alleged violations of Minn. Stat. Chapter 10A. A sample form for filing a complaint may be printed from the Board's Website or obtained from the Board office.

Penalties for Other Chapter 10A Violations

Civil Penalty of Up to
\$1,000

- Failure to have a treasurer and chair
- Failure to keep an account of contributions to and expenditures from a political party unit
- Commingling party unit funds with funds of officers, members, or associates
- Failure to deposit contributions promptly
- Acceptance of anonymous contributions in excess of \$20
- Making an approved expenditure of more than \$20 without receiving written authorization from the committee treasurer
- Using or selling information copied from reports and statements filed with the Board for commercial purposes (*An individual who knowingly violates this law is also guilty of a misdemeanor*)
- Making a contribution to a legislative or constitutional office candidate committee during a regular legislative session.

Civil Penalty of Up to Four
Times the Amount of the
Contribution in Excess of
\$100

- Accepting a contribution from an unregistered association that does not provide the proper disclosure

Civil Penalty of Up to \$3,000 in Addition to Misdemeanor or Gross Misdemeanor Criminal Penalty

- Knowingly filing false information or knowingly omitting required information
- Willfully failing to amend a filed report
- Knowingly accepting an earmarked contribution
- Lending money raised by a political party until to anyone for purposes not related to the conduct of a campaign
- Attempting to circumvent Chapter 10A by redirecting a contribution through, or making a contribution on behalf of, another individual or association.
- Falsely claiming that an expenditure was an independent expenditure.
- Failure to disclose an independent expenditure
- Engaging in economic reprisals or threatening loss of employment or physical coercion against an individual or association because of that individual's or association's political contributions or political activity.

Gross Misdemeanor Criminal Penalty

- Knowingly failing to keep committee records for four years from the date of filing of the reports or statements

Forms Noted in this Handbook

All forms are available from the Board office or the Website at www.cfboard.state.mn.us

[Registration and Statement of Organization](#)

Report of Receipts and Expenditures

- Pre-primary-election Report of Receipts and Expenditures
- Pre-general-election Report of Receipts and Expenditures
- [Annual Report of Receipts and Expenditures](#)
- [Approved Expenditure Authorization](#)

Contacts for Assistance

Contacts for Assistance

Board Website: www.cfboard.state.mn.us

Subject Matter	Contact Person – Phone – E-mail Address
Board or legal information	Gary Goldsmith (651) 296-1721 Gary.Goldsmith@state.mn.us
Registration for all programs	Marcia Waller (651) 296-5615 Marcia.J.Waller@state.mn.us
Campaign Finance reporting	Joyce Larson (651) 282-6894 Joyce.Larson@state.mn.us
Campaign Finance software	Jon Glass (651) 282-6893 Jon.Glass@state.mn.us
Public subsidy, Board, or legal information	Jeff Sigurdson (651) 296-1720 Jeff.Sigurdson@state.mn.us
Advisory Opinions	Gary Goldsmith (651) 296-1720 Gary.Goldsmith@state.mn.us
Complaints	Gary Goldsmith 651-296-1721 Gary.Goldsmith@state.mn.us
Forms, General Information	651-296-5148 800-657-3889 www.cfboard.state.mn.us

Related Resources

Related Resources

Information Sought	Source(s)	Phone and Website Information
Minnesota Statutes Chapter 10A		www.revisor.leg.state.mn.us/stats/10A
Minnesota Rules Chapter 4501-4525		www.revisor.leg.state.mn.us/rules
Fundraising activities	Lawful Gambling Control Board	651-639-4000 www.gcb.state.mn.us
Federal elections	Federal Election Commission	800-424-9530 www.fec.gov
Minnesota Campaign Manual, Minn. Stat. Chapters 211A and 211B. Fair Campaign Practices Act. Local campaign finance.	Minnesota Secretary of State	651-215-1440 or 877-551-6767 www.sos.state.mn.us