



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commissioners
From: Lorrie Brann, Candidate Registrar
Date: November 10, 2022
Re: Request by Scott Gaiason for Waiver of Late-Filing Penalty Due to Substantially
Incomplete 42-Day Pre-General Report

Scott Gaiason was a Maine Clean Election Act (MCEA) candidate for House District 97. He is an experienced candidate, having run five times since 2016. Mr. Gaiason's campaign originally filed the 42-Day Pre-General Report one day late, on September 28, 2022. The report, which covered financial activity through September 20, 2022, did not include an obligation of around \$6,771.37 that Mr. Gaiason had entered into on August 12, 2022, for advertising and mailers. The Commission staff views the originally filed report as late, because it did not substantially conform to the disclosure requirements. Since then, the report has been amended to include all required information. Mr. Gaiason seeks a waiver of the \$135.43 late-filing penalty.

LEGAL REQUIREMENTS

Legislative candidates are required to file a campaign finance report no later than 11:59 p.m. on the 42nd day before the date on which an election is held, and the report must be complete as of the 49th day before that date. (21-A M.R.S. § 1017(3-A)(D-1)) A required report must contain the itemized expenditures made or authorized during the report filing period, the date and purpose of each expenditure and the name of each payee. (21-A M.R.S. § 1017(5)) A campaign finance report is not timely filed unless a properly signed or electronically submitted copy of the report, substantially conforming to the disclosure requirements of this subchapter, is received by the commission by 11:59 p.m. on the date it is due. (21-A M.R.S. § 1020-A(2)) When a candidate is late in filing a report, the amount of the penalty is set by a formula which takes into consideration a percentage of the total contributions or expenditures, whichever is greater, the number of prior violations within a two-year period, and the number of days the report is late. (21-A M.R.S. § 1020-A)(4-A))

The term “expenditure” includes “a purchase, payment, distribution, loan, advance, deposit or gift of money anything of value made for the purpose of initiating or influencing a campaign,” and “a contract, promise, or agreement, expressed or implied, whether or not legally enforceable, to make any expenditure for the purposes set forth in this paragraph.” 21-A M.R.S. §§ 1052(4)(A)(1)&(2). The Commission has adopted a rule (Chapter 1, § 7(3) confirming that placing an order for a good or service constitutes reportable expenditure, even if the order has not been paid for:

3. Reporting Debts and Unpaid Obligations

- A. The following events constitute expenditures, even if the payment for a good or service has not been made at the time of the event:
 - (1) The placement of an order for a good or service;
 - (2) The signing of a contract for a good or service;
 - (3) The acceptance of the delivery of a good or the performance of a service by a vendor; or
 - (4) A promise or an agreement (including an implied one) that a payment will be made in exchange for a good or service.
- B. For reporting purposes, the expenditures listed in paragraph A are designated as debts or obligations prior to payment for the goods or services being made.
- C. If a person required to file a campaign finance report has a debt or obligation which remains unpaid at the end of the report period, the person shall report the date, amount, vendor, and purpose of the debt or obligation. If the exact amount is not known, the person filing the report shall report an estimate of the amount (preferably obtained in a written statement from the vendor).
- D. If a debt or obligation occurs in the same report period as a payment for that debt or obligation, the person filing the report will report only the payment, not the debt or obligation.
- E. A candidate or committee is not required to report a payment for a good or service in a 24-Hour Report, if the candidate or committee reported a debt for that good or service in the last regularly scheduled campaign finance report.

94-270 C.M.R. ch. 1 § 7(3).

DISCUSSION

On September 28, 2022, the Gaiason campaign filed a 42-Day Pre-General Report one day late. That day, Mr. Gaiason called Candidate Registrar Lorrie Brann on another matter and disclosed he had an unpaid debt of \$6,771.37 to Frame Media. The obligation was for Facebook ads, design services, and printing and distribution of three mailers.

