

# Michigan Campaign Finance: Committee Manual Appendices



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# Appendix A: Committee Treasurer, Designated Record Keeper and Depository

## Committee Treasurer

- The treasurer must be an individual who is registered to vote in Michigan and therefore cannot be a company or firm.
- The position of treasurer is required per the Michigan Campaign Finance Act (MCFA). If the treasurer resigns and the position becomes vacant for a candidate committee, other than a judicial candidate committee, the candidate automatically becomes the treasurer. The candidate may choose to serve as treasurer or appoint a new individual. If a new appointment is made, an amended Statement of Organization must be filed.
- A PAC or Ballot Question Committee is allowed to have an out of state treasurer if the committee conducts business through an office or facility outside of Michigan; in this scenario the treasurer is required to complete the “irrevocable written stipulation” on the Statement of Organization.
- The treasurer’s legal responsibility for the committee consists of:
  - Signing the committee’s Statement of Organization when applicable.
  - Authorizing all contributions received and expenditures made by the committee.
  - Keeping the committee’s accounts, records, bills, receipts and electronic files of the committee for 5 years.
  - Timely filing of all required campaign statements and payment of all late filing fees assessed to the committee.
  - Written response to all Notices of Error or Omission sent to the committee.



## **Committee Designated Record Keeper**

- A committee may designate another individual, in addition to the committee treasurer, to share legal responsibility for the committee's records and filings; however the designated record keeper for the committee is not a required position per MCFA. Please see Committee Treasurer above for a list of legal responsibilities.
- The position of the committee's designated record keeper can be served by any individual including the candidate of a candidate committee with the exception of judicial candidates; however, it cannot be served by a company or firm.
- The designated record keeper must sign the committee's Statement of Organization when applicable; however does not have the authority to be the only signer of the committee's original or amended Statement of Organization.
- A designated record keeper may sign the committee's campaign statements in place of the committee treasurer.

## **Committee Depository**

- The committee's official depository must be a bank, savings and loan association or credit union located in Michigan.\*
- All contributions received by a Committee must be deposited into the
- committee's (removed quotation) official depository (removed quotation) as identified on the committee's Statement of Organization.
- Funds in the committee's official depository can be transferred to an account in a Michigan bank, savings and loan, or credit union in order to earn interest. Such an account would be a "secondary depository" and must be identified on the committee's Statement of Organization if it is in a different financial institution than the official depository. The funds may be placed into a savings or share account or a certificate of deposit and must be transferred back to the official account before being spent.
- Committee funds may not be used to purchase commodities, stocks, bonds, mutual funds, or land contracts; or placed in money market accounts or in any type of brokerage account unless the firm is chartered as a bank.



- A depository must be listed on the Statement of Organization; however, an account does not have to be opened until a contribution is accepted.
- Depositories may require federal employer identification number (FEIN) in order to open an account. Please contact the IRS for more information.

(\*The depository of a PAC or Ballot Question must be a bank, savings and loan association or credit union located in Michigan if the committee conducts business through an office or facility located in Michigan. A committee that is not required to have an official depository located in Michigan is required to complete the “irrevocable written stipulation” on the Statement of Organization.



## FAQs

**Question:** Does the Bureau of Elections provide some assistance on best record keeping practices?

Yes. Appendix A1 of the committee manuals outlines the best practices for campaign finance record keeping.

**Question:** Can a company be listed as treasurer or designated record keeper on the Statement of Organization? No, the treasurer and record keeper must be individuals.

**Question:** Who can serve as a treasurer or designated record keeper of a Candidate Committee?

Any person may serve as the designated record keeper; however Section 21(2) requires the treasurer be a qualified elector in the state of Michigan. A judicial candidate may not serve as treasurer or record keeper of their committee.

**Question:** I am a judicial candidate, why can't I be the treasurer or record keeper for my committee?

The Michigan Code of Judicial Conduct has set forth rules for judicial candidates. The staff at the Bureau of Elections is unable to assist with questions concerning judicial ethics or the Canons. Members may contact the SBM Ethics Helpline at 877-558-4760 to receive an informal, advisory opinion from a staff attorney regarding an ethics issue pertaining to the inquirer's prospective conduct. This number is reserved for lawyers and judges only. Staff counsel will not advise on past conduct of the inquirer, the conduct of another attorney or judge, on questions of law, or hypotheticals. The opinions of staff counsel are non-binding and advisory only.

**Question:** Who can serve as a treasurer or record keeper of a committee other than a Candidate Committee?

**Answer:** Any person may serve as the designated record keeper; however Section 21(3) requires the treasurer be a qualified elector in the state of Michigan if the committee conducts business through an office located in Michigan.



**Question:** My committee does not conduct business through an office in Michigan; does my treasurer have to be a qualified elector in the state of Michigan?

**A.** No, Section 21(4) allows a committee who does not conduct business out of an office in Michigan to have a treasurer who is a resident of another state. A treasurer who is a resident of another state must file an irrevocable written stipulation with their signed statement of organization.

**Q.** What legal responsibilities does a treasurer or designated record keeper have?

**A.** If a committee has both a treasurer and a designated record keeper, both share in the legal responsibility of the committee. These responsibilities include timely filing of campaign statements and preserving the committee's records to substantiate the information contained in a statement, payment of a late filing fee and keeping the committee's Statement of Organization information up to date.

**Q.** Does a committee treasurer or designated record keeper have a responsibility to inform other groups of the requirements of the MCFA?

**A.** Yes. As a courtesy to other groups, committee members that accept a contribution of \$500.00 or more from a business or other type of group are urged to advise the organization of the possible MCFA filing requirements. We urge you to help your contributors to avoid late filing fees or otherwise run afoul of the MCFA by advising them to contact the Bureau of Elections for more information.

**Q.** How long must the committee keep records?

**A.** Section 22 requires the records of a committee be kept for 5 years.

**Q.** Our treasurer resigned what should we do?

**A.** Section 21(8) states that a committee cannot accept a contribution or make expenditures without a treasurer; therefore the committee must appoint a new treasurer in order to function. An amendment to the statement of organization must be filed when the next campaign statement is due; however it is beneficial to the committee to file the amendment as soon as any information has changed so that they continue to receive important information from the Bureau of Elections.

**Q.** I have resigned as treasurer of a committee. The committee has not updated their records, what can I do?



**A.** If you have resigned as treasurer and the committee has not updated the Statement of Organization to reflect the appointment of a new treasurer, you may send correspondence to MDOS- CampaignFinance@michigan.gov stating as such. Upon resignation, you have a responsibility to ensure the committee records are properly transferred to the new treasurer or committee principals.

**Q.** Can we use a brokerage firm as the official depository?

**A.** No, a committee must hold assets in a federal or state chartered bank, savings and loan association or credit union. The committee's funds must be kept in an account where they are always subject to the complete control of the committee.

**Q.** Must a bank account be opened before I can start campaigning?

**A.** No, Section 21(6) states that a bank account is not required until the committee receives a contribution or makes expenditures.

**Q.** I am a candidate and will only be using my own funds to campaign; do I have to open a separate bank account for the committee?

**A.** A candidate may make expenditures for the committee out of their personal account, therefore a bank account need not be opened if the candidate is fully funding their own campaign. However, a separate account must be opened as soon as the committee receives a contribution from a person other than the candidate.

**Q.** What is a secondary depository?

**A.** A secondary depository is used to only to deposit contributions and promptly transferring those deposits to the committee's official depository. No expenditures are to be made out of the secondary depository.

My bank is asking me for a Federal Employer Identification Number (FEIN) in order to open an account. Where do I get that? If a bank is requiring the committee to have a FEIN, you will need to contact the Internal Revenue Service (IRS). Forms may be downloaded from the Internal Revenue Service website at [www.irs.gov](http://www.irs.gov) or call 1-800-829-3676 or visit the closest Internal Revenue Service Office. To request assistance with preparation of a form, call 1-800-829-1040.



## Rulings

Date	To whom	Type of Ruling	Section(s) of law	Complete Text Link
08/04/1993	Olson	IS	6(3), 21(6)	<a href="#">Olson 08/04/1993</a>
03/31/1989	Freels	IS	22 24(1)	<a href="#">Freels 03/31/1989</a>
05/26/1987	Brackenrich	IS	21(3), 49, R1(1)	<a href="#">Brackenrich 05/26/1987</a>
09/04/1981	DeSana	IS	4(1), 21(3), 28, 49, R1(1)	<a href="#">DeSana 09/04/1981</a>
12/03/1980	Hohendorf	IS	33(3)	<a href="#">Hohendorf 12/03/1980</a>
12/14/1979	Parish	IS	22	<a href="#">Parish 12/14/1979</a>
05/30/1979	Thomas	IS	6 (3), 21(4), 24(1)	<a href="#">Thomas 05/30/1979</a>
05/30/1979	O'Brien	IS	21(3), 28)2), R1(1)	<a href="#">O'Brien 05/30/1979</a>
04/07/1978	Wyszynski	IS	21	<a href="#">Wyszynski 04/07/1978</a>
09/02/1977	Damstra	DR	6(3), 24(1)	<a href="#">Damstra 09/02/1977</a>



# Appendix A1: Campaign Finance Recordkeeping - Best Practices

Committees are funded by volunteer contributions from individuals, groups and organizations that want to participate in our political process. Contributors, large and small, want their interests represented and considered. When they donate to a campaign, they are putting their trust in the committee to carefully manage and spend the funds responsibly and legally. It is incumbent upon the committee members to put in place basic measures to keep that trust.

Contents:

- All Committees Must Comply With the MCFA
- The Role of a Treasurer and Designated Record Keeper Newly Appointed Treasurer – Getting Started Accountability Through Accurate Recordkeeping Recommended Internal Controls
- Liabilities
- Filing Schedule
- How Can E-Filing Benefit a Treasurer?

**All Committees Must Comply With the MCFA:** A committee cannot accept contributions or pay expenditures without having a Treasurer on file with the appropriate filing official. The responsibilities of the Treasurer may change slightly depending on the various committee types (i.e. Political and Independent Committees (PACS), Independent Expenditure Committees (IEC/Super PACS), Candidate Committees, Political Party Committees, or Ballot Question Committees); however the tasks are essentially consistent. All Committees must comply with the MCFA. Compliance requires the Treasurer be committed to obtaining and applying:

- knowledge of the MCFA;
- attention to detail;
- time and care in recording and reporting committee activity;
- accountability and honesty.



All Committees must comply with the MCFA. The Bureau of Elections conducts instructional webinars for committees that seek guidance in complying with the MCFA and its disclosure obligations. The webinars also provide instruction on the use of the filing program. Visit our website for more information at <http://www.Michigan.gov/campaignfinance>. Bookmark this site and visit often for updates.

The **Role of a Treasurer and Designated Record Keeper:** The Treasurer's role is vitally important to the success of a committee.

- assumes legal responsibility for the committee;
- is responsible for keeping the committee's accounts, records, bills, receipts and electronic files of the committee for 5 years;
- must authorize all contributions received and expenditures made by the committee;
- is responsible for the timely filing of accurate and complete campaign statements; and
- is responsible for responding in writing to all Notices of Error or Omission sent to the committee and for timely payment of all late filing fees assessed to the committee.

A committee may designate another individual in addition to the committee Treasurer, commonly called the committee's "designated record keeper," as equally responsible for the committee's record keeping, report preparation, or report filing. The committee's designated record keeper and be served by any individual and shares legal responsibility for the committee with the Treasurer.

**Newly Appointed Treasurer – Getting Started** Here is a list of tasks that we suggest for newly appointed Treasurers or Treasurers that want to implement our best practices.

Bookmark our website at [www.michigan.gov/campaignfinance](http://www.michigan.gov/campaignfinance) and visit often for update.

- Review the "Getting Started" checklist for the committee by visiting our website at [www.michigan.gov/campaignfinance](http://www.michigan.gov/campaignfinance)
- Review bank signatories and add or delete names as appropriate.
- Review and update the committee Statement of Organization on file with the filing official. File amendments as needed.



- Obtain all check books, credit/debit cards from the outgoing Treasurer. Meet with the outgoing Treasurer to discuss all spending commitments, campaign filing deadlines, the current budget, etc.
- Organize a meeting with the Candidate (for Candidate Committees) and other committee members to discuss the financial status of the committee.
- Prepare a calendar timeline of all upcoming campaign statement filing deadlines. Become familiar with the filing program. Register for the training Webinars offered by the Bureau of Elections.
- Prepare monthly budget statements by reviewing past bills, bank statements and campaign statements. Become familiar with the past normal operation of the committee.
- Get organized and plan to maintain accurate monthly records of all financial
- transactions (incoming and outgoing funds).
- State filers: The campaign finance newsletter, "The Full Disclosure Report" is automatically sent to the committee email addresses provided.

**Accountability through Accurate Recordkeeping:** The integrity and accountability of a committee's recordkeeping must be maintained at all times to minimize and prevent errors and embezzlement of funds. The Treasurer must keep detailed records of all receipts, transfers, loans, liabilities, contributions and expenditures to keep the committee financially sound. These records must be kept on file by the committee for a period of 5 years; and they must be available to substantiate the filings made under the MCFA.

- The Treasurer and the Designated Record Keeper should monitor and oversee all transactions, including sources of revenue, anticipated expenses, loans, contributions received or disbursed, etc.
- Establish and maintain a monthly spreadsheet to document all financial transactions. Back up and save the records on a separate storage media that is kept in a secure place separate from the original files.
- Bank statements and the checkbook should be balanced monthly. Always reconcile bank transaction amounts immediately; and if



unexplained errors occur then contact the bank/credit union for further review.

- Take into consideration, contributions handled by candidates and committee members, copies of vouchers, bank statements, cancelled or voided checks, payments (especially those authorized by a candidate), etc. All financial records should be kept by the committee for 5 years to validate and substantiate campaign statements.
- If there are variances of any kind that cannot be explained, alert the other committee members.
- If embezzlement of funds has been uncovered, immediately notify the other committee members. Also, law enforcement and the filing official should be notified as well. Amended campaign statements may be needed to correct any reporting errors due to the misappropriation.

**Recommended Internal Controls:** It is incumbent upon the candidate (for Candidate Committees) and committee members to establish internal controls to protect committee members and funds. To assist committees, the following are recommended as the minimum internal controls that committees should implement to prevent misappropriations and falsified disclosure reports.

- Open the committee's bank account in the committee, name and with the committee's Employer Identification Number (EIN). It is in the committee's best interest to never open a bank account in a committee member's name and with their Social Security Number. A candidate must never commingle the funds of his personal account with funds collected or attributed to the committee.
- Three way reconciliation is recommended. Bank statements should be reviewed and reconciled for any discrepancies every month. Compare the bank statement balance with the checkbook balance. Then compare the bank statements to the campaign statements. Prior to filing any campaign statements, someone other than the check signatory (or Treasurer) should reconcile all bank records for accuracy.
- Thoroughly examine monthly bank statements and all cancelled checks to make sure that every check has been accounted for (or voided out) and that the numbers are not out of sequence. Ensure that all blank checks have not been pre-signed. If possible, store the checks in a locked area and limit access.



- Bank statements and records should be reviewed, initialed, dated and filed under lock and key. The MCFA provides that committee records must be preserved and kept on file for 5 years.
- Assign separate staff to handle the committee deposits and expenditures. The same person should not handle both responsibilities.
- All cash and check collections should be recorded and deposited in the bank/credit union daily. A list of all committee receipts should be kept and a restrictive stamped endorsement (i.e. "For Deposit Only to the Account of the Committee Name") should be used on the back of each committee check.
- Care should be taken when using online contribution collection services. By using these services, the committee is giving the organization authority to collect contributions for the committee and is therefore an agent of the committee.
- Online contributions should be reported as being received on the day the vendor reports receiving the contribution. Any fees associated with using this service should be reported as an expenditure and not deducted from the contribution amount.
- Deposits should be made by two individuals. Periodically, conduct unannounced cash and check counts.
- Committee checks, wire transfers and disbursements that exceed \$500 should be authorized and signed by two different individuals.
- Restrict the use of credit/debit card to only one or two individuals. Set up account limits and cash withdrawals with the issuing credit card companies and the banks/credit unions.
- Review monthly all credit/debit charges; cell phone bills; mileage reimbursements; and other committee expenses are appropriate and are business related.

## **Liabilities**

The Treasurer, Designated Record Keeper and Candidate are all liable for the committee's fund handling and late filing fees. It is in all of the committee members best interests to adhere to the guidelines and duties stated in the MCFA and follow the minimum best practices outlined in this publication.



- Late Filing Fees are assessed when committees fail to file a campaign statement/report timely. The MCFA holds Treasurers, Designated Record Keepers and candidates equally and severally liable for the payment of late filing fees.
- Penalties for violations of the MCFA range from civil fines to possible felony convictions. Review the potential penalties in Appendix N.
- Treasurers that resign from a Committee are required to work with the new Treasurer to transfer all financial information and records of the committee (i.e. bank statements, passwords, debit/credit cards, etc.).
- When the Treasurer resigns from a Candidate Committee, the Candidate automatically becomes the Treasurer until a new Treasurer is appointed.

## **Filing Schedule**

It is the responsibility of the Treasurer to maintain accurate and complete records of all financial contributions and expenditures. This financial information must be filed via campaign statements that are required by the MCFA on specific due dates with specific coverage dates.

- Plan ahead and use a calendar tool to map out the specific filing due dates of the committee. Filing Deadline schedules according to committee types are found in the Campaign Statement Finance Schedule and should be closely monitored.
- Take advantage of our filing reminders and read all emails and letters sent by the Bureau of Elections. The campaign finance newsletter, "The Full Disclosure Report" is automatically sent to the committee email addresses provided.
- Don't wait until the last minute to file or add data to your filings. Filing deadlines cannot be extended.

## **How Can the MiTn program benefit a Treasurer?**

The Bureau of Elections offers free filing program called the Michigan Transparency Network (MiTn) which Campaign Treasurers can use to file their committee's mandatory original and amended Campaign Financial Reports over the Internet. The program is accessible by creating an MiLogin account. This program is beneficial and is available to all state level committees that file with the Michigan Secretary of State's office.



- Webinar Trainings for Compliance with the MCFA and the MiTn program are free and offered by the Bureau of Elections several times a year.
- The system assists committees in complying with the MCFA by tracking contribution cumulative, expenditure cumulative and provides warnings when potential violations have occurred.



# Appendix A2: Information for Michigan Financial Institutions

The following provides information on the Michigan Campaign Finance Act (MCFA) concerning State Level committees establishing accounts in Michigan.

Committees include the following:

- Governor
- Lt. Governor Secretary of State Attorney General State Senate
- State Representative
- State Board of Education University of Michigan Regent
- Michigan State University Board of Trustees Wayne State University Board of Governors Supreme Court
- Court of Appeals Circuit Court Probate Court
- Probate District Court District Court Municipal Court
- State Level Political or Independent (PAC) Committees, including Super PACS
- State Level Ballot Question Committees
- All Political Party Committees include State Central, Congressional District and County committees

## New Electronic Filing of the Statement of Organization

In July of 2016, the Bureau of Elections established a mandatory online system for filing of an original or amendment to the Statement of Organization for state level committees. This includes candidate committees, political action committees, ballot question committees and political party committees. See above descriptions for details. The electronic filing requirement does not apply to committees filed on the local level with a county clerk's office.

This means that the process to verify the official filing of a State Level committee has changed. Prior to this change, the committee received a



paper copy of the Statement of Organization with the official date stamp of the Bureau of Elections. **This process has been replaced with electronic records and email notifications.**

To verify the official filing of a committee the official date stamped copy has been replaced with the electronic display and email notifications from the Bureau of Elections. The committee filing record is promptly displayed on the Bureau of Elections website and each committee receives a series of email notifications from our office.

More details and what to look for are available below.

## **Records on the Internet**

Because the committees are submitting the form electronically, the Bureau of Elections is able to approve the filing and post it to the Bureau website promptly. The submissions are reviewed and posted each business day. To access the committee records go to the Michigan Campaign Finance Committee Search page then:

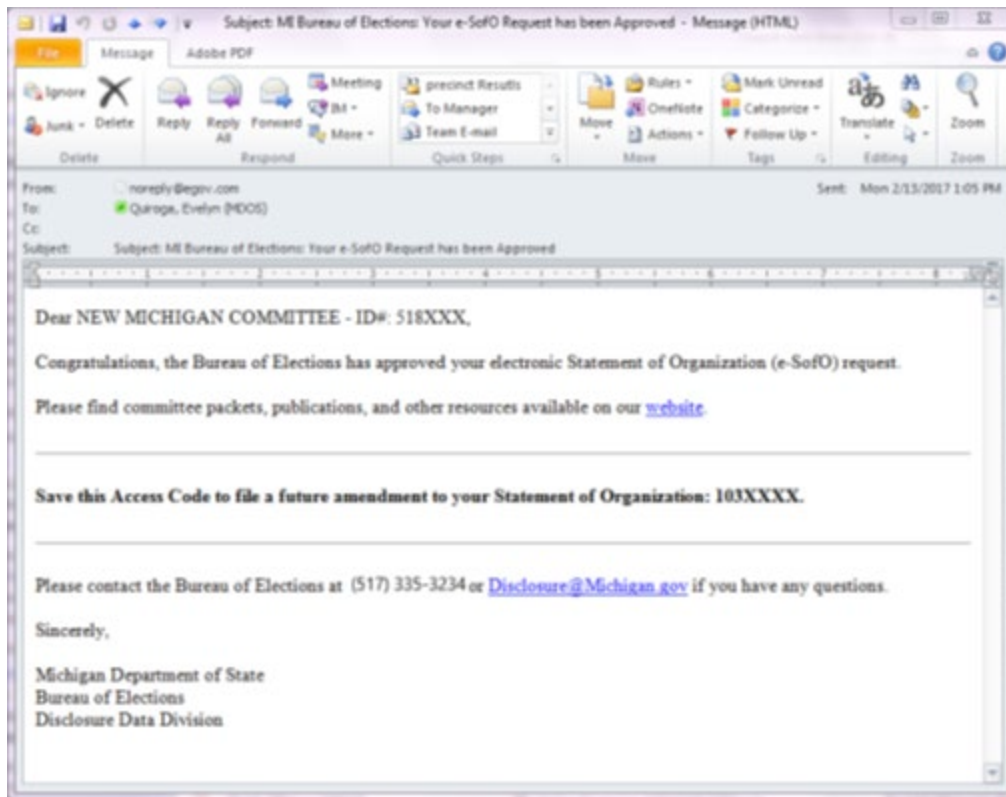
- Enter information in fields to query the database (Note: Bookmark this page)
- Select the committee record and
- Review the record selected to confirm the filing.

In the event that the system is not accessible for any reason and the committee is not able to provide sufficient supporting documentation, (See section below on Alternative/Additional Supporting Documentation) the Bureau of Elections staff is available to confirm the committee filing records over the phone during regular business hours.

## **Alternative/Additional Supporting Documentation**

As an alternative or additional supporting documentation, the committee can be asked to produce the email notifications received from our office at the time of filing the Statement of Organization. A sample email is included below.





# Appendix B: Registering a Committee with a Statement of Organization Form

All committees must register with the appropriate filing official using the Statement of Organization form designed for that committee type (i.e. Candidate, PAC, Super PAC, Political Party or Ballot Question). Committees filing at the State level must file this form electronically. The chart below is provided to outline the filing official and due date for the Statement of Organization form. For detailed information on committee types, see Appendix H.

<b>Committee Type</b>	<b>Filing Official</b>	<b>Statement of Organization Due</b>	<b>Special Notes</b>
Candidate for any Statewide Office: <ul style="list-style-type: none"> <li>• Governor</li> <li>• Lt. Governor</li> <li>• Secretary of State</li> <li>• Attorney General</li> <li>• State Board of Education</li> <li>• UofM Regent</li> <li>• MSU Trustee</li> <li>• WSU Governor</li> </ul>	Bureau of Elections in Lansing	10 calendar days after the committee is formed.	
Candidate for State Legislature <ul style="list-style-type: none"> <li>• State Representative</li> <li>• State Senate</li> </ul>	Bureau of Elections in Lansing	10 calendar days after the committee is formed.	
Candidate for any Judgeship <ul style="list-style-type: none"> <li>• Supreme Court</li> <li>• Court of Appeals</li> <li>• Circuit Court</li> <li>• District Court</li> </ul>	Bureau of Elections in Lansing	10 calendar days after the committee is formed.	



<ul style="list-style-type: none"> <li>• Probate Court</li> <li>• Municipal Court</li> </ul>			
Candidate for County, City, Township, Village, Public School Board, Community College Board	Local County Clerk's Office	10 calendar days after the committee is formed.	
Candidate for Federal Office	Federal Election Commission		
<p>PACs</p> <ul style="list-style-type: none"> <li>• Political Committee</li> <li>• Independent Committee</li> <li>• SuperPAC/Independent Expenditure</li> <li>• Caucus Committee</li> </ul>	Bureau of Elections in Lansing	10 calendar days after the committee spends or receives \$500 in a calendar year.	Districts of candidates or ballot questions supported/opposed by PAC are within the same county:  Exception for State Level Recall Elections. (See Appendix M)
<p>Local PACs</p> <ul style="list-style-type: none"> <li>• Political Committee</li> <li>• Independent Committee</li> <li>• SuperPAC/Independent Committee</li> </ul>	Local County Clerk's Office	10 calendar days after the committee spends or receives \$500 in a calendar year.	Districts of candidates or ballot questions supported/opposed by PAC are within the same county:  Exception for State Level Recall Elections. (See Appendix M)
<p>Political Party Committee</p> <ul style="list-style-type: none"> <li>• State Central</li> <li>• Congressional District</li> <li>• County</li> <li>• Party attempting Ballot access</li> </ul>	Clerk of that County	10 calendar days after the committee spends or receives \$500 in a calendar year.	
Ballot Question Committee	Clerk of that County	10 calendar days after the committee spends or receives \$500 in a calendar year.	Ballot Question will be voted on in one county.
Ballot Question Committee (Multi-County)	Clerk of that County having the greatest	10 calendar days after the committee	Ballot Question will be voted on in more than



	number of registered voters eligible to vote on the Ballot Question	spends or receives \$500 in a calendar year.	one county; but not Statewide
Ballot Question Committee (Statewide)	Bureau of Elections in Lansing	10 calendar days after the committee spends or receives \$500 in a calendar year.	Ballot Question will be voted on Statewide

(\* ) A candidate whose district crosses county boundaries files with the County Clerk of the county having the greatest number of voters eligible to vote in the candidate election.

(\*\* ) Formed is defined as selecting a treasurer, selecting a depository and making the decisions required to complete the Statement of Organization form. Formation must take place on or before the 10th calendar day following the date the candidate met the definition for becoming a candidate under the MCFA. See Candidate Manual for the definition of becoming a candidate.

## Statement Of Organization FAQs

**Q.** When should a committee file a Statement of Organization?

**A. Candidates** seeking state, judicial, county, city, township, village and certain school offices in Michigan must form and register a committee by filing a Statement of Organization with the appropriate filing official within 20 calendar days of meeting the definition of a candidate. This is true even if he or she uses personal funds to campaign; does not receive or spend any funds when seeking office; or is running a write-in campaign.

**PACS, Ballot Question Committees and Party Committees** have 10 calendar days to register as soon as the “person” or group receives or spends \$500.00 or more in a calendar year. The committee must file a Statement of Organization with the appropriate filing official. Committees are “persons” or groups that:

- receive contributions or make expenditures to influence voters for or against the nomination or election of a candidate;



- receive contributions or make expenditures to influence voters for the qualification, passage, or defeat of a ballot question;
- make independent expenditures to influence voters; or
- receive contributions or make expenditures to assist a political party in qualifying for ballot access in Michigan.

**Q.** Where do I file the Statement of Organization form?

**A.** Candidate Committees: Offices that file their Statement of Organization with the Michigan Department of State’s Bureau of Elections:

- Governor, Lt. Governor, Secretary of State, Attorney General, State Senate, State Representative, State Board of Education, University of Michigan Regent, Michigan State University Trustee, Wayne State University Governor, Michigan Supreme Court, Court of Appeal, Circuit Court, District Court, Probate Court and Municipal Court.

Offices that file their Statement of Organization with the County Clerk’s Office:

- County, City, Township, Village, Public School Board and Community College Board.
- A local candidate whose district crosses county boundaries must register with the Clerk of the County where the greatest numbers of eligible voters reside.

PACS:

- Committees supporting or opposing candidates or ballot issues that reside within one county, file their Statement of Organization with the Clerk of that county.
- Committees supporting or opposing candidates or ballot issues over multiple counties, file their Statement of Organization with the Michigan Department of State.
- If the only “multi-county” candidate supported by the committee is a school board candidate, the committee files with the clerk of the county where the greatest number of voters eligible to vote on the office resides.

Political Party Committees: All Political Party Committees file their Statement of Organization with the Michigan Department of State.



## Ballot Question Committees:

- If the ballot question supported or opposed by the committee will be voted on in one county, the committee files the Statement of Organization with the clerk of that county.
- If the ballot question supported or opposed by the committee will be voted on in more than one county, the committee files the Statement of Organization with the clerk of the county having the greatest number of registered voters eligible to vote on the ballot question.
- If the ballot question will be voted on statewide, the committee files the Statement of Organization with the Michigan Department of State, Bureau of Elections.

**Q.** What should the committee use for the formation date?

**A.** Candidate Committees: As soon as a person becomes a “candidate” under Michigan’s Campaign Finance Act, he or she has:

- Up to Ten (10) calendar days to form a Candidate Committee.

After the committee is formed, the candidate has:

- Ten (10) additional calendar days from its formation date to register the committee by filing the statement of Organization with the appropriate filing official.

Other Committee Types: Once the \$500.00 threshold is met, the committee has 10 calendar days to form and register with the appropriate filing official.

**Q.** Why does the committee need to provide an email address?

**A.** Most of the correspondence that is sent out by the Campaign Finance Department, is sent via the US Post Office and any email addresses we have on file for the committee. Providing an active email address on the committee’s Statement of Organization, helps to ensure that the committee receives campaign finance related information as quickly as possible.

**Q.** Does the committee need to set up a bank account prior to filing the Statement of Organization?

**A.** A depository must be listed on the Statement of Organization; however, an account does not have to be opened at the designated bank, savings and loan association or credit union until a contribution is accepted.



More information on setting up a bank account can be found in Appendix A of the Committee Manual.

**Q.** What is an Employer Identification Number (EIN) and where does the committee get one?

**A.** An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Some financial institutions will require the committee to get an EIN before they will allow them to set up an account. This is not a requirement of the MCFA. The committee can apply for an EIN at the IRS website using this link.

**Q.** What is a Reporting Waiver?

**A.** Candidate and Ballot Question Committees: A committee that does not expect to receive or spend more than \$1000.00 for an election can obtain a Reporting Waiver by selecting **YES** on the Statement of Organization or on an amended Statement of Organization. A committee that maintains a Reporting waiver is exempt from filing detailed Campaign Statements unless it exceeds the \$1000.00 threshold. The Reporting Waiver does not exempt the committee from filing 48 Hour/Late Contribution Reports.

Other Committee Types: A committee that does not expect to spend or receive more than \$1000.00 in a calendar year can obtain a Reporting Waiver by selecting **YES** on its Statement of Organization or on an amended Statement of Organization. A committee that maintains a Reporting Waiver is exempt from filing detailed campaign statements unless it exceeds the \$1000.00 threshold. The Reporting Waiver does not exempt the committee from filing 48 Hour/Late Contribution Reports.

**Q.** What does the committee need to do to re-establish a Reporting Waiver?

**A.** Once a committee has brought its cash balance below \$1,000 and debt below \$1,000, the committee can file an Amended Statement of Organization with **YES** selected requesting a reporting waiver.

**Q.** What is a Separate Segregated Fund (SSF)?

**A.** A corporation, joint stock company, labor organization, or domestic dependent sovereign that wishes to support or oppose candidates must establish a single "separate segregated fund." The fund may also be used to support or oppose ballot questions.

A separate segregated fund must be registered as either an Independent or Political Committee within 10 calendar days after \$500.00 or more is



received or spent in a calendar year to support or oppose candidates or ballot issues. Either the Independent or Political Committee contribution limits will apply to the separate segregated fund. All other committee requirements also apply.

**Q.** What is the difference between a Political Action Committee and an Independent Political Action Committee?

**A.** Political Action Committees are formed to support or oppose one or more candidates and they may also support or oppose ballot questions. A Political Committee must observe the same contribution limits that apply to individuals.

Independent Political Action Committees are formed to support or oppose three or more candidates. They may also support or oppose ballot questions. An Independent Committee that meets the following three criteria may give a candidate ten times the amount a Political Committee is permitted to give the candidate: (1) registers as an Independent Committee at least six months before the election (2) received contributions from a at least 25 persons and (3) in the same calendar year that the 25 contributions are received, expends funds to support or oppose three candidates for elective office. An Independent Committee must adhere to contribution limits applicable to Political Committee until the committee meets the criteria detailed above.

**Q.** Who must sign the Statement of Organization?

**A.** Candidate Committees: For Candidate Committees, the candidate and the treasurer must sign the Statement of Organization. If the committee has a record keeper and the committee also plans to file their statements electronically, then the record keeper must sign also.

All other committee types: The treasurer must always sign the document. If the committee has a record keeper and the committee also plans to file their statements electronically, then the record keeper must also sign the document.

**Q.** When does the committee need to amend the Statement of Organization and what items need to be filled out?

**A.** Whenever there is a change to one or more of the items on the Statement of Organization, the committee is required to report the change(s) to their filing official by filling an Amended Statement of Organization.



The Amended Statement of Organization should include the Committee ID number and include just the changes to the document. The Amended Statement of Organization has the same signing requirements as an Original Statement of Organization.

**Q.** Does the committee have to check one of the boxes for Electronic Filing? What if the committee plans to file on paper?

**A.** The committee only needs to check one box on the Electronic Filing section of the Statement of Organization if they are required or plan to file their Campaign statements electronically. If the committee will be filing paper Campaign Statements then they should skip the Electronic Filing section.

