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

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2016 Candidate Guidebook

Running for Office in Maine

Traditionally Financed

Legislative & County 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

Commission on Governmental Ethics and Election Practices
Office Location: 45 Memorial Circle, 2nd Floor, Augusta
Mail: 135 State House Station, Augusta, Maine 04333-0135
Telephone: (207) 287-4179 | Fax: (207) 287-6775
Website: www.maine.gov/ethics | Email: ethics@maine.gov
Electronic Filing: www.mainecampaignfinance.com

Department of the Secretary of State
Bureau of Corporations, Elections & Commissions
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 | Email: cec.elections@maine.gov

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 | Email: 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
Telephone: (207) 624-3332
Website: www.maine.gov/mdot

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CHAPTER 1
Getting Started as a Candidate

BECOMING A CANDIDATE

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

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

Definition of a "Candidate"

'Candidate' means any person who has filed a [primary or nomination petition] and has qualified as a candidate by either procedure, or any person who has received contributions or made expenditures or has given his 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 candidate may serve as his or her own treasurer, though the Commission recommends appointing another person. A deputy treasurer may be appointed, but is not required.

The treasurer has specific duties under the Election Law:

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

Every candidate should select a capable and reliable treasurer who will actively keep track of his or her campaign finances, save records of his or her campaign contributions and 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 a campaign is to appoint that person as the chair of the campaign committee, and not as the treasurer. A treasurer should be actively involved with the campaign, since both the candidate and treasurer are legally responsible for accurate reporting and record-keeping.

Forming a Campaign Committee

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

Candidate committees are not political action committees (PACs). A candidate can form a PAC for purposes other than his or her own election (for example, helping to elect other candidates or raising funds for leadership campaigns).

Registering as a Candidate

Within 10 days of appointing a treasurer, a candidate must file the Candidate Registration form with the Commission. This form provides basic contact information about the candidate, his or her treasurer, deputy treasurer (if appointed), and campaign committee (if any). If the information for the candidate, treasurer, deputy treasurer, or campaign committee changes during the campaign (including after the election), the candidate must file an amended Registration form with the Commission or submit the changes in writing or by email to the Commission. These updates are required by law and allow the Commission to contact the candidate with reminders, notices, and telephone calls throughout the election year.

The timely appointing of a treasurer and registering as a candidate are statutory requirements under 21-A M.R.S.A. § 1013-A(A), so candidates are advised to take these responsibilities seriously.

Voluntary Spending Limits

Traditionally financed candidates for the Legislature may complete and sign the "Statement Concerning Voluntary Expenditure Limits." Agreeing to the limits is voluntary; a candidate may sign and submit the form to confirm whether he or she accepts the limit on his or her spending per election ($25,000 for Senate candidates and $5,000 for House candidates), or does not agree with the limits.

When to Register as a Candidate

Event occurs:	What to do:	How to register:
If a candidate accepts cash or in-kind contributions, makes expenditures, or incurs obligations for his or her campaign	Candidates must 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	Candidates should complete the candidate registration form and submit it to the Commission
If a candidate gives consent for any other person to receive contributions or make expenditures with the intent of qualifying as a candidate		
If a candidate filed a primary or nomination petition and qualified as a candidate under either procedure	Candidates should appoint a treasurer within 10 days of qualifying as a candidate, and register as a candidate within 10 days of appointing a treasurer	

Code of Fair Campaign Practices

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

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

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

Open a Separate Bank Account

A candidate must have a separate bank account for his or her campaign funds and deposit all contributions into the separate bank account that is used only for his or her campaign. A candidate may never commingle campaign contributions with any other funds. If a candidate has kept a bank account from a previous election open by maintaining personal funds in that account, he or she must remove those personal funds as soon as possible after becoming a candidate. Candidates are allowed to spend any interest earned on campaign accounts, but any interest earned must be reported as an unitemized contribution.

The Commission staff recommends using a campaign account's checks or debit card as much as possible when making campaign expenditures. This will help the candidate to keep track of the dates, amounts, and payees of his or her expenditures when it is time to file campaign finance reports.

Reporting Exemption for Campaigns with No Financial Activity

Certain candidates may request an exemption from the requirements of appointing a treasurer and filing campaign finance reports if they do not intend to raise or spend any money, including their own personal funds, on their campaign. To request the exemption, a candidate must complete the affidavit on the candidate registration form (Section 6) and have it notarized.

Legislative Candidates in Uncontested Primaries. Only legislative candidates who are in uncontested primary elections and who affirm that they will not raise or spend any money on their campaign can request a filing exemption. The exemption for legislative candidates is in effect for the primary election only and automatically expires on July 19, 2016 (35 days after the 2016 primary election). Once the exemption has expired, the candidate may begin to raise and spend money on his or her campaign. Candidates who go on to the general election are required to appoint a treasurer and file the three campaign finance reports for the general election.

County candidates. Candidates for county office, including District Attorney, may request a reporting exemption if they will not raise or spend any money on their campaign. A county candidate is eligible for the reporting exemption whether he or she is in a contested or uncontested election. The reporting

exemption for county candidate does not have an expiration date and can be in effect for the primary and general elections.

Revoking the Exemption. If a candidate later decides to accept contributions or make expenditures, he or she must revoke the exemption by filing an amended Candidate Registration Form leaving Section 6 blank. The candidate should note on the amended Registration that he or she is revoking the exemption. Until the candidate has filed the revocation and appointed a treasurer, he or she may not accept contributions or make expenditures.

Write-In Candidates

Under the Commission's Rules, write-in candidates are required to register and to file campaign finance reports with the Commission according to the same reporting schedule as candidates on the ballot (see Chapter 6).

Replacement Candidates

Under the Commission's Rules, if a candidate replaces another candidate who withdraws, is disqualified or dies before an election, the candidate is required to register and to file campaign finance reports with the Commission according to the same reporting schedule as all other candidates (see Chapter 6). The reporting period of the first report of the campaign is determined when the replacement candidate registers with the Commission.

Statement of Sources of Income

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

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), (4); 1016; 1016-A; 1017(2), (3-A), (10);
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)
Code of Fair Campaign Practices	21-A M.R.S.A. § 1101 *et seq.*
Commingling of Campaign and Personal Funds	21-A M.R.S.A. § 1016(1)
Exemption from Reporting	21-A M.R.S.A. § 1017(7-A)
Write-In Candidates	Rules, Chapter 1, Section 1(5)
Statement of Sources of Income	1 M.R.S.A. § 1016-C

CHAPTER 2
Contributions: Cash, In-Kind & Loans

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 Appendix) and Chapter 1, Section 6 of the Commission's Rules.

CONTRIBUTION LIMITATIONS

CONTRIBUTION LIMITS PER CONTRIBUTOR FOR 2016 ELECTIONS: PARTY AND UNENROLLED CANDIDATES			
	PRIMARY	GENERAL	TOTAL
Legislative Party	$375	$375	$750
Legislative Unenrolled	N/A	$375	$375
County Party	$775	$775	$1,550
County Unenrolled	N/A	$775	$775

Legislative Candidate Limit. For the 2016 elections, a contributor may donate to a legislative candidate no more than $375 per election in the aggregate.