On September 29, the Mr. Gaiason confirmed the date and amount of the obligation to the vendor. Commission staff assisted the campaign with entering the debt to Frame Media and refileing the report, because his treasurer was in Scotland on family matters, which is why the original report was filed late. He said he was unaware of the requirement to report expenditures that had been authorized but not paid by the end of the reporting period as a debt; he had never done so in any of his prior campaigns.

All MCEA candidates are provided with access to the MCEA Candidate Guidebook and QuickGuide. There is ample guidance about how to report expenditures and debts. The MCEA Guidebook on pages 21, 43, 47, and 50, defines expenditures and debts and how to report them. The MCEA QuickGuide also provides this information. All commission guidance clearly states that any order that remains unpaid at the end of a reporting period must be disclosed as a debt in the report.

Based on the statutory formula for calculating late-filing penalties, the preliminary penalty amount is \$135.43, calculated as follows:

Report	Deadline	Financial Activity	Penalty Rate	Days Late	Preliminary Penalty
42-Day Pre-General Report	09/27/2022	\$6,771.37	2%	1	\$135.43

Mr. Gaiason requests the Commission waive or reduce the preliminary penalty because he was unaware that expenditures that had been obligated were required to be reported as a debt if they not paid within the reporting period.

STAFF RECOMMENDATION

Timely campaign finance reports are an integral part of campaign finance transparency and disclosure. It is clear that their timely filing is considered to be of utmost importance, as statute

requires late-filing penalties to increase by each day past the due date the report is filed. All campaigns, particularly experienced ones, are expected to pay attention to and meet all reporting deadlines, especially when multiple reminders are sent for each due date.

In 2018 and 2020, the Commission waived late-filing penalties against candidates downward to a range of \$300 - \$400, for example:

- from \$384.37 to \$300 – late 24-Hour Report by Ian Schwartz
- from \$529.50 to \$350 – late 42-Day Post-Primary Report by Mark Lawrence
- from \$2,991.36 to \$300 – late 24-Hour Report by Danny Costain
- from \$3,744.00 to \$400 – late 24-Hour Report by Cathleen Nichols

The Commission *declined* to waive preliminary penalties that were already below \$300:

- \$84.00 – late 42-Day Post-Primary Report by Brian Redmond
- \$109.54 – late 11-Day Pre-General Report by Scott Gaiason
- \$132.00 – late 42-Day Post-Primary Report by Mark Andre
- \$235.03 – late 42-Day Post-General Report by James LeBrecque

In this case, the preliminary penalty of \$135.43 is well below the \$300-\$400 range. Mr. Gaiason is an experienced candidate who has filed many campaign finance reports and had access to the MCEA Guidebook and QuickGuide. His waiver request does not describe any of the mitigating factors set out in statute. Commission staff recommend not reducing or waiving the penalty of \$135.43.

Thank you for your consideration of this memo.



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

September 29, 2022

Scott N. Gaiason
32 Huston Street
Lisbon Falls, ME 04252

Re: Notice of Violation and Penalty for Late-Filed/Substantially Incomplete 42-Day Pre-General Report

Dear Mr. Gaiason:

You were required to file the 42-Day Pre-General Report on September 27, 2022 by 11:59 p.m., but the report was not substantially and completely filed until September 29, 2022. Your report is being considered late as it was substantially incomplete at the time of the original filing on September 28, 2022. Your originally filed 42-Day Pre-General Report failed to include a \$7,391.34 debt to Frame Media Strategies, LLC. Under the Commission's statutes (21-A M.R.S.A. § 1020-A(4-A)), the late filing of a report triggers an enforcement process. The Commission staff has made a preliminary finding of violation and determined that the preliminary penalty for filing the report late is **\$135.43**. Please see the next page for the penalty calculation.

You may request that the Commission waive the penalty in whole or in part or find that there was no violation. The request must be made within 14 calendar days of your receipt of this notice. The request must be in writing and contain a full explanation of the reasons the report was filed late. Upon receiving your request, the Commission staff will schedule your request to be heard at an upcoming Commission meeting. You or your designee will have an opportunity to be heard at the meeting or you may submit a sworn statement to the Commission explaining the mitigating circumstances for its consideration.

