



CAMPAIGN FINANCE TRAINING MAY-2018

CONTACT INFO

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THE BASICS

- ▶ Deposit all contributions within 10 business days, don't forget about online donations.
- ▶ Record all contributions and expenditures.
- ▶ Don't mix funds.
- ▶ 3 reports due (July 30 pre-primary, October 29 pre-general, and January 31, 2019 year-end). 24 hour notice reports for contributions of \$500 or more.
- ▶ Max contributions to state house candidate: \$1,000.
- ▶ Contributions needed to qualify for public subsid house: \$1,500 in small donations (\$50 or less).



LATEST NEWS

Welcome to the Board's new website.

This article will help you get started. Also see the links in the Trending Topics box on the right for more information.

NEW: Board publishes 2016 summary disbursement activity (PDF)

June 14, 2017, Board meeting minutes (PDF)

Board releases findings adopted at July 5, 2017, meeting

Board issues 2016 Annual Report of Operations (PDF)

Board releases financial disclosure by lobbying principals. (PDF)

Board releases guidance on noncampaign disbursements (PDF)

QUICK LINKS

[Customize your home page with MyCFB](#)

[Board enforcement actions](#)

[Candidate viewer](#)

[Committee / fund viewer](#)

[Party unit viewer](#)

TRENDING TOPICS

[Learn what's new and how to get the most out of the Board's new web site](#)

[Submit a question, bug report, or enhancement request](#)

[Political contribution refund \(PCR\) program is reinstated \(get refund forms here\)](#)

[Check whether a candidate has signed a public subsidy agreement to be eligible to use the PCR program](#)

[Rulemaking docket](#)



COMPLETE A FILING

Campaign finance filings

- Registration
- Campaign finance report
- Public subsidy agreement
- Affidavit of contributions
- Termination

Lobbying filings

- Registration
- Lobbyist reports
- Principal's report

Government official filings

- Public officials
- Local officials

SECURE PUBLICATIONS

Calendars

- House of representatives (PDF)
- Senate (PDF)
- Constitutional office candidates (PDF)
- District court candidates (PDF)
- Appellate court candidates (PDF)
- Committees and funds (PDF)
- State parties and caucus committees (PDF)
- Local party units (PDF)
- Lobbyists and principals (PDF)
- Calendars archive

Bulletins

- Campaign finance issues, guidance, and additional documents
- 2017 Mileage reimbursement (PDF)
- 2016 Mileage reimbursement (PDF)
- Other bulletins

SELF HELP

Education and tools

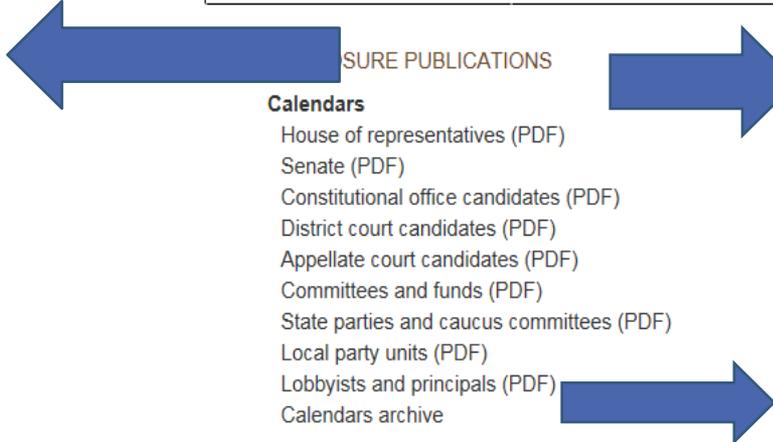
- Online videos
- Live training sessions
- Campaign Finance Reporter software bulletins
- Campaign Finance Reporter download page

Contribution and spending Limits

- Candidates (PDF)
- Party units
- Committees and funds

Handbooks

- Candidates
- Committees and funds
- Party units (PDF)
- Lobbyists (PDF)
- Public officials (PDF)



Online educational materials

Campaign Finance Reporter software

- Getting started with Campaign Finance Reporter
- Downloading and uploading files
- Generating and filing reports
- Backing up and restoring data
- Recording contributions and receipts
- Recording expenditures
- Recording independent expenditures
- New year initialization
- Political contribution refund receipts



Video training for filers

For candidate committees

- Who can contribute to your committee
- What counts as a contribution
- How much to accept as a contribution
- Record keeping and reporting

For political committees, political funds, and political party units

- Who can contribute and what counts as a contribution?
- Record keeping and reporting

For public officials

- Online reporting system tutorial

QUICK LINKS

- Live training schedule and sign-up
- Campaign Finance Reporter software support bulletins

- ▶ No contributions before July 1, 2017 count. For party units and state candidates. Remember, it's 2018 now and that means people are PCR eligible. It's calendar year.
- ▶ PCR Receipts can be paper or electronic.
 - ▶ Paper PCR Receipt booklets are available from MN Campaign Finance Board
 - ▶ PCR Receipts can also be electronically generated from CF Software
- ▶ Best practices:
 - ▶ Send receipt along with MN PCR application and stamped addressed envelope to MN Department of Revenue
 - ▶ Some BPOUs will also send a thank you note.
 - ▶ Some BPOUs will put in a letter asking for the refund check too.

POLITICAL CONTRIBUTION REFUND

This file includes fillable form fields.
You can print the completed form and save it to your device or Acrobat.com.

Highlight Existing Fields



2017 Form PCR, Political Contribution Refund Application

Complete this form to claim a refund of contributions made between July 1, 2017 and December 31, 2017, to Minnesota political parties and candidates for Minnesota state offices. **Include the original Form EP-3, *Minnesota Political Contribution Receipt*, for all your contributions made between July 1, 2017 and December 31, 2017 with this form. DO NOT STAPLE.**

Your First Name and Initial Last Name Your Social Security Number

If a Joint Return, Spouse's First Name and Initial Spouse's Social Security Number

Mailing Address Check if: New Address Foreign Address Your Date of Birth

City State Zip Code Number of Forms EP-3 attached Spouse's Date of Birth

Place an X in one box (*married couples: see the notice below*):

- (1) Single (2) Married, filing joint application (3) Married, filing separate application

UPDATE PARTY UNIT REGISTRATION

- This form can be found on the Campaign Finance and Public Disclosure Board website:
<http://www.cfboard.state.mn.us/>

Minnesota
**Campaign Finance and
Public Disclosure Board**

State 190 - Central Office Building 655 Cedar Street - St. Paul MN 55155-1633 - www.cfboard.state.mn.us

**Registration and Statement of Organization
Political Party Units**
under Minn. Stat. § 10A.14

Instructions

- A political party unit is required to register with the Campaign Finance and Public Disclosure Board office within 14 days after the committee raises or spends in excess of \$750, or within 10 days after any change in previously filed information.
- All required sections must be filled in before the committee can be registered.
- This form may be emailed to cfboard@state.mn.us or faxed to 651-539-1196; 800-267-4114
- All information on this form or report is public information and may be published on the Board's website at www.cfboard.state.mn.us
- It is unlawful to use this information for commercial purposes.
- Do not use pencil or red ink.
- Board staff may also be reached by phone at 651-539-1197 or 800-657-3889 or by email at cfboard@state.mn.us

Registration

New Registration Amendment: Registration No. _____

Party Unit Committee Name (Required) _____ **Chair (Required)** _____

Committee name	Chair name
Address	Address
City, state, zip	City, state, zip
Telephone (daytime)	Telephone (daytime)
Website address	Email address (Required or write No Email)

Treasurer (Required) _____ **Deputy Treasurer (optional)** _____

Treasurer name	Deputy Treasurer name
Address	Address
City, state, zip	City, state, zip
Telephone (daytime)	Telephone (daytime)
Email address (Required or write No Email)	Email address

Political Party Organization (check one)

Democratic Farmer Labor Grassroots Party Minnesota Independence Party of Minnesota
 Libertarian Party Minnesota Republican Party of Minnesota

Depository (financial institution) of Party Unit (Required)

Name: _____ Address: _____

Certification

I, _____, certify that the information contained on this form is complete, true, and correct.

Signature of Treasurer _____ Date _____

Any person who signs and certifies to be true a report or statement which the person knows contains false information, or who knowingly omits required information, is subject to a civil penalty imposed by the Board of up to \$3,000 and is subject to criminal prosecution for a gross misdemeanor. This document is available in alternative formats to individuals with disabilities by calling 651-539-1190, 800-657-3889, or through the Minnesota Relay Service at 800-627-3529

- If anything about the BPOU changes, such as address or more importantly, the Chair or the Treasurer, then an amended Registration and Statement of Organization form must be submitted to the CFB.
- This form must be received by the CFB no later than 10 days from the date the change(s) occurred.
- If a vacancy happens with your position of Treasurer, one must be appointed/elected per your BPOU's bylaws and constitution as soon as possible. Political Party Units can not accept contributions or make expenditures when the Treasurer position is vacant.
- State law requires each BPOU to have at least one chair and one treasurer. The CFB requires more than two officers, however, and committee to oversee party unit

SETTING UP A CAMPAIGN COMMITTEE

- ▶ Need to open a campaign committee if you are accepting more than \$750 of other people's money.
- ▶ Open a bank account first, EIN is usually needed. "Meeting minutes" help.
- ▶ Chair and Treasurer needed (can be the same person).
- ▶ Don't intermingle funds with your personal account.
- ▶ If you are going for the public subsidy, a form must be signed.

NEW TREASURER CHECK LIST

- If a new Treasurer has been elected, please keep this check list in mind:
 - Visit BPOU's official depository (must be listed on Registration and Statement of Organization form) and make any necessary changes such as approved signer(s), address changes or anything related to the BPOU's banking that may be required.
 - Take ownership of all finance files. The treasurer should maintain hard copy files of all required documentation of contributions and expenditures (more on the required documentation later).
 - Establish an accounting system if one is not in place or if the one in place is deficient.
 - Obtain CFB assigned username and password for the CFB software. If this information is misplaced, contact Joyce Larson at the CFB at (651) 539-1188 for help retrieving it.
 - Obtain a federal tax ID if your bank requires one. You can go to <https://sa2.www4.irs.gov/modiein/individual/in> following the instructions. An instruction sheet is included in the packets.

USEFUL MATERIALS FROM THE CFB

- The CFB has a lot resources online and in person to help treasurers. The following is a short list of important resources that recommended for all treasurers.
 - Party Unit Handbook
 - This book is a great resource outlining basic party unit responsibilities as well as the most important rules, regulations and statutes governing party unit operations.
 - The book can be printed out online at http://www.cfboard.state.mn.us/handbook/handbook_party_units.pdf
 - Political Contribution Refund receipt book
 - This is the MN Department of Revenue approved receipt. You can only issue receipts from this book or if you prefer to use your own receipt format, you must get that approved from the MN Department of Revenue.
 - The book can be ordered from the CFB and mailed to you by calling Joyce Larson at the CFB at (651) 539-1188 .
 - Training opportunities from the CFB
 - The CFB conducts periodic classroom trainings covering topics from fundraising, compliance and CFB software training.
 - The volume and frequency of trainings change but you can find out more of their trainings by going online to <https://www.cfbreport.state.mn.us>
 - They also have several training videos on their website.

CONTRIBUTIONS

➤ What is a contribution?

- A contribution is anything of monetary value. This includes:
 - Direct monetary contribution.
 - In-kind contribution of goods and services.
 - In-kind contribution value must be recorded as current market value of the goods or services.
 - An in-kind expenditure of the same value must be recorded on the same day (more on that in the expenditure section).
 - Registration fees for meetings and events are considered contributions.
 - Bank interest earned is not a contribution and must be reported on a special form.
 - Bank or personal loans are not contributions and must be thoroughly documented in writing before the loan is made.

➤ Who can give contributions

- Individuals who are not lobbyists.
- Individuals who are lobbyists. (Candidates, watch out for session!)
- Political committees and funds registered with the Board. (Candidates, watch out for session!) Also, candidates shouldn't take ballot question funds.
- Political committees registered in Hennepin County.
- Political party units registered in Minnesota.
- A state candidate's campaign committee. (For candidates, or closing down their committee within 12 months).
- Groups that are not registered with the Board or Hennepin County. 1) the contribution is \$200 or less or 2) the group also gives you a disclosure of who gave the group money and how the group spent that money.

CONTRIBUTIONS

➤ **Who can't give contributions**

- Corporations.
- Limited liability companies (LLCs).
- Anonymous contributors unless the contribution is \$20 or less.
- Anyone who gives you money on the condition that you will give it to or use it for a particular candidate.

➤ **How often should contributions be deposited**

- By state statute all contributions must be deposited within 10 days of receipt.
- If not, then the contribution must be returned.

➤ **What to do if a prohibited contribution is accidentally accepted**

- The prohibited contribution must be returned.
- If the prohibited contribution is deposited but returned within 90 days, you do not need to report it and any violation of state statute that occurred will be cleared.
- If the prohibited contribution is deposited but not returned within 90 days, then you still need to return it and in this case you will have to report it on your next scheduled compliance report. You may then face penalties for violation of the statute.
- If the prohibited contribution is returned without depositing it, you must report anything.

CONTRIBUTIONS

➤ **How to handle joint contributions**

- Campaign finance rules do not recognize joint contributions. Every contribution must be reported as coming from one donor.
- You must decide how to report a contribution in the form of a check with two names on it.
- You must report the contribution as being received from the person who signed the check.
- You can also record a split contribution, but only if one of the following conditions is met:
 - You know personally that both account holders intended to contribute, or
 - you contact the person who did not sign the check to confirm that the check was intended to be from both account holders.

➤ **What to do with anonymous contributions**

- By statute, party units can accept no more than \$20 in a single anonymous contribution.
- If more than \$20 is given anonymously, you must forward the entire amount to the CFB with a note explaining it was an anonymous contribution you are returning.

➤ **What records do I need to keep?**

- For all contributions (including in-kind) that are over \$20, you must internally record:
 - The name and address of the donor.
 - The date the contribution was received.
 - The amount of the contribution.
 - For in-kind contributions, a description of what was donated.
 - If the donor is registered with the Board, you should record the donor's registration number.

CONTRIBUTIONS

- For all contributions (including in-kind) that are at least \$20 but over \$200 you must also:
 - Record the employer of the donor.
 - Report the contribution in the itemized portion of schedule A1 of your compliance report.
 - This applies to aggregate contributions as well:
 - If one donor has given multiple contributions that total more than \$200, you must itemize them all, listing each contribution separately on the report under the donor's name.
 - Contributions from donors who have given \$200 or less, in total, will be added together and listed in the un-itemized portion of schedule A1 of your compliance report. However, you still need to keep an internal record of each of these contributions.

- For all contributions of \$20 or less – Cash
 - You only need to report the date and amount received.
 - If you collect money by passing around a hat, you should tell donors that if they want to donate more than \$20, they should see the treasurer so you can get their donation information. Multiple donations of \$20 or less collected by passing around a hat are reported with other non-itemized

- For all contributions of \$20 or less – In-kind
 - You don't need to report anything.

CONTRIBUTIONS

➤ **What are the penalties for non-compliance:**

- The Board can charge a penalty of up to \$1,000 for the following things:
 - Accepting a contribution when the party unit does not have a treasurer.
 - Not keeping records of contributions.
 - Mixing political funds with other money.
 - Not depositing contributions promptly.
 - Accepting an anonymous contribution over \$20.
 - A legislative caucus accepting a contribution during the legislative session from the prohibited groups.
- If you accept a contribution without the required disclosure form from a group that is not registered with the Board and the contribution is more than \$200, the Board can charge a penalty of up to four times the amount of the contribution that is over \$200.
- The Board can seek a penalty of up to \$3,000 if someone tries to get around the contribution limits or the disclosure requirements by making contributions through another person or on behalf of another person. The Board also can seek a penalty of up to \$3,000 if a person knowingly fails to keep records of contributions. The Board can impose an additional \$3,000 civil penalty on a party unit that is affiliated with the person who knowingly failed to keep contribution records.

EXPENDITURES- PARTY UNIT

➤ **How can a party unit spend its money?**

- A party unit can make contributions to candidates, to political committees or funds registered with the Board, to federal or local committees, and to other political party units. You must include the party unit registration number on any contribution made by the party unit.
- A party unit also can make independent expenditures and ballot question expenditures.
- A party unit can pay expenses related to the operation of the party unit, such as fundraising expenses, website fees, and administrative costs.
- Money collected for political purposes cannot be used by or loaned to anyone for personal reasons.

➤ **What are in-kind expenditures?**

- In-kind expenditures result ONLY from your party unit's receipt of in-kind contributions. They are equal and complementary. Every in-kind contribution received by your party unit results in an in-kind expenditure on the date that the in-kind contribution was accepted by your party unit.

➤ **What are in-kind contributions to candidates, political committees or funds, or other party units?**

- If a political party unit gives something other than money to a candidate, political committee or fund, or another party unit such as lawn signs or campaign materials. Donations of things other than money are in-kind contributions to the receiving entity. The party unit would report the value of the contribution on the contribution schedules of its campaign finance report. The receiving entity would report the contribution on the contribution schedules for contributions to each type of recipient committee.

EXPENDITURES- CANDIDATE

➤ **How can a party unit spend it's money?**

- Campaign committees make campaign expenditures, noncampaign disbursements, and contributions.

➤ **What are the limits?**

- \$65,500 for state rep (\$72,050 if running for the first time).

➤ **What are non-campaign disbursements?**

- They don't count towards the spending limits
- Payment of food, beverages, utensils and supplies
 - Payment of food and beverages consumed by a candidate or volunteers while engaged in campaign activities; 27
- Payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;
- Payment of expenses incurred by leaders of a caucus in carrying out leadership duties;
- Payment of candidate's expenses for serving in public office, other than for personal expenses;
- Costs of child care for candidate's children when campaigning;

➤ **Public subsidy funds must be spent on campaign disbursements**

- **Will have to be returned to CFB if not.**

EXPENDITURES

➤ **What are approved expenditures?**

- If your party unit decides to spend money on a candidate's behalf and if the candidate approves, or is in any way involved with the spending, the amount spent is a contribution to the candidate. This type of campaign spending is called an 'approved expenditure'.
- Before your party unit goes ahead with an approved expenditure on a candidate's behalf, the candidate or the candidate's committee treasurer must approve the expense in writing. The written permission must describe what the party unit is going to do for the candidate, when it will happen, and how much the party unit can spend. The Board has a form on its website for approving expenditures. A letter also is acceptable proof of approval. You should keep a copy of the letter or the form for the party unit records. Approved expenditures are reported by the party unit as in-kind contributions to the benefitted candidate. The amount of the contribution is the amount that the party unit spent on the candidate's behalf. The date of the contribution is the date that the contribution was accepted.

➤ **What are multi-candidate expenditures?**

- If your party unit plans to spend money on communications that help more than one candidate, then the following multi-candidate expenditures are not counted as contributions to the candidate or as expenditures on behalf of a candidate:
 - Expenditures made on behalf of a party's candidates that do not mention the candidates specifically in a published, posted, or broadcasted communication.
 - Spending on the following activities is limited to \$5,000 by the Federal Election Commission if the election has at least one federal candidate and \$1,000 if you only mention state candidates. Exceeding \$5,000 will trigger a requirement to register with the FEC.

EXPENDITURES

- Expenditures made 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 appear on the ballot.
- Expenditures for telephone calls that include the names of three or more individuals whose names are to appear on the ballot
- Expenditures for a party fund-raising effort on behalf of three or more candidates.
- Expenditures for party committee staff services that benefit three or more candidates.

➤ **What are Independent Expenditures?**

- Spending money on a candidate's behalf without consulting with or involving the candidate or the candidate's committee in any way.
- An independent expenditure is not a contribution to the candidate and is reported on schedule B3 of your compliance report.
- The treasurer must sign an affidavit stating that the expenditures were independent and the affidavit must be notarized.

➤ **What are Ballot Question Expenditures?**

- Party units can spend money on proposed amendments the state constitution.
- This spending is not a contribution and is reported on schedule B4 of your compliance report.

EXPENDITURES

➤ What is the aggregate limit on contributions from party units?

- There is a limit on the total amount that can be given to a candidate's committee by all party units and closing state candidate committees combined during a two-year period. A two-year period that ends on December 31 of an election year is called an election segment.
- The limits are:

Aggregate Political Party Unit and Terminating Principal Campaign Committee Contribution Limits.

Applies to the aggregate of contributions received during 2017 and 2018 from all political party units and terminating principal campaign committees. Party units include a party caucus in the legislature, a state party, and party units in legislative districts, congressional districts, counties, municipalities, and precincts in aggregate.

Office	2017 - 2018 Political Party and Terminating Committee Contribution Limit Total Amount for Two-Year Period
Governor/Lt. Governor	\$40,000
Attorney General	\$25,000
Secretary of State, State Auditor	\$20,000
Senate	\$10,000
House of Representatives	\$10,000
Judicial Office	\$25,000

EXPENDITURES

➤ **What records do I need to keep?**

- You must keep records of all expenditures, including cash and in-kind contributions to candidates, political committees or funds, and other party units. independent expenditures. and ballot question expenditures.
- Your records must include:
 - The date and amount of the expenditure, including in-kind expenditures.
 - The name and address of the vendor.
 - A description of the item or service purchased.
- You must keep the records for four years.
- The treasurer must approve all spending done by the party unit.
- You must have an invoice or a receipt for any payment over \$200.
- If the party unit spends more than \$200 with a vendor at one time or over the course of the year, you must itemize the payments to that vendor.
- The date that an expenditure is reportable is the date when the party unit made the commitment to spend the money, not when the bill was actually paid. An expenditure that has not been paid at the reporting date is listed as
- The date that an in-kind expenditure was made is the date that the party unit accepted the in-kind contribution of goods or the date that in-kind expenditure was actually provided. The vendor for the in-kind expenditure is the donor of the corresponding in-kind contribution.

EXPENDITURES

- You also must keep records of all contributions made by the party unit to candidates, political committees or funds, and other party units.
- You should keep these records separately by type of recipient because you must report your contributions to these entities on separate schedules.
- When your party unit makes a contribution to another entity, you must give that entity your party unit name and Board registration number.
- You also must keep records of all contributions returned to the party unit.
- **What are the penalties for non-compliance:**
 - The Board can charge a penalty of up to \$1,000 for the following things:
 - Spending money when the party unit does not have a treasurer.
 - Not keeping records of spending.
 - Mixing party unit funds with other money.
 - Making a contribution from a legislative caucus to a legislative candidate during the legislative session.
 - Making a contribution to a candidate that is more than the candidate is permitted to accept.
 - Not including the party unit Board registration number on a contribution.
 - The Board also can seek a penalty of up to \$3,000 if a person knowingly fails to keep records of expenditures. The Board can impose an additional \$3,000 on the party unit that is affiliated with the person who knowingly failed to keep expenditure records.
 - The Board can bring a legal action to recover money raised from the party unit that are not used for political purposes.

ACCOUNTING

➤ **Accounting best practices tips:**

- It is highly recommended that the treasurer maintain complete and accurate records:
 - Record the date, amount, name, address and employer of all contributors regardless of the amount they give.
 - The one exception would be multiple individual contributions of less than \$20 collected at a meeting or event where the 'hat' was passed around. In this case, record the date and total of the multiple contributions of less than \$20.
 - Record the date, amount, name and address of vendor of all expenditures regardless of the amount.
 - For most BPOUs, using accounting software such as Quick Books will not be necessary. However, at a minimum, using excel reports or the CFB reporting software to maintain accurate records is a must!
 - It is recommended that you keep copies of deposited checks, vendor receipts and any other finance or compliance related documents in organized files. This will make life much easier if in the unlikely event your BPOU is audited by the CFB. State statute requires party units to keep financial records for at least four years. If your BPOU is audited, you will be asked for all and any documentation you have and life will be much easier if you have thorough documentation.

REPORTING

➤ What do you report to the Board?

- You report the party unit's receipts and spending to the Board. Each report has a summary section where you show:
 - The total amount given to the party unit.
 - The total amount spent by the party unit directly.
 - The total amount contributed by the party unit to candidates, political committees and funds, and other party unit.
 - The total amount spent by the party unit on independent expenditures and ballot question expenditures.
- The report also has schedules where you list more details about the contributions that the party unit received and the expenditures that the party unit made. For example, you list contributions to the party unit on Schedule A1 – CR - Contributions Received. You use the Schedule B forms to list direct spending; contributions to candidates, political committees and funds, and other party units; and independent and ballot question expenditures. Finally, there are places to report the details of loans and unpaid bills.
- There also is a separate schedule, Schedule F, that a state party can report the amount of public subsidy funds received and how much were spent on each type of multi-candidate expenditure.
- The amount of detail that you report on each form depends on the contribution or the spending.

REPORTING

➤ Reporting Schedule

- In a non-election year, all party units must file one report for the entire year. This report is due on January 31st of the following year.
- BPOUs and state rep candidates must file 3 reports in an election year.
- Each report covers the time period from the beginning of the year to the date of the report. The beginning balance on every report is always the ending balance from the previous year's report. Because each report covers the entire year up to the date of the report, you will repeat some of the earlier receipt and spending entries on the later reports.
- A party unit must file reports every year until the party unit closes, even if the party unit does not collect or spend any money during the year.
- Remember that late fees begin without notice on the day after a report is due.

RAFFLES



Suite 300 South
1711 W. County Road B
Roseville, MN 55113
651-639-4000

Frequently Asked Questions about Raffles, Lawful Gambling, and Political Campaign Financing

May we conduct a raffle as a fundraiser for our political campaign?

No. Only nonprofit organizations may conduct raffles.

- Nonprofit organizations which are eligible to conduct raffles are fraternal (not a college or high school fraternity or sorority), religious, veterans, or other nonprofit organization.
- A nonprofit organization must be registered with the Minnesota Secretary of State or have received nonprofit designation from the IRS.

When is a drawing considered a raffle?

The determining factor in whether an activity is a raffle or a drawing is whether the participants must provide consideration (do or give something of value) to enter.

- If consideration is required, it's a raffle.
- If not, it's a drawing.

May we request a donation of gambling funds for our political campaign from organizations that conduct raffles or other forms of lawful gambling (pull-tabs, tipboards, bingo, or paddlewheels)?

No. See next question.

Why can't gambling funds be spent for political purposes?

It's the law. Minnesota Statutes, chapter 349.12, subdivision 25(b) restricts gambling funds from being spent for:

- (1) the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question; or
- (2) any activity intended to influence an election or a governmental decision-making process.

Therefore, nonprofit organizations which conduct raffles and other forms of lawful gambling may not contribute gambling funds to political campaigns or fundraisers.

Questions?

For addition information, contact the Gambling Control Board at 651-639-4000 or go to www.gcb.state.mn.us.

November 2005

- Political party units are not allowed to conduct raffles.
- Only charitable non-profits may conduct raffles.
- How to determine if a drawing is a raffle?
 - If a contribution is required to participate in the drawing, then it is a raffle
 - If nothing is required of the participant, then it is not considered a raffle.
 - Bottom line is you can't require a contribution to attend an event if the contribution is tied to eligibility in a drawing for a prize.
- Gambling proceeds can not be spent for political purposes.
 - You may not knowingly accept any contribution that was the result of gambling winnings.
 - Charitable gambling organizations may not give contributions to political

SILENT AUCTIONS

➤ **Accepting goods for auction**

- No corporate donations – either direct or indirect
- No donations of more than \$200 from associations not registered with the Board (May be permitted with additional financial disclosure. Contact the Board office for more information.)
- Best practice: Accept donations only from individuals

➤ **Recording donation transactions**

- A donation for a silent auction is an in-kind contribution to the recipient.
- Every in-kind donation of more than \$20 must be recorded. Count the total value of all items being donated by a single individual when determining whether to record the donation or not. Do not divide the donation into multiple items to avoid recording.
- If the fair market value of the donation is \$20 or less, no record is required for campaign finance purposes, should keep a record for internal committee purposes.
- The information that must be recorded is the same as for cash contributions:
 - Name and address of donor; employment information if the donation is more than \$200.
 - Best practice: Create a donation receipt form including donor name, address, employment information, date, item and estimate of value.
- Remember – you must also record an in-kind expenditure on the same value of the in-kind contribution received. The two transactions cancel each other out on your compliance report.

SILENT AUCTIONS

➤ **Selling items at the auction**

- The auction is entirely separate from the process of obtaining items to sell.
- Each purchase at an auction is considered a cash contribution to the seller.
- On reports, report purchases as cash contributions. Do not report what was purchased or the fact that the cash contribution is related to a silent auction.
- The full amount of the purchase price is the amount of the contribution. Do not reduce the purchase price by the value of the item for reporting purposes.
- For internal purposes, the treasurer will want to retain records relating the contributions back to the items purchased.

➤ **Financial controls**

- Treasurer must maintain control over the process.
- If others are soliciting and accepting donations, report all required information to the treasurer promptly.
- Donation receipt forms should be delivered to treasurer.
- The treasurer makes the final determination of fair market value.
- All bid sheets from silent auction should be retained by treasurer.
- All payments must be turned over to treasurer promptly.
- Records must be retained for four years after the reporting year during which the transaction occurred.

JOINT FUNDRAISERS

➤ **If you plan to hold a joint fundraiser with other candidates see Minn. Rules 4503.1200 on how to handle contributions and expenses. You may view the rule at:**

www.revisor.mn.gov/rules/?id=4503.1200. Here is the statute:

- Subpart 1. General requirement. Proceeds and costs of joint fund raising events held by two or more principal campaign committees must be allocated in such a way as to avoid earmarking and prohibited transfers or contributions from one principal campaign committee to another.
- Subp. 2. Elective procedures to assure compliance. Principal campaign committees may be certain that allocation of proceeds and costs of a joint fundraising event will not result in earmarking or a prohibited transfer or contribution if:
 - A. contributions are made individually to each committee by check payable to the committee, by cash given in a separate collection for the committee, or by cash with a record kept of each contributor and recipient;
 - B. expenses of the event are allocated among the participating committees in direct proportion to the contributions received by each committee; and
 - C. campaign expenditures and noncampaign disbursements are allocated separately and in the same proportion.
- Subp. 3. Record keeping and reconciliation of expenses. The treasurers of principal campaign committees conducting a joint fund raising event shall maintain records of all costs associated with the event. After the event, the treasurers shall complete a reconciliation and allocate the costs of the event pursuant to this part, and shall make any transfer of funds between the committees necessary to properly allocate the expenses.

IS IT A CONTRIBUTION OR INCOME?

- Money received by your party unit is reported either as a contribution to the party unit or as miscellaneous income. Almost all of the money received by a party unit should be reported as contributions but there are a few exceptions to this general rule. Here are some common receipts and how they should be reported:
 - Money received for tickets to a fundraiser is a Contribution.
 - Money received for a table sponsorship at a fundraiser is a Contribution.
 - Money given to reimburse your party unit for another party unit's share of the cost of a good or service, such as a mailing or a fundraiser is Miscellaneous income.
 - Money received as a refund because the party unit paid for a good or service that it never received is Miscellaneous income.
 - Interest paid on a bank account is Miscellaneous income.
 - Proceeds from selling something at a silent or live auction is a Contribution.
 - Item given to your party unit to sell at an auction is Contribution
 - Refund of a security deposit is Miscellaneous income.

IS A PAYMENT AN EXPENDITURE OR A CONTRIBUTION?

- Money paid out by your party unit is reported either as an expenditure or as a contribution. Money paid to other entities registered with the Board is the only type of payment that is ever If you use CFR, enter the contribution using the registration number provided and the system will fill in the recipient's correct committee name. All other payments are reported as expenditures. Here are some common payments and how they should be reported:
 - Money paid to a candidate committee for tickets to a fundraiser is a Contribution.
 - Payment to a another party unit or a committee registered with the Board for a table sponsorship at an event is a Contribution.
 - Payment to a group not registered with the Board for sponsorship of an event is an Expenditure
 - Money given to a 501 (3)(c) charity is an Expenditure.
 - Money you returned to a contributor more than 90 days after contribution is an Expenditure.
 - Money paid to another party unit because your party unit agreed joint expenditure with the other party unit and the other party unit paid the entire cost of the expenditure is an Expenditure.

WHERE DO I GET MORE INFORMATION?

➤ How to contact the MN Campaign Finance and Public Disclosure Board:

- Board and Legal Information – Jeff: (651) 539-1189
- Registration for All Programs - Marcia: (651) 539-1187
- Compliance – Melissa: (651) 539-1188
- Lobbyists Reporting - Marcia: (651) 539-1187
- Economic Interest Statements - Jodi: (651) 539-1183
- Public Subsidy - Jeff: (651) 539-1189
- Advisory Opinions - Jeff: (651) 539-1189
- Campaign Finance Software - Gary B.: (651) 539-1185
- General Information - (651) 539-1180
- Toll Free - (800) 657-3889
- Website: <http://www.cfboard.state.mn.us/>
- Training opportunities: <https://www.cfbreport.state.mn.us/Train/>
- Online help videos: http://www.cfboard.state.mn.us/training/cfr_videos.htm

Republican Party of Minnesota: Dave Pascoe: dpp@mngop.com or 612-564-5836

Ron Huettl: rjh@mngop.com or 651-222-0022.