County Candidate Limit. For the 2016 elections, a contributor may donate to a county candidate no more than $775 per election in the aggregate.

Contributors Subject to Limitations. The limits above apply to all types of contributors, including:

- individuals;
- PACs and party committees;
- businesses, corporations, firms and partnerships; and
- other associations and organizations.

Contributions by Candidate and Candidate's Spouse/Domestic Partner. The limits do not apply to contributions made by the candidate or by the candidate's spouse/domestic partner, who may contribute an unlimited amount to the campaign.

Corporate and Union Contributions. Corporations and labor unions may contribute their general treasury funds to candidates in Maine.

Adjustments to Contribution Limit. The Ethics Commission adjusts the contribution limits based on the consumer price index in December of each election year. The next adjustment will be made in December 2016.

Attributing a Contribution Towards the Primary or General Election

Party Candidates. For candidates enrolled in a political party (Democratic, Green-Independent, or Republican), the primary and general elections are considered separate elections. Legislative candidates who are on the ballot for both elections may accept $375 for the primary election and $375 for the general election from the same contributor, for a total of $750. County candidates who are on the ballot for both elections may accept $775 from the same contributor for each election for a total of $1,550.

Unenrolled Candidates. All contributions received by unenrolled (independent) candidates are counted towards a single election — the general election. Therefore, unenrolled legislative candidates may accept $375 from each contributor and unenrolled county candidates may accept $775.

Collecting General Election Contributions Before the Primary Election. Before the primary election, a candidate may accept contributions from a single contributor for both the primary and general election at the same time, so long as:

- the candidate designates each contribution in campaign finance reports as having been received for the primary or the general election,
- all general election contributions received before the primary election are segregated in a separate account from primary election campaign funds, and
- the candidate may not use general election contributions to promote the candidate's nomination in the primary election.

Unsuccessful Candidates in the Primary Election: Accepting Contributions after the Primary

Maine Election Law allows candidates who lose the primary election to accept contributions for the purposes of paying off debts and outstanding loan balances. In this situation, contributions received after the date of the primary election are for the primary, and therefore a contributor is not permitted to give more than the contribution limit of $375 in the aggregate.

For example, if a contributor gives a candidate $200 before the primary, this same contributor is permitted to give him or her an additional $175 after the primary — for a total of $375. However if a contributor gives him or her $375 before the primary, this contributor is not permitted to give him or her any additional amount after the primary.

Loans are Contributions

Loans Subject to Contribution Limits. Under the Election Law, non-commercial loans are considered contributions to the candidate. They are subject to the maximum amounts that a contributor may provide to a candidate per election.

Loans Not Subject to Contribution Limits. The limitation does not apply to loans from the candidate and the candidate's spouse/domestic partner, who may lend or contribute an unlimited amount to the campaign.

Loans to a candidate made by a financial institution in Maine in the ordinary course of business are not considered to be contributions and are not subject to the contribution limits.

Contributions from Married Couples/Domestic Partners

If a candidate receives a contribution in the form of a check imprinted with the names of two spouses/ domestic partners, Commission staff recommends recording the contribution in the name of the individual who signed the check, unless

- the other spouse/domestic partner has also signed the check or made a notation in the memo section of the check or
- the candidate gets written confirmation that the "non-signing" spouse/domestic partner intended to make the contribution (a handwritten note or email is sufficient).

If both spouses/domestic partners made the contribution, the candidate should allocate the contribution equally between both of them, unless he or she receives something in writing indicating that the contributors prefer a different allocation.

Other Contribution Restrictions and Prohibitions

Anonymous Contributions. Anonymous contributions of more than $10 may not be accepted.

Contributions from Lobbyists During the Legislative Session. The Governor, a member of the Legislature, a constitutional officer, or the staff or agent of the Governor, a member of the Legislature or a constitutional officer, may not solicit or accept a contribution from a lobbyist, lobbyist associate or client of a lobbyist during any period of time in which the Legislature is in session except for contributions to a Legislator's campaign for federal office.

Contributions in the Name of Another. No person may make a contribution in the name of another person, and no candidate may knowingly accept such a contribution.

Candidates are expected to take reasonable steps to identify the original source of funds and to report the actual contributor. Misreporting the source of contributions is a serious violation of the Election Law. Candidates who knowingly accept a contribution made in the name of another person may be assessed a penalty of up to $5,000. It is a crime to make a contribution in the name of another person or to knowingly accept a contribution made in the name of another person.

Commission staff has received questions from candidates concerning this prohibition mainly in connection with parents contributing for their children. If the candidate has a doubt as to whether a child gave a contribution, Commission staff recommends the candidate contact the contributor to confirm and document the child gave the contribution and it was not given by the child's parents.

Contributions from Corporations and Affiliated Entities. In certain circumstances, the Election Law considers businesses, for profit and non-profit corporations, and other organizations to be a single contributor. If the entities are considered a single contributor, the combined total of their contributions to a candidate may not exceed the contribution limit for the office the candidate if running for. Candidates are expected to take reasonable actions to avoid accepting over-the-limit contributions from affiliated entities.

Two or more entities are considered a single entity if

- a majority of their boards of directors are the same individuals,

- they share two or more officers,
- are controlled or owned by the same majority shareholder(s),
- they are limited liability companies (LLCs) controlled or owned by the same majority member(s), or
- they are in a parent–subsidiary relationship.

A sole proprietorship and its owner are considered to be a single entity.

If a for profit or non-profit corporation controls or funds a PAC, the PAC and the corporation are considered to be the same contributor.

Earmarked Contributions. If a person gives an amount of money to an intermediary such as a PAC, a party committee, or another candidate, and directs that the money be contributed to a specific candidate, the original source of the funds is considered the contributor to the candidate.

The intermediary is required to notify the candidate of the original source of the funds so that the candidate may report the contributor correctly. Examples of earmarked contributions would include:

- an employer giving $250 to an employee and directing the employee to contribute the money to a candidate;
- an organization giving $300 to a party committee, and asking the party committee to donate it to a candidate; or
- a parent giving $100 to a teenage child and directing the child to donate the money to a candidate.

In-Kind Contributions

"In-kind contributions" are goods and services provided to a campaign at no cost, or at a cost that is less than the usual and customary charge. They are subject to the contribution limits ($375 for legislative candidates and $775 for county candidates). The following activities are examples of in-kind contributions:

- the candidate purchases campaign signs with personal funds and is not reimbursed by the campaign;
- a supporter of a candidate pays for some of the candidate's advertising in a 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 to give to the candidate buys plywood and paint and is not reimbursed by the campaign;
- the owner of a local business provides the campaign, free of charge, some of his or her paid staff members to work for the campaign on company time;
- a commercial vendor extends credit to the campaign under terms that are not substantially similar to the terms extended in the ordinary course of business to nonpolitical customers.

Candidates are required to report in-kind contributions (see Chapter 6). The campaign must report a description and the fair market value of the goods and services received. Fair market value is what the goods or services would have cost the campaign if it had paid cash for the donated goods or services. A discount on goods or services is an in-kind contribution and thus is

reportable. The in-kind contribution is the amount of the discount.