The Commission may waive or reduce the penalty or find that there was no violation if it determines that the report was late due to mitigating circumstances, which are defined as (1) a valid emergency; (2) an error made by the Commission staff; or (3) relevant evidence that a bona fide effort was made to file the report on time. The Commission may also consider whether the penalty is disproportionate to the size of the candidate's campaign, the level of experience of the candidate, treasurer or campaign staff, or the harm to the public caused by the late disclosure.

The staff requests that you pay the preliminary penalty within 14 days of the date of your receipt of this notice if you do not intend to request a waiver. Please use the payment statement on the next page when paying by mail. You may also make a payment online at www.maine.gov/ethics by clicking the "Penalty Payment" link. Please contact me at (207) 287-4727 or lorrie.j.brann@maine.gov if you have any questions.

Sincerely,

Lorrie J. Brann
Candidate Registrar

Penalty Calculation

The penalty for filing a campaign finance report late is based on a percentage of the total contributions or expenditures for the reporting period, whichever is greater, multiplied by the number of days late. The percentage is based on your history of past violations: 2% for the first violation, 4% for the second violation, and 6% for the third and each subsequent violation. Violations for late-filed reports accumulate in the two-year period beginning on January 1st of each even-numbered year. A penalty accrues daily beginning on the day following the filing due date. Any penalty of less than \$10 is automatically waived.

How Your Penalty Was Calculated

Filer: Scott N. Gaiason			
Late-Filed Report: 42-Day Pre-General Report			
Contributions	\$1,375.00	Penalty Base Amount	\$135.43
Expenditures	\$6,771.37	Percentage	2%
Due Date	September 27, 2022	Daily Accrual Rate	\$135.43
Date Filed	September 29, 2022	Days Late	1
Previous Violations	0	Your Total Penalty	\$135.43

Payment Statement and Payment Options

From: Scott N. Gaiason

Penalty Amount: \$135.43

Amount Enclosed: _____

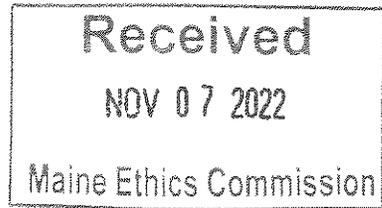
Check/M.O. #: _____

BY MAIL: Enclose this payment statement with your payment.

Please make check or money order payable to: Treasurer, State of Maine

Mail to: Maine Ethics Commission
135 State House Station
Augusta, Maine 04333-0135

ONLINE: Go to www.maine.gov/online/ethics/penalties.



Lorrie Brann
Ethics Commission
135 State House Station
Augusta, ME 04333

Lorrie,

As I said in our conversation, I wish to appeal the fine I received. The following are the reasons.

When I was in business as a contractor, I maintained an accountant for taxes and maintained my books in a one-write check book in what I believed and was told was proper. That is, when I paid a bill either by check or cash, I would enter it in the double entry bookkeeping form. I have continued to treat all bills as paid when I paid them. Therefore I was surprised when you told me that the commission consider the bills as such when there was an agreement that there would be business and if the amounts turned out to be inaccurate, then I would have to amend the filing later.

In the other campaigns I was in, the only bills that I had that were not paid when I incurred them, were from Frame Strategies but there was almost no lag time as the costs did not change much and Frame was much better at getting back to me with what the costs were.

This year though I seemed to have difficulty getting information from Frame so that I could cut them a check. There were different people who I was talking to and if I asked what the costs were or what they recommended it would often be someone else who got back to me if anyone did, which also sometimes happened. So this year I did not get information in any reasonable time to satisfy the bookkeeping method you shared with me in our conversation I was supposed to use. And as I said above, I had never used that method of bookkeeping so absolutely did not think I had done anything wrong.