**Q.** I don't have a committee ID number yet, what should I put in item 1 on my original filing?

**A.** If the committee does not yet have a committee ID number, then they should leave item 1 blank and a committee ID number will be assigned and sent to the committee by their filing official.

**Q.** Who can be the committee's treasurer?

**A.** Candidate Committees: The treasurer must be a registered to vote in Michigan. The candidate may serve as the treasurer with the exception of a judicial candidate.

Political Party and Caucus Committees: The treasurer must be a registered to vote in Michigan.

Other Committee Types: The treasurer of a PAC or Ballot Question must be a qualified elector of Michigan if the committee conducts business through an office or facility located in Michigan. A committee that wishes to have a treasurer who is not a Michigan resident is required to complete the "irrevocable written stipulation" on the Statement of Organization.

Check out Appendix A of the Committee Manual for more information on Treasurers.

**Q.** Who can be the committee's designated record keeper?

Any individual can serve as the committee's designated record keeper.

The candidate may serve as the designated record keeper with the exception of a judicial candidate.



Check out Appendix A for more information on Record Keepers.

**Q.** After I file my Statement of Organization, what comes next?

**A.** After filing the committee's Statement of Organization the committee should receive a correspondence from their filing official letting them know what their committee ID number is.

Committees should also make an effort to find out what their filing schedule for campaign statements are on the Campaign Finance Disclosure web page.

If you have further questions, do not hesitate to contact the Campaign Finance Department at 517-335-3234 or by email at MDOS-CampaignFinance@michigan.gov.

## **Keeping the Committee's Statement of Organization Current**

The committee is required to amend its Statement of Organization if any information presented on the form changes. Statement of Organization amendments must be filed no later than the due date of the next upcoming Campaign Statement required of the committee. A committee is free to file required Statement of Organization amendments earlier if desired. The candidate and the committee treasurer serving at the time the change took place must sign Statement of Organization amendments.



# Appendix B1: Filing Requirements

Committees are encouraged to become familiar with the filing requirements and filing methods available for filing campaign statements and other documents under the Michigan Campaign Finance Act (MCFA). Filing officials seek to disclose all filings and correspondence received by a committee accurately and timely. While the MCFA requires filing officials to assess late filing fees in the event that a required statement is filed late, a primary mission of the filing official is to disclose the information to the public for review. The information provided here is intended to assist committees in filing timely and to avoid late filing fees.

## Date And Time Statements Are Required

All statements are due by 5:00 pm on the due date. This is true for both paper and electronic filings. If a statement deadline falls on a Saturday, Sunday, state holiday or postal holiday, the due date is moved to the next business day.

Late filing fees are assessed for each business day a required statement remains unfiled until the maximum fee is reached. Section 16 of the MCFA provides methods for committees to guarantee timely filings. See **ensuring timely filings** below for more information on this subject.

## Number Of Campaign Statements Required

The number of campaign statements required varies with each filing official. Committees on file with a county clerk's office must consult their offices on the appropriate number of statements required with each filing.

The Bureau of Elections requires only the original statement if filing via paper; no additional copies are required. Campaign statements submitted electronically do not require any paper copy follow-up. If the committee is filing the Statement of Organization electronically, paper follow-up is required only for the original statement and when there is a change in the candidate name, treasurer or designated record keeper. The e-SofO system provides prompts if a paper copy is required.

## Ensuring Timely Filings

Electronic filings must be transmitted and received by 5:00 p.m. on the due date. Paper filings:



- Any statements that are hand delivered or sent by first class mail must reach the appropriate filing official before 5:00 p.m. on the due date. **The postmark for first class mail does not guarantee timeliness of the filing.** Committees must be sure to allow adequate mailing time when sending a filing by first class mail.
- A Statement of Organization, Annual, Post-Election, January Quarterly or April Quarterly statement that is sent by registered mail, certified mail or an overnight delivery service and postmarked **on or before** the filing deadline will be accepted as a timely filing regardless of when it is delivered. In the event that the filing is lost in the mail, the committee will be required to provide a copy of the mail receipt and a copy of the lost statement.
- A Pre-Election, July Quarterly or October Quarterly Statement that is sent by registered mail, certified mail or an overnight delivery service and postmarked **two or more days** before the filing deadline will be accepted as a timely filing regardless of when it is delivered. In the event that the filing is lost in the mail, the committee will be required to provide a copy of the mail receipt and a copy of the lost statement.

## Requirements For Acceptable Filings

### *Paper Filings*

- A campaign statement, filed on paper, may not be accepted if it is illegible, does not bear a proper signature, is printed on paper that is not the proper size, or is not filed on paper forms provided by the Department of State or forms previously approved in writing by the department's Bureau of Elections or designated filing official. Contact the Bureau of Elections or your filing official for information and written pre-approval of substitute forms.
- A campaign statement, filed on paper, must be complete and accurate, and verified as such by the committee treasurer or designated record keeper. The campaign statement must be signed by the committee treasurer or designated record keeper. The designated record keeper may sign the statement in place of the committee treasurer. If the committee is a candidate committee, the candidate must sign the campaign statement as well.



## *Electronic Filings with the Bureau of Elections*

- Campaign statements may be filed electronically using the MiTN or an approved privately purchased software. Electronic filings are submitted over the Internet.
- Electronic filings must meet all specifications of the Bureau of Elections and must be able to be uploaded into the Bureau's database. A PDF or other image copy of a statement submitted via email or removable media does not meet the requirements for electronic filing.
- The committee may obtain access to the MiTN program from the Bureau of Elections at [www.michigan.gov/campaignfinance](http://www.michigan.gov/campaignfinance). The MiTN program and support is free.
- The committee must have appropriate signatures on file and passwords issued before filing electronically with the Bureau of Elections.

## *Electronic Filing with a County Clerk*

Committee's must contact the County Clerk's Office for information concerning electronic filing. The Bureau of Elections is not able to provide guidance for the specific programs in place by the any County Clerk's Office.

## **Filing with the Bureau of Elections – FAQs**

The Bureau of Elections provides the following information for committees that file on the state level. Committees filed with their local county clerk's office should contact that office to determine how filings may be received.

**Q.** Are all original campaign statements due at 5:00 pm?

**A.** Yes. The MCFA provides that all original statements are due by 5:00 pm on the due date. This is true for both paper and electronic filings. Filings submitted to the Bureau of Elections by any of the methods indicated below must be received by 5:00 pm on the due date to be considered timely.

- Email
- Fax
- Regular mail delivery
- Hand delivery



A filing received by any of these methods and received after 5:00 pm is considered received the next business day for late filing fee purposes. Below are some considerations in determining what method to use for filing:

The Bureau of Elections uses the receipt date provided on the Bureau's equipment and filing program. For example, the date stamp of the Bureau's fax machine or email time stamp will be used to determine the date and time of receipt of a filing.

The Bureau of Elections is not responsible for failures of the equipment and filing program. Committees are responsible for ensuring that the filing is received regardless of the filing method chosen. While fax and email transmissions will not be rejected, they are not recommended filing methods.

If the filing is not received, the committee will be responsible for any late filing fees assessed based on the actual date and time received. Evidence of attempting to file is not sufficient cause for waiving a late filing fee under the MCFA.

Documents that are filed on paper and required to be filed electronically are considered 'not received' until the electronic statement is received. Late filing fees will be assessed based on the receipt date and time of the electronic filing.

**Q.** What types of mail are guaranteed by the MCFA?

**A.** As explained above in more detail, the Section 16 of the MCFA details that certified mail, registered mail and overnight delivery service mail when post marked timely guarantees the committee timely filing regardless of when the filing actually arrives at the Bureau of Elections. This is true even if the filing is lost in the mail.

Guaranteed timely delivery also eliminates the chance that the committee will incur any late filing fee for that specific filing.

Pre-Election, July and October Quarterly Campaign Statements must be post marked at least 2 or more days prior to the due date and mailed by certified registered, or overnight delivery service. Other statements must be post marked on or before the due date and mailed by certified registered or overnight delivery service.

**Q.** Is two (2) day priority mail guaranteed by the MCFA?



**A.** Yes. The Bureau considers this type of delivery an express delivery service and it provides a verifiable record of the mailing date and time.

**Q.** Committees must send the Bureau of Elections a variety of document types. What filing methods can be used for each type?

**A.** To answer this question, the chart below is provided to assist in determining the different methods of filing statements with the Bureau of Elections.

<b>Type of Filing</b>	<b>Fees Apply?</b>	<b>Acceptable Filing Methods</b>	<b>Notes</b>
Original Statement of Organization	Yes	First class mail certified/Registered or Overnight mail  Email  Fax  Hand Delivered	Hint: To secure timely filing use Certified, Registered or Over delivery post marked on or before the due date. State filers can file electronically.
Amended Statement of Organization	No	First class mail, Registered or Overnight, Email, Fax, Hand delivered	State filers can file electronically
Electronic original Campaign Statements	Yes	Internet email	
Electronic amended Campaign Statements	No	Internet email	While there are no late filing fees assessed, committees that fail to respond to Notice of Error Omission may be reported to the Attorney General's office.
Electronic 48 hour/Late Contribution Reports  Special Election Independent Expenditure Report or  24 Hour Reports	Yes	Internet only	Go to the Immediate



Amendments to Immediate Disclosure Reports (e-IDRs)	No	Internet only	Late filing fees are not assessed for amendments as long as additional transactions are not added.
Paper Amended Campaign Statements	No	First class mail certified/Registered or overnight mail Email Fax Hand delivered	White there are no late filing fees assessed, committees that fail to respond to Notices of Error or Omissions maybe reported to the Attorney General's office.
Paper 48 hour/Late Contribution Reports  Special Election Independent Expenditure Reports or 24 hour Reports	Yes	First class mail certified/Registered or overnight mail  Email  Fax  Hand delivered	
Amendments	No		Late filing fees are not assessed for amendments as long as additional transactions are not added.
Correspondence sent to Bureau of Elections	No	First class mail certified/Registered or overnight mail  Email  Fax  Hand delivered	
Late Filing Fee Payments	No	First class mail certified/Registered or overnight mail  Hand delivered	



**Q.** How many copies are required by the Bureau of Elections?

**A.** The Bureau of Elections requires only the original statement if filing via paper; no additional copies are required. Campaign statements submitted electronically do not require any paper copy follow-up. If the committee is filing the Statement of Organization electronically, paper follow-up is required only for the original statement and when there is a change in the candidate name, treasurer or designated record keeper. The e-SofO system provides prompts if a paper copy is required.

**Q.** Must a committee use the e-SofO system (Electronic Statement of Organization) to file an original or amendment to the Statement of Organization

**A.** Yes. The use of the e-SofO system is mandatory. For more information, visit our Website.

**Q.** Must a committee use file electronically with the Bureau of Elections?

**A.** No. A committee can choose to purchase approved vendor software. Committee may also use the 'Vendor File Layout' to create their own filings, but this requires significant programming skills and coordination with the Bureau of Elections for testing files prior to approval and filing.

**Q.** Is email considered electronically filed?

**A.** A committee can submit an electronic filing via email. This means that an acceptable file from the MiTN program or an approved vendor is attached to the email and is able to be uploaded into the Bureau of Elections database. Simply attaching a PDF or other image file of the statement to an email is not considered electronically filed.

Filing submitted in this manner will be accepted as a paper document.

**Q.** How do I get access to the MiTN program?

**A.** To gain access to the MiTN program

**Q.** Does the Bureau of Elections have any recommendations for helping committees file on time?

**A.** Yes. There are two (2) preferred ways to file that are recommended by the Bureau of Elections:

1. Electronically via the Internet
2. Mail



While other methods such as email and fax are not rejected, there are no provisions in the MCFA that specifically mention these filing methods and so there are no additional guarantee provisions that apply to these filing methods.

1. Internet: When filing via the Internet, file as early as possible. Waiting until the due date does not allow for the committee and the Bureau of Elections staff to troubleshoot potential issues prior to the deadline. Attempting to file before 5:00pm on the due date does not guarantee timely filing and late fees could apply. Confirm that the filing has been received:
  - On Screen Verification: The MiTN program will display an on screen verification that the filing has been received.
  - Email Verification: When a statement is received via the Internet, an email will be generated to the email box used by the filer in the upload process.
  - Check the committee’s on-line records via: the Searchable Database where statements will display on the Internet within 5 minutes. Contact the Bureau of Elections at MDOS-CampaignFinance@michigan.gov.
2. Mail: When filing by mail, always use certified mail to maintain a receipt. Certified mail is often less expensive than registered or overnight mail. If the filing is an original statement, always post the document two (2) or more days prior to the due date to secure the timely filing of the statement. Always save the receipt in the event that the document is lost in the mail and a copy must be provided.

## Rulings

Date	To whom	Type of Ruling	Section(s) of law	Complete Text Link
08/19/2011	McRae	IS	56	<a href="#">McRae 08/19/2011</a>
08/05/1980	Kreuger	IS	16, 33, 34	<a href="#">Kreuger 08/05/1980</a>



08/11/1978	Penta	IS	36 (1)	<a href="#">Penta 08/11/1978</a>
11/02/1978	Davis	IS	24, 33-35	<a href="#">Davis 11/02/1978</a>
07/26/1977	Killeen	IS	16	<a href="#">Killeen 07/26/1977</a>



# Appendix C: The Reporting Waiver

The Reporting Waiver is a provision in Section 24 of the Michigan Campaign Finance Act (MCFA) that allows committees with limited financial activity to request a waiver from the requirement to file detailed campaign statements. The request must be made prior to the due date of a statement to be waived. Committees request the Reporting Waiver on the Statement of Organization form. Once a committee has been granted the Reporting Waiver, it is in effect until it is lost by the committee exceeding the monetary threshold provided in the MCFA.

**Reporting Waiver Threshold:** The Reporting Waiver threshold is based on the committee type and is detailed as follows.

- A Candidate Committee or Ballot Question Committee that does not expect to receive or spend more than \$1,000.00 in an election is eligible for a Reporting Waiver.
- A Political Party Committee, a Political Committee, an Independent Committee or a Super PAC that does not expect to receive or spend more than \$1,000.00 in a calendar year is eligible for a Reporting Waiver.

**Eligibility For the Waiver:** To become eligible for a Reporting Waiver, the committee must select "YES, I/WE WANT TO APPLY FOR THE REPORTING WAIVER" on its Statement of Organization. This tells the filing official that the committee does not expect to receive or spend more than \$1,000.00 threshold. The committee can select "YES" on its original Statement of Organization or on an amended Statement of Organization. A committee that does not select "YES" on its Statement of Organization is not eligible for a Reporting Waiver. This means that the committee that has not requested and been granted the Reporting Waiver must file all required Campaign Statements regardless of the amount spent or received. **A committee cannot amend its Statement of Organization to exempt itself from campaign statements that are past due or to avoid paying late filing fees.**

**Exception:** *Candidate committees of incumbent judges and justices that qualify for a Reporting Waiver following an election or appointment are automatically granted the Reporting Waiver.*



It should be noted that a committee requests the Reporting Waiver from their filing official. The filing official grants or denies the Reporting Waiver based on the information the filing official has in their office. For example, a committee that files an original Statement of Organization requesting the Reporting Waiver will always be granted the Reporting Waiver because there would be no information in the filing official's possession on which to base the denial. However, a committee that has filed campaign statements and then files an amended Statement of Organization may be denied the Reporting Waiver if the last campaign statement on file shows that the committee has more than \$1,000.00 in assets or debts. A committee that has been denied the Reporting Waiver must continue to file campaign statements. See REPORTING WAIVER SCENARIOS section for additional examples.

**The \$1,000.00 Threshold:** Direct contributions, loans, in-kind contributions, membership dues, expenditures and outstanding debt count toward the \$1,000.00 threshold. Funds left over in the committee's account at the end of the calendar year or following an election (as applicable) count toward the "amount received" for the next calendar year or election. For a candidate committee, all contributions given by the candidate and his/her family count toward the \$1,000.00 threshold. This included direct contributions, loans and in-kind contributions.

**Loss of the Waiver:** A committee automatically loses its Reporting Waiver if it exceeds \$1,000.00 in receipts, expenditures or debt during the calendar year or for the election (as applicable). If the Reporting Waiver is lost, the committee must file the next required campaign statement and all subsequent statements until the Reporting Waiver is regained. The first campaign statement filed after the loss of a Reporting Waiver must begin on either:

- January 1st of the year in which the Reporting Waiver was lost, or
- The day following the last date covered if this date is after January 1st.

A committee that loses the Reporting Waiver does NOT need to amend its Statement of Organization to select the "NO" box. The filing official will change their records to show that the committee no longer has a Reporting Waiver when the committee files a campaign statement showing that the committee has exceeded \$1,000.00 in receipts, expenditures or debt. Unless and until the Reporting Waiver is regained, the committee must file all required campaign statements regardless of the amount received or spent.



**Regaining The Reporting Waiver:** If, after filing the required campaign statement(s) the committee wishes to obtain another Reporting Waiver, an amendment to its Statement of Organization must be filed selecting "YES, I/WE WANT TO APPLY FOR THE REPORTING WAIVER." To regain the Reporting Waiver, the balance in the committee's account must be \$1,000.00 or less and the committee must have \$1,000.00 or less in debts. A late filing fee assessed a committee is a debt until paid.

**A committee that has a reporting waiver must:**

- Keep complete records of the committee's financial activity for 5 years;
- Statement of organization form;
- File 48 hour/late contribution reports or other immediate disclosure reports if required;
- File petition proposal statements by statewide ballot question committees.

## **Reporting Waiver Scenarios**

**Original Statement of Organization:** A committee that files an original Statement of Organization requesting the Reporting Waiver will always be granted the Reporting Waiver because there would be no information in the filing officials possession on which to base the denial.

**Candidate Loses Reporting Waiver Before the Pre-Election CS Close of Books:** A candidate committee that requests and is granted the Reporting Waiver and then loses the Reporting Waiver before the close of books for the pre-election campaign statement of an election that the candidate is participating, must file both the pre- election and post-election campaign statements. The Reporting Waiver cannot be gained in between a pre-election and a post-election campaign statement. The committee may be granted the Reporting Waiver following the filing of the post- election campaign statement. See Section 33 of the MCFA.

**Candidate Loses the Reporting Waiver between the Pre-Election Campaign Statement and Post-Election Campaign Statement Close of Books:** A candidate committee that requests and is granted and then loses the Reporting Waiver between the Pre-Election Campaign Statement and Post-Election Campaign Statement close of books of an election that the candidate is participating, is only required to file post-election campaign



statements. Because the Reporting Waiver was lost after the close of books for the pre-election campaign statement, this statement is waived. The post-election campaign statement must begin on either:

- January 1st of the year in which the Reporting Waiver was lost, or
- The day following the last date covered if this date is after January 1st.

**PAC Loses the Reporting Waiver in January:** A PAC that loses the Reporting Waiver in January would file the next campaign statement owed and begin the statement on January 1st of that same year.

**PAC loses the Reporting Waiver in July:** A PAC that loses the Reporting Waiver in July would file the next campaign statement owed and begin the statement on either:

January 1st of the year in which the Reporting Waiver was lost, or

The day following the last date covered if this date is after January 1st.

## **Reporting Waiver – FAQs**

**Q.** What is the Reporting Waiver?

**A.** The Reporting Waiver is a provision in Section 24 of the Michigan Campaign Finance Act (MCFA) that allows committees that with limited financial activity to request a waiver from the requirement to file detailed campaign statements. The request must be made prior to the due date of a statement. This provision is called the Reporting Waiver provision. Committees request the Reporting Waiver on the Statement of Organization form. Once a committee has been granted the Reporting Waiver, it is in effect until it is lost by the committee exceeding the monetary threshold.

**Q.** What requirements are waived by the Reporting Waiver?

**A.** The Reporting Waiver waives the requirement to file detailed campaign statements that are required under Sections 33 and 35 of the MCFA. This included pre-election, post-election, annual and quarterly campaign statements.

**Q.** What requirements are not waived by the Reporting Waiver?

**A.** The Reporting Waiver does not waive:

Statement of Organization;

- 48 Hour/Late Contribution Reports;



- 24 Hour Reports owed by Caucus Committees;
- Special Election Independent Expenditure Reports owed by PACS;
- Petition Proposal Statements owed by state level Ballot Question Committees;
- The requirement to keep detailed records.

**Q.** Does the Reporting Waiver limit what I can receive or spend?

**A.** No, the committee can spend or receive in excess of the threshold so the Reporting Waiver does not limit the amount of funds that can be raised or spent by the committee. If the committee exceeds the threshold the Reporting Waiver is automatically lost and the committee must then begin to file detailed campaign statements.

**Q.** What if I lose the Reporting Waiver?

**A.** If the Reporting Waiver is lost, the committee must begin filing detailed campaign statements. See the above **Reporting Waiver Scenarios** section to understand how the committee must begin reporting.

**Q.** Can you explain how the committee “automatically” loses the Reporting Waiver?

**A.** A committee that exceeds the Reporting Waiver automatically loses the Reporting Waiver. This means that there is nothing that the filing official must do or record in order for the committees filing obligations to be reinstated. The committee must be aware of the threshold and self-report the committee’s financial activity on the next campaign statement owed.

**Q.** Do I have to request the Reporting Waiver on a Statement of Organization?

**A.** Yes. If the committee wants to request the Reporting Waiver, the Statement of Organization form is the appropriate method to make the request.

**Q.** Why can’t I request the Reporting Waiver retroactively?

**A.** The Reporting Waiver is a statement of expectation. This means that the committee must request the Reporting Waiver prior to statements being owed. Committees cannot request the Reporting Waiver in order to avoid filing requirements and to avoid paying late filing fees.



**Q.** I'm a candidate, why do my own funds or expenditures count toward the Reporting Waiver threshold?

**A.** The MCFA does not distinguish contributions made by the candidate or other contributors. Any contributions received or expenditures made count toward the \$1,000.00 threshold.

**Q.** I've lost the Reporting Waiver, how far back to I have to go back and report?

**A.** The first campaign statement filed after the loss of a Reporting Waiver must begin on either:

- January 1st of the year in which the Reporting Waiver was lost, or
- The day following the last date covered if this date is after January 1st.

**Q.** Why do debts count toward the Reporting Waiver?

**A.** The Reporting Waiver is a statement of expectations. The committee does not expect to exceed the threshold. A committee with debts over \$1,000.00 must be expecting to repay and therefore spend in excess of the \$1,000.00 threshold.

**Q.** How do I start my beginning balance after losing the Reporting Waiver?

**A.** A committee must calculate the committee balance as of the beginning date of the campaign statement. We recommend reviewing the committee's bank statements and records to determine what the beginning balance must be to accurately reflect the committee's current ending balance.

**Q.** Why do I have to keep records while I have the Reporting Waiver?

**A.** The committee must comply with Section 22 of the MCFA and keep all records for at least 5 years. In addition, the committee must maintain and review these records to determine if the committee has exceeded the \$1,000.00 threshold.

**Q.** Why is the threshold different depending on committee type?

**A.** The thresholds are stipulated in Section 24 of the MCFA.

**Q.** Why was my request for a Reporting Waiver denied?

**A.** A committee requests the Reporting Waiver from their filing official. The filing official grants or denies the Reporting Waiver based on the information the filing official has in their office. For example, a committee that files an



original Statement of Organization requesting the Reporting Waiver will always be granted the Reporting Waiver because there would be no information in the filing officials' possession on which to base the denial. However, a committee that has filed campaign statements and then files an amended Statement of Organization may be denied the Reporting Waiver if the last campaign statement on files shows that the committee has more than \$1,000.00 in assets or debts. A committee that has been denied the Reporting Waiver must continue to file campaign statements. See **Reporting Waiver Scenarios** section for additional examples.

### Rulings

<b>Date</b>	<b>To whom</b>	<b>Type of Ruling</b>	<b>Section(s) of law</b>	<b>Complete Text Link</b>
02/06/1980	Northrup	DR	24(4)	<a href="#">Northrup 02/06/1980</a>
12/28/1979	VanderKlok	IS	35(4)	<a href="#">VanderKlok 12/28/1979</a>
11/02/1978	Boman	IS	24(1)	<a href="#">Boman 11/02/1978</a>
08/01/1978	Swanton	IS	24(4), 33(2)	<a href="#">Swanton 08/01/1978</a>
08/01/1978	Parker	IS	24(4)	<a href="#">Parker 08/01/1978</a>



# Appendix D: Electronic Filing of Campaign Statements (State Level Committees Only)

## STATE REGISTERED COMMITTEES ONLY THE ELECTRONIC FILING REQUIREMENT

All committees registered under Michigan's Campaign Finance Act (MCFA), P.A. 388 of 1976 on the state level (i.e., registered with the Michigan Department of State's Bureau of Elections) are required to file their campaign finance statements electronically if the committee 1) expects to spend or receive \$5,000.00 or more in a calendar year or 2) spends or receives \$5,000.00 or more in a calendar year. Once a committee has met the electronic filing threshold, the committee must file all future campaign statements electronically. This is true even if the committee balance falls below the \$5,000.00 threshold.

The electronic filing requirements includes all campaign statements, 48 Hour/Late Contribution Reports and other immediately disclosure reporting. The Statement of Organization or an amendment to the Statement of Organization can also be submitted electronically.

## THE MiTN SOFTWARE

In late 2024, the Bureau of Elections adopted new electronic reporting software called the Michigan Transparency Network (MiTN). MiTN is available to all committees registered with the Bureau of Elections. The MiTN software is free of charge, web-based and includes a variety of features to assist committees with meeting the MCFA disclosure obligations.

Web-based

Is free of charge.

Allows filings via the Internet.

Has simple data entry screens to ensure that the required information is submitted.

Provides immediate on screen confirmation of the receipt of an electronic filing when filed via the Internet.



Permits import and export of names and simple receipt and expenditure records.

All committees that file with the Bureau of Elections are encouraged to use the software and voluntarily file electronically even if the committee is not required to file electronically. In the alternative, the committee can print out the committee campaign statement and submit a paper filing as long as the committee is not required to file electronically.

The MiTN software is available only to state level committees. It is not available to committees filed on the local level. Note: Committees filed with the Wayne County Clerk's Office must contact the County for information on electronic filing requirements.

#### MITN TRAINING

Committee members are encouraged to participate in the training options provided by the Bureau of Elections. Committee members can take an on-line training course and/or can sign up for MERTS training via webinar.

To sign up for on-site training, log on to [www.mertsplus.com](http://www.mertsplus.com) and click on the "Lansing Training" button located on the right hand side of the page. The training consists of a demonstration of the software and an opportunity for questions and answers. The Training is a webinar and is combined with compliance training. After completing the training, committees are given the information needed to download the software and obtain a password to file via the Internet.

After completing the training, Campaign Finance Analyst can assist with any questions you may have. Phone: (517) 335-3235. Questions can also be submitted via email through [MDOS-CampaignFinance@michigan.gov](mailto:MDOS-CampaignFinance@michigan.gov).



# **Appendix E: Late Filing Fees, Waivers and Reviews**

Late filing fees are assessed for filings that are required to be filed, but not filed on time. All fees are assessed based on the number of business days the filing remains unfiled. All late filing fees stop accruing after the maximum amount provided by the MCFA is reached. See the charts below that provide the fee schedules in detail.

Late filing fees assessed for Late Contribution Reports should follow the schedules below; however the amount of the fee should NOT exceed the total amount of the contributions omitted from the report.



# State Committees

Business Days Late	ALL STATE COMMITTEES		STATE CANDIDATE COMMITTEES			
	Statement of Organization	Late Contribution Reports	Pre Election Post Election July Oct		Annual	
			Less than \$10,000	More than \$10,000	Less than \$10,000	More than \$10,000
1	\$10.00	\$25.00	\$25.00	\$25.00	\$25.00	\$50.00
2	\$20.00	\$50.00	\$50.00	\$50.00	\$50.00	\$100.00
3	\$30.00	\$75.00	\$75.00	\$75.00	\$75.00	\$150.00
4	\$40.00	\$125.00	\$100.00	\$125.00	\$100.00	\$200.00
5	\$50.00	\$175.00	\$125.00	\$175.00	\$125.00	\$250.00
6	\$60.00	\$225.00	\$150.00	\$225.00	\$150.00	\$300.00
7	\$70.00	\$275.00	\$175.00	\$275.00	\$175.00	\$350.00
8	\$80.00	\$325.00	\$200.00	\$325.00	\$200.00	\$400.00
9	\$90.00	\$375.00	\$225.00	\$375.00	\$225.00	\$450.00
10	\$100.00	\$425.00	\$250.00	\$425.00	\$250.00	\$500.00
11	\$110.00	\$525.00	\$275.00	\$525.00	\$275.00	\$550.00
12	\$120.00	\$625.00	\$300.00	\$625.00	\$300.00	\$600.00
13	\$130.00	\$725.00	\$325.00	\$725.00	\$325.00	\$650.00
14	\$140.00	\$825.00	\$350.00	\$825.00	\$350.00	\$700.00
15	\$150.00	\$925.00	\$375.00	\$925.00	\$375.00	\$750.00
16	\$160.00	\$1,025.00	\$400.00	\$1,000.00	\$400.00	\$800.00
17	\$170.00	\$1,125.00	\$425.00		\$425.00	\$850.00
18	\$180.00	\$1,225.00	\$450.00		\$450.00	\$900.00
19	\$190.00	\$1,325.00	\$475.00		\$475.00	\$950.00
20	\$200.00	\$1,425.00	\$500.00		\$500.00	\$1,000.00
21	\$210.00	\$1,525.00				
22	\$220.00	\$1,625.00				
23	\$230.00	\$1,725.00				
24	\$240.00	\$1,825.00				
25	\$250.00	\$1,925.00				
26	\$260.00	\$2,000.00				
27	\$270.00					
28	\$280.00					
29	\$290.00					
30	\$300.00					



# Local Committees

Business Days Late	STATE PAC COMMITTEES			STATE POLITICAL PARTY COMMITTEES		
	January	Apr Jul Oct		Pre Election Post Election		Annual
		Less than \$10,000	More than \$10,000	Less than \$10,000	More than \$10,000	
1	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
2	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
3	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
4	\$100.00	\$100.00	\$125.00	\$100.00	\$125.00	\$100.00
5	\$125.00	\$125.00	\$175.00	\$125.00	\$175.00	\$125.00
6	\$150.00	\$150.00	\$225.00	\$150.00	\$225.00	\$150.00
7	\$175.00	\$175.00	\$275.00	\$175.00	\$275.00	\$175.00
8	\$200.00	\$200.00	\$325.00	\$200.00	\$325.00	\$200.00
9	\$225.00	\$225.00	\$375.00	\$225.00	\$375.00	\$225.00
10	\$250.00	\$250.00	\$425.00	\$250.00	\$425.00	\$250.00
11	\$275.00	\$275.00	\$525.00	\$275.00	\$525.00	\$275.00
12	\$300.00	\$300.00	\$625.00	\$300.00	\$625.00	\$300.00
13	\$325.00	\$325.00	\$725.00	\$325.00	\$725.00	\$325.00
14	\$350.00	\$350.00	\$825.00	\$350.00	\$825.00	\$350.00
15	\$375.00	\$375.00	\$925.00	\$375.00	\$925.00	\$375.00
16	\$400.00	\$400.00	\$1,000.00	\$400.00	\$1,000.00	\$400.00
17	\$425.00	\$425.00		\$425.00		\$425.00
18	\$450.00	\$450.00		\$450.00		\$450.00
19	\$475.00	\$475.00		\$475.00		\$475.00
20	\$500.00	\$500.00		\$500.00		\$500.00



# State Ballot Question Committees

Business Days Late	STATE BALLOT QUESTION COMMITTEES			
	Pre Election	Post Election Apr July Oct (odd year) Petition Proposal		Annual
		Less than \$10,000	More than \$10,000	
		1	\$25.00	
2	\$75.00	\$50.00	\$100.00	\$50.00
3	\$150.00	\$75.00	\$150.00	\$75.00
4	\$250.00	\$100.00	\$200.00	\$100.00
5	\$350.00	\$125.00	\$250.00	\$125.00
6	\$450.00	\$150.00	\$300.00	\$150.00
7	\$550.00	\$175.00	\$350.00	\$175.00
8	\$650.00	\$200.00	\$400.00	\$200.00
9	\$750.00	\$225.00	\$450.00	\$225.00
10	\$850.00	\$250.00	\$500.00	\$250.00
11	\$950.00	\$275.00	\$550.00	\$275.00
12	\$1,000.00	\$300.00	\$600.00	\$300.00
13		\$325.00	\$650.00	\$325.00
14		\$350.00	\$700.00	\$350.00
15		\$375.00	\$750.00	\$375.00
16		\$400.00	\$800.00	\$400.00
17		\$425.00	\$850.00	\$425.00
18		\$450.00	\$900.00	\$450.00
19		\$475.00	\$950.00	\$475.00
20		\$500.00	\$1,000.00	\$500.00
21		\$525.00	\$1,050.00	
22		\$550.00	\$1,100.00	
23		\$575.00	\$1,150.00	
24		\$600.00	\$1,200.00	
25		\$625.00	\$1,250.00	
26		\$650.00	\$1,300.00	
27		\$675.00	\$1,350.00	
28		\$700.00	\$1,400.00	
29		\$725.00	\$1,450.00	
30		\$750.00	\$1,500.00	
31		\$775.00	\$1,550.00	
32		\$800.00	\$1,600.00	
33		\$825.00	\$1,650.00	
34		\$850.00	\$1,700.00	
35		\$875.00	\$1,750.00	
36		\$900.00	\$1,800.00	
37		\$925.00	\$1,850.00	
38		\$950.00	\$1,900.00	
39		\$975.00	\$1,950.00	
40		\$1,000.00	\$2,000.00	



## **Late filing fee waivers**

The Department of State and the county clerks throughout the state have the authority to waive a late filing fee for reasons of incapacitating physical illness, hospitalization, accident involvement, death, incapacitation for medical reasons or other unique, unintentional factors beyond the filer's control not stemming from a negligent act or non-action. A request for a late filing fee waiver must be accompanied by documentation that supports the reason for the request. A filing official does not have the authority to waive a late filing fee for any of the following reasons:

- not receiving notice of the filing requirements;
- not being in town or picking up the mail;
- not being aware of the filing requirements;
- not allowing sufficient time to prepare and file electronically;
- not knowing where to get forms; or
- sending the filing to the wrong office.

## **Late Filing Fee Request for Review of Late Filing Fee – State Registered Candidates Only**

The Campaign Finance Act holds treasurers and designated record keepers and candidates equally and severally liable for late filing fees. The Department of Treasury may take collection actions against the personal financial holdings of these individuals to bring the late filing fee account balance to zero. Collection actions by the Department of Treasury could include levy on wages,

set-off against state income tax refunds or any other means at the Department of Treasury's disposal. Committees are urged to promptly pay late filing fees to avoid collection by the Department of Treasury, State Agency Collections Division.

Before a late filing fee is referred for collection, the committee will be notified of their right to request a review to contest the validity of any late filing fee. A review must be requested in writing within 28 days after being notified of the assessment of the late filing fee. Failure to request a review waives any rights you may have to a review.



Please note that if the debt is uncontested or if a ruling is entered at the review that the late filing fees are due, the committee's account will be assigned to the Michigan Department of Treasury for collection. When Treasury receives the account, the Michigan income tax refund of the committee treasurer, the designated record keeper and/or the candidate may be applied to this debt. Treasury may also levy on salary and wages or seize any money or other assets held by these individuals in order to collect on this debt. To pay an unpaid late filing fee, send the remittance made payable to the "State of Michigan" to:

Michigan Department of State Bureau of Elections

P.O. Box 20126

Lansing, Michigan 48901-0726

Write the committee's Campaign Finance Identification Number on the check or money order that is submitted for payment.



# Appendix F: Fundraisers

Section 7 of the Michigan Campaign Finance Act (MCFA) defines a “Fundraising event” as “an event such as a dinner, reception, auction or similar event where contributions are solicited or received by purchase of a ticket, payment of an attendance fee, making a donation or purchase of goods or services.”

## Fundraiser Tips

Prior to the event, a committee planning a fundraiser should consult with the following entities for necessary licenses or permits, as applicable:

- Local governmental units,
- The Liquor Control Commission, and
- The Bureau of State Lottery (See **Games of Chance** section below).

Please see Appendix Z for contact information.

**Games of Chance:** The Bingo Act, 1972 PA 382, MCL 432.101 to 432.120 authorizes “qualified organizations” to hold lottery or other games of chance fundraisers. Games of chance include, but are not limited to: millionaire parties, raffles and bingo games.

The definition of “qualified organization” does not include a candidate committee, political committee, political party committee, ballot question committee, independent committee, or any other committee as defined by, and organized under, the MCFA; therefore, **these types of activities are prohibited.**

**Corporations, Joint Stock Companies, Labor Organizations, Domestic Dependent Sovereigns (Indian tribes):** are prohibited from making contributions, using treasury funds, to committees other than ballot question committees or Super PACS. Examples of prohibited contributions include, but are not limited to:

- Purchasing fundraiser or dinner tickets to committee events;
- Donating food, facility rental, prizes, or awards for fundraisers or other events sponsored by or for the benefit of a committee;
- Providing a discount unavailable to the general public to a committee; and



- Paying off or forgiving a committee debt.

Corporations, Joint Stock Companies, Labor Organizations, Domestic Dependent Sovereigns (Indian tribes) that wish to contribute in any way, including purchasing of fundraiser tickets, to a candidate committee, political committee, independent committee, or political party committee must do so from their separate segregated fund (SSF).

**Political Party Committee's Administrative Account:** A political party committee may sponsor a fundraiser specifically to raise money for the committee's administrative (non-campaign) account. All contributions received at such an event, including contributions received from the treasury funds of a corporation, joint stock company, labor organization, or Indian Tribe (DDS), must be deposited into the administrative account and cannot be used to support or oppose candidates. Because funds in administrative accounts cannot be used for MCFA purposes, none of the administrative account fundraiser's receipts or expenses would be reported on the political party committee's campaign statements.

As with any other contribution for a political party committee's campaign account, a political party committee is prohibited from receiving corporate contributions and is therefore not allowed to transfer or commingle corporate funds from their administrative account with non-corporate campaign funds received for candidate elections.

**Unregistered groups** making contributions to a committee by purchasing fundraiser tickets may be required to register as a committee if and when a contribution of \$500.00 or more in a calendar year is made to influence Michigan elections.

**Contribution Exemptions:** The first \$1,000.00 worth of food and beverages donated during a calendar year by an individual does not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. The committee must report additional donations of food and beverages given by the individual during the year as in-kind contributions. However, all donations, whether they are exempt or reported, must be considered when reporting the cost of a fundraiser on the Fundraiser Schedule.

## Recording and Reporting a Fundraiser

All committees must maintain records that allow the committee to identify which transactions are associated with a fundraising event. In addition, a



committee must follow the same reporting and recording requirements of each receipt and expenditure associated with the fundraising event as they would with any receipt received or expenditure made for the committee. For specific instructions on what information is required for recording and reporting, please see the corresponding contribution and expenditure sections of each committee manual.

Each transaction is reported in detail on the corresponding campaign statement in which the contribution or other receipt was received or expenditure was made. In addition, each committee, except for political party committees, will file the Fundraiser Schedule with the campaign statement that includes the date the event was held within its coverage period. Since a Fundraiser Schedule is filed with a campaign statement, committees that maintain a Reporting Waiver are not required to file the Fundraiser Schedule unless and until a campaign statement is owed. Committees that file electronically must ensure that the data is entered accurately for the system to provide all of the required information associated with the fundraiser.

## **Joint Fundraisers**

A committee may hold a joint fundraiser with one or more “persons,” other than an individual, as long as the percentage of the receipts received and expenditures made in connection with the event do not exceed any applicable contribution limit or allow for any prohibited contributions to any of the participants. Committees holding a joint fundraiser must adhere to the following procedures required by the MCFA.

## **Written Agreement**

Participants planning on holding a joint fundraiser must sign a written agreement prior to the date of the fundraising event. The written agreement is not filed with a campaign statement; however each participating committee’s treasurer must retain a copy of the signed agreement with their committee records for 5 years and must be able to make the record available for inspection upon request. Committees may choose to develop their own written agreement or use the Candidate Committee Joint Fundraiser Written Agreement Template developed by the Bureau of Elections.

The written agreement must:



Describe, as a percentage, what each participant's receipt and expenditure share will be. The share described in the agreement must comply with MCFA and cannot allow for any contribution limit to be exceeded between participants.

- Joint fundraisers held between candidate committees, or any committee type that has a contribution limit, must share receipts and expenditures proportionately to ensure that the limits are not exceeded. This means that each participating committee must have equal shares of receipts (contributions and other receipts) and expenditures; however, the percent of shares per committee does not have to be split evenly among the participating committees. For example, if a candidate committee in an agreement with one other committee agrees to pay for 60 percent of the expenditures, it must also receive 60 percent of the contributions and other receipts. Committee types that are allowed to receive unlimited contributions and are allowed to contribute to each other, such as PACS and political party committees or Super PACS and ballot question committees, can share receipts and expenditures disproportionately.
- Adhering to the proportions outlined in the agreement ensures that each participating committee stays in compliance with this restriction.
- In the event that a candidate of a participating committee decides not to run for office after entering this written agreement, all of the proportional funds received from the joint fundraiser by this committee must be given to a tax exempt charitable institution, contributed to a political party committee, or returned to the contributors. In this scenario, the funds cannot simply be distributed to the other committees who participated in the joint fundraiser since this would violate the initial agreement established to prevent any prohibited activity such as exceeding contribution limits.

Detail how expenditures will be handled in one of the following ways:

1. The committees agree to each pay their proportional share at the time each expenditure is made, or
2. The committees agree to that one participant will make all of the expenditures and receive reimbursement, within a reasonable amount of time as specified in the agreement, from the other participants for their proportional share of the expenditure.



Designate a joint account established in a bank, credit union, or savings and loan association which will be used as the committee's secondary depository for the joint fundraiser.

## **Establishing a Joint Account and Distributing the Contributions**

- A joint account must be created in the designated secondary depository for the joint fundraiser; the joint account exists solely for the purpose of depositing all receipts and transferring each share of the funds to each participant as designated in the agreement.
- Each participating committee must file an Amended Statement of Organization by the due date of the next required campaign statement to reflect the designated secondary depository.
- Expenditures for the joint fundraiser cannot be made out of the joint account. All expenditures must be handled as outlined in the agreement.
- Each contribution received for a joint fundraiser must be split based on the ratio advertised to the contributors which must equal the shares outlined in the written agreement. A contributor may not choose to allocate his or her contribution made in connection with the joint fundraiser differently.

Receipts deposited into the joint account must be transferred without delay into each participating committee's official depository account. The funds transferred must correspond to each committee's receipt share described in the agreement.

## **Recording and Reporting Requirements for a Joint Fundraiser**

In addition to the recording and reporting requirements detailed above for a fundraiser, treasurers and/or designated record keepers of committees participating in a joint fundraiser must also do the following:

### **Receipts**

- Recording: Each participating committee must include in their records both the full amount of any receipt received and the proportional share that will be transferred associated with the joint fundraiser.



- Reporting: Each participating committee will only disclose the amount of their proportional share received, not the full amount received, on the corresponding campaign statement.

## **Expenditures**

If the first expenditure payment option outlined above is chosen:

- Recording: Each participating committee must include in their records both the full amount of any expenditure and the proportional share that it will make according to the joint fundraiser agreement.
- Reporting: Each participating committee will only disclose the amount of their proportional share, not the full amount of the expenditure, on the corresponding campaign statement which includes a description/purpose that makes it clear it was a joint fundraiser expense.

If the second expenditure payment option outlined above is chosen:

- Recording: Each participating committee must include in their records both the full amount of any expenditure and the proportional share that it will make according to the joint fundraiser agreement.
- Reporting: The committee designated to make all of the expenditures will disclose the full amount of each expenditure that is associated with the joint fundraiser on the corresponding campaign statement with a description/purpose that makes it clear that it is a joint fundraiser expense. In addition, this committee will also report "Other Receipts" received from each of the other participating committees with a description/purpose that makes it clear that it is a reimbursement for a joint fundraiser expense.

The remaining committees will report an expenditure to the committee designated to make all of the expenditures with a description/purpose that makes it clear that it is a reimbursement for a joint fundraiser expense in the amount of their proportional share, not the full amount of the expenditure, on the corresponding campaign statement. If the expenditure was over \$50.00 the transaction must be memo-itemized to report the vendor's name and address that was used.



## *Advertisements and Invitations for a Joint Fundraiser*

All advertising related to the joint fundraiser must specify: That the event to be held is a joint fundraiser;

- The name of each participating committee;
- The name and office sought of each participating candidate;
- The contribution share agreed for each participating committee; The contribution limits for each participating committee, if any;
- Instructions on how checks or other methods of payment (contributions) to the joint fundraising should be made out to; and
- Who paid for the advertisement in the identification statement as described in
- Section 47.

By including all of the information detailed above, potential contributors are able to gauge whether they may exceed the contribution limits defined in MCFA by contributing to the joint fundraiser.

## **Fundraiser FAQs**

**Q.** What is a millionaire party?

**A.** A millionaire party is an event where wagers are placed on games of chance customarily associated with a casino using imitation money or chips.

**Q.** Can a raffle or other games of chance (millionaire party, bingo, etc.) be used as a fundraiser or held as a part of a fundraiser?

**A.** No. Based on the prohibitions in the MCFA and the Gaming Control statues, committees cannot use a raffle or other games of chance to raise funds that will be used in Michigan elections.

**Q.** Are donations of food and beverage for a fundraiser considered part of the cost of the fundraiser?

**A.** Yes. While donations of food and beverage up to the first \$1,000.00 by an individual are not considered contributions, and therefore do not have to be reported, the donations are considered a part of the cost of the fundraiser and must be included in the total cost of the fundraiser reported by the committee receiving the donation on the Fundraiser Schedule.



**Q.** Can a corporation, joint stock company, labor union or domestic dependent sovereign purchase fundraiser or dinner tickets to committee events; donate prizes, awards, or food for fundraisers or other events sponsored by or for the benefit of a committee; provide a discount unavailable to the general public to a committee; or pay off or forgive a committee debt?

**A.** It depends. A candidate committee, political committee, independent committee or political party committee cannot accept a contribution of money from treasury funds, goods, services, discounts or free use of facilities from a corporation, a joint stock company, a labor organization, or a domestic dependent sovereign. This prohibition does not apply to ballot question committees and Super PACS which may accept contributions from these sources.

**Q.** Can a political party committee hold a fundraiser for their administrative account?

**A.** Yes. A political party committee may hold a fundraiser for their administrative account, however funds received during this fundraiser cannot be transferred or comingled with their campaign account used to support or oppose candidates.

**Q.** If my committee participates in a joint fundraiser, do I need to sign a written agreement?

**A.** Yes. Committees participating in a joint fundraiser must develop and sign a written agreement prior to the event that describes the proportional shares of receipts and expenditures per committee, identifies a method to handle joint expenses, and designates a secondary depository used to create a joint bank account.

Committees may choose to develop their own written agreement or use the Candidate Committee Joint Fundraiser Written Agreement Template developed by the Bureau of Elections.

**Q.** Can the remaining committees split the receipts and expenditures for the candidate committee of a candidate who decides not to run for office after entering a written agreement to participate in a joint fundraiser?

**A.** No. All of the proportional funds received from the joint fundraiser by this committee must be given to a tax exempt charitable institution, contributed to a political party committee, or returned to the contributors. In this scenario, the funds cannot simply be distributed to the other committees



who participated in the joint fundraiser since this would violate the initial agreement established to prevent any prohibited activity such as exceeding contribution limits.

**Q.** Can a candidate committee agree to receive and expend a disproportionate share of receipts and expenditures associated with a joint fundraiser?

**A.** No. A joint fundraiser held between candidate committees must share receipts and expenditures proportionately to ensure that the limits are not exceeded. The share described in the agreement must comply with MCFA and adhere to the applicable contribution limit for participants. This means that each participating committee must have equal shares of receipts (contributions and other receipts) and expenditures, however the percent of shares per committee does not have to be split evenly among the participating committees. For example, if a candidate committee in an agreement with one other committee agrees to pay for 60 percent of the expenditures, it must also receive 60 percent of the contributions and other receipts. Adhering to the proportions outlined in the agreement ensures that each participating committee stays in compliance with this restriction.

**Q.** Do I have to establish a new bank account if I want to participate in a joint fundraiser?

**A.** Yes. A joint account must be created in the designated secondary depository for the sole purpose of depositing all receipts and transferring a share of the funds to each participating committee as designated in the agreement.

In addition, each participating committee must file an Amended Statement of Organization by the due date of the next required campaign statement to reflect the designated secondary depository.

**Q.** Can expenditures be made out of the joint account established for a joint fundraiser?

**Y.** No. A secondary depository can only be used to deposit receipts and then transfer the funds to each participating committee's official depository.

**Q.** Can I choose which committees I want to contribute to at a joint fundraising event?

**A.** No. Each contribution received for a joint fundraiser will be split based on the ratio advertised to the contributors which must equal the shares outlined



in the written agreement. A contributor may not choose to allocate his or her contribution made in connection with the joint fundraiser differently.

**Q.** Do advertisements such as flyers and invitations have to include information regarding each participating committee of a joint fundraiser in the identification statement?

**A.** Yes. Each committee's name and address who is participating in the joint fundraiser must be included in the identification statement. For more information, see Appendix J.

## Rulings

Date	To whom	Type of Ruling	Section(s) of law	Complete Text Link
10/22/1986	Engler	IS	Title	<a href="#">Engler 10/22/1986</a>
07/23/1986	Cherry	IS	26	<a href="#">Cherry 07/23/1986</a>
10/31/1984	VanDam	IS	6(1), 6(3), 11(4), 11(5), 25(1), 54(2)	<a href="#">VanDam 10/31/1984</a>
12/03/1982	Hubel	IS	9(1), 9(2)	<a href="#">Huber 12/03/1982</a>
04/08/1982	Mallet	IS	44(1)	<a href="#">Mallet 04/08/1982</a>
10/23/1981	Faust	IS	7(4)	<a href="#">Faust 10/23/1981</a>
09/28/1981	Black	IS	4(2), 7(4), 26	<a href="#">Black 09/28/1981</a>
08/06/1980	Deering	IS	3(2), 5(2), 6(1), 44(2), 45(1)	<a href="#">Deering 08/06/1980</a>
08/06/1980	Weiland	IS	4(2)	<a href="#">Weiland 08/06/1980</a>



08/06/1980	Kauflin	IS	41(1)	<a href="#">Kauflin 08/06/1980</a>
12/14/1979	Brewer	IS	44(2), 47	<a href="#">Brewer 12/14/1979</a>
05/29/1979	Batchik	IS	54(1)	<a href="#">Batchik 05/29/1979</a>
10/10/1978	Allen	IS	6(1), 7(4), 45(1)	<a href="#">Allen 10/10/1978</a>
09/20/1978	Hutson	IS	26, 44(2), 49(1)	<a href="#">Hutson 09/20/1978</a>



# Appendix G: Immediate Disclosure Reports

The Michigan Campaign Finance Act (MCFA) requires certain reports to be filed immediately. Late filing fees are assessed for filings that are not received within the prescribed time frames. There are three (3) types of immediate disclosure reports required of committees.

- 48 Hour/Late Contribution Reports
- Special Election Independent Expenditure Reports
- 24 hour Reports

## 48 Hour/Late Contribution Reports

For a Candidate Committee a late contribution is received when:

Any single or cumulative contribution of \$500.00 or more received from the same person between the day following the close of books of the last campaign statement required to be filed by the committee and the 3rd day before the date of any election in which the committee/candidate participates. All types of contributions that meet the definition must be reported. This includes contributions of money, loans, in-kind contributions of goods and/or services and contributions from the candidate himself or herself.

## Candidate Committee 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



Contributor C gives \$500.00 on 09/21: No report is required as this contribution will be reported on the Pre-Election statement.

Contributor C gives \$450.00 on 10/25: No report is required. Only the total amount the contributor has contributed **During the Late Contribution Reporting Period** counts toward the \$500.00 Late Contribution amount.

For a committee other than a Candidate Committee (PAC, Ballot Question Committee or Political Party Committee) a late contribution is received when two conditions are met:

1. The committee receives a single or cumulative contribution of \$2,500 or more received from the same person between the day following the close of books of the last campaign statement required to be filed by the committee and the 3rd day before the date of any election; and
2. The committee has made an expenditure to support or oppose a candidate or ballot question on the ballot during the same late contribution report period described above.

## **PAC, Ballot Question, and Political Party Committee Examples**

**Example 1.** A committee other than a candidate committee (PAC, Ballot Question Committee or Political Party Committee) does not participate in an election between 10/20 - 11/1 by making expenditures to support or oppose a candidate or ballot question on the ballot.

Contributor A gives \$2,000.00 10/20: No report is required

Contributor A gives \$500.00 on 10/21, with a cumulative of \$2,500.00: No report is required

Contributor A gives \$ 1,000.00 on 10/22, with a cumulative of \$3,500.00: No report is required

**Example 2.** A committee other than a candidate committee (PAC, Ballot Question Committee or Political Party Committee) participates in an election between 10/20 – 11/1 by making an expenditure to support or oppose a candidate or ballot question on the ballot.

Committee makes expenditure on 10/20 to support or oppose a candidate or ballot question on the ballot.

Contributor B gives \$2,000.00 on 10/23: No report is require



Contributor B gives \$500.00 on 10/24, with a cumulative of \$2,500.00: A report is required within 48 hours

**Example 3.** A committee other than a candidate committee (PAC, Ballot Question Committee or Political Party Committee) participates in an election between 10/20 – 11/1 by making an expenditure to support or oppose a candidate or ballot question on the ballot. (Note: The purpose of this example is to show that even though the committee received \$2,500.00 during the Late Contribution Reporting Period, this occurred BEFORE the committee made an expenditure during the period, therefore no report is required of the committee.)

- Contributor C gives \$2,000.00 on 10/23: No report is required
- Contributor C gives \$500.00 on 10/24, with a cumulative of \$2,500.00: No report is required.
- Committee makes expenditure on 11/1 to support or oppose a candidate or ballot question on the ballot.

Committees must report all “late contributions” received by the committee.

All types of contributions that meet the definition must be reported. This includes contributions of money, loans, in-kind contributions of goods and/or services.

All 48 Hour/Late Contribution Reports must be received by the filing official within 48 hours of receipt. 48 Hour/Late Contribution Reports are also referred to as 48 Hour Reports.

The committee reports the cumulative received during the late contribution report period from that contributor.

Late filing fees are assessed for late or missed 48 Hour/Late Contribution Reports. The maximum fee of \$2,000.00 is reached after 26 business days. More information on late filing fees can be found in Appendix E.

48 Hour/Late Contribution Reports are filed with the same filing official that accepted the committee’s Statement of Organization. State level committee must file with the Bureau of Elections and local level committee must file with their county clerk.

A candidate participates in an election by appearing on the ballot or by running a write-in campaign.



A PAC, Political Party or Ballot Question committee participates in an election by making a contribution or making an expenditure to support or oppose a candidate or proposal appearing on the ballot after the close of books of the campaign statement that is due just before that election.

Electronic filers registered on the state level must file all 48 Hour/Late Contribution Reports electronically using e-IDR; an Internet based application specifically designed for filing 48 Hour/Late Contribution Reports. Paper filers registered on the state level are encouraged to use the e-IDR program as an option.

Paper filers registered on the state level or committees registered on the local level must file the report in some written form.

The filing official must receive a 48 Hour/Late Contribution Report within 48 hours after the committee's receipt of the contribution. A contribution is received by a committee on the date that the monetary funds, written instrument, or in-kind contribution of goods from the contributor have come into the physical possession of the committee treasurer, designated record keeper or other person acting as an agent of the committee. The receipt date is often not the date the check or other written instrument was written or the date the contribution was deposited into the committee's bank account. Committees must take care to report the date received of the late contribution on the 48 Hour/Late Contribution Report and the Campaign Statement as the same on both reports. Committees must further establish controls in the committee to ensure that an accurate date of receipt is recorded and reported by the committee.

To report an in-kind late contribution of services, the in-kind contribution is considered to be received by the committee on the date the committee treasurer, designated record keeper or other person acting as an agent of the committee receives verbal or written notice from the contributor that the contribution has, in fact, been made.

In addition to the 48 Hour/Late Contribution Report, a late contribution must be included on the next Campaign Statement filed by the recipient committee. A Reporting Waiver does **NOT** exempt a committee from filing 48 Hour/Late Contribution Reports.

A 48 Hour/Late Contribution Report must contain the date and amount of the contribution along with the contributor's name, street address. If the contributor is an individual, the occupation, employer's name and principal place of business is also required.



- Filers using the e-IDR Internet application complete an on-line form with the appropriate fields.
- Paper filers may file the report in any written form which includes fax, hand delivery or any other means of written communication. The fax number for the Bureau of Elections is (517) 335-3235.
- A 48 Hour/Late Contribution Report form is provided for you and can be found at [www.Michigan.gov/elections](http://www.Michigan.gov/elections).
- The 48 Hour/Late Contribution Report need not contain a signature and may be filed on letterhead stationery or plain paper.

## Special Election Independent Expenditure Reports

A Political, Independent or Independent Expenditure Committee registered on the **state level** are required to file a Special Election Independent Expenditure Report if the committee makes an independent expenditure to support or oppose a candidate or ballot question within 45 calendar days before a Special Election in which the candidate or ballot question is involved. A Reporting Waiver does **NOT** exempt a committee from filing Special Election Independent Expenditure Reports. Committees filed on the local level are not required to file these reports.

The report must be filed with the Bureau of Elections within 48 hours after the independent expenditure is made. The report is waived if the committee makes the independent expenditure before the closing date of a Campaign Statement that is due before the date of the Special Election and the independent expenditure is included in that Campaign Statement.

Late filing fees are assessed for late or missed Special Election Independent Expenditure Reports. Refer to Appendix E for applicable late filing fees.

Electronic filers registered on the state level must file all Special Election Independent Expenditure Reports electronically using e-IDR; an Internet based application specifically designed for filing these reports. Paper filers registered on the state level are encouraged to use the e-IDR program as an option.

Paper filers may file a Special Election Independent Expenditure Report by attaching an Itemized Independent Expenditures Schedule (2B-1) to a Campaign Statement Cover Page, entering the appropriate information and submitting the forms within the 48-hour period explained above. The Cover Page must list the committee's name and identification number and be



signed by the committee's treasurer or designated record keeper. The Itemized Independent Expenditures Schedule must list the date and the amount of the independent expenditure; the name of the candidate and the office he or she seeks, or the name of the ballot question; the name and address of the person to whom the independent expenditure was paid; and a description of the independent expenditure which specifies whether the independent expenditure was made to support or oppose the candidate or ballot question involved. An independent expenditure that is reported in the above manner must also be included on the committee's next required Campaign Statement.

## 24 Hour Reports

A Caucus committee and certain political party committees are required to file daily reports (24-Hour Reports) from the 14th day preceding a primary, general or special election to the day after the primary, general or special election, if the committee receives a contribution or makes an expenditure of **more** than \$1,000.00 per day. The report is similar to a "Late Contribution Report" except that it will include only those receipts or expenditures that exceed \$1,000.00.

A 24-Hour Report is due no later than 4:00 p.m. on the first business day following the date the contribution in excess of \$1,000.00 is received or the expenditure in excess of \$1,000.00 is made. The 24-Hour Report closes on the day the contribution is received or the expenditure is made.

All Caucus Committees must file all 24 Hour Reports electronically using e-IDR; an Internet based application specifically designed for filing these reports. Electronic filers registered on the state level must file all 24 Hour Reports electronically using e-IDR. Paper filers registered on the state level are encouraged to use the e-IDR program as an option.

Late filing fees are assessed for late or missed 24 Hour Reports. Refer to Appendix E for applicable late filing fees.



# Appendix H: Committee Types

The Michigan Campaign Finance Act (MCFA) requires groups participating in Michigan elections to form and register committees. Committees are formed at the state level with the Bureau of Elections and at the local level with the County Clerk's office. Filing official designations and committee registration thresholds are detailed in each committee manual (links below). Committees are groups that:

- receive contributions or make expenditures to influence voters for or against the nomination or election of a candidate;
- receive contributions or make expenditures to influence voters for the qualification, passage, or defeat of a ballot question;
- make independent expenditures to influence voters; or
- receive contributions or make expenditures to assist a political party in qualifying for ballot access in Michigan.

This document will provide a brief explanation on each committee type covered under the MCFA. For more information on each committee type please see each committee manual (links below). The types of committees covered by the MCFA include:

- Candidate Committees
- Political and Independent Committees/PACS
  - Caucus Committees
  - Separate Segregated Funds (SSF PAC)
- Independent Expenditure Committees/Super PACS
- Ballot Question Committees
- Political Party Committees
  - State Central
  - Congressional District
  - County



## Candidate Committees

A Candidate Committee is formed under the direction and control of a candidate for the candidate's campaign for a specific office. Candidate Committees file at either the local or state level. A Candidate Committee's registration timeline starts when the candidate meets the definition of a "candidate" under the MCFA. This is true even if the candidate only uses personal funds to campaign, does not receive or spend any funds when seeking office, or is running a write-in campaign. A Candidate Committee is the only committee type that can consist of one individual; the candidate him or herself. A candidate may only have one Candidate Committee for each office sought. All money received by a Candidate Committee must be spent to further the nomination or election of that candidate for that office, pay expenses incidental to holding the elective office if the candidate was successful and is now an incumbent officeholder, or to dissolve the committee in accordance with Section 45. The committee funds must never be considered a part of the candidate's personal financial holdings or estate. A Candidate Committee may not accept contributions from the treasury funds of a corporation, labor organization, Indian Tribe/DDS; an IEC/Super PAC; from a person holding an interest in one of the three casinos located in Detroit; or from foreign nationals.

Please see the Candidate Manual for more information.

## Political Committee And Independent Committees/PACs

**Note:** Other names and labels are often applied to Political Committees and Independent Committees although these terms are not found in the MCFA including: Political Action Committee (PAC), Leadership PAC, Legislative PAC, Leadership Fund, Victory Fund, Majority Fund, Minority Fund, etc. Regardless of the name, all committees required to register must follow all the requirements of the MCFA.

**Independent Committees** and **Political Committees** are both commonly referred to as PACs or Political Action Committees. Subtypes exist in both designations; these subtypes are explained below. A Political Committee and an Independent Committee are formed to support one or more candidates and may also support or oppose ballot questions. Political and Independent Committees file at either the local or state level. A PAC's registration timeline starts when the committee exceeds the \$500.00 registration threshold of the MCFA. A PAC may not accept contributions from the



treasury funds of a corporation, labor organization, DDS/Indian tribe; a person holding an interest in one of the three casinos located in Detroit; an IEC/Super PAC; or from foreign national.

**A Political Committee** must observe the same contribution limits as an individual when making contributions to, or expenditures in support of, or in opposition to, the nomination or election of a candidate.

**An Independent Committee** that meets the following three criteria may give a candidate for elective office ten times the amount a Political Committee is permitted to give the candidate. The higher contribution limits are not allowed until the committee has met all three criteria listed below:

1. Registers as an Independent Committee at least six months before the election for which it expects to make expenditures at the higher limits (ten times amount);
2. Received contributions from at least 25 persons; and
3. In the same calendar year as #2, makes expenditures to support or oppose three candidates in Michigan within the lower contribution limits applicable to a Political Committee.

**A Caucus Committee** is a subtype of an Independent Committee established by the political party caucuses (Democratic and Republican) of the Michigan House of Representatives and the Michigan State Senate. There are only four caucus committees established in the legislature.

House Republican Campaign Committee Michigan House Democratic Fund  
Michigan Senate Democratic Fund Senate Republican Campaign Committee.

All four Caucus Committees are registered at the state level with the Bureau of Elections and are qualified to give at the higher limits. A Caucus Committee is restricted in making contributions during a contested primary. A Caucus Committee may make unlimited contributions during the general election period. However, a Caucus Committee must adhere to the limitations on contributions received.

**A Separated Segregated Fund (SSF PAC)** is a subtype that can be either a Political Committee or an Independent Committee. Section 55 of the MCFA provides that corporations, labor organizations and DDS/Indian Tribes can establish a PAC to support or oppose candidates in Michigan. The corporations, labor organizations and DDS/Indian Tribes may use treasury funds to pay the costs of the establishment, administration and solicitation



of contributions to a SSF PAC. However, the corporations, labor organizations and DDS/Indian tribe may not use its treasury funds to give direct support to candidates. Rather, the SSF PAC can solicit and accept funds from a restricted group of employees and/or members and other SSF PACS.

A SSF PAC must include in the name of the committee the name of the person or persons that sponsor the committee, if any, or with whom the committee is affiliated. A person, other than an individual or a committee, sponsors or is affiliated with an Independent Committee or Political Committee if that person establishes, directs, controls, or financially supports the administration of the committee. A person does not financially support the administration of a committee by merely making a contribution to the committee.

Please see the PAC Manual for specific information.

**Independent Expenditure Committees/Super PACs** An Independent Expenditure Committee (IEC) is commonly referred to as a Super PAC. An Independent Expenditure Committee/Super PAC is a formed exclusively for the purpose of making independent expenditures that are not in any way made in cooperation, consultation, or concert with, or at the request or suggestions of, a candidate, a candidate committee or its agents, or political party committee or its agents. IEC/Super PACS file at either the local or state level. An IEC/Super PAC's registration timeline starts when the committee exceeds the \$500.00 registration threshold of the MCFA. An IEC/Super PAC may accept contributions from the treasury funds of a corporation, labor organization, DDS/Indian tribe; another IEC/Super PAC; or from a Ballot Question Committee. However, an IEC/Super PAC cannot accept contributions from foreign nationals. An IEC/Super PAC is not allowed to use funds to directly support a candidate committee through contributions of money or in-kind contributions, nor can the IEC/Super PAC give to other committee types that support candidates directly such as an Independent Committee, Political Committee House or Senate Political Party Caucus Committee. IEC/Super PACS can make unlimited independent expenditure to support or oppose candidates. IEC/Super PACS can also make expenditures to other IEC/Super PACS and Ballot Question Committees.

Please see the PAC Manual for more information.

**Ballot Question Committees** A Ballot Question Committee is a committee that is formed to receive contributions and make expenditures in support of, or in opposition to, the qualification, passage or defeat of a ballot question.



Ballot Question Committees file at either the local or state level. A Ballot Question Committee's registration timeline starts when the committee exceeds the \$500.00 registration threshold of the MCFA. A Ballot Question Committee may accept contributions from the treasury funds of a corporation, labor organization, DDS/Indian tribe; a person holding an interest in one of the three casinos located in Detroit; a IEC/Super PAC or from another Ballot Question Committee. However, a Ballot Question Committee cannot accept contributions from foreign nationals. A Ballot Question Committee is prohibited from making contributions or expenditures to influence the nomination or election of a candidate or by contributing to other committee types that support candidates directly such as an independent committee, political committee house or senate political party caucus committee.

Please see the Ballot Question Manual for more information.

**Political Party Committees** A Political Party Committee is a committee formed by a state central, congressional district, or county committee of a political party and are only registered at the state level with the Bureau of Elections. A Political Party Committee's registration timeline starts when the committee exceeds the \$500.00 registration threshold of the MCFA. Each state central committee designates one official county political party committee in each county, and one official congressional district political party committee in each congressional district. An organization that is not the official state level organization designated congressional district organization or county level organization of a political party is not permitted to register as a Political Party Committee under the MCFA. However they may register as an Independent or Political Committee (PAC).

Please see the Political Party Manual for more information.