Goods & Services Not Considered Contributions

Certain goods and services are excluded from the legal definition of "contribution." A campaign's receipt of these items 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 Guidebook.

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

"House Parties." Each volunteer or supporter may spend up to $250 in each election (primary or general) towards the cost of food, beverages, and invitations in the course of volunteering for a campaign. For example, when volunteering to put on a house party or a campaign event, a campaign supporter may 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 3 or more candidates;
- coordinate campaign events involving 3 or more candidates.

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

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

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

Coordinating Expenditures with Third-Parties

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

The Election Law states that:

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

If any person or organization makes an expenditure to support a candidate and has cooperated or consulted with that candidate or an agent of the candidate on the expenditure, the candidate has received an in-kind contribution.

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

For more information about what constitutes coordination, please refer to the Commission's Rule on coordination found in the Appendix.

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

Appearing in Advertising Sponsored by Third-Parties

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

However, if an individual or organization invites a candidate to appear in a paid advertisement, the value of the advertising could be considered a contribution to the campaign. If the advertisement qualifies as a contribution, the candidate would be required to report receiving the value of the contribution, and it would count towards the contribution limit. Candidates should feel free to contact Commission staff to receive advice on what factors the Commission might consider in determining whether an advertisement would be considered a contribution.

Considerations When Collecting Contributions

Occupation and Employer Information Required. Candidates are required to report the occupation and employer of contributors who give more than $50 during a reporting period. Under the Commission's

Rules, a campaign must make a reasonable effort to obtain this information from contributors.

Commission staff recommends that campaigns ask contributors for their information *at the time contributions are solicited.* If a contributor is unwilling to provide the information upon request, the candidate should report "information requested" in the occupation and employer fields for that contributor in the campaign finance report.

Obtain and Keep Records of Contributions. Treasurers and candidates are also required to keep a detailed and exact account of the name and address of every person making a contribution of more than $10, and the date and amount of the contribution.

Contributions from Minors. If a campaign receives a contribution from a minor and the campaign has doubts as to the source of funds, Commission staff recommends the campaign confirm and document that the minor, not the parents, gave the contribution. Election Law prohibits contributions made to a candidate in the name of another; a penalty of up to $5,000 may be assessed on the contributor and the campaign for such a violation.

In documenting the source of funds, the campaign may want to confirm that:

- the decision to contribute was made knowingly and voluntarily by the minor,
- the funds, goods, or services contributed are owned or controlled by the minor, and
- the funds were not given to the minor for the purpose of making the contribution.

Contributions for Recounts

If a candidate is in a recount of an election, he or she may accept unlimited funds and services from party committees and caucus campaign committees. He or she may also receive unlimited donations of in-kind services from attorneys, consultants, and their firms who are not being reimbursed for their services. All other contributors are restricted to the contribution limits found on page 5.

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.

Commission Review of Contributions

The Commission staff reviews contributions disclosed by candidates in campaign finance reports, and sometimes requests additional information when reports are incomplete or a compliance question is raised. In most cases, the information provided by the campaign resolves the issue at the staff level, and no further action is necessary. Prompt responses are appreciated as the Commission staff is required to verify compliance with reporting requirements and the contribution limitations.

Legal References	
Definition of Contribution	21-A M.R.S.A. § 1012(2)
Contribution Limits	21-A M.R.S.A. § 1015(1) - (3)
Contributions in the Name of Another	21-A M.R.S.A. §§ 1004(3); 1004-A(3)
Contributions from Lobbyists	1 M.R.S.A. § 1015(3); Rules, Chapter 1, Section 12
Contributions from Affiliated Corporations and Organizations	21-A M.R.S.A. § 1015-A
Earmarked Contributions	21-A M.R.S.A. § 1015(4)
Loans	Rules, Chapter 1, Section 6(2)
Occupation and Employer of Contributor	21-A M.R.S.A. §§ 1016(3)(B); 1017(5)
In-Kind Contributions	Rules, Chapter 1, Section 6(4) - (5)
Assistance by Paid Employees	21-A M.R.S.A. §§ 1012(2)(A)(4), (2)(B)(7)(a)
Exempt Goods and Services	21-A M.R.S.A. § 1012(2)(B)
Coordinating Expenditures with Third-Parties	21-A M.R.S.A. § 1015(5)
Recounts of Elections	21-A M.R.S.A. § 1018-B

CHAPTER 3

Expenditures, Unpaid Debts & Reimbursements

DEFINITION OF EXPENDITURE

The term expenditure means:

> *"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 made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included."*
> (21-A M.R.S.A. § 1012(3)(A)(1))

Certain items, activities, and communications are exempt from the definition of expenditure. These exempted items are listed in 21-A M.R.S.A. § 1012(3)(B). (See the Appendix for the definition of "expenditure" and exemptions.)

UNPAID DEBTS AND OBLIGATIONS

The legal definition of expenditure includes making an obligation to a vendor for goods or services ordered. Chapter 1, Section 7(3) of the Commission's Rules specifies certain actions which constitute making an expenditure — regardless whether a payment has been made for the good or service. Please see chart on this page.

UNPAID OBLIGATIONS WHICH CONSTITUTE AN EXPENDITURE
The placement of an order for goods or 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

CONSIDERATIONS WHEN MAKING EXPENDITURES

Obtain and Keep Records of Expenditures. Candidates and treasurers are required to obtain and keep receipts or invoices for every expenditure of $50 or more. Campaigns should remember this requirement when paying a vendor and keep the receipt in the campaign records.

Making Reimbursements. The Commission staff recommends paying for all purchases directly from the campaign bank account using a debit card or by writing checks. This will assist campaigns in keeping track of the dates, payees, and amounts of their expenditures. Nevertheless, a campaign may purchase campaign goods and services with the personal funds or credit card of the candidate or a supporter and to reimburse the purchaser with campaign funds.

When a reimbursement is made to a person (including the candidate), the campaign may want to institute a procedure which requires the person seeking the reimbursement to provide a copy of the receipt or invoice as part of the reimbursement request. This ensures the campaign is in compliance with record-keeping requirements.

Sharing Expenditures with Other Candidates

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

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

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

Compliance Reviews

The Commission staff conducts compliance reviews of all expenditures disclosed by candidates in campaign finance reports, and sometimes requests additional information from candidates and treasurers to verify the reporting is complete and accurate.

Legal References

Definition of Expenditure	21-A M.R.S.A. § 1012(3)
Unpaid Debts and Obligations	21-A M.R.S.A. §§ 1012(3)(A)(2), (4) Rules, Chapter 1, Section 7(3)

CHAPTER 4

Campaign Communications & Disclosure Statements

DISCLOSURE ON CAMPAIGN COMMUNICATIONS

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

A communication financed by a candidate or a candidate's committee is not required to include the address of the person who made or financed the communication. If anyone other than the candidate or the candidate's committee financed the communication, the disclosure statement must include the full address of that person, except 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 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's Rules. The definition includes phrases such as "Jones for House of Representatives" or "Vote for the Governor," and other words which in context can have no reasonable meaning other than to urge the election or defeat of one or more clearly identified candidates.

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

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

Disclosure Statements on Radio Advertisements

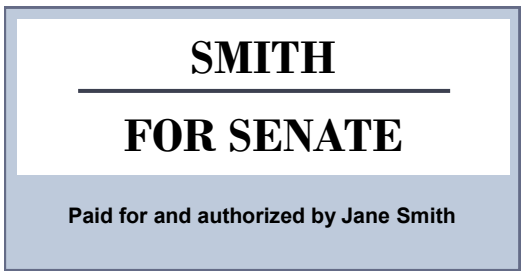
The disclosure statement on radio advertisements does not have to include the street address of the person who paid for the communication. It must include the name of the town/city and state of that person, however.

Examples of Disclosure Statements

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

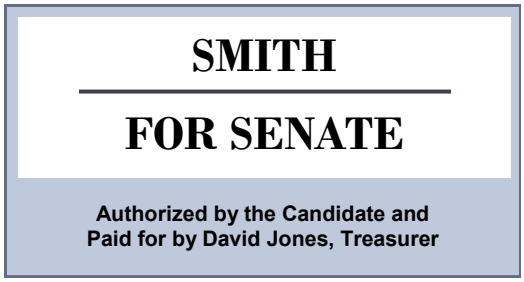
Expenditure Made by the Candidate or the Candidate's Committee (address not required):

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



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

- "Authorized by the Candidate and paid for by David Jones, Treasurer"
- "Authorized by the Candidate and paid for by Peter Brown, Chair of the Committee to Elect Jane Smith"



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

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

A communication authorized by a candidate and paid for 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,
- has been paid for and authorized by the candidate/candidate committee, and
- it clearly identifies the name of the candidate.

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

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

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

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

Automated Telephone Calls

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

Enforcement

A person who violates the disclosure requirement may be subject to a civil penalty of no more than 100% of the amount of the expenditure. If a 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.

Requirements for Broadcasters (TV and Radio) and Newspapers

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

Under federal regulations (47 CFR § 73.1212(a)(2)(ii) and 47 CFR § 76.1615(a)), 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 a candidate has any questions concerning these requirements, he or she may wish to consult with radio and television station personnel or other consultants who are producing the advertisements.

Use of Copyrighted Material

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

Constituent Mailings

Constituent newsletters, sent by incumbent Legislators, are used to inform the voters in their districts of the work accomplished during the most recent legislative session. Prior to mailing, these newsletters are reviewed by legislative officers (Clerk of the House or Secretary of the Senate) to verify 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, § 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 may file a complaint with the local police and/or the District Attorney's office for appropriate action, if a sign has been removed in an unauthorized manner.

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)
Hand-made Signs	21-A M.R.S.A. § 1014(1)
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), (2-A)
Broadcasters and Newspapers	21-A M.R.S.A. § 1014(3), (3-B)
Enforcement	21-A M.R.S.A. § 1014(4)

CHAPTER 5
Campaign Records & Record-Keeping

LEGAL REQUIREMENTS TO KEEP CERTAIN RECORDS

The Election Law requires every candidate and treasurer to keep a detailed and exact account of all contributions and expenditures over $50, as well as a receipt or invoice for expenditures made or authorized by the candidate. Campaigns are not required to submit records to the Commission unless requested.

Candidates and treasurers are required to keep campaign records for two years after filing the final campaign finance report required for the election cycle.

> Candidates in the general election, who have closed out their campaign with the filing of the 42-Day Post-General Report, must keep campaign records until December 2018. A campaign is closed out when the cash balance and outstanding debt and loan balances are all $100 or less.
>
> Campaigns that are filing post-election Semiannual Reports must keep records for two years after the filing of the final report of the campaign. Thus, records must be kept beyond December 2018.

RECORDS FOR CONTRIBUTIONS

Contributions of More Than $10 up to $50. For contributions greater than $10 but less than $50 during a reporting period, the campaign is required to keep a record of:

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

All contributions from contributors giving $50 or less in a reporting period may be totaled into a lump sum for reporting purposes, as long as none of the contributors has given more than $50 in the aggregate for the report period.

Contributions Greater Than $50. For individuals who have given more than $50 during a reporting period (*e.g.*, $40 is given in the beginning of the reporting period and then another $40 is given in the last week of the reporting period), the campaign is required to keep a record of the contributor's occupation and employer, in addition to his or her name and address.

Candidates are required to request and report this information. The Commission staff recommends that the campaign ask the contributor for his or her occupation and employer information at the time the contribution is solicited. If a contributor is unwilling to provide the information to the campaign, the campaign should report "information requested" in the occupation and employer fields in the campaign finance report (see page 25).

Records for Expenditures

For expenditures over $50, the Election Law requires candidates to keep a receipt (bill or invoice marked paid) stating the particular goods or services purchased. Also, campaign treasurers are required to keep a detailed and exact account of all expenditures made by or on behalf of candidates or campaign committees, including the name of each payee and the date and amount of the expenditure.

Documenting Reimbursements. The Commission staff recommends that candidates make all vendor payments directly from the campaign bank account. Nevertheless, some candidates find it helpful or necessary for the candidate or an intermediary (such as a volunteer or member of campaign staff) to use personal funds to pay a vendor for goods and services, and then to be reimbursed by the campaign. In these situations, the same documentation requirements apply for expenditures of more than $50. A campaign must obtain from the candidate, volunteer, or staff an original invoice or receipt from the vendor.

Documenting Purchases Made by a Consultant. If a consultant working on behalf of a campaign purchases goods or services worth more than $50, the campaign is required to obtain and keep an invoice or receipt from the actual vendor which provided the goods or services to the consultant, as well as an invoice from the consultant. For example, if a candidate hires a campaign consultant and the consultant commissions a research firm to do a poll, the candidate must obtain the research firm's invoice from the consultant . An example of a consultant's invoice meeting documentation standards is found below.

Documenting Purchases made by a Media Buyer. When a media buyer working on behalf of a campaign purchases advertising spots from media outlets (TV and radio stations) worth more than $50, the campaign is required to obtain and keep an invoice or receipt from the media outlets which provided the services. An

ELECTION Associates — **456 State Street, Augusta, Maine 04332**

BILL TO: — Invoice Date: 09/18/2016

Honorable Jane Smith
c/o Committee To Elect Smith
123 Main 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 the invoice

invoice from the buyer is required for the goods and services provided by them directly — like production costs or commissions.

For example, a candidate who hires a buyer to purchase air time on television and radio stations is required to obtain invoices or other statements from the broadcast stations documenting the air time sold to the campaign. When hiring a media buyer, a candidate should make the buyer aware of this requirement and include it in any contract. The candidate is then assured the documentation will be provided and he or she will have all of the information to correctly report media purchases.

Other Campaign Records

Other documents that are usually kept as records of a campaign include:

- campaign bank account statements and cancelled checks,
- signed and dated contracts for services provided to the campaign, and
- labor records and tax forms for campaign staff.

Requests for Documents by the Commission

As part of its compliance reviews, Commission staff sometimes requests documentation for contributions and expenditures (*e.g.*, a vendor invoice to verify the goods and services purchased).

Legal References

Requirement to Keep Records	21-A M.R.S.A. §§ 1013-A(4), 1016
Required Records for Contributions	21-A M.R.S.A. § 1016
Records of Expenditures Made on Behalf of the Candidate	21-A M.R.S.A. § 1016(4); Rules Chapter 1, Section7(1)

CHAPTER 6

Campaign Finance Reporting

LEGAL REQUIREMENT

All candidates for Governor, the Legislature, and county offices must file campaign finance reports with the Commission. Filing complete and accurate reports is a joint responsibility of a candidate and his or her treasurer. This is a requirement of the Election Law that applies to anyone who is a candidate, except traditionally financed candidates who have been granted an exemption from filing because their campaigns will have no financial activity.

Reports must be filed by 11:59 p.m. on the filing deadline. The only exception is 24-Hour Reports, which must be filed within twenty-four hours of receiving a contribution of $1,000 or more, or making a single expenditure of $1,000 or more.

While the Commission sends reminders to candidates and treasurers, it is a joint responsibility of a candidate and his or her treasurer to remember and comply with filing deadlines.

Candidates who do not submit a report by the filing deadline will be assessed a civil penalty. Candidates may request a waiver of the penalty from the Commission.

TIME PERIOD FOR EACH REPORT

Each campaign finance report covers a specific period of time. Campaigns must report all contributions received and expenditures made during a period, and all obligations that remain unpaid at the end of a period.

If a candidate had activity in an earlier time period that has not been reported, he or she needs to amend the previously filed report for the earlier time period. When completing reports, candidates and their treasurers are encouraged to call Commission staff with any questions.

REQUIRED REPORTS

Semiannual Report for Candidates with Financial Activity in 2015. If a candidate raises or spends more than $500 before December 31, 2015, the candidate or treasurer must file a 2016 January Semiannual Report no later than January 15, 2016, covering all financial activity during 2015.

Required Pre- and Post-Election Reports for All Candidates. Candidates are required to file campaign finance reports according to the schedule found in the table on the next page. Each report covers a specific time period and must include all activity within that period.

2016 Reports for Legislative and County Candidates		
Type of Report	**Deadline**	**Report Period**
2016 January Semiannual*	January 15, 2016	Beginning of campaign - December 31, 2015
11-Day Pre-Primary	June 3, 2016	Beginning of campaign - May 31, 2016 If 2016 January Semiannual filed: January 1 - May 31, 2016
42-Day Post-Primary	July 26, 2016	June 1 - July 19, 2016
42-Day Pre-General	September 27, 2016	July 20 - September 20, 2016
11-Day Pre-General	October 28, 2016	September 21 - October 25, 2016
42-Day Post-General	December 20, 2016	October 26 - December 13, 2016
* Required for candidates who have raised and/or spent more than $500 in calendar year 2015.		

24-Hour Reports. The 24-hour reporting requirement applies during the 13-day period prior to an election (see the calendar on the next page). This 13-day period includes two weekends. The report must be filed within twenty-four hours when a candidate:

- receives a single contribution (including a loan) of $1,000 or more;
- makes a single expenditure or incurs an unpaid obligation of $1,000 or more.

Overhead costs, such as rent, taxes, utilities and some salary payments, are not required to be reported in a 24-Hour Report. It is important to remember the term "expenditure" includes making an obligation to a vendor for goods or services ordered. If a candidate incurs an obligation with a vendor during the 24-hour reporting period, he or she must report the obligation within twenty-four hours — regardless of when the vendor is paid. Please see the table below 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.

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

2016 Primary Election 24-Hour Reporting Period						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
May 29	30	31	Starts: June 1	2	3	4
5	6	7	8	9	10	11
12	Ends: June13	14 Primary Election	15	16	17	18

2016 General Election 24-Hour Reporting Period						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
Oct 20	24	25	Starts: Oct 26	27	28	29
30	31	Nov 1	2	3	4	5
6	Ends: Nov 7	8 General Election	9	10	11	12

How to file 24-Hour Reports:

- File reports electronically. E-Filing will create a 24-Hour Report to file after the transaction is added.
- Paper filers can file in person or by fax.

When to file 24-Hour Reports:

- Within 24 hours of the contribution, expenditure or obligation.
- A report must be filed on a weekend or holiday if that is when it is due.
- Paper filers must file a report by fax if it is due on a weekend or holiday.
- Expenditures made on the day before an election must be reported on election day.

Reports Required for Candidates Who Are Defeated in a Primary Election. Candidates who are defeated in the primary must file the primary election reports, but are not required to file the three general election reports. The 42-Day Post-Primary Report, due July 26, 2016, is the last campaign finance report for candidates who have cash, loan, and debt balances of $100 or less.

Candidates who have a cash balance, outstanding loan balance, or campaign debt of more than $100 after the filing of the 42-Day Post-Primary Report must file semiannual reports every January 15th and July 15th until the cash balance, outstanding loans, and/or debts are $100 or less. (Please see Chapter 7.)

Candidates have four years after the election to dispose of a cash balance greater than $100. Cash surpluses may only be disposed of in certain ways, which are listed in the Appendix.

Reports Filed by Replacement Candidates. A candidate who fills a vacancy caused by the withdrawal or death of another candidate is subject to

Maine Election Law and the Commission's Rules like any other candidate. A replacement candidate must register with the Commission in a timely manner and is required to file campaign finance reports. The filing schedule will be determined when the candidate registers with the Commission.

Reporting Cash and In-Kind Contributions

Reporting Contributions of $50 or Less. If a contributor has given a candidate contributions that total $50 or less during a reporting period, the candidate is not required to itemize these contributions; all contributions of $50 or less may be entered as a lump sum. When reporting unitemized contributions in the E-Filing system, candidates should use the contributor type of "Contributors Giving $50 or Less" (see Contributor Types chart below), and enter the total for the reporting period.

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

Contributor Types
Candidate and Candidate's Spouse/Domestic Partner
Other Individuals
Commercial Sources (corporations, etc.)
Political Action Committees
Political Party Committees
Other Candidates and Committees
Ballot Question Committee
Nonprofit Organization
Financial Institution
Contributors Giving $50 or Less
Transfer from Previous Campaign

Duty to Report Contributor's Occupation and Employer. If a contributor — who is an individual — has given a campaign contributions totaling more than $50 during the reporting period, the candidate is required to report the contributor's occupation and employer.

Under the Commission's Rules, a campaign must make a reasonable effort to obtain the information from contributors. If a contributor is unwilling to provide the information in response to a request, the candidate should report "information requested" in the occupation and employer fields.

Reporting a Return of a Contribution. If a campaign returns a contribution, the candidate must disclose the returned funds in a campaign finance report. A return of a contribution is required in certain circumstances:

- when an over-the-limit contribution is received and deposited in the campaign bank account;
- when a general election contribution that was collected before the primary is returned after the candidate is defeated in the primary election.

Reporting Fees When Using an Online Fundraising Service. Many candidates use fundraising services to collect campaign contributions online. Sometimes the company charges a service or transaction fee. After a contributor makes a contribution, the fundraising service company subtracts the fee(s) before transferring the contribution to the campaign. For example, a contributor makes a $100 contribution and

the fees total $3.50, thus the company transfers $96.50 to the campaign. The correct amount to report as the contribution is $100. The service or transaction fee of $3.50 is an expenditure and should be reported using the expenditure purpose code "OTH - Other" in the E-Filing system.

However, some companies may give contributors the option to pay the fees instead of the campaign. Usually, when a contributor agrees to pay the fees, the reportable contribution amount is the amount transferred to the campaign. Since the fees were agreed to and paid by the contributor, the campaign does not report them.

Reporting Expenditures

Legal Requirement. The Election Law requires all candidates to disclose on campaign finance reports submitted to the Commission the date, amount, payee, and purpose of all expenditures.

The "payee" is the vendor that provided the goods or services to the campaign. It is not acceptable to report "cash," "reimbursement," or the candidate's name as the payee. The only time the candidate's name should appear as the "payee" is when the candidate is receiving a reimbursement for mileage. The name of a campaign worker may appear as the "payee" if the worker is receiving a reimbursement for mileage, or if the campaign worker is being paid for a good or service the worker has provided to the campaign. The following sections explain how to report reimbursements.

Types of Expenditures and Required Remarks. 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 (see table below). It is important a candidate choose the most appropriate expenditure type for each transaction, and give a concise but descriptive explanation for those expenditures.

Reporting Reimbursements Made to a Candidate, Supporter, or Candidate's Household Member. Many candidates ask if they or supporters can use personal funds or a credit card to pay for campaign goods or services and later be reimbursed by the

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
L I T	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	On-line advertising, website design, registration, hosting, maintenance, etc.

campaign. This is permissible as long as the campaign reimburses the candidate or supporter. Otherwise, the candidate or supporter has made an in-kind contribution to the campaign.

The purchase must be disclosed in the reporting period in which the vendor received the payment. If a candidate or a supporter uses personal funds or a credit card to pay a vendor, report the vendor as the payee and the date on which the vendor received payment. In the remark section, the name of the person who paid the vendor and who received the reimbursement should be entered.

If the person receiving the reimbursement is a member of the candidate's immediate family or household, the relationship to the candidate must be disclosed (*e.g.*, "Reimbursement to Jim White, candidate's spouse.")

Reporting Mileage Reimbursements. When reporting a mileage reimbursement, a candidate should enter the name of the person receiving the reimbursement as the payee. Volunteers may spend up to $350 of their personal funds per election (primary or general) on campaign travel. After that, the campaign must reimburse the volunteer for their travel expenditures or the spending will be considered an in-kind contribution to the campaign.

Reporting Purchases Made by a Consultant or Firm. When a candidate hires a consultant and the consultant makes expenditures on behalf of his or her campaign, he or she is required by Election Law and Commission Rule to report those expenditures as though the campaign made them directly (see example on the top of the next page).

In order to meet this reporting requirement, Commission staff recommends when a candidate hires a consultant, he or she asks the consultant to provide the campaign with a receipt, invoice or other statement from any vendor that received a payment of $50 from the consultant.

It is a campaign's responsibility to find out about expenditures made by consultants on the campaign's behalf, and to report those expenditures. An example of a consultant invoice is found on the next page.

If a candidate reported a lump sum payment to a consultant in a previously filed report, he or she may need to amend that report to deduct from that amount any expenditures made by the consultant so the costs are not double-reported. The candidate should note in the remarks section the expenditures were made by the consultant.

Reporting Payments Made to Household Members. Candidates may pay campaign funds to members of their immediate families, or to members of their household, for goods or services they have provided to the campaign. If payments are made, the candidate must report the family or other relationship (*e.g.*, "spouse," "domestic partner," "brother," "roommate") in the explanation section for that expenditure. He or she must also report the relationship if he or she reimburses the family or household member for a purchase he or she made on behalf of the campaign.

Reporting Unreimbursed Expenditures from the Candidate's Personal Funds. A traditionally financed candidate who is self-funding all or part of his or her campaign can either enter the expenditure made for the campaign as an in-kind contribution, or enter the

Example of Invoice for Consulting Services

ELECTION Associates 456 State Street, Augusta, Maine 04332

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

Invoice Date: 09/18/2016

Service/Product	Rate	Hours	Total
Design of Palm Card	$100 per hr	3.0	$300
Printing of card: Graphics Center Color Printing **SEE ATTACHED COPY OF INVOICE**	2,000 cards at $0.50 each		$1,000
Total Due 30 Days from Date of Invoice			**$1,300**
Authorized Signature: *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.

expenditure and a corresponding cash contribution in the same amount. If only the expenditure paid for by the candidate is entered, the campaign's cash balance will be incorrect.

Reporting Withdrawals of Cash

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

If a campaign chooses to withdraw cash to use for petty expenses or campaign workers, the candidate should not report a payment to "cash." Instead, for each cash expenditure, the candidate must keep a receipt or record, which includes the date, amount, payee, and purpose of the expenditure, so this information can be included in campaign finance reports.

Reporting Interest Earned on Bank Accounts

Candidates are permitted to earn interest on campaign funds in bank accounts, and spend that interest for campaign purposes. At the end of each reporting period, candidates should calculate the total amount of interest earned for the entire reporting period, and enter the total onto the report.

Reporting Loans

Under the Election Law, any loan that is not from a financial institution in Maine is considered a contribution to the campaign, and is subject to the limitations on contributions, as explained on page 5. All loan activity — receipt of the loan, loan payments, and forgiveness — must be reported.

If a candidate or supporter purchases goods or services from a vendor with a personal credit card and is not reimbursed by the campaign by the end of the reporting period, the candidate should not report the transaction as a loan. Rather, the transaction should

be reported as an unpaid debt, as explained in the next section.

Reporting Unpaid Debts and Obligations

If a candidate has incurred debts and obligations which remain unpaid at the end of a reporting period, the candidate must report the name and address of the creditor, the amount and date of the transaction, and purpose of the transaction. When any payment (full or partial) is made on a debt or obligation, that payment amount should be entered in the E-Filing system.

Filing Reports Electronically

Electronic Filing Requirement. Candidates in the 2016 elections who have (or expect to have) contributions of more than $1,500 are required to file all campaign finance reports electronically on the Commission's website. Candidates who expect to have contributions of $1,500 or less may file reports using the Commission's paper forms.

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

1. Directly enter each contribution and each expenditure into the E-Filing system on the Commission's website;
2. Upload the information electronically without having to enter the information transaction by transaction into the system. Commission staff should be contacted for more information.

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 paper forms, after requesting a waiver of the electronic filing requirement. The Commission grants all reasonable requests for a waiver. If a candidate would like a waiver of the requirement, he or she needs to complete the Electronic Filing Waiver request form and submit it to the Commission. The deadline for filing a waiver request is April 15, 2016, but the Commission will honor requests filed later.

Contributions and Expenditures Less than $1,500. If a candidate expects to have contributions no greater than $1,500, he or she may file campaign finance reports using paper forms without first requesting a waiver. The Commission should be contacted for a packet of forms.

File the Original Signed Report by the Deadline. The Commission must receive the original campaign finance report, signed by the candidate and/or the treasurer, at its office by 5:00 p.m. on the filing deadline, except in two circumstances:

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

Reminders by the Commission

A packet of information, including the filing schedule for campaign finance reports, is given to all candidates. In addition, the filing schedule is posted on the Commission's website. The Commission staff mails a written reminder to all candidates at least two weeks before each filing deadline, and the E-Filing system also automatically sends email reminders two weeks, one week, and the day before the filing deadline. It is important for campaigns to notify the Commission whenever there is a change to a candidate's or treasurer's mailing address, email address, or telephone number. Failure to receive a reminder notice does not excuse late-filed reports.