A handwritten signature in black ink, appearing to read "Scott Newman Gaizon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Scott Newman Gaizon



Commission on Governmental Ethics and Election Practices
 Mail: 135 State House Station, Augusta, Maine 04333
Office: 45 Memorial Circle, Augusta, Maine
 Website: www.maine.gov/ethics
 Phone: 207-287-4179
 Fax: 207-287-6775

2022 CAMPAIGN FINANCE REPORT

FOR MCEA CANDIDATES

COMMITTEE		TREASURER	
Scott Newman Gaiason 32 Huston Street Lisbon Falls, ME 04252 PHONE:(207) 751-4799 EMAIL: gaiasonformaine@gmail.com		Carolynn Sumner Gaiason 32 Huston Street Lisbon Falls, ME 04252 PHONE: EMAIL: carolynn.gaiason@gmail.com	
REPORT	DUE DATE	REPORTING PERIOD	
42-Day Pre-General Report	09/27/2022	07/20/2022 - 09/20/2022	

FINANCIAL ACTIVITY SUMMARY

CASH ACTIVITY		
	TOTAL FOR PERIOD	TOTAL FOR CAMPAIGN
1. CASH BALANCE FROM LAST REPORT	\$6,025.00	
2. SEED MONEY CONTRIBUTIONS	\$0.00	\$270.00
3. MAINE CLEAN ELECTION ACT PAYMENTS & AUTHORIZATIONS	\$1,375.00	\$7,400.00
4. SALE OF CAMPAIGN PROPERTY (SCHEDULE E, PART 2)	\$0.00	\$0.00
5. OTHER CASH RECEIPTS (INTEREST, ETC.,)	\$0.00	\$0.00
6. <i>MINUS</i> EXPENDITURES (SCHEDULE B)	\$0.00	\$270.00
7. CASH BALANCE AT CLOSE OF PERIOD	\$7,400.00	
OTHER ACTIVITY		
8. IN-KIND SEED MONEY CONTRIBUTIONS	\$0.00	\$0.00
9. TOTAL UNPAID DEBTS AT CLOSE OF PERIOD (SCHEDULE D)	\$0.00	

I, Carolynn Sumner Gaiason, CERTIFY THAT THE INFORMATION CONTAINED IN THIS REPORT IS TRUE, ACCURATE, AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

REPORT FILED BY: Carolynn Sumner Gaiason
 REPORT FILED ON: 9/28/2022 12:47:35 AM
 LAST MODIFIED:
 COMMITTEE ID: 426786

**SCHEDULE A
CASH CONTRIBUTIONS**

- For contributors who gave more than \$50, the names, address, occupation, and employer must be reported. If "information requested" is listed instead of occupation and employer, the candidate is waiting to receive that information.
- Cash contributions of \$50 or less can be added together and reported as a lump sum.
- Contributor Types

- | | |
|--|--|
| 1 = Individual | 9 = Candidate / Candidate Committee |
| 2 = Candidate/ Spouse/ Domestic Partner | 10 = General Treasury Transfer |
| 3 = Commercial Source | 11 = Transfer from Previous Campaign |
| 4 = Nonprofit Organization | 12 = Contributors giving \$50 or less |
| 5 = Political Action Committee | 13 = Contributors giving \$100 or less |
| 6 = Political Party Committee | 14 = Contributors giving \$200 or less |
| 7 = Ballot Question Committee | 15 = MCEA Payment |
| 8 = Other Candidate/ Candidate Committee | 16 = Financial Institution |

DATE RECEIVED	CONTRIBUTOR	EMPLOYER AND OCCUPATION	TYPE	AMOUNT
9/15/2022	MCEA Payment	Supplemental payment #1	15	\$1,375.00
TOTAL CASH CONTRIBUTIONS				\$1,375.00



Commission on Governmental Ethics and Election Practices
 Mail: 135 State House Station, Augusta, Maine 04333
Office: 45 Memorial Circle, Augusta, Maine
 Website: www.maine.gov/ethics
 Phone: 207-287-4179
 Fax: 207-287-6775

2022 CAMPAIGN FINANCE REPORT

FOR MCEA CANDIDATES

COMMITTEE		TREASURER	
Scott Newman Gaiason 32 Huston Street Lisbon Falls, ME 04252 PHONE:(207) 751-4799 EMAIL: gaiasonformaine@gmail.com		Carolynn Sumner Gaiason 32 Huston Street Lisