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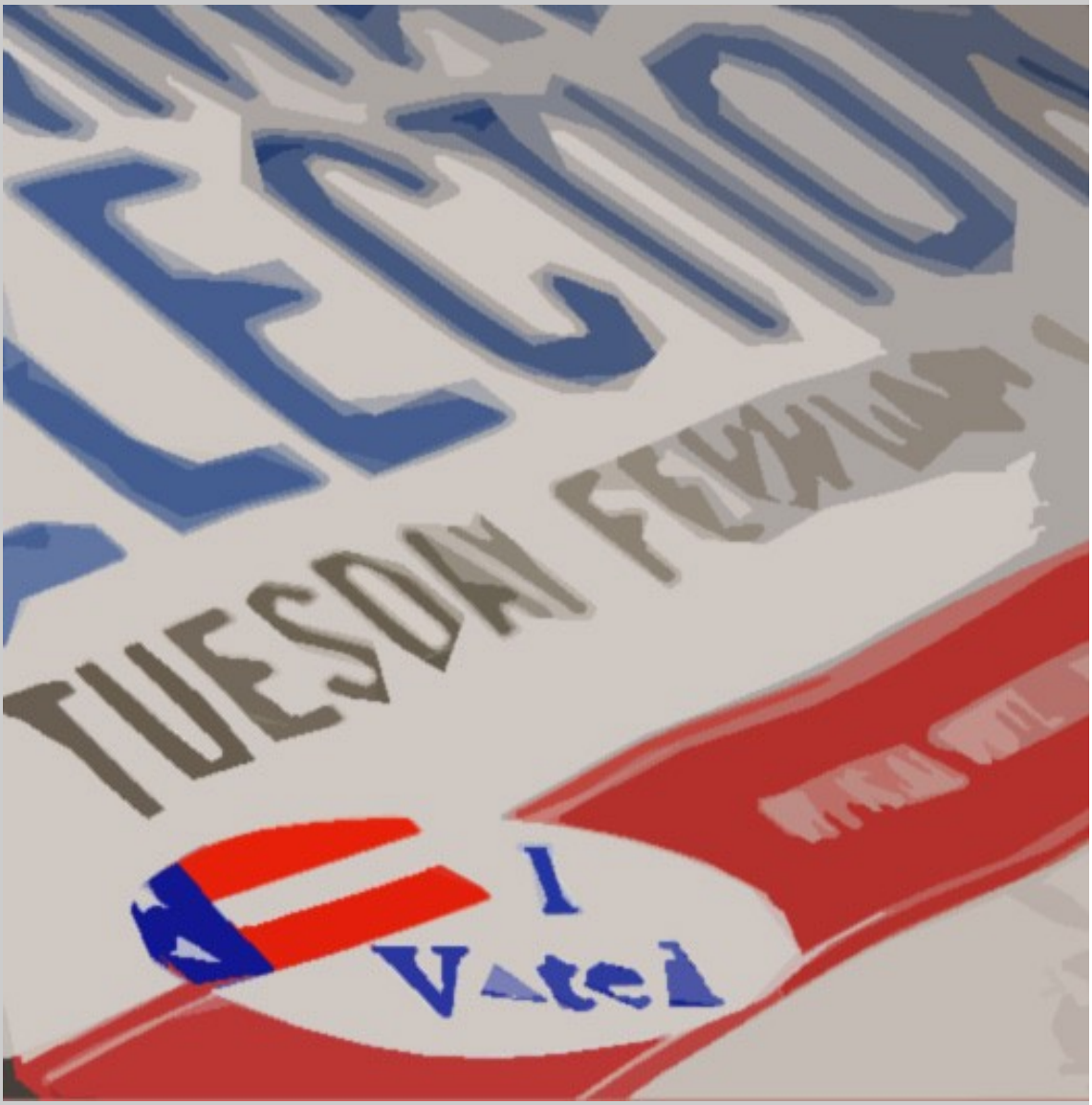
COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE 04333

2014 Candidate's Guide

Running for Office in Maine

Maine Clean Election Act

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.

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

DIRECTORY

Department of the Secretary of State
Division of Elections
Office Location: 111 Sewall Street, 4th Floor, Augusta
Mail: 101 State House Station
Augusta, Maine 04333-0101
Telephone: (207) 624-7650 Fax: (207) 287-6545
Website: www.maine.gov/sos E-mail: cec.elections@maine.gov

Commission on Governmental Ethics and Election Practices
Office Location: 45 Memorial Circle, Augusta
Mail: 135 State House Station
Augusta, Maine 04333-0135
Telephone: (207) 287-4179 Fax: (207) 287-6775
Website: www.maine.gov/ethics
Electronic Filing: www.mainecampaignfinance.com/public/home.asp

Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463
Telephone: (800) 424-9530 or (202) 219-3670
Website: www.fec.gov

Federal Communications Commission
Office of Political Programming
445 12th Street, S.W.
Washington, D.C. 20554
Telephone: (202) 418-1440 E-mail: campaignlaw@fcc.gov
National Call Center (Toll Free): 1-888-225-5322
Website: www.fcc.gov/mb/policy/political

Department of Transportation
Maintenance & Operations
16 State House Station
Augusta, ME 04333-0016
(207) 624-3332
Website: www.maine.gov/mdot/traffic-counts/obds.php

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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 of political campaigns for candidates running for Governor, State Senator, and State Representative. Candidates who wish to qualify and run as an MCEA candidate must meet certain requirements.

This Guide explains the campaign finance reporting and record-keeping requirements for MCEA candidates, which are mostly the same as for traditionally financed candidates.

When registering with the Commission, candidates who wish to run as an MCEA candidate declare their intent to participate by signing a Declaration of Intent form. The Commission staff recommends that candidates file this Declaration at the time of registration.

In order to qualify to receive public funds, participating candidates must collect a required number of "qualifying contributions" from registered voters in the candidate's legislative district (for candidates for the Legislature) or in the state (for gubernatorial candidates). Qualifying contributions are in the amount of $5 or more and are made payable to the Maine Clean Election Fund, 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 qualifying period of January 1, 2014 to April 22, 2014.

> To participate in the MCEA, candidates *must* submit a Declaration of Intent within 5 business days after beginning to collect $5 qualifying contributions.

To finance their campaigns prior to qualifying for public funds under the MCEA, candidates may collect seed money contributions, which are donations of up to $100 per individual. Candidates for State Representative may collect up to a total of $500 in seed money contributions and candidates for State Senator may collect up to $1,500.

After collecting the required qualifying contributions, candidates must submit their request for public financing no later than 5:00 p.m. on Tuesday, April 22, 2014. The Commission determines whether the candidate has met the eligibility requirements, and if so, will "certify" the candidate.

After certification, the candidate receives an initial payment of public funds and is prohibited from accepting or spending <u>any</u> private contributions including funds from the candidate. Once a candidate is certified, all expenditures by the campaign must be made exclusively with MCEA funds.

MCEA funds may only be spent for campaign-related purposes and may <u>not</u> be spent on personal expenses.

Candidates publicly disclose all expenditures in campaign finance reports submitted to the Commission. The Commission reviews all expenditures of MCEA funds and may request further information to verify that an expenditure is campaign-related. A random selection of candidates receiving MCEA funds are audited, as described in Chapter 11 of this Guide.

> Candidates may spend MCEA funds only on campaign-related expenses and in accordance with guidelines published by the Ethics Commission. See pages 30-31 for these guidelines.

After the election, candidates must return all unspent funds to the Commission.

CHAPTER 1

Getting Started as a Maine Clean Election Act Candidate

BECOMING A CANDIDATE

Generally, there are three ways you become a candidate:

- when you start raising and/or spending money (seed money) on your candidacy;
- when you file nomination papers and get on the ballot; and
- when your party committee nominates you 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 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. A deputy treasurer may be appointed, but is not required.

MCEA candidates may not serve as their own treasurer or deputy treasurer.

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 has a high but reasonable standard of accountability for the use of those funds. It is important to appoint a reliable treasurer who will actively keep track of your campaign finances, save records of your campaign expenditures as required by law, and file complete and accurate reports.

Candidates sometimes wish to select someone who has name recognition to be the treasurer. 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 your campaign is to appoint that person as the chair of your campaign committee and not as your treasurer. Your treasurer should be actively involved with your campaign since you and your treasurer are both legally responsible for accurate reporting and record-keeping.

Forming a Campaign Committee

As a candidate, you may choose to organize a campaign committee to promote your election, such as "Friends of John Smith" or "Committee to Elect John Smith." If you choose to form a committee, it must be identified on the Candidate Registration form.

Candidate committees are not political action committees (PACs). You can form a PAC for purposes other than your own election (for example, helping to elect other candidates or raising funds for leadership campaigns), but you cannot use MCEA funds to make PAC expenditures.

Registering as a Candidate

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

- While you can register online, you must print, sign and return to the Commission the originals of the Registration and Declaration of Intent.
- If the information for you, your treasurer, deputy treasurer, or campaign committee changes during the campaign (including after the election), you must file an amended Registration form with the Commission or submit the changes in writing or by e-mail to the Commission. These updates are required by law and allow the Commission to contact you with reminders, notices, and telephone calls throughout the election year.

Declaring Your Intent to Run as a Maine Clean Election Act Candidate

> The Commission recommends that you declare your intent to run as a Maine Clean Election Act candidate when you register with the Commission.

The Election Law requires that candidates file the Declaration of Intent (DOI) 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 toward the eligibility requirements. It is the date on which you file the DOI form with the Commission — not the date on which you sign the form — which determines whether the qualifying contributions will count.

When to Register as a Candidate

Event occurs:	What to do:	How to register:
If you accept cash or in-kind seed money contributions, make expenditures, or incur obligations for your campaign	Appoint a treasurer before 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 you give your consent for any other person to receive seed money contributions or make expenditures with the intent of qualifying as a candidate		
If you filed a primary or nomination petition and qualified as a candidate under either procedure	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 as early as January 1, 2014.

Code of Fair Campaign Practices

> Subscribing to the Code is voluntary. The Commission is not authorized to take action against candidates who violate the Code.

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.

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 you wish to subscribe to the Code, please 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 you to receive public funds, the state government must establish you as a vendor in its accounting system. The Commission recommends that you file a "Vendor" form at the same time that you file your Registration. This avoids any delays in the first payment of MCEA funds. The state's accounting office takes two weeks to set up a new vendor.

If you were an MCEA candidate in a prior election, you will need to complete the Vendor form at the beginning of the 2014 election cycle (year). Completing the form for each election cycle insures that the State's accounting office has the most up-to-date information which results in the issuance of timely payments.

Electronic Funds Transfer. You may choose to receive payments by check or by electronic funds transfer (EFT) into your campaign bank account. To select EFT, you will need to fill out the "Request for Direct Deposit (EFT)" form. The Commission recommends EFT because it is a more timely way to receive MCEA funds.

If you were an MCEA candidate in a prior election, you will need to complete the EFT form at the beginning of the 2014 election cycle (year) so that the accounting system will have the most up-to-date bank account information and your payment will be processed in a timely fashion.

Open a Separate Campaign Bank Account

All candidates must have a separate bank account for their campaign funds. Maine Clean Election Act candidates must deposit all seed money contributions and all MCEA funds into a separate bank account that is used only for their campaign.

> The Election Law <u>prohibits</u> commingling campaign funds with any personal or business funds that belong to any person, including the candidate, spouse, domestic partner, or campaign treasurer.

A candidate may <u>never</u> commingle seed money or MCEA funds with any other funds. If you have kept a bank account from a previous election open by maintaining personal funds in that account, please remove those personal funds as soon as you have first deposited seed money or MCEA funds into the

account. You are allowed to spend any interest earned on your campaign account, but you must remember to report any interest earned as a receipt.

The Commission staff recommends using the campaign account's checks or debit card as much as possible when making campaign expenditures with MCEA funds. Using the campaign account's checks or debit card (instead of cash) will create a record that the vendor received payment, which will be required if you are selected for a post-election audit of your campaign. It will also help you to keep track of the dates, amounts, and payees of your expenditures when it is time to file your campaign finance reports.

SEED MONEY

Seed Money Contributions. After registering with the Commission and signing the Declaration of Intent, a candidate becomes a "participating candidate." Before completing the process to qualify for MCEA funding, participating candidates finance their campaigns through limited contributions of up to $100 from individuals ("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**
$500	$1,500

Candidates for State Representative in the 2014 elections may collect up to $500 in seed money contributions and candidates for State Senator may collect up to $1,500 prior to submitting their qualifying papers for public funding. These contributions may be from individuals who live in Maine or out-of-state.

During the qualifying period, the campaign may accept no cash receipts other than seed money contributions. Loans may not be accepted.

Seed Money Restrictions. 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.
- You and members of your family may <u>each</u> 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 political action committees, party committees, labor unions, or trade associations.
- 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 during the qualifying period must be made with seed money contributions, and not from any other source of funds.

In-Kind Seed Money Contributions. Goods and services that are provided to the campaign at no cost

or at a discounted cost are in-kind contributions. These contributions must be reported on 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 a seed money contribution.

Certain types of goods and services are excluded from the legal definition of "contribution." (Please see Appendix.) 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.

Collecting the Occupation and Employer of Contributors. Campaigns are required to disclose in their campaign finance reports the occupation and employer of contributors who have given seed money contributions over $50. The Commission's Rules require the campaign to make a reasonable effort to obtain this information from the contributor.

The Commission staff recommends asking the contributor for his or her occupation and employer at the time your campaign solicits the contribution. If your campaign staff has requested the information and is unable to receive it from the contributor, please enter "information requested" on the reporting form.

> When soliciting any seed money contribution over $50, ask the contributor for their occupation and employer. This information must be included on the Seed Money Report if the contributor has given more than $50.

Required Records of Seed Money Contributions. All candidates are required to keep a "detailed and exact account" of all contributions received. If the 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.

Depositing Seed Money. All seed money contributions received by the campaign must be deposited in the campaign bank account. Do not cash seed money contributions received by check to create cash reserves for the campaign. If the campaign receives any seed money contributions in the form of cash, these contributions must be deposited in the campaign bank account.

By depositing all seed money contributions into the campaign bank account and by paying vendors from the account, the campaign creates an audit trail that satisfies the documentation requirements of the MCEA and assures the Commission that the campaign has complied with the seed money restrictions. Also, no campaign funds received by an MCEA candidate can be commingled with any other funds.

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

Expenditures of the candidate's personal funds for campaign goods and services which are not reimbursed by the campaign are in-kind contributions.

The candidate can contribute up to $100 in the aggregate (cash contributions and in-kind contributions) during the qualifying period.

> You cannot receive goods or services in the qualifying period and pay for them after receiving your first MCEA payment. If you receive goods and services in the qualifying period, they must be paid for with seed money.

Goods and services received during the qualifying period must be paid for with seed money. Candidates may never use MCEA funds to pay for goods and services received during the qualifying period. It is a serious violation to do so and could potentially result in the revocation of the candidate's certification. You must raise a sufficient amount of seed money to cover your campaign expenses during the qualifying period.

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

Purchasing Equipment with Seed Money. The restrictions on using MCEA funds to pay for personal equipment does not apply to expenditures of seed money. Campaigns may wish to consider purchasing personal equipment (phones, printers, computers, cameras, *etc.*) with seed money.

Personal 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. Please report any personal equipment purchased with seed money only on Schedule B (for expenditures) and not on Schedule E (equipment inventory).

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. (Please see 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 the candidate's family or household, but the campaign must report the family or other relationship (*e.g.*, "brother" or "roommate") in the remarks section.

Reporting Seed Money Contributions and Expenditures. Candidates' receipts 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 final $5 qualifying contributions to the Commission, but the Seed Money Report may be submitted after the qualifying period as long as 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. Your Seed Money Report must accurately disclose amounts that were spent (expenditures) and amounts that were obligated but not paid (unpaid debts and obligations). So, if you report an unpaid obligation as an expenditure on Schedule B, the 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 you received.

Expenditures of seed money are reviewed as part of the Commission's audits of MCEA candidates.

Compliance Review of Seed Money Report

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 you have any questions about whether a contribution or expenditure will comply with the seed money restrictions, you are encouraged to ask the Commission staff before accepting the contribution or making the expenditure.

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 granted a waiver by the Commission.

If the 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 you believe you may have violated the seed money restrictions, telephone the Commission right away.

Statement of Sources of Income

All legislative candidates who are not already members of the Legislature must file a Statement of Sources of Income no later than 5:00 p.m. on August 4, 2014. The statement includes the sources of the income which the candidate received during the 2013 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.

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; 1017(2), (3-A) and (10); 1020-A(6), 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 7(1)(A)
Code of Fair Campaign Practices	21-A M.R.S.A. § 1101 *et seq.*
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)
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 2

Qualifying for Public Financing

QUALIFYING CONTRIBUTIONS

Required Number of Qualifying Contributions. In order to receive public funds, a participating candidate must receive a minimum number of "qualifying contributions." Candidates for State Representative must collect 60 qualifying contributions from voters registered to vote in the legislative district the candidate is seeking to represent. Candidates for State Senator must collect 175 qualifying contributions from their district. A qualifying contribution is a way for registered voters to show support for a candidate's participation in the Clean Election program by making a relatively small financial contribution.

QUALIFYING PERIOD LEGISLATIVE CANDIDATES	January 1 – April 22, 2014
REQUIRED NUMBER OF QUALIFYING CONTRIBUTIONS	House Candidates – 60
	Senate Candidates – 175

For various reasons, it is possible that not all of your qualifying contributions will be accepted. Therefore, you are encouraged to collect more than the minimum number of qualifying contributions.

From Registered Voters Only. Only contributions made by individuals who are registered to vote in the candidate's legislative district will count as qualifying contributions. 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 Contributions: Online, Check or Money Order. The contributions must be in the amount of $5 or more and be made in the form of:

- a payment to the Maine Clean Election Fund on the Commission's website made by debit or credit card;
- a personal check payable to the Maine Clean Election Fund;
- 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 business check has the contributor's name 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); or
- cash, but only if the contributor signs a money order provided by the campaign in the same amount as the cash contribution.

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. In 2008, the Commission launched an online service to allow Maine voters to make qualifying contributions online using a debit or credit card. The online qualifying contribution website will accept qualifying contributions for candidates beginning on January 1, 2014. A link to the website is available at the Commission's homepage, www.maine.gov/ethics. You may place a link to the site on your campaign website, if you have one. You may also distribute the web address by e-mail or other means.

To make an online qualifying contribution, a Maine voter enters their address, chooses the participating candidate(s), and enters their name and credit or debit card information. The contributor acknowledges that the contribution was made from their personal funds and that they did not receive anything in exchange for their contribution by electronically "signing" an online form. The contribution is deposited into the Maine Clean Election Fund. Candidates can access the website to monitor qualifying contributions received on their behalf by entering their e-filing user code and password.

In 2010, the Commission added a new feature to the online contribution website that attempts to verify the contributor's voter registration automatically. The system tries to match the contributor's name and address as entered by the contributor with voters' names and addresses stored in the Central Voter Registration system (CVR) of the Maine Secretary of State. If the system can verify that the contributor is registered to vote at the address provided by the contributor, the candidate will not be required to obtain verification by the municipal clerk for that contributor.

If the online website is unable to find a match, it is the candidate's responsibility to print out the list of unverified contributors from the website, to take those forms to the municipal clerks to verify the contributors' voter registration, and to submit the verified forms to the Commission before the end of the qualifying period. Unfortunately, some matching problems occur because the contributor is misinformed about their current voter registration, or because of differences between how the contributor's name and address were entered on the Commission's online contribution website and how the name and address have been recorded in the CVR. Candidates are advised to plan ahead for these situations and to allow sufficient time to bring the forms to the municipal clerks during the qualifying period.

The Commission staff will not verify the voter registration status of individuals making qualifying contributions. If the contributor's registration status has not been verified through the online contribution website or by the municipal clerk, the Commission staff will not accept the contribution toward the minimum requirement.

Receiving Qualifying Contributions in Cash. Under the Maine Clean Election Act, your campaign is allowed to receive a qualifying contribution in cash, provided that certain legal requirements are met. This will allow your campaign to collect qualifying contributions in person from Maine voters who do not have a checkbook with them at the time your campaign solicits the contribution.

The Commission will accept the qualifying contribution provided that your campaign complies with all legal requirements, including:

- The contributor must sign a money order provided by the campaign that is payable to the Maine Clean Election Fund and that is in the same amount as the cash contribution. The signature is required by statute, so the contributor's printed name on the money order is not an acceptable substitute.
- The campaign must use the cash collected from the contributor to reimburse the candidate, campaign volunteer, or other person who purchased the money order for the campaign.
- The contributor must sign the Receipt and Acknowledgement form (discussed below) attesting that the money for the contribution was made with their personal funds.
- 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.

If these requirements are not met, the Commission will not accept a qualifying contribution made with cash.

Qualifying Period

For the 2014 elections, the "qualifying period" for all candidates for the Legislature will begin on January 1, 2014 and will end at 5:00 p.m. on April 22, 2014. The qualifying period is the same for unenrolled ("independent") candidates and for candidates who are enrolled in a qualified political party.

Qualifying contributions may be made only during a specific period of time - the qualifying period - and no more than 5 business days before the candidate has submitted the Declaration of Intent.

Qualifying contributions may only be collected during the qualifying period. Any qualifying contributions collected outside this period will not be counted toward the minimum number of required contributions.

In addition, qualifying contributions may not be collected more than 5 business days before you have filed a Declaration of Intent with the Commission. Any contributions collected more than 5 business days before you filed the Declaration will not be counted toward the minimum number of contributions.

Receipt and Acknowledgement Forms

In order for a qualifying contribution to be valid, the Maine voter making the contribution must acknowledge that the contribution was made from their personal funds and in support of the candidate, and that the contributor 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 "Qualifying Contribution Receipt and Acknowledgement" form. It is not acceptable for a family member or friend to sign the form on behalf of a contributor. All contributors signing the same page of the form should be registered to vote in the same municipality, so that the clerk can verify whether all contributors on that page are registered to vote. If the Maine voter makes the qualifying contribution on the Commission's website (described on page 12), the contributor makes the required acknowledgement using the online form on the website.

All contributors making a $5 qualifying contribution by check or by cash must personally sign the "Qualifying Contribution Receipt and Acknowledgement" form. It is not acceptable for a family member or friend to sign on behalf of a contributor.

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

Verification of Registration Status of Contributors. For a qualifying contribution to be valid, the campaign must verify that the contributor is a registered Maine voter. Only qualifying contributions from individuals whose voter registration has been verified by a municipal clerk or through the online contribution system will count toward the number of contributions required for certification.

For qualifying contributions made by check or by cash/ money order, the campaign must take the Receipt and Acknowledgement form signed by the contributor 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 that town. All verifications by municipal clerks must be completed and submitted to the Commission before the end of the qualifying period.

Verification of voter registration of online qualifying contributions is discussed earlier in the chapter on page 12. Please be aware that if the online qualifying contribution system cannot verify that the contributor is registered voter at the address provided by the contributor, it is the candidate's responsibility to print out the list of unverified contributors from the website, to take those forms to the municipal clerks to verify the contributors' voter registration, and to submit the verified forms to the Commission before the end of the qualifying period. Otherwise, the Commission staff will not accept the online qualifying contribution toward the minimum requirement.

Reporting and Record-Keeping Requirements for Qualifying Contributions

Qualifying contributions are payable to the Maine Clean Election Fund and are not deposited into the campaign's bank account. The receipt of a qualifying contribution is not included in the campaign's Seed Money Report.

Money Order Purchases. As explained earlier in this chapter, a campaign may accept a qualifying contribution by cash, provided that the contributor signs a money order provided by the campaign. If the candidate or someone associated with the campaign purchases money orders for this purpose, the institution issuing the money order (bank, U.S. Post Office, or store) typically charges a transaction fee for each money order.

The Commission staff recommends that the candidate or supporter who purchased the money orders (the

IF YOU USE SEED MONEY TO PURCHASE MONEY ORDERS:	IF YOU, CAMPAIGN STAFF OR A SUPPORTER USES PERSONAL OR OTHER FUNDS 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 orders must be deposited into the campaign account (do not use the money for "petty cash").	Regarding the transaction fees, the campaign must either: • use seed money to reimburse the purchaser for the fees and report the payment as an expense or • report the amount of the transaction fees as an in-kind contribution if the purchaser is not reimbursed (subject to the $100 limit).
The campaign bank statement should reflect deposits equal to the face amount of money orders purchased.	
Only the transaction fees for the money orders should be reported as an expenditure. The total face amount of the money orders should not be reported.	The campaign should obtain the receipt for the money order purchase.

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 above. The Commission staff will review the campaign's use of money orders during the post-election audit.

REQUESTING CERTIFICATION AS A MAINE CLEAN ELECTION ACT CANDIDATE

Certification Request and Deadline. After you have collected the required qualifying contributions, the next step is to request certification by submitting the "Request for Certification" form and the required documents (see chart on the next page). The Commission reviews your request and determines if you have met all the requirements to receive MCEA funding. A request must be submitted to the Commission no later than 5:00 p.m. on April 22, 2014.

To qualify for MCEA funding, you must also submit a Seed Money Report, an alphabetical list of the qualifying contributors, and a Request for Certification form by the deadline. The Commission's Rules permit the Commission staff to grant an extension of time for submitting the alphabetical list and Seed Money Report if requested by the candidate. The extension request is found at the bottom of the Request for Certification form.

> A request for certification must be submitted to the Commission no later than 5:00 p.m. on April 22, 2014.

Submit Qualifying Contributions and Receipt and Acknowledgement (R&A) Forms. By the end of the qualifying period, you 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. Qualifying contributions must be attached to the verified R&A form which lists the names of the individuals who made the contribu-

2012 REQUEST FOR CERTIFICATION: REQUIRED INFORMATION TO BE CERTIFIED AS AN MCEA CANDIDATE		
Submit the following documents on or before April 22, 2014 by 5:00 p.m. :		
Request for Certification Form	Completed and signed form.	
Qualifying Contributions (QCs) and Receipt and Acknowledgement (R&A) Forms	For QCs received by check or cash, submit: • Checks/money orders attached to original corresponding Receipt and Acknowledgement forms. • Receipt and Acknowledgement forms verified by the municipal clerks. For QCs collected online, submit: • No documentation is necessary for those qualifying contributions for which the online contribution system has verified that the contributor is registered to vote in the candidate's district. • Computer generated forms for contributors whom the online contribution system could not verify and who were subsequently verified by the municipal clerks.	**No time extensions permitted.** **Late submission of QCs and R&A forms will not be counted.**
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 $5 Contributors	Includes the name of the contributor and their town and may be submitted in electronic format or on paper.	

tions. For the $5 qualifying contributions made by a credit or debit card on the online contribution website, the transaction number printed on the form is the documentation that the contribution was made. The Commission recommends submitting more than the required number of qualifying contributions in case some are not accepted.

> For qualifying contributions received by check or cash, your campaign must take the completed Receipt and Acknowledgement forms to the municipal clerks to verify that the contributors are registered to vote and must submit the forms to the Commission before the end of the qualifying period.

Under the Commission's Rules, the Commission may not grant the candidate an extension of time to submit the verified Receipt and Acknowledgement forms (with the checks and money orders attached). Qualifying contributions submitted late will not be considered.

File Seed Money Report. The Seed Money Report shows all seed money contributions received and expenditures made by the campaign. You should carefully review your seed money contributions and expenditures to make sure that you report them accurately and that you have not spent more than you have raised.

The Seed Money Report, like all other campaign finance reports, is filed electronically on the Commission's website. For more information on the required contents of the report, please read pages 8, 48 and 50.

Submit Alphabetical List of Contributors. You must provide the Commission with an alphabetical list of individuals who made qualifying contributions by check, cash, and on-line using the Commission's website. For each contributor, you must list his or her town and city next to the name. The list must include all qualifying contributions you wish to count toward the eligibility requirements.

Request for Certification Form. This form is your signed agreement to comply with the requirements of the Maine Clean Election Act and the Commission's Rules. It is also a checklist for the materials you will need to submit for certification. You may use this form to request an extension of time to file your Seed Money Report and submit the alphabetical list of $5 contributors.

Commission Staff's Review of Request for Public Funds

The Commission staff is required to determine whether the 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 notifies candidates and their opponents in writing of the staff determination on the candidate's request for certification. The state's accounting office mails the check or makes the electronic funds payment in two business days 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 that the Commission staff has made an error in granting or denying a request for certification, they may submit an appeal to the Commission within seven days of the certification decision. (All candidates running in your race will receive a copy of the staff's determination letter sent to you.)

The members of the Commission will then hold a hearing within 5 days of the appeal. 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 the 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 Commission, Court, or opposing parties, if any.

Violations

It is a serious violation of the Maine Clean Election Act 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. The candidate may also be barred from being certified as an MCEA candidate in future elections.

When you or your campaign workers solicit individuals for qualifying contributions, you and your campaign workers must clearly state the purpose for asking a Maine voter to sign the R&A form. Misrepresenting the reason for the signature (*e.g.*, "to get the candidate on the ballot") is a serious violation of the MCEA. It 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 you or your agent to assist another person to become your opponent so that you would receive the higher amount of MCEA funds for a contested election.

Revocation of Certification

If the Commission determines that a certified candidate has engaged in serious misconduct, the candidate's certification may be revoked by a vote of the Commission after the candidate has had an opportunity to be heard. If a certification is revoked, the candidate is required to return all unspent MCEA funds to the Commission within three business days of the Commission's decision.

Grounds for revocation involve serious violations of the Maine Clean Election Act, 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 R&A form. 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 the Superior Court.

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)

CHAPTER 3

Public Funds Payments

INITIAL PAYMENTS OF MCEA FUNDS

Candidates may request certification at any time during the qualifying period (see page 13). In past elections, many candidates have requested certification just before the end of their qualifying period. For the 2014 election, this deadline is 5:00 p.m. on Tuesday, April 22, 2014. The deadline applies to both party and non-party ("independent") candidates.

The Election Law requires the Commission to make a determination on the candidate's request for certification within three business days of receiving all of the required records: the qualifying contributions, Receipt and Acknowledgement forms, alphabetical list of contributors, Seed Money Report, and Request for Certification form. The Commission gives priority to those candidates in contested primary elections, and will make every effort to certify all candidates within three business days.

AMOUNTS OF INITIAL MCEA PAYMENTS IN 2014		
REPRESENTATIVE:	**PRIMARY ELECTION**	**GENERAL ELECTION**
Contested candidates	$1,429	$4,724
Uncontested candidates	$486	$1,559
SENATE:		
Contested candidates	$7,359	$21,749
Uncontested candidates	$1,831	$7,177

TOTAL CAMPAIGN FUNDS AVAILABLE FOR A TYPICAL MCEA CANDIDATE IN 2014:		
	HOUSE	**SENATE**
Seed Money	**$500**	**$1,500**
Primary Payment (uncontested)	**$486**	**$1,831**
General Payment (contested)	**$4,724**	**$21,749**
Total	**$5,710**	**$25,080**
Assumes the candidate is in an uncontested primary election and a contested general election.		

DEDUCTION OF UNSPENT CAMPAIGN FUNDS FROM INITIAL PAYMENTS

Unspent Seed Money. MCEA candidates are not required to spend all of the seed money that they have collected by the end of the qualifying period. However, if a candidate has not spent all of their seed money at the time of requesting 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.

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

Timing of Initial Payment for the Primary Election

After a candidate has submitted qualifying contributions and other required records, the Commission will review whether the candidate is eligible to receive MCEA funding. The Commission staff is required to determine whether the candidate has met the requirements for certification within three business days of the candidate's final submission of qualifying contributions, unless additional time is necessary to verify the candidate's compliance with the eligibility requirements. In that case, the Commission staff must provide the candidate with the anticipated schedule for completing the review.

If the candidate's request for certification is filed prior to March 17, 2014 (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 an uncontested primary election. In this case, the Commission will distribute the funds to the candidate as if the candidate is in an uncontested primary election. An additional amount will be distributed within three days after March 17, 2014 if the candidate is determined to be in a contested primary election.

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

Timing of 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 to the Governor the results of the primary election. 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 to the Governor.

Return of Unspent Funds

All MCEA candidates are required to return unspent public funding upon the filing of their final campaign finance report for the election (primary or general). Please refer to page 57 of this Guide for the deadlines.

Legal References

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-A)
Forms of Payment	Rules, Chapter 3, Section 5(1)
Returning Unspent MCEA Funds	21-A M.R.S.A. § 1125(12); Rules, Chapter 3, Section 7(2)

CHAPTER 4

Contributions: Prohibition and 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, please 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 you have been certified as an MCEA candidate, your campaign may not accept cash contributions from any source. You are not permitted to contribute cash or to make a loan to your campaign.

PROHIBITION ON ACCEPTING IN-KIND CONTRIBUTIONS

If the campaign accepts a contribution, it must be returned. If the contribution was inadvertently deposited into the campaign bank account, the funds must be withdrawn and returned to the contributor.

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. The Commission recommends that MCEA candidates who receive an in-kind contribution contact the Commission staff promptly to receive guidance on how to rectify the situation. The staff will likely advise that the campaign should reimburse the provider of the goods and services immediately with MCEA funds.

Once certified, MCEA candidates are prohibited from accepting <u>any</u> contributions - cash or in-kind. It is important that candidates understand what constitutes an in-kind contribution, because accepting a contribution is a violation of the MCEA.

The following activities are examples of in-kind contributions:

- the candidate uses personal funds to purchase campaign signs and is not reimbursed by the campaign;
- a supporter pays for some of the 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 the campaign, free of charge, some of his paid staff members to work for the campaign on company time.

Please call the Commission at 287-4179 if you have questions about in-kind contributions.

Avoid Reimbursements That May Become In-Kind Contributions

You or your supporters are allowed to purchase goods and services with personal funds or a credit card, provided that the campaign reimburses you or your supporter in the same reporting period in which the purchase was made. If the reimbursement is not made within the same report period, the campaign has received an in-kind contribution.

Goods and Services Not Considered Contributions

Certain goods and services are excluded from the legal definition of "contribution." The 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. They are listed in the Appendix of this Guide. 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 that there is no additional cost. If there are additional costs such as telephone and utilities, the campaign is required to pay for these costs.

"House Parties." Each volunteer or supporter may pay up to $250 cumulatively in each election (primary or general) toward the cost of food, beverages, and invitations in the course of volunteering for a campaign. For example, when volunteering at a house party or a campaign event, a campaign supporter may buy up to $250 in food.

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 three or more candidates; or
- coordinate campaign events involving three 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 other political action committees (PACs).

Party Committee Slate Cards. State, county, and local party committees may spend money to produce a slate card ("party candidate listing") to promote three or more candidates. This exception is not available to caucus committees and other 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 your 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 their services to a campaign at the direction of their employer during their paid work-time, then the employer has made a 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))

This means that if any person or organization makes an expenditure to support you and has consulted with you on the expenditure, you have accepted a contribution (in-kind). After you have been certified as an MCEA candidate, this is not permitted because you may not accept contributions.

One exception to this policy is that candidates may coordinate with a state or local party committee on a "slate card" of three or more candidates. Slate cards are excluded from the definition of contribution. Please note that this exception applies to state and local party committees only, and does not apply to caucus committees or other political action committees.

Requesting Third-Parties Not to Make Expenditures. You are allowed to ask third-parties not to spend money in support of your candidacy. Even if the third-party were to spend money subsequently, merely making a request not to make an expenditure would not constitute cooperation in the view of the Commission staff. Candidates should always exercise caution when communicating with third parties about spending money on communications.

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.

Please be aware, however, that if an individual or organization invites you to appear in a paid advertisement, the value of the advertising could be considered a contribution to your campaign, which is not permitted if you receive MCEA funding. You may wish to contact the Commission staff to receive advice on what factors

the Commission might consider in determining whether the advertisement would be a contribution.

Contributions for Recounts

If you are in a recount of an election, you cannot use MCEA funds for the recount. You may accept unlimited funds and services from party committees, caucus campaign committees, and from attorneys, consultants, and their firms. All other contributors are restricted to the contribution limit of $375 per contributor.

Anyone donating services is required to provide you 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 form is mailed or e-mailed to candidates and treasurers shortly after the election.

	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)
Coordinated Expenditures	21-A M.R.S.A. § 1015(5)
Assistance from State Parties	21-A M.R.S.A. § 1012(2)(B)(10)
Recounts of Elections	21-A M.R.S.A. § 1018-B

CHAPTER 5

Understanding Coordinated Expenditures and Independent Expenditures

WHY IS THIS IMPORTANT?

Independent spending for TV and radio ads, mailers, newspaper ads, and phone calls has increased dramatically over the past four years. In Maine, individuals and organizations may spend an unlimited amount of money on communications to support a candidate (or to oppose the candidate's opponent) as long as the spender has not coordinated or cooperated with the candidate or the candidate's agents in making the expenditure. If there is any coordination or cooperation, the expenditure is considered to be an in-kind contribution to the candidate and subject to the contribution limits, and must be reported by the candidate.

In this chapter, the term "candidate" includes the candidate's political committee, which is the group of individuals who are conducting activities to promote the nomination or election of the candidate with the knowledge and consent of the candidate. The term "candidate" also includes agents of the candidate or candidate's political committee (see "Who is an agent?" on this page).

This can have a financial impact on a candidate's campaign. If the expenditure was coordinated, the candidate may have to reimburse the spender for the expenditure. Moreover, the candidate may be fined for accepting an over-the-limit contribution.

Candidates and their committees should make sure that campaign staff and agents of the campaign understand what is "independent" and that their role in the campaign may make it impossible for them to be considered independent of the candidate and campaign.

COORDINATED EXPENDITURES

In general, any expenditure to support a candidate or oppose the candidate's opponent is "coordinated" if it is made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's political committee or their agents.

Who is an "Agent?" To be considered an "agent" of a candidate or candidate's political committee, a person must have authorization, either express or implied, to engage in activities on behalf of the candidate and/or candidate's committee. Some factors that may also be considered in determining whether someone is an agent of the candidate or committee are the person's role in the campaign and the campaign activities performed by the person. In order to avoid situations involving coordinated expenditures, the Commission staff recommends that candidates urge their treasurer, deputy treasurer, campaign committee chair or officers, campaign manager, and other individuals who hold positions of responsibility in the campaign to avoid cooperating with other people or groups who are spending to promote the candidate,

unless those payments are one of the exceptions to expenditure established by the Legislature (*e.g.*, slate cards, membership communications, purchases of up to $250 in food for a house party).

What Does "In Cooperation, Consultation or in Concert With" Mean? The Commission's Rules state that that "in cooperation, consultation or in concert with" includes, but is not limited to:

- Discussion between the candidate and the creator, producer or distributor of a communication, or the person paying for that communication, regarding the content, timing, location, mode, intended audience, volume of distribution, or frequency of placement of that communication, and
- Participation by the candidate in making any decision regarding the content, timing, location, mode, intended audience, volume of distribution, or frequency of placement of the communication.

An expenditure is presumed to be made in cooperation, consultation or concert with, or at the request or suggestion of a candidate, when:

- the expenditure is made in cooperation, consultation or in concert with any person who, during the twelve months preceding the expenditure, has been the candidate's treasurer or an officer of the candidate's authorized committee, has had a paid or unpaid position managing the candidate's campaign, or has received any campaign-related compensation or reimbursement from the candidate;
- the candidate has directly shared the candidate's campaign plans, activities or needs with the spender for the purpose of facilitating a payment by the spender on a communication to voters to promote or support the candidate; or
- the communication replicates, reproduces, republishes or disseminates, in whole or in substantial part, a communication designed, produced, paid for or distributed by the candidate.

An expenditure will not be presumed to have been made in cooperation, consultation or concert with, or at the candidate's request or suggestion solely because:

- the spender has obtained a photograph, biography, position paper, press release, logo, or similar material about the candidate from a publicly available source;
- the person making the expenditure has previously provided advice to the candidate on suggested communication strategies, budgets, issues of public policy, or other campaign plans or activities;
- the person makes an expenditure in response to a general, non-specific request for support by a candidate, provided that there is no discussion, cooperation or consultation with the candidate prior to the expenditure relating to the details of the expenditure;
- the spender has also made a contribution to the candidate, or has discussed with the candidate his or her campaign plans or activities as part of the candidate's solicitation for a donation;

- the expenditure is made by a for-profit or non-profit organization for invitations, announcements, food and beverages and similar costs associated with an event to which the candidate has been invited by the organization to make an appearance before the organization's members, employees, shareholders and the families thereof; or
- the expenditure is made by an individual who spends $100 or less for costs associated with a sign that is lettered or printed individually by hand and that reproduces or replicates a candidate's campaign-related design or graphic.

Independent Expenditures

The term "independent expenditure" applies only to certain expenditures for communications made to influence how someone votes for a candidate. Independent expenditures are payments or obligations made by individuals and organizations, acting independently of candidate campaigns, for communications that *expressly advocate* the election or defeat of a candidate. Communications include but are not limited to print media and online advertisements, radio and television ads, live calls and robocalls, direct mail and e-mail communications, and campaign signs, palmcards and other campaign literature.

In addition, a communication that names or depicts a "clearly identified" candidate—*without* any expressed advocacy—may be an "independent expenditure" if the communication is made within a certain period before an election called the "presumption period."

Other communications such as business advertisements that name or depict a clearly identified candidate during the presumption period may not be considered a communication made to influence the election. For these communications a signed written statement rebutting the presumption is filed with the Commission within 48 hours of making the expenditure. The Commission considers each rebuttal statement on a case-by-case basis.

Presumption Periods: 2014 Elections	
Primary	21 days for the primary election:
	May 20—June 10
General	35 days for the general election:
	October 1—November 4

Some communications are exempt from the presumption, such as slate cards and membership communications.

Can a Candidate Fundraise For a Political Action Committee or Political Party Committee?

While a candidate is not prohibited from fundraising for a political action committee (PAC) or a 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 2014 elections.

	Legal References
Political Committees and Intermediaries	21-A M.R.S.A. § 1015(4)
Coordinating Expenditures with Third-Parties	21-A M.R.S.A. § 1015(5)
Publication or Distribution of Political Statements	21-A M.R.S.A. § 1014(2)(2-A)
Reports of Independent Expenditures	21-A M.R.S.A. § 1019-B(1-5); Commission Rules, Chapter 1, Section 10
Contributions and Other Receipts	Commission Rules, Chapter 1, Section 6, Sub-section 9
Expressly Advocate and Clearly Identified	Commission Rules, Chapter 1, Section (10), Sub-section 2
Rebuttable Presumption	Commission Rules, Chapter 1, Section 10, Sub-section 5
Membership Communications	21-A M.R.S.A. § 1019-A

CHAPTER 6

Making Expenditures of MCEA Funds

BEST PRACTICES WHEN SPENDING MAINE CLEAN ELECTION ACT FUNDS

Make All Expenditures from the Campaign Bank Account. Paying vendors directly from the campaign bank account will assist the campaign in meeting its legal requirements for reporting and record-keeping in two ways:

- The statements for the campaign's bank account will include all of the dates and amounts of campaign purchases, which will be helpful at the time of preparing campaign finance reports.
- 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).

> The Commission recommends keeping a receipt for every expenditure - no matter how small.

Also, Maine Clean Election Act candidates are required to obtain a receipt or invoice from the vendor stating the particular goods or services purchased for each expenditure of $50 or more.

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

If the campaign makes a reimbursement to the candidate or a supporter for a purchase, please see page 51 on how to correctly report the reimbursement.

> 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.
> *Candidates and campaigns can simplify record-keeping and documentation by minimizing the number of reimbursements.*

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 campaign, 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 page.

2014 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.

PERMISSIBLE CAMPAIGN-RELATED 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

PROHIBITED EXPENDITURES

Candidates may not use MCEA funds for <u>personal expenses</u>. 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

Maine Clean Election Act 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

Salary and 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.
Property and 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.
Goods not typically necessary for campaigns	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.
Promotional items	Candidates may spend MCEA funds for inexpensive items to promote their candidacies or to gain visibility at public events, such as buttons, baseball caps, t-shirts, or candy to be distributed at parades and fairs. Spending MCEA funds on more expensive items, such as sweatshirts, fleeces, or coolers, is not permitted.
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.
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 the 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.
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. For 2014, 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 or 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.
Campaign Training	Candidates may use MCEA funds for tuition or registration costs to receive training on campaigning or policy issues.
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.
Post-election notes and 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.

A candidate may not spend MCEA funds for any purpose other than to promote the candidate's campaign (*e.g.*, personal use, to promote another candidate, the candidate's party, or a social cause or a charity). Candidates may pay MCEA funds to another candidate, a political party, or a charity or non-profit in exchange for campaign goods and services worth the amount of the payment. If a candidate wishes to pay an entry fee to an event hosted by a political party or a charity (or to place an ad in an event publication), that is acceptable as long as the expenditure promotes the candidate's political campaign.

> MCEA candidates may spend public funds only on campaign-related expenses and not for other purposes such as the candidate's personal benefit, party-building, or to promote another candidate's campaign.

Misspending MCEA funds is a serious violation of law. If you are unsure whether a particular purchase will be viewed as campaign-related, please call the Commission staff for advice.

Payments to the Candidate, Members of the Candidate's Immediate Family or Household, or Affiliated Business or Nonprofit Entities

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

Generally, the 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, the campaign may not pay MCEA funds to 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. 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, and if other conditions are met.

Remember that MCEA candidates cannot receive any in-kind contributions. Therefore, the business or non-profit organization cannot contribute goods or services to the campaign. (Please see the previous chapter regarding the prohibition on accepting contributions.)

The 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. Please see page 51 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 make a reasonable effort to 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 the joint expenditure should clearly disclose in their campaign finance reports that the goods or services have been purchased jointly with other candidates. That reporting will avoid any concern that candidates are using their campaign funds to subsidize

other candidates' campaigns. Please contact the Commission if you have any question on reporting shared expenditures.

Jointly Purchased Campaign Communications. If candidates share the cost of a political advertisement (or other campaign communication), the Commission staff recommends that the "paid for" statement in the communication disclose that 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 the 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. Please report the purchase of such property or equipment in Expenditures as an expenditure purpose of Equipment. These requirements do not apply to property or equipment purchased with seed money contributions.

After the election, MCEA candidates must sell this property at fair market value and send the proceeds to the Commission by the deadline for the campaign finance report due 42 days after your final election (primary or general). Please report the proceeds from this sale in Contributions as 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 the campaign sells the property or equipment through an on-line auction, the campaign likely will be presumed to have received fair market value for the equipment.

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

Paying for Cell Phones and Service

Your campaign may use MCEA funds to pay for cell phone use, but please remember that MCEA funds cannot be used to pay for personal expenses and that the usual documentation requirements apply. To meet these requirements, some campaigns find it convenient to purchase inexpensive pre-paid phones for the campaign and to use all of the purchased minutes by the end of the campaign. If the 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 the campaign.

If a campaign worker uses their 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 that 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. Please see page 43 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

Candidates should be careful to avoid spending more money to promote their campaigns than the amount of MCEA funds received from the Commission that the candidate was authorized to spend. Spending more than is permitted by an MCEA candidate ("overspending") can potentially be a serious violation of the Election Law because it could unfairly affect the outcome of an election. In the 2006, 2008, 2010, and 2012 elections, the Commission assessed civil penalties against some candidates for unintentional overspending.

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. For a complete description of these compliance reviews and audits, please see Chapter 11 of this Guide.

	Legal References
Campaign-Related Purposes	21-A M.R.S.A. § 1125(6); Rules, Chapter 3, Section 6
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 7(2)(C)
Closed-captioning for TV Advertising	21-A M.R.S.A. § 1125(6-E)

CHAPTER 7

Campaign Records and 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 campaign's financial activity.

> All candidates are required to keep "a detailed and exact account" of all contributions received and all expenditures made by the campaign.

The campaign must keep certain documents as part of their campaign records and 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. Obtaining receipts for expenditures as they are made (contemporaneously) makes filing campaign reports easy and less prone to mistakes.

The campaign treasurer is required to keep campaign records for three years following the final campaign finance report for the election cycle.

RECORDS FOR THE CAMPAIGN BANK ACCOUNT

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

Bank account records document that seed money contributions 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 supporter (or candidate, etc.) was reimbursed within the required time period.

The Commission 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 2014 MCEA CANDIDATES	
Records must be kept until:	
Candidates who were defeated in the primary election	June 2017
Candidates who participated in the general election	December 2017

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 payment were made by check).

Electronic and Paper Bank Account Records. If the campaign uses electronic banking and receives only electronic copies of records, the campaign must either print copies of the records or obtain paper copies from the financial institution to assure that paper copies are maintained as part of the campaign records. Some financial institutions make electronic records available for a limited period of time (*e.g.*, current month and prior three months). Know your financial institution's policy for electronic records and take measures to make your records complete.

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 money orders and account deposit slips since all cash contributions are required to be deposited in the campaign bank account. Account deposit slips verify receipt of cash contributions.

Records for Expenditures

For every expenditure of $50 or more, MCEA candidates and their treasurers are required to obtain a vendor invoice or receipt and "proof of payment" that 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.

> The Commission recommends obtaining a bank debit card and a checkbook for your campaign. Making expenditures directly from the campaign's bank account simplifies record-keeping and promotes accurate reporting.

Expense documentation is necessary to confirm whether the MCEA candidate purchased or authorized 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 filed their last report with the Commission.

Vendor Invoice. An original invoice or receipt provided by the vendor for every expenditure of $50 or more that states the particular goods or services purchased and the cost.

Proof of Payment. A written record verifying that 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 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. The 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 cam-

paign. In these situations, the same documentation requirements apply for expenditures of $50 or more.

The campaign must obtain from the candidate or intermediary an original invoice or receipt from the vendor, and a canceled check, account statement or other document proving that the vendor received the payment. An easy way to meet this requirement is for the 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.

Documenting Purchases Made by Others

If you, a supporter, or family member make a purchase for the campaign that was over $50, please remember that your campaign is required to obtain an invoice or receipt from the vendor and proof that the vendor received payment. This proof of payment is either the canceled check paid to the vendor, a receipt from the vendor showing that the vendor received payment, or a bank or credit card statement of the person receiving the reimbursement that identifies the vendor as the payee.

Proof of Payment for Purchases Made with Cash. The Commission 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.

Documenting Purchases made by a Consultant

If a consultant working on behalf of the campaign purchases goods or services worth $50 or more, the campaign is required to obtain and keep an invoice or receipt from the ultimate 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 ultimate vendor received payment from the consultant. For example, candidates who engage consultants to purchase air time on television and radio stations will be required to obtain an invoice or other

Example of Invoice for Consulting Services

ELECTION Associates 456 State Street, Augusta, Maine 04332

BILL TO:

Invoice Date: 09/18/2012

Honorable Ruth Baker
c/o Committee To Elect Baker
123 Maine Street
Augusta, ME 04032

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: Elizabeth C. Brown	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 invoice attached.

statement from the broadcast stations documenting the air time sold to the campaign and proof that the stations received payment.

Detailed Description for Services of $500 or more

Specific documentation is required when an MCEA campaign pays $500 or more during an election cycle to vendor who provided campaign staff or consulting services to the campaign. The campaign must keep contemporaneous 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.

Documenting Purchases made by a Media Buyer

When a media buyer is working on behalf of the campaign and purchases advertising spots from media outlets (TV and radio stations) worth $50 or more, 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 — like production costs, commissions, etc. The campaign is also required to obtain and keep proof that the media outlets received payment from the buyer.

For example, a candidate who engages a buyer to purchase air time on television and radio stations will be 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, make them aware of this requirement and include it in any contract. You are then assured that the documentation will be provided to you and you have all of the information to correctly report media purchases.

> In the 2012 elections, many candidates who used media buyers to purchase radio and TV advertisement time, did not receive copies of the media outlets' invoices or proof of payment (cancelled checks) from the media buyer's bank account. Please make sure that your media buyer or consultant understands the requirement for sub-vendor documentation.

Specific Records for Vehicle Travel, Campaign Staff, and Consultants

Vehicle Travel. If your campaign chooses to use MCEA funds to reimburse you, your campaign staff, or volunteers 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.

> A travel log is required documentation for travel reimbursements and it must be kept contemporaneously with the travel.

The reimbursement to the traveler must be no more than the standard mileage reimbursement rate for Maine state employees (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.

Campaign Staff. When a candidate compensates a member of campaign staff in the amount of $50 or more, the campaign is required to obtain an invoice from the staff member stating the particular services provided.

If a candidate pays $500 or more in 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 recommends that 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 that is preferably signed by the individual or a principal of the firm which provided the goods or services. An example of an acceptable invoice is found on page 37.

Commission's Requests for Records

Compliance Reviews. As part of its compliance reviews of all expenditures of MCEA funds, the Commission staff sometimes requests a vendor invoice, proof of payment, or copy of bank statements to verify the goods and services purchased.

Audits. The Commission audits a random selection of all 2014 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 $500 or more to for staff or consulting services. For more information about the Commission's audit process, please see Chapter 11 of this Guide.

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 legal violation of the MCEA. 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 7(1)
Records for Vehicle Travel	Rules, Chapter 3, Section 7(1)(C)
Authority to Conduct Audits	21-A M.R.S.A. § 1003(1)

CHAPTER 8

Campaign Communications and Disclosure Statements

DISCLOSURE ON CAMPAIGN COMMUNICATIONS

Whenever a candidate, or the candidate's authorized political committee or agents, authorize a communication *expressly advocating* the election or defeat of the candidate 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 clearly and conspicuously state that it has been so authorized.* The communication must also clearly state the name of the person who made or financed the expenditure for the communication.

A communication *financed by the candidate or the candidate's committee* is not required to include the address of the person who made or financed the communication. If anyone other than the candidate or the candidate's committee financed the 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, these requirements apply to any communication that names or depicts a *clearly identified candidate* and that is disseminated to voters in the *last 21 days before the primary election or in the last 35 days before the general election.*

What does "Expressly Advocate" mean? The term "expressly advocate" is defined in Chapter 1, Section 10(2)(B) of the Commission 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 the 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. But 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.

SMITH

FOR SENATE

Paid for and authorized by John Smith

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

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

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

SMITH

FOR SENATE

Authorized by the Candidate and Paid for by Ruth Clark, Treasurer

SMITH

FOR SENATE

Authorized by the Candidate and Paid for by Peter Brown, Chair of the Committee to Elect John Smith

- 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 John Smith

Expenditure Made by Others who are not Associated with the Campaign (address is required):

SMITH

FOR SENATE

Authorized by the Candidate John Smith and Paid for by Sam White, 5 Oak Street, Pinetree City

- Authorized by Candidate John Smith and paid for by Sam White, 5 Oak Street, Pinetree City

Please remember a communication authorized by the candidate and paid by a third party who is not associated with the campaign, must be reported either as an in-kind contribution (contribution limit applies) or as an expenditure (third party must be reimbursed).

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.

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

Clothing	Badges	Badge Holders
Balloons	Noisemakers	Campaign Buttons
Coasters	Glasses	Plastic Tableware
Envelopes	Erasers	Pencils/Pens
Combs	Nail Files	Emery Boards
Ashtrays	Matchbooks	Swizzle Sticks
Paper/Plastic Cups		Tickets to Fundraisers
Letter Openers		12-inch or Shorter Rulers

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 you have any questions as to whether an item is required to have a disclosure statement, please call the Commission at (207) 287-4179.

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, except that the disclosure is not required for prerecorded automated calls that are paid for by the 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.

Communications Not Authorized by the Candidate

Similar disclosure requirements apply to communications that are paid for by third parties, such as political action committees, party committees and individuals, and that are not authorized by the candidates. Those communications must disclose:

- the name and address of the person who made or financed the expenditure for the communication; <u>and</u>
- state that the communication was: "Not paid for or authorized by any candidate." If the communication is in writing, this statement must be in print no smaller than 12-point bold Times New Roman font.

