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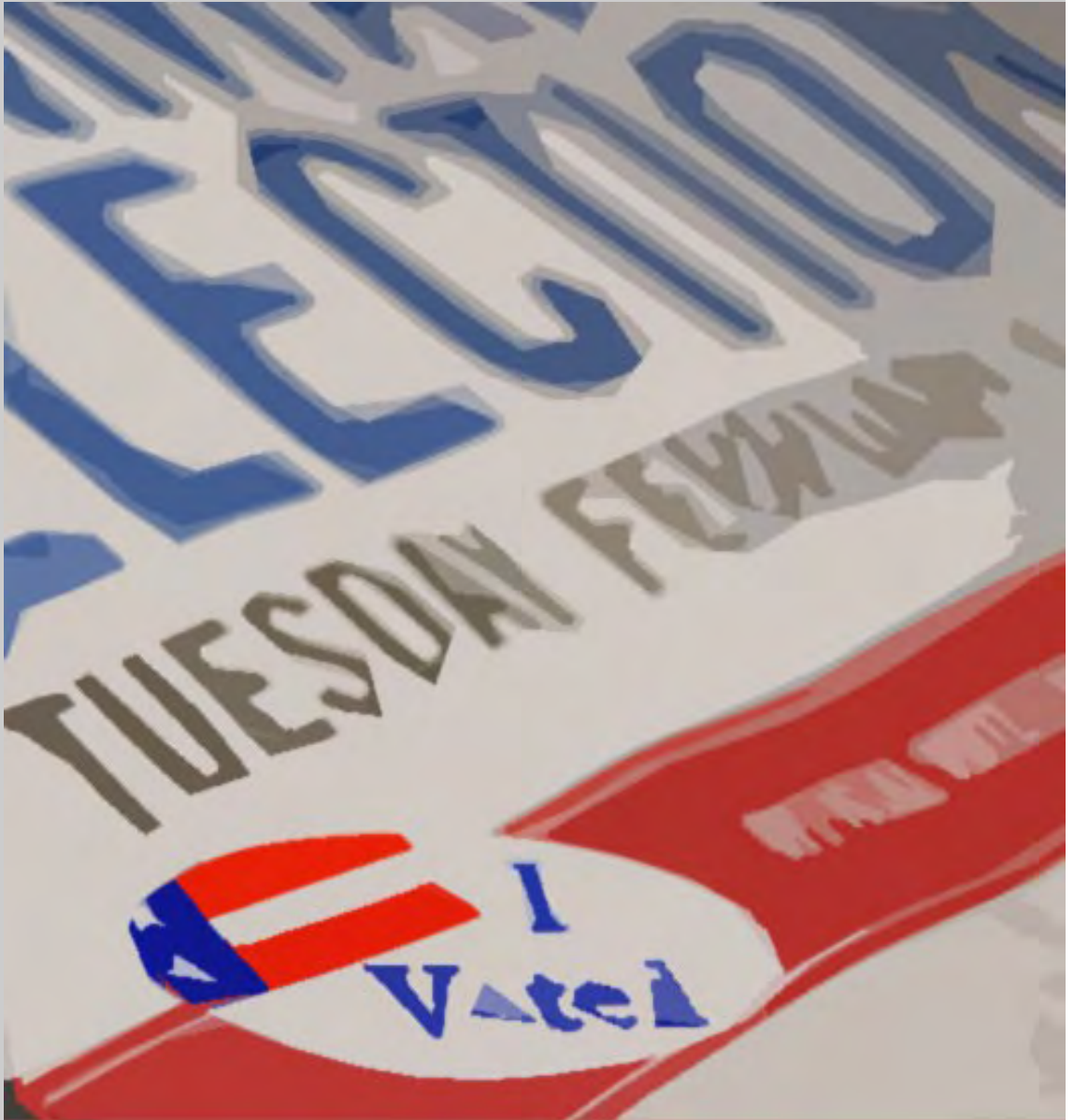
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COMMISSION ON GOVERNMENTAL ETHICS & ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE 04333

2016 Candidate Guidebook

Running for Office in Maine

Maine Clean Election Act
Legislative Candidates







IMPORTANT NOTICE

Information concerning the petitioning process and qualifications for office is provided by the Secretary of State in a separate publication.

The Commission has taken care to make this guide concise and accurate. However, you should not substitute the information presented here for the applicable statutory provisions of Maine Election Law and the Commission's Rules. The statutes and rules are available on the Commission's website. The statutory and regulatory requirements are controlling in the event of any omission in this publication. Its contents are subject to statutory changes enacted by the Legislature and rule changes adopted under the Administrative Procedure Act.

Contact the Commission staff at (207) 287-4179 if you have any questions.



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INTRODUCTION

OVERVIEW OF THE MAINE CLEAN ELECTION ACT

Enacted by Maine voters in 1996, the Maine Clean Election Act (MCEA) established a voluntary program of public financing for political campaigns of candidates running for Governor, State Senator, and State Representative. Candidates who wish to qualify and run as MCEA candidates must meet certain requirements.

This Guidebook explains the campaign finance reporting and record-keeping requirements for MCEA candidates, which are mostly the same as those for traditionally financed candidates. This Guidebook also explains the different rules and statutes MCEA candidates must abide by.

When registering with the Commission, a candidate who wishes to run as an MCEA candidate declares his or her intent to participate by signing a Declaration of Intent form. The Commission staff recommends candidates file their Declarations at the time of registration. A Declaration of Intent must be filed at most five business days after the candidate begins to accept qualifying contributions.

In order to qualify to receive public funds, a participating candidate must collect a required number of “qualifying contributions” from registered voters in his or her candidate’s legislative district (for candidates for the Legislature), or in the state (for gubernatorial

candidates). Qualifying contributions must be in the amount of \$5 or more, and be made payable to the “Maine Clean Election Fund” (MCEF), the state government account from which candidates receive public funds for their political campaigns. Candidates for State Representative must collect at least 60 qualifying contributions, and candidates for State Senator must collect at least 175 qualifying contributions during the period of January 1, 2016 to April 20, 2016.

To finance their campaigns prior to qualifying for public funds, candidates may collect seed money, which are donations of up to \$100 per individual. Candidates for State Representative may collect up to a total of \$1,000 in seed money and candidates for State Senator may collect up to \$3,000.

After collecting the required number of qualifying contributions, candidates must submit their request for certification, qualifying contributions and other documents no later than 5:00 p.m. on Wednesday, April 20, 2016. The Commission staff determines whether candidates have met the eligibility requirements, and if so, will certify the candidates.

After certification, candidates receive an initial payment of public funds, and are prohibited from accepting or spending any private funds, including personal funds. Once a candidate is certified, all expenditures made by



the campaign must be made exclusively with MCEA funds.

MCEA funds may only be spent for campaign-related purposes and may not be spent on personal expenses. Candidates publicly disclose all expenditures in campaign finance reports submitted to the Commission. The Commission staff reviews all expenditures of MCEA funds and may request further information to verify that expenditures are campaign related. Twenty percent of MCEA candidates are selected at random for an audit, as described in Chapter 12 of this Guidebook.

After the election, candidates must return all unspent funds to the Commission by the end of the 42-Day Post-Election Report reporting period.

STATEMENT OF SOURCES OF INCOME

All legislative candidates who are not already members of the Legislature must file a Statement of Sources of Income form no later than 5:00 p.m. on August 1, 2016. The statement includes the sources from which the candidate received income during the 2015 calendar year from employment, self-employment, gifts, and other sources. The forms are mailed to candidates in July of the election year. Incumbent Legislators who have filed a Statement of Sources of Income in February of the election year have already met this requirement and are not required to file the statement in August.



CHAPTER 1

Getting Started as a Maine Clean Election Act Candidate

BECOMING A CANDIDATE

Generally, there are four ways a person becomes a candidate:

- when he or she registers as a candidate with the Commission;
- when he or she starts raising and/or spending seed money on his or her candidacy;
- when he or she files nomination papers and gets on the ballot; or
- when a party committee nominates him or her to fill a vacancy.

Definition of a “Candidate”

‘Candidate’ means any person who has filed a [primary or nomination petition] and has qualified as a candidate by either procedure, or any person who has received contributions or made expenditures or has given his or her consent for any other person to receive contributions or make expenditures with the intent of qualifying as a candidate. (21-A M.R.S.A. § 1(5))

SELECTING A CAMPAIGN TREASURER

Every candidate is required to appoint a campaign treasurer before accepting any cash or in-kind contributions, making any expenditures, or incurring any obligations. MCEA candidates may not serve as

their own treasurers longer than 14 days after registering with the Commission. After 14 days, the candidate must appoint a treasurer other than him- or herself. A deputy treasurer may be appointed, but is not required.

The treasurer has specific duties under the Election Law:

- keeping detailed records of all campaign contributions and expenditures,
- completing campaign finance reports, and
- filing campaign finance reports on time.

Every candidate should select a capable and reliable treasurer. This is a particularly important choice for an MCEA candidate’s campaign. An MCEA candidate uses public funds to run for office, and therefore has a high but reasonable standard of accountability for the use of those funds. It is important for a candidate to appoint a reliable treasurer who will actively keep track of campaign finances, save records of campaign expenditures as required by law, and file complete and accurate reports.

Candidates sometimes wish to select someone who has name recognition to be treasurers. While this may be politically helpful, it may not be the best way to manage a campaign’s finances. One way to have a recognized name associated with a campaign is to



appoint that person as the chair of the campaign committee, and not as the treasurer. A treasurer should be actively involved with the campaign, since both the candidate and treasurer are legally responsible for accurate reporting and record-keeping.

FORMING A CAMPAIGN COMMITTEE

A candidate may choose to organize a campaign committee to promote his or her election, such as “Friends of Jane Smith” or “Committee to Elect Jane Smith.” If a candidate chooses to form a committee, it must be identified on the Candidate Registration form. Candidate committees are not political action committees (PACs).

REGISTERING AS A CANDIDATE

Within 10 days of appointing a treasurer, a candidate must file the Candidate Registration form with the Commission. This form provides basic contact information about the candidate, the treasurer, deputy treasurer (if appointed), and the campaign committee (if any). When registering, a candidate should remember:

- while he or she can register online, he or she must print, sign and return to the

Commission the signed versions of the Registration and Declaration of Intent; and

- if the information for a candidate, treasurer, deputy treasurer, or campaign committee changes during the campaign (including after the election), the candidate must file an amended Registration form with the Commission, or submit the changes in writing or by email to the Commission. These updates are required by law and allow the Commission to contact the candidate with reminders, notices, and telephone calls throughout the election year.

DECLARATION OF INTENT TO RUN AS A MAINE CLEAN ELECTION ACT CANDIDATE

The Election Law requires candidates to file the Declaration of Intent (DOI) form within 5 business days after beginning to collect qualifying contributions. Qualifying contributions received more than 5 business days before filing the DOI will not count towards the eligibility requirements. It is the date on which the DOI is filed with the Commission — not the date on which the form is signed — that determines whether qualifying contributions will count.

WHEN TO REGISTER AS A CANDIDATE		
Event occurs:	What to do:	How to register:
If a candidate accepts cash or in-kind seed money contributions, makes expenditures, or incurs obligations for his or her campaign	A candidate should appoint a treasurer <u>before</u> accepting any contributions, making expenditures, or incurring obligations, and then register as a candidate within 10 days of appointing a treasurer	Complete the candidate registration form and submit it to the Commission
If a candidate gives consent for any other person to receive seed money contributions or make expenditures with the intent of qualifying as a candidate		
If a candidate files a primary or nomination petition and qualifies as a candidate under either procedure	A candidate should appoint a treasurer within 10 days of qualifying as a candidate, and register as a candidate within 10 days of appointing a treasurer	



The DOI form, signed by the candidate, is the only acceptable form of the declaration. Candidates for the Legislature may begin collecting qualifying contributions on January 1, 2016.

CODE OF FAIR CAMPAIGN PRACTICES

The Maine Code of Fair Campaign Practices was adopted by the Maine Legislature in 1989 and is a voluntary statement for candidates running for the offices of Governor, the Senate, and the House of Representatives. Subscribing to the Code is voluntary. The Commission is not authorized to take action against candidates who violate the Code.

The Code lists standards of conduct “consistent with the best Maine and American traditions, [of] discussing the issues and presenting [the] record and policies with sincerity and candor.” If a candidate wishes to subscribe to the Code, he or she should sign the Maine Code of Fair Campaign Practices form, which is part of the registration packet.

GETTING ESTABLISHED IN THE STATE’S ACCOUNTING SYSTEM

Becoming a Vendor. In order for a candidate to receive public funds, the state government must establish him or her as a vendor in its accounting system. The Commission recommends that he or she file a Vendor form at the same time he or she files his or her Registration. This avoids any delays in the first payment of MCEA funds. The state’s accounting office takes several weeks to set up a new vendor.

If a candidate was an MCEA candidate in a prior election, he or she will need to complete a new Vendor form at the beginning of his or her campaign.

Completing the form for each election cycle ensures the State’s accounting office has the most up-to-date information, which results in the issuance of timely payments.

Electronic Funds Transfer/Direct Deposit. A candidate may choose to receive payments by check or by direct deposit into his or her campaign bank account. To get direct deposit, he or she will need to fill out the Request for Direct Deposit (EFT) form. The Commission strongly recommends using direct deposit because it is a more timely and secure way to receive MCEA funds.

If a candidate was an MCEA candidate in a prior election, he or she will need to complete the direct deposit form at the beginning of his or her campaign.

OPEN A SEPARATE CAMPAIGN BANK ACCOUNT

All candidates must have a separate bank account for their campaign funds. MCEA candidates must deposit all seed money contributions and all MCEA funds into a separate bank account used only for their campaign.

A candidate may never commingle seed money or MCEA funds with any other funds. If a candidate has kept a bank account from a previous election open by maintaining personal funds in that account, he or she should remove those personal funds as soon as seed money or MCEA funds are deposited into the account. Candidates are allowed to spend any interest earned on campaign accounts, but any interest earned must be reported in campaign finance reports.

The Commission staff recommends that candidates use their campaign account’s checks or debit cards as much as possible when making campaign expenditures



with MCEA funds. Making payments of greater than \$50 in cash with MCEA funds is prohibited. Using the campaign account's checks or debit card, instead of cash, creates a record that the vendor received payment. This is required documentation and will be requested if a campaign is selected for a post-election audit. It will also help campaigns to keep track of the dates, amounts, and payees of expenditures when it is time to file campaign finance reports.

CANDIDATES WITH LEADERSHIP PACS

Beginning with the 2016 election cycle, MCEA candidates will no longer be allowed to establish or maintain a PAC to promote his or her election for a

legislative leadership position, (a "leadership PAC"), to raise money for legislative expenses, or for most other purposes. (P.L. 2015, ch. 116) However, MCEA candidates may continue to be involved in other PACs, such as those organized by their legislative caucus or formed to influence a ballot question election.

If an MCEA candidate has a leadership PAC, he or she must terminate the PAC or his or her involvement with the PAC no later than April 1, 2016. See the Appendix for more information about MCEA candidates and leadership PACs. Candidates with specific questions about how this requirement applies to them should contact the Commission staff.

LEGAL REFERENCES

Selecting a Treasurer	21-A M.R.S.A. § 1013-A(1)
Removal of Treasurer	21-A M.R.S.A. § 1013-B
Duties of Treasurer	21-A M.R.S.A. §§ 1013-A(1)(A) and (4); 1016; 1016-A; 1017(2), (3-A) and (10); 1125(12-A)
Authorizing One Campaign Committee	21-A M.R.S.A. § 1013-A(1)(B)
Registration	21-A M.R.S.A. § 1013-A(1)
Reporting Changes in Registration Information	21-A M.R.S.A. § 1013-A(5)
Commingling of Campaign and Personal Funds	21-A M.R.S.A. §§ 1016(1), 1125(7-A); Rules, Chapter 3, Section 8(1)(A)
Code of Fair Campaign Practices	21-A M.R.S.A. § 1101 <i>et seq.</i>
Declaring Intent as an MCEA Candidate	21-A M.R.S.A. § 1125(1); Rules, Chapter 3, Section 2(1) and (2)
Filing Declaration of Intent Before Collecting Qualifying Contributions	21-A M.R.S.A. § 1125(1); Rules, Chapter 3, Section 2(4)(A)
Leadership PACs	21-A M.R.S.A. § 1125(6-F)

CHAPTER 2

Seed Money

SEED MONEY

Seed Money Contributions. After registering with the Commission and signing the Declaration of Intent, a candidate becomes a “participating candidate.” Before becoming a certified MCEA candidate, participating candidates finance their campaigns through limited contributions of \$100 or less from individuals, which are called seed money contributions.

TOTAL AMOUNT OF SEED MONEY THAT MAY BE COLLECTED:	
The total of cash and in-kind seed money contributions cannot exceed the amounts below:	
House	Senate
\$1,000	\$3,000

Candidates for State Representative in the 2016 elections may collect up to \$1,000 in seed money, and candidates for State Senator may collect up to \$3,000. Seed money contributions may be from individuals who live in Maine or out-of-state. Prior to MCEA certification, the campaign may not accept cash contributions other than seed money contributions. Loans may not be accepted.

Seed Money Restrictions. The acceptance and use of seed money must comply with the following restrictions:

- only individuals may make seed money contributions, up to \$100 per contributor;
- all seed money contributions must be from the personal funds of the individual;
- candidates and their family members may each give up to \$100 in seed money, provided the money comes from the personal funds of the contributor and not from another member of the family;
- no contribution may be accepted from businesses, groups, or associations, such as PACs, party committees, labor unions, or trade associations; and
- during a legislative session, lobbyists, lobbyist associates, and their clients may not make seed money contributions to the Governor, Legislators, constitutional officers, or their staff and agents (even with their personal funds).

All expenditures made prior to MCEA certification must be made with seed money, and not from any other source of funds, including the personal funds of the candidate.

In-Kind Seed Money Contributions. Goods and services that are provided to a campaign at no cost or at a discounted cost are in-kind contributions. In-kind contributions must be reported in the Seed Money Report and must comply with the seed money restrictions. If goods or services are provided at a cost



that is less than fair market value, the amount of the discount is an in-kind contribution.

Certain types of goods and services are excluded from the legal definition of “contribution.” The donation of these “exempt” goods and services to a campaign is not considered a contribution. Candidates are not required to report these exempt goods and services, and they are not subject to the seed money restrictions. See the Appendix for more information.

Required Records of Seed Money Contributions.

All candidates are required to keep a “detailed and exact account” of all contributions received. If a contributor has given more than \$10, the campaign records must include:

- the name and address of the contributor, and
- the date and amount of the contribution.

If the contributor has given more than \$50 in the aggregate, the campaign must also keep a record of the contributor's occupation and employer. The Commission may request these records to verify that all contributions comply with the seed money restrictions.

Occupation and Employer of Contributors.

Campaigns are required to disclose in campaign finance reports the occupation and employer of contributors who have given seed money contributions over \$50. The Commission's Rules require campaigns to make reasonable efforts to obtain this information from contributors.

The Commission staff recommends that campaigns ask the contributors for their occupation and employer information at the time contributions are solicited. If a

campaign has requested the information and is unable to receive it from a contributor, the treasurer should enter “information requested” when entering the transaction.

Depositing Seed Money. All seed money contributions received by a campaign must be deposited in the campaign bank account. Seed money contributions received by check may not be cashed to create cash reserves for a campaign. If a campaign receives any seed money contributions in the form of cash, these contributions must be deposited in the campaign bank account. Campaign funds received by an MCEA candidate cannot be commingled with any other funds.

By depositing all seed money contributions into the campaign bank account, and by paying vendors directly from the account, a campaign creates an audit trail that satisfies the documentation requirements of the MCEA and assures the Commission the campaign has complied with the seed money restrictions.

Spending Seed Money. Candidates should remember that prior to certification they may spend only seed money. They are prohibited from accepting and spending any other funds, including loans.

Purchases made with the candidate's personal funds for campaign goods and services that are not reimbursed by the campaign are in-kind contributions. A candidate may contribute up to \$100 in seed money, in the aggregate (cash contributions and in-kind contributions), to his or her campaign prior to certification.

Goods and services received prior to MCEA certification must be paid for with seed money.



Candidates may never use MCEA funds to pay for goods and services received prior to MCEA certification. It is a serious violation to do so and could potentially result in the revocation of the candidate's certification. A candidate must raise a sufficient amount of seed money to cover his or her campaign expenses prior to MCEA certification.

Sometimes a candidate wishes to place an order with a vendor prior to MCEA certification, but the order costs more than the amount of seed money the candidate has raised. It is permissible to place the order, partially pay the vendor with seed money, and have an outstanding obligation to the vendor, as long as the value of the goods or services that the candidate receives prior to MCEA certification does not exceed the amount of the actual payment to the vendor.

Purchasing Equipment with Seed Money. The requirement to resell campaign equipment purchased with MCEA funds does not apply to equipment purchased with seed money. Therefore, campaigns may wish to consider purchasing campaign equipment (phones, printers, computers, tablets, cameras, *etc.*) with seed money.

Campaign property or equipment purchased with seed money — unlike equipment purchased with MCEA funds — does not have to be sold at fair market value at the end of the campaign.

Using Seed Money for Payments to Family or Household Members. The restrictions on using MCEA funds to compensate family or household members do not apply to expenditures of seed money. See the Appendix for the policy and the restrictions on using MCEA funds to pay family or household members.

Candidates may use seed money to pay members of a candidate's family or household, but the campaign must report the family or other relationship (e.g., "brother" or "roommate") in the Explanation of Purpose section in the campaign finance report.

Reporting Seed Money Contributions and Expenditures. Contributions and expenditures of seed money must be reported to the Commission by filing a Seed Money Report. Most candidates file a Seed Money Report when they submit their Request for Certification along with their qualifying contributions, but the Seed Money Report may be submitted after the certification deadline, provided the candidate has requested an extension of time.

Unspent Seed Money. Any unspent seed money shown on the Seed Money Report will be deducted from the first payment of MCEA funds. A Seed Money Report must accurately disclose the amounts that were spent (expenditures), and amounts that were obligated but not paid (unpaid debts and obligations). If an unpaid obligation is reported as an expenditure, Commission staff may view the inaccurate reporting as a violation of the MCEA, because it had the effect of increasing the amount of the first MCEA payment received.

COMPLIANCE REVIEWS OF SEED MONEY REPORTS

The Commission reviews all Seed Money Reports to verify compliance with reporting requirements and seed money restrictions. Misrepresentations of the identity of seed money contributors or the actual source of funds for a contribution will be viewed as a serious violation of the Election Law. If a candidate has any questions about whether a contribution or expenditure will comply with the seed money restrictions, he or she is



encouraged to ask the Commission staff before accepting the contribution or making the expenditure. Seed Money Reports are also reviewed as part of the Commission's audit of MCEA candidates.

WAIVERS OF SEED MONEY VIOLATIONS

All cash and in-kind contributions received by a participating candidate must strictly comply with the seed money restrictions. The Maine Clean Election Act does not permit a candidate who has violated the seed money restrictions to participate in the MCEA, except if the Commission grants a waiver.

If a candidate has unintentionally violated the seed money restrictions, a waiver may be granted in limited circumstances. Candidates are advised that not all requests for waivers will be granted, and that only those requests that strictly meet the standards in the Commission's Rule will be granted. If a candidate believes he or she may have violated the seed money restrictions, he or she should contact the Commission staff right away.

LEGAL REFERENCES

Seed Money Contributions and Expenditures	21-A M.R.S.A. §§ 1122(9); 1125(2) and (2-A); Rules, Chapter 3, Section 2(3)
Occupation and Employer of Seed Money Contributors	21-A M.R.S.A. §§ 1016(3)(B); 1017(5)
Restrictions on Lobbyist Contributions	1 M.R.S.A. § 1015(3)
Waiver of Seed Money Requirements	21-A M.R.S.A. § 1125(2-A)(B); Rules, Chapter 3, Section 2(3)(E)
Statement of Sources of Income	1 M.R.S.A. § 1016-C



CHAPTER 3

Qualifying Contributions

QUALIFYING CONTRIBUTIONS

Definition. A qualifying contribution is a donation of \$5 or more to the Maine Clean Election Fund from a registered voter in a candidate's district. A qualifying contribution is a way for registered voters to show support for a candidate's participation in the MCEA program by making a relatively small financial contribution.

Required Number of Qualifying Contributions. In order to be certified as an MCEA candidate, a participating candidate must collect a minimum number of qualifying contributions. Candidates for State Representative must collect at least 60 qualifying contributions; candidates for State Senator must collect at least 175 qualifying contributions. For certification, the qualifying contributions must be collected and submitted to the Commission before the certification deadline on 5:00 p.m. on April 20, 2016.

For various reasons, it is possible that some qualifying contributions will not be accepted. Therefore, candidates are encouraged to collect at least ten percent (10%) more than the minimum number of qualifying contributions.

From Registered Voters Only. Only qualifying contributions from registered voters in a candidate's legislative district in which he or she is running are

valid. The contributors do not need to be enrolled in the same political party as the candidate.

From Personal Funds of the Registered Voter.

Qualifying contributions must be made with the personal funds of the registered voter.

Acceptable Forms of Contributions: Online, Check, or Money Order. Qualifying contributions must be in the amount of \$5 or more and be made in the form of:

- a credit or debit card payment using the Commission's online qualifying contribution service (see next page and Appendix);
- a personal check payable to the Maine Clean Election Fund;
- a money order payable to the Maine Clean Election Fund and signed by the contributor; or
- a business check payable to the Maine Clean Election Fund, as long as: (1) the contributor uses the business account for personal expenses, and (2) the contributor's name is imprinted on the check, or the campaign submits a written note by the contributor stating that the contributor uses the account for personal purposes (the note may be in the memo section of the check or on a separate paper).

Family members, domestic partners, and live-in caregivers who reside in the same household may combine qualifying contributions in the form of a single



check, provided that each individual uses his or her own personal funds, each signs the Receipt and Acknowledgement Form, and is registered to vote at the address of the household.

Online Qualifying Contributions: Making, Receiving, and Verifying. The Commission offers an online service to allow Maine voters to make qualifying contributions online using a debit or credit card. The online qualifying contribution website will begin to accept qualifying contributions for candidates on January 1, 2016. A link to the website is available at the Commission's homepage, www.maine.gov/ethics. Candidates may place the link to the site on their campaign website. They may also distribute the web address by email or other means.

To make an online qualifying contribution, a Maine voter enters his or her address, chooses the participating candidate(s) he or she wishes to support, and enters his or her name and credit or debit card information. The contributor signs a form electronically to acknowledge that the contribution was made from his or her personal funds and that he or she did not receive anything in exchange for the contribution. The service will keep track of online contributions. Candidates can access the website to monitor qualifying contributions received on their behalf by entering their E-Filing usernames and passwords.

The online qualifying contribution website attempts to verify contributors' voter registrations automatically. The system tries to match the contributors' names and addresses entered by the contributors with the list of registered voters stored in the Central Voter Registration system (CVR) of the Maine Secretary of State. If the system can verify a contributor's voter

registration at the address provided by the contributor, the candidate will not be required to obtain verification by the municipal clerk for that contributor.

Unfortunately, some matching problems occur because a contributor may not be registered in a candidate's district, or because of differences between the contributor's name and address as entered in the online contribution service and on file in the CVR. Candidates are advised to plan ahead for these situations and to allow sufficient time to bring the forms listing unverified contributors to the municipal clerks.

The Commission staff will not verify the voter registration of individual contributors. If a contributor's registration status has not been verified through the online contribution service or by the municipal clerk, the qualifying contribution will not be valid.

Receiving Qualifying Contributions in Cash. A campaign is allowed to receive a qualifying contribution in cash, provided that the cash is converted to a money order and certain other legal requirements are met. This allows campaigns to collect qualifying contributions in person from Maine voters who do not have a checkbook with them at the time the campaign solicits the contribution.

The Commission will accept a qualifying contribution made by money order, provided the campaign complies with all legal requirements, including:

- the contributor must sign the money order; the contributor's signature is required by statute; the printed name of the contributor on the money order is not sufficient;
- the money order must be payable to the "Maine Clean Election Fund" ("MCEF");

- the money order must be for the same amount of cash given by the contributor;
- the contributor must sign the Receipt and Acknowledgement Form (discussed below) attesting that the money for the contribution was from his or her personal funds; and
- the campaign must actually receive money from the personal funds of the contributor, and not from any other source; misrepresenting the source of cash for a qualifying contribution is a violation of the MCEA that could be cause for disqualification from the program.

If these requirements are not met, the qualifying contribution will not be valid.

Money Order Purchases. The Commission staff recommends the candidate or supporter who purchased the money orders (the purchaser) keep a record of every purchase, showing the date, number of money orders purchased, and amount of the purchase (the face value of the money orders plus the

transaction fees). Depending on whether the campaign uses seed money or other funds to purchase money orders, the campaign should follow the steps outlined in the table below.

PERIOD FOR COLLECTING QUALIFYING CONTRIBUTIONS

For the 2016 elections, qualifying contributions may be collected from January 1, 2016 until 5:00 p.m. on October 18, 2016. Any qualifying contributions collected outside this period will not be valid. In addition, qualifying contributions collected more than 5 business days before a candidate files a Declaration of Intent with the Commission will not be valid.

While qualifying contributions may be collected until October 18th, a candidate must submit the required number of valid qualifying contributions to the Commission by 5:00 p.m. on April 20, 2016 to be certified as an MCEA candidate. Qualifying contributions collected after April 20th can be used to request payments of supplemental funds. (See Chapter 5.)

IF SEED MONEY IS USED TO PURCHASE MONEY ORDERS:	IF PERSONAL FUNDS ARE USED TO PURCHASE MONEY ORDERS:
The campaign must obtain cash from the contributor in exchange for the money order.	Anyone who uses personal funds must obtain cash from the contributor in exchange for the money order.
Cash received from the contributor in exchange for the money order <u>must be deposited</u> into the campaign account (do not use the money for petty cash).	Regarding the transaction fees, the campaign must either: <ul style="list-style-type: none"> • use seed money to reimburse the purchaser for the fees and report the payment as an expenditure
The campaign bank statement should reflect deposits equal to the face value amount of the money orders purchased.	or <ul style="list-style-type: none"> • report the amount of the transaction fees as an in-kind contribution if the purchaser is not reimbursed (subject to the \$100 limit).
Only the transaction fees for the money orders should be reported as an expenditure. The total face value amount of the money orders should <u>not</u> be reported.	The campaign should obtain the receipt for the money order purchase.



RECEIPT AND ACKNOWLEDGEMENT FORMS

In order for a qualifying contribution to be valid, the contributor must acknowledge that the contribution was made from his or her personal funds and in support of the candidate, and he or she did not receive anything of value in exchange for the contribution.

All contributors making a qualifying contribution by check or cash must complete the name and address lines and personally sign the Receipt and Acknowledgement Form. A family member or friend may not sign the form on behalf of a contributor.

Candidates should make sure that all contributors signing a Receipt and Acknowledgement Form live in the same town or city because the forms will have to be submitted to the municipal clerks in each town and city to verify the contributors' voter registration. If the qualifying contribution is made using the Commission's online service, the contributor makes the required acknowledgement online and the online service will create a Receipt and Acknowledgement Form automatically.

Using Circulators. When someone, including a candidate, collects qualifying contributions, that person must complete the statement in the "Circulators" section in the lower right corner of the Receipt and Acknowledgement Form. Qualifying contributions collected by a circulator will not be accepted unless the circulator section is completed. If a campaign mails the Receipt and Acknowledgement Form to contributors or if the contributor prints the form from the Commission's website, the candidate is not required to complete the circulator's statement.

Verification of Registration Status of Contributors.

For a qualifying contribution to be valid, the contributor must be a registered voter in the candidate's district. Only qualifying contributions from individuals whose voter registration has been verified by a municipal clerk or through the online contribution service are valid.

For qualifying contributions made by check or cash/money order, campaigns must take the Receipt and Acknowledgement Forms signed by the contributors to the municipal clerks for each city and town. The municipal clerk will indicate on the form how many contributors listed on the form are registered to vote in the candidate's district in that town.

If the online qualifying contribution service cannot verify that a contributor is a registered voter at the address provided by the contributor, it is the candidate's responsibility to print out the Receipt and Acknowledgement Forms of unverified contributors from the website and to take those forms to the municipal clerks to verify the contributors' voter registration.

To become a certified MCEA candidate, a candidate must submit the required number of valid qualifying contributions and Receipt and Acknowledgment Forms verified by the municipal clerks to the Commission by 5:00 p.m. on April 20, 2016. Commission staff recommends that candidates submit Receipt and Acknowledgement Forms to the municipal clerks sufficiently in advance of the April 20th deadline in order to give the clerks time to verify the contributors' voter registration.



CHAPTER 4

Requesting MCEA Certification & Initial Payment of Public Campaign Funds

REQUESTING CERTIFICATION AS A MAINE CLEAN ELECTION ACT CANDIDATE

Certification Request and Deadline. After a candidate has collected the required number of valid qualifying contributions, the next step is to request certification by submitting the qualifying contributions along with the Receipt and Acknowledgement Forms and the other required documents (see chart on the next page) to the Commission. The Commission staff carefully reviews all requests and determines if all requirements have been met. A request for certification must be submitted to the Commission no later than 5:00 p.m. on April 20, 2016.

To qualify for MCEA funding, a candidate must also submit a Seed Money Report, an alphabetical list of the qualifying contributors, and a Request for Certification Form by the certification deadline. The Commission's Rules permit Commission staff to grant an extension for submitting the alphabetical list and Seed Money Report. The extension request is found at the bottom of the Request for Certification Form. The Commission cannot grant the candidate an extension to submit the verified Receipt and Acknowledgement Forms and qualifying contributions. Late submissions will not be accepted for review.

Submit Checks/Money Orders and Receipt & Acknowledgement Forms. By 5:00 p.m. on April 20, 2016, a candidate must submit at least the minimum

number of valid qualifying contributions and the Receipt and Acknowledgement Forms that have been verified by the municipal registrars, including the forms for online contributions. Checks and money orders must be attached (not stapled) to their corresponding Receipt and Acknowledgement Form, which lists the names of the individuals who made the contributions. The Commission recommends submitting at least 10% more than the required number of qualifying contributions in case some are not accepted.

File Seed Money Report. The Seed Money Report discloses all seed money contributions received and expenditures made by a campaign. Candidates should carefully review seed money contributions and expenditures to make sure they are reported accurately, and there was no overspending. The Seed Money Report, like all other campaign finance reports, is filed electronically on the Commission's website. See Chapter 10 for more information on filing reports.

Submit Alphabetical List of Contributors. A candidate must provide the Commission with an alphabetical list of individuals who made qualifying contributions online, or by check or cash/money order. The alphabetical list must include the first and last names of contributors, their city/town, whether the qualifying contribution was submitted online, and the date the qualifying contribution was submitted to the Commission. The list must be sorted alphabetically by



2016 REQUEST FOR CERTIFICATION AS AN MCEA CANDIDATE – REQUIRED DOCUMENTATION

Submit the following documents on or before April 20, 2016 by 5:00 p.m.:

Request for Certification Form	Completed and signed form.	
Qualifying Contributions (QCs) and Receipt and Acknowledgement (R&A) Forms	<p>For QCs received <u>by check or cash</u>, submit:</p> <ul style="list-style-type: none"> Checks/money orders attached to original corresponding R&A Forms R&A Forms verified by the municipal clerks <p>For QCs collected <u>online</u>, submit:</p> <ul style="list-style-type: none"> Computer generated forms for those QCs whose contributors were verified by the online system. Computer generated forms for those contributors the online contribution system <u>could not verify</u> and were <u>subsequently verified by the municipal clerks</u> 	<p>No time extensions permitted.</p> <p>QCs and R&A Forms submitted late will not be accepted.</p>
Seed Money Report	Completed and filed report.	Time extension permitted. Request an extension by checking the boxes at the bottom of the Request for Certification form.
Alphabetical List of QC Contributors	Includes the first and last names of contributors, town/city of residence, whether the QC was submitted online, and the date of <u>submission</u> . Must be sorted alphabetically by contributor's last names. <u>Must be submitted electronically</u> in Microsoft Excel or Word format.	

last name. All alphabetical lists must be submitted to the Commission electronically, via email or memory stick. The document must be in either Microsoft Excel or Word format (the Commission has provided templates on its website), or in a format that can be converted to Microsoft Excel or Word. Handwritten and/or scanned lists are not acceptable. The list must include all qualifying contributions a candidate wishes to count toward the eligibility requirements.

Request for Certification Form. This form is a candidate's signed agreement to comply with the requirements of the MCEA and the Commission's

Rules. It is also a checklist for the materials he or she will need to submit for certification. A candidate may use this form to request an extension of time to file the Seed Money Report and submit the alphabetical list of qualifying contributors.

COMMISSION STAFF'S REVIEW OF REQUEST FOR PUBLIC FUNDS

The Commission staff is required to determine whether a candidate has met the requirements for certification within three business days of the candidate's final submission of qualifying contributions and other required documents, unless additional time is necessary for further investigation to verify compliance



with the MCEA. If further investigation is necessary, the Commission staff is required to provide the candidate with an anticipated schedule for the investigation. The Commission staff gives priority to those candidates in contested primary elections, and will make every effort to certify all candidates within three business days.

The Commission staff notifies candidates and their opponents in writing of the staff determination regarding a candidate's request for certification. The state's accounting office makes the direct deposit (or mails the check) soon after the Commission authorizes the payment.

APPEALING THE COMMISSION STAFF'S CERTIFICATION DETERMINATION

If a candidate, his or her opponent, or other interested person believes the Commission staff has made an error in granting or denying a request for certification, he or she may submit an appeal to the Commission within seven days of the certification decision.

The members of the Commission will hold a hearing within 5 days of the appeal's submission. The Commission will issue its decision within 5 business days after the hearing is completed. The Commission's decision may be appealed by commencing an action in Superior Court. Frivolous appeals, or those intended to cause delay or hardship, may result in the party who appealed the determination being required to pay the costs of the appeal.

VIOLATIONS

It is a serious violation of the MCEA to misreport or falsify the actual source of funds for a qualifying contribution. If the Commission determines that a candidate, or an agent of the candidate, submitted

fraudulent qualifying contributions, the Commission could deny the candidate's certification request and seek substantial penalties.

When a candidate or his or her campaign workers solicit individuals for qualifying contributions, the purpose for asking a Maine voter to sign the Receipt and Acknowledgement Form must be clearly stated. Misrepresenting the reason for the signature (e.g., "to get the candidate on the ballot") is a serious violation of the MCEA.

These violations could result in the denial of certification, the revocation of certification, and being barred from participating in the program in future elections.

It is also a violation of the Act for a candidate or his or her agent to assist another person to become an opponent, in order to make the candidate receive the higher amount of MCEA funds for a contested election.

REVOCATION OF CERTIFICATION

If the Commission finds that a certified candidate has engaged in serious misconduct, the candidate's certification may be revoked by the Commission after the candidate has had an opportunity for a hearing. Grounds for revocation involve serious violations of the MCEA, such as submitting fraudulent qualifying contributions, making false statements or material misrepresentations in reports to the Commission, and misrepresenting to a Maine voter the purpose of the voter's signature on the Receipt and Acknowledgement Form.

If a certification is revoked, the candidate must return all unspent MCEA funds to the Commission within



three business days of the Commission's decision. Depending on the circumstances, the candidate may be required to return all MCEA funds paid to the candidate and be assessed a civil penalty. The candidate may appeal the Commission's decision to Superior Court.

AMOUNTS AND TIMING OF INITIAL PAYMENT FOR THE PRIMARY AND GENERAL ELECTIONS

AMOUNTS OF INITIAL MCEA PAYMENTS IN 2016		
REPRESENTATIVE:	UNCONTESTED	CONTESTED
PRIMARY ELECTION	\$500	\$2,500
GENERAL ELECTION	\$1,500	\$5,000
SENATE:	UNCONTESTED	CONTESTED
PRIMARY ELECTION	\$2,000	\$10,000
GENERAL ELECTION	\$6,000	\$20,000

The table above shows the base amount of the initial payments of MCEA funds for the primary and general elections.

Initial Payment for the Primary Election. The initial payment for the primary election will be reduced if a candidate has any unspent seed money. MCEA candidates are not required to spend all of the seed money they have collected. However, if a candidate has not spent all of his or her seed money by the time he or she requests certification, the Commission must deduct the amount of unspent seed money from the first payment of MCEA funds made to the candidate. This unspent seed money is indicated by a positive cash balance on the summary page of the candidate's Seed Money Report.

If a candidate's request for certification is filed prior to March 15, 2016 (the deadline for filing nominating petitions with the Secretary of State), it may be unsettled as to whether the candidate is in a contested or uncontested primary election. In this case, the amount of the initial payment to the candidate will be the amount for an uncontested primary election. An additional amount will be distributed within three days after March 15, 2016 if the candidate is determined to be in a contested primary election.

A candidate will usually receive the initial payment for the primary election within one week after certification.

Initial Payment for the General Election. The MCEA requires the Commission to make initial payments for the general election within three days after the Secretary of State certifies the results of the primary election to the Governor. In practice, the Commission staff will make initial payments for the general election as soon as the results of the primary elections are certain – which in most races is likely to be before certification by the Secretary of State.

The initial payment for the general election to an MCEA candidate who is involved in a recount in a primary election will be made when the election results are certain.

Payments to Independent or Unenrolled Candidates. Candidates who are not enrolled in a political party are eligible to receive an initial primary election payment for an uncontested candidate. Unenrolled candidates will receive an initial general election payment based on whether the candidate is in a contested or uncontested general election.



Unspent Primary Election Funds. If an MCEA candidate does not spend all of his or her primary election funding, the Commission does not deduct the unspent primary campaign funds from the initial payment to the candidate for the general election.

LEGAL REFERENCES

Qualifying Contributions	21-A M.R.S.A. §§ 1122(7) and 1125(3); Rules, Chapter 3, Section 2(4)
Qualifying Period	21-A M.R.S.A. § 1122(8)
Required Number of Qualifying Contributions	21-A M.R.S.A. § 1125(3)
Receipt and Acknowledgement Form	21-A M.R.S.A. § 1122(7)(D); Rules, Chapter 3, Section 2(4)
Verification by Municipal Clerks	21-A M.R.S.A. § 1122(7)(B); Rules, Chapter 3, Sections 2(4)(F), (G)
Misrepresentation of Purpose	21-A M.R.S.A. § 1125(3)
Prohibition against Assisting an Opponent	21-A M.R.S.A. § 1125(6-A)
Requesting Certification	21-A M.R.S.A. § 1125(4) and (5); Rules, Chapter 3, Sections 3(1) - (3)
Certification by Commission	21-A M.R.S.A. § 1125(5); Rules, Chapter 3, Section 3(4)
Revocation of Certification	21-A M.R.S.A. § 1125(5-A)
Appeals	21-A M.R.S.A. § 1125(14); Rules, Chapter 3, Section 3(5)
Timing of Initial Payments	21-A M.R.S.A. § 1125(7)
Unenrolled Candidates	21-A M.R.S.A. § 1125(10)
Amounts of Initial Payments	21-A M.R.S.A. § 1125(8-C) and (8-D)
Forms of Payment	Rules, Chapter 3, Section 5(1)



CHAPTER 5

Collecting Additional Qualifying Contributions & Requesting Supplemental Campaign Funds

OVERVIEW

On November 3, 2015, Maine voters approved a citizen initiative to improve the Maine Clean Election Act by increasing the amount of funding candidates could receive. Certified MCEA candidates in contested general elections may continue to collect qualifying contributions after certification and request up to eight supplemental payments of MCEA funds. These supplemental payments are intended to ensure that MCEA candidates will have access to sufficient campaign funds for the general election. Whether a candidate seeks supplemental funding and the level of funding is entirely up to the candidate, who should make a realistic assessment of the resources he or she needs to run a successful campaign.

ADDITIONAL QUALIFYING CONTRIBUTIONS

An additional qualifying contribution collected for the purpose of requesting supplemental campaign funds

must meet all the requirements explained in Chapter 3. Additional qualifying contributions may be collected from January 1, 2016 to October 18, 2016.

If a candidate submits more than the minimum number of qualifying contributions needed for certification as an MCEA candidate, the excess number of valid qualifying contributions will be accepted and attributed to the candidate's first request for supplemental campaign funds, if the candidate so wishes.

LEVELS OF SUPPLEMENTAL PAYMENTS

The table below shows the various levels of supplemental payments and the number of valid additional qualifying contributions that must be submitted to receive each level of supplemental payments. The additional qualifying contributions for supplemental payments are over and above the number of qualifying contributions needed for certification.

Levels of Supplemental Payments								
	1	2	3	4	5	6	7	8
House	\$1,250 (15 QCs)	\$2,500 (30 QCs)	\$3,750 (45 QCs)	\$5,000 (60 QCs)	\$6,250 (75 QCs)	\$7,500 (90 QCs)	\$8,750 (105 QCs)	\$10,000 (120 QCs)
Senate	\$5,000 (45 QCs)	\$10,000 (90 QCs)	\$15,000 (135 QCs)	\$20,000 (180 QCs)	\$25,000 (225 QCs)	\$30,000 (270 QCs)	\$35,000 (315 QCs)	\$40,000 (360 QCs)



For every 15 valid additional qualifying contributions submitted by a House candidate, the candidate will receive a supplemental payment of \$1,250. A Senate candidate will receive a supplemental payment of \$5,000 for every 45 valid additional qualifying contributions submitted.

VERIFYING VOTER REGISTRATION STATUS WITH MUNICIPAL CLERKS

To be valid, additional qualifying contributions must be from registered voters in the candidate's district. For qualifying contributions made by check or money order, candidates must bring the Receipt and Acknowledgement Forms to the municipal clerk for the contributor's town or city in order to have the contributor's voter registration verified. While the last day for submitting additional qualifying contributions to the Commission is October 18, 2016, candidates should be sure to bring the Receipt and Acknowledgement Forms to the municipal clerks before that date in order for the clerks to have sufficient time to verify contributors' voter registrations.

October is a busy month for clerks as they are preparing for the election and processing absentee ballots in addition to performing their regular duties. The Commission staff recommends bringing the Receipt and Acknowledgement Forms to the clerks by October 3rd in order to have greater assurance they will get the verified forms back from the clerks in time for the October 18th deadline. Under the Commission's Rules, municipal clerks have 10 business days to verify the voter registration of contributors. Many clerks will review and return the Receipt and Acknowledgement Forms sooner than 10 business days, but the clerks are not under any legal obligation to do so.

SUBMITTING ADDITIONAL QUALIFYING CONTRIBUTIONS & REQUESTING SUPPLEMENTAL FUNDS

Candidates do not have to wait until they have collected 15 (for House candidates) or 45 (for Senates candidates) additional qualifying contributions before submitting them to the Commission. Candidates can submit additional qualifying contributions in a way that best works for their campaigns. Commission staff will review and validate qualifying contributions after each submission, and authorize MCEA payments when the minimum number for each payment level is reached. The last day for submissions and requests supplemental funds is October 18, 2016 at 5:00 p.m. A submission of additional qualifying contributions will not be considered complete and will not be reviewed by the Commission staff unless the submission includes all the following required documents.

Checks/Money Orders and Receipt and Acknowledgement Forms. The original checks, money orders, and Receipt and Acknowledgement Forms that have been verified by the municipal clerks must be submitted to the Commission no later than 5:00 p.m. on October 18, 2016. Checks and money orders should be attached (not stapled) to their corresponding Receipt and Acknowledgement Forms. For qualifying contributions submitted online, candidates should download, print, and submit the Receipt and Acknowledgment Forms. Qualifying contributions and Receipt & Acknowledgement Forms submitted after 5:00 pm on October 18, 2016 will not be accepted.

Alphabetical List of Contributors. Candidates must also submit an updated alphabetical list of all contributors who have given a qualifying contribution to the candidate in 2016. See Chapter 4 for the



information that must be included in the list. The alphabetical list must be submitted electronically, by email or memory stick, in either a Microsoft Excel or Word compatible format. Handwritten or scanned lists are not acceptable.

Additional Qualifying Contributions Submission Form. Candidates must also sign and submit an Additional Qualifying Contributions Submission Form, detailing the number of qualifying contributions collected online or by check or money order that are included in the submission.

LEGAL REFERENCES

Time Period for Collecting and Submitting	21-A M.R.S.A. § 1125(8-E)(B)
Additional Qualifying Contributions	
Amounts of Supplemental Payments	21-A M.R.S.A. §§ 1125(8-C) & (8-D)
Verification by Municipal Clerks	21-A M.R.S.A. § 1122(7)(B); Rules, Chapter 3, Sections 2(4)(F), (G)
Required Documentation for Submission	Rules, Chapter 3, Section 6



CHAPTER 6

Making Expenditures of MCEA Funds

BEST PRACTICES FOR SPENDING MAINE CLEAN ELECTION ACT FUNDS

Make All Expenditures from the Campaign Bank Account. Candidates should pay vendors directly from the campaign bank account, as it will assist the campaign meet its legal obligations for reporting and record-keeping in two ways:

- the statements for the campaign's bank account include the dates and amounts of campaign purchases, which will be helpful at the time of preparing campaign finance reports; and
- the campaign will have easy access to proof that the vendor received payment (e.g., a canceled check or a bank account statement that lists the vendor as the payee for a debit card transaction).

Also, MCEA candidates are required to obtain a receipt or invoice from vendors stating the particular goods or services purchased for every expenditure over \$50. The Commission staff recommends keeping a receipt for every expenditure — no matter how small. Candidates are also prohibited from making expenditures of greater than \$50 with cash. All expenditures of MCEA funds greater than \$50 must be paid with a check or debit/credit card.

Avoid Reimbursements. The Commission staff recommends paying for all campaign purchases directly from a campaign bank account by check or debit card. While the personal funds or credit card of a candidate or supporter may be used to pay a vendor (provided the campaign makes a prompt reimbursement), the Commission staff discourages this practice because it increases the number of records required to document the expenditure and complicates record-keeping.

A reimbursement to a candidate, a campaign worker, or a volunteer requires an additional piece of documentation — copies of the person's check and personal bank statement or personal credit card statement.

If a campaign makes a reimbursement to a candidate or supporter for a purchase, the reimbursement must be reported correctly. (See Chapter 10.)

REQUIREMENT TO SPEND MCEA FUNDS FOR CAMPAIGN-RELATED PURPOSES

MCEA candidates may choose to spend their campaign funds in a variety of ways to promote their political campaigns, but the Commission has established official guidelines on certain categories of expenditures (e.g., food, lodging, staff). Those guidelines can be found on the next two pages.



2016 EXPENDITURE GUIDELINES For Maine Clean Election Act Candidates

Candidates must spend Maine Clean Election Act (MCEA) funds for campaign-related purposes and not for other purposes such as the candidate's personal benefit, party-building, or to promote another candidate's campaign. Candidates are required to comply with these guidelines for all expenditures of MCEA funds.

PERMISSIBLE EXPENDITURES

Expenditures for "campaign-related purposes" are those which are traditionally accepted as necessary to promote the election of a candidate to political office. Candidates using MCEA funds must also take into account the public nature of the funds, the underlying objectives of the MCEA, and the reasonableness of the expenditures under the circumstances. In Maine, traditional campaign expenses have included:

- Political advertising expenses
- Campaign communications such as signs, bumper stickers, T-shirts, or caps with campaign slogans, *etc.*
- Campaign events (*e.g.*, invitations, food, tent or hall rental, *etc.*)
- Printing and mailing costs
- Office supplies
- Campaign staff expenses
- An entry fee for an event organized by a party committee, charity, or community organization or an ad in an event publication, as long as the expenditure benefits the candidate's campaign
- Campaign travel expenses, such as fuel and tolls.

Ballot Questions

Candidates may state their position with respect to a ballot question in a communication financed with MCEA funds. Candidates may not use MCEA funds for a paid communication that primarily supports or opposes a referendum or citizen initiative.

Campaign Training

Candidates may use MCEA funds for tuition or registration costs for campaign or policy issues training.

If you have questions about these Guidelines or a specific expenditure, contact your Candidate Registrar at 287-4179.

PROHIBITED EXPENDITURES

Candidates may not use MCEA funds for personal expenses. This means candidates may not borrow from or use MCEA funds for personal or other non-campaign expenses, even if temporarily and with the intention of repaying the funds. Personal expenses are for goods and services that the candidate would otherwise purchase independently of the campaign, such as:

- Day-to-day household expenses and supplies
- Mortgage, rent, or utility payments for the candidate's personal residence, even if part of the residence is being used by the campaign
- Vehicle repair and maintenance
- Non-campaign transportation expenses
- Clothing, including attire for political functions such as business suits or shoes

MCEA funds may not be spent to:

- pay a consultant, vendor, or campaign staff for anything other than campaign goods or services
- compensate the candidate for services provided by the candidate
- make independent expenditures supporting or opposing any candidate, ballot question, or political committee
- assist in any way the campaign of any candidate other than the candidate for whom the funds were originally designated
- contribute to another candidate, a political committee, or a party committee other than in exchange for goods and services
- make a donation to a charity or a community organization, other than in exchange for campaign goods or services
- promote political or social positions or causes other than the candidate's campaign
- make a thank-you gift (including a gift card) to a volunteer or supporter
- pay civil penalties, fines, or forfeitures to the Commission, or defend the candidate in enforcement proceedings brought by the Commission
- assist the candidate in an election recount.



Car Travel

MCEA campaigns may reimburse the candidate or campaign workers for their car travel, as long as the person reimbursed has kept a *contemporaneous* travel log. The campaign may make a travel reimbursement up to the number of miles traveled as reported in the log multiplied by \$0.44. Campaigns must keep the travel logs for three years, and provide them to the Commission if requested. Candidates and their spouses/domestic partners may spend any amount of their personal funds for campaign travel without seeking reimbursement. Other individuals may spend up to \$350 of their personal funds to pay for travel without making a contribution to the campaign.

Food

Candidates may spend a reasonable amount of MCEA funds on food for campaign events or to feed volunteers while they are working, but must take into account the public nature of MCEA funding. Legislative candidates may not use MCEA funds to purchase food that is consumed *only* by the candidate and/or members of the candidate's immediate family. Generally, reasonable amounts for food should not exceed \$5 per person for breakfast, \$10 per person for lunch, and \$20 per person for dinner. If candidates wish to spend greater amounts per person for food, the Commission recommends that the candidate contact Commission staff for guidance.

Lodging

Candidates may use MCEA funds to pay for lodging if necessary for campaign purposes, but must keep lodging expenses reasonable and may not exceed the lodging rates approved by the Office of State Controller for state employees conducting travel for state business. MCEA candidates may use personal funds for lodging, provided that they are not reimbursed by others.

Office Supplies

Candidates may spend MCEA funds for office supplies that they reasonably anticipate will be used for campaign purposes only. MCEA funds may not be spent for office supplies to be used for constituent communications or for other expenses associated with service as a public official. The Commission may require candidates to repay their campaign for any office supplies with a value of \$50 or more that were not used for campaign purposes or were used minimally for campaign purposes.

Post-Election Notes & Parties

Candidates may spend up to the following maximum amounts of MCEA funds on post-election parties, thank you notes, or advertising to thank supporters or voters: \$250 for State Representative candidates, \$750 for State Senate candidates, and \$2,500 for candidates for Governor. Candidates may also use personal funds for these purposes.

Promotional Items

Candidates may spend MCEA funds on inexpensive items to promote their candidacies or to gain visibility at public events. Purchases of apparel generally should not cost more than \$10 per item. Candidates may purchase other types of promotional items, but the cost should not exceed \$5 per item. Candidates may purchase up to two pieces of outerwear (e.g., fleeces or sweatshirts) to promote their election.

Property & Equipment

Goods purchased with MCEA funds for \$50 or more that could be converted to personal use after the campaign (e.g., computers, fax machines, and cell phones) must be sold at fair market value and the proceeds returned to the Maine Clean Election Fund no later than 42 days after the final report for the campaign. If the campaign sells the property or equipment to the candidate or a member of the candidate's immediate family or campaign staff, the campaign must receive at least 75% of the original purchase price paid by the campaign. Candidates are welcome to lease electronic and other equipment.

Salary & Compensation

Candidates may use MCEA funds to pay for campaign-related services by staff or consultants, provided that compensation is made at or below fair market value and sufficient records are maintained to show what services were received. Documentation must include a description of the labor performed by the staff member or consultant, and an itemization of any goods or services purchased from other vendors including date, vendor, and amount.

Unnecessary Goods

Legislative candidates may not spend MCEA funds for goods not typically necessary for a House or Senate campaign, such as office furniture, a brief case, or large storage items. If you are unsure whether an item you wish to purchase is within this category, please call the Ethics Commission for guidance.



A candidate may not spend MCEA funds for any purpose other than to promote his or her own campaign. Candidates may only pay MCEA funds to another candidate, a political party, or a charity or non-profit in exchange for campaign goods and services. A candidate may pay an entry fee to an event hosted by a political party or a charity (or to place an ad in an event publication) as long as the expenditure promotes the candidate's political campaign.

Misspending MCEA funds is a serious violation of law. If a candidate is unsure whether a particular purchase will be viewed as campaign-related, he or she should contact the Commission staff for advice.

PAYMENTS TO A CANDIDATE, MEMBERS OF A CANDIDATE'S IMMEDIATE FAMILY OR HOUSEHOLD, OR AFFILIATED BUSINESS OR NON-PROFIT ENTITIES

Campaigns may not use MCEA funds to compensate a candidate or a sole proprietorship owned by a candidate for services received by the campaign (e.g., if a candidate has designed his or her campaign's literature or has kept the financial accounts for the campaign).

Generally, a campaign may not pay MCEA funds to a member of the candidate's immediate family or household, or to a business entity in which the candidate, or an immediate family or household member holds a significant proprietary or financial interest. Also, a campaign may not pay MCEA funds to a non-profit entity in which the candidate or a member of the candidate's immediate family or household is a director, officer, executive director or chief financial officer. Such payments are permitted only if the immediate family or household member, or business or

nonprofit entity, provides the goods or services in the normal course of their occupation or business, the expenditure is for a legitimate campaign purpose, and the amount of the expenditure is a reasonable fair market value for the goods or services.

MCEA candidates cannot receive any in-kind contributions, therefore, the business or non-profit organization cannot contribute goods or services to the campaign. See the next chapter regarding the prohibition on accepting contributions.

A campaign may reimburse the candidate or members of the candidate's immediate family or household for goods or services they have purchased on behalf of the campaign. See Chapter 10 for a description of how to report such reimbursements.

SHARING EXPENDITURES WITH OTHER CANDIDATES

Candidates may share expenses for goods or services, such as joint campaign literature or advertising. To avoid making or receiving an in-kind contribution, each candidate should pay the portion of the overall cost that is proportionate to the benefit received by the candidate.

The Commission staff recommends that all candidates involved in a joint expenditure clearly disclose in their campaign finance reports that the goods or services have been purchased jointly with other candidates. Such reporting will reduce concerns that candidates are using their campaign funds to subsidize other candidates' campaigns. If a candidate has any questions on reporting shared expenditures, he or she should contact the Commission staff.



Jointly Purchased Campaign Communications. If candidates share the cost of a political advertisement or other campaign communication, the Commission staff recommends the “paid for” statement in the communication disclose it was paid for and authorized by all of the candidates (e.g., “Paid for and Authorized by the Candidates Above”), even if a single candidate paid the vendor for the ad or literature and was reimbursed by the other candidates.

BUYING ELECTRONICS AND OTHER PERSONAL PROPERTY OR EQUIPMENT

When a campaign uses MCEA funds to purchase property or equipment worth \$50 or more that could be converted to the candidate’s personal use after the campaign (e.g., computers, fax machines, printers, cell phones, tools), special requirements apply to ensure that public funds are not spent to enrich the candidate. The purchase of such property or equipment should be reported with an expenditure type of Equipment. These requirements do not apply to property or equipment purchased with seed money.

After the election, MCEA candidates must sell any equipment purchased with MCEA funds at fair market value and send the proceeds to the Commission by the deadline for the campaign finance report due 42 days after his or her final election (primary or general). The proceeds from this sale should be reported as a contribution with a contribution type of “Equipment Sales Proceeds.”

Fair market value is determined by what is fair and reasonable under normal market conditions based on the value of items of similar description, age, and condition. If a campaign sells property or equipment through an online auction, the campaign likely will be

presumed to have received fair market value for the equipment.

Candidates may keep and reuse goods that have value only to the campaign, such as signs and campaign literature.

PAYING FOR CELL PHONES AND SERVICE

A campaign may use MCEA funds to pay for cell phone use, but MCEA funds cannot be used to pay for any personal use associated with a cell phone. Some campaigns find it convenient to purchase inexpensive pre-paid phones for the campaign and use all of the purchased minutes by the end of the campaign. If a phone was purchased for less than \$50 (without minutes), it is considered to have no fair market value if all the purchased minutes were used by the end of a campaign.

If a campaign worker uses his or her personal cell phone for campaign purposes, and the campaign chooses to reimburse the worker for the use of the cell phone, the campaign should keep billing statements for the phone account that lists the campaign-related calls charged to that account. If requested, the campaign should be able to identify a sufficient number of campaign-related calls to support the amount of the reimbursement. Otherwise, the Commission may disallow the reimbursement and require the campaign repay the amount of the reimbursement to the State.

PURCHASING TELEVISION ADVERTISING

If a candidate uses MCEA funds to purchase television advertising, the advertisement must be closed-captioned. See Chapter 9 for more information about this requirement.



RAISING CAMPAIGN FUNDS THROUGH SALES OF GOODS

MCEA candidates may not use public funds to purchase goods to sell at a profit.

OVERSPENDING

A candidate should be careful to avoid spending more money to promote his or her campaign than the amount of MCEA funds the candidate was authorized to spend. Spending more than is permitted is a serious violation of the Maine Clean Election Act. In prior elections, the Commission has assessed civil penalties against candidates who spent more than the amount of the MCEA funds received by the candidate.

COMMISSION’S COMPLIANCE PROCEDURES

The Commission conducts compliance reviews of all expenditures disclosed by MCEA candidates in campaign finance reports, and frequently requests additional information from candidates and treasurers to verify that public funds were spent for campaign-related purposes.

In addition, the Commission staff conducts post-election audits of at least 20% of legislative candidates receiving MCEA funding. See Chapter 12 for a complete description of these compliance reviews and audits.

LEGAL REFERENCES

Campaign-Related Purposes	21-A M.R.S.A. § 1125(6); Rules, Chapter 3, Section 7
Expenditure Guidelines	21-A M.R.S.A. § 1125(6)
Required Records of Expenditures	21-A M.R.S.A. §§ 1016, 1125(12-A)
Required Reporting of Expenditures	21-A M.R.S.A. §§ 1017(5), 1125(12)
Payments to Immediate Family Members	21-A M.R.S.A. § 1125(6-C) and (12)
Payments to Household Members	21-A M.R.S.A. § 1125(6-C) and (12)
Requirement to Sell Campaign Equipment	Rules, Chapter 3, Section 8(2)(C)
Closed-captioning for TV Advertising	21-A M.R.S.A. § 1125(6-E)



CHAPTER 7

Contributions: Prohibition & Exemptions

DEFINITION OF CONTRIBUTION

The term “contribution” is defined in the Election Law to include:

“A gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office or for the purpose of liquidating any campaign deficit of a candidate . . . ” (21-A M.R.S.A. § 1012(2))

For further explanation of what is a contribution, refer to 21-A M.R.S.A. § 1012(2) (see the Appendix) and Chapter 1, Section 6 of the Commission’s Rules.

PROHIBITION ON ACCEPTING CASH CONTRIBUTIONS AND LOANS

Once a candidate has been certified as an MCEA candidate, the campaign may not accept contributions from any source. The candidate is not permitted to contribute cash or to make a loan to his or her campaign.

If a campaign accepts a contribution, it must be returned. If a contribution was inadvertently deposited into a campaign’s bank account, the funds must be withdrawn and returned to the contributor and the candidate should notify the Commission staff.

PROHIBITION ON ACCEPTING IN-KIND CONTRIBUTIONS

In-kind contributions are goods or services that are provided to the campaign at no cost or at a cost that is less than the usual and customary charge. MCEA candidates who receive an in-kind contribution should contact the Commission staff promptly for advice on how to correct the situation. The staff will likely advise the campaign to reimburse the provider of the goods and services immediately with MCEA funds.

The following activities are examples of in-kind contributions:

- a candidate or supporter uses personal funds to purchase campaign signs and is not reimbursed by the campaign;
- a supporter pays for some of a candidate’s advertising in a community newspaper and is not reimbursed by the campaign;
- a friend of a candidate who owns a copy shop provides the campaign with a discount on printing services;
- a volunteer who is making signs for a candidate buys plywood and paint and is not reimbursed by the campaign; and
- the owner of a local business provides to a campaign, free of charge, some of her paid staff members to work for the campaign on company time.



GOODS & SERVICES NOT CONSIDERED CONTRIBUTIONS

Certain goods and services are excluded from the legal definition of “contribution.” A campaign’s receipt of these goods and services is not an in-kind contribution. Candidates and treasurers are encouraged to familiarize themselves with these exempt goods and services listed in the Appendix of this Guidebook. Some examples of exempt goods and services are described in the following sub-sections.

Donated Office Space and Use of Equipment. A trade association, commercial business, labor union, business owner, *etc.*, may donate office space or office equipment to a campaign, provided there are no additional costs, such as telephone and utilities. If there are additional costs the campaign is required to pay for those costs.

“House Parties.” Each volunteer or supporter may spend up to \$250 in each election (primary or general) towards the cost of food, beverages, and invitations in the course of volunteering for a campaign. For example, when volunteering to put on a house party or a campaign event, a campaign supporter may spend up to \$250 for food and another supporter may spend up to \$250 for beverages.

Assistance from State Party Committees. Candidates may receive some assistance from paid employees of a state party committee without that help constituting an in-kind contribution. State party committees may:

- provide up to 40 hours of assistance by paid employees to a candidate in each election (primary or general);

- recruit and oversee volunteers for campaign activities involving 3 or more candidates; and
- coordinate campaign events involving 3 or more candidates.

This exception applies only to state party committees (Democratic, Green-Independent, and Republican), and does not apply to local party committees, caucus committees, or PACs.

Party Committee Slate Cards. State, county, and local party committees may spend money to produce and distribute a slate card (“party candidate listing”) to promote 3 or more candidates. This exception is not available to caucus committees and PACs.

Volunteer Services vs. Paid Assistance. Individuals are permitted to provide their services — including professional services such as legal advice, assistance with databases, and web and graphic design — for free to a campaign as volunteers. A candidate may provide compensation to a volunteer for a portion of the volunteer’s time spent on campaign activities. However, if an individual provides his or her services to a campaign at the direction of his or her employer during his or her paid work-time, then the employer has made an in-kind contribution to the campaign.

AVOID COORDINATING EXPENDITURES WITH THIRD-PARTIES

Coordinated Expenditures. Individuals (including friends and family) and organizations have a First Amendment right to spend money to promote the election of a candidate. To avoid making an in-kind contribution to the candidate, however, they must make



the expenditures independently of the candidate and the candidate's campaign.

The Election Law states that:

“Any expenditure made by any person in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's political committee or their agents is considered to be a contribution to that candidate.” (21-A M.R.S.A. § 1015(5))

If any person or organization makes an expenditure to support a candidate and has cooperated or consulted with that candidate or an agent of the candidate on the expenditure, the candidate has received an in-kind contribution. Prior to certification, an MCEA candidate may only accept contributions, including in-kind contributions, of \$100 or less from individuals. After certification as an MCEA candidate, the candidate may not accept any type of contribution. If the expenditure was coordinated, the candidate will have to reimburse the spender for all or a portion of the expenditure.

Candidates should always exercise caution when communicating with third parties about spending money on campaign communications. The best practice is for the candidate to avoid any discussion with anyone who intends to spend money on communications to support his or her candidacy. The Commission staff also recommends that candidates urge their treasurer, deputy treasurer, campaign committee chair or officers, campaign manager, and other paid or unpaid individuals who hold positions of responsibility in the campaign to avoid cooperating or consulting with anyone on expenditures or communications to promote the candidate. Unless a coordinated expenditure falls into one of the exceptions established by the Legislature (e.g., slate cards,

membership communications, etc.), the candidate may receive an impermissible in-kind contribution and may be required to reimburse the spender for the amount of the expenditure.

Requesting Third-Parties Not to Make Expenditures. Candidates are allowed to ask third-parties not to spend money in support of their candidacies. Even if the third-party were to spend money subsequently, merely making a request of the third-party to not make an expenditure would not constitute cooperation.

APPEARING IN ADVERTISING SPONSORED BY THIRD-PARTIES

In 2008, the Commission considered an advertisement concerning federal issues of public policy in which a candidate for state office appeared. The advertisement portrayed the candidate in a positive light, but did not mention his candidacy. In that instance, the Commission applied the legal definition of “contribution” and determined that the candidate's involvement in the advertisement did not constitute a contribution to the candidate's campaign.

However, if an individual or organization invites a candidate to appear in a paid advertisement, the value of the advertising could be considered a contribution to his or her campaign, which is not permitted. A candidate may wish to contact the Commission staff to receive advice on what factors the Commission might consider in determining whether an advertisement would be a contribution.

CONTRIBUTIONS FOR RECOUNTS

If a candidate is in a recount of an election, he or she may not use MCEA funds for the recount. The



candidate may accept unlimited funds and services from party committees, caucus campaign committees, attorneys, consultants, and their firms. All other contributors are restricted to the contribution limit of \$375 per contributor.

Anyone donating services for a recount is required to provide the campaign with an estimate of the value of those services.

All contributions received and expenditures made in connection with a recount must be disclosed in a special financial report due 90 days after the election. The Recount Report is filed on a paper form and the Commission will distribute the forms to candidates and treasurers shortly after the recount is announced.

CAN A CANDIDATE FUNDRAISE FOR A POLITICAL ACTION COMMITTEE OR POLITICAL PARTY COMMITTEE?

Although an MCEA candidate may not establish his or her own PAC, the candidate may be involved in other PACs, ballot question committees and state and local party committees.

MCEA candidates may:

- be active in a PAC organized by a party's legislative caucus, including raising money and making decisions for the PAC. However, the candidate must not be involved in any way with any spending by the PAC to promote his or her election;
- raise money for other candidates, endorse other candidates, or use personal funds to promote other candidates;

- be involved in the raising and spending of funds by a state or local political party committee, provided that the candidate is not involved in any way with spending to promote his or her election (with the exception of "slate cards"); and
- raise money and make decisions for ballot question committees and PACs organized for the purpose of promoting or defeating a ballot question.

While a candidate is not prohibited from fundraising for a PAC or political party committee, the candidate should be aware of certain risks in doing so. If the PAC or party committee is going to spend money to promote the candidate, the candidate may wish to consider whether the assistance with fundraising will create the public perception or lead to the conclusion that the candidate cooperated with the PAC or party committee's expenditures to promote the candidate. For example, if a PAC's activities for the calendar year are primarily to promote or support the nomination or election of the candidate, the contributions solicited by the candidate are considered contributions to the candidate. Candidates are encouraged to contact the Commission staff for guidance if they have questions about fundraising for PACs or party committees that will be actively supporting or opposing candidates in the 2016 elections.

**LEGAL REFERENCES**

Ban on Accepting Contributions	21-A M.R.S.A. § 1125(6)
Definition of Contribution	21-A M.R.S.A. § 1012(2)
In-Kind Contributions	Rules, Chapter 1, Sections 6(4) - (5)
Discounted Goods or Services	Rules, Chapter 1, Section 6(4)
Contributions of Paid Employee Services	21-A M.R.S.A. § 1012(2)(A)(4); Rules, Chapter 1, Section 6(5)
Exempt Goods and Services	21-A M.R.S.A. § 1012(2)(B)
Assistance from State Parties	21-A M.R.S.A. § 1012(2)(B)(10)
Coordinated Expenditures	21-A M.R.S.A. § 1015(5) Rules, Chapter 1, Section 6(9)
Recounts of Elections	21-A M.R.S.A. § 1018-B
Political Committees and Intermediaries	21-A M.R.S.A. § 1015(4)
Leadership PACs	21-A M.R.S.A. § 1125(6-F)



CHAPTER 8

Campaign Records & Record-Keeping

LEGAL REQUIREMENT TO KEEP CERTAIN RECORDS

Maine Clean Election Act candidates and their treasurers are required by statute to obtain and keep certain financial records to document their campaigns' financial activity and to provide them to the Commission, if requested. These documents or records are discussed in the following sections.

Complete and accurate records and careful record-keeping ensures accurate reporting and full compliance with MCEA requirements. All candidates are required to keep "a detailed and exact account" of all contributions received and all expenditures made by the campaign. Obtaining receipts for expenditures as they are made makes completing campaign reports easy and accurate.

Campaign treasurers are required to keep campaign records for three years following the final campaign finance reports for the election cycle.

RECORDS FOR THE CAMPAIGN BANK ACCOUNT

Records concerning a campaign's bank account are one of the most important parts of a campaign's financial records because they document the deposits into the account, and the expenditures out of the account.

Bank account records document that seed money and MCEA funds were not commingled with any personal or business funds, that reported expenditures were

made out of the campaign account, and, if not made directly out of the account, that the purchaser was reimbursed.

The Commission staff requests campaign bank account records for candidates who are randomly selected for formal audits. Sometimes the Commission requests these records when a reporting issue or question is identified during a compliance review, or if a complaint investigation is undertaken by the Commission.

RECORD RETENTION FOR 2016 MCEA CANDIDATES	
Records must be kept until:	
Candidates who were defeated in the primary election	July 2019
Candidates who participated in the general election	December 2019

Required Bank Records. Campaign bank account records include:

- account statements for the entire period that the account was used by the campaign;
- images of all checks written on the account; and
- copies of deposit slips for cash contributions (seed money) and MCEA payments (if payments were made by check).



Electronic and Paper Bank Account Records. If a campaign uses electronic banking and receives only electronic copies of records, the campaign must either download and save or print and keep copies of the bank records. Some financial institutions make electronic records available for only a limited period of time (e.g., current month and prior three months). A candidate should know a financial institution's policy regarding electronic records and he or she should take measures to obtain complete records.

RECORDS FOR SEED MONEY CONTRIBUTORS

MCEA candidates and their treasurers are required to obtain and keep the following information for each seed money contributor:

- the name and address for every contributor giving \$50 or less; and
- the name, address, occupation and employer for every contributor giving more than \$50 — up to \$100 maximum allowed.

The Commission recommends keeping copies of all seed money checks and account deposit slips, since all cash contributions are required to be deposited into the campaign bank account. Account deposit slips verify receipt of cash contributions.

RECORDS FOR EXPENDITURES

For every expenditure of more than \$50, MCEA candidates and their treasurers are required to obtain a vendor invoice or receipt and “proof of payment” the vendor was paid. Campaigns need to maintain expenditure documentation on file, but are not required to submit it to the Commission, unless the candidate is selected for an audit or the Commission requests it for other reasons.

Expenditure documentation is necessary to confirm whether an MCEA candidate purchased campaign-related goods and services from a vendor and used MCEA funds to pay the vendor. Candidates must keep these records for three years after they file their last reports with the Commission.

Vendor Invoice. The campaign must obtain and keep an original invoice or receipt provided by the vendor for every expenditure greater than \$50 that states the particular goods or services purchased and the cost.

Records for Payments for Campaign Staff. When a candidate compensates a member of his or her campaign staff in the amount greater than \$50, the campaign is required to obtain an invoice or timesheet from the staff member stating the particular services provided. If there is a possibility the campaign will pay a campaign staff member more than \$500 over the course of the election cycle, the campaign is required to keep more detailed records. See the section on Required Documents for Services Over \$500 in this Chapter.

Proof of Payment. A written record verifying the vendor received the payment. Most commonly, this is a canceled check or a debit transaction from the campaign bank account identifying the vendor as the payee. For campaigns using electronic banking, the Commission staff recommends saving copies of statements and cancelled checks monthly since some financial institutions only make these electronically available for a limited time.

Proof of Payment for Reimbursements. Commission staff encourages candidates to make all payments of MCEA funds directly from the campaign



bank account to the vendor. Nevertheless, some candidates find it helpful or necessary for the candidate or an intermediary (such as a volunteer or member of campaign staff) to use personal funds to pay a vendor for goods and services, and then to be reimbursed by the campaign. In these situations, the same documentation requirements apply for expenditures of more than \$50.

A campaign must obtain from the candidate or intermediary an original invoice or receipt from the vendor, as well as a canceled check, account statement or other document proving the vendor received the payment. An easy way to meet this requirement is for a campaign to adopt a policy that reimbursements will be made only when the documentation is provided by the candidate or intermediary at the time the request for reimbursement is made.

Proof of Payment for Purchases Made with Cash.

The Commission staff does not recommend using cash to make purchases, but if cash is used to make a

campaign purchase, the invoice must show that it was “paid” and must describe the goods and/or services purchased.

MCEA candidates are also prohibited from making expenditures of greater than \$50 with cash. All expenditures of MCEA funds greater than \$50 must be paid for with a check or debit/credit card.

DOCUMENTING PURCHASES MADE BY A CONSULTANT

If a consultant working on behalf of a campaign purchases goods or services worth more than \$50, the campaign is required to obtain and keep an invoice or receipt from the actual vendor which provided the goods or services to the consultant, as well as an invoice from the consultant. An example of a consultant's invoice meeting documentation standards is found below.

The campaign is also required to obtain and keep proof that the actual vendor received payment from the consultant. For example, if a candidate hires a campaign consultant and the consultant commissions a

EXAMPLE OF INVOICE FOR CONSULTING SERVICES			
ELECTION Associates		456 State Street, Augusta, Maine 04332	
BILL TO Honorable Ruth Baker c/o Committee To Elect Baker 123 Maine Street Augusta, ME 04032		Invoice Date: 09/18/2016	
Service/Product	Rate	Hours	Total
Design of Palm Card	\$100 per hr	3.0	\$300
Printing of card: Graphics Center Color Printing SEE ATTACHED COPY OF INVOICE	2,000 cards at \$0.50 each		\$1,000
Total Due 30 Days from Date of Invoice			\$1,300
Authorized Signature: <i>Elizabeth C. Brown</i>		Print Name: Elizabeth Brown Title: Owner	

What makes this invoice meet the record documentation standards?

Provided services are described.

Goods which the consultant purchased for the campaign are listed separately with vendor's invoice attached.



research firm to do a poll, the candidate must obtain from the consultant the research firm's invoice and proof the research firm received payment from the consultant.

DOCUMENTING PURCHASES MADE BY A MEDIA BUYER

When a media buyer working on behalf of a campaign purchases advertising spots from media outlets (TV and radio stations) worth more than \$50, the campaign is required to obtain and keep an invoice or receipt from the media outlets which provided the services. An invoice from the buyer is required for the goods and services provided by them directly, such as production costs or commissions. The campaign is also required to obtain and keep proof the media outlets received payment from the buyer.

For example, a candidate who hires a buyer to purchase air time on television and radio stations is required to obtain invoices or other statements from the broadcast stations documenting the air time sold to the campaign, and copies of checks written by the media buyer to the stations. Having only copies of the checks written from the campaign bank account to the media buyer is not sufficient documentation. When hiring a media buyer, a candidate should make the buyer aware of this requirement and include it in any contract. The candidate is then assured the documentation will be provided and he or she will have all of the information to correctly report media purchases.

SPECIFIC RECORDS FOR VEHICLE TRAVEL

If a campaign chooses to use MCEA funds to reimburse the candidate or others for vehicle travel, the person receiving the reimbursement must keep a

contemporaneous travel log showing the dates of travel, the number of miles traveled, and the destination and campaign purpose of the travel. An example of a travel log is found in the Appendix.

The reimbursement to the traveler must be no more than the standard mileage reimbursement rate for Maine State employees, which is currently \$0.44 per mile, multiplied by the number of miles documented in the log. If a travel log is not maintained by a person who has been reimbursed with MCEA funds, the Commission may disallow the reimbursement and require the campaign to repay the reimbursement to the State. A travel log is not required for reimbursements paid for with seed money.

REQUIRED DOCUMENTS FOR SERVICES OVER \$500

Specific documentation is required when an MCEA campaign pays more than \$500 during an election cycle to an individual on the candidate's campaign staff or a vendor who provided consulting services to the campaign. The campaign must keep documents, such as invoices, timesheets, or contracts, specifying in detail the services which the vendor provided, the amount paid, and the basis for compensation paid by the campaign. (21-A M.R.S.A. § 1125(12-A)) These documents must be contemporaneous and not created at the end of the campaign or after the services were provided.

Campaign Staff. If a candidate pays more than \$500 MCEA funds to a member of campaign staff during an election cycle, the campaign must keep a contemporaneous document specifying in detail the staff services provided to the campaign. The



Commission staff recommends the staff member keep a detailed record of all work performed, including:

- the period (weeks or month) during which the work was provided,
- a specific description of the services provided, and
- the number of hours worked for the week or month (even if approximate).

Consulting Services. When a campaign contracts with a consulting firm or hires an individual consultant, the campaign must obtain a contemporaneous document such as an invoice, contract, or timesheet stating the goods or services purchased. The document must be signed by the individual or a principal of the firm who provided the goods or services. An example of an acceptable invoice is found in this Chapter.

COMMISSION’S REQUESTS FOR RECORDS

Compliance Reviews. As part of its compliance review of all expenditures of MCEA funds, the Commission staff sometimes requests a vendor invoice, proof of payment, or copy of bank statements.

Audits. The Commission staff will audit a random selection of all 2016 legislative candidates receiving MCEA funding. The Commission’s auditor will request the bank account statements for the entire campaign, vendor invoices and proof of payment for selected expenditures, and the detailed descriptions of services for which the campaign paid more than \$500 for staff or consulting services. See Chapter 12 for more information about the Commission’s audit process.

FAILURE TO KEEP REQUIRED DOCUMENTATION

Keeping bank statements, vendor invoices, and proof of payment is a statutory requirement for MCEA candidates. Failing to keep these records is a violation of the Maine Clean Election Act. If a campaign cannot support its reported expenditures with the required documentation, the Commission may disallow the expenditures and require the campaign to repay those funds. Undocumented expenditures are considered on a case-by-case basis and each campaign will have an opportunity to explain the undocumented expenditures before being required to repay MCEA funds.

LEGAL REFERENCES

Requirement to Keep Records

21-A M.R.S.A. §§ 1013-A(4); 1016; 1125(12-A);
Rules, Chapter 3, Section 8(1)

Records for Vehicle Travel

Rules, Chapter 3, Section 8(1)(C)

Authority to Conduct Audits

21-A M.R.S.A. § 1003(1)



CHAPTER 9

Campaign Communications & Disclosure Statements

DISCLOSURE ON CAMPAIGN COMMUNICATIONS

Whenever a candidate, or a candidate's authorized political committee or agent, authorizes a communication expressly advocating the election of the candidate (or defeat of the candidate's opponent), the communication must clearly and conspicuously state that it has been so authorized. These communications include those made through broadcasting stations, newspapers, magazines, campaign signs or outdoor advertising facilities, publicly accessible websites, direct mail or other similar types of general public political advertising, or through flyers, handbills, bumper stickers, and other non-periodical publications. The communication must also clearly state the name of the person who paid for or financed the expenditure.

A communication financed by a candidate or a candidate's committee is not required to include the address of the person who made or financed the communication. If anyone other than a candidate or a candidate's committee financed a communication, the disclosure statement must include the full address of the person, except that if the communication is broadcast by radio only the city and state of the address is required.

In addition, the disclosure requirements apply to any communication that names or depicts a clearly

identified candidate and is disseminated to voters in the last 21 days before the primary election or in the last 35 days before the general election, even if the communication does not expressly advocate for or against a candidate.

What Does "Expressly Advocate" Mean? The term "expressly advocate" is defined in Chapter 1, Section 10(2)(B) of the Commission's Rules. The definition includes phrases such as "Jones for House of Representatives" or "Vote for the Governor," and other words, which in context, can have no reasonable meaning other than to urge the election or defeat of one or more clearly identified candidates.

The determination of whether a communication contains express advocacy is based on the entire content of the communication, and whether the communication has any reasonable meaning other than to urge the election or defeat of a candidate.

What Does "Clearly Identified" Mean? The term "clearly identified" is defined in 21-A M.R.S.A. § 1012 (1). A communication clearly identifies a candidate when the communication includes the name of the candidate, a photograph or drawing of the candidate, or identification of a candidate by an unambiguous reference.



DISCLOSURE STATEMENTS ON RADIO ADVERTISEMENTS.

The disclosure statement on radio advertisements does not have to include the street address of the person who paid for the communication. However, it must include the name of the town/city and state of that person.

EXAMPLES OF DISCLOSURE STATEMENTS

The following are examples of suitable disclosure statements for political communications based on the person who made the expenditure for the communication.

Expenditure Made by the Candidate or Candidate's Committee (address not required):

<p>SMITH</p> <hr/> <p>FOR SENATE</p>
<p>Paid for and authorized by Jane Smith</p>

<p>SMITH</p> <hr/> <p>FOR SENATE</p>
<p>Paid for and authorized by the Candidate</p>

- Paid for and authorized by Jane Smith
- Paid for and authorized by the Candidate
- Paid for and authorized by the Committee to Elect Jane Smith

Expenditure Made by a Candidate's Agent (address not required):

<p>SMITH</p> <hr/> <p>FOR SENATE</p>
<p>Authorized by the Candidate and Paid for by Ruth Clark, Treasurer</p>

<p>SMITH</p> <hr/> <p>FOR SENATE</p>
<p>Authorized by the Candidate and Paid for by Peter Brown, Chair of the Committee to Elect Jane Smith</p>

- Authorized by the Candidate and paid for by Ruth Clark, Treasurer
- Authorized by the Candidate and paid for by Peter Brown, Chair of the Committee to Elect Jane Smith

Expenditure Made by Others Who are Not Associated with the Campaign. If a communication authorized by the candidate is paid by a third party, the candidate must reimburse the third party. Otherwise, the campaign has accepted a prohibited in-kind contribution. See Chapter 7 for information about coordinated expenditures.



COMMUNICATIONS EXEMPT FROM DISCLOSURE

Signs That Are Lettered or Printed by Hand. A sign is not required to have a disclosure statement if:

- it is lettered or printed individually by hand — including hand silk screened and stenciled signs,
- it has been paid for and authorized by the candidate (or candidate's committee/agent), and
- it clearly identifies the name of the candidate.

Small Items. Certain items are exempt from the disclosure requirement because of their small size:

Badges	Balloons	Clothing
Coasters	Envelopes	Erasers
Glasses	Keychains	Noisemakers
Badge Holders	Campaign Buttons	
Emery Boards	Lapel Stickers	
Memory Sticks	Paper/Plastic Cups	
Pencils/Pens	Plastic Tableware	
Swizzle Sticks	Tickets to Fundraisers	

A disclosure statement is also not required on advertisements in electronic media where including the disclosure statement would be impractical due to size or character limitations.

The Commission may exempt similar items if it determines those items are too small and it would be unnecessary to include the required disclosure. If a candidate has any questions as to whether an item is required to have a disclosure statement, he or she should contact the Commission staff.

AUTOMATED TELEPHONE CALLS

Prerecorded automated telephone calls and scripted live telephone calls that name a clearly identified candidate during the 21 days before a primary election, or 35 days before a general election, must include the name of the person who made or financed the communication. The disclosure is not required for prerecorded automated calls that are paid for by a candidate and that use the candidate's voice.

TELEVISION ADS: CLOSED-CAPTIONING REQUIREMENT

If a candidate uses MCEA funds to purchase television advertising, the candidate must include closed-captioning in the advertisement provided to the broadcast station or cable television system. It is the candidate's responsibility to ensure that the closed-captioning is included in the ad.

In the final four days before an election, closed-captioning may not be required under two circumstances: 1) if it would be impractical to include it or 2) if the timing of the advertisement would be delayed by including the closed-captioning.

ENFORCEMENT

A person who violates the disclosure requirement may be subject to a civil penalty of no more than 100% of the amount of the expenditure. If the disclosure statement on a yard sign is lacking or inadequate, the maximum penalty is \$200. In determining the amount of a penalty, the Commission will consider factors such as how widely the communication was disseminated, whether the omission was intentional, and whether the communication conceals or misrepresents the identity of the person who paid for the communication. If the person who paid for the communication or who is



responsible for the violation corrects it within 10 days of being notified by the Commission, the Commission may decide to assess no civil penalty.

REQUIREMENTS FOR BROADCASTERS (TV AND RADIO) AND NEWSPAPERS

Broadcasting stations, cable television systems, and newspapers in Maine may not broadcast or print communications that lack the required information about the sponsor of the communications and whether the communication was authorized by a candidate.

Under federal regulations (47 CFR § 73.1212(a)(2)(ii) and 47 CFR § 76.1615(a)), the sponsor of any television political ad concerning candidates for public office shall be identified with letters equal to or greater than 4% of the vertical picture height that air for no less than four seconds. This requirement applies to broadcast and cablecast television ads for all candidates, not just federal candidates.

If a candidate has any questions concerning these requirements, he or she should consult with the radio and television station personnel or other consultants who are producing his or her advertisements.

USE OF COPYRIGHTED MATERIAL

If a candidate plans on using photographs, graphics or other material from an online source such as a newspaper or television station in campaign literature, the Commission recommends that the candidate check with the source first, because using the material without permission or purchasing a license could be copyright infringement.

CONSTITUENT MAILINGS

Constituent newsletters, sent by incumbent Legislators, are used to inform the voters in their districts of the

work accomplished during the most recent legislative session. Prior to mailing, these newsletters may be reviewed by legislative officers (Clerk of the House or Secretary of the Senate) to verify that they do not advocate for the election or defeat of any candidate. The purpose of these mailings is a factual account of the session and are not to be used for campaign purposes. Thus, a disclosure statement is not required.

PLACEMENT OF POLITICAL SIGNS

The Commission has no jurisdiction over where candidates place roadside signs. See the Appendix for more information.

UNAUTHORIZED REMOVAL OF CAMPAIGN SIGNS FROM PUBLIC ROADWAYS

The unauthorized removal or destruction of political signs is a civil violation under Maine law (23 M.R.S.A. § 1917-A), and may carry a fine of up to \$250. Specifically, the law states that “a person who takes, defaces or disturbs a lawfully placed sign bearing political messages relating to a general election, primary election or referendum commits a civil violation for which a forfeiture of up to \$250 may be adjudged.”

The law does not apply to a person authorized by a candidate or political committee to remove signs placed by or at the direction of that candidate or political committee. It also does not apply to the landowner, or agent of the landowner, on whose property a sign has been placed.

A complaint regarding the improper removal of political signs should be filed a complaint with the local police and/or the District Attorney’s office for appropriate action.

**LEGAL REFERENCES**

Required Disclosure on Candidate Communications	21-A M.R.S.A. § 1014(1), (2-A)
Exempted Communications	21-A M.R.S.A. § 1014(1) and (6)
Hand-made Signs	21-A M.R.S.A. § 1014(1) and (6)(B)
Automated Telephone Calls	21-A M.R.S.A. § 1014(5)
Required Disclosure on Third-Party Communications	21-A M.R.S.A. § 1014(2) and (2-A)
Broadcasters and Newspapers	21-A M.R.S.A. § 1014(3) and (3-B)
Enforcement	21-A M.R.S.A. § 1014(4)
Closed-captioning	21-A M.R.S.A. § 1125(6-E)



CHAPTER 10

Campaign Finance Reporting

CAMPAIGN FINANCE REPORTS: LEGAL REQUIREMENT

All candidates for Governor, the Legislature and for county office must file campaign finance reports with the Commission. Filing complete and accurate reports is a joint responsibility of a candidate and treasurer. This is a requirement of the Election Law that applies to anyone who is a candidate, and it is especially important for Maine Clean Election Act candidates.

Most reports must be filed by 11:59 p.m. on the filing deadline. If a candidate is required to file 24-Hour Reports, these should be filed within twenty four hours of making the expenditure.

While the Commission staff mails reminders to candidates, it is the candidate's and treasurer's responsibility to remember and to comply with the filing deadlines.

Candidates who do not submit a report by the filing deadline may be assessed a civil penalty, unless the candidate requests, and the Commission grants, a waiver of the penalty.

TIME PERIOD FOR EACH REPORT

Each campaign finance report covers a specific period of time. Candidates need to report all financial activity that occurred during the reporting period, including all obligations that remain unpaid at the end of the period.

If any transactions were not included in a report that has already been filed, the candidate must amend the previously filed report. When completing or amending reports, a candidate and his or her treasurer are encouraged to call the Commission staff with any questions.

REQUIRED REPORTS

Seed Money Report. The Seed Money Report is required for MCEA candidates. Candidates file the report when they request certification as MCEA candidates, which may be at any time prior and up to the certification deadline, April 20, 2016.

The Seed Money Report includes all seed money contributions received and all expenditures made prior to the certification deadline, except for any transactions disclosed in the Semiannual Report covering 2015, if one was filed.

The Commission staff reviews all Seed Money Reports to verify that all contributions and expenditures comply with the seed money restrictions. Commission staff may also request records and documentation to verify the information in the reports.

Reports Required After Certification. After certification, MCEA candidates are required to file five campaign finance reports according to the schedule in the table above. The reports are due by 11:59 p.m. on the filing deadline.



2016 REPORTS FOR MCEA CANDIDATES

TYPE OF REPORT	DEADLINE	REPORT PERIOD
Seed Money	April 20, 2016	Beginning of campaign - April 20, 2016 (or earlier when Request for Certification is made)
11-Day Pre-Primary	June 3, 2016	End date of Seed Money Report - May 31, 2016
42-Day Post-Primary	July 26, 2016	June 1 - July 19, 2016
42-Day Pre-General	September 27, 2016	July 20 - September 20, 2016
11-Day Pre-General	October 28, 2016	September 21 - October 25, 2016
42-Day Post-General	December 20, 2016	October 26 - December 13, 2016

24-Hour Reports. The 24-hour reporting requirement applies to the 13-day period prior to an election (see calendar on the next page). If an MCEA candidate makes a single expenditure of \$1,000 or more within the 13 days before an election, the candidate must file a 24-Hour Report.

This 13-day period includes two weekends. If a deadline for a 24-Hour Report falls on a weekend or holiday, the candidate must file the report on that day.

Overhead costs, such as rent, taxes, utilities and some salary payments are not required to be reported in a 24-Hour Report. It is important to remember that the term “expenditure” includes making an obligation to a vendor for goods or services ordered but not paid for. If an obligation with a vendor is incurred during the 24-hour reporting period, the candidate must report the obligation within 24 hours — regardless of when the vendor is paid. See the table on the next page for a list of actions which constitute making an obligation.

Any expenditures or obligations entered into the E-Filing system in order to file a 24-Hour Report are

automatically entered into the next scheduled campaign finance report.

Candidates Who Are Defeated in a Primary Election. MCEA candidates who are defeated in a primary election must file the primary election reports, but are not required to file the three general election reports.

Replacement Candidates. A candidate who fills a vacancy caused by the withdrawal or death of another candidate is required to file campaign finance reports. The replacement candidate may choose to run as an MCEA candidate or as a traditionally financed candidate. A replacement candidate should notify the Commission as soon as possible of his or her intent to run as an MCEA candidate. The Commission staff will provide guidance about qualifying for public financing as a replacement candidate.

REPORTING INTEREST EARNED ON BANK ACCOUNTS

MCEA candidates are permitted to earn interest on campaign funds in bank accounts and to spend that interest for campaign purposes. At the end of each reporting period, campaigns should calculate the total



UNPAID OBLIGATIONS WHICH ARE REPORTABLE IN 24-HOUR REPORTS

The placement of an order for goods and services
A promise or agreement (even an implied one) that payment will be made
The signing of a contract for a good or service
The delivery of a good or service even if payment has not been made

amount of interest earned for the entire reporting period, and enter the total onto the report.

REPORTING SEED MONEY CONTRIBUTIONS

A candidate is not required to itemize seed money contributions from contributors who have given \$50 or less. Those contributions may be entered as a lump sum. When filing reports electronically, the candidate should use the contributor type of “Contributors Giving \$50 or Less” and enter the total for the reporting period.

2016 PRIMARY ELECTION 24-HOUR REPORT PERIOD

Sun	Mon	Tue	Wed	Thu	Fri	Sat
May 29	30	31	Starts on June 1	2	3	4
5	6	7	8	9	10	11
12	Ends on June 13	14 Primary Election	15	16	17	18

2016 GENERAL ELECTION 24-HOUR REPORT PERIOD

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Oct 23	24	25	Starts on October 26	27	28	29
30	31	Nov. 1	2	3	4	5
6	Ends on Nov. 7	8 General Election	9	10	11	12

HOW TO FILE 24-HOUR REPORTS:

- File reports electronically.
- Paper filers can file in person or by fax.

WHEN TO FILE 24-HOUR REPORTS:

- Within 24 hours of the expenditure or obligation.
- A report must be filed on a weekend or holiday if that is when it is due – it cannot wait until the next business day.
- Paper filers must file a report by fax or in person if it is due on the weekend or holiday.
- Expenditures made on the day before an election must be reported on election day.



Once a contributor exceeds the \$50 contribution amount in a reporting period, the candidate must itemize the contribution in the report. For example, a contributor donates \$20 at the beginning of a campaign and this contribution is reported under “Contributors Giving \$50 or Less.” A month later and within the same reporting period, the same contributor donates an additional \$40. The \$40 contribution must be itemized by reporting the name, address, occupation, and employer of the contributor.

Duty to Report Contributor's Occupation and Employer. If a seed money contributor has given contributions totaling more than \$50 for a reporting period, the candidate is required to report the contributor's occupation and employer (if any). Under the Commission's Rules, candidates must make reasonable efforts to obtain the information from contributors. If a contributor is unwilling to provide the information in response to a request, the candidate should report “information requested” in the occupation and employer fields.

REPORTING RECEIPTS OF MCEA FUNDS

The Commission staff will enter into the E-Filing system the amounts of the MCEA payments a candidate has received in the appropriate reports.

REPORTING EXPENDITURES

The Election Law requires all candidates to disclose every expenditure on campaign finance reports submitted to the Commission. MCEA candidates need to be especially careful to report all expenditures, so that every dollar of public funds spent by a campaign is disclosed.

The Election Law requires campaigns to report the dates, amounts, payees, and purposes of all

expenditures. The “payee” refers to the vendor that provided the goods or services to a campaign. “Cash” or “reimbursement” should not be reported as the payee. If a campaign is making a reimbursement to someone who has purchased a good or service for the campaign, the payee is not the individual receiving the reimbursement. (See the next section about how to report reimbursements.) The name of a candidate or campaign worker may appear under “Payee” if the candidate or worker is receiving a reimbursement for travel, or if he or she is being paid (not reimbursed) for a good or service he or she has provided to the campaign.

To report the purpose of an expenditure, the Commission requires candidates to indicate an “expenditure type” for each expenditure. It is very important that candidates choose the most appropriate expenditure type. All expenditure types require a remark that describes in more detail the nature of the goods or services purchased.

Reporting Reimbursements Made to the Candidate, Supporter, or Candidate's Family Member. Many MCEA candidates ask if they or supporters can use personal funds or a credit card to pay for campaign goods or services and later be reimbursed by the campaign. This is permissible as long as the campaign is careful to reimburse the purchaser. If no reimbursement is made, the campaign has received an in-kind contribution of goods and services, which is not permitted for MCEA candidates.

If a candidate or supporter uses personal funds or a credit card to pay a vendor, report the vendor as the Payee and the date on which the vendor received payment. In the Explanation of Purpose section, enter



the name of the person who paid the vendor and received the reimbursement. If a person receiving a reimbursement is a member of the candidate's household or immediate family, the relationship to the candidate must be reported, e.g., "Reimbursement to Jim White, candidate's spouse." The payment must be reported in the reporting period in which the vendor received the payment.

Reporting Mileage Reimbursements. Mileage reimbursements must be documented by a travel log (See Chapter 8 and the Appendix.)

Remember that volunteers (other than a candidate's spouse/domestic partner) may use up to \$350 of their own funds for campaign travel. Any amount exceeding \$350 must be reimbursed by the campaign and documented by the volunteer's travel log. Candidates and their spouses/domestic partners may spend any amount of their personal funds for campaign travel without seeking reimbursement.

Reporting Travel Expenditures. Candidates may use MCEA funds to pay for lodging for campaign purposes, but must keep lodging expenses reasonable.

Candidates may also pay for their own lodging expenses, so long as they are not reimbursed by others. If a candidate is paying for lodging, he or she should describe the campaign purpose of the travel in the Explanation of Purpose section (e.g., "attended candidate debate at the Univ. of Maine, Orono;" "interviews with Portland TV and radio stations on 10/1 and 10/2/2015").

Reporting Expenditures Made by Consultants and Media Buyers. When a candidate hires a consultant to make expenditures on the campaign's behalf, the campaign is required by statute to report those expenditures as though the campaign made them directly. The candidate should also note that the expenditure was made by the consultant. To meet this reporting requirement, the Commission staff recommends that when hiring a consultant, the candidate ask the consultant to provide the campaign with a receipt, invoice or other statement from any vendor that received a payment of more than \$50 from the consultant. It is a candidate's responsibility to find out about expenditures made by consultants on his or her campaign's behalf and to report those expenditures.

EXPENDITURE TYPES			
CNS	Campaign consultants	POL	Polling and survey research
CON	Contribution to other candidate, party, committee	POS	Postage for U.S. Mail and mail box fees
EQP	Equipment (office machines, furniture, cell phones, etc.)	PRO	Other professional services
FND	Fundraising events	PRT	Print media ads only (newspapers, magazines, etc.)
FOD	Food for campaign events, volunteers	RAD	Radio ads, production costs
LIT	Print and graphics (flyers, signs, palmcards, t-shirts, etc.)	SAL	Campaign workers' salaries and personnel costs
MHS	Mail house (all services purchased)	TRV	Travel (fuel, mileage, lodging, etc.)
OFF	Office rent, utilities, phone and internet services, supplies	TVN	TV or cable ads, production costs
OTH	Other (bank fees, entrance fees, small tools, wood, etc.)	WEB	Website design, registration, hosting, maintenance, etc.
PHO	Phone banks, automated telephone calls		



If a lump sum payment to a consultant is reported in a previously filed report, the candidate may need to amend that report to deduct from that amount any expenditures made by the consultant, so the costs are not double-reported.

If a candidate has paid a media buyer or advertising consultant to purchase advertising time or for the production of television or radio advertising, the candidate may report the advertising time and production costs in the aggregate, rather than itemizing each payment made by the contractor to a third party vendor or payee. The candidate must obtain the required documentation for expenditures made by a consultant. See Chapter 8 for documentation requirements.

Reporting Expenditures to PACs and Party Committees. A campaign may use MCEA funds to purchase goods and services from PACs and party committees, as long as the candidate pays the fair market value of the goods or services received. A discount from a PAC or party committee may constitute an impermissible in-kind contribution to a campaign. (See Chapter 7.) Also, the payment must be solely for the purpose of promoting a candidate's own nomination or election. If goods or services are purchased from a PAC or party committee, the candidate must include in the Explanation of Purpose section of the expenditure a detailed explanation of the goods or services purchased.

REPORTING THE PURCHASE AND SALE OF CAMPAIGN PROPERTY

When a campaign uses MCEA funds to purchase property or equipment costing \$50 or more that could be converted to the candidate's personal use after the campaign (e.g., computers, fax machines, printers, cell

phones, tools), the purchase of such property or equipment should be reported with an expenditure type of "Equipment."

After the election, MCEA candidates must sell property at fair market value and return the proceeds by the deadline for the campaign finance report due 42 days after the election. For candidates defeated in the primary, proceeds must be returned by July 26, 2016; for candidates who participated in the general election, proceeds must be returned by December 20, 2016. The proceeds from this sale should be reported in the Contributions section with the contribution type of Equipment Sales Proceeds. The requirement to sell the property or equipment for fair market value is discussed in Chapter 6.

REPORTING WITHDRAWALS OF CASH

The Commission recommends making expenditures by writing checks or using a debit card for the campaign's bank account, so that as many expenditures as possible are made through the campaign account. This will help a campaign keep track of the dates, amounts, and payees of all expenditures which must be included on campaign finance reports.

If a campaign chooses to withdraw cash to use for petty expenses by campaign workers, it should not be reported as a payment to "cash." Instead, for each cash expenditure, a receipt or record should be kept which includes the date, amount, payee, and purpose of each expenditure, and this information must be included on campaign finance reports.

REPORTING UNPAID DEBTS AND OBLIGATIONS

If debts and obligations have been incurred, and they remain unpaid at the end of the reporting period, the candidate must report the name and address of the



creditor, the amount and date of the transaction, and purpose of the transaction. When any payment (full or partial) is made on a debt or obligation, that payment amount should be entered in the E-Filing system. The payment will be displayed as an expenditure.

REPORTING THE PAYMENT OF USE TAX

In addition to sales tax, Maine has a “use tax” which is applied to taxable goods purchased or received outside of Maine and used in Maine, for which a sales tax greater than or equal to Maine’s sales tax was not collected by the vendor. The rate of the use tax is equal to the Maine state sales tax, currently 5.5% on most goods. Campaigns without a separate tax identity are treated as individuals for payment of use tax. For most purchases, an individual has the option of paying on an ongoing basis, or at the end of the tax year on the 1040 ME form.

The payment of use tax for campaign goods and services is a campaign expense. Campaigns may pay the use tax as it is incurred using the Maine Revenue Service’s Individual Use Tax Return. Campaigns may also wait and pay use tax incurred during the course of the campaign at the end of the campaign, using a single Individual Use Tax Return. Unless the campaign has a separate Tax Identification Number, which is not typical in Maine, the candidate should use their own Social Security Number for filing purposes. You can download a copy of the Individual Use Tax Return here: <http://www.maine.gov/revenue/forms>.

Use tax incurred and paid during a single reporting period should be reported as an expenditure on the date the payment is made to the State of Maine, with “Treasurer, State of Maine” as the payee and using “Other” as the expenditure type. If a candidate does

not pay a use tax during the reporting period it was incurred, he or she needs to report it as an unpaid debt until it is paid.

If a candidate has any questions about the payment of use tax, he or she should contact the Maine Revenue Service at (207) 624-9693.

FILING REPORTS ELECTRONICALLY

After a candidate registers, the Commission staff will send him or her a username and password for accessing the E-Filing system. A campaign may use E-Filing in two ways:

- directly enter each transaction into E-Filing ; or
- upload a data file into the E-Filing system, without having to enter the information transaction by transaction. Contact the Commission staff for more information about this option.

FILING REPORTS ON PAPER FORMS

Electronic Filing Waiver. The Commission staff strongly recommends that candidates use the E-Filing system to file their reports. However, candidates who do not have access to the technology, or do not have the technological ability to file reports electronically, may file their reports using the paper forms after requesting a waiver of the electronic filing requirement. The Commission staff grants all reasonable requests for a waiver. If a candidate would like a waiver of the requirement, he or she needs to complete the Electronic Filing Waiver request form and submit it to the Commission. The deadline for filing a waiver request is April 15, 2016, but the Commission will honor requests filed later.

***File the Original Signed Report by the Deadline.***

For those candidates who have received permission to file reports on paper, the Commission must receive the original campaign finance report, signed by the treasurer, at its office by 5:00 p.m. on the filing deadline, except in two circumstances:

- a properly signed report may be faxed to the Commission office, at (207) 287-6775, by 11:59 p.m. on the deadline, provided that the original report is received by the Commission within five days of the fax. The time stamp from the Commission's fax machine will be deemed the time the report is filed; and
- a report sent by certified or registered mail and is postmarked at least two days before the filing deadline will not be considered late, even if it is received after the deadline.

REMINDERS BY THE COMMISSION

A packet of information, including the filing schedule for campaign finance reports, is given to all candidates. In addition, the filing schedule is posted on the Commission's website. The Commission staff mails a written reminder to all candidates at least two weeks before each filing deadline, and the E-Filing system also automatically sends email reminders two weeks, one week, and the day before a filing deadline. It is important for campaigns to notify the Commission whenever there is a change to a candidate's or treasurer's mailing address, email address or

telephone number. Failure to receive a reminder notice does not excuse late-filed reports.

AMENDMENTS

Candidates and treasurers are required by the Election Law to certify the completeness and accuracy of the information included in reports and are expected to take that certification seriously. In particular, the MCEA requires the reporting of every expenditure of MCEA funds – no matter how small.

If a candidate or treasurer unintentionally makes an omission in a report or includes incomplete or inaccurate information, he or she must promptly file an amendment. All amended reports are reviewed by the Commission staff. If the Commission determines that any report does not substantially conform to the disclosure requirements, the Commission may consider the report late even if it was filed by the deadline.

COMMISSION'S REVIEW OF REPORTS

The Commission staff reviews all campaign finance reports for completeness and compliance with the Election Law. If a report is incomplete or requires additional information, the Commission staff will contact the candidate or treasurer to discuss how to remedy any errors or omissions. More information about the Commission staff's compliance reviews is included in Chapter 12.



LEGAL REFERENCES

Duty to File Complete Reports	21-A M.R.S.A. §§ 1013-A(4); 1016; 1017(3-A); 1125(12); Rules, Chapter 3, Section 8(2)
Requirement to File Reports	21-A M.R.S.A. §§ 1013-A(4); 1016; 1017(3-A); 1125(12); Rules, Chapter 3, Section 8(2)
Reporting Periods and Filing Schedule	21-A M.R.S.A. § 1017(3-A)
Contents of Report	21-A M.R.S.A. § 1017(5)
Obligation to Report Itemized Contributions, including contributor name, address, occupation, and employer	21-A M.R.S.A. § 1017(5)
Obligation to Report Itemized Expenditures, including date, payee, and purpose	21-A M.R.S.A. § 1017(5)
Requirement to Use Commission Forms	21-A M.R.S.A. § 1017(6)
Electronic Filing Requirement	21-A M.R.S.A. § 1017(10)
Fax and Certified Mail Submission of Reports	21-A M.R.S.A. § 1020-A(4-A)
Seed Money Report	21-A M.R.S.A. § 1125(2-A); Rules, Chapter 3, Section 3(1)(C)
Reporting Expenditures by Consultants	Rules, Chapter 1, Section 7(1)
Reporting Purchases of Equipment	Rules, Chapter 3, Section 8(2)(C)



CHAPTER 11

Post-Election Responsibilities for MCEA Candidates

UPDATE CANDIDATE AND TREASURER CONTACT INFORMATION

During and after the campaign, it is important for candidates and treasurers to notify the Commission staff if their mailing or email addresses and/or telephone numbers change. If the Commission staff is not notified, the candidate may miss important notices and filing deadlines. It is also important for the staff to know how to contact candidates and treasurers as the staff conduct their reviews of campaign finance reports.

ELECTION NIGHT PARTIES AND POST-ELECTION THANK-YOU NOTES AND ADS

Candidates may spend limited amounts of MCEA funds on election night parties, thank-you notes, or advertising to thank supporters or voters:

- \$250 for State Representative candidates
- \$750 for State Senate candidates

Candidates may spend an unlimited amount of personal funds for these purposes.

The purchase of gifts and gift cards for campaign workers and volunteers is not permitted with MCEA funds, but may be purchased with the personal funds of the candidate.

UNSPENT MCEA FUNDS

Returning Unspent Funds. Candidates are required to return all MCEA funds the candidate did not spend

on their campaigns. These unspent funds must be returned by the deadline of the final campaign finance report.

Determining the Amount of Unspent Funds. Upon the filing of the final campaign finance report for a campaign, the amount of unspent funds is found on line 7 of the Summary of the report. The amount on line 7 should agree with the amount in the campaign bank account, as long as all debits and checks have cleared the account. If any check is outstanding, the vendor or individual should be contacted. They must cash the check to ensure that the campaign does not receive an in-kind contribution, which is a violation of the MCEA.

All unspent 2016 general election MCEA funds must be returned by:

December 20, 2016

The amount to be returned should be the same as the cash balance of the 42-Day Post-General Report.

If a bank balance does not agree with the report, a transaction has probably gone unreported, or was duplicated in one or more of the filed reports. The candidate and his or her treasurer should compare bank records with the reports in order to find and correct the error. *It is the responsibility of the candidate and treasurer to accurately report expenditures.*

If after all expenditures have cleared an account and the amount on line 7 does not agree with the campaign



bank account, the candidate or treasurer should return the total amount in the bank account and contact the Commission staff. The staff will assist in identifying the reporting error(s) causing the difference.

Reporting errors may be due to:

- the initial deposit to open the account was not withdrawn;
- an expenditure amount was not correctly reported;
- an expenditure was entered multiple times;
- an expenditure was not reported; or
- a reimbursement was reported but not made (check not written).

Unspent Amount Verified. The Commission staff verifies whether the unspent amount returned is consistent with the expenditures that have been reported by a candidate. If there is a discrepancy, the Commission staff will request that the candidate resolve it by amending the reported expenditures to accurately disclose the candidate's actual payments of MCEA funds.

SALE OF PROPERTY THAT COULD BE CONVERTED TO THE CANDIDATE'S PERSONAL USE

After the election, MCEA candidates must sell any campaign property or equipment purchased with public funds that could be converted to the personal use of the candidate or campaign staff (e.g., computers, fax machines, printers, cell phones). The candidates are required to sell the goods at fair market value and return the proceeds to the Commission no later than the 42-Day Post-Election Report deadline. The sale proceeds should be reported as "Equipment Sales Proceeds."

42-DAY POST-ELECTION REPORT

MCEA candidates must pay all outstanding obligations, including reimbursements to themselves or campaign workers, by the 35th day after the candidate's last election for the year (primary or general).

IMPORTANT POST-ELECTION DEADLINES FOR MCEA CANDIDATES	
<ul style="list-style-type: none">• Pay all outstanding debts & reimbursements• Sell all equipment and return sale proceeds	
Candidates who were defeated in the primary election	July 19, 2016
All general election candidates	December 13, 2016

Candidates must file a final campaign finance report no later than 42 days after the election. For candidates in the 2016 general election, this report deadline is December 20, 2016. For candidates who did not win the primary election, the deadline is July 26, 2016.

VENDOR REFUNDS

Refund Received Prior to Filing 42-Day Post-Election Report. If a candidate receives a vendor refund prior to filing the final report of his or her campaign, the date of the refund should be reported as the date it was received. A refund option is available when amending a filed expenditure in E-Filing.

Refund Received After the Filing of 42-Day Post-Election Report. If a candidate receives a vendor refund after the end of the report period of the final report of his or her campaign, the candidate should contact the Commission staff for assistance in entering the refund correctly in the E-Filing system.



Returning a Refund to the Commission. A candidate must either deposit a refund check in the campaign bank account and write a check from the campaign account payable to “MCE Fund” (for the same amount of the refund), or endorse the refund check “Payable to MCE Fund,” sign it and mail it to the Commission.

POST-ELECTION AUDITS

The Commission staff will audit at least 20% of legislative campaigns receiving MCEA funding. See Chapter 12 for more information on the audits.

STATEMENT OF SOURCES OF INCOME

Legislative candidates who win the general election are required to file a Statement of Sources of Income (SOSOI) covering the year in which the election was held. The forms are provided to Legislators shortly after the New Year. The statement includes the sources from which the Legislator received income as a candidate during the election year. For legislative candidates winning the 2016 general election, the deadline for filing the SOSOI is February 15, 2017.

LEGAL REFERENCES

Change of Address or Telephone Number	21-A M.R.S.A. § 1013-A(5)
Election Night Parties and Post-Election Thank-You's	Rules, Chapter 3, Section 7(5)
Return of Unspent MCEA Funds	21-A M.R.S.A. § 1125(12); Rules, Chapter 3, Section 8(2)(B)
Sale of Property Purchased with MCEA Funds	Rules, Chapter 3, Section 8(2)(C)
Statement of Sources of Income	1 M.R.S.A. §§ 1016-A, 1016-B, 1016-E, 1016-F



CHAPTER 12

Compliance Reviews & Audits of MCEA Campaigns

COMPLIANCE REVIEWS OF ALL MCEA CANDIDATES

The Commission staff conducts compliance reviews of all expenditures of MCEA funds disclosed in campaign finance reports. Reviews typically occur in the two to three weeks after each filing deadline. The purpose of these reviews is to verify that:

- MCEA funds were spent for campaign-related purposes;
- the candidate is complying with all reporting requirements; and
- campaign equipment purchased with MCEA funds has been handled correctly.

After their review, the Commission staff may request additional documentation to support purchases made with public funds or that a candidate amend a report to provide more complete information.

In order to verify that an expenditure was accurately reported and made for campaign purposes, the Commission staff may request campaign records such as receipts, travel logs, or bank account statements.

FORMAL AUDIT

The Commission staff formally audits randomly selected MCEA candidates. The purpose of these audits is to confirm all campaign expenditures were accurately reported, approved by the candidates,

properly documented, and made for campaign-related purposes. The Commission staff audits approximately 20% of MCEA legislative candidates.

Request for Documentation. If a candidate is selected for an audit, he or she will receive a letter from the Commission's auditor requesting copies of his or her campaign records documenting specific transactions listed in his or her campaign finance reports. The auditor will also request copies of the campaign bank account statements covering the entire period of the campaign.

The deadline for providing the documentation to the auditor is usually two weeks after receiving the letter. If additional time is needed to submit the requested records, the auditor should be notified.

Audit Documentation for Seed Money Contributions. MCEA candidates and their treasurers are required to obtain and keep the following information for each seed money contributor:

- the name and address for every contributor giving \$50 or less; and
- the name, address, occupation, and employer for every contributor giving more than \$50.

Additionally, the Commission recommends keeping copies of all seed money checks and money orders.



REQUIRED SUPPORTING DOCUMENTATION FOR CAMPAIGN EXPENDITURES

The following are acceptable forms of the required documentation for expenditures made by MCEA legislative candidates in the primary and general elections:

1. A copy of all campaign bank account statements.
2. A copy of the original vendor invoice.
3. One of the following:
 - a. Copy of cancelled (cleared) check;
 - b. Copy of cleared check image provided by the bank;
 - c. Debit card transaction – copy of the relevant bank statement showing the payee name and amount;
 - d. Credit card transaction – copy of the relevant credit card statement showing the payee and amount;
 - e. Cash receipt issued by the vendor showing the amount paid and the date of purchase.
4. For reimbursements to the candidate or a campaign worker for campaign expenditures, the candidate must provide the following documentation:
 - a. Copy of the original vendor invoice,
 - b. Proof of payment by the person reimbursed in one of the forms described above, and
 - c. Proof of reimbursement by the campaign in one of the forms described above.

Additional Documentation for Cash Contributions.

Since all cash contributions are required to be deposited in the campaign bank account, account deposit slips are used to verify receipt of cash contributions.

Required Records Documenting Expenditures.

MCEA candidates and their treasurers are required to obtain the following documents for every expenditure over \$50:

- a vendor invoice stating the particular goods and services purchased, as well as the cost, and
- “proof of payment” — a record proving that the vendor received payment.

The proof of payment may take the form of a cancelled check, a receipt from the vendor showing payment, or

a bank debit or credit card statement identifying the vendor as the payee.

For campaigns using electronic banking, the Commission staff recommends saving copies of statements and cancelled checks monthly since some financial institutions only make these electronically available for a limited time.

The list of required supporting documentation for expenditures is found above. A copy, not the originals, of the supporting documentation for each identified transaction must be submitted to the Commission as part of the audit.

Specific Records Documenting Consulting Services and Salaries.

When a campaign contracts for services with a consulting firm or hires an individual



for personal services, the supporting documentation for these expenditures is either:

- an invoice signed by either an officer of the firm or, if services were contracted with an individual, the individual who provided the services (see example below); or
- a contract signed by an officer of the firm or the individual who provided the services;
- a timesheet or work record of the individual.

These documents are required to be contemporaneous to the services provided and not produced at the end of the campaign or when requested.

Specific Records Documenting Expenditures by Sub-Vendors. Sometimes when a campaign contracts with a vendor (consultant, individual, or business) to provide goods or services, the vendor purchases goods and services from another vendor, a “sub-vendor.” A sub-vendor must provide the required documentation to the vendor, which then provides it to the campaign.

Any vendor who is planning to use a sub-vendor should be made aware of this requirement. Ultimately, the candidate and treasurer are responsible to obtain the required documentation to support the expenditure. Unsupported expenditures – including those from sub-vendors – may be disallowed by the Commission and required to be repaid to the Maine Clean Election Fund. If a consultant or individual purchases goods or services on behalf of a campaign, the receipt or invoice for the purchased goods or services must be provided to the campaign. The campaign may want to require sub-vendor invoices attached to the consultant’s invoice before making a final payment to the consultant.

AUDIT REPORT AND PRESENTATION TO THE COMMISSION

Draft Audit Report. After a campaign has had a reasonable opportunity to provide requested documentation and information, the auditor prepares and sends to the candidate a draft version of the audit report. Minor reporting or record-keeping violations that were corrected through the audit process are not

EXAMPLE OF INVOICE FOR CONSULTING SERVICES			
ELECTION Associates		456 State Street, Augusta, Maine 04332	
BILL TO: Honorable Ruth Baker c/o Committee To Elect Baker 123 Maine Street Augusta, ME 04032		Invoice Date: 05/18/2016	
Service/Product	Rate	Hours	Total
Design of Palm Card	\$100 per hr	3.0	\$300
Printing of card: Graphics Center Color Printing SEE ATTACHED COPY OF INVOICE	2,000 cards at \$0.50 each		\$1,000
Total Due 30 Days from Date of Invoice			\$1,300
Authorized Signature: <i>Elizabeth C. Brown</i>		Print Name: Elizabeth Brown Title: Owner	

What makes this invoice meet the record documentation standards?

Provided services are descr bed.

Goods which the consultant purchased for the campaign are listed separately with invoice attached.



discussed in the draft audit report. The draft audit report includes any other findings of non-compliance or deficiencies and recommendations for Commission action. If the audit identifies no violations, the auditor will not issue a draft report but will instead issue a final report stating that no exceptions (violations or deficiencies) were found. The draft audit report is a final opportunity for the campaign to address any unresolved issues in the audit or to disagree with the auditor's findings.

Final Audit Report and Presentation. After considering any response from a candidate, the auditor prepares a final audit report which includes the candidate's comments on the draft audit report. The final report is presented to the members of the

Commission at a public meeting. The candidate has an opportunity to address the Commission members at the public meeting when the audit report is presented.

AUDIT FINDINGS: PREVIOUS ELECTIONS

For previous elections, the Commission staff audited all MCEA candidates for Governor and 20% of the MCEA candidates for the Legislature. While many audits found no deficiencies, the auditors identified a number of reporting, record-keeping, and other violations. The errors found by the auditors ranged from failure to maintain required expenditure documentation to misreporting and misuse of MCEA funds. Some of the findings and actions by the Commission are listed in the table below.

PREVIOUS ELECTIONS: NON-COMPLIANCE ISSUES IDENTIFIED THROUGH AUDITS	
NON-COMPLIANCE ISSUE	COMMISSION ACTION
Candidate spent MCEA funds for personal or other purposes that were not campaign-related	Finding of violation; assessment of a financial penalty; repayment of misused MCEA funds
Commingling MCEA funds with personal or business funds	Finding of violation; assessment of a financial penalty
Substantial undocumented expenditures (no vendor invoice or proof the vendor received payment)	Finding of violation; assessment of a financial penalty; may require repayment of MCEA funds used for undocumented expenditures
Substantial misreporting including false reporting and unreported expenditures	Finding of violation; assessment of a financial penalty; amendment to campaign finance report; referral to Attorney General
Overspending (campaign spending in excess of the authorized amount of MCEA funds)	Finding of violation; assessment of a financial penalty
Paying for goods or services received in the qualifying period with the initial MCEA funds payment	Finding of violation; assessment of a financial penalty
Failure to return unspent MCEA funds on time	Finding of violation; assessment of a financial penalty
Incomplete or missing mileage logs for mileage and fuel reimbursements	Finding of violation; assessment of a financial penalty

LEGAL REFERENCE

Authority to Conduct Audits

21-A M.R.S.A. § 1003(1)





APPENDIX

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DEFINITION OF CONTRIBUTION AND EXPENDITURE

(21-A M.R.S.A. §§ 1012(2) AND (3))

2. Contribution. The term "contribution:"

A. Includes:

- (1) A gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office or for the purpose of liquidating any campaign deficit of a candidate, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
- (2) A contract, promise or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;
- (3) Funds received by a candidate or a political committee that are transferred to the candidate or committee from another political committee or other source; and
- (4) The payment, by any person other than a candidate or a political committee, of compensation for the personal services of other persons that are provided to the candidate or political committee without charge for any such purpose; and

B. Does not include:

- (1) The value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;
- (2) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities by the individual on behalf of any candidate does not exceed \$250 with respect to any election;
- (3) The sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if the charge to the candidate is at least equal to the cost of the food or beverages to the vendor and if the cumulative value of the food or beverages does not exceed \$100 with respect to any election;



- (4) Any unreimbursed travel expenses incurred and paid for by an individual who volunteers personal services to a candidate, if the cumulative amount of these expenses does not exceed \$350 with respect to any election;
- (4-A) Any unreimbursed campaign-related travel expenses incurred and paid for by the candidate or the candidate's spouse or domestic partner;
- (5) The payment by a party's state, district, county or municipal committee of the costs of preparation, display or mailing or other distribution of a party candidate listing;
- (6) Documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the requirements of this Title, lists of registered voters and voter identification information, created, obtained or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party;
- (7) Compensation paid by a state party committee to its employees for the following purposes:
 - (a) Providing no more than a total of 40 hours of assistance from its employees to a candidate in any election;
 - (b) Recruiting and overseeing volunteers for campaign activities involving 3 or more candidates; or
 - (c) Coordinating campaign events involving 3 or more candidates;
- (8) Campaign training sessions provided to 3 or more candidates;
- (8-A) Costs paid for by a party committee in connection with a campaign event at which 3 or more candidates are present;
- (8-B) Wood or other materials used for political signs that are found or contributed if not originally obtained by the candidate or contributor for campaign purposes;
- (8-C) The use or distribution of any communication, as described in section 1014, obtained by the candidate for a previous election and fully paid for during that election;
- (9) The use of offices, telephones, computers and similar equipment when that use does not result in additional cost to the provider;
- (10) Activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention a clearly identified candidate; or



- (11) A purchase of apparel from a commercial vendor with a total cost of \$25 or less by an individual when the vendor has received a graphic or design from the candidate or the candidate's authorized committee.

3. Expenditure. The term "expenditure:"

A. Includes:

- (1) A purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination or election of any person to political office, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
- (2) A contract, promise or agreement, expressed or implied, whether or not legally enforceable, to make any expenditure;
- (3) The transfer of funds by a candidate or a political committee to another candidate or political committee; and
- (4) A payment or promise of payment to a person contracted with for the purpose of supporting or opposing any candidate, campaign, political committee, political action committee, political party, referendum or initiated petition or circulating an initiated petition; and

B. Does not include:

- (1) Any news story, commentary or editorial distributed through the facilities of any broadcasting station, newspaper, magazine or other periodical publication, unless the facilities are owned or controlled by any political party, political committee, candidate, or candidate's immediate family;
- (1-A) Any communication distributed through a public access television station if the communication complies with the laws and rules governing the station and all candidates in the race have an equal opportunity to promote their candidacies through the station;
- (2) Activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention a clearly identified candidate;
- (3) Any communication by any membership organization or corporation to its members or stockholders, if that membership organization or corporation is not organized primarily for the purpose of influencing the nomination or election of any person to state or county office;



- (4) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities does not exceed \$250 with respect to any election;
- (5) Any unreimbursed travel expenses incurred and paid for by an individual who volunteers personal services to a candidate, if the cumulative amount of these expenses does not exceed \$350 with respect to any election;
- (5-A) Any unreimbursed campaign-related travel expenses incurred and paid for by the candidate or the candidate's spouse or domestic partner;
- (6) Any communication by any person that is not made for the purpose of influencing the nomination for election or election of any person to state or county office;
- (7) The payment by a party's state, district, county or municipal committee of the costs of preparation, display or mailing or other distribution of a party candidate listing;
- (8) The use or distribution of any communication, as described in section 1014, obtained by the candidate for a previous election and fully paid for during that election campaign;
- (9) Documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the requirements of this Title, lists of registered voters and voter identification information, created or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party;
- (10) Compensation paid by a state party committee to its employees for the following purposes:
 - (a) Providing no more than a total of 40 hours of assistance from its employees to a candidate in any election;
 - (b) Recruiting and overseeing volunteers for campaign activities involving 3 or more candidates; or
 - (c) Coordinating campaign events involving 3 or more candidates;
- (10-A) Costs paid for by a party committee in connection with a campaign event at which 3 or more candidates are present;
- (11) Campaign training sessions provided to 3 or more candidates;



-
- (11-A) Wood or other materials used for political signs that are found or contributed if not originally obtained by the candidate or contributor for campaign purposes;
 - (12) The use of offices, telephones, computers and similar equipment when that use does not result in additional cost to the provider; or
 - (13) A purchase of apparel from a commercial vendor with a total cost of \$25 or less by an individual when the vendor has received a graphic or design from the candidate or the candidate's authorized committee.

**TRAVEL LOG FOR MCEA CANDIDATES AND THEIR CAMPAIGN STAFF**

A travel log is required if MCEA funds are used for travel reimbursements and must be maintained for 3 years.

Candidate's Name

Name:

Address:

Date of Travel (Required)	Odometer Reading at Start (Recommended)	Odometer Reading at End (Recommended)	Number of Miles Traveled (Required)	Purpose and Destination of Travel (Required)
HOW TO USE THIS FORM <ul style="list-style-type: none"> Logs must be completed contemporaneously—at the time of travel. Start and end odometer readings are highly recommended. The purpose of the travel must be specified in detail: “door to door,” “attended meet and greet,” “candidates’ forum” - are acceptable descriptions. “Campaigning” or “candidate activities” are not acceptable because they do not provide enough detail. 				Number of miles this page
				Number of miles from attached pages
				Total miles traveled
			\$	Multiply total miles by \$0.44 This is the <u>maximum</u> reimbursement amount based on mileage. The payments for fuel can not exceed this amount.

Affirmation. To be completed by the person requesting reimbursement from the campaign for that person's travel expenses.

I, _____, affirm that my travel reported in this log: (1) was campaign related; (2) occurred on the dates and to the destinations listed; (3) is, to the best of my knowledge, an accurate record of the number of miles traveled; and (4) that the entries in this log were made on the day the travel occurred.

Signature of person requesting reimbursement

Date

(For use by campaign)
Date of Reimbursement:

\$ _____ Actual Amount of Reimbursement



TRAVEL LOG FOR MCEA CANDIDATES AND THEIR CAMPAIGN STAFF

A travel log is required if MCEA funds are used for travel reimbursements and must be maintained for 3 years.

Page ____

Date of Travel (Required)	Odometer Reading at Start (Recommended)	Odometer Reading at End (Recommended)	Number of Miles Traveled (Required)	Purpose and Destination of Travel (Required)
Total miles traveled this page				



POLICY ON PAYING CAMPAIGN FUNDS TO FAMILY MEMBERS

This memorandum describes the policies and procedures regarding the use of campaign funds to pay a member of the candidate's immediate family or household.

DISCLOSING A PAYMENT TO A MEMBER OF THE CANDIDATE'S FAMILY OR HOUSEHOLD (applies to gubernatorial, legislative, and county candidates)

- *Traditionally financed candidates.* If a candidate uses campaign funds to pay or reimburse a member of the candidate's immediate family or household, the candidate must report the family or other relationship (e.g., "brother" or "roommate") in the remarks section of Schedule B (for expenditures) of the campaign finance report.
- *Maine Clean Election Act candidates.* If a candidate uses Maine Clean Election Act funds to pay or reimburse a member of the candidate's "immediate family" (defined below), a member of the candidate's household, or a business or nonprofit entity affiliated with a member of the candidate's immediate family, the candidate must disclose the family or household relationship (e.g., "spouse," "domestic partner," "brother," "roommate," or "business owned by daughter") in the remarks section of Schedule B of the campaign finance report.

For purposes of this disclosure requirement, "immediate family" means the candidate's spouse, parent, grandparent, child, grandchild, sister, half-sister, brother, half-brother, stepparent, step grandparent, stepchild, step grandchild, stepsister, stepbrother, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, guardian, former guardian, domestic partner, the immediate family of the candidate's domestic partner, the half-brother or half-sister of the candidate's spouse, or the spouse of the candidate's half-brother or half-sister. (21-A M.R.S.A. §§ 1(20) & 1122(4-A))

RESTRICTIONS FOR MAINE CLEAN ELECTION ACT CANDIDATES (21-A M.R.S.A. § 1125(6-B))

A candidate may not pay Maine Clean Election Act (MCEA) funds to:

- the candidate or a sole proprietorship owned by the candidate,
- a member of the candidate's immediate family or household,
- a business entity in which the candidate or a member of the candidate's immediate family or household holds a significant proprietary or financial interest, or
- a nonprofit entity in which the candidate or a member of the candidate's immediate family or household is a director, officer, executive director or chief financial officer.



The Legislature also provided two narrow exceptions to this prohibition:

I. Permitted Payments to the Candidate and Household Members

A candidate may use MCEA funds to pay a member of the candidate's immediate family or household, a business entity in which the candidate or a member of the candidate's immediate family or household holds a significant proprietary or financial interest, or a nonprofit entity in which the candidate or a member of the candidate's immediate family or household is a director, officer, executive director or chief financial officer only if the expenditure is made:

- for a legitimate campaign-related purpose,
- to an individual or business that provides the goods or services being purchased in the normal course of their occupation or business, and
- in an amount that is reasonable taking into consideration current market value and other factors the Commission may choose to consider.

The candidate shall provide documentary evidence that the expenditure qualifies for the exception at the time the expenditure is reported or when the Commission requests such evidence, whichever is sooner. This evidence must consist of documentation that the payee currently is employed by or engaged in a business that provides the goods or services provided; justification for the amount of the expenditure including the usual price paid by other clients; and an explanation of why the expenditure is campaign-related. Occasional or sporadic employment on political campaigns (e.g., field work, public relations or organizing volunteers) will be insufficient to demonstrate a normal course of occupation or business.

II. Reimbursements

Reimbursements, including travel reimbursements, that are made in accordance with the Commission's rules and guidelines are exempt from this restriction. However, the candidate must disclose the family or household relationship when reporting the reimbursement as described above.

If an MCEA candidate or a family or household member uses personal funds or a personal credit card to pay a vendor for campaign goods or services, the candidate must reimburse the individual with MCEA funds. (There are limited circumstances when reimbursement is not required. Please refer to the Commission's *Candidate Guidebook* for more information.)



PLACEMENT OF POLITICAL SIGNS

23 MRSA §1913-A

The Department of Transportation would like to inform all candidates and their co-workers of the present statutory and regulatory requirements applicable to placement of roadside posters and signs advertising their candidacy. Under the provisions of 23 MRSA §1913-A and Department Regulations, political posters and signs may be erected and maintained as follows:

1. May be erected on private property outside the Right of Way limits of public ways at any time prior to an election, primary or referendum, limited in size to a maximum of 50 square feet;
2. May be erected within the Right of Way limits of public ways no sooner than six (6) weeks prior to an election, primary or referendum and must be removed no later than one (1) week following the date of the election, primary or referendum;
3. **Prohibited practices:** political posters and signs shall not be erected or maintained on any traffic control signs or devices, public utility poles or fixtures, upon any trees or painted or drawn upon rocks or other natural features;
4. No person shall place, maintain or display upon or in view of any highway any unauthorized sign, signal, marking or device which purports to be or is an **imitation of or resembles an official traffic-control device**, such as a stop sign;
5. Political signs may be displayed to view to all public ways **except** for the Interstate Highway System. Title 23 MRSA §1913-A, paragraph 3 (Regulations) and paragraph 6 (Interstate system) states that: **Signs may not be placed within the limits of any controlled access highway nor erected within 660 ft. of the nearest edge of the Interstate Highway System in such a manner that the message may be read from the Interstate Highway.** All signs located at interstate interchanges are in violation and will be removed.
6. **Municipal ordinances** advocating stricter control take precedence over state law. Check with the municipal clerk for any such local ordinances.

Traffic safety should be of the utmost consideration in placement of political signs. Candidates and campaign workers should take great care not to place signs or posters where same could create a traffic hazard. For example, signs or posters should not be placed at or near intersections where they could obstruct the view of on-coming traffic to the motorist entering the intersection. Also, signs or posters should not be erected on or in any manner so as to interfere with the effectiveness of traffic control



devices. Acceptable display would be those posters or signs affixed to their own stake or post and set in the ground well outside the traveled portion of the highway, or, with the owner's consent and permission, attached to a building or dwelling, or displayed on vehicles or in the windows of business establishments, and in other like manner. Please help the Department of Transportation to prevent an unsightly, indiscriminate and uncontrolled display of election campaign posters throughout the State and to prevent any possible embarrassment to candidates.

Questions:

Chip Kelly, Department of Transportation (MeDOT)

Telephone: (207) 624-3332 Email: chip.kelley@maine.gov.



INSTRUCTIONS FOR THE ONLINE QUALIFYING CONTRIBUTION SYSTEM

For MCEA Candidates. How to find out who gave you online qualifying contributions and download forms.

Use your e-filing "User ID and Password" for logging into the Commission's Online Qualifying Contribution website:

http://www.maine.gov/cleanelections

1. Click "Candidate Login."
2. Enter your user ID and password in pop-up box. Password is case sensitive.
3. Click "OK."

Use the three tabs on this screen to navigate the online system.

"Contribution Search" tab:

1. Use dropdown lists to select the criteria that you want to search for.
2. Click "Search" button.
3. Results display as shown at bottom of page.
4. Click "Download Search Results" button to download information to an Excel file. Click "New Search" button to return to search screen. See below.

Example of "Contribution Search" results.

Click on contributor's name to find more information.

For contributions showing "No", download the forms and get them verified by town clerks.

Contribution Search Contribution Receipt & Acknowledgement Download Online Contribution Totals			
Date of Contribution	City or Town	Contributor Name	Verified Online
01/12/2010	Turner	Ruth Clark	Yes
01/10/2010	Turner	William J. Smith	No
		New Search	Download Search Results



INSTRUCTIONS FOR THE ONLINE QUALIFYING CONTRIBUTION SYSTEM

How to: find out who gave you online qualifying contributions and download forms (continued).

Click **"Contribution Receipt and Acknowledgement Download"** tab:

1. Use dropdown lists to select the information you want to download to Receipt and Acknowledgement forms.
2. Click "Download PDF Form(s)" button.
3. Print forms.
4. For contributions "not verified online" (see example at right), town clerks must verify these by completing the information in the bottom left corner of the form.

Contribution Search **Contribution Receipt & Acknowledgment Download** **Online Contribution Totals**

Select Contributions by

City or Town:

Verification:

Date Range: From: To:

Download PDF Form(s)

MAINE CLEAN ELECTION ACT
ONLINE QUALIFYING CONTRIBUTIONS - RECEIPT AND ACKNOWLEDGEMENT

CANDIDATE'S NAME: (your name is printed here) OFFICE: ☐ House ☐ Senate ☐ Secretary DISTRICT #: 0

CONTRIBUTORS FROM THE TOWN OR CITY OF: Biddeford PAGE: 1 OF 1

	Date	System ID #	Contributor's Name	Residential Address
1	12/11/2009	5472	William J. Smith (not verified online)	12 Elm Street
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Municipal Registrars: Please circle the number of each contributor who is registered to vote in the district of the candidate. Please complete the statement below by inserting the total number of contributors on this page who are registered in the district. Please also cross out any blank lines or contributors who are not registered in the candidate's district.

I have verified that _____ contributors circled above are registered to vote in the electoral division of the candidate.

Date: _____

Signature of Registrar: _____

Note to Municipal Registrars on Online Qualifying Contributions: This Receipt and Acknowledgement form was automatically generated by the Commission's online qualifying contributions application. The contributors listed on this page have already submitted an electronic signature when they made the online contribution and are not required to sign the paper form. Please contact the Commission staff at 287-4179 if you have any questions.

This document was generated on 12/16/2009 at 12:38:57 AM

Click **"Online Contribution Totals"** tab to get an up-to-date summary of online contributions you have received.

Contribution Search **Contribution Receipt & Acknowledgment Download** **Online Contribution Totals**

Contributions Totals (as of 02/02/2010 04:18:41 PM)

Total Contributors: 2

Total Contributions: **\$10.00**

Total Verified Contributors: 2

Total Unverified Contributors:

Close window to log out of system.



NEW LAW AFFECTING MAINE CLEAN ELECTION ACT CANDIDATES INVOLVED IN POLITICAL ACTION COMMITTEES

Beginning with the 2016 election cycle, Maine Clean Election Act (MCEA) candidates will no longer be allowed to establish or maintain a political action committee (PAC) to promote his or her election for a legislative leadership position (a “leadership PAC”), to raise money for legislative expenses, or for most other purposes. (P.L. 2015, ch. 116) However, MCEA candidates may continue to be involved in other PACs, such as those organized by their legislative caucus or formed to influence a ballot question election.

1. I’m thinking of running as a Maine Clean Election Act candidate in 2016. How does this change apply to me?

Any candidate who has declared an intention to qualify for MCEA funding in the 2016 elections may not establish a PAC, or maintain a PAC that the candidate has previously established, for which the candidate is:

- the principal officer or the treasurer, or
- primarily responsible for fund-raising or making decisions.

2. How long does the prohibition last?

The prohibition will begin April 1, 2016. The prohibition ends on January 1, 2018 if you win the 2016 general election. If you lose the 2016 primary or general election, or withdraw from the race, the prohibition ends on the day of the lost election or date of withdrawal.

3. I established a leadership PAC years ago. Do I have to terminate the PAC to run as an MCEA candidate in 2016?

Yes. If you have established a PAC that meets the criteria in the answer to Question 1, you must terminate the PAC or your involvement with the PAC no later than April 1, 2016.



4. Can I be involved in the political activities of other PACs or political committees?

Yes. Although you may not establish your own PAC, you may be involved in other PACs, ballot question committees and state and local party committees. As an MCEA candidate:

- You may be active in a PAC organized by your party's legislative caucus, including raising money and making decisions for the PAC. However, you must not be involved in any way with any spending by the PAC to promote your election.
- You may raise money for other candidates, endorse other candidates, or use personal funds to promote other candidates.
- You may be involved in the raising and spending of funds by a state or local political party committee, provided that you are not involved in any way with spending to promote your election (with the exception of "slate cards").
- You may raise money and make decisions for ballot question committees and PACs organized for the purpose of promoting or defeating a ballot question.

If you have any questions about this guidance, please contact the Commission staff at (207) 287-4179 or ethics@maine.gov.

August 14, 2015



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2016 CANDIDATE GUIDEBOOK



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