Amendments

Candidates and treasurers are required by the Election Law to certify the completeness and accuracy of the information included in each report, and are expected to take that certification seriously. If a candidate or treasurer unintentionally makes an omission in a report, or includes incomplete or inaccurate information, he or she must promptly file an amendment.

All amended reports are reviewed by the Commission staff. If the staff determines that a report does not substantially conform to the disclosure requirements, the Commission staff may consider the report late, even if it was filed by the deadline.

Commission's Review of Reports

The Commission staff reviews all campaign finance reports for completeness and compliance with the Election Law. If Commission staff believe a report is incomplete or requires additional information, they will contact the candidate or treasurer by telephone or in writing. Please see Chapter 8 for more information.

Legal References

Requirement to File Reports	21-A M.R.S.A. §§ 1013-A(4); 1016; 1017(3-A)
24-Hour Reporting Requirement	21-A M.R.S.A. § 1017(3-A)(C)
Required Contents of Report	21-A M.R.S.A. § 1017(5)
Reporting Payments to Members of Household and Family	21-A M.R.S.A. § 1017(5)
Required Reporting of Expenditures, including date, payee, amount, purpose	21-A M.R.S.A. § 1017(5)
Report 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)
Substantially Non-Conforming Reports	21-A M.R.S.A. § 1020-A(2)
Reporting Expenditures by Consultants, Employees, and Other Agents	21-A M.R.S.A. 1016(4); Rules, Chapter 1, Section 7(1)
Reporting Reimbursements	Rules, Chapter 1, Section 7(5)

CHAPTER 7

Post-Election Responsibilities

NOTIFY COMMISSION OF CHANGES OF ADDRESS AND PHONE NUMBER

During and after a campaign, it is important for candidates and treasurers to notify the Commission directly when an address and/or telephone number changes. If the Commission is not notified, the candidate may miss important notices and filing reminders. It is also important for the staff to know how to contact candidates as the staff conduct their reviews of campaign finance reports.

42-DAY POST-ELECTION CAMPAIGN FINANCE REPORT

All candidates in an election must file a report no later than 42 days after the last election in which they were a candidate. If a candidate does not have unspent cash, or unpaid loans or debts of more than $100, this will be the candidate's last campaign finance report for the election cycle. For candidates in the 2016 general election, this report is due December 20, 2016.

RECOUNTS

If a candidate is in a recount of an election, he or she may accept unlimited funds and services from party committees and caucus campaign committees. He or she may also receive unlimited donations of in-kind services from attorneys, consultants, and their firms who are not being reimbursed for their services. All other contributors are restricted to the contribution limits found on page 5.

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.

DISPOSING OF SURPLUS CASH AFTER THE ELECTION

After an election, a candidate may be left with a cash surplus in the campaign account. Surplus cash greater than $100 may not be converted to the candidate's personal use. A candidate must dispose of surplus cash greater than $100 within four years of the election for which the funds were received. Under 21-A M.R.S.A. § 1017(8), a candidate may dispose of surplus cash greater than $100 only by:

- returning contributions to the candidate's contributors, as long as no contributor receives more than the amount contributed;
- making a gift to a qualified political party within Maine, including any county or municipal subdivision of such a party;
- making an unrestricted gift to the State;
- carrying forward the funds to a political committee established to promote the same candidate for a subsequent election;
- carrying forward the surplus balance for use by the candidate for a subsequent election;
- transferring the surplus balance to one or more other registered candidates or to the political committees established to promote

the election of those candidates, provided that the amount transferred does not exceed contribution limits;

- repaying any loans or retiring any other debts incurred to defray campaign expenses of the candidate;
- paying for any expense incurred in the proper performance of the office to which the candidate is elected, as long as each expenditure is itemized on expenditure reports;
- making a gift to a charitable or educational organization that is not prohibited, for tax reasons, from receiving such a gift.

The Commission's flier on disposing of surplus cash is included in the Appendix.

Disposing of Loans

If a campaign has an outstanding loan balance of more than $100 and wants to close out the campaign with the filing of the 42-Day Post-Election Report, it should:

- use campaign funds to reduce the outstanding loan balance to $100 or less;
- ask the lender to forgive the outstanding loan balance.

> Candidates who have made loans to their campaigns may wish to forgive the unpaid amounts rather than be responsible for filing semiannual reports.

Once a loan balance is forgiven in the Commission's E-Filing system, the forgiven loan amount will appear as a cash contribution from the lender on Schedule A of the campaign finance report. If the candidate files reports on paper, he or she must enter the forgiven amount as a cash contribution on Schedule A.

Disposing of Unpaid Debts and Obligations

If a campaign has an unpaid debt of more than $100 and wants to close out the campaign with the filing of the 42-Day Post-Election Report, it should:

- use campaign funds to pay the debt. It is permitted to raise funds after the election for the purpose of paying off debts;
- use the candidate's personal funds to pay the person to whom the debt is owed ("the creditor"). The payment of personal funds to the creditor should be reported as an in-kind contribution on Schedule A-1;
- ask the creditor to forgive the unpaid debt or obligation. If the campaign's debt is owed to the candidate, or the candidate's spouse or domestic partner, an unlimited amount may be forgiven. If the debt is owed to anyone else (*e.g.*, a vendor, or a campaign supporter who has not been reimbursed for a purchase), the maximum the creditor may forgive is $375 per election for legislative candidates and $775 per election for county candidates. If the creditor forgives the unpaid debt, the receipt of the goods or services without payment should be reported as an in-kind contribution from the creditor on Schedule A-1.

Under the Commission's Rules, the Commission shall presume any debt that remains unpaid more than six months after the election in which the debt was incurred to be a contribution to the candidate, unless the candidate provides clear and convincing evidence to the Commission that he or she intends to raise funds or take other measures to satisfy the debt. If the debt remains unpaid for four years, the Commission is required by its rules to determine whether the debt is a contribution.

Semiannual Reports

Candidates with surplus cash, loans, or unpaid debts of more than $100 as of the 42-Day Post-Election Report must continue to file campaign finance reports ("semiannual reports") every January 15th and July 15th until the candidate has disclosed how the cash, loan, or debt has been disposed of.

For unsuccessful candidates in the 2016 primary election who must file these reports, the first report will be due January 15, 2017. For 2016 general election candidates with cash, loans, or debt over $100, the first semiannual report will be due July 15, 2017.

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 into 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 2016 general election, the deadline for filing the SOSOI is February 15, 2017.

Legal References

Change of Address or Telephone Number	21-A M.R.S.A. § 1013-A(5)
Disposing of Surplus Cash After an Election	21-A M.R.S.A. § 1017(8)
Semiannual Reports	21-A M.R.S.A. § 1017(3-A)(E)
Statement of Sources of Income	1 M.R.S.A. §§ 1016-A, 1016-B, 1016-E, 1016-F

CHAPTER 8

Compliance Reviews of Campaign Finance Reports

PURPOSE OF REVIEWS

Commission staff conducts compliance reviews of all campaign finance reports. The purpose of the reviews are to verify contributions and expenditures were accurately reported and meet Election Law requirements.

