



Campaign Finance Training

Mike Sullivan | Kent County Elections Director



Campaign Finance for Candidate Committees

It is your responsibility as a candidate and/or treasurer to complete reports accurately and submit on time.





Scope

- What is Campaign Finance?
- What is a Candidate?
- When are reports required?
- What options do you have to deliver the reports?
- What are the contribution limits?
- Are there penalties for failing to meet deadlines?
- Are there penalties for omitting data?
- Any other questions?



Goals

- Understand candidate responsibilities
- Understand filing official responsibilities (filing vs. campaign finance difference)
- Timely Delivery Options
 - E-File
 - E-mail
 - Mail
 - In-Person
- Success for both the committee and our office



Take Home (see folder)

- Statement of Organization
- 2024 common dates (Michigan Bureau of Election)
- Example report
- My business card
- PowerPoint Slide to follow along and take notes (can also supply a digital copy)



Success for both of us

- Nothing should be left blank
- Ensure everything is accurate
- Submit required materials ahead of deadlines
- Double check electronic files
- **Myth: The County likes to levy fines to get more money.**



The [Michigan Campaign Finance Act](#) provides for disclosure and regulation of the funds spent and received to support or oppose candidates through the establishment of committees and reporting requirements.

Review the [Candidate Manual](#) created by the Michigan Bureau of Elections.



Types of Committees

- Candidate Committee (State or Local only, not Federal)
 - Political and Independent Committees (PAC)
 - Ballot Question Committee (BQC) may not support or oppose candidates





What is a Candidate?

- You become a candidate when you:
- File an Affidavit of Identity with fee or nominating petitions
- Spend or receive money to further your nomination or election
- Give someone else permission to spend or receive money to further your nomination or election
- Are nominated at a convention



Statement of Organization

(See Appendix for Example)



- Candidates must file a Statement of Organization form within 20 calendar days after meeting the definition of a candidate
- A separate Statement of Organization is required each time any details change:
 - up to 10 days to form the committee
 - 10 additional days to file
 - **LATE FEE** - \$10/business day with a maximum fine of \$300

The County Clerk is the campaign finance official for all local and county offices

- We accept filings by e-file (preferred), hand delivery, mail, or email



Before you File the Statement of Organization

- **Identification Number**
 - Leave blank if this is your first. This will generate after we enter your information into our system. You will need this for all subsequent filings.
- *****REQUIRED ITEMS*****
 - If it has an asterisk, it must be completed.
- **Original vs. Amendment**
 - If an Amendment is made, please list which boxes are affected – there is no need to submit the entire report again, only amended items.
- **Committee Name**
 - Must contain candidate name, no false designations such as “incumbent”.
- **Mailing Address**
 - May be a PO Box, list “same” if there isn’t a separate address.
- **Treasure and Record Keeper**
 - Treasurer information must be completed, even if this is the candidate. The Record Keeper is optional.
- **Depositories**
 - List the financial institution(s) where funds will be deposited.
- **Reporting Waiver**
 - Consider this if limited funds will be contributed/expended – only may raise or spend up to \$1,000.



Banking

- Most banks/credit unions will require the following to open the account:
 - Statement of Organization with committee ID # (issued by the County)
 - Taxpayer ID Number from the IRS (TIN) (request this online and display the PDF and print for your records)
 - Treasurer and Candidate present with IDs
 - Initial deposit (remember to report this on your first finance report!)
 - Suggestion: order checks and credit card, find a bank/credit union without fees
 - Non-interest -bearing account
 - Rare: using two banks/credit unions





ORIGINAL OR AMENDED
STATEMENT OF ORGANIZATION FORM FOR CANDIDATE COMMITTEES

1. Committee ID #:		*2. Type of Filing: <input type="checkbox"/> Original:		Eff. Date:	
		<input type="checkbox"/> Amendment to items:			
*3. Full Name of Committee (must include Candidate's first and last name):					
*4a. Candidate Full Name: Last Name		First Name		M.I.	
*4b. Political Party (if applicable):			*4c. County of Residence:		
*4d. Office Sought:			*4e. District/Circuit # or Jurisdiction:		
*5. Date Committee was Formed:					
*6a. Committee Phone:			6b. Committee Fax #:		
*6c. Committee Email Address:			6d. Committee Website Address:		
*7a. Complete Committee Mailing Address (May be PO Box):					
*7b. Complete Committee Street Address (May not be PO Box):					
*8. Treasurer Name and Complete Address:					
Phone #:		Email Address:			
9. Designated Record Keeper Name and Complete Address:					
Phone #:		Email Address:			
*10. REPORTING WAIVER REQUEST:					
<input type="checkbox"/> YES, I/We WANT TO APPLY FOR THE REPORTING WAIVER. The committee does not expect to receive or expend in excess of \$1,000 in an election. I/We understand that if the committee does not spend or received in excess of \$1,000 in an election, the committee does not owe Pre, Post and Annual Campaign Statements. I/We further understand that the Reporting Waiver will be automatically lost if the committee exceeds the \$1,000 threshold and all required campaign statements must be filed. A Reporting Waiver does not exempt a committee from filing Late Contribution Reports.					
<input type="checkbox"/> NO, I/We DO NOT WANT TO APPLY FOR THE REPORTING WAIVER. The committee expects to receive or expend in excess of \$1,000 in an election. I/We understand that the committee owes Pre, Post and Annual Campaign Statements even if the committee does not spend or receive in excess of \$1,000 in an election. I/We further understand that the Reporting Waiver cannot be requested retroactively to avoid filing requirements and to avoid paying late filing fees. Further information regarding Reporting Waivers can be found in Appendix C of the Committee Manual.					
*11. Name and Address of Depositories or Intended Depositories of committee funds. (Michigan Bank, Credit Union or Savings & Loan Association) While this item must be completed, an account does not have to be opened until the first contribution is received.					
*Official Depository (name and address):					
Secondary Depository (name and address):					
12. This item applies only to Gubernatorial Candidate Committees : Check if this committee intends to seek qualifying contributions or make qualifying expenditures.					
13. ELECTRONIC FILING : This item applies to committees that file with the Michigan Department of State Bureau of Elections only and does not apply to Candidate Committees that file with the County Clerk's office.					
<input type="checkbox"/> Committee spent or received or expects to spend or receive in excess of \$20,000 and is required to file electronically.					
<input type="checkbox"/> Committee did not spend or receive or does not expect to spend or receive in excess of \$20,000 and would like to file electronically voluntarily. Further information regarding Electronic Filing can be found in Appendix D of the Committee Manual.					
14. Verification : I/We certify that all reasonable diligence was used in the preparation of the above statement and that the contents are true, accurate and complete to the best of my/our knowledge or belief. If filing electronically, we further agree that the signatures below shall serve as the signatures that verify the accuracy and completeness of each statement filed electronically by the committee. I/We certify that all reasonable diligence will be used in the preparation of each statement electronically filed by this committee and that the contents of each statement will be true, accurate and complete to the best of my/our knowledge or belief. (Sign Name and Date)					
*Candidate:		Date:		*Current Treasurer	
Designated Record Keeper (Required only if filing electronically)					
				Date:	





Campaign Statements

A committee discloses its campaign finance activity on campaign statements. A campaign statement consists of a cover page, a summary page, and a series of schedules that itemize the committee's contributions, other receipts, expenditures, debts, and fundraisers held by the committee.



Campaign Finance Statements/Reports

- Election Year
 - Before each election (pre-)
 - After each election (post-)
 - Late contribution report
- Non-Election Years
 - Quarterly Statement (April, July, October)
 - Annual Statement (only if not a candidate in the general election in the preceding year)



Campaign Statement Filing Deadlines

-Primary Election August 6, 2024

Pre-Election Statement

- Close of books July 21
- Due on July 26, by 5PM

48 Hour Late Contribution

- From July 22-August 3
- Due 48 Hours After Receipt

Post Election Statement

- Close of books Aug. 26
- Due on Sept. 5, by 5PM



Campaign Statement Filing Deadlines

- General Election, November 5, 2024

Pre-Election Statement

- Close of books October 20
- Due on Oct. 25, by 5PM

48 Hour Late Contribution

- From Oct. 21-Nov. 2
- Due 48 Hours After Receipt

Post Election Statement

- Close of books Nov. 25
- Due on Dec. 5, by 5PM



Campaign Statement Filing Deadlines

- Non-Election Year, 2023

Annual*

- Close of books Dec. 31
- Due on Jan. 31, by 5PM

July Quarterly

- Close of books July 20
- Due on July 25, by 5PM

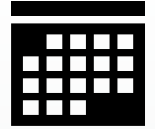
October Quarterly

- Close of books Oct. 20
- Due on Oct. 25 by 5PM

** Committees that participated in the November 2022 election who filed a Post-General Campaign Statement between December 1, 2022, and January 30, 2022, are exempt from filing an Annual Statement*



FILING DEADLINES



- All deadlines are posted on [AccessKent.com/Elections](https://www.accesskent.com/Elections)
- Email and to-do notifications through **e-file** are a service that the County Clerk's office provides. This is a courtesy, NOT a requirement.
- Each committee is responsible for following all deadlines
- E-file, mail, hand deliver, or email by 5:00 PM
 - campaignfinance@kentcountymi.gov

\$\$ LATE FEES APPLY



Exceptions

- Precinct Delegates
- A person running for federal office (file with FEC)
- Candidates for Indian tribal government or a private organization (e.g., labor union, Kent ISD)
- A school board candidate where the district has less than 2,400 pupils *and*
 - *Spends or receives less than \$1,000 for an election*
 - *Kent Co: Comstock Park, Godfrey-Lee, Godwin Heights, Kelloggsville, Kent City*
 - *Contribution limits apply as do identification requirements*



The Reporting Waiver

Who Qualifies?

- A committee that does not spend or receive more than \$1,000 for an election
 - This includes debts, money from previous elections and ALL contributions both direct and in-kind
 - Cannot have outstanding reports or fines
- A committee that applies for the waiver either on
 - Original Statement of Organization, or
 - Amended Statement of Organization



The Reporting Waiver

What does a Waiver really mean for a committee?

- Waives the Pre-Election, Post-Election, Quarterly, and Annual Statements
- Only requirements under a waiver are
 - Statement of Organization
 - Late Contribution Reports
 - If you go over the \$1,000 waiver limit, must immediately begin reporting!



Candidate Campaign Statement Schedule Pages

- Cover Page – (Required with all reports)
- Summary Page (Required with all reports)
- Schedule 1A Direct Contributions
- Schedule 1-IK In-Kind Contributions
- Schedule 1A-1 Other Receipts
- Schedule 1B Direct Expenditures
- Schedule 1B-IK In-Kind Expenditures
- Schedule 1C Office Holder Disbursements
- Schedule GOTV Get Out the Vote
- Schedule 1E Debts and Obligations
- Schedule 1F Fundraising Event

www.AccessKent.com/Elections



Cover Page

Cover Page

- Committee ID, candidate last name, candidate first name, candidate middle initial, committee name, office sought and district number (if applicable), county of residence, committee mailing address, committee phone
- Treasurer name, address, phone, and employer address and phone
- Record Keeper info (if applicable)
- Type of statement
- Amendment?
- Dissolution request
- Signatures for BOTH treasurer and candidate
- E-file does most of this – so use it!

Itemized Contributions, Schedule 1A In-Kind Contributions, Schedule 1-IK

“Contributions” are the monies, goods, and services donated or loaned to the committee. Contributions of monies donated to the committee are called “direct” contributions. Contributions of goods and services donated to the committee are called “in-kind” contributions.



Contribution Limits

Individual contribution limits are based on **district** population size:

- Up to 85,000 = \$1,225
- 85,001 – 250,000 = \$2,450
- Over 250,000 = \$8,325

*Amounts are x10 for Independent Committee and Political Party.

- Limits are based on election cycle: election cycle begins the day following the last general election in which the office appeared on the ballot and ends on the day of the next general election in which the office appears on the ballot



Kent Co. Elected Offices Contribution Limits

- \$8,325
 - County Office: Prosecuting Attorney, Clerk/Register of Deeds, Drain Commission, Sheriff, Treasurer
 - GRCC Board of Trustees
- \$2,450
 - City of Grand Rapids: Mayor, Comptroller
 - Grand Rapids Public School Board
- \$1,225
 - All other elected offices (e.g., county commission, school board, township or city offices)

Prohibited Contributions

- Labor Unions
- Corporations (LLCs, Sole Proprietorships and Partnerships are allowed)
- Domestic Dependent Sovereigns (Indian Tribes)
- Public Body Funds or use of Public Facilities
- Foreign Nationals (Prohibited Federally)
- Other Candidate Committees (Tickets to candidate fundraisers are allowed, \$100/year maximum)
- Anonymous (Must be donated to a charity)
- Cash over \$20
- Earmarked



Candidate and Immediate Family Contributions

- No limit from a candidate to their own committee
- No limit from a candidate's immediate family
 - Immediate family is defined as a candidate's spouse, a child residing in candidate's home, or a person claimed as a dependent of the candidate or candidate's spouse
- All candidate and immediate family contributions (direct and in-kind) must be disclosed – Loans must be designated as such when received



Contributions: Itemized Contributions, Schedule 1A

- Name, address, amount, and date
- Circle YES if it is a PAC receipt
- Check the type: direct, loan, or fund raiser
- If over \$100 cumulative MUST include occupation, employer, and employer address (retired or homemaker are acceptable) and must be done even for a candidate or spouse contribution
- Must keep a cumulative running total (e-file will help do this for you but not always, e.g., middle initial vs. no middle initial, so double check)
- Remember your contribution limits!
- Common mistake: Credit card contributions – it's the full amount they give you, not without the processing fee!

Contributions:

In-Kind Contributions, Schedule 1-IK

- Used if the candidate or someone else purchase goods or services to benefit the committee (not a direct contribution)
- Name, address, amount, description, and date
- Check type of in-kind contribution
- Vendor name and address
- Circle YES if it is a PAC receipt
- Check if it is for a fund raiser
- If over \$100 cumulative MUST include occupation, employer, and employer address (retired or homemaker are acceptable) and must be done even for a candidate or spouse contribution
- Must keep a cumulative running total (e-file will help do this for you)
- Remember your contribution limits! This counts towards it!

Late Contribution Reports

- Candidate Committees must report (within 48 hours) a contribution with a cumulative total of \$500.00 or more from the same contributor between the 15th and 3rd day before an election
- Must also report on subsequent campaign statement

Late Fees

Not to exceed the lesser of the following:

- The total of the amount of omitted late contributions or
 - \$25/business days 1-3
 - \$50/business days 3-10
 - \$100/business days 11-26
- Up to \$2,000



Late Contribution Reports Example

A candidate committee participates in a general election and is required to file late contributions from 10/20 -11/1

- Contributor A gives \$600.00 on 10/20: A report is required within 48 hours with a cumulative of \$600.00
- Contributor B gives \$400.00 on 10/20: No report is required
- Contributor B gives \$ 50.00 on 10/21: No report is required
- Contributor B gives \$100.00 on 10/25: A report is required within 48 hours of this receipt with a cumulative of \$550.00
- Contributor B gives \$1000.00 on 10/31: A report is required within 48 hours of this receipt with a cumulative of \$1550.00



Fines for Late Contribution Reports

- Late filing fees shall not exceed the lesser of the following:
 - The Total amount of omitted contributions or
 - \$2,000.00 to be assessed as follows
 - \$25.00/business days 1-3
 - \$50.00/business days 3-10
 - \$100.00/business days 11-26



Public Funds

MCL 169.257

(1) A public body or an individual acting for a public body shall not use or authorize the use of funds, personnel, office space, computer hardware or software, property, stationery, postage, vehicles, equipment, supplies, or other public resources to make a contribution.....



Itemized Expenditures Schedule 1B

Michigan Campaign Finance Act:

Section 6(1) “**Expenditure**” means a payment, donation, loan, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities in assistance of, or in opposition to, the nomination or election of a candidate, or the qualification, passage, or defeat of a ballot question.