## FAQs

**Q.** I want to form a committee, but I don't know committee type I should register as?

**A.** This depends on who you would like to collect contributions from and how you would like to participate in Michigan elections. If you are a candidate, you must form a Candidate Committee for each office sought. For other committee types, please review the information above. Questions can be directed to MDOS- CampaignFinance@michigan.gov.



**Q.** What is the difference between a Political Committee, Independent Committee, and an Independent Expenditure Committee/Super PAC?

**A.** All three committee types can raise unlimited amounts of contributions. Political and Independent Committees can give directly to Candidate Committees within each of their respective contribution limit, while Independent Expenditure Committee/Super PAC can only make unlimited independent expenditures to support or oppose candidates. An Independent Expenditure Committee/Super PAC may accept contributions from the treasury funds of a corporation, labor organization, DDS/Indian tribe; an IEC/Super PAC; or a Ballot Question Committee; while a Political Committee or Independent Committee cannot.

**Q.** I already have an existing committee; can I change my committee type?

**A.** The only committee type that can request to change is a Political Committee. A Political Committee may request to become an Independent Committee if they later decide that they want to contribute at the higher limits. Once this is requested, the committee cannot contribute at the higher limits until it meets Independent Status.

State level committees must send correspondence to MDOS- CampaignFinance@michigan.gov to request this change. Local level committees can file an Amended Statement of Organization to request this change with their filing official.

**Q.** How do I meet Independent Status?

**A.** A PAC must register as an Independent Committee at least six months before the election for which it expects to make expenditures at the higher limits. In addition, the committee must receive contributions from at least 25 unique persons, and in the same year as the 25 contributions, the committee must make at least three expenditures to support or oppose three candidates in Michigan at the lower contribution limit applicable to a Political Committee.

**Q.** How can I tell if I have met Independent Status and can therefore give at the higher contribution limit?

**A.** To confirm Independent Status, contact the filing official. For committees registered at the state level, you can use the Committee Search tool to determine Independent Status. In the search, select Political Action (PAC) as the committee type and enter the ID number or Committee Name that you are looking for.



**Q.** Which committee types register with the Bureau of Elections and which register with the local County Clerk's office?

**A.** Candidate Committees file at either the local or state level; please see the Candidate Committee Manual - Where To File for specific information.

Political, Independent, and Independent Expenditure Committee/Super PACS file at either the local or state level; please see the PAC Manual - Where To File for specific information.

Ballot Question Committees file at either the local or state level; please see the Ballot Question Committee Manual - Where To File for specific information.

All Political Party Committees file at the state level with the Bureau of Elections; please see the Political Party Committee Manual - Where To File for specific information.

**Q.** When are committees required to register and are there any exemptions?

**A.** A Candidate Committee's registration timeline starts when the candidate meets the definition of a "candidate" under the MCFA; please see Candidate Committee Manual - The Statement Of Organization Forming And Registering A Candidate Committee for specific information.

A Political Committee, Independent Committee, or Independent Expenditure Committee/Super PAC's registration timeline starts when the \$500.00 threshold is exceeded; please see PAC Manual - The Statement Of Organization Forming And Registering A PAC for specific information. Some exceptions may apply; please see Appendix K1 for more information.

A Ballot Question Committee's registration timeline starts when the \$500.00 threshold is exceeded; please see the Ballot Question Manual - The Statement of Organization Forming And Registering A Ballot Question Committee for specific information.

A Political Party Committee's registration timeline starts when the \$500.00 threshold is exceeded; please see the Political Party Manual - The Statement Of Organization Forming And Registering A Political Party Committee for specific information.

**Q.** How many Candidate Committees can a candidate have active at the same time?



**A.** A candidate may only have one Candidate Committee for each office sought that is active at the same time.

**Q.** Which committees have contribution limits?

**A.** Candidate Committees and Caucus Committees have limits on the amount of contributions they can receive from a contributor. Please see the Contribution Limits Page for detailed information.

## Rulings

Date	To whom	Type of Ruling	Section(s) of law	Complete Text Link
09/28/2017	LaBrant	IS	15(1), 15(2), 51, 54(4), 63	<a href="#">LaBrant 09/28/2017</a>
07/10/2013	Berke	IS	9, 26, 44, 54, 55	<a href="#">Berke 07/10/2013</a>
05/21/2010	LaBrant	IS	55, 3, 24, 8, 54, 9, 33, 42	<a href="#">LaBrant 05/21/2010</a>
05/30/2003	Doster	IS	2(1), 6	<a href="#">Doster 05/30/2003</a>
11/04/1997	Pirich/Knowlton	IS	55(1)	<a href="#">Pirich/Knowlton 11/04/1997</a>
11/02/1993	Sponsler	DR	3(4), 4(1), 6(1), 7(4), 11(1), 21(10), 31, 42(1), 44(1), 44(3), 52, 69	<a href="#">Sponsler 11/02/1993</a>
09/24/1992	Gromek	IS	3(4), 11(1), 21	<a href="#">Gromek 09/24/1992</a>
06/14/1990	Gromek	IS	3(4), 44	<a href="#">Gromek 06/14/1990</a>



01/24/1984	Clarkson	DR	3(1), 6(1), 47(1)	<a href="#">Clarkson 01/24/1984</a>
10/26/1983	Duff	DR	3(4), 55	<a href="#">Duff 10/26/1983</a>
03/31/1982	Welborn	IS	3(1), 3(4), 45(1)	<a href="#">Welborn 03/31/1982</a>
12/01/1981	VanHeest	IS	3(4)	<a href="#">VanHeest 12/01/1981</a>
10/23/1981	Jenkins	IS	3(1), 3(4), 8(2), 11(2), 45(2)	<a href="#">Jenkins 10/23/1981</a>
10/12/1981	Titus	IS	3(1)	<a href="#">Titus 10/12/1981</a>
09/24/1981	Peterson	IS	3(1)	<a href="#">Peterson 09/24/1981</a>
09/15/1980	Hancock	IS	3(1)	<a href="#">Hancock 09/15/1980</a>
08/06/1980	Deering	IS	3(2), 5(2), 6(1), 44(2), 45(1)	<a href="#">Deering 08/06/1980</a>
02/06/1980	Butler	IS	3(4)	<a href="#">Butler 02/06/1980</a>
01/29/1980	Overbeck	DR	3(4)	<a href="#">Overbeck 01/29/1980</a>
12/14/1979	Hazekamp	IS	3(1)	<a href="#">Hazekamp 12/14/1979</a>
12/14/1979	Hancock	DR	3(1), 5(2)	<a href="#">Hancock 12/14/1979</a>
11/02/1978	Riley	IS	3(1)	<a href="#">Riley 11/02/1978</a>



11/02/1978	Justian	IS	3(4), 47(1), 51, 52	<a href="#">Justian 11/2/1978</a>
11/02/1978	Hawkins	IS	3(2), 21	<a href="#">Hawkins 11/02/1978</a>
10/10/1978	Collins	DR	3(1)	<a href="#">Collins 10/10/1978</a>
08/14/1978	Gerals	IS	3(4)	<a href="#">Gerals 08/14/1978</a>
07/20/1970	N/A	AG 5344	55	<a href="#">07/20/1970</a>
03/29/1978	Defebaugh	IS	8(2)	<a href="#">Defebaugh 03/29/1978</a>
03/29/1978	Sage	IS	3(4)	<a href="#">Sage 03/29/1978</a>
03/22/1978	N/A	AG 5279	55	<a href="#">03/22/1978</a>
08/09/1977	Walsh	IS	3(1), 3(4)	<a href="#">Walsh 08/09/1977</a>

## Appendix I: Use of Public Facilities, Funds, Etc., Prohibited

**NOTE: An injunction issued on February 5, 2016 by U. S. District Judge John Corbett O’Meara, from the U.S. District Court in Ann Arbor prevents the enforcement of PA 269 of 2015 as it affects Section 57 of the MCFA only. As a result, 57(3) is not in effect.**

Section 57 of the Michigan Campaign Finance Act (MCFA) stipulates a public body or person acting for a public body **must not use or authorize the use of public funds or resources** to make a contribution or expenditure to further the nomination or election of a candidate or the qualification, passage or defeat of a ballot question. Section 57 of the MCFA does not



restrict the constitutionally protected right to associate or to engage in political speech. It is intended to prevent those who control public resources from using those resources to influence the outcome of an election. It is up to the people and not public bodies to decide elections. A public body is prohibited in participating in elections for:

- State and Local
- Ballot Questions
- Federal Candidates
- State Candidates
- Local Candidates

This means that a public body cannot contribute to or make expenditures on behalf of committee's registered to support or oppose candidates and ballot questions. This prohibition includes Candidate Committees, Ballot Question Committees, PACS, Super PACS and Political Party Committees nor can a public body make independent expenditures to influence voters in an election.

## **A public body**

- A public body is a state agency, department, division, bureau, board, commission, council, authority, or other body in the executive branch of state government.
- The legislature or an agency, board, commission or council in the legislative branch of state government.
- A county, city, township, village, intercounty, intercity, or regional board; a council, school district, special district, or municipal corporation; or a board, department, commission, or council or an agency of a board, department, commission, or council.
- Any other body that is created by state or local authority or is primarily funded by or through state or local authority, which body exercises governmental or proprietary authority or performs a government or proprietary function.

## **Examples of Prohibited Uses**

The prohibition includes, but is not limited to the use of personnel, office space, computer hardware or software, property, stationery, postage,



vehicles, equipment, supplies, provide volunteer personal services or other public resources.

- A public body is prohibited from displaying political signs, brochures, pamphlets, etc in any governmental building or government property.
- Public officeholders and other public bodies are prohibited from using their office email and phones for campaign purposes.

## **Payroll Deduction Prohibition**

The prohibition includes using or authorizing the use of public resources to establish or administer a payroll deduction plan to directly or indirectly collect or deliver a contribution to or make an expenditure for a committee. Advance payment or reimbursement to a public body does not cure a use of public resources.

## **Exemptions**

The prohibition does not apply to any of the following:

- The expression of views by an elected or appointed public official who has policy- making responsibilities.
- The production or dissemination of factual information concerning issues relevant to the function of the public body.
- The production or dissemination of debates, interviews, commentary, or information by a broadcasting station, newspaper, magazine, or other periodical or publication in the regular course of broadcasting or publication. This exemption does not apply to the dissemination of an advertisement of a candidate.
- The use of a public facility owned or leased by or on behalf of a public body if any candidate or committee has an equal opportunity to use the public facility. The use of a public facility owned or leased by or on behalf of a public body if that facility is primarily used as a family dwelling and is not used to conduct a fund raising event.
- An elected or appointed public official or an employee of a public body who, when not acting for a public body but is on his or her own personal time, is expressing his or her own personal views, is expending his or her own personal funds, or is providing his or her own personal volunteer services.



## Special notes:

- The mere act of voting on a resolution that encompasses matters at a meeting does not constitute a misuse of public resources within the meaning of Section 57. A public body may record the resolution in the meeting minutes as required by the Open Meetings Act and may disseminate copies of those minutes in its regular course of publication.
- Public facilities that are rented to committees for use, may display the committee function on the facility marquee without violating section 57 as long as any candidate or committee has an equal opportunity to use the facility and the marquee is use equally for all events.
- Public facilities and resources can be used for public forums and public education on candidate elections and ballot questions provided the public resources are not used to influence the outcome of the election and views of all candidates and views of both supporters and opponents of a ballot question are treated equally.

## Penalties

A person who knowingly violates this section is guilty of a misdemeanor punishable, if the person is an individual, by a fine of not more than \$1,000.00 or imprisonment for not more than 1 year, or both, or if the person is not an individual, by one of the following, whichever is greater: (a.) A fine of not more than \$20,000.00 or (b.) A fine equal to the amount of the improper contribution or expenditure.

### Other Prohibitions of the MCFA

For a more complete listing of prohibitions covered under the MCFA see Appendix O; Prohibited Contributions.

## Complaints

If you believe a violation of any provision of the MCFA has occurred, the law provides for a specific process that can be followed to file a complaint. A Complaint Process Form has been created to assist you with filing a complaint.

## FAQs

**Q.** What is a public body? A public body is:



**A.**

- A state agency, department, division, bureau, board, commission, council, authority, or other body in the executive branch of state government.
- The legislature or an agency, board, commission or council in the legislative branch of state government.
- A county, city, township, village, intercounty, intercity, or regional board; a council, school district, special district, or municipal corporation; or a board, department, commission, or council or an agency of a board, department, commission, or council.
- Any other body that is created by state or local authority or is primarily funded by or through state or local authority, which body exercises governmental or proprietary authority or performs a government or proprietary function.

**Q.** What activities are exempt from Section 57?

**A.** Section 57 is not intended to squash the constitutional right to free speech by public officials or public bodies, but rather ensure that public resources are not used to influence elections. That decision must be left to the voters. Therefore, the prohibition does not apply to any of the following:

- The expression of views by an elected or appointed public official who has policy- making responsibilities.
- The production or dissemination of factual information concerning issues relevant to the function of the public body.
- The production or dissemination of debates, interviews, commentary, or information by a broadcasting station, newspaper, magazine, or other periodical or publication in the regular course of broadcasting or publication. This exemption does not apply to the dissemination of an advertisement of a candidate.
- The use of a public facility owned or leased by or on behalf of a public body if any candidate or committee has an equal opportunity to use the public facility.
- The use of a public facility owned or leased by or on behalf of a public body if that facility is primarily used as a family dwelling and is not used to conduct a fund raising event.



- An elected or appointed public official or an employee of a public body who, when not acting for a public body but is on his or her own personal time, is expressing his or her own personal views, is expending his or her own personal funds, or is providing his or her own personal volunteer services.

**Q.** What constitutes express advocacy?

**A.** A violation occurs when a public body uses public funds to send out a communications that contains words of express advocacy. A communication contains express advocacy when it contains the words "vote for", "elect", "support", "cast your ballot for", "Smith for governor", "vote against", "defeat", or "reject". These are often referred to as the "magic words." While these are the most common terms of express advocacy and provided in Section 6 of the MCFA, other terms may be considered to fall into the definition of express advocacy. Each communication must be considered carefully to ensure that it does not violate the express advocacy prohibition.

**Q.** Can a public official insert fliers with express advocacy in an established mailing such as tax bill?

**A.** No. A public body must not use any public resources paid for with public funds to influence voters. Providing factual information that does not contain words or express advocacy does not violate the MCFA. However, it is not recommended as it may result in a complaint. While the mailing may not result in any additional cost in postage or envelopes this is not relevant and does not mitigate the violation. The entire cost of the mailing and any staff time or other resources used to stuff and handling the mailing is considered a misuse of the resources.

**Q.** Can a public official use the office telephone for campaign purposes?

**A.** No. A public official should not use his public office telephone or any phone paid for with public funds to campaign or advertise it as a way of contacting the public official for campaign purposes. Any time spent answering campaign phone calls diverts attention for the ordinary business of the public body and is permanently lost. Additionally, any staff time answering and transferring campaign related phone calls also causes the loss of time to the county. Any of this activity would result in a prohibited expenditure of public resources.

**Q.** Can a public official use the office email for campaign purposes?



**A.** No. A public official should not use his public office email system paid for with public funds to campaign or advertise it as a way of contacting the public official for campaign purposes. Any time spent answering emails calls diverts attention for the ordinary business of the public body and is permanently lost. Additionally, any staff time reading, handling or transferring campaign related emails also causes the loss of time to the county. Any of this activity would result in a prohibited expenditure of public resources.

**Q.** Can a public official use pictures taken in the public office and/or wearing their official uniform?

**A.** Maybe. A public body violates the MCFA by expending its resources for prohibited campaign activity. The expenditure of public funds must have "ascertainable monetary value" in order to meet this threshold. There is no ascertainable monetary value in connection with a picture being taken in a public office. In addition, Section 57 of the MCFA contains an exception that allows the use of a public facility if any candidate has the same opportunity to use that facility.

**Q.** Can a public official campaign in their uniform?

**A.** Maybe. A public body violates the MCFA by expending its resources for prohibited campaign activity. The expenditure of public funds must have "ascertainable monetary value" in order to meet this threshold. There is no ascertainable monetary value in connection with a public official wearing a uniform. In addition, some public officials are asked to purchase their own uniforms. In this case, no public resources are involved.

**Q.** Can a public official campaign using a publicly funded vehicle such as a patrol car?

**A.** No. A publicly funded vehicle such as a patrol car must not be used to campaign. The prohibition would extend to attending campaign events, transporting campaign materials or any other exclusively campaign related use.

**Q.** Can a public official campaign while on publicly paid time?

**A.** No. At no time can a public official campaign when being paid to work. A public official must use personal time or accrued leave time to campaign during working hours. Public officials that are on call, but not actively working and not being paid are considered to be on personal time unless and until they are called to duty.



**Q.** Can a public official use official letterhead for campaign purposes?

**A.** No. A public official cannot use official letterhead of the public body to campaign for himself/herself or any other candidate.

**Q.** Can a public official endorse another candidate? Yes.

**A.** An endorsement in and of itself has no value. However, the public official cannot use public resources to promote or advertise the endorsement of himself or any other candidate.

**Q.** Can a public official use public resources if the cost is reimbursed to the public body?

**A.** No. A violation of the MCFA occurs at the point that the resources are used and reimbursement to the public body does not cure the violation.

**Q.** Can campaign signs be placed on public property or displayed in public buildings?

**A.** Maybe. Campaign signs should not be placed on public owned or leased property unless the opportunity exists for any and all candidates and committees. This practice extends to placing brochures in a public building. However, this practice is highly discouraged as it leads to complaints. It further puts the public body at risk of violating the MCFA inadvertently. It is recommended that the public body establish clear and written policies on the use of public facilities for campaign purposes.

**Q.** On election day, can signs be placed on public property if the building is a polling place?

**A.** Polling locations (including those on public property) on election day must allow campaigning outside of the 100 foot rule. This means that within 100 feet of any door to the building, campaigning and signs are not allowed. However, outside of 100 feet campaigning must be allowed. However, the public body has the authority to allow or disallow signs being left on the property as long as the decision is enforced equally during the hours the polls are open.

**Q.** I see signs on public property, can I take them down?

**A.** Only the owner or administrator with the authority to remove signs may do so. The members of the general public without permission do not have the authority to remove the signs.



**Q.** Can a public facility be used for a candidate meet and greet or ballot question informational meeting?

**A.** Yes. Public facilities and resources can be used for public forums and public education on candidate elections and ballot questions provided the public resources are not used to influence the outcome of the election and views of all candidates and views of both supporters and opponents of a ballot question are treated equally.

**Q.** I think a violation has occurred, can I file a complaint?

**A.** Yes. If you believe a violation of any provision of the MCFA has occurred, the law provides for a specific process that can be followed to file a complaint. A Complaint Process Form has been created to assist you with filing a complaint.

**Q.** Do I need evidence of the violation to file a complaint?

**A.** Yes, a complaint that is not substantiated with evidence will be dismissed. Evidence can be in the form of pictures, videos, receipts or vouchers or anything else that substantiates the allegations.



# Appendix J: Identification Requirements

Section 47 of the Michigan Campaign Finance Act (MCFA) provides that certain political communications or paid political advertisements must identify the person or persons paying for the communication. The communication can be to further the nomination or election of a candidate or the qualification, passage or defeat of the ballot question. Communications are made in a number of formats:

- Printed items include signs and mailers, novelty items such as pens, pencils and stickers
- Broadcast media includes radio and TV advertisements
- Robotic Calls are automated messages sent via telephone
- Electronic media includes email, websites and social media such as Twitter and Facebook.

To determine if an identifier/disclaimer statement is needed, a clear understanding of the following definitions is required.

**Identification Statement:** Tells the person reading or hearing the advertisement who paid for the message or materials and provides their address or other contact information. This is commonly referred to as an "identifier."

**Disclaimer Statement:** Tells the person reading or hearing the advertisement that the candidate or candidate committee did not authorize the message or materials. This is commonly referred to as a "disclaimer."

**Express Advocacy:** Refers to words or references in a communication that expressly advocate for the election or defeat of a candidate or the passage or defeat of a ballot proposal. Specific words of express advocacy include words such as "VOTE FOR," "ELECT," "SUPPORT," "CAST YOUR BALLOT FOR," "SMITH FOR GOVERNOR,"

"VOTE AGAINST," "DEFEAT," or "REJECT" or similar words or phrases. These are often referred to as the magic words.

**Independent of a Candidate or Candidate Committee:** Means the communication is not authorized by the candidate or candidate committee



who is the subject of the communication. In this case, the expenditure is an independent expenditure.

Authorized by the Candidate or Candidate Committee: Means the communication is authorized by the candidate or candidate committee and is not an independent expenditure. In this case, the payment of the communication is an in-kind contribution to the candidate committee who is the subject of the communication.

## Steps to determine if an identification/disclaimer statement is needed.

The following step by step instructions and sample wording are provided to assist committees and others in determining if an identifier/disclaimer is needed on a communication and what the identifier should contain. There are two (2) sets of instructions:

- Candidates and Candidate Committees
- All others

Print	Radio/TV	Robo-Calls	Electronic Media
Printed matter such as signs, posters, fliers, billboards, newspapers, novelty items, mass mailings etc.	Radio and TV Advertisement	Robotic calls	Websites (Free social media such as Facebook, Twitter and emails are exempt)
<b>Note: SAMPLE WORDING ONLY; SUBSTITUTE ACTUAL NAME/ADDRESS INFORMATION.</b>			
"Paid for by the CTE Joe Smith, 123 Winners Lane, Lansing, Michigan 48933" Unless the item is exempt; see list below	Must comply with FCC rules and bear the name of the payer	"Paid for the CTE Joe Smith, 123 Winners Lane, Lansing Michigan 48933" (The address can be substituted with a phone number or other contact information.)	"Paid for by the CTE Joe Smith, 123 Winners Lane, Lansing Michigan 48933

## All Others

**Step 1:** Does the communication contain words of express advocacy?



YES – Go to STEP 2

NO – Go to STEP 3

**Step 2:** Is the item a novelty item such as a pen, pencil or bumper sticker or something else such as a sign, TV, Radio or electronic communication?

**Yes:** It is a novelty item. The item may already be exempt, see the Printed Items - Exemptions list below. If it is not exempt, you can request exemption by submitting a request to the Bureau of Elections or place the appropriate identifier on the item.

Sample wording is provided in the chart below.

**No:** It is not a novelty item, it is:

- Other printed item: See column 1 below.
- TV or Radio Advertisement: See column 2 below.
- Robotic calls: See column 3 below.
- Electronic Message: See column 4 below.

With Words of Express Advocacy	Print Column 1	Radio/TV Column 2	Robo-Calls Columns	Electronic Media Column 4
Payer	Printed matters such as signs, posters, fliers, billboards, newspapers, novelty items, mass mailings etc.	Radio and TV Advertisements	Robotic Calls	Websites (Free social media such as Facebook, Twitter and emails are exempt)
Individual Acting Alone	N/A	Must comply with FCC rules and bear the name of the payer. Add "Not Authorized by any candidate" if it relates to a candidate and is an independent expenditure. If it	"Paid for by Gloria Smith 123 Main Street, Lansing Michigan 48933" (The address can be substituted by a phone number or other contact information.)	"Paid for by Gloria Smith, 123 Main Street, Lansing Michigan 48933"



		relates to a candidate as is in-kind, add "Authorized by" (Name of Candidate or Candidate Committee)		
PAC, Super PAC or Political Party Committee	"Paid for with regulated funds by The Best Committee Ever, 456 Support Ave. Lansing, MI 48933" Add: "Not authorized by any candidate committee" if it is a candidate related independent expenditure	Must comply with FCC rules, bear the name of the payer and include paid for "with regulated funds" Add "Not Authorized by any candidate" if it related to a candidate and is an independent expenditure. If it relates to a candidate and is in-kind, add "Authorized by (Name of Candidate or Candidate Committee)	"Paid for with regulated funds by The Best Committee Ever, 456 Support Ave. Lansing, Michigan 48933 (The address can be substituted by a phone number or other contact information.)	"Paid for with regulated funds by The Best Committee Ever, 456 Support Ave. Lansing, Michigan 48933" Add: "Not authorized by any candidate" if it is a candidate related independent expenditure.
Ballot Question Committee	"Paid for with regulated funds by The Best BQ Committee Ever, 456 Support Ave. Lansing, Michigan 48933	Must comply with FCC rules, bear the name of the payer and include paid for "with regulated funds"	"Paid for with regulated funds by The Best BQ Committee Ever, 456 Support Ave Lansing, Michigan 48933" (The address can be substituted by a phone number or	"Paid for with regulated funds by The Best Committee Ever, 456 Support Ave. Lansing, Michigan 48933"



			other contact information.)	
Unregistered Group	"Paid for by Our Club, 678 Main Street, Lansing, Michigan 48933" Add: "Not authorized by any candidate committee" if it is a candidate related independent expenditure.	Must comply with FCC rules and bear the name of the payer if it related to a candidate and is an independent expenditure, Add: "Not Authorized by any candidate" if it related to a candidate and is in-kind, add "Authorized by (Name of Candidate or Candidate Committee)"	"Paid for by Our Club, 678 Main Street, Lansing, Michigan 48933" (The address can be substituted by a phone number or other contact information.)	"Paid for by Our Club 678 Main Street, Lansing, Michigan 48933" Add: "Not authorized by any candidate" related independent expenditure.

**STEP 3:** Is the item a TV Advertisement, Radio Advertisement, Robotic call or a mass mailing? (Mass mailing means: A mailing by US mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30-day period).

**YES:** Go to Step 4

**NO:** Because the item does not contain express advocacy and it is not a qualified category listed above, no identifier/disclaimer is required.

**STEP 4:** Does the communications meet all of these conditions?

1. The communication references a clearly identified candidate or ballot question, and



2. The communication is disseminated within 60 days of a General Election in which the candidate or ballot question is on the ballot, or
3. The communication is disseminated within 30 days of a Primary Election in which the candidate or ballot question is on the ballot, and
4. The communication is targeted to the relevant electorate (i.e., the electoral district where the candidate or ballot question will appear on the ballot).

**YES:** An identifier ONLY may be required. See the chart below.

- See column 1 for Printed Items
- See column 2 for TV/Radio Advertisements
- See column 3 for Robotic calls

<b>With Words of Express Advocacy</b>	<b>Print Column 1</b>	<b>Radio/TV Column 2</b>	<b>Robo-Calls Columns</b>
Payer	Printed Mass Mailing: A mailing by US mail or fax of >500 identical or substantially similar nature with any 30 day period.	Radio and TV Advertisements	Robotic Calls
<b>Note: SAMPLE WORDING ONLY; SUBSTITUTE ACTUAL NAME/ADDRESS INFORMATION</b>			
Individual Acting Alone	N/A	Must comply with FCC rules and bear the name of the payer	"Paid for by Gloria Smith, 123 Main Street, Lansing, Michigan 48933" (The address can be substituted by the phone number or other contact information.)
PAC, Super PAC, Political Party Committee	"Paid for with regulated funds by The Best Committee Ever, 456 Support Ave. Lansing, Michigan 48933"	Must comply with FCC rules, bear the name of the payer and include paid for "with regulated funds"	"Paid for with regulated funds by The Best Committee Ever, 456 Support Ave. Lansing, Michigan 48933" (The address can be substituted by a phone or



			other contact information.)
Ballot Question Committee	"Paid for with regulated funds by The Best BQ Committee Ever, 456 Support Ave. Lansing, Michigan 48933"	Must comply with FCC rules, bear the name of the payer and include paid for (with regulated funds"	"Paid for with regulated funds by the Best Committee Ever, 456 Support Ave. Lansing, Michigan 48933" (The address can be substituted by a phone number or other contact information.)
Unregistered Group	"Paid for by Our Club, 678 Main Street, Lansing, Michigan 48933	Must comply with FCC rules, bear the name of the payer. Include paid for "with regulated funds" only if the group's registration is pending	"Paid for by Our Club, 678 Main Street, Lansing, Michigan, 48933 (The address can be substituted by a phone number or other contact information.)

**NO:** Because the communication does not meet all of the requirements, no identifier/disclaimer is required.

#### Other Points to Consider

- Electronic media such as web sites, Facebook, Twitter, etc. are not specifically exempt from the requirements of Section 47.
- Email communications are not paid political advertisements and are therefore are not covered under Section 47.
- An individual other than a candidate is not subject to the identification requirement provision as it relates to **printed matter only** if the individual is acting independently and not acting as an agent for a candidate or any committee.
- The identification or disclaimer on printed matter must be in a place and in a print clearly visible to and readable by an observer.
- A ballot question petition and a recall petition must bear the identification statement. A candidate petition is exempt from this requirement. However, the detachable portion of a candidate petition must bear the identification statement.



- Committees participating in a joint fund raiser must include the appropriate identifier and the names and addresses of all of the committees participating in the joint fundraiser.
- A committee that has filed an amendment to its Statement of Organization to show a change of committee address is not required to note the change of address on printed matter it previously purchased as long as the printed matter contains an identification statement that was correct at the time the printed matter was produced.
- The requirement for the identifier/disclaimer does not apply to printed communications between a separate segregated fund (SSF) and individuals who can be solicited for contributions to that SSF.

## Printed Items – Exemptions

Certain items are exempt from the identification or disclaimer requirement due to their size or difficulty of placement. See list below. Any item NOT included in this list must contain an identification statement, and if applicable, a disclaimer statement. To request an exemption, a Declaratory Ruling request must be submitted. Following is a listing of the exempted items:

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 15" 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	Label 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		

## FAQs

**Q.** Why must items contain an identifier and/or disclaimer?

**A.** Political communications must contain an identifier/disclaimer as it is required by the Michigan Campaign Finance Act. The rules can be confusing and complicated. It is recommended that the identifier be placed on the communication to avoid a possible violation.

**Q.** What must the identifier say?

**A.** The most common identifier for printed material is the phrase "Paid for by" and the name and address of the person paying for the communication. While this is the most common, it is not the only required wording. It is recommended that you review the charts above carefully to make sure you are including all of the required information in the identifier.

**Q.** What are the conditions for placement and size of the identifier on printed communications?

**A.** An identifier must be clearly visible to those that would be viewing the material. It should be separate from any text and is usually shown at the bottom of signs, fliers, etc. So for sample, a billboard identifier should be visible from the road and separate from the main text of the advertisement.

**Q.** Do envelopes require an identifier on them?

**A.** No. Envelopes are exempt from the requirement, but the contents of the envelope must be considered independently to determine if the identifier/disclaimer is required.



**Q.** Are there special requirements for a joint fundraiser?

**A.** Yes. For a joint fundraiser, all of the committees involved in paying for the fundraiser must be identified on the fundraiser communications. See Appendix F for more information concerning joint fundraisers.

**Q.** My committee address changed; can I use my signs with the previous address?

**A.** Yes. As long as the address change has been recorded in an amendment to the Statement of Organization, the signs can be used without updating the address information on the signs themselves. See Appendix S for more information on signs.

**Q.** How do I request an exemption of an item?

**A.** To request an exemption of a specific item not already exempt, a request must be sent to the Bureau of Elections, PO Box 20126, Lansing, Michigan 48901-0726 or via email at MDOS-CampaignFinance@michigan.gov. Unless and until an item is exempt, it must contain the identification statement as required by the MCFA.

**Q.** Can an identifier be placed on a communication even if it is not required?

**A.** Yes. There is nothing in the MCFA that prohibits placing an identification statement on a communication that is otherwise exempt or not covered.

**Q.** Is the identifier required on emails?

**A.** No. Since an email is not a paid political advertisement, an identification statement is not required. However, if the email contains attachments or links to websites, those communications must be considered separately from the email itself to determine if an identifier/disclaimer is required.

**Q.** My opponent's signs don't have the identifier on them, can they be taken down?

**A.** No. The absence of an identifier on a sign or other communication does not give anyone the authority to remove the signs. The owner of the property may remove the signs. Removing signs without the property owner's permission could result in the violation of other laws such as trespassing and theft.

**Q.** Does a Separate Segregated Fund have to use the identifier to communicate with its paid members?



**A.** No. A separate segregated fund's communication with its paid members is not required to contain an identifier. See SSF for more information.

**Q.** What is a mass mailing under Section 47?

**A.** Mass mailing means: A mailing by US mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30-day period.

**Q.** I'm an individual acting alone; do I have to use an identifier on communications?

**A.** Maybe. An individual other than a candidate is not subject to the identification requirement provision as it relates to printed matter only if the individual is acting independently and not acting as an agent for a candidate or any committee. This exemption only applies to print communications. Carefully review the charts to determine if an identifier is required on other types of communications.

**Q.** Do candidate petitions require the identifier?

**A.** No. A candidate petition is exempt from this requirement. However, the detachable portion of a candidate petition if applicable must bear the identification statement.

**Q.** Do ballot proposal petitions require the identifier?

**A.** Yes. A ballot question petition and a recall petition must bear the identification statement.

**Q.** Do I have to have an identifier on my free social media account?

**A.** No. Since the social media is not a paid political advertisement, an identification statement is not required. However, if the email contains attachments or links to websites, those communications must be considered separately from the email itself to determine if an identifier is needed.

**Q.** My signs don't have the identifier on them; how do I fix this?

**A.** The signs must have the identifier to be in compliance with the MCFA. A common remedy is to create labels with the disclaimer and place them on the signs or manually add the information. If this is not possible, the committee should take other measures to bring the signs into compliance. The committee should correct the error as soon as possible once discovered. It is important that the committee ensure that all future signs contain the proper identification statement prior to displaying them.



# Rulings on Section 47 of the MCFA – Identifiers and Disclaimers

## Rulings

Date	To whom	Type of Ruling	Section(s) of law	Complete Text Link
11/05/2018	Gatti	IS	47(1), R36	<a href="#">Gatti 11/05/2018</a>
04/08/1996	N/A	AG #6895		<a href="#">AG #6895</a>
03/27/1992	Brackenridge	IS	47(1)	<a href="#">Brackenridge 03/27/1992</a>
08/13/1990	Older	IS	47(1)	<a href="#">Older 08/13/1990</a>
07/17/1990	Wilson	IS	47(1)	<a href="#">Wilson 07/17/1990</a>
04/20/1990	Alan	IS	47(1)	<a href="#">Alan 04/20/1990</a>
04/25/1989	Pedersen	IS	47(1)	<a href="#">Pedersen 04/25/1989</a>
10/19/1988	Giese	IS	47(2)	<a href="#">Giese 10/19/1988</a>
10/10/1988	Monaghan	IS	47(1)	<a href="#">Monaghan 10/10/1988</a>
06/22/1988	Irvine	IS	47(1)	<a href="#">Irvine 06/22/1988</a>
05/26/1987	Russell	IS	47(1)	<a href="#">Russell 05/26/1987</a>
04/12/1985	Lehto	IS	47(2)	<a href="#">Lehto 014/12/1985</a>



12/07/1983	Weigan	IS	47(1)	<a href="#">Weigan 12/07/1983</a>
10/28/1981	Reuther	IS	47, 47(1)	<a href="#">Reuther 10/28/1981</a>
09/04/1981	Schwartz	IS	47(1)	<a href="#">Schwartz 09/04/1981</a>
08/06/1980	Nobes	IS	47	<a href="#">Nobes 08/06/1980</a>
12/14/1979	Brewer	IS	44(2) 47	<a href="#">Brewer 12/14/1979</a>
01/10/1979	Culbert	DR	47(1)	<a href="#">Culbert 01/10/1979</a>
11/02/1978	Justian	IS	3(4), 47(1), 51, 52	<a href="#">Justian 11/02/1978</a>
10/09/1979	Williams	IS	47(2)	<a href="#">Williams 10/09/1978</a>
08/01/1978	Spencer	IS	47(1)	<a href="#">Spencer 08/01/1978</a>
07/07/1978	Wilson	IS	47(1)	<a href="#">Wilson 07/07/1978</a>
07/07/1978	Everard	IS	47(1)	<a href="#">Everard 07/07/1978</a>
04/06/1978	Binkowski	IS	47(1)	<a href="#">Binkowski 04/06/1978</a>
03/29/1978	McNeely	IS	47(1), 47(1)	<a href="#">McNeely 03/29/1978</a>
03/24/1978	Holmes	IS	47(1)	<a href="#">Holmes 03/24/1978</a>
09/08/1977	Boewe	IS	47(1)	<a href="#">Boewe 09/08/1977</a>



09/02/1977	Sawicki	IS	47(1)	<a href="#">Sawicki</a> <a href="#">09/02/1977</a>
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# Appendix K: Out-of-State Groups

**Receipt of Out-Of-State Contributions:** A committee registered under the Michigan Campaign Finance Act may accept contributions from out-of-state contributors. A statement must be included with any out-of-state contribution if the contributor is not an individual and the contributing group is not registered as a committee under the Act. The statement must include the date the contribution was made, the amount of the contribution, the full name and address of each person or committee contributing to the contribution and the occupation, employer and principal place of business of each person contributing \$100.01 or more of the contribution. The statement must also include language to the effect that the contribution involved was not made from an account containing funds provided by a corporation, joint stock company, labor organization, domestic dependent sovereign or any other source prohibited in Michigan. An officer of the contributing group or other contributing person must certify that the statement is true and correct.

A committee registered under the Act may not accept a contribution from an out-of- state group unless the statement is submitted with the contribution. Information from the statement must be included in the next Campaign Statement owed by the recipient committee.

**Out-of-State Groups Covered by Michigan Campaign Finance Act:** Michigan's Campaign Finance Act requires a group operating out-of-state to form and register a Michigan committee within 10 calendar days after it receives or spends \$500.00 or more in a calendar year to influence voters for or against the nomination or election of one or more candidates in Michigan or the qualification, passage or defeat of one or more ballot questions in Michigan. Contributions that apply toward the \$500.00 threshold include contributions to Candidate Committees as well as any contributions made to Independent, Political, Political Party and Ballot Question Committees. To register, the committee must file a Statement of Organization form. After registering, the committee must file periodic Campaign Statements as required to disclose its political activity. A Committee that receives a contribution from an out-of-state group or organization is urged to advise them of the registration and reporting requirements of the Act.

**Out-of-State Treasurer, Depository, and Office:** The Michigan Campaign Finance Act (MCFA) allows an out-of-state committee to have a treasurer who does not reside in Michigan and a depository that is not located in



Michigan if the committee does not conduct business through an office or facility located in Michigan. An out-of- state committee that has a treasurer who is not a Michigan resident must complete the “irrevocable written stipulation” on its Statement of Organization. By checking the box and signing the Statement of Organization the treasurer stipulation agrees that 1) any legal process affecting the committee which is served on the Secretary of State or an agent designated by the Secretary of State will have the same effect as if personally served on the committee and 2) that the appointment will remain in force as long as any liability of the committee remains outstanding in Michigan. The committee treasurer must sign the statement.

**Itemization of Contributions and Expenditures:** A Political Action Committee (PAC) registered under Michigan’s Campaign Finance Act may not receive lump sum fund transfers from a “parent” committee registered under federal law or the laws of any other state. It may, however, receive itemized contributions. A Michigan PAC is commonly referred to as an “affiliate PAC” if it receives fund transfers from a “parent” committee registered under federal law or the laws of another state.

Itemized fund transfers received by an affiliate PAC from a parent committee may be disclosed under the Campaign Finance Act through the “Last-In-First-Out” (LIFO) accounting method or any other reasonable accounting method. Under the LIFO accounting method, the amount transferred is attributed to the most recent contributors to the account from which the funds were drawn. Persons designated as contributors of funds transferred into the affiliate PAC’s depository need not reside in or be located in Michigan. However, they must be eligible under Michigan Law to contribute to the affiliate. The affiliate PAC reports these funds with a receipt date as the date of the transfer, not the date the parent committee received the funds.

An out-of-state PAC that registers in Michigan and qualifies to keep its funds in an out- of-state depository is not required to have a separate account from which to make expenditures in Michigan. Expenditures to Michigan candidates, PACS, Political Party.

Committees or Ballot Question Committees may be made directly from the committee’s out-of-state account and reported through the LIFO accounting method or any other reasonable accounting method. The campaign statement filed by the committee would itemize on the Receipts Schedule only the receipts (based on LIFO or any other reasonable accounting



method) making up the expenditures made in assistance of, or in opposition to, Michigan candidates, committees, and ballot issues. The Expenditure Schedule would itemize only the expenditures made in assistance of, or in opposition to, the nomination or election of Michigan candidates, or the qualification, passage, or defeat of a Michigan ballot question. Therefore, the total amount of contributions reported on the Receipts Schedule will equal the total amount of expenditures reported on the Expenditure Schedule, and the Summary Page will reflect a zero ending balance.

Contributions received by a MCFA committee must conform with the requirements of Section 55 (6). Therefore, an out-of-state PAC or a federal PAC that collects automatic contributions, including through payroll deduction, must comply with the annual affirmative consent requirement for those funds that are used to make expenditures to support or oppose state and local candidates or ballot questions in Michigan. Contributions from individuals who have not provided annual affirmative consent may not be used.

**Certification for Contributions Received on an Automatic Basis:** A Candidate Committee, Political Party Committee, Independent or Political Committee shall not accept a contribution from an out-of-state committee which receives contributions on an automatic basis, including, but not limited to a payroll deduction plan, unless the contribution is accompanied by a statement certified as true and correct by an officer of the contributing person, with language to the effect that all contributions received on an automatic basis are in full compliance with Section 55. The certified statement must be provided to the recipient committee along with the contribution. The treasurer of the recipient committee must retain the certified statement in the committee's records. The statement is not required if the out-of-state group making the contribution is registered as a committee under the Michigan Campaign Finance Act.



# Appendix K1: Independent Expenditure Committees (IEC/Super PAC) Groups, Organizations, Corporations, Unions and Domestic Dependent Sovereigns (DDS/Indian Tribes)

PA 119 of 2017 amended the Michigan Campaign Finance Act (MCFA) to include provisions to bring the MCFA in sync with the 2010 U.S. Supreme Court decision known as Citizens United. The amendment added provisions to specifically allow corporations, labor unions and DDS/Indian tribes to use their treasury funds for independent expenditures on behalf of Michigan candidates and ballot proposals. To accomplish this, the amendment established a new committee type called the Independent Expenditure Committee (IEC or Super PAC). An IEC/Super PAC can be organized and registered to make:

- Independent expenditures on behalf of state and local candidates,
- Independent expenditures to support or oppose state and local ballot proposals,
- Direct expenditures to another IEC/Super PAC,
- Direct expenditure to ballot question committees, and
- Other lawful disbursements.

Independent expenditure means an expenditure that is not made in cooperation, consultation, or concert with, or at the request or suggestion of, a ballot question committee or a candidate, a candidate committee or its agents, or a political party committee or its agents, and if the expenditure is not a contribution to a committee. This means that IEC/Super PAC **CANNOT** make the following:

- Direct contributions to:
  - a candidate committee,
  - a political committee,



- an independent committee,
- a political party committee (State, County, or Congressional District) a House caucus committee, or
- a Senate caucus committee.
- Expenditures that are in cooperation with, consultation with, in concert with, or at the request/suggestion of:
  - a candidate,
  - a candidate committee or its agents, or
  - a political party committee or its agents.
- Other unlawful disbursements.

These restrictions are true even if the committee has not received any funds from a corporation, union or DDS/Indian tribe.

It is important to note that corporations, labor unions and DDS/Indian tribes remain prohibited from using their general treasury funds to make contributions directly to candidate committees, independent committees, political committees, political party committees, or House or Senate political party caucus committees.

## **Determining Registration and Reporting Requirements**

A group or organization must register as an IEC/Super PAC when the definition of a committee is met. A "committee" is a group or organization that receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate, the qualification, passage, or defeat of a ballot question, or the qualification of a new political party, if contributions received total \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year. Once registered, all of the committee's activity is reported by the committee on detailed campaign statements. A group or organization is not required to register unless the group or organization solicits or receives contributions for the purpose of making an expenditure to a ballot question committee or independent expenditure (IEC/Super PAC) committee. This means that a group or organization that simply uses its own treasury funds to make



independent expenditures is not required to register regardless of the amount spent.

To clarify the registration and disclosure requirements, the following charts are provided.

## Acting Alone

A group, organization, corporation, union or DDS/Indian tribe may use its unsolicited treasury money to make an independent expenditure on behalf of a candidate and/or ballot proposal. There is no limit to the amount of money that can be used nor are there any restrictions in the timing of the expenditures when acting alone and making independent expenditures. In this case, registration is not required; however, there may be reporting requirements.

Who is Acting Alone	Independent Expenditure Calendar Year Activity	Registration/Disclosure	Section MCFA	Late Filing Fees
<ul style="list-style-type: none"> <li>• Group</li> <li>• Organization</li> <li>• Corporation,</li> <li>• Union, or</li> <li>• DDS/Indian tribe</li> </ul>	\$100.00 or less single or cumulatively for the same candidate or proposal.	No Registration as an IEC/Super PAC required.* No disclosure is required.	Section 51	
<ul style="list-style-type: none"> <li>• Group</li> <li>• Organization</li> <li>• Corporation,</li> <li>• Union, or</li> </ul>	Between \$100.01 and \$499.99 for the same candidate or proposal.	No Registration as an IEC/Super PAC required.* Must file an Independent Expenditure Report within 10 calendar days. See....	Section 51	Late filing fees apply. See Appendix E



<ul style="list-style-type: none"> <li>• DDS/Indian tribe</li> </ul>				
<ul style="list-style-type: none"> <li>• Corporation,</li> <li>• Union, or</li> <li>• DDS/Indian tribe</li> </ul>	\$500.00 or more single or cumulatively for the same candidate or proposal.	No Registration as an IEC/Super PAC required.* Must file an Independent Expenditure Report within 10 calendar days. See...	Section 51, 55	Late filing fees apply. See Appendix E
<ul style="list-style-type: none"> <li>• Group (not a corporation, union or DDS/Indian tribe, or</li> <li>• Organization (not a corporation, union or DDS/Indian tribe)</li> </ul>	\$500.00 or more single or cumulatively for the same candidate or proposal.	Registration is required. See...	Section 3, 21, 55	Late filing fees apply. See Appendix E

(\* ) A group, organization, corporation, union or DDS/Indian tribe acting alone may optionally register as an IEC/Super PAC and follow the filing requirements of the MCFA.

## Acting Jointly with Others

A group, organization, corporation, union or DDS/Indian tribe may join together to pool funds from unsolicited general treasuries to make one or more independent expenditures on behalf of candidates or ballot proposals.

Who is Act Jointly	Independent Expenditure Calendar Year Activity	Registration/Disclosure	Section of MCFA	Late Filing Fees



<ul style="list-style-type: none"> <li>• Group</li> <li>• Organization,</li> <li>• Corporation,</li> <li>• Union, or</li> <li>• DDS/Indian tribe</li> </ul>	\$100.00 or less single or cumulatively for the same candidate or proposal.	No Registration as an IEC/Super PAC required.* No disclosure is required.	Section 51	N/A
<ul style="list-style-type: none"> <li>• Group</li> <li>• Organization,</li> <li>• Corporation,</li> <li>• Union, or</li> <li>• DDS/Indian tribe</li> </ul>	Between \$100.01 and \$499.99 for the same candidate or proposal.	No Registration as an IEC/Super PAC required.* Must file an Independent Expenditure Report within 10 calendar days. See <a href="#">Appendix G</a> for details.	Section 51	Late filing fees apply. See Appendix E
<ul style="list-style-type: none"> <li>• Group</li> <li>• Organization,</li> <li>• Corporation,</li> <li>• Union, or</li> <li>• DDS/Indian tribe</li> </ul>	Spending or receiving \$500.00 or more on behalf of candidates and proposals	Registration as an IEC/Super PAC required.	Section 3 and 21	Late filing fees apply. See Appendix E

(\*)A group, organization, corporation, union or DDS/Indian tribe acting jointly, but not triggering the registration requirement may optionally register as an IEC/Super PAC and follow the filing requirements of the MCFA.

## Filing a Statement of Organization

The committee is registered by filing a Statement of Organization with the appropriate filing official within 10 calendar days of meeting or exceeding the \$500.00 threshold. The threshold is met with a single independent expenditure or a series of independent expenditures. A separate committee



is required to be registered even if the corporation, labor union, or DDS/Indian tribe has a registered Separate Segregated Fund (SSF PAC).

The IEC/Super PAC is then required to file detailed campaign statements disclosing its contributions and independent expenditures. Campaign statements are required to be filed by state level committees and local level committees with specific coverage dates and filing deadlines. State level committees that spend or receive \$5,000.00 or more in any calendar year must file electronically.

A committee that does not spend or receive in excess of \$1,000.00 in a calendar year may qualify for a reporting waiver. A committee must request the Reporting Waiver on a Statement of Organization if the filing official determines that committee is eligible and grants the reporting waiver, then the campaign statements mentioned above may be waived. For more information see Appendix C of the manual.

A corporation, labor organization, DDS/Indian tribe or other group that intends to act as an independent expenditure committee (IEC/Super PAC) must file an Independent Expenditure Report if it spends between \$100.01 and \$499.99 in a calendar year on independent expenditures and has not yet registered an IEC/Super PAC as explained above. The Independent Expenditure Report form is available on the Department of State's website.

## **FAQs**

**Q.** Can groups other than corporations, labor organizations and DDS/Indian tribe that want to act as an independent expenditure committee register as an IEC/Super PAC?

**A.** Yes. The MCFA does not limit the formation and registration of these committees by other groups. Corporations, labor organizations and DDS/Indian tribes are free to contribute to any registered IEC/Super PAC or Ballot Question Committee. All committees registered under the MCFA must comply with its filing and disclosure requirements.

**Q.** Are there rules for naming an IEC/Super PAC? Can the name include a candidate name or ballot proposal reference?

**A.** The MCFA does not prohibit an IEC/Super PAC from using a candidate name in the committee name and provides no other requirements for naming the committee.



**Q.** Is there any limit on the amount of money that a corporation, labor union, or an DDS/Indian tribe can spend on independent expenditures for candidates or ballot proposals?

**A.** No. There is no limit on the amount of money that can be spent on independent expenditures. The activity must be carefully reviewed to determine any required filings and disclosure obligations.

**Q.** Is there a limited time frame when an independent expenditure can be made?

**A.** No. Independent expenditures can be made at any time. Care should be taken to ensure that the reporting requirements are met either by disclosing the independent expenditures in a required campaign statement or an Independent Expenditure Report as appropriate.

**Q.** Can independent expenditures be made in all election types?

**A.** Groups, organizations, corporations, labor unions, and DDS/Indian tribes can make independent expenditures to support or oppose candidates in any state or local primary, general, special or recall election, or any political party caucus or convention. Again, the activity must be carefully reviewed to determine the required filing and disclosure obligations.

**Q.** Can a candidate or political party solicit funds for an IEC/Super PAC?

**A.** Maybe; a candidate, candidate committee, political party committee, or an agent of the candidate or committee can solicit contributions on behalf of an independent expenditure committee (IEC/Super PAC). However, the solicitation cannot in any way cooperate, consult, act in concert, or otherwise coordinate in any way on independent expenditures made on behalf of that candidate or committee. This does not apply when the IEC/Super PAC makes independent expenditures during an election cycle related solely to the one candidate that is involved in the solicitation.

**Q.** Can a corporation, labor organization, or DDS/Indian tribe make a contribution consisting of general treasury funds to a candidate committee?

**A.** No. The prohibition on corporate, union and DDS/tribal contributions to candidates and committees that make contributions to candidates remains in effect. Corporations, labor unions and DDS/Indian tribes may not make contributions to candidates, candidate committees, independent committees, political committees, political party committees, or House or Senate political party caucus committees.



**Q.** Can a corporation, labor union, or DDS/Indian tribe contribute treasury funds to an IEC/Super PAC?

**A.** Yes. Corporations, labor unions and DDS/Indian tribes can make contributions to an IEC/Super PAC so long as the independent expenditures are not, in any way, directly or indirectly made in cooperation, consultation, or concert with, or at the request or suggestion of, a ballot question committee or a candidate, a candidate committee or its agents, or a political party committee or its agents, and if the expenditure is not a contribution to a committee.

**Q.** What corporate, union, or DDS/tribal activity is prohibited by the MCFA?

**A.** Section 54 of the MCFA prohibits corporations, labor unions and DDS/Indian tribes from making contributions to candidates and committees that make contributions to candidates. It also prohibits corporations, labor unions and DDS/Indian tribes from pooling resources to make independent expenditures that are in any way:

**Q.** Has the Department issued any Declaratory Rulings or Interpretive Statements that further clarify the implications on IEC/Super PAC activity?

**A.** No. The Department of State has not yet received any requests for a Declaratory Ruling concerning the application of the new provisions and, therefore, has not issued a Declaratory Ruling or Interpretive Statement that further clarifies the implications on IEC/Super PAC activity.

**Q.** Independent expenditure means an expenditure by a person or committee if the expenditure is not made in cooperation, consultation, or concert with, or at the request or suggestion of, a ballot question committee or a candidate, a candidate committee or its agents, or a political party committee or its agents, and if the expenditure is not a contribution to a committee. Has the Department issued any guidance on the definition or application of this definition?

**A.** No. The MCFA does not provide any further definitions of the terms cooperation, consultation or concert. Without any further guidance, the best course of action is to refer to the definitions of these terms in legal dictionaries, standard dictionaries and potential clarifications provided under federal laws.



**Q.** Were there any changes that affect how corporations, unions, or DDS/Indian tribes can participate through a registered Separate Segregated Fund(SSF PAC)?

**A.** No. Corporations, labor organizations and DDS/Indian tribes can only contribute to candidates through the creation of a separated segregated fund, commonly referred to as an SSF PAC. The SSF PAC is funded through contributions made by certain qualified contributors, and no corporate, union, or DDS/tribal treasury monies can be transferred to the SSF PAC. An SSF PAC can also make independent expenditures on behalf of candidates and ballot proposals.

**Q.** Can the corporate, union, or DDS/tribal treasury funds be commingled with the Separate Segregated Fund/SSF PAC of the corporation, labor union, or DDS/Indian tribe?

**A.** No. Treasury funds cannot be commingled with funds that are distributed to candidate committees, independent committees, political committees, political party committees, or House or Senate political party caucus committees. However, certain provisions apply to connected organizations that provide for the acceptance subsequent transfer of SSF PAC contributions from Michigan connected organization account to the SSF PAC.

**Q.** Can an IEC/Super PAC coordinate or work with an independent or political committee on an independent expenditure?

**A.** Maybe; the MCFA does not prohibit the coordination of independent expenditures with political or independent committees with the condition that the coordination does not constitute a contribution to the political or independent committee or is otherwise prohibited.

**Q.** What are the penalties for making a prohibited contribution under Section 24B(4)?

**A.** Section 24B(4) states: An independent expenditure committee shall not make a contribution to a candidate committee, independent committee, political committee, political party committee, or house or senate political party caucus committee. The penalty for violating this provision is outlined below.

- An individual who knowingly violates or causes a person to violate this provision is guilty of a felony punishable by imprisonment for not more than 3 years or a fine of not more than \$5,000.00, or both.



- A person that violates this provision that is not an individual is subject to 1 of the following, whichever is greater: (a) A fine of not more than \$20,000.00. (b) A fine of not more than triple the amount of the improper contribution or expenditure.

**Q.** Are there other penalties that are prescribed for IEC/Super PAC committees?

**A.** Yes, Section 24(c)(2) prescribes penalties for the defeat of the independent nature of an independent expenditure.

**Q.** Are there exemptions to the defeat of an independent nature of an independent expenditure?

**A.** Yes. Section 24(c)(2) provides specific exemptions to the defeat of an independent nature of an independent expenditure.

**Q.** What must be reported if \$100.00 or less in a calendar year is spent on independent expenditures by a corporation, labor union, or DDS/Indian tribe not required to be registered under the MCFA as an IEC/Super PAC?

**A.** Nothing; however, records must be kept and reviewed to determine if and when a reporting threshold is reached.

**Q.** Does the decision affect how the Department interprets “Express Advocacy” in Michigan?

**A.** No. The decision has no effect on the Department of State’s interpretation of express advocacy as it pertains to Michigan elections. Section 6 provides communications that do not expressly advocate the nomination or election of a candidate or the qualification, passage or defeat of a ballot question are not subject to the MCFA.

**Q.** What, if any, requirement is there to provide an identifier or disclaimer on print or broadcast advertisements purchased as an independent expenditure?

**A.** The identifier and disclaimer requirements of Section 47 of the MCFA were not affected by the decision. All printed or broadcast advertisements purchased as an independent expenditure in support of or opposition to a candidate must contain an identifier and disclaimer. For more information see Appendix J of the PAC Manual.

**Q.** Does the amendment affect how corporations, labor unions, or DDS/Indian tribes can support or oppose ballot proposals?



**A.** No. Corporations, labor unions and DDS/Indian tribes can support or oppose ballot proposals. See the Ballot Question Committee Manual for more information.

**Q.** Can an IEC/Super PAC formed for political purposes incorporate?

**A.** Yes, there is nothing in the MCFA that prohibits a committee from incorporating if it is formed for political purposes.

**Q.** Are IEC/Super PACS required to file 48 hour Special Election Independent Expenditure Reports?

**A.** Yes. Section 33 of the MCFA requires IEC/Super PACS to file these reports. See Appendix G for more information.

**Q.** Are IEC/Super PACS required to file 48 hour Late Contribution Reports?

**A.** Yes. Section 32 of the MCFA requires IEC/Super PACS to file these reports. See Appendix G for more information.



# Appendix K2: Federal Candidate Committees

The following provides information on how Federal Candidate Committees (Candidate Committees of Candidates running for US Congress or US Senate that are registered with the FEC) can participate in Michigan elections under the Michigan Campaign Finance ACT (MCFA).

Federal Candidate Committees are “persons” under the MCFA if they:

- make expenditures to influence voters for or against the nomination or election of a state or local candidate;
- make expenditures to influence voters for the qualification, passage, or defeat of a Michigan ballot question;
- make independent expenditures to influence Michigan voters in state and local elections; or
- make expenditures to assist a political party in qualifying for ballot access in Michigan.

Common activities that must be considered are:

- Purchasing a ticket or making a direct contribution to a candidate committee fundraiser.
- Purchasing a ticket or making a direct contribution to a political party committee.
- Purchasing a ticket or making a direct contribution to an independent or political (PAC) committee.
- Making an independent expenditure to support or oppose a candidate or ballot question.
- Making an expenditure to assist a new political party acquire ballot access in
- Michigan.

Note: A contribution to a Ballot Question Committee or Independent Expenditure Committee/Super PAC is not considered for registration purposes as long as the funds used were not specifically solicited for this purpose.



Federal Candidate Committees are allowed to participate in Michigan elections as long as the requirements of the MCFA are followed. In addition Federal Candidate Committees must also comply with the FEC. For more information go to [www.fec.gov](http://www.fec.gov)

## **Participation Under \$500.00 In A Calendar Year**

If a Federal Candidate Committee does not exceed the \$500.00 Michigan PAC registration threshold, then no filing requirements would be required of the Federal Candidate Committee per the MCFA. All financial activity conducted by the Federal Candidate Committee regarding Michigan election would be disclosed by each registered Michigan committee receiving the contribution.

## **Participation Over \$500.00 In A Calendar Year**

Section 3 of the MCFA requires a person to form and register a Michigan PAC as soon as they spend \$500.00 or more in a calendar year to influence elections in Michigan. This means that as soon as a Federal Candidate Committee spends \$500.00 or more in a calendar year, that Federal Candidate Committee has met the Michigan PAC registration threshold and is therefore required to form and register a Michigan PAC under the MCFA. From this date, the Federal Candidate Committee has up to ten (10) calendar days to form and register with the appropriate filing official by filing a Statement of Organization.

- Paper Statement of Organization forms for local filers can be obtained from the Secretary of State's website at [www.michigan.gov/campaignfinance](http://www.michigan.gov/campaignfinance).
- State level filers must file the Statement of Organization electronically using the eSofO application.

If you are unsure which committee type to register as, please see Appendix H. If you are unsure where to file your Statement of Organization, please see the PAC Manual - Where To File to determine your filing official.

Once a Michigan PAC is registered, the Federal Candidate Committee may be required to file campaign statements and other reports to disclose their campaign finance.



activity Michigan elections. For campaign statement due dates, please see the Campaign Statement Filing Schedule. For detailed information on reporting requirements, please see the PAC Manual.

If the Federal Candidate Committee does not intend to spend or receive more than \$1,000.00 in a calendar year for Michigan election, the Reporting Waiver may be requested which would waive the requirement to file detailed campaign statements. Please note that 48 Hour/Late Contribution Reports and other immediate disclosure reports are not exempted by the Reporting Waiver. For more information on the Reporting Waiver, please see Appendix C.

## **FAQs**

**Q.** When do I need to register as a PAC committee in Michigan?

**A.** Independent, Political and IEC/Super PACS Committees have 10 calendar days to register as soon as the “person” or group receives or spends \$500.00 or more in a calendar year. The committee must file a Statement of Organization with the appropriate filing official. Committees are “persons” or groups that:

- receive contributions or make expenditures to influence voters for or against the nomination or election of a candidate;
- receive contributions or make expenditures to influence voters for the qualification, passage, or defeat of a ballot question;
- make independent expenditures to influence voters; or
- receive contributions or make expenditures to assist a political party in qualifying for ballot access in Michigan.

**Q.** How do I file my Statement of Organization?

**A.** In July of 2016, the Bureau of Elections established a mandatory online system for filing of an original or amendment to the Statement of Organization for state level committees. The electronic filing requirement does not apply to committees filed on the local level with a county clerk’s office.

**Q.** How do I determine what type of committee I should register for?

**A.** Political Action Committees are formed to support or oppose one or more candidates and they may also support or oppose ballot questions. Political Committees can give directly to Candidate Committees within each of their



respective contribution limit Independent Political Action Committees are formed to support or oppose three or more candidates. They may also support or oppose ballot questions. An Independent Committee that meets the following three criteria may give a candidate ten times the amount a Political Committee is permitted to give the candidate: (1) registers as an Independent Committee at least six months before the election (2) received contributions from a at least 25 persons and (3) in the same calendar year that the 25 contributions are received, expends funds to support or oppose three candidates for elective office. An Independent Committee must adhere to contribution limits applicable to Political Committee until the committee meets the criteria detailed above.

Independent Expenditure Committee/Super PACS specifically allow corporations, labor unions and DDS/Indian tribes to use their treasury funds for independent expenditures on behalf of Michigan candidates and ballot proposals. An Independent Expenditure Committee/Super PAC may accept contributions from the treasury funds of a corporation, labor organization, DDS/Indian tribe; an IEC/Super PAC; or a Ballot Question Committee.

**Q.** Who is my filing official?

**A.**

- Committees supporting or opposing candidates or ballot issues that reside within one county, file their Statement of Organization with the Clerk of that county.
- Committees supporting or opposing candidates or ballot issues over multiple counties, file their Statement of Organization with the Michigan Department of State.
- If the only "multi-county" candidate supported by the committee is a school board candidate, the committee files with the clerk of the county where the greatest number of voters eligible to vote on the office resides.

**Q.** After I file my Statement of Organization, what comes next?

**A.** After filing the committee's Statement of Organization the committee should receive a correspondence from their filing official letting them know what their committee ID number is. Committees should also make an effort to find out what their filing schedule for campaign statements are on the



Campaign Finance Disclosure web page. If you have further questions, do not hesitate to contact us by email at MDOS-CampaignFinance@michigan.gov.

**Q.** What are my filing requirements in Michigan?

**A.** The number of campaign statements required varies with each filing official. Committees on file with a county clerk's office must consult their offices on the appropriate number of statements required with each filing. Please see Dates & Deadlines for more information.

**Q.** How do I file my campaign statements?

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

State level committees that spend or receive (or expect to spend or receive) \$5,000.00 or more in any calendar year must file electronically.

For state level filers that do not exceed the electronic filing threshold and local committees, paper campaign statement forms and instructions can be obtained from the Department of State's website at [www.michigan.gov/campaignfinance](http://www.michigan.gov/campaignfinance). (Wayne County filers are encouraged to contact the Wayne County Clerk's office for specific filing instructions.)

**Q.** I'm already registered with the FEC, do I have to register in Michigan as well?

**A.** It depends. If participation is limited to under \$500.00 in a calendar year in Michigan, then you are not required to form a committee in Michigan. If participation is \$500.00 or more in a calendar year in Michigan then you will be required to register a committee in Michigan.



# **Appendix L: Independent Contractors (Media Buyers and Other Vendors Purchasing Goods for the Committee)**

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 as detailed below.

## **Agents and independent contractors typically employed by committees are:**

- Political consultants
- Public relations consultants
- Political consulting firms
- Public relation firms
- Media buyers Advertising agencies
- Marketing firms

## **Services typically provided to committees by agents and independent contractors include but are not limited to:**

- Purchasing radio, television and online advertising
- Producing radio, television and online advertising
- Producing or purchasing still photographs
- Producing or purchasing printed materials
- Producing or purchasing buttons, hats, bumper stickers, and other campaign materials
- Conducting polls and surveys
- Purchasing mail lists Conducting direct mail activities
- Employing temporary help



## **Expenditures by Committee to An Agent or Independent Contractor**

The total of each expenditure made by a committee to an agent or independent contractor must be reported on the appropriate schedule of the campaign statement that covers the reporting period in which the expenditure was made. The date of the expenditure is the date the committee agrees to pay or contracts with the agent or independent contractor; rather than the date the invoice is paid, date the items are received, or the date the committee receives benefit from the services provided.

## **Expenditures Made by An Agent or Independent Contractor on Behalf of a Committee**

In addition to the above, any expenditure made by an agent or independent contractor on behalf of a committee must be disclosed with the campaign statement that covers the reporting period in which the expenditure was made if:

1. the expenditure is one that the committee would have made itself, or
2. the expenditure was made to a subcontractor supplying services to the agent or independent contractor.

To enable committees to meet this disclosure requirement, the Campaign Finance Act, MCL 169.243, requires agents and independent contractors working for a committee to provide the committee with a list of the expenditures made on the committee's behalf. Agents and subcontractors are not required to provide an accounting of funds received from a committee that are taken as a profit or used to meet normal operating expenses.

The list of expenditures provided by an agent or independent contractor must include the following:

- the name and address of each individual or business that received more than \$50.00 through a single expenditure or through a series of expenditures made by the agent or independent contractor during the campaign statement reporting period;
- the purpose and amount of each expenditure; and
- the date each expenditure was made.



Single or cumulative expenditures of \$50.00 or less made by an agent or independent contractor to an individual or business during the campaign statement reporting period can be shown as a lump sum. The committee may be asked to substantiate the reporting of these expenditures by providing a detailed invoice of the goods or services purchased by the vendor.

If the independent contractor sub-contracts the work to another person, itemization is also required from the sub-contractor to report the names and addresses, dates and amounts for expenditures made by the sub-contractor on behalf of the Committee.

Section 43 of the Michigan Campaign Finance Act states "A person who knowingly is in violation of this subsection is guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000.00, or imprisoned for not more than 90 days, or both, and if the person is other than an individual the person shall be fined not more than \$10,000.00."

## Memo Itemization of Expenditure Example

The Committee to Elect George Mabry hired the firm Primo Consultants to produce some TV adds. Primo Consultants then hired WFAK TV to run the ad on their station. The transactions should be reported in the following way:

ITEMIZED EXPENDITURES SCHEDULE 1B CANDIDATE COMMITTEE		1. Committee I. D. Number	5. Date	6. Amount
		999999-1		
		2. Committee Name <b>Committee to Elect George Mabry</b>		
3. Name and address of person or vendor to whom paid	4. Purpose (Required Information)	5. Date	6. Amount	
Expenditure #1 Name <b>Primo Consultants</b> Address <b>333 Saginaw Lansing MI 48999</b> <input type="checkbox"/> Fund Raiser	Purpose: <b>Hired to produce a TV ad</b> <input type="checkbox"/> Check box if this expenditure is payment of debt or obligation reported on previous statement	<b>08/25/17</b> Date	<b>\$ 5,000.00</b> Memo Itemization Below	
Expenditure #2 Name <b>WFAK TV</b> Address <b>567 Allegan Lansing MI 48999</b> <input type="checkbox"/> Fund Raiser	Purpose: <b>TV station running the ad</b> <input type="checkbox"/> Check box if this expenditure is payment of debt or obligation reported on previous statement	<b>08/26/17</b> Date	<b>\$ (3500.00)</b> (Memo Itemization)	



## FAQs

**Q.** I am an agent/independent contractor, what I am required to supply a committee?

**A.** You are required to provide the committee with a list of the expenditures made on the committee's behalf. This includes any expenditures that were made to a subcontractor supplying services to the agent/independent contractor. Agents and subcontractors are not required to provide an accounting of funds received from a committee that are taken as a profit or used to meet normal operating expenses.

**Q.** My committee hired an agent/independent contractor, what do I have to disclose on my campaign statement?

**A.** The committee must report the total of each expenditure to an agent or independent contractor on the appropriate schedule of the campaign statement that covers the reporting period in which the expenditure was made. The date of the expenditure is the date the committee agrees to pay or contracts with the agent or independent contractor; rather than the date the invoice is paid. If the agent or independent contractor made expenditures on the committee's behalf, they are required to provide the committee with a breakdown of their expenditures and this must be memo-itemized on the committee's campaign statements.

**Q.** My committee hired an agent/independent contractor, do I have to memo- itemize this expenditure on my campaign statement?

**A.** Maybe. If the agent or independent contractor made expenditures on the committee's behalf, they are required to provide the committee with a breakdown of their expenditures and this must be memo-itemized on the committee's campaign statements. If the agent or independent contractor did not make expenditures on behalf of the committee other than normal operating expenses, then no memo- itemization is required.

**Q.** My committee hired an agent/independent contractor for goods/services; when does this need to be reported?

**A.** This needs to be reported on the date the committee agrees to pay or contracts with the agent or independent contractor; rather than the date the invoice is paid, the date the items are received, or the date the committee receives benefit from the services provided.



**Q.** What if the final cost of the goods/services is different than the quoted price on the original invoice?

**A.** If the committee reported an outstanding invoice for the quoted price and this amount changes, the committee can either amend the previous report to correct the invoice amount, create a new outstanding invoice for the difference, or if it is being paid within the same reporting period the committee can simply make another expenditure to the agent/independent contractor for the difference.

**Q.** What amount do I report if I do not have an invoice for the contracted goods/services?

**A.** If the amount is not known at the time a campaign statement is due but an agreement has already been made to pay for goods/services, it is best to contact your agent/independent contractor to get a fair market value for the specific goods/services being provided.

**Q.** Are there penalties associated with not disclosing expenditures to agents or independent contractors and if applicable, the memo-itemizations of sub-contracted work purchased on behalf of the committee?

**A.** Maybe. Section 43 of the Michigan Campaign Finance Act states "A person who knowingly is in violation of this subsection is guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000.00, or imprisoned for not more than 90 days, or both, and if the person is other than an individual the person shall be fined not more than \$10,000.00."



# Appendix M: Recount Expenses

The payment of a recount expenses, including legal expenses, are for the purpose of influencing the outcome of an election and therefore are covered by the requirements of the Michigan Campaign Finance Act (MCFA). This means that all expenditures made for a recount or contributions given for a recount must be disclosed and count toward the registration thresholds established in the MCFA.

Expenses made by committees for recount expenses are considered for the election cycle from which the recount emanates. Because of this, the expenses can only be paid for with contributions that are consistent with the contribution limits of that election cycle and must comply with Section 52(6). This means that contributions used to pay for recount expenses must be designated in writing by the contributor and can not exceed the contribution limit set out in section 52.

## Recount Expenses for Candidate Elections

**Q.** Can the Candidate use committee funds to pay for the recount expenses?

**A.** Yes. Under the MCFA, recount expenses are considered an “expenditure” and can be paid for out of committee funds. The expenditures are reported by the committee in the required campaign statement where the coverage dates of the statement include the date of the expenditures made for the recount. The committee should describe the expense as “Recount Expense” or a similar description.

**Q.** If the Candidate or candidate’s spouse pays for the expenses out of personal funds, must it be reported?

**A.** Yes. Because the recount expenses are covered by the MCFA, the candidate or the candidate’s spouse makes an in-kind contribution to the committee by paying all or part of the expenses from personal funds. Since the candidate and the spouse are not limited in the contributions, he/she can make to his/her committee, the committee would report the in-kind contribution and add the cost to the cumulative contribution given by the candidate or the spouse. Each in-kind contribution must appear on the campaign statement required by the committee that covers the date of the in-kind contribution.

**Q.** Can a PAC, Political Party or individual pay for recount expenses on behalf of a candidate?



**A.** Yes. However, the candidate committee must take care to ensure that the contribution limit of the contributing committee or an individual are not exceeded. The committee or individual makes an in-kind contribution to the committee by paying all or part of the expenses. The candidate committee must report the in-kind contribution and add the cost to the cumulative contribution given by the committee. Each in-kind contribution must appear on the campaign statement required by the committee that covers the date of the in-kind contribution.

**Q.** Individuals are not required to report the in-kind contribution on a campaign statement. However, a registered committee would report the expense on the appropriate campaign statement.

**A.** Exception: a Super PAC cannot pay for recount expenses on behalf of a candidate.

**Q.** Can a Corporation, Labor Organization or Tribal Organization (DDS) pay for recount expenses on behalf of a candidate?

**A.** No. Corporations, Labor Organizations and Tribal Organizations are not permitted to participate in elections directly.

However, the registered separate segregated fund committees (SSF) of these organizations can participate following the limits and rules set out in the MCFA. See "Can a PAC, Political Party or individual pay for recount expenses on behalf of a candidate?"

**Q.** Can an unregistered group that is not prohibited from making a contribution pay for recount expenses on behalf of a candidate?

**A.** Yes. If the unregistered group is otherwise not prohibited from making a contribution and the contribution limits would not be exceeded, an unregistered group can pay for part of all of the recount expenses on behalf of a candidate. However, the payment of the recount expenses would count toward the \$500.00 per calendar year threshold and the unregistered group may be required to register as a PAC. See Appendix H for more information on committee types and registration information.

**Q.** Can payment for recount expenses on behalf of a candidate be considered an Independent Expenditure?

**A.** No. Because only the candidate can request the recount, expenses for the recount could not be made without the direction or control of the candidate.



## **Recount Expenses for Ballot Proposal Elections**

**Q.** Can a PAC, Super PAC, Political Party or individual pay for recount expenses of a ballot question committee?

**A.** Yes. Since there are no limits placed on contributions to Ballot Question Committees, the committee or individual makes an in-kind contribution to the ballot question committee by paying all or part of the expenses. The ballot question committee must report the in-kind contribution and add the cost to the cumulative contribution given by the committee or individual. Each in-kind contribution must appear on the campaign statement required by the committee that covers the date of the in-kind contribution.

Individuals are not required to report the in-kind contribution on a campaign statement. However, a registered committee would report the expense on the appropriate campaign statement.

**Q.** Can a Corporation, Labor Organization or Tribal Organization (DDS) pay for recount expenses of a ballot proposal election?

**A.** Yes. Corporations, Labor Organizations and Tribal Organizations are allowed to participate in ballot proposal elections directly. However, the organization should be aware that their activity may require them to register a committee under the MCFA. See Appendix H for more information on committee types and registration requirements.

**Q.** Can an unregistered group that is not prohibited from making a contribution pay for recount expenses of a candidate?

**A.** Yes. If the unregistered group is otherwise not prohibited from making a contribution, an unregistered group can pay for part of all of the recount expenses on behalf of a ballot proposal election. However, the payment of the recount expenses would count toward the \$500.00 per calendar year threshold and the unregistered group may be required to register as a committee. See Appendix H for more information on committee types and registration information.

**Q.** Can payment for recount expenses of a ballot proposal election be considered an Independent Expenditure?

**A.** Yes. Because any voter in the election can call for and pay for a recount, under this scenario, the expenditures could be considered independent. However, a person working to pay for the expenditures through an



organized ballot question committee cannot consider the expenses to be independent.



# Appendix N: Violations and Penalties

Section 15 of the Michigan Campaign Finance Act (MCFA) grants the Secretary of State authority to recover fines and deposit the money in the general fund. In addition, it details the process of investigation and enforcement of complaints filed for alleged violations. For more information on the complaint process, please see Appendix Y.

Section 82 of MCFA specifies the effective date for penalty provisions.

## Civil

Each Violation Is Subject To A Civil Fine of Not More Than \$1,000.00

Section 15(8) - False Complaint Certificates

Section 21(13) - Committee Responsibilities

Section 22 - Treasurer/Designee Responsibilities

Section 23 - Petty Cash

Section 33(10) & (11), Section 34(7), & Section 35(6) -  
Incomplete/Inaccurate Reports

Section 55(9) - Renumeration for Reimbursing Contributions

## Criminal

Felony: Punishable By Imprisonment For Not More Than 3 Years Or A Fine\*,  
Or Both

\* Maximum fine amounts variable; see specific MCFA section for details.

Section 24b(5) - Independent Expenditure Committee

Section 33(12) - Candidate Failure to File for 2 years and Balance over  
\$20,000.00

Section 54(5) - Corporate Activity

Section 55(8) - Contributions Separate Segregated Fund

Section 66(4) - Public Funding

Misdemeanors: Punishable By A Fine\* Or Imprisonment\*, Or Both



\* Maximum fine amounts and imprisonment length variable; see specific MCFA section for details.

Section 21a(5) - Candidate Legal Costs

Section 24(1) - Statement of Organization

Section 33(8) - Failure to File 2 or More Reports

Section 34(6) - Failure to File More than 7 Days (Ballot Question Committees)

Section 35(5) - Failure to File

Section 41

1. Cash Contributions & Expenditures
2. Anonymous Contribution
3. Contribution in Name of Another

Section 42

1. Intermediary
2. Out-of-State Contribution – Certified Statement
3. Reporting Contributions
4. Automatic Contributions

Section 43 - Independent Contractors

Section 44(5) - Earmarking, Contribution Between Candidates, Bundling, Fund Raisers

Section 47(6) - Identifier

Section 50- Honorariums

Section 51(2) - Failure to File Independent Expenditure

Section 52(9) - Contribution Limits

Section 52a(2) - Caucus Committee Contribution Limits

Section 57(4) - Public Body

Section 67(3) & Section 68(1) - Public Funding Section 69(9) - Gubernatorial Contribution Limits Section 71(2) - Candidate to Candidate Contribution



## **Other**

Prohibit Candidate from Assuming Office

Section 33(9)

Section 67(4)

Section 68(2)



# Appendix O: Prohibited Contributions

Certain contributions are prohibited by the MCFA. A prohibited contribution must be returned as soon as the committee recognizes that it has received a contribution that cannot be accepted. If a prohibited contribution has been deposited in the committee's account, an expenditure from the account must be made to return the prohibited contribution. If the prohibited contribution has not been deposited, the actual contribution must be returned.

A contribution that is returned within 30 business days of receipt is not considered to be a contribution and is, therefore, not a violation of the Act. The Michigan Campaign Finance Act prohibits the following contributions:

**Anonymous Contributions:** A committee may not accept an anonymous contribution. If a contribution is received without name and address information, it must be donated to a tax-exempt charitable organization and a receipt is needed for committee records.

**Cash Contributions over \$20.00:** A committee may not accept contributions of \$20.01 or more in cash. Cash contributions of \$20.00 or less may be accepted and must be reported in detail with name, address, date and amount of each contribution. This requirement includes money received through the sale of political merchandise, fund raisers or through any other source.

**Candidate Committee to Candidate Committee:** A Candidate Committee must not accept a contribution from another Candidate Committee except for the purchase of a fund raiser ticket, not to exceed \$100.00 from that Candidate Committee in a calendar year.

**Earmarking:** A committee may not accept a contribution with the agreement or arrangement that the committee will transfer the contribution to a particular Candidate Committee.

**Excess Contributions:** A committee may not accept a contribution in excess of the contribution limits established under the MCFA. Excess contributions can be in the form of direct contributions, in-kind contributions and loans. In addition, funds received in the current election cycle can not be used to pay off debt from a previous election cycle unless all of the conditions set out in Section 52(6) are met. Committees may receive an



excess contribution if the provisions of Section 52(6) are not strictly followed.

**Foreign Nationals:** The Federal Election Campaign Act prohibits Foreign Nationals from making any contribution or expenditure (including independent expenditures) in connection with any U.S. elections. It is also unlawful for any person to solicit, accept or receive a contribution from a foreign national.

**Contribution in the Name of Another:** A person shall not make a contribution by any name other than the name by which that person is identified for legal reasons.

**Corporations, Joint Stock Companies, Labor Organizations, Domestic Dependent Sovereigns (Indian tribes):** A candidate committee, political committee, independent committee or political party committee may not accept a contribution of money from treasury funds, goods, services, discounts or free use of facilities from a corporation, a joint stock company, a labor organization, or a domestic dependent sovereign. This prohibition does not apply to ballot question committees and Super PACS which may accept contributions from these sources.

A corporation, joint stock company, labor union or domestic dependent sovereign may not purchase fund raiser or dinner tickets to committee events; may not donate prizes or awards for fund raisers or other events sponsored by or for the benefit of a committee; may not provide a discount unavailable to the general public to a committee; and may not pay off or forgive a committee debt for a committee.

Prohibitions against corporate contributions apply to all types of corporations, including large and small corporations, non-profit and for-profit corporations, professional corporations and sub-chapter S corporations. The only exception is for a corporation formed strictly for political purposes only.

**Casino Interest Holders:** Public Act 69 of 1997 amended the Michigan Casino Revenue and Control Act to prohibit persons having a casino interest in one of the three Detroit casinos from making campaign contributions during certain periods of time.

The Michigan Gaming Control Board enforces this prohibition. A person who makes a prohibited contribution is guilty of a felony, punishable by imprisonment for 10 years and/or a fine of not more than \$100,000.00. The persons who are prohibited from making contributions are:



1. a casino licensee or a supplier licensee;
2. a person who holds at least a 1% interest in a casino licensee, a supplier licensee or a casino enterprise;
3. a person who is an officer or a managerial employee of the licensee or casino enterprise as defined by rules promulgated by the Casino Gaming Board;
4. a person who is an officer of the person who holds at least a 1% interest in the licensee or casino enterprise;
5. the Independent Committee of a licensee or casino enterprise.

**Casino Licensee:** Contributions may not be made from a date one year prior to applying to the MGCB for a Casino License, and continuing until three years after the license expires. The prohibited period includes all time in between these dates, including the period when the MGCB is still considering a license application.

**Supplier Licensee:** Contributions may not be made from the date an application is submitted to the MGCB for a Supplier License, and continuing until three years after the license expires.

Public Act 71 of 1997 amended the Act to provide that a committee shall not knowingly maintain receipt of a contribution from a person prohibited from making a contribution during the prohibited period under Public Act 69. For purposes of this section of Public Act 71, a committee is only considered to have knowingly maintained receipt of a contribution prohibited under Public Act 69 and is subject to penalty for that violation if both of the following circumstances exist:

- The Secretary of State has, by registered mail, notified the committee that the committee has received a contribution in violation of this section and has specifically identified that contribution.
- The committee fails to return the contribution identified on or before the thirtieth business day after the date the committee receives the notification.

**Investment Fiduciary Subject to P.A. 347 of 2012:** Public Act 347 of 2012 places restrictions on participation in Michigan elections by an "Investment Fiduciary" as defined by Section 12c of the law. P.A. 347 is commonly referred to as a "pay to play" law.



**Solicitation and Acceptance of Contributions by Separate Segregated Funds:** A Political or Independent Committee that is established as a separate segregated fund is not permitted to solicit or accept contributions from another Political or Independent Committee or from any person who is not allowed to contribute to the separate segregated fund. A Separate Segregated Fund is allowed to accept a contribution from another Separate Segregate Fund.



# Appendix 01: Contribution Exemptions

**Contribution Exemptions:** An individual can assist a committee in a number of ways without the assistance counting as a contribution to the committee. The following exemptions are designed to encourage volunteer participation in the political process:

A volunteer's personal and professional services do not count as a contribution as long as the volunteer assists the committee without any understanding or agreement that compensation will be received for the time donated. Professional services donated to the committee may include accounting, acting, graphic design, etc.

- If the committee compensates the volunteer, the compensation must be reported as an expenditure.
- If a third party compensates the volunteer (an employer, for example), the compensation must be reported as an in-kind contribution from the third party.
- If a volunteer is on earned vacation time when assisting the committee, the vacation pay does not count as a contribution.

The first \$500.00 spent during the calendar year by a volunteer for personal travel expenses (gas, food, lodging) do not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. Additional travel expenses incurred by the volunteer during the year must be reported as in-kind contributions.

The first \$1,000.00 worth of food and beverages donated during the year by an individual does not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. The committee must report additional donations of food and beverages given by the individual during the year as in-kind contributions.

## FAQs

**Q.** Must the committee keep track of donations of food and beverage to the committee that are exempt from the definition of a contribution?

**A.** Yes, the committee must track the donations of food and beverage to the committee that are exempt and report any donations over the \$1,000.00



threshold as an in-kind contribution. However, it is also the responsibility of the donor to track their actual costs and report to the committee when the threshold has been exceeded and by how much.

**Q.** Must the committee keep track of donations of personal travel and lodging to the committee that are exempt from the definition of a contribution?

**A.** It is always a good idea to track the donations that are being made to the committee so that the committee can ensure that anything over the \$500.00 threshold is reported as an in-kind contribution. However, it is the responsibility of the donor to track their actual costs and report to the committee when the threshold has been exceeded and by how much.

**Q.** Must the committee keep track of donations of volunteer personal service to the committee that are exempt from the definition of a contribution?

**A.** No. Since there is no limit on the amount an individual can donate of personal services, there is no need to track the amount of time or the value of the personal services donated for purposes of reporting under the MCFA.

**Q.** Do the exemptions only apply to individuals?

**A.** Yes. All categories of the exemptions apply to individuals only. Similar or the same contributions from groups, companies or other committees can never be considered exempt from the definition of a contribution.

**Q.** Do the amounts carry over to a new calendar year?

**A.** No. The exemptions are per calendar year, so each year on January 1st, the exemption starts anew and the donations from the previous year are no longer considered for determining what should be reported for the new calendar year.

**Q.** Are alcoholic beverages considered exempt?

**A.** Yes. There is nothing in the MCFA that distinguished what food or beverage can be considered, so all food and beverages are exempt.

**Q.** Are donations of food and beverage for a fundraiser considered a part of the cost of the fundraiser?

**A.** Yes. While the donations are not considered contributions, the donations are considered a part of the cost of the fundraiser and must be included in the total cost of the fundraiser reported by the committee receiving the donation.



## Rulings

Date	To whom	Type of Ruling	Section(s) of law	Complete text
05/29/1979	Batchik	IS	4, 54	<a href="#">Batchik 05/29/1979</a>

## Appendix 02

### Contributions by a Partnership, Limited Liability Company (LLC) or Professional Limited Liability Company (PLLC)

A contribution to a Candidate Committee or other registered committee that is made on a partnership, LLC or PLLC check is viewed as a contribution from the partnership, LLC or PLLC unless the amount contributed is attributed to individual members of the partnership, LLC or PLLC. This means that a partnership, LLC or PLLC has the option of disclosing its activity in one of two ways.

- If a partnership contributes \$500.00 or more in a calendar year and the amount contributed has not been attributed to members of the partnership, LLC or PLLC, the partnership, LLC or PLLC is required to register as an Independent or Political Committee (PAC) under the Michigan Campaign Finance Act (MCFA). In this option, the PAC discloses the activity of the partnership, LLC or PLLC by filing campaign statements. A separate account for receiving contributions must be established as required by section 21(6) of the MCFA. Contributions given to the committee by the partnership, LLC or PLLC are reported as having been received from the partnership, LLC or PLLC. Contributions received by members or other persons are also reported as required by section 26 of the MCFA. Since section 54 of the MCFA prohibits corporate contributions, no funds from incorporated members may be received by the committee to make expenditures.
  - The recipient committee then reports the amount contributed based on the information provided on the check as the contribution has



not been attributed to individuals or members of the partnership, LLC or PLLC. If the contribution is given to a Candidate Committee or Caucus Committee, the amount applies to the contribution limit.

- If the amount contributed has been attributed to members of the partnership, LLC or PLLC, the amount involved does not count toward the \$500.00 registration threshold applicable to the partnership under the MCFA. In this option, the members of a partnership, LLC or PLLC use a business check to make a contribution to a Candidate Committee or other registered committee as though the member were using their own personal checks. The partnership, LLC or PLLC check is accompanied by a written statement containing the name, address, date and amount being contributed by each partner or member. Those individuals whose contributions total more than \$100.00 must also provide their occupation, employer business address. Since section 54 of the MCFA prohibits corporate contributions, no funds from incorporated members may be attributed or included in the funds that make up the check.
  - The recipient committee then reports the amount contributed by each partner or member as a separate contribution; the name of the partnership, LLC or PLLC is not listed as a contributor. If the contribution is given to a Candidate Committee or Caucus Committee, the amount attributed to an individual partner or member counts toward that individual's contribution limit.

In both options, care must be taken to avoid violating section 41(3) of the MCFA which states: "A contribution shall not be made, directly or indirectly, by any person in a name other than the name by which that person is identified for legal purposes".

Further, Section 44(1) of the MCFA states: "A contribution shall not be made by a person to another person with the agreement or arrangement that the person receiving the contribution will then transfer that contribution to a particular candidate committee".

## **FAQs**

**Q.** Are partnerships, LLCs or PLLCs incorporated?

**A.** No.

**Q.** I received a contribution on a partnership, LLC or PLLC check. Is it acceptable or prohibited?



**A.** Contributions made by a partnership, LLC or PLLC are acceptable, as long as no part of the contribution contains corporate funds. If any portion of the contribution contains corporate funds, the entire contribution must be returned.

**Q.** I received a contribution on a partnership, LLC or PLLC check. How do I report the contribution?

There are 3 ways in which you may be required to report the contribution.

1. If the check is accompanied by a list of contributors, report only those contributors on the list provided. Do not report the name on the check itself.
2. If the check is not accompanied by a list of contributors and is not a PAC check, contact the contributor and confirm that the contribution is from the partnership, LLC or PLLC. Then report as indicated.
3. If the check is a PAC check, report the contribution based on the information on the check.

**Q.** I received a contribution on a partnership, LLC or PLLC PAC check. How do I report the contribution?

**A.** Since the contribution is on a PAC check, simply report the contribution based on the information on the check. It is important to make sure that the contribution limits for Candidate Committees and Caucus Committees have not been exceeded.

**Q.** Can partnerships, LLCs and PLLCs make independent expenditures to support a candidate or ballot question?

**A.** Yes. If a partnership, LLC or PLLC makes independent expenditures for or against a ballot question or a candidate of \$500.00 or more in a calendar year, the partnership, LLC or PLLC may be required to register as a committee under the MCFA.

**Q.** Can partnerships, LLCs and PLLCs contribute to a Political Party Committee or its administrative account?

**A.** Yes.



## Rulings

<b>Date</b>	<b>To whom</b>	<b>Type of Ruling</b>	<b>Sections</b>	<b>Section(s) of law</b>
06/23/1994	N/A	AG #6807	3, 4, 54, R35A	<a href="#">AG #6807</a>
11/10/1981	IS	Pirich	41, 54	<a href="#">Pirich</a> <a href="#">11/10/1981</a>
04/29/1981	IS	Galasso	3, 6, 11, 24, 41	<a href="#">Galasso</a> <a href="#">04/29/1981</a>



# Appendix P

## Special Primary, General and Recall Elections

Section 5 of the Michigan Campaign Finance Act (MCFA) provides that a special election is an election for the purposes of the MCFA. The types of elections included are provided below.

- Special Primary Election;
- Special General Election;
- Special Recall Primary Election;
- Special Recall General Election; or
- Recall Election

To comply with the contribution limits set out by the MCFA for an office being elected at a special election, the committee must understand the definition of "election cycle." Election cycle is defined below.

For a special general election, the period begins 1) the day a special general election is called or 2) the date the office becomes vacant, whichever is earlier. The election cycle ends on the day of the special general election. The special primary election does not have a separate cycle apart from the special general election cycle.

For a special recall general election or recall election, the period begins

1. the day a committee takes some action to support the recall, including but not limited to soliciting funds, making expenditures, or actively gathering signatures to promote the recall; or
2. the date petition language stating the reasons for the recall has been filed with the filing official for the purpose of a clarity/factual hearing, whichever is earlier.

The election cycle ends when any of the following occurs:

- there is no longer an active recall being sought;
- the date the Board determines the recall petition does not factually or clearly state the reasons for recall;
- the expiration of time for which signatures could be submitted to the filing official;



- the date in which the filing official determines a submitted recall petition contains an insufficient number of valid signatures; or
- the date of the special recall election.

Election cycles are date ranges used to accumulate contributions and expenditures for reporting and contribution limit purposes. Election cycles must be understood to avoid violating the MCFA by accepting or making an excess contribution. Contribution limits for all offices are based on the election cycle of the office. For the contribution limits of specific offices, please see Contribution Limits Chart.

**Candidate Committees Involved in a Special Election/Recall Only A**

candidate participating in a special election must register his or her Candidate Committee with the appropriate filing official. Every candidate is required to establish a Candidate Committee to further his/her nomination or election. In the case of a candidate who seeks election to an office being filled at a special election, the contribution limits are set within the dates mapped out by the above definition of election cycle. The funds must be deposited into and expenditures made from the Candidate Committee account.

**Candidate Committees Involved in a Special Election/Recall and a Regular Election**

A candidate participating in a special election and a regular election for the same office must register a single Candidate Committee with the appropriate filing official. Every candidate is required to establish a Candidate Committee to further his/her nomination or election. If a committee has already been established for that office, the existing committee must be used for both the regular election and the special election. Committees of candidates participating in both a special election and a regular election may receive contributions for both the regular election and the special election. Care must be taken to ensure that the contribution limits are not violated.

- Contributions received before the beginning of the election cycle of the special election are attributed toward the contribution limit of the contributor for the regular election.
- Contributions received during the election cycle of the special election that are designated in writing for the special election must not exceed the contribution limit of the contributor for the election cycle of the special election.



- Contributions received during the election cycle of the special election that are designated in writing for the regular election must not exceed the contribution limit of the contributor for the election cycle of the regular election. These contributions must be accumulated with the contributions received prior to the election cycle of the special election in order to calculate the amount contributed for the regular election.
- Undesignated contributions received during the overlapping period of the election cycles can be applied by the committee to either the special election or general election, but not both. Again, the contribution must not exceed the contribution limit of the contributor.
- Contributions made after the date of the special election can be designated in writing for the special election only if the contribution does not exceed either the contribution limit of the contributor or the Candidate Committee's net outstanding debts and obligations from the special election.
- Contributions made after the date of the special election are attributed toward the contribution limit of the contributor for the regular election unless they are specifically designated in writing for the special election. These contributions must be accumulated with the contributions received throughout the entire election cycle of the regular election in order to calculate the amount contributed for the regular election.

All contributions must be deposited into and expenditures made from the Candidate Committee account. Candidate Committees are urged to secure accounting resources to ensure that all special election and regular election contributions are separately identified as the election cycles for the two elections are running concurrently. This will assist the Candidate Committee in properly reporting special election activity and accounting for all contributions.

**Leftover Funds** After the date of the special election it may be necessary to determine whether the contributions designated for the special election are a part of the leftover funds. Left over funds are contributions designated for the special election in excess of the amount spent by the committee for special election expenditures. A candidate committee will make this determination by using a normally accepted accounting procedure such as LIFO (last in, first out). Left over funds can be returned to contributors, re-designated by the committee to the regular election to the extent that this re-designation does not exceed the contribution limits of the regular



election, or disposed of according to the provisions of section 45 of the MCFA. Funds returned to contributors includes the candidate as a contributor. The returned amount cannot exceed the amount originally contributed by the person.

**PACs And Political Party Committees** Other committees that wish to participate in a special election must also understand the election cycle definition to avoid violating the MCFA by making an excess contribution. Committees are encouraged to track the contribution limits by clearly designating the contributions for the special election verses any regular elections that the committee may be participating in by contributing to candidates.

**Required Filings** As a special election is an election under the MCFA, all applicable filing deadlines for all Campaign Statements and reports must be followed. This includes detailed Campaign Statements, 48 Hour/Late Contribution Reports, 24- Hour Reports and Special Election Independent Expenditure Reports.

**Gubernatorial Recalls** The rules for reporting under the MCFA for committees involved in recall for the office of governor, must follow a different set of requirements. Please see the Declaratory Ruling issued to Mr. Patterson on January 3, 1984.



# Appendix Q

## Individuals and the Michigan Campaign Finance Act (MCFA)

The Michigan Campaign Finance Act (MCFA) provides rules for individuals who want to participate in Michigan elections. This publication is intended to help individuals that want to participate in Michigan elections avoid running afoul of the Michigan's Campaign Finance Act (MCFA).

- Allowable Activity
- Contribution Exemptions
- Prohibited Contributors
- Prohibited Activity
- Identification Requirements on Advertisements

### Allowable Activity

Individuals can make donations/contributions to state and local Candidate Committees, Political and Independent Committees (PACS), Super PACS, Political Party Committees and Ballot Question Committees and make independent expenditures. Individuals may also volunteer for committees.

**Please note that the MCFA does not regulate federal candidates (President, Vice President, US Senate and US Congress).** These candidates are regulated by the Federal Election Commission (FEC). In addition, the MCFA does not regulate candidates for precinct delegate.

If an individual would like to participate in Michigan state and local elections, it is helpful to understand some basic definitions provided in the MCFA.

**Committee:** A committee is a candidate, organization or group of people that are registered under the MCFA because they are participating in Michigan elections. Most candidates must register a candidate committee. When you make a donation to a candidate, you are really donating to the candidate's committee. Other organizations register as PACS, political party committees or ballot question committees. Most committees are required to file public campaign statements that show their financial information. For more information on committee types see Appendix H.



**Direct Contribution:** A direct contribution is a contribution of money given directly to a committee. Loans are contributions equal to the amount of the loan. Direct contributions/loans may be made with cash up to \$20.00, a check, money order, or credit card. Loan repayments reduce the amount of the contribution. The amount a Candidate Committee or Caucus Committee can receive from an individual is limited. There is no limit to the amount other committee types may receive from an individual.

**In-Kind Contribution:** An in-kind contribution is a contribution of goods or services provided to a committee at no cost or at a discount. In-kind contributions may be loans too. In-kind contributions may be an item already purchased or newly purchased by the contributor. The value of the contribution/loan is the fair market value of the item. The amount a Candidate Committee or Caucus Committee can receive from an individual is limited. There is no limit to the amount other committee types may receive.

Direct and in-kind contributions (including loans) must all be added together to determine if the contribution limit for a committee has been exceeded.

See the Contribution Limits Page for the specific contribution limits of each office. Please note, contribution limits do not apply to the candidate, candidate's spouse, or a person claimed as a dependent for income tax purposes by the candidate. However, contribution limits DO apply to parents, children, siblings, grandparents, uncles, aunts and cousins.

**Independent Expenditure:** An independent expenditure is an expenditure that is not given directly to a candidate or committee and is not made in cooperation, consultation, concert or at the suggestion of another person or committee. Independent expenditures can be made in any amount and do not count toward the total contribution amount given to a candidate.

Section 51 provides that an independent expenditure of \$100.01 or more in a calendar year must be reported within 10 days to the appropriate filing official. Late filing fees apply. See the Independent Expenditure Form for more information.

## Contribution Exemptions

An individual can assist a committee in a number of ways without the assistance counting as a contribution. The following exemptions are designed to encourage volunteer participation in the political process:

**Volunteer Personal Services:** A volunteer's personal services do not count as a contribution as long as there is no understanding or agreement that



compensation will be received for the time donated. Examples of volunteer personal services include canvassing a neighborhood, stuffing envelopes, walking in a parade, office work or similar types of assistance to the committee. If a volunteer is on earned vacation time when assisting the committee, the vacation pay does not count as a contribution. If a third party compensates the volunteer, the compensation must be reported as an in-kind contribution from the third party.

**Personal Travel and Lodging:** The first \$1,000.00 spent during the year by a volunteer for personal travel expenses (gas, food, lodging) do not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. Additional travel expenses incurred by the volunteer during the year must be reported by the committee as in-kind contributions. This means that the volunteer and the committee must keep track of the personal travel costs of the volunteer to determine if and when the \$500.00 threshold is exceeded.

**Food and Beverages:** The first \$1,000.00 worth of food and beverages donated to the committee during the year by an individual does not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. Additional donations of food and beverages by the individual during the year count as in-kind contributions. This means that the volunteer and the committee must keep track of the food and beverage donated by the volunteer to determine if and when the \$1,000.00 threshold is exceeded.

## Prohibited Contributors

**Foreign Nationals:** The Federal Election Campaign Act prohibits foreign nationals from making any contributions or expenditures (including independent expenditures) in connection with any U.S. elections. It is also unlawful for any person to solicit, accept or receive a contribution from a foreign national. For further information on this requirement visit the Federal Election Commission website at:

<http://www.fec.gov/pages/brochures/contrib.shtml>

**Casino Interest Holders:** Public Act 69 of 1997 amended the Michigan Casino Revenue and Control Act to prohibit persons having a casino interest in one of the three Detroit casinos from making campaign contributions to a Committee other than a Ballot Question committee. The Casino Revenue Act further stipulates certain periods of time when a casino licensee or supplier licensee may contribute.



The persons who are prohibited from making contributions are:

1. a casino licensee or a supplier licensee;
2. a person who holds at least a 1% interest in a casino licensee, a supplier licensee or a casino enterprise;
3. a person who is an officer or a managerial employee of the licensee or casino enterprise as defined by Rules promulgated by the Michigan Gaming Control Board (MGCB);
4. a person who is an officer of the person who holds at least a 1% interest in the licensee or casino enterprise; or
5. the Independent Committee of a licensee or casino enterprise.

**Casino Licensee:** Contributions may not be made from a date one year prior to applying to the MGCB for a casino license and continuing until three years after the license expires. The prohibited period includes all time in between these dates, including the period when the MGCB is still considering a license application.

**Supplier Licensee:** Contributions may not be made from the date an application is submitted to the MGCB for a supplier license and continuing until three years after the license expires.

The MGCB enforces this prohibition. A person who makes a prohibited contribution is guilty of a felony, punishable by imprisonment for 10 years and/or a fine of not more than \$100,000.00.

**Investment Fiduciary Subject to P.A. 347 of 2012:** Public Act 347 of 2012 places restrictions on participation in Michigan elections by an "Investment Fiduciary" as defined by Section 12c of the law. P.A. 347 is commonly referred to as a "pay to play" law.

## Prohibited Activity

The MCFA specifies the following prohibitions.

- Contributions over \$20.00 in cash are prohibited and must be made on a written instrument such as check, money order, credit card, etc.
- Contributions made in excess of the "contribution limit" are prohibited.
- Anonymous contributions in any amount are prohibited. The name and address of the contributor must be provided to the committee.



- The individual making the contribution must be identified. Making contributions in the name of another person is prohibited.
- Making a contribution with the agreement or arrangement that the receiving committee will transfer the contribution to a particular Candidate Committee is prohibited. The individual making the contribution must be identified.
- Corporate contributions are prohibited as a contribution to committees with the exception of Super PACS and Ballot Question Committees.

## Identification Requirements on Advertisements

An individual (other than a candidate) is not subject to the identification requirement provision as it relates to printed matter provided that the individual is acting independently and is not acting as an agent for a candidate or any committee. See Appendix J for further information.

## FAQs

**Q.** What candidates are regulated by the Michigan Campaign Finance Act (MCFA)?

**A.** The MCFA covers most offices elected in Michigan. This includes Governor, Lt. Governor, Secretary of State, Attorney General, State Senate, State Representative, all judicial offices, all county, city, township, village and most school district offices.

Please note that the MCFA does not regulate federal candidates (President, Vice President, US Senate and US Congress). These candidates are regulated by the Federal Election Commission (FEC). In addition, the MCFA does not regulate candidates for precinct delegate.

**Q.** Can I donate money to candidates?

**A.** Yes, unless you fall into one of the prohibited groups; foreign national or casino supplier or licensee explained above.

This is a very common type of participation in Michigan elections. Many individuals donate directly to candidates. Contributions may be made with cash up to \$20.00, a check, money order, or credit card. There are limits on the amount of money that you can donate to a candidate in Michigan elections. The committee is the best source to find out how much you can contribute to their campaign. You will have to provide information to the committee. This includes your name and address. If you contribute over



\$100.00 to the committee you must also provide your employer information and occupation. The committee is required to report this information on a campaign statement. This information is accessible to the public.

**Q.** Can I loan money to candidates?

**A.** Yes, but loans are contributions equal to the amount of the loan so the limits apply to loans. Loan repayments reduce the amount of the contribution. Loans may be made with cash up to \$20.00, a check, money order, or credit card.

**Q.** Can I donate new or used goods to candidates?

**A.** Yes, unless you fall into one of the prohibited groups; foreign national or casino supplier or licensee explained above.

Many individuals donate directly to candidates or committees by donating new or used goods or services. For example, you may have a laptop that you are no longer using and you want to donate it to the committee or maybe you hire a cleaning service to clean the campaign office. However, just like donations of money, there are limits on the amount of goods or services that you can donate to a candidate in Michigan elections. These must be added with any donations of money as well. The committee is the best source to find out how much you can contribute to their campaign. You will have to provide information to the committee. This includes your name and address. If you contribute over \$100.00 to the committee you must also provide your employer information and occupation. The committee is required to report this information on a campaign statement. This information is accessible to the public.

**Q.** I have a business that is incorporated. Can I use my business checkbook to write a check to a candidate?

**A.** No. Corporations are prohibited from giving directly to candidates in Michigan. You must use a personal check, money order or other form of payment to contribute to the candidate's committee.

**Q.** Is there any way for me to use my corporate account for elections in Michigan?

**A.** Yes. Corporations are allowed to give to Super PACS and make independent expenditures. However, the rules for reporting this type of activity can be complicated, so you should seek advice before participating in this way.



**Q.** I'm the candidate's spouse; do I have a limit on how much I can contribute?

**A.** No. Contribution limits do not apply to the candidate, candidate's spouse, or a person claimed as a dependent for income tax purposes by the candidate.

**Q.** Can I give over the limit if the candidate is a relative?

**A.** No. Unless you are the candidate's spouse or claimed by the candidate for income tax purposes, you must follow the same limits and rules as other contributors. This means that the contribution limits apply to parents, children, siblings, grandparents, uncles, aunts and cousins.

**Q.** Can I just spend my own money and not coordinate with a candidate or committee?

**A.** Yes, unless you fall into one of the prohibited groups; foreign national or casino supplier or licensee. These are called Independent Expenditures. For example, you might decide to buy an advertisement directly from the local newspaper on your own without the committee's input. There is no limit to the amount of money an individual can spend on Independent Expenditures and they do not count toward the total contribution amount given to a candidate or committee. However, an independent expenditure of \$100.01 or more in a calendar year must be reported to the appropriate filing official. When an individual does something on their own, the committee is not responsible for reporting it, the individual is responsible for reporting it. See below for the forms and more information.

**Q.** Can I contribute to a candidate for precinct delegate?

**A.** Yes. Since the MCFA does not regulate candidates for precinct delegate, you can assist the candidate with their election and contribution limits do not apply.

**Q.** What other kinds of political committees can I donate to?

**A.** The MCFA has other types of committees that you can donate to in addition to candidate committees. There are limitations to the amount that can be contributed to a Candidate Committee and Caucus Committees; however, there are no contribution limits set for the other committee types. See the Contribution Limits page for the limitations on contributions to Caucus Committees.



**Q.** Will my name and address appear on public records if I donate to a candidate or committee?

**A.** Probably; most committees are required to report this information for public display. You should check with the candidate or committee to confirm their reporting requirements. If required, the committee must report the name, address, date and amount of the contribution. If the individual gives over \$100.00 in a calendar year, the committee must also report employer and occupation information of the contributor. If the committee is unable to identify the contributor, the committee cannot keep the funds and must donate them to a tax exempt charity.

**Q.** What happens to my money if I don't give my name to the committee?

**A.** Committees cannot keep money if they cannot identify the contributor. The money must be donated to a tax exempt charity.

**Q.** Can I volunteer my time to work on a campaign?

**A.** Yes. A volunteer's personal services do not count as a contribution as long as there is no understanding or agreement that compensation will be received for the time donated. Examples of volunteer personal services include canvassing a neighborhood, stuffing envelopes, walking in a parade, office work or similar types of assistance to the committee. If a third party compensates the volunteer, the compensation must be reported as an in-kind contribution from the third party. If a volunteer is on earned vacation time when assisting the committee, the vacation pay does not count as a contribution.

**Q.** I don't want to break the law, what is not allowed?

**A.** There are things that are prohibited in Michigan campaigns.

- Contributions over \$20.00 in cash are prohibited and must be made on a written instrument such as check, money order, credit card, etc.
- Contributions made in excess of the "contribution limit" are prohibited.
- Anonymous contributions in any amount are prohibited. The name and address of the contributor must be provided to the committee.
- The individual making the contribution must be identified. Making contributions in the name of another person is prohibited.
- Making a contribution with the agreement or arrangement that the receiving committee will transfer the contribution to a particular



Candidate Committee is prohibited. The individual making the contribution must be identified.

- Corporate contributions are prohibited as a contribution to committees with the exception of Super PACS and Ballot Question Committees.

**Q.** How can I find out who has given to candidate or committees?

**A.** For state level candidates including Governor, Lt. Governor, State Senate, State Representative and all judicial offices you can go to our searchable database. This database contains information for other committees that are registered with the Bureau of Elections. For local level candidates including county, city, township, village and school district offices, the information is filed with the various County Clerk's offices.



# Appendix R

## Incumbent Candidates

The following publication provides information on the Michigan Campaign Finance Act (MCFA) concerning officeholders who are:

- currently serving and are not term limited;
- serving their final terms due to term limits;
- and who have left office.

The information pertains to officeholders in the following offices:

- Governor, Lt. Governor, Secretary of State, Attorney General
- State Board of Education, UofM Board of Regents, MSU Board of Trustees, WSU Board of Governors
- State Senator and State Representative

This information does not apply to incumbent judicial officeholders. Local incumbent officeholders should contact their filing official for information.

### Covered in this Appendix:

- Officeholders Currently in Office who are not Term Limited
- Officeholders Currently in Office serving their Final Terms due to Term Limits
- Former Officeholders who have left Office
- Statements Owed
- Seeking Another Office
- Transferring Funds from one Candidate Committee to Another Candidate Committee belonging to the same Officeholder Disposing of Debts from a Previous Election Cycle
- Leadership PACs
- Dissolving the Candidate Committee



## **Officeholders Currently in Office who are not Term Limited**

An officeholder who is presently in office and not term limited can use the funds in the candidate committee to pay for election expenses that further the candidate's nomination or election only for the office currently held, as a candidate is presumed to be seeking re-election for that particular office. The candidate committee cannot be used for the purpose of seeking a different office. If the candidate desires to seek another office, he or she must form a separate candidate committee for that new office. See the "Seeking Another Office" and "Transferring Funds from one Candidate Committee to Another Candidate Committee belonging to the same Officeholder" sections below.

The committee funds can also be used to make incidental office expenses as outlined in Section 9 of the MCFA, MCL 169.209. Section 9 reads:

1. "Incidental expense" means an expenditure that is an ordinary and necessary expense, paid or incurred in carrying out the business of an elective office. Incidental expense includes, but is not limited to, any of the following:
  - a. A disbursement necessary to assist, serve, or communicate with a constituent.
  - b. A disbursement for equipment, furnishings, or supplies for the office of the public official.
  - c. A disbursement for a district office if the district office is not used for campaign- related activity.
  - d. A disbursement for the public official or his or her staff, or both, to attend a conference, meeting, reception, or other similar event.
  - e. A disbursement to maintain a publicly owned residence or a temporary residence at the seat of government.
  - f. An unreimbursed disbursement for travel, lodging, meals, or other expenses incurred by the public official, a member of the public official's immediate family, or a member of the public official's staff in carrying out the business of the elective office.
  - g. A donation to a tax-exempt charitable organization, including the purchase of tickets to charitable or civic events.



- h. A disbursement to a ballot question committee.
- i. A purchase of tickets for use by that public official and members of his or her immediate family and staff to a fund-raising event sponsored by a candidate committee, independent committee, political party committee, or a political committee that does not exceed \$100.00 per committee in any calendar year.
- j. A disbursement for an educational course or seminar that maintains or improves skills employed by the public official in carrying out the business of the elective office.
- k. A purchase of advertisements in testimonials, program books, souvenir books, or other publications if the advertisement does not support or oppose the nomination or election of a candidate.
- l. A disbursement for consultation, research, polling, and photographic services not related to a campaign.
- m. A fee paid to a fraternal, veteran, or other service organization.
- n. A payment of a tax liability incurred as a result of authorized transactions by the candidate committee of the public official.
- o. A fee for accounting, professional, or administrative services for the candidate committee of the public official.
- p. A debt or obligation incurred by the candidate committee of a public official for a disbursement authorized by subdivisions (a) to (o), if the debt or obligation was reported in the candidate committee report filed for the year in which the debt or obligation arose.

Additionally, committee funds may only be used to pay legal expenses of the officeholder that relate to a recall election; a recount of votes as provided in the Michigan election law; compliance with this act or the Michigan election law; or that tangibly benefit the nomination or election of a candidate.

Care must be taken to ensure that all committee funds are used appropriately, either to make expenditures, pay incidental expenses, or for transfers expressly authorized by section 45 of the MCFA, MCL 169.245; disbursements for any other purpose are prohibited. In addition, committee funds cannot be treated as the candidate's personal funds or disbursed for the candidate's personal use.



A committee of an incumbent officeholder who is not serving his or her final term of office due to term limits is not eligible for dissolution while the candidate remains in office. However, an officeholder who is not term limited and fails to file for the ballot may dissolve the candidate committee after the deadline for filing for the ballot elapses.

## **Officeholders Currently in Office and serving their Final Terms due to Term Limits**

An officeholder who currently holds office and is serving a final term due to term limits is prohibited from using committee funds to pay for expenditures (i.e., election expenses that further his or her nomination or election), as the committee exists for the purpose of assisting the candidate's nomination or election to this particular office. The committee cannot be used to seek a different office. If the candidate desires to seek another office, he or she must form a separate candidate committee for that new office. See the "Seeking Another Office" section below.

Again, care must be taken to ensure that all committee funds are used appropriately, either to pay incidental expenses or make transfers as authorized by section 45 of the MCFA, MCL 169.245. In addition, committee funds cannot be treated as the candidate's personal funds or disbursed for the candidate's personal use.

A candidate seeking another office and wishing to transfer funds from one candidate committee to another candidate committee should review the requirements for transferring the funds and seek advice from the Bureau of Elections with any questions or concerns. See the sections below titled "Seeking Another Office," and "Transferring Funds from one Candidate Committee to Another Candidate Committee belonging to the same Officeholder."

## **Former Officeholders who have left Office**

Once the candidate is no longer holding office, the candidate committee cannot be used to make expenditures or pay incidental expenses. Instead, the committee must dispose of the funds in compliance with section 45 of the MCFA, MCL 169.245, as described below. See the "Dissolving the Committee" section below.

Former officeholders who have left office are encouraged to dissolve the committee as soon as possible to avoid late filing fees. A committee that is not dissolved and does not maintain a Reporting Waiver will be required to



file campaign statements regardless of the committee’s financial activity. The committee will be asked to provide bank statements substantiating the leftover funds in the committee account.

## Statements Owed

Unless a committee maintains a Reporting Waiver, all candidate committees must file campaign statements according to the following schedule:

Statement	Filing Schedule
Annual Campaign Statement	Each year by January 31
Pre and Post – Election Campaign Statements	Before and after each election where the candidate’s name appears on the ballot.
Late Contribution Reports	Before each election where the candidate’s name appears on the ballot
July and October Quarterly Campaign Statements	In years where the candidate’s name does not appear on the ballot.
Dissolution Campaign Statement	Required of a committee that does not maintain a Reporting Waiver and is closing the committee.

## Seeking a Another Office

As explained above, a candidate committee can only be used for a single office. If another office is being sought, the candidate must form a separate candidate committee for that new office by filing a new Statement of Organization as soon as the one of the following requirements is met:

- the candidate receives a contribution or makes an expenditure to further his or her nomination or election to the new office;
- the candidate gives someone else permission to receive a contribution or make an expenditure to further his or her nomination or election to the new office; or
- the candidate files for the ballot.

The officeholder must not deposit contributions intended for a new elective office into a candidate committee organized for the purpose of seeking the current or former elective office. The funds of the separate candidate committees cannot be comingled.



The new committee must establish a separate bank account to accept contributions and make expenditures for the new office sought.

In addition, each candidate committee must separately file all required statements and reports.

## **Transferring Funds from one Candidate Committee to Another Candidate Committee belonging to the same Officeholder**

Under certain circumstances, funds can be transferred from one candidate committee to another candidate committee belonging to the same individual. Such transfers are authorized if both of the conditions below are met:

- The contribution limits for the Candidate Committee receiving the funds equals or exceeds the contribution limits for the Candidate Committee transferring the funds; and
- The Candidate Committees are simultaneously held by the same individual.

Committees are encouraged to thoroughly research and consult with the Bureau of Election prior to transferring funds from one Candidate Committee to another Candidate Committee. The process and procedures for transferring funds is outlined in detail in Appendix T.

## **Disposing of Debts from a Previous Election Cycle**

Debts may be carried forward and paid in subsequent election cycles. Section 52(6) of the MCFA, MCL 169.252(6), sets out the requirements for paying debts from a previous election cycle with funds received in a current election cycle. There are two options provided in Section 52(6) for the payment of debt from a previous election cycle.

**Option 1:** Written designation from contributor is required.

A contribution received by a candidate committee is considered to be for the current election cycle unless designated by the contributor for a previous election cycle. A designated contribution applies only to the limit of the cycle so designated. A contributor can designate a contribution for a previous election cycle if:



- The designation is made in writing for a specific election cycle identified by the contributor by the date of the election or the year of the election.
- It can be substantiated that the contributor did not reach the contribution limit set for the candidate in the election cycle identified in the designation; and
- The designated contribution does not exceed the candidate committee's outstanding debts from the election cycle identified in the designation.

**Option 2:** Written designation from contributor is not required.

A contribution received by a candidate committee is considered to be for the current election cycle and is applied to the contribution limit of the current election cycle. The debt is paid using the current cycle funds without a written designation up to the contribution limit of the current cycle. The contribution limit of the previous cycle is not considered in this option. Once the contribution limit is reached, additional contributions from the contributor can only be used to pay debts from a previous election cycle using option 1 above.

Committees are encouraged to resolve all debts promptly to avoid future filing requirements and potential violations.

## **Leadership PACs**

It has become common practice for officeholders to establish a "Leadership PAC." The MCFA does not define a Leadership PAC. Because of this, a Leadership PAC is registered as either a Political Committee or Independent Committee. An officeholder that chooses to establish a Leadership PAC must maintain separation between their candidate committee and the Leadership PAC.

A PAC is established by two (2) or more persons to collect and spend money to influence Michigan elections. Contributions received and expenditures made from the Leadership PAC must comply with the MCFA and all reporting requirements must be met. The Leadership PAC cannot be established to replace or perform the functions of the officeholder's candidate committee. Nor can a Leadership PAC be used to subvert the requirements, prohibitions or limits set by the MCFA. The committee is encouraged to include the officeholder's last name in the committee name.



A candidate committee cannot simply transfer funds to a Leadership PAC. A candidate committee can pay or reimburse the Leadership PAC for providing goods or services to the candidate committee that can be shown to either:

tangibly benefit the candidate committee by furthering the candidate's nomination or election, or comply with the incidental expense provisions of the MCFA.

Committees will be asked to explain the transaction in response to a Notice of Error or Omission if a clear and acceptable justification is not provided at the time of filing the original campaign statement disclosing the transaction.

A Leadership PAC should be dissolved once it is no longer participating in Michigan elections. A committee that is not dissolved and does not maintain a reporting waiver must continue to file campaign statements as required by the MCFA.

## **Dissolving the Candidate Committee**

- A candidate committee can be dissolved when:
- The officeholder is term limited and unable to seek this particular office; The officeholder has left office; or
- The officeholder has chosen not to seek election and the ballot access filing date has elapsed.

While in office during the final term, the remaining funds can continue to be used for incidental expenses as authorized by Section 9 of the MCFA, MCL 169.209 and/or transferred in accordance with section 45 of the MCFA, MCL 169.245. However, once a candidate has left office, the disposition of the remaining funds must comply with section 45, which authorizes the following:

- Transferred to another eligible candidate committee belonging to that candidate. Given to a political party committee.
- Given to a tax exempt charitable organization, as long as the candidate does not become an officer or director of or receive compensation, either directly or indirectly, from that organization.
- Returned to the contributors of the funds upon termination of the campaign committee; including the candidate as a contributor. The returned amount cannot exceed the amount originally contributed by the person.



- If the person was a candidate for the office of state representative, given to a house political party caucus committee.
- If the person was a candidate for the office of state senator, given to a senate political party caucus committee.
- Given to an independent committee. Given to a ballot question committee.

To be eligible for dissolution, a committee that does not maintain a Reporting Waiver must file a request for dissolution. The request for dissolution is reviewed and granted or denied based on the requirements set out in the MCFA. A committee that does not maintain a Reporting Waiver must file a detailed campaign statement showing that the committee has a zero ending balance and zero debts. The committee must also have:

- no outstanding late filing fees due,
- no outstanding Notices of Failure to File, and
- no outstanding Notices of Error or Omission on file with the Bureau of Elections.

A committee with a Reporting Waiver will be automatically dissolved if the committee otherwise qualifies for dissolution.



# Appendix S

## Campaign Signs FAQs

Campaign signs or Political signs are one of the most commonly used medium for candidates and committees to advertise their candidacy and position on the issues. Using signs presents many question by new and experienced committees members alike. Many common questions on signs are addressed in this document.

**Q.** Must all of my political signs have an identifier on them?

**A.** Maybe. Section 47 of the MCFA requires that paid political advertisements have an identification statement and, if applicable, a disclaimer statement. Please see Appendix J of any committee manual for more information.

**Q.** I'm a candidate, what identifier do I need to have on my signs?

**A.** For Candidate Committees, the identifier must say "Paid for by" along with the committee's name and address. Example: Paid for by: Committee to Elect Gloria Smith; 516 Main St., Lansing, MI 48999.

Please note: The identifier must be clear, legible and separate from the text of the sign.

**Q.** What identifier do PACs, Ballot Questions and Political Parties use on their signs?

**A.** The identifier must say "Paid for with regulated funds" along with the committee's name and address. Example: Paid for with regulated funds by ABC Committee; 123 Main St., Lansing, MI 48999.

**Q.** Do I have to put the Treasurer's name on the identifier?

**A.** No, the MCFA does not require that the treasurer's name be present in the identification statement.

**Q.** My signs don't have the identifier on them; how do I fix this?

**A.** The signs must have the identifier to be in compliance with the MCFA. A common remedy is to create labels with the disclaimer and place them on the signs or manually add the information. If this is not possible, the committee should take other measures to bring the signs into compliance. The committee should correct the error as soon as possible once discovered.



It is important that the committee ensure that all future signs contain the proper identification statement prior to displaying them.

**Q.** Can I use my signs from a previous campaign?

**A.** Yes. If you are running for reelection for the same office nothing needs to be done as the committee owns the signs. If you are running for office that has the same or higher contribution limit you would record the transfer of the sign materials as an In-Kind contribution to the committee receiving the signs. See the transfer of funds section of the Candidate Committee Manual for more information. If the signs can not be transferred, the new committee can purchase the signs from the old committee at the fair market value of the signs.

**Q.** Do I have to report signs that I made myself or were made for me with scrap materials?

**A.** Yes. You may use your own materials or materials donated to you to make your own signs. However, you must place a fair market value on the items and report them as In- Kind contributions on your campaign statements. The value of the materials count towards the contribution limit of the donor.

**Q.** What if my committee's address has changed?

**A.** Use the new address on all future printed material. Creating labels to put over the old address is a good way to fix this issue and avoid a potential complaint. However, if the committee's address is on record with the filing official on the committee's Statement of Organization no violation has occurred. See ruling dated 10/19/1988 for more information.

**Q.** When can I put up signs? When do I need to take my signs down?

**A.** When signs can be put up and when they must be taken down is not covered under the MCFA. Rather, the placement of signs is governed by the local jurisdiction ordinances or zoning rules and the owner of the property where the signs are to be placed. In all cases, committees must ensure that the owner of the property will allow the placement of the signs. Judicial Committees may have additional considerations and should check with the State Bar of Michigan. The Michigan Department of Transportation (MDOT) dictates placement and removal of political signs on public Michigan State owned property. For private property rules, check with the local jurisdiction: county, city or township offices.



**Q.** Where can I put up signs? Can I put them up on public property?

**A.** The MCFA does not dictate where signs can be placed. This is governed by the local jurisdiction ordinances or zoning rules and the owner of the property where the signs are to be placed. In all cases, committees must ensure that the owner of the property will allow the placement of the signs. The Michigan Department of Transportation (MDOT) dictates placement and removal of political signs on public State owned property. For private property rules, check with the local jurisdiction: county, city or township offices.

**Q.** Someone took my signs down, what should I do?

**A.** If your signs are stolen, contact your local police department or other law enforcement agency to file a report. They will address the situation according to their standard procedures. As this is a criminal matter, it is not covered under the MCFA and the Bureau of Elections or the Department of State has no jurisdiction in this type of matter.

**Q.** My opponent's sign suggests that he/she is an incumbent, but they are not. What should I do?

**A.** Section 944 of Michigan Election Law prohibits a person using the words re- elect, re-election or any words that give the impression that the candidate is an incumbent when they're not and incumbent. Violation of this section is a misdemeanor offense punishable as provided in Section 934. Contact your local prosecuting attorney for information on filing a complaint under Michigan's Election Law. This is not a violation of the MCFA.

**Q.** My opponent's signs have false information or false advertisement on them. What should I do?

**A.** The MCFA does not regulate the content of political signs except to the extent that the identification requirement of Section 47 is met. You may wish to seek advise from legal council concerning options you have for moving forward.

**Q.** Can I put up signs in an establishment that serves alcohol?

**A.** The MCFA does not regulate the placement of signs in establishments that serve alcohol. Questions concerning this possible prohibition should be directed to the Liquor Control Commission at: 866-813-0011.

**Q.** Can 2 or more candidate committees pay for a joint or shared sign?



**A.** Yes. However, care must be taken to ensure that one candidate committee is not inadvertently making an in-kind contribution to another candidate committee by paying for more than its share of the cost of the sign. So, the amount of space dedicated to each candidate determines their share of the cost. So, if 2 candidates pay for one sign and 75% of the space is dedicated to one candidate and the other has 25% of the space, then this is the share that each should pay of the total cost of the sign. The sign must also have the full identification of each committee paying for the sign. Payment for the signs can be handled in 1 of 2 ways.

- If each participant pays its share of the expenditures as they arise, the committee must report its respective share the expenditure.
- If one of the participating committees has been designated to make the expenditure, the designated committee must itemize the expenditure. When reporting these expenditures, the committee must specify, under the "Purpose" column/field on the Itemized Expenditures Schedule/data entry screen, that the expenditures were related to a joint expenditure. When the other participating committees reimburse the committee that reports the expenditures, the reimbursements are reported as "Other Receipts" on the Itemized Other Receipts Schedule/data entry screen. The committee must select the "miscellaneous" type and indicate that the "other receipt" was a reimbursement received in connection with a joint expenditure. The committee(s) that provide reimbursement for the expenditures must report the purpose of the expenditure as reimbursement for joint fund raiser expenses. The reimbursement for the expenditure must be separately itemized on the Itemized Expenditures Schedule/data entry screen with the following information entered in the "Purpose" column/field: (1) an explanation that the amount expended was reimbursement for a joint fund raiser expense, and (2) the name and address of the person originally paid by the committee being reimbursed.



# Appendix T: Transfer of Funds

Transferring funds from one committee to another is often simply a “contribution” from one committee to another committee. If the transfer is a contribution, then the transaction must be recorded and reported as such and any limitations or prohibitions provided in the Michigan Campaign Finance Act (MCFA) apply. However, there are certain circumstances provided for in the MCFA where a “transfer” is not considered a contribution and because of this, the contribution limits do not apply.

Transfers must be recorded and reported as required by the MCFA. The transfers discussed below are:

- State/Local Candidate Committee to State/Local Candidate Committee of the same candidate
- State/Local Candidate Committee to Federal Candidate Committee of the same candidate - Prohibited
- Federal Candidate Committee to State/Local Candidate Committee of the same candidate
- State/Local Candidate Committee to State/Local Candidate Committee of different candidates – Prohibited

To avoid running afoul of the MCFA it is recommended to contact the Bureau of Elections or your local filing official before completing any transfer transactions to confirm the acceptability of the transaction. Judicial candidates have additional requirements to consider under the Judicial Code of Conduct/Canons. If you encounter a transfer scenario that is not covered in this publication, please contact our office for further direction. Contact information is provided below.

## **State/Local Candidate Committee to State/Local Candidate Committee of the same candidate**

A committee may transfer unexpended funds from one Candidate Committee to another Candidate Committee if:

- the contribution limits for the Candidate Committee receiving the funds are equal to or greater than the contribution limits for the Candidate Committee transferring the funds, and



- the Candidate Committees are simultaneously held by the same person.

A transfer of this type can be made anytime and can be completed as a single transaction or multiple smaller transactions.

Care must be taken to determine if funds can be transferred and to properly report such transfers. The following provisions apply to transferred funds:

- If the candidate is not a term-limited officeholder and the transferring committee raises the funds after the candidate has formed (or was required to have formed) a new candidate committee to run for a different office, an acceptable accounting method must be used to identify the persons who contributed the transferred funds and the amount of each person's contribution. The amount attributed to each person must be counted towards that person's contribution limit to the Candidate Committee receiving the transferred funds. The preferred accounting method to be used is Last-In-First-Out (LIFO). Any other proposed accounting method to be used must be submitted to the Bureau of Elections for approval.
- If the candidate is a term-limited officeholder and the transferring committee raises funds after the General Election at which the officeholder was elected to his or her final term of office, an acceptable accounting method must be used to identify the persons who contributed the transferred funds and the amount of each person's contribution. The amount attributed to each person must be counted towards that person's contribution limit to the Candidate Committee receiving the transferred funds. The preferred accounting method to be used is Last-In-First-Out (LIFO). Any other proposed accounting method to be used must be submitted to the Bureau of Elections for approval.
- Contributions received by a committee during a previous election cycle do not have to be itemized and may be transferred as a lump sum.
- Contributions that appear eligible to be transferred, but are required to be itemized may not qualify (in full or in part) to be transferred. The most common reason a contribution would not qualify to be transferred is that the transfer would result in an excess contribution to the receiving committee. Before any transfer transaction is completed, the committee must review and verify that the funds are



qualified to be transferred and would not result in any violation of the MCFA.

**Transfer of Other Assets:** The remaining value of any transferred assets should be reported as an in-kind expenditure on the In-Kind Expenditure Schedule 1B-IK by the transferring committee. The recipient committee reports the receipt of the transferred assets as an in-kind contribution on its Itemized Contribution Schedule 1-IK as "Goods or Services donated" with a description indicating, "Transferred assets."

**Determining Which Funds Can be Transferred:** A worksheet has been developed to assist with determining which funds can be transferred and what disclosure is required. The decision tree provided below can be used in conjunction with the worksheet to fully grasp the transfer process.

1. Are the committees both held by the same person simultaneously?

If yes, proceed to question 2.

If no, stop. The funds cannot be transferred.

2. Are the contribution limits the same or higher for the committee receiving the funds?

If yes, proceed to question 3.

If no, stop. The funds cannot be transferred.

3. Is the Candidate barred from seeking re-election (i.e., term-limited)?

If yes, proceed to question #4.

If no, proceed to question #5.

4. Is the date of the contribution on or before the last General Election for that office?

If yes, the funds can be transferred as a lump sum amount.

If no, the funds can be transferred provided the contributor has not already contributed the maximum amount allowed for that office. All contributions must be itemized and reported on the Itemized Direct Contribution Schedule 1A.

5. Is the date of the contribution on or before the candidate formed (or was required to have formed) a new committee to run for a different office?



If yes, the funds can be transferred as a lump sum amount.

If no, the funds can be transferred provided the contributor has not already contributed the maximum amount allowed for that office. All contributions must be itemized and reported on the Itemized Direct Contribution Schedule 1A.

**Reporting Transfers:** The transferring Candidate Committee will report the transfer of funds on the Itemized Expenditures Schedule 1B and note “transfer of unexpended funds” in the purpose/description field.

The recipient Candidate Committee must report the transferred funds on its campaign statement as follows:

- If the funds must be itemized as described above the committee will report receipt of the transferred funds by attributing each of the original contributors, the amount from each person, and the date of the transfer as the date of the contribution on the Itemized Contributions Schedule 1A. The preferred accounting method to be used is Last-In-First-Out (LIFO). Any other proposed accounting method to be used must be submitted to the Bureau of Elections for approval. A letter must be submitted with the campaign statement detailing which contributions have been transferred showing the original contribution dates reported in the transferring committee’s campaign statements. An attached document or file such as an Excel spreadsheet can be used to provide this information. In this way, the contributions can be traced back to the originating committee.
- If the transferred funds are not required to be itemized and attributed to a specific contributor, the Candidate Committee reports receipt of the transferred amount as a lump sum on the Itemized Other Receipts Schedule 1A-1. The source of the other receipt is reported as the transferring committee, the type of receipt is indicated as “Other: transfer of unexpended funds” with the date and amount of the transfer.

**Transfer of Debt Prohibited:** Outstanding debt may not be transferred from one Candidate Committee to another Candidate Committee. Debt must be paid or (if it qualifies) forgiven prior to dissolution of a committee.



## **State/Local Candidate Committee to Federal Candidate Committee of the same candidate - Prohibited**

A state/local candidate committee cannot transfer funds to a federal candidate committee of the same person. Section 45 stipulates that a candidate committee may transfer unexpended funds to another candidate committee. However, a federal candidate committee is not considered a candidate committee under the MCFA for this purpose, therefore the funds may not be transferred from the state/local candidate committee to a federal candidate committee. Any funds used by the state/local candidate committee must be to further the nomination or election of the candidate to that office under Section 6, meet the requirements as an incidental office expense under Section 9, or meet the requirements set out in Section 45 for dissolving the committee.

## **Federal Candidate Committee to State/Local Candidate Committee of the same candidate**

A federal candidate committee may transfer funds to a state or local committee of the same person when all of the following conditions are met:

1. Federal laws and rules allow for the transfer.
2. The contribution limits for the state/local candidate committee receiving the funds are equal to or greater than the contribution limits for the federal candidate committee transferring the funds. To confirm the federal contribution limits visit [www.fec.gov](http://www.fec.gov).
3. The funds coming from the federal candidate committee have been raised in compliance with the MCFA. This means that if the federal committee has received prohibited funds such as non-affirmative consent funds, corporate funds, etc. those contributions must be segregated by a reasonable accounting method and are not eligible to be transferred to the state/local Candidate Committee.

**Reporting Transfers:** The transferring federal candidate committee will report the transfer of funds as required by federal law.

The recipient state/local Candidate Committee must report the transferred funds on its campaign statement as follows:



If the funds were raised by the federal candidate committee after the candidate formed (or was required to have formed) a new candidate committee to run for state or local office and therefore required to be itemized, the committee will report receipt of the transferred funds by attributing each of the original contributors, the amount from each person, and the date of the transfer as the date of the contribution on the Itemized Contributions Schedule 1A. A letter must be submitted with the campaign statement detailing which contributions have been transferred showing the original contribution dates reported in the transferring committee's campaign statements. An attached document or file such as an Excel spreadsheet can be used to provide this information. In this way, the contributions can be traced back to the originating committee.

If the transferred funds are not required to be itemized and attributed to a specific contributor, the state/local Candidate Committee reports receipt of the transferred amount as a lump sum on the Itemized Other Receipts Schedule 1A-1. The source of the other receipt is reported as the transferring committee, the type of receipt is indicated as "Other: transfer of unexpended funds" with the date and amount of the transfer.

## **State/Local Candidate Committee to State/Local Candidate Committee of different candidates – Prohibited**

A state or local candidate committee cannot transfer funds from to a state or local candidate committee of another person. The MCFA strictly prohibit the candidate committee to candidate committee contributions. A candidate committee is allowed to purchase tickets to a fundraising event up to \$100.00 per candidate committee per calendar year. The committee must report purchase of the tickets on the corresponding campaign statement and attend the fundraiser to qualify for the exemption. The purchase of the ticket is a contribution to the committee hosting the fundraiser and must be reported on the Itemized Contribution Schedule 1A.

Further, a PAC or other person cannot be used as a vehicle to make a prohibited contribution. A transfer or contribution to a PAC or other person with the understanding that it will be transferred to a specific candidate committee is considered earmarking and is prohibited by Section 44.

The MCFA allows for the reimbursement of expenses by committees for joint fundraiser expenses or joint expenditures made by committees. However, care must be taken to ensure that no unintentional contribution is received



by any of the committees in the transaction. Reimbursements received by a candidate committee must be reported on the Itemized Other Receipts Schedule 1A-1 and not on the Itemized Contribution Schedule 1A.

## **Transfer Scenario Example - State Representative to State Senate Committee Transfer**

Following the last election, a term-limited incumbent state representative decides to run for state senate and files a new state senate candidate committee.

- \$50,000.00 was the ending balance listed on the Post-General Campaign Statement of the last election for state representative. This is the amount eligible to be transferred as a lump sum. Any amount over \$50,000.00 must be itemized by the committee using the LIFO accounting method.
- \$100,000.00 is the current available funds in the committee account

On January 1, the state representative committee (rep. committee) transfers \$25,000.00 to the newly filed state senate committee (senate committee).

Since the rep. committee had \$50,000.00 available to transfer as a lump sum, the entire amount can be transferred without itemization of the original contributors. The rep. committee reports the transfer as an expenditure to the new senate committee and indicates transfer in the description/purpose field.



## Disclosure Example #1



MICHIGAN DEPARTMENT OF STATE  
BUREAU OF ELECTIONS

Clear Form

### ITEMIZED EXPENDITURES SCHEDULE 1B CANDIDATE COMMITTEE

1. Committee I. D. Number **123456-7**  
2. Committee Name **John Smith State Rep Committee**

3. Name and address of person or vendor to whom paid	4. Purpose (Required Information)	5. Date	6. Amount
Expenditure #1 Name <b>John Smith State Senate Committee</b> Address 123 Main Street Lansing, MI 11111 <input type="checkbox"/> Fund Raiser	Purpose: <b>Transfer</b> <input type="checkbox"/> Check box if this expenditure is payment of debt or obligation reported on previous statement	<b>01/01/17</b> Date	\$ <b>25,000.00</b> <a href="#">Click Here for Memo Itemization Type</a>

The senate committee receiving the transferred funds reports a single transaction from the rep. committee on the Itemized Other Receipts Schedule 1A-1 and indicates it is a transfer in the description/purpose field.

## Disclosure Example #2



MICHIGAN DEPARTMENT OF STATE  
BUREAU OF ELECTIONS

Clear Form

### ITEMIZED OTHER RECEIPTS SCHEDULE 1A-1 CANDIDATE COMMITTEE

1. Committee I.D. Number **456789-1**  
2. Committee Name **John Smith State Senate Committee**

3. Name & Address From Whom Received	4. Date of Receipt	5. Type of Receipt	6. Amount
Receipt #1 Name & Address: John Smith State Rep Committee 456 Maple Road Lansing, MI 22222 <input type="checkbox"/> Fund Raiser	Date of Receipt <b>01/01/17</b>	<input type="checkbox"/> Loan from a Lending Institution <input type="checkbox"/> Interest <input type="checkbox"/> Refund \Rebate <input checked="" type="checkbox"/> Other (Specify) <b>Transfer</b> <a href="#">Click for Memo Itemization Type</a>	\$ <b>25,000.00</b>

On February 1, the committee transfers an additional \$50,000.00 for a total of \$75,000.00.

The rep. committee now has only \$25,000.00 in remaining funds that can be transferred as a lump sum. The remaining \$25,000.00 of this transfer must be itemized. The transfer from the rep. committee is again shown as an expenditure to the new senate committee and indicates it is a transfer in description/purpose field.

## Disclosure Example #3





MICHIGAN DEPARTMENT OF STATE  
BUREAU OF ELECTIONS

Clear Form

**ITEMIZED EXPENDITURES  
SCHEDULE 1B  
CANDIDATE COMMITTEE**

1. Committee I. D. Number 123456-7  
2. Committee Name John Smith State Rep Committee

3. Name and address of person or vendor to whom paid	4. Purpose (Required Information)	5. Date	6. Amount
Expenditure #1 Name <u>John Smith State Senate Committee</u> Address <u>123 Main Street</u> <u>Lansing, MI 11111</u> <input type="checkbox"/> Fund Raiser	Purpose: <u>Transfer</u> <input type="checkbox"/> Check box if this expenditure is payment of debt or obligation reported on previous statement	<u>02/01/17</u> Date <a href="#">Click Here for Memo Itemization Type</a>	<u>\$ 50,000.00</u>

However, the senate committee receiving the transferred funds must report multiple transactions. The first \$25,000.00 is shown exactly as the first transaction on the Itemized Other Receipts Schedule 1A-1 from the rep. committee and indicates it is a transfer in the description/purpose field.

**Disclosure Example #4**



MICHIGAN DEPARTMENT OF STATE  
BUREAU OF ELECTIONS

Clear Form

**ITEMIZED OTHER RECEIPTS  
SCHEDULE 1A-1  
CANDIDATE COMMITTEE**

1. Committee I.D. Number 456789-1  
2. Committee Name John Smith State Senate Committee

3. Name & Address From Whom Received	4. Date of Receipt	5. Type of Receipt	6. Amount
Receipt #1 Name & Address: <u>John Smith State Rep</u> <u>Committee</u> <u>456 Maple Road</u> <u>Lansing, MI 2222</u> <input type="checkbox"/> Fund Raiser	Date of Receipt <u>02/01/17</u>	<input type="checkbox"/> Loan from a Lending Institution <input type="checkbox"/> Interest <input type="checkbox"/> Refund \Rebate <input checked="" type="checkbox"/> Other (Specify) <u>Transfer</u> <a href="#">Click for Memo Itemization Type</a>	<u>\$ 25,000.00</u>

The remaining \$25,000.00 must be itemized using the LIFO method of accounting. The committee takes the last contributions received that total \$25,000.00 and enters each contribution on the Itemized Direct Contribution Schedule 1A using the date of the transfer as the new transaction date. The committee must first verify that the contribution intended to be transferred does not cause the contributor to exceed the contribution limit of the senate committee. If the limit has been reached, the committee must not transfer that contribution since it is ineligible to be transferred and must move to the next contribution to verify. Once the committee has determined which contributions can be transferred, the committee sends a letter to the filing




official documenting the transfer and outlining the transactions that make up the itemized transactions.

**NOTE:** The process for determining and verifying that contributions are eligible for transfer must be done prior to the actual transfer transaction. Some contributions may not be eligible for transfer and some funds may remain in the original committee.

### Disclosure Example #5

[Clear Form](#)



MICHIGAN DEPARTMENT OF STATE  
BUREAU OF ELECTIONS

**ITEMIZED CONTRIBUTIONS  
SCHEDULE 1A  
CANDIDATE COMMITTEE**

1. Committee I.D. Number 456789-1

2. Committee Name John Smith State Senate Committee

Enter contributor's name and address. If contribution is from an individual, enter last name, first name, middle initial. Check box to indicate if contribution is from a Political Committee or an Independent Committee (PAC) Report <u>all</u> contributions regardless of amount.	6. Amount	7. Cumulative for Election Cycle for Each Contributor (Through date of receipt)
<p>3. Contribution # 1      PAC Receipt? <input type="checkbox"/> YES      4. Date of Receipt <u>02/01/17</u></p> <p>Name &amp; Address:</p> <p><u>Jane Smith</u> <u>300 Mills</u> <u>Lansing, MI 33333</u></p> <p>5. If over \$100.00 cumulative, please provide:</p> <p>Occupation <u>Retired</u>      Employer _____</p> <p>Business Address _____</p> <p>Type of Contribution: <input checked="" type="checkbox"/> Direct    <input type="checkbox"/> Loan from a person    <input type="checkbox"/> Fund Raiser</p>	\$ <u>1000.00</u>	\$ <u>1000.00</u>
<a href="#">Click Here for Memo Itemization</a>		
<p>3. Contribution #2      PAC Receipt? <input type="checkbox"/> YES      4. Date of Receipt <u>02/01/17</u></p> <p>Name &amp; Address:</p> <p><u>David Davidson</u> <u>123 East Main</u> <u>Lansing, MI 44444</u></p> <p>5. If over \$100.00 cumulative, please provide:</p> <p>Occupation <u>Manager</u>      Employer <u>ABC Printing</u></p> <p>Business Address <u>123 Inkwel Lansing, MI 23545</u></p> <p>Type of Contribution: <input checked="" type="checkbox"/> Direct    <input type="checkbox"/> Loan from a person    <input type="checkbox"/> Fund Raiser</p>	\$ <u>1000.00</u>	\$ <u>1000.00</u>
<a href="#">Click Here for Memo Itemization</a>		
<p>3. Contribution # 3      PAC Receipt? <input type="checkbox"/> YES      4. Date of Receipt _____</p> <p>Name &amp; Address:</p> <div style="background-color: yellow; padding: 5px; border: 1px solid black;"> <p>Add additional similar contributions calculating the amount transferred</p> </div> <p>5. If over \$100.00 cumulative, please provide:</p> <p>Occupation _____      Employer _____</p> <p>Business Address _____</p> <p>Type of Contribution: <input type="checkbox"/> Direct    <input type="checkbox"/> Loan from a person    <input type="checkbox"/> Fund Raiser</p>	\$ _____	\$ _____
<a href="#">Click Here for Memo Itemization</a>		

On March 1, the rep. committee transfers the remaining \$25,000.00 in the committee account.



The final remaining \$25,000.00 must be itemized using the Last in, First out (LIFO) method of accounting. Exactly as outlined above, the rep. committee takes the last contributions received that total \$25,000.00 and enters each contribution on the Itemized Direct Contribution Schedule 1A using the date of the transfer as the new transaction date. The contributions are identified as separate from the contributions that were previously transferred. The same contribution can only be transferred once. The committee must continue to verify that the contribution intended to be transferred does not cause the contributor to exceed the contribution limit of the senate committee. If the limit has been reached, the committee must not transfer that contribution since it is ineligible to be transferred and must move to the next contribution to verify. Once the committee has determined which contributions can be transferred, the committee also sends a letter to the filing official documenting the transfer and outlining the transactions that make up the itemized transactions.

**NOTE:** The process for determining and verifying that contributions are eligible for transfer must be done prior to the actual transfer transaction. Some contributions may not be eligible for transfer and some funds may remain in the original committee.

**See Examples #3 and #5 above.**

Any funds that remain in the state rep. account and are not eligible for transfer must be disposed of according to the provisions set out in Section 45. See Appendix W for information on dissolving a committee.

**FAQs**

**Q.** How is a transfer different from a contribution?

**A.** Transfers are allowed by the MCFA and are different from contributions in that they are specifically allowed from one candidate committee (as defined by the MCFA) to another candidate committee of the same person. Because of this, they are not considered contributions and are not subject to contribution limits.

**Q.** What section of the MCFA allows for transfers?

**A.** Section 45(1) of the MCFA allows for transfers and reads in part:

A person may transfer any unexpended funds from 1 candidate committee to another candidate committee of that person if the contribution limits prescribed in section 52 or 69 for the candidate committee receiving the



funds are equal to or greater than the contribution limits for the candidate committee transferring the funds and if the candidate committees are simultaneously held by the same person. The funds being transferred shall not be considered a qualifying contribution regardless of the amount of the individual contribution being transferred.

**Q.** Can transferred funds be matched for gubernatorial public funding purposes?

**A.** No. Section 45 specifically excludes transferred funds for matching purposes.

**Q.** Can a state/local Candidate Committee transfer unexpended funds to another state/local Candidate Committee of the same person?

**A.** Maybe, see the above section and complete the worksheet to help you determine what can be transferred. Before transferring any funds, contact your filing official for assistance.

**Q.** Can a federal candidate committee transfer unexpended funds to a state/local Candidate Committee of the same person?

**A.** Maybe, see the above section and complete the worksheet to help you determine what can be transferred. Before transferring any funds, contact your filing official for assistance.

**Q.** Can a state/local Candidate Committee transfer unexpended funds to a federal candidate committee of the same person?

**A.** No, because a federal candidate committee is not a candidate committee as defined in the MCFA, the funds cannot be transferred.

**Q.** Can a state/local Candidate Committee transfer unexpended funds to another state/local Candidate Committee of a different person such as a spouse or child?

**A.** No, because the committees are not held by the same person the funds cannot be transferred.

**Q.** How are transfers reported?

**A.** The reporting of transfers can be tricky and is specific to each transfer situation. The example above describes the most common situation we encounter, but we highly recommend that the committee contact the filing official before making transfer transactions.



**Q.** Is there a worksheet available for determining what funds can be transferred and how?

**A.** Yes. The worksheet is designed to assist with the most common transfer scenario and may not cover all situations. We highly recommend that the committee contact the filing official before making transfer transactions.

**Q.** Is there a difference between transferring funds from a term-limited committee to a non-term-limited committee?

**A.** Maybe; the transfer of funds is very situational. If the funds are transferrable, the only question that remains is how the transfer is reported. See the above example to help understand how a term-limited committee determines what funds are transferable and how the transfers are reported.

**Q.** Can interest or other receipts be transferred to another committee?

**A.** Yes, if the interest or other receipt is a portion of the allowed lump sum transfer, it is not required to be itemized. However, if it must be itemized, the committee receiving the funds must itemize the source of the funds. Documentation, such as bank statements, may be requested to substantiate the transfer.

**Q.** Can assets be transferred?

**A.** Maybe; if the committee is allowed to transfer funds to another candidate committee, then assets purchased by the committee can be transferred as well.

**Q.** Can debts be transferred?

**A.** No, debts of a committee must be resolved by that committee and cannot be transferred to another committee.

**Q.** Where can funds of a State Representative committee be transferred?

**A.** A committee for State Representative can transfer fund to any other committee registered under the MCFA. This is because the contribution limit for State Representative is contribution limit for this office would be the same or less than every other state or local office.

**Q.** Where can funds of a State Senate committee be transferred?

**A.** A committee for State Senate can transfer funds to a committee with the same or higher limit. Offices with the same or higher contribution limits



include statewide offices and certain local offices. See the Contribution Limits Page for more details.

**Q.** Where can funds from a statewide committee be transferred?

**A.** A committee for a statewide office can transfer funds to a committee with the same limit. Offices with the same contribution limit include other statewide offices and certain local offices. See the Contribution Limits Page for more details.

**Q.** Why are the transfers restricted from committees?

**A.** The MCFA requires that each committee maintain the contribution limits as required by the MCFA. To ensure that the contribution limits are maintained, restrictions are placed on the transfers.

**Q.** Can in-kind contributions be transferred?

**A.** Maybe; if the committee maintains an asset that was donated, the transfer of the asset can be done. The contributor of the asset may be required to be itemized and the value of the asset count toward the contribution limit of the new committee for that contributor.

**Q.** Why is a letter and list of contributors required for the transfer?

**A.** To ensure that the transfer is tracked, transparent, and all of the contributions accounted for accurately, the committee is required to provide a letter describing the transfer and attach a list of the itemized contributions.

**Q.** Can all contributions/funds be transferred?

**A.** Maybe, the MCFA anticipates that not all contributions will be transferrable. For example, a contributor's contribution in the transferring committee may cause the limit to be exceeded in the receiving committee. In this case, the funds are not transferrable and must remain in the original committee's account and disposed of in an appropriate manner.

**Q.** Can a PAC or Political Party Committee transfer funds to a Candidate Committee?

**A.** No, this would always be a contribution and be attributed to the contribution limit or a refund or return of funds to the candidate committee.



## Rulings

Date	To whom	Type of Ruling	Sections	Section(s) of law
05/17/2002	Nickelhoff	IS		<a href="#">Nickelhoff 05/17/2002</a>
10/22/1992	Wolpe	DR	12(1) 45(1), 66(1)	<a href="#">Wolpe 10/22/1992</a>
04/08/1983	Plawecki	IS	44(2)	<a href="#">Plawecki 04/08/1983</a>
03/31/1982	Welborn	IS	3(1), 3(4), 45(1)	<a href="#">Welborn 03/31/1982</a>
02/06/1980	Altman	IS	45(1)	<a href="#">Altman 02/06/1980</a>
11/02/1978	Arthurhultz	IS	45(1), 52(1)	<a href="#">Arthurhultz 11/02/1978</a>



# Appendix W: Dissolution of a Committee

The Michigan Campaign Finance Act (MCFA) specifies when and under what conditions a committee may be dissolved. A dissolved committee has no further filing obligations under the MCFA. All committees are encouraged to request dissolution when activity in the committee ends. A committee that has not been dissolved and does not have a Reporting Waiver must continue to file campaign statements as required by the MCFA.

A Committee is Eligible for Dissolution When:

The incumbent officeholder vacates office or is constitutionally or legally barred from seeking reelection,\*

- The committee has disclosed the disbursement of all unexpended funds and assets,
- The committee has disclosed the payment or forgiveness of all debts, The committee has paid all late filing fees in full,
- The committee has filed all outstanding campaign statements, and
- The committee has answered all outstanding Notice(s) of Error or Omission.

(\* )An officeholder cannot dissolve his or her Candidate Committee until his or her term of office expires. An exception to this provision exists for officeholders who are not qualified to seek reelection.

**Requesting Dissolution:** Committees that have maintained a Reporting Waiver may request dissolution with their filing official by filing a Single-Page Dissolution Statement. On the Statement, the signers verify that the committee: 1.) Obtained and maintained the Reporting Waiver; 2.) Has no outstanding late filing fees or other debts; and 3.) Has no remaining assets.

Committees that have not maintained a Reporting Waiver may request dissolution with their filing official by filing either a 1.) Dissolution Campaign Statement or 2.) another required campaign statement that includes a dissolution date of the committee on the cover page. Committees that are required to file campaign statements electronically must file their dissolution request campaign statement electronically. The committee must dissolve on or before the closing date of the campaign statement. A Dissolution



Campaign Statement must open on the day after the closing date of the last campaign statement filed by the committee and close on the date of the committee's dissolution.

**Granting or Denying the Dissolution Request:** The filing official will review each dissolution request and determine if the committee is eligible to dissolve based on the criteria listed above. The committee will be notified whether their dissolution request was granted or if it was denied. If a dissolution request is denied and the committee qualifies for a Reporting Waiver, the filing official will automatically update the committee records to avoid the accrual of any additional fees or filing requirements while the committee works on completing the dissolution process.

**Automatic Dissolution of Candidate Committees:** The filing official may automatically dissolve a Candidate Committee with a Reporting Waiver when an officeholder vacates office or an individual is defeated in the election, providing the committee meets all of the requirements to dissolve. A committee that qualifies for automatic dissolution will not be dissolved if the candidate expresses a desire, in writing, to keep the committee active.

**Disposition of Unexpended Candidate Committee Funds:** Unexpended funds of a Candidate Committee that are not eligible for transfer to another Candidate Committee of the same candidate must be disbursed in the following ways in accordance with Section 45 of the MCFA.

- a. Given to a Political Party Committee (state central, congressional district or county).
- b. Given to a tax-exempt charitable organization as long as the candidate does not become an officer or director of or receive compensation, either directly or indirectly, from that organization. \*
- c. Returned to contributors of the funds; including the candidate as a contributor. The returned amount cannot exceed the amount originally contributed by the person.
- d. Given to a House Political Party Caucus Committee if the person was a candidate for the office of State Representative. (Contribution limits to Caucus Committees apply).
- e. Given to a Senate Political Party Caucus Committee if the person was a candidate for the office of State Senator. (Contribution limits to Caucus Committees apply).



- f. Given to an Independent Committee.
- g. Given to a Ballot Question Committee.

(\*) A Candidate Committee that chooses to donate any of its remaining assets to a tax- exempt charity must provide verification of the disposition of the funds to their filing official. This verification can be in the form of a receipt or letter of acknowledgement on the charity's letterhead.

**Disposition of Unexpended PAC, Ballot Question or Political Party Committee Funds:** Independent, Political, IEC/Super PAC, Ballot Question and Political Party Committees may dispose of unexpended, or leftover, funds in any legal manner.

## FAQs

**Q.** When can I dissolve my committee?

**A.** A committee can request dissolution when activity in the committee ends. An officeholder cannot dissolve his or her Candidate Committee until his or her term of office expires. An exception to this provision exists for officeholders who are not qualified to seek reelection.

**Q.** How do I dissolve my committee?

**A.** Committees that have maintained a Reporting Waiver may request dissolution with their filing official by filing a Single-Page Dissolution Statement.

Committees that have not maintained a Reporting Waiver may request dissolution with their filing official by filing either a 1.) Dissolution Campaign Statement or 2.) another required campaign statement that includes a dissolution date of the committee on the cover page. Committees that are required to file campaign statements electronically must file their dissolution request campaign statement electronically.

**Q.** Why was my dissolution request denied?

**A.** Your dissolution request was denied for one of the following reasons:

- The candidate is an incumbent officeholder and has not vacated office or is not constitutionally or legally barred from seeking reelection,
- The committee has not disclosed the disbursement of all unexpended funds and
- assets,



- The committee has not disclosed the payment or forgiveness of all debts, The committee has not paid all late filing fees in full,
- The committee has not filed all outstanding campaign statements, or
- The committee has not answered all outstanding Notice(s) of Error or Omission.

**Q.** My dissolution request has been denied, do I still have filing obligations?

**A.** Yes. A committee that has not been dissolved and does not qualify for a Reporting Waiver must continue to file campaign statements as required by the MCFA. Contact your filing official if you have questions as to why your dissolution request was denied and how to complete the dissolution process.

**Q.** My committee was automatically dissolved, can I reactivate it?

**A.** Maybe. Contact your filing official in writing to request that the committee be reinstated.

**Q.** How can I spend the remainder of my committee funds to qualify for dissolution?

**A.** Unexpended funds of a Candidate Committee that are not eligible for transfer to another Candidate Committee of the same candidate must be disbursed in the following ways in accordance with Section 45.

- a. Given to a Political Party Committee (state central, congressional district or county).
- b. Given to a tax-exempt charitable organization as long as the candidate does not become an officer or director of or receive compensation, either directly or indirectly, from that organization.\*
- c. Returned to contributors of the funds; including the candidate as a contributor. The returned amount cannot exceed the amount originally contributed by the person.
- d. Given to a House Political Party Caucus Committee if the person was a candidate for the office of State Representative. (Contribution limits to Caucus Committees apply).
- e. Given to a Senate Political Party Caucus Committee if the person was a candidate for the office of State Senator. (Contribution limits to Caucus Committees apply).
- f. Given to an Independent Committee.



g. Given to a Ballot Question Committee.

(\*) A Candidate Committee that chooses to donate any of its remaining assets to a tax- exempt charity must provide verification of the disposition of the funds to their filing official. This verification can be in the form of a receipt or letter of acknowledgement on the charity's letterhead.

Independent, Political, Ballot Question and Political Party Committees may dispose of unexpended, or leftover, funds in any legal manner.

## Rulings

<b>Date</b>	<b>To whom</b>	<b>Type of Ruling</b>	<b>Sections</b>	<b>Section(s) of law</b>
03/14/2017	McRae	IS	3, 6, 9(1), 21a, 45	<a href="#">McRae 03/14/2017</a>
01/13/2010	Richner	IS	45	<a href="#">Richner 01/13/2010</a>
12/17/2007	Murley	IS	6	<a href="#">Murley 12/17/2007</a>
08/21/2006	Campbell	DR	45	<a href="#">Campbell 08/21/2006</a>
09/13/1993	Pridnia	IS	49(1), R65, 45	<a href="#">Pridnia 09/13/1993</a>
10/22/1992	Wolpe	DR	12(1), 45(1), 66(1)	<a href="#">Wolpe 10/22/1992</a>
04/09/1991	Peters	DR	5(2)	<a href="#">Peters 04/09/1991</a>
09/08/1987	Short	IS	24, 36, 45, 49	<a href="#">Short 09/08/1987</a>
04/08/1983	Plawecki	IS	44(2)	<a href="#">Plawecki 04/08/1983</a>
03/31/1982	Welborn	IS	31(1), 3(4), 45(1)	<a href="#">Welborn 03/31/1982</a>



10/28/1981	Pitsch	IS	3(1), 45(2)	<a href="#">Pitsch 10/28/1981</a>
10/23/1981	Jenkins	IS	3(1), 3(4), 8(2), 11(2), 45(2)	<a href="#">Jenkins 10/23/1981</a>
08/06/1980	Deering	IS	3(2), 5(2), 6(1), 44(2), 45(1)	<a href="#">Deering 08/06/1980</a>
02/06/1980	Altman	IS	45(1)	<a href="#">Altman 02/06/1980</a>
12/14/1979	Parish	IS	22	<a href="#">Parish 12/14/1979</a>
08/11/1978	Geomaere	DR	45	<a href="#">Geomaere 08/11/1978</a>
08/11/1978	Cartwright	DR	45	<a href="#">Cartwright 08/11/1978</a>
11/02/1978	Rose	IS	45(2)	<a href="#">Rose 11/02/1978</a>
10/10/1978	Allen	IS	6(1), 7(4), 45(1)	<a href="#">Allen 10/10/1978</a>



# Appendix X: Declaratory Rulings and Interpretive Statements

The Department of State responds to questions regarding the application of the Act by two methods:

The most formal procedure is a Declaratory Ruling. A Declaratory Ruling is issued when a request for a Ruling concerns a specific, factual situation. A person who will be directly affected by the Ruling must make the request. The Ruling is binding on the Secretary of State and on the person requesting the Ruling unless modified or set aside by a court. A person requesting a Declaratory Ruling should:

State that a Declaratory Ruling is being requested.

2. Indicate the specific, existing set of facts involved.
3. Cite, if known, the legal authority upon which the request is based.

Less formal than a Declaratory Ruling is an Interpretive Statement. An Interpretive Statement is issued when a request for a Declaratory Ruling is not specific enough to warrant a Ruling or when a request concerns a hypothetical situation. Interpretive Statements are also issued when a request for information is received which is significant for the general public but does not come in the form required for a Declaratory Ruling. An Interpretive Statement does not have the force and effect of law and is merely explanatory. A person requesting an Interpretive Statement should state the question as specifically and clearly as possible.

The Campaign Finance Act requires that the Department of State observe the following timetable when a proper request for a Declaratory Ruling is received:

1. The Declaratory Ruling request is made available for public inspection within 48 hours after its receipt.
2. Written comments on the Declaratory Ruling request are accepted from interested parties up to 10 business days after the request is received.
3. A proposed response to the Declaratory Ruling request is made available for public inspection within 45 business days after the request is received.



4. Written comments on the proposed response to the Declaratory Ruling request are accepted from interested parties up to 5 business days after the proposed response is made available to the public.
5. The Declaratory Ruling is issued within 60 business days after the request for the ruling is received.

Under extenuating circumstances, the Department of State may extend the above timetable for 30 business days. A person who requests a Declaratory Ruling has the authority to waive the 60-day timetable.

Mail all requests for Declaratory Rulings and Interpretive Statements to:

Michigan Department of State Bureau of Elections

Richard H. Austin Building – 1st Floor

430 West Allegan Street

Lansing, Michigan 48918



# Appendix Y: Complaint Process

If you believe someone has violated the Michigan Campaign Finance Act (MCFA) you may file a written complaint with the Department of State. A form for filing a complaint may be obtained out Website. The complaint form must include all of the following:

- Your name, address and telephone number. The alleged violator's name and address.
- A description in reasonable detail of the alleged violation, including the section
- or sections of the MCFA you believe were violated, an explanation of how you believe the MCFA was violated, and any other pertinent information.
- Evidence that supports your allegations. A certification that:

**To the best of your knowledge, information, and belief, formed after a reasonable inquiry under the circumstances, each factual contention of the complaint is supported by evidence.**

- However, in addition, if after a reasonable inquiry under the circumstances, you are unable to certify that certain specifically identified factual contentions of the complaint are supported by evidence, you may also certify that:

**To the best of your knowledge, information, or belief, there are grounds to conclude that those specifically identified factual contentions are likely to be supported by evidence after a reasonable opportunity for further inquiry.**

- Your signature immediately after the certification or certifications.

If you wish to have your complaint considered, it must include all of the required information. The Department may dismiss your complaint if any item is not included, or if the complaint is determined to be frivolous, illegible, or indefinite. If the complaint is dismissed, both you and the alleged violator will be notified.

The completed form should be sent to the following address:

Michigan Department of State Bureau of Elections



Richard H. Austin Building – 1st Floor  
430 West Allegan Street  
Lansing, Michigan 48918

If your complaint meets the above requirements, the Department will notify the alleged violator that a complaint has been filed. The notification will include a copy of your complaint. The alleged violator will have an opportunity to file a response. You will have an opportunity to file a rebuttal to any response. You and the alleged violator will receive periodic reports about the actions taken by the Department concerning your complaint.

If the Department finds no reason to believe that your allegations are true, your complaint will be dismissed. If the Department finds that there may be reason to believe your allegations are true, the Department must attempt to correct the violation or prevent further violations by informal methods such as a conference, conciliation, or persuasion, and may enter into a conciliation agreement with the alleged violator.

If the Department is unable to correct the violation or prevent further violations informally, an administrative hearing may be held to determine whether a civil violation of the MCFA has occurred, or the matter may be referred to the Attorney General for the enforcement of criminal penalties. An administrative hearing could result in the assessment of a civil penalty. Such a hearing would be conducted in accordance with the Michigan Administrative Procedures Act. An order issued as a result of such a hearing may be appealed to the appropriate circuit court.

**WARNING:** Section 15(8) of the MCFA (MCL 169.215) provides that a person who files a complaint with a false certification is responsible for a civil violation of the MCFA. Under section 15(14) of the MCFA (MCL 169.215), the Secretary of State may require a person who files a complaint with a false certification to:

- Pay the Department some or all of the expenses incurred by the Department as a direct result of the filing of the complaint.
- Pay the alleged violator some or all of the expenses, including, but not limited to, reasonable attorney fees, incurred by that person as a direct result of the filing of the complaint.
- Pay a civil fine of up to \$1,000.00.



# Appendix Z: Reference Information

## Contact Support:

Contact Campaign Finance Analyst: (517) 335-3235.

Email: MDOS-CampaignFinance@michigan.gov

## Tax Questions:

### Federal

- For information on the following questions:
- Federal Withholding on Campaign Workers Independent Contractor Rules
- Federal filing and deposit requirements for payroll tax returns

To request assistance with preparation of a form, call 1-800- 829-1040 Forms may be downloaded from the Internal Revenue Service website at [www.irs.ustreas.gov](http://www.irs.ustreas.gov) or call 1-800-829-3676 or visit the closest Internal Revenue Service Office.

- U.S. Income Tax Return for Certain Political Organizations
- Employer's Quarterly Federal Tax Return
- Employer's Annual Federal Unemployment Tax Return
- Wage and Tax Statement
- Request for a Federal Employer Tax ID#

### State of Michigan

Michigan Department of Treasury Questions regarding registration, filing, and deposit requirements for State of Michigan Income Tax Withholding for Campaign Workers. State Forms: 1-800-367-6263

- Concessionaire return (for one-time fund-raising event) for remitting sales tax
- Sales, Use & Withholding Tax



## Collections

Michigan Department of Treasury Questions regarding collection of Campaign Finance Late Filing Fees.

Phone: 517-363-5265

Fax: 517-636-5393

Frequently Asked Questions relating to Delinquent Accounts. Michigan Department of Treasury - Collections

Office of Collections

P. O. Box 30199

Lansing, MI 48909

## Other Questions

- Corporations Division, Michigan Department of Licensing and Regulatory Affairs (517) 241-6470. To determine if a potential contributor is registered as a corporation in Michigan, search the entity at <https://cofs.lara.state.mi.us/SearchApi/Search/Search>. The information includes the name of the entity, date of formation, whether it has been dissolved, current resident agent and registered office, date of last annual report filed.
- Michigan Bureau of State Lottery (517) 335-5780.
- Liquor Control Commission, Michigan Department of Licensing and Regulatory Affairs Toll-Free (866) 813-0011. To secure liquor license as well as information for fund raisers, receptions, events, etc. where alcohol may be served or sold. For information on posting campaign signs on buildings where alcohol is served or sold.
- Federal Election Commission (FEC) Toll-free: 800-424-9530, Local: 202-694-1000, [www.fec.gov](http://www.fec.gov).