CONDUCT OF REVIEWS

The reviews typically occur in the two to three weeks following each filing deadline. The reviews are conducted by the Commission's staff. After each review, the Commission staff may request the candidate or treasurer to amend a campaign finance report to correct any errors or to provide more complete information about a transaction.

INFORMATION REVIEWED

During the review, Commission staff is verifying compliance to assure:

- Contributors have not exceeded the contribution limit (*i.e.*, the campaign did not receive any over-the-limit contributions);
- The occupation and employer information has been reported for contributors giving more than $50 in a reporting period;
- The contributor's complete name and address has been reported for contributions of more than $50;
- The correct contributor type has been reported;
- The correct payee has been reported for reimbursements;
- The correct expenditure type has been reported, and a description of the goods or services has been included in the explanation field;
- Sub-vendors have been reported, especially for media purchases involving TV, radio, and cable ads;
- The reported cash balance found on the financial summary is not negative;

FOLLOW UP BY COMMISSION

If a review identifies a potential non-compliance issue, Commission staff will contact the campaign. Commission staff will explain the issue and the method(s) for correcting the error(s). The campaign is given a reasonable amount of time to correct the error (s) and amend any reports. The campaign may request assistance from the Commission staff when amending reports.

AVOID THESE COMMON REPORTING ERRORS	
Incomplete Contributor Information	Missing addresses, first names, occupation, and employer information. ***Action: Request this information when soliciting contributions.***
Incorrect Reporting of Occupation	Occupation is not "Self" or "Self-Employed;" occupation is "accountant," "teacher," "gift shop owner;" "business owner" is acceptable. ***Action: Provide guidance to contributors on what is an "occupation."***
Incorrect Reporting of Employer Name	Employer name is the name of the business, organization, *etc.* the contributor is employed by. For contributors who are business owners, the name of their business is the employer name. For example, "gift shop owner" is an occupation and "Maine Street Gifts" is the employer name — not "self-employed." ***Action: Provide guidance to contributors on what is an "employer name."***
Contribution Amount Assigned to Wrong Election	A $750 contribution received before the primary is assigned to the primary election only — resulting in a reported over-the-limit contribution, whereas it should have been reported as $375 for the primary election and $375 for the general election. ***Action: Review spreadsheet, database, or report before filing report.***
In-Kind Contributions Reported as Expenditures	In-kind contributions reported only as expenditures cause an incorrect cash balance, sometimes a negative cash balance. A corresponding cash contribution must be reported to avoid this error — or — report all in-kind contributions as in-kind contributions, not expenditures. ***Action: Review Summary Schedule of the report — cash balance should not be negative.***
Sub-Vendor Reporting Missing	Error mostly occurs when a media buyer is used to purchase TV and radio advertising and when a consultant uses a vendor to print communications (signs, palmcards, *etc.*). The payments to sub-vendors (TV and radio stations, printers, *etc.*) must be reported as if the campaign made the payments directly. ***Action: Require vendors to attach copies of sub-vendor invoices when the vendor is requesting payment from the campaign.***
Incorrect Payee Name for Reimbursements	The name of the person receiving the reimbursement is reported incorrectly as the Payee name. The Payee name is the vendor where the person seeking the reimbursement purchased the goods/services. The only exception is when the campaign is making a reimbursement for travel/mileage. In this situation, the Payee name is the name of the person receiving the reimbursement. ***Action: Review expenditures reported to individuals — expenditure type should be TRV, SAL, PRO, or CNS in most cases.***

LEGAL REFERENCES	
Compliance Reviews	Rules, Chapter 1, Section (4)(2)(A)

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 influencing any campaign as defined in section 1052, subsection 1; and

B. Does not include:

(1) Any news story, commentary or editorial distributed through the facilities of any broadcasting station, newspaper, magazine or other periodical publication, unless the facilities are owned or controlled by any political party, political committee, candidate, or candidate's immediate family;

(1-A) Any communication distributed through a public access television station if the communication complies with the laws and rules governing the station and all candidates in the race have an equal opportunity to promote their candidacies through the station;

(2) Activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention a clearly identified candidate;

(3) Any communication by any membership organization or corporation to its members or stockholders, if that membership organization or corporation is not organized primarily for the purpose of influencing the nomination or election of any person to state or county office;

(4) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities does not exceed $250 with respect to any election;

(5) Any unreimbursed travel expenses incurred and paid for by an individual who volunteers personal services to a candidate, if the cumulative amount of these expenses does not exceed $350 with respect to any election;

(5-A) Any unreimbursed campaign-related travel expenses incurred and paid for by the candidate or the candidate's spouse or domestic partner;

(6) Any communication by any person that is not made for the purpose of influencing the nomination for election, or election, of any person to state or county office;

(7) The payment by a party's state, district, county or municipal committee of the costs of preparation, display or mailing or other distribution of a party candidate listing;

(8) The use or distribution of any communication, as described in section 1014, obtained by the candidate for a previous election and fully paid for during that election campaign;

(9) Documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the requirements of this Title, lists of registered voters and voter identification information, created or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party;

(10) Compensation paid by a state party committee to its employees for the following purposes:

(a) Providing no more than a total of 40 hours of assistance from its employees to a candidate in any election;

(b) Recruiting and overseeing volunteers for campaign activities involving 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.

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 a 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.)

Disposition of Surplus Funds

21-A M.R.S.A. § 1017(8)

Disposition of surplus. A treasurer of a candidate registered under section 1013-A or qualified under sections 335 and 336 or sections 354 and 355 must dispose of a surplus exceeding $100 within 4 years of the election for which the contributions were received by:

A. Returning contributions to the candidate's or candidate's authorized political committee's contributors, as long as no contributor receives more than the amount contributed;

B. A gift to a qualified political party within the State, including any county or municipal subdivision of such a party;

C. An unrestricted gift to the State. A candidate for municipal office may dispose of a surplus by making a restricted or unrestricted gift to the municipality;

D. Carrying forward the surplus balance to a political committee established to promote the same candidate for a subsequent election;

D-1. Carrying forward the surplus balance for use by the candidate for a subsequent election;

E. Transferring the surplus balance to one or more other candidates registered under section 1013-A or qualified under sections 335 and 336 or sections 354 and 355, or to political committees established to promote the election of those candidates, provided that the amount transferred does not exceed the contribution limits established by section 1015;

F. Repaying any loans or retiring any other debts incurred to defray campaign expenses of the candidate;

G. Paying for any expense incurred in the proper performance of the office to which the candidate is elected, as long as each expenditure is itemized on expenditure reports; and

H. A gift to a charitable or educational organization that is not prohibited, for tax reasons, from receiving such a gift.

The choice must be made by the candidate for whose benefit the contributions were made.

(Current as of 09/2007)

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 Kelley, Department of Transportation (MeDOT)

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

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Commission on Governmental Ethics and
Election Practices
Mailing: 135 State House Station, Augusta, Maine 04333
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