Expenditures: Itemized Expenditures, Schedule 1B

- Name, address, amount, purpose, date
- Can use committee funds to donate to another candidate committee, but only up to \$100 for a fundraiser ticket (limit of once a year)
- Check box if for a fund raiser or payment on debt
- Expenditures over \$50 must be by written instrument (such as a check or money order)
- Common mistake: not listing credit card processing fees (this can be done by incidence or aggregate, whichever the system uses)
- Common credit card processing systems: Act Blue, Anedot, Win Red, Stripe, Transaxt



Expenditures: Memo Itemization of Expenditure

- Rare – used for multiple vendors or reimbursements
- A Committee that contracts with an agent or an independent contractor to make expenditures on its behalf must disclose the expenditures made to and by the agent or independent contractor. This is done by **Memo Itemizing** the expenditure.
- Commonly used for:
 - Vendors, consultants, campaign workers
 - Credit card payments
 - Reimbursements
 - Independent Contractors



Debts and Obligations, Schedule 1E

Debts and Obligations, Schedule 1E

- “Owed by” vs. “owed to” the committee
- Name, mailing address of to whom debt is owed
- Amount, reason, date
- Cumulative payments and outstanding balances
- Carry these over to future statement (e-file system will do this for you)
- Most common when the candidate loans the committee funds and intends to pay themselves back
- Can forgive it anytime

Fund Raiser, Schedule 1F

Fund Raiser, Schedule 1F

- Date event was held
- # of individuals attending or participating (whichever is greater)
- Type of activity (e.g., reception, dinner, etc.)
- Address of location
- Total contributions and cost of the event
- Can have a joint fund raiser with other committee(s)
- Must denote contributions on 1A form by ensuring Fund Raiser box is checked

Summary Page

Summary Page

- Subtotals of each schedule
- Period vs. cumulative
- Balance statement
- CHECK YOUR MATH!
- E-file does most of this – so use it!

E-File

E-File

- After submitting a Statement of Organization, our office will send you an email (if you provided one on the form) with a username and login instructions for the system, but only if you do NOT select a waiver
- You are not required to use this, but it is highly recommended
- System is available on our [website](#)
- Under “to do” you will be reminded of the statements you need to submit, but you will not get an automated email. Our office will email you a reminder as a courtesy.
- Pros of this system: checks math, automatic calculations, catches some mistakes before submission, autofill past information, and you can save and come back to it later
- Let's do a sample one together!

Professional Record Keepers

While this is not required to save you the time, headaches, and possible late filings fees, there are professional record keepers available for hire.

You MAY use committee funds to pay for them.

Our office will NOT file reports for you.

Notices and Other Communications



Notices

What happens when information is incomplete, late or missed the deadline?

- **Failure to File**

Issued when a committee fails to submit a required report – Committees that do not respond are referred to the Attorney General

- **Late Fees**

Assessed when a statement is not filed timely as provided under the Campaign Finance Act – Unpaid fees are referred to the County Treasurer for collection

- **Errors or Omissions**

Committees are required to provide missing information or explain possible errors

Fees may be appealed for “good cause” such as an accident, illness or loss of records due to a fire or flood – the statement must be filed before the appeal will be considered.



NOT Good Cause Reasons to Waive Late Fees

- Not receiving notice of filing requirement
- Not being in town
- Not picking up the mail
- Not being aware of law
- My dog ate my homework
- Not mailing until the filing deadline
- Not sending to the proper official
- Not knowing where to get forms
- Lazy treasurer 😊



Campaign Advertisements



Identification Requirements on Ads

- All paid political ads must contain an identifier (other than those paid by individuals, acting alone, who are not candidates)
- Print ads must contain “Paid for by (Name and Address of Committee)”
- Example: “Paid for by the Committee to Elect Mike Sullivan, 300 Monroe Avenue NE Grand Rapids, MI 49503.”
- Broadcast ads and “robo” calls must contain “Paid for by (Name of Committee)”
- Detailed information concerning identification requirements and a list of exempted items is included in the next slide



Identification Requirements Exemptions

Aerial Banners	Fortune Cookie Messages 1/2" X 2" Or Smaller)	Pendants
Ashtrays	Frisbees	Pennants
Badges & Badge Holders	Glasses	Pens
Balloons	Golf Tees	Pinwheels
Bingo Chips	Golf Balls	Plastic Tableware
Brushes	Hats	Pocket Protectors
Buttons	Horns	Pot Holders
Bumper Stickers (4" X 1 1/2" Or Smaller)	Ice Scrapers	Refrigerator Magnets
Campaign Stickers (3" X 1 1/2" Or Smaller)	Jar Lid Grippers (5" Or Smaller)	Rubber wrist bracelets with dimensions up to 1" wide and 8.25" in diameter
Candy Wrappers (1 1/2" X 2 1/2" Or Smaller)	Key Rings	Ribbons
Cigarette Lighters	Knives	Sun Glasses
Cloth Pot Holders	Labels	Shoe Horns
Clothes Pins	Lapel Pins/Stickers	Staple Removers
Clothing	Magnifying Glasses	Yo-Yo's
Coasters	Matchbooks	
Combs	Nail Clippers	
Cups	Nail Files	
Drinking Glasses	Noisemakers	
Earrings	Paper & Plastic Cups	
Emery Boards	Paper & Plastic Plates	
Envelopes	Paper Weights	
Erasers	Pencils	



Complaint Process

- The County Clerk does NOT investigate allegations of Campaign Finance Act violations
- All accusations should be reported to the [Michigan Bureau of Elections](#) – cannot be anonymous and all parties are given notice
- Campaign Finance Act requires the County Clerk notify the State Attorney General of committees that are delinquent in filing statements if not resolved within 10 days after the County notifies you

False Designation of Incumbency

Sec. 944. Any person who advertises or uses in any campaign material, including radio, television, newspapers, circulars, cards or stationery, the words incumbent, re-elect, re-election, or otherwise indicates, represents, or gives the impression that a candidate for public office is the incumbent, when in fact the candidate is not the incumbent, is guilty of a misdemeanor punishable as provided in section 934.



Dissolving a Committee

- The committee must bring all debts and assets to \$0.00 and provide the date of dissolution on the Cover Page of the final report
- All required reports must be filed
- All outstanding notices and fees must be answered, paid or successfully appealed prior to dissolution
- Incumbent Candidates cannot dissolve their committee until they are no longer holding or running for that position
- The Single Page Dissolution Form is only used by committees with reporting waivers
- Reporting Waiver committees can be automatically dissolved



Treasurer's Responsibility

- As outlined in MCL 169.222:
 - The treasurer assumes legal responsibility for the committee
 - The treasurer is responsible for keeping accounts, records, bills, receipts and electronic files for 5 years
 - Authorizes contributions received and expenditures made by the committee
 - Timely filing
 - Respond to Notices of Error or Omission and Late Filing Fee notices
 - Must sign original copy and all amended copies of the Statement of Organization
- A treasurer or other individual designated as responsible for the committee's record keeping, report preparation, or report filing who knowingly violates this section is subject to a civil fine of not more than \$1,000.00



Selecting a Treasurer

- Important things to consider:
- Availability to perform duties in a timely fashion
- Experience (have they ever acted as treasurer for another committee?)
- Knowledge of the MCFA or a willingness to become familiar with the law
- Proficient at recording and tracking financial activity and balancing accounts (checkbook)
- Technical skills: should be able to navigate the internet and have basic knowledge of computer software



Final Tips

- Use an Excel Spreadsheet or QuickBooks to track ongoing contributions and expenditures to assist with completing campaign finance statements
- Read the Candidate Manual
- Check out our [website](#) for a list of dates and other resources
- Use this PowerPoint slide as an aid when completing your reports
- Provide an email address you review regularly and mark emails received from the county as “not spam”
- Keep Statement of Organization up to date
- Apply for the waiver if anticipating little activity or dissolve the committee
- Consider hiring a professional record keeper



**MICHIGAN DEPARTMENT OF
STATE**

BUREAU OF ELECTIONS

517-373-2540

Michigan.gov/SOS

**KENT COUNTY CLERK
ELECTIONS DEPARTMENT**

616-632-7650

AccessKent.com/Elections



Elections Contact Information

Mailing Address

Kent County Elections
300 Monroe NW
Grand Rapids, MI 49503

Website

[AccessKent.com/Elections](https://www.accesskent.com/Elections)

Email

Michael.sullivan@kentcountymi.gov

Phone

616-632-7650





Thank You!

*Mike Sullivan
Kent County-Elections Director*

*Holly Hoffmann and Betsy Pelkey
Kent County-Elections Assistants*