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 the candidate.

Under federal regulations (47 CFR § 73.1212(a)(2)(ii) and 47 CFR § 76.1615(a)), in the case of any television political advertisement concerning candidates for public office, the sponsor shall be identified with letters equal to or greater than four percent (4%) of the vertical picture height that air for not less than four seconds. This requirement applies to broadcast and cablecast television ads for all candidates, not just federal candidates.

If you have any questions concerning these requirements, you may wish to consult with radio and television station personnel or other consultants who are producing your advertisements.

Constituent Mailings

Constituent newsletters, sent by incumbent Legislators, are used to inform the voters in their district 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. Guidance from the Maine Department of Transportation is included in the Appendix.

Unauthorized Removal of Campaign Signs from Public Roadways

The unauthorized removal or destruction of political signs is a civil violation under Maine law (Title 23, Section 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 candidate or candidate's committee would file a complaint with the local police and/or the District Attorney's office for appropriate action.

Enforcement

A person who violates the disclosure requirement may be subject to a civil penalty of up to $5,000. 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 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.

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 9

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 the 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.

> Campaign treasurers have two primary responsibilities: filing campaign finance reports with the Commission and keeping required financial records for the campaign.

Most reports must be filed by 11:59 p.m. on the filing deadline. If you are required to file 24-Hour Reports, these are filed within twenty four hours of making the expenditure (see pages 48-49).

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

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

DESCRIPTION OF A CAMPAIGN FINANCE REPORT

The campaign finance reports consist of a cover page and seven schedules. Each schedule is identified by a letter and title, and covers information you are required to report to the Commission. See page 56 for a brief description of each schedule.

TIME PERIOD FOR EACH REPORT

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

If you had activity in an earlier time period that has not been reported, you need to amend the previously filed report for the earlier time period. When completing your reports, you and your treasurer are encouraged to call the Commission staff with any questions.

REQUIRED REPORTS

2014 January Semiannual Report (for MCEA Senate Candidates with Financial Activity in 2013). This report, the 2014 January Semiannual, is required only if a candidate raised or spent more than $500 in seed money during 2013. Only Senate candidates may need to file this report because they are permitted to raise up to $1,500 in seed money. House candidates may only raise up to $500 and therefore would not exceed the threshold of $500.

This report must be filed by 11:59 p.m. on January 15, 2014 and covers financial activity (seed money

contributions and expenditures) from the beginning of the campaign through December 31, 2013.

The financial activity reported in the 2014 January report should not be reported again in the Seed Money Report that you file when you request certification.

Seed Money Report. The Seed Money Report is required for Maine Clean Election Act candidates. Candidates file the report when they request certification as an MCEA candidate, which may be at any time during the qualifying period.

The Seed Money Report includes all seed money contributions received and all expenditures made during the qualifying period, except for any transactions disclosed in the Semiannual Report covering 2013 (if filed). Please see pages 8 and 50 for more information about what to include in the Seed Money Report.

All campaign finance reports filed before the candidate requests certification are reviewed by the Commission to verify that all contributions and expenditures comply with the seed money restrictions. The Commission staff may also request records and documentation to verify the information in the reports.

Reports Required After Certification. In addition to the 2014 January Report and Seed Money Report, MCEA candidates are required to file campaign finance reports according to the schedule in the table below.

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

This 13-day period includes two weekends. If the 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. It is important to remember that the term "expenditure" includes making an obligation to a vendor for goods or services ordered. If you incur an obligation with a

2014 Reports for MCEA Candidates

Type of Report	Deadline	Report Period
2014 January Semiannual*	January 15, 2014	Beginning of campaign - December 31, 2013
Seed Money (for filers of 2014 Jan Semiannual)	April 22, 2014	January 1 - April 22, 2014 (or earlier when Request for Certification is made)
Seed Money	April 22, 2014	Beginning of campaign - April 22, 2014 (or earlier when Request for Certification is made)
11-Day Pre-Primary	May 30, 2014	End date of Seed Money Report - May 27, 2014
42-Day Post-Primary	July 22, 2014	May 28 - July 15, 2014
42-Day Pre-General	September 23, 2014	July 16 - September 16, 2014
11-Day Pre-General	October 24, 2014	September 17 - October 21, 2014
42-Day Post-General	December 16, 2014	October 22 - December 9, 2014

* Required for MCEA Senate candidates who have raised and /or spent more than $500 in calendar year 2013.

2014 Primary Election 24-Hour Report Period May 28, 2014 – June 9, 2014						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
May 25	26	27	Starts on 28	29	30	31
June 1	2	3	4	5	6	7
8	Ends on 9	10 Primary Election	11	12	13	14

2014 General Election 24-Hour Report Period October 22, 2014 – November 4, 2014						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
Oct 19	20	21	Starts on 22	23	24	25
26	27	28	29	30	31	1
2	Ends on 3	4 General Election	5	6	7	8

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 – you 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.

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

vendor during the 24-hour reporting period, you must report the obligation within 24 hours — regardless when you pay the vendor. Please see the table on this page for a list of actions which constitute making an obligation.

Any contributions, expenditures, or obligations disclosed in a 24-Hour Report will be automatically entered into the next 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 filing schedule will be determined when the candidate registers with the Commission. The replacement candidate may choose to run as an MCEA candidate or as a traditionally financed candidate. All replacement candidates should notify the Commission as soon as possible of their intent to run as an MCEA candidate. The Commission will provide guidance about qualifying for public financing.

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

Reporting Contributions: Seed Money

You are not required to itemize the seed money contributions from contributors who have given you $50 or less. You may enter those contributions as a lump sum. When filing your reports electronically, please select the contributor type of 'Contributors Giving $50 or Less' and enter the total for the report period.

Once a contributor exceeds the $50 contribution amount, you must itemize their contribution in the report. For example a contributor donates $20 at the beginning of your campaign and this contribution is reported under "Contributors giving $50 or less." A month later, the same contributor donates an additional $50. The $50 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 you contributions totaling more than $50 for the report period, you are required to report the contributor's occupation and employer (if any). Under the Commission's Rules, you must make a reasonable effort to obtain the information from the contributor. If a contributor is unwilling to provide the information to you in response to a request, please report "information requested" in the occupation and employer fields.

Reporting Receipts of MCEA Funds

For electronic filers, the Commission staff will enter on your reports the amounts of the MCEA payments you have received. Paper filers should list the amount of MCEA payments on Schedule A of the reporting form.

Reporting Expenditures

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

The Election Law requires you to report the date, amount, payee, and purpose of the expenditure. The "payee" refers to the vendor that provided the goods or services to the campaign. Please do not report "cash"

or "reimbursement" as the payee. If the campaign is making a reimbursement to someone who has purchased a good or service for the campaign, please do not enter as the payee the individual receiving the reimbursement. (Please refer to the next section about how to report reimbursements.) The name of the candidate or a campaign worker may appear under "Payee" if the candidate or worker is receiving a reimbursement for travel or if the campaign worker is being paid for a good or service which the worker has provided to the campaign.

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

Reporting Reimbursements Made to the Candidate, Supporter, or Candidate's Family Member. Many MCEA candidates ask if they or a supporter 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 candidate or supporter. If no reimbursement is made, the campaign has received an in-kind contribution of goods and services, which is not permitted for MCEA candidates.

> The Commission's Rules require that the reimbursement be made in the same report period that the candidate or supporter paid the vendor.

If you or one of your supporters 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 Remark section, enter the name of the person who paid the vendor and who received the reimbursement. If the person receiving the reimbursement is a member of the candidate's household or immediate family, the relationship to the candidate must be reported (*e.g.*, "Reimbursement to May 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 page 38 and the Appendix).

Remember that volunteers (other than the candidate's spouse or domestic partner) may use up to $350 of their own funds for campaign travel. Any amount

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		

exceeding $350 must be reimbursed by the campaign based upon the volunteer's travel log. Candidates and their spouses or 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 your campaign is paying for lodging, please describe the campaign purpose of the travel in the Remark section (*e.g.*, attended candidate debate at the Univ. of Maine, Orono; interviews with Portland TV and radio stations on 10/1 and 10/2/2014).

Reporting Expenditures Made by Consultants and Media Buyers. When you hire a consultant and the consultant makes expenditures on behalf of your campaign, you are required by statute to report those expenditures as though the campaign made them directly. In order to meet this reporting requirement, the Commission staff recommends that when you hire a consultant, you ask the consultant to provide your campaign with a receipt, invoice or other statement from any vendor that received a payment of $50 or more from your consultant. It is your campaign's responsibility to find out about expenditures made by your consultants on your campaign's behalf and to report those expenditures.

If you reported a lump sum payment to a consultant in a previously filed report, you may need to amend that report to deduct from that amount any expenditures made by your consultant (so the costs are not double-reported), and you should note in the remarks column that the expenditures were made by the consultant. See the example below for how to report expenditures made by consultants.

If you use media buyers or consultants to purchase television and radio airtime, your campaign must have copies of invoices or other accounting documents from the media stations as well as invoices from the media buyers and report these expenditures correctly. In the example below, your campaign should obtain from the consultant an invoice and proof of payment for each television station.

Reporting Expenditures to PACs and Party Committees. Your campaign may use MCEA funds to purchase goods and services from political action committees (PACs) and party committees, as long as you pay the fair market value of the goods or services. Receiving a discount from the PAC or party committee may constitute an impermissible in-kind contribution to your campaign. (Please see pages 21-22) Also, the payment must be solely for the purpose of promoting your nomination or election. If you purchase goods or services from a PAC or party committee, you must include in the Remarks section of the expenditure a detailed explanation of the goods or services purchased.

Reporting the Purchase and Sale of Campaign Property

When the 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), report the purchase of such property or equipment on as an Expenditure Purpose of Equipment.

After the election, MCEA candidates must sell this 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 22, 2014 and for candidates who participated in the general election proceeds must be returned by December 16, 2014. Please report the proceeds from this sale in the Contributions section. The requirement to sell the property or equipment for fair market value is discussed on page 33.

> If your campaign purchases equipment with MCEA funds that could be converted to your personal use after the election (*e.g.,* computers or cell phones) the campaign must sell it for fair market value at the end of the campaign.

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 the campaign keep track of the dates, amounts, and payees of all expenditures which must be included on campaign finance reports.

If the campaign chooses to withdraw cash to use for petty expenses by campaign workers, do not report a payment to "cash." Instead, for each cash expenditure, keep a receipt or record which includes the date, amount, payee, and purpose of each expenditure, and include this information on your campaign finance reports.

Reporting Unpaid Debts and Obligations

If you have incurred debts and obligations and they remain unpaid at the end of the reporting period, you 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, enter that payment amount 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 which are 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 (on payment for the product) 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.state.me.us/revenue/forms/sales/IUse102013.pdf

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 payee. If you do not pay use tax during the reporting period it is incurred, you need to indicate the unpaid debt until it is paid. If you need further help accounting for use tax on your campaign finance report, please contact your candidate registrar directly or call (207) 287-4179.

If you have further questions about use tax, please contact Deborah Sroka with the Maine Revenue Service at (207) 624-9857.

Filing Reports Electronically

Electronic Filing Requirement. Candidates in the 2014 elections who have (or expect to have) receipts of more than $1,500 are required to file all campaign finance reports electronically on the Commission's website. Candidates who expect to have receipts of $1,500 or less may file reports using the Commission's paper forms.

How to File Electronically. After you register as a candidate, the Commission staff will send you a username and password for accessing the online electronic filing system (e-filing system). The campaign may use the e-filing system in two ways. Candidates and treasurers may:

1. Directly enter each contribution and each expenditure into the e-filing system on the Commission's website; or
2. Upload the information electronically without having to enter the information transaction by transaction into the system. Please call the Commission for more information about this option.

Filing Reports on Paper Forms

Electronic Filing Waiver. Candidates who do not have access to the technology or 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 grants all reasonable requests for a waiver. If you would like a waiver of the requirement, you need to complete the Electronic Filing Waiver request form and submit it to the Commission. The deadline for filing a waiver request is April 15, 2014, but the Commission will honor requests filed later.

Contributions and Expenditures Less than $1,500. If you expect to have receipts no greater than $1,500, you may file your campaign finance reports using paper forms without first requesting a waiver. Please contact the Commission for a packet of forms.

File the Original Signed Report by the Deadline. For those candidates receiving permission to file reports on paper, the Ethics 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:

1. 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 that the report is filed.
2. A report that is sent by certified or registered mail and that 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 mailed to all candidates. In addition, the filing schedule is posted on the Commission's website. The Commission mails a written reminder to all candidates at least two weeks before each filing deadline.

Amendments

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

If the candidate or treasurer unintentionally makes an omission in a report or includes incomplete or inaccurate information, they must promptly file an amendment. All amended reports are reviewed by the Commission. 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 on time).

Commission's Review of Reports

The Commission staff reviews all campaign finance reports for completeness and compliance with the Election Law. If the staff believes a report is incomplete or requires additional information, it will contact the candidate or treasurer by telephone or in writing. More information about the Commission's compliance reviews is included in Chapter 11.

Description of a Campaign Finance Report		
Cover Page	Contact Information & Financial Summary	Contact information for you and your treasurer is reported here. This page also contains a financial summary for the reporting period and year-to-date totals for the campaign.
Schedule A	Cash Contributions	Cash contributions you received during the report period are displayed on this schedule. You must itemize contributions for any contributor who has given you more than $50 in the report period, by providing the name, address, occupation and employer of the contributor, and the date and amount of the contribution.
Schedule A-1	In-Kind Contributions	In-kind contributions (goods and services) you received during the report period are shown on this schedule, including a description of the goods and services and a statement of their fair market value. The fair market value is what it would have cost if you had paid cash for the donated goods or services. Some goods and services do not constitute in-kind contributions and, therefore, are not reportable. (See Chapter 2 and Appendix.)
Schedule B	Expenditures	Expenditures you made during the report period are displayed on this schedule, including date, amount, payee, and type of expenditure. Some expenditure types require a more detailed remark (see expenditure types on page 51).
Schedule C	Loans and Loan Repayments	Information about loans received, payments made, or loans forgiven is displayed on this schedule.
Schedule D	Unpaid Debts and Obligations	All debts or obligations that are unpaid at the close of the report period are shown here.

	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 7(2)
Requirement to File Reports	21-A M.R.S.A. §§ 1013-A(4); 1016; 1017(3-A); 1125(12); Rules, Chapter 3, Section 7(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 Property	Rules, Chapter 3, Section 7(2)(C)

CHAPTER 10

Post-Election Responsibilities for MCEA Candidates

NOTIFY COMMISSION OF CHANGES OF ADDRESS AND PHONE NUMBER

During and after the campaign, it is important for candidates and treasurers to notify the Commission when their address and/or telephone number changes. If the Commission 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 it conducts its review 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 and
- $750 for State Senate candidates.

Please note in the "Remarks" section that the expenditure was for post-election thank you's.

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 unspent MCEA funds that the candidate did not spend on their campaign. These unspent funds must be returned by the deadline for the final campaign finance report.

For the 2014 general election, all unspent MCEA funds must be returned by:

December 16, 2014

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

If your bank balance does not agree with the report, you may have reported a duplicate expenditure, forgotten to report an expenditure or bank interest, or neglected to make a reimbursement to yourself or a supporter. *It is the responsibility of the candidate and treasurer to accurately report expenditures.*

Determining the Amount of Unspent Funds. Upon the filing of the final campaign finance report for your campaign — which is the 42-Day Post Primary for candidates who lost the primary and the 42-Day Post General for all candidates in the general election — the amount of unspent funds is found on line 7 of the Schedule F Summary of the report.

The amount on line 7 should agree with the amount in your campaign bank account as long as all debits and checks have cleared your account. Please contact the

vendor or individual if any check is outstanding. They must cash the check to insure that the campaign does not receive an in-kind contribution which is a violation of the MCEA program.

If after all expenditures have cleared your account and the amount on line 7 does not agree with your campaign bank account, return the total amount in your bank account and contact the Commission. The Commission staff will assist you 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 that was reported but not made (check not written).

Unspent Amount Verified. The Commission verifies whether the unspent amount returned is consistent with the expenditures that have been reported by the candidate. If there is a discrepancy, the Commission 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 with the 42-Day Post-Election Report (see page 33 for an explanation of how to determine fair market value). Please report the sale proceeds as a contribution.

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), and must file a final campaign finance report no later than 42 days after the election. For candidates in the 2014 general election, this report deadline is December 16, 2014. For candidates who did not win the primary election, the deadline is July 22, 2014.

Important Post-Election Deadlines for MCEA Candidates	
Pay all outstanding obligations, debts, and reimbursements and sell all equipment by:	
Candidates who were defeated in the Primary Election	July 15, 2014
General Election Candidates	December 9, 2014
Return all unspent MCEA funds and equipment sale proceeds by:	
Candidates who were defeated in the Primary Election	July 22, 2014
General Election Candidates	December 16, 2014

Vendor Refunds

Refund Received Prior to Filing 42-Day Post Election Report. If you receive a vendor refund prior to filing the final report of your campaign, report the date of the refund as the date you received it. A refund is reported as a contribution.

Refund Received After the Filing of 42-Day Post-Election Report. If you receive a vendor refund after filing the final report of your campaign, you will need to amend the report. Report the date of the refund as the date you filed the report if you filed it on or before the last day of the report period (*e.g.*, for 42-Day Post General Report, if you filed it on 11/30/2014, enter 11/30/2014). If you filed it after the end of the report period, enter the date of the last day of the report period (*e.g.*, for the 42-Day Post General Report, enter 12/11/2014). In either case, indicate the actual date you received the refund in the "Remarks" by entering: "Received refund check on 12/29/2014." This will correctly account for the refund in the final report of your campaign. Please call the Commission if you need assistance.

Returning a Refund to the Commission. You must either deposit the 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 will audit at least 20% of legislative campaigns receiving MCEA funding. See Chapter 11 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 of the income which the Legislator received as a candidate during the election year from employment, self-employment, gifts, and other sources. For legislative candidates winning the 2014 general election, the deadline for filing the SOSOI is February 15, 2015.

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 6(5)
Return of Unspent MCEA Funds	21-A M.R.S.A. § 1125(12); Rules, Chapter 3, Section 7(2)(B)
Sale of Property Purchased with MCEA Funds	Rules, Chapter 3, Section 7(2)(C)
Statement of Sources of Income	1 M.R.S.A. §§ 1016-A, 1016-B, 1016-E, 1016-F

CHAPTER 11

Compliance Reviews and Audits of MCEA Campaigns

COMPLIANCE REVIEWS OF ALL MCEA CANDIDATES

The Commission staff conducts a compliance review of all expenditures of MCEA funds disclosed in campaign finance reports. That review typically occurs in the two to three weeks after each filing deadline. The review is conducted by the Commission's auditor and other staff members. The purpose of these reviews is to:

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

After the review, the Commission staff may request that the candidate amend the campaign finance report to provide more complete information about a transaction.

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 has a program of formal audits of randomly selected MCEA candidates. The purpose of these audits is to confirm that all campaign expenditures are accurately reported, approved by the candidates, properly documented, and made for campaign-related purposes. The Commission audits 20% of MCEA legislative candidates.

> The Commission recommends that you use your campaign's bank account to pay for expenditures by writing checks or by using a debit card. By doing this for as many expenditures as possible, the campaign will be better able to keep track of the dates, amounts, and payees of all expenditures. You will also have proof of payment to a vendor – a cancelled check or a transaction record on your bank statement.

Request for Documentation. If you are selected for an audit, you will receive a letter from the Commission's auditor requesting copies of your campaign records documenting specific transactions listed in your campaign finance reports. Copies of your campaign bank account statements covering the entire period of the campaign are requested as part of the audit.

The letter includes a deadline for providing the documentation to the auditor, usually two weeks after receiving the letter. If additional time is needed to submit your records, please notify the auditor.

REQUIRED SUPPORTING DOCUMENTATION FOR CAMPAIGN EXPENDITURES

The following are acceptable forms of the required documentation for expenditures made by MCEA legislative candidates in the 2012 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.

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, address for every contributor giving $50 or less;
- 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.

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 that is more than $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 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 on the previous page. A copy of the supporting documentation for each identified transaction must be submitted to the Commission as part of the audit.

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.
Candidates and campaigns can simplify record keeping and documentation by minimizing the number of reimbursements.

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, signed by the individual who provided the services (see example below);
- a contract signed by an officer of the firm or the individual who provided the services; or
- 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.

Specific Records Documenting Expenditures by Sub-Vendors. Sometimes when the 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 is then provided to the campaign.

Please make any vendor who is planning to use a sub-vendor aware of this requirement. Ultimately, the candidate and treasurer are responsible to obtain the required documentation to support the expenditure.

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: 09/18/2012

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: Elizabeth C. Brown	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 invoice attached.

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 the campaign, the receipt or invoice for the purchased goods and services must be provided to the campaign. The campaign may want to require sub-vendor invoices attached to the consultant's invoice before a final payment is made.

Audit Report and Presentation to the Commission

Draft Audit Report. After the 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 discussed in the draft audit report. The draft audit report includes any other findings of non-compliance or deficiencies and recommendations for Commission action.

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.

> 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.

Final Audit Report and Presentation. After considering any response from the 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: 2006 through 2012

For the 2006, 2008, 2010, and 2012 elections, the Commission 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 on the opposite page.

2006 - 2012 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 (campaign has not kept a vendor invoice, or proof that 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
Misreporting an unpaid obligation as an expenditure in the Seed Money Report, resulting in a larger initial payment of MCEA funds	Finding of violation; may require repayment of portion of MCEA funds
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 References	
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 three or more candidates; or

(c) Coordinating campaign events involving three or more candidates;

(8) Campaign training sessions provided to three 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 $ 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 three or more candidates; or

(c) Coordinating campaign events involving three or more candidates;

(10-A) Costs paid for by a party committee in connection with a campaign event at which three or more candidates are present;

(11) Campaign training sessions provided to three 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.

2014 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 until Dec. 2017.

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 • **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" and "candidates' forum" - are acceptable descriptions. "Campaigning" or "candidate activities" are not acceptable because they do not describe the purpose in 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 maximum 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

2014 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 until Dec. 2015.

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 Guide* 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.

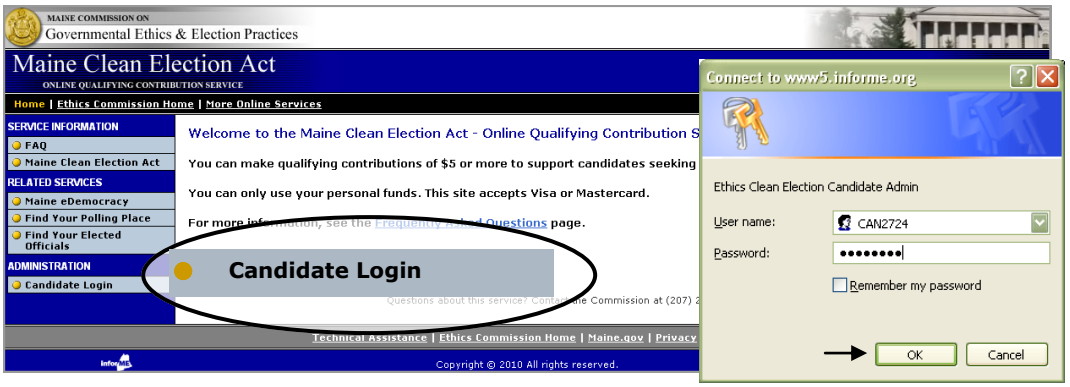
Instructions for the Online Qualifying Contribution System

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

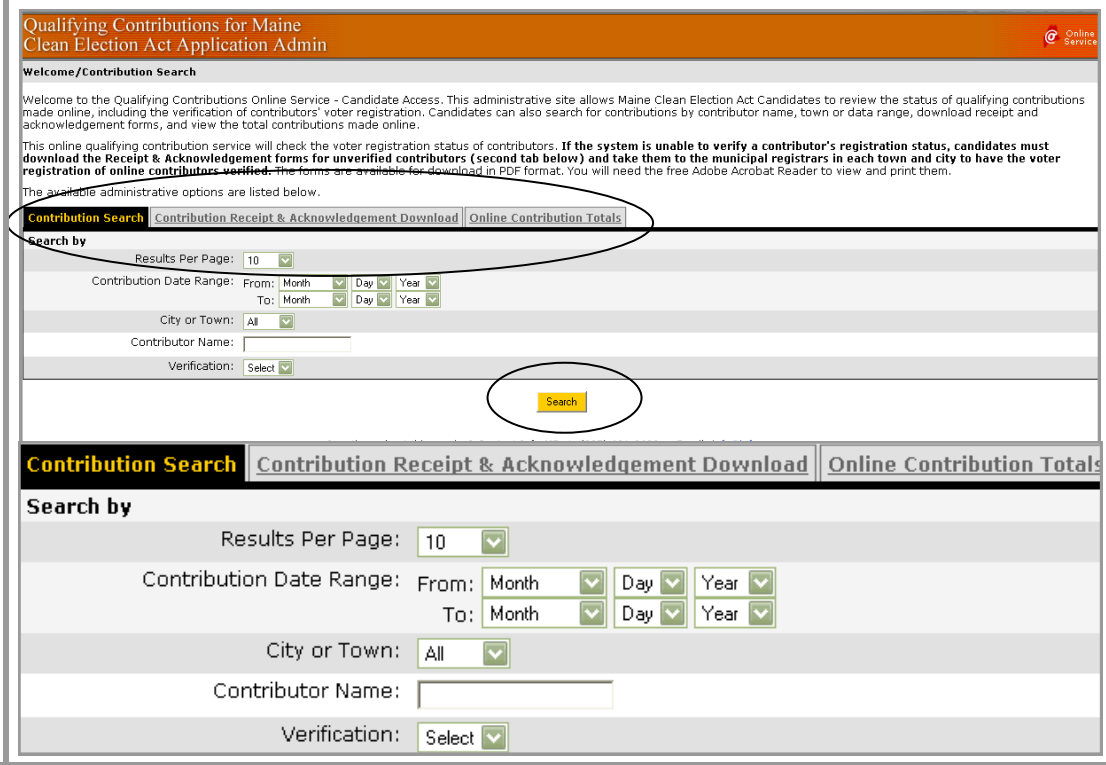
1. Click "Candidate Login."
2. Enter your user ID and password in pop-up box . Password is case sensitive.
3. Click "OK."



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

"**Contribution Search**" tab:

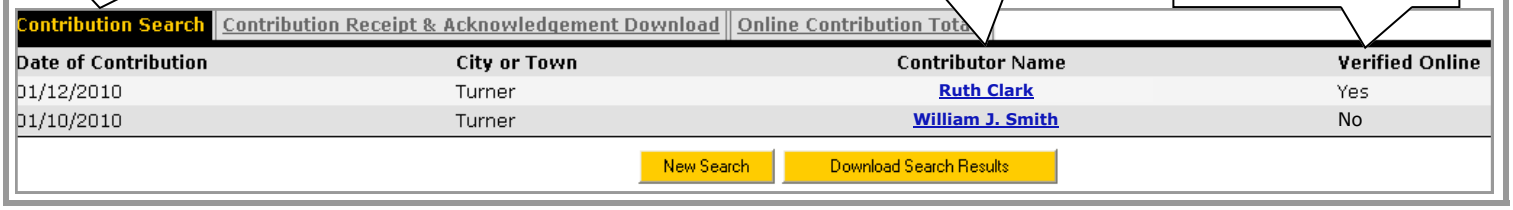
1. Use dropdown lists to select the criteria that you want to search for.
2. Click "Search" button.
3. Results display as shown at bottom of page.
4. Click "Download Search Results" button to download information to an Excel file. Click "New Search" button to return to search screen. See below.



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.

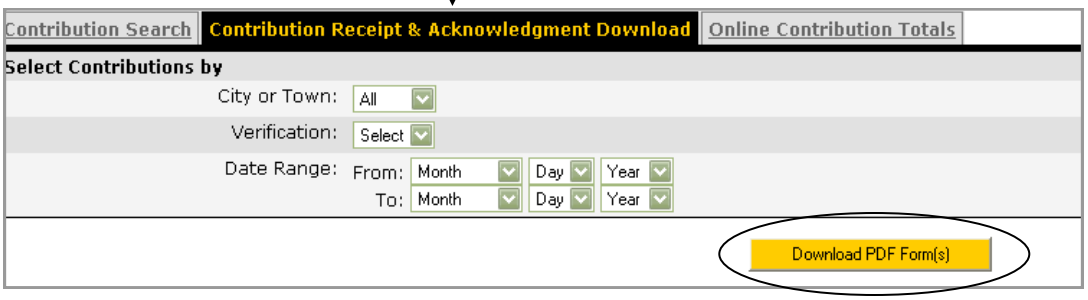


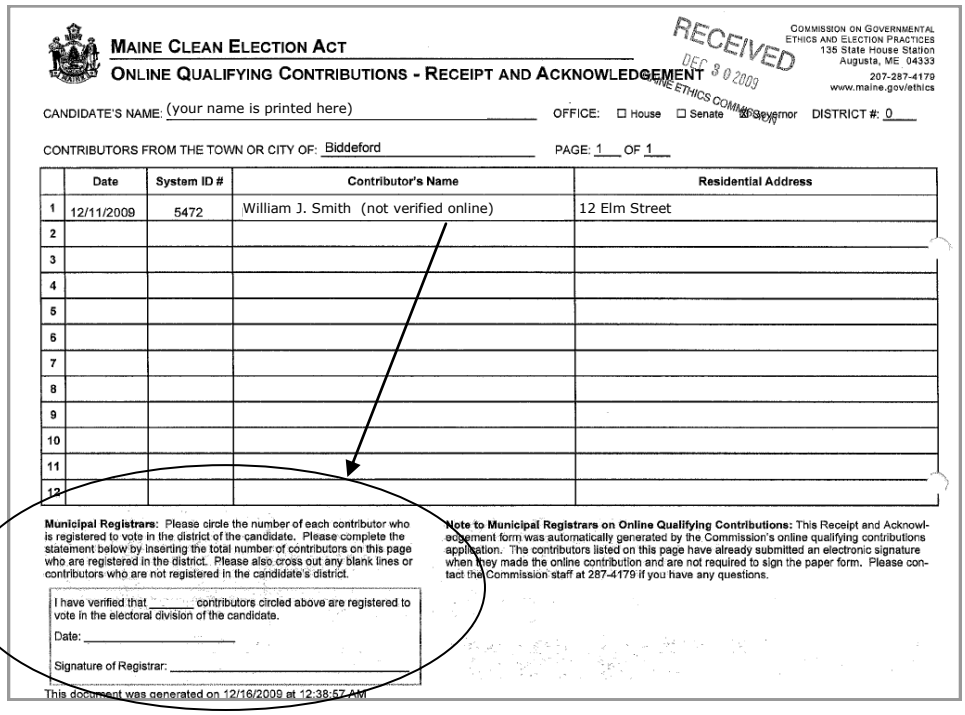
INSTRUCTIONS FOR THE ONLINE QUALIFYING CONTRIBUTION SYSTEM

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.





MAINE CLEAN ELECTION ACT
ONLINE QUALIFYING CONTRIBUTIONS - RECEIPT AND ACKNOWLEDGEMENT

RECEIVED DEC 30 2009 MAINE ETHICS COMMISSION

COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
135 State House Station
Augusta, ME 04333
207-287-4179
www.maine.gov/ethics

CANDIDATE'S NAME: (your name is printed here) OFFICE: ☐ House ☐ Senate ☒ Governor 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: _____

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

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.

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

Close window to log out of system.

Campaign Finance Disclosure Website

Purpose of Website

The purpose of campaign finance disclosure is to provide information to citizens concerning who is influencing their votes and elected officials, and that candidates and others are complying with contribution limits and other Election Law requirements. Through this disclosure, the public's "faith and confidence in the integrity of the election process" is maintained. (1 M.R.S.A. § 1001)

The Commissions public disclosure website is:

www.mainecampaignfinace.com

What Information is Available?

Registration and financial information is available for candidates, party committees, political action committees, ballot question committees, and lobbyists. This information becomes available to the public after a report is filed. Data in reports is not disclosed on the website until the report is filed.

Candidates, treasurers, campaign workers and any member of the public may browse financial reports (which includes a summary report), obtain specific lists of candidates (*e.g.*, MCEA and traditionally financed candidates), search contributions and expenditures, and download the information found on the website.

By clicking on a topic found on the navigation menu (left side of the home page), you will be directed to a page where you can obtain the information you are looking for.

Information of Interest

Some of the most "searched" topics of information are listed below:

- fundraising and/or spending of certain candidates;
- financing status of candidates (MCEA or traditionally financed);
- identification of certain contributor(s) to a candidate's campaign, party committee, political action committee, or ballot question committee;
- amount of funds being spent on TV and/or radio advertising; and
- clients of lobbyist and the amount of funds spent on lobbying certain legislative bills.

The Commission encourages candidates and the public to explore the public disclosure website. Please contact the Commission if you need assistance or have questions.

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2014 Candidate Guide

Commission on Governmental Ethics and Election Practices
Mailing: 135 State House Station, Augusta, Maine 04333-0135
Location: 45 Memorial Circle, Augusta, Maine

Phone: 207-287-4179
Fax: 207-287-6775
Website: www.maine.gov/ethics
E-Filing: www.mainecampaignfinance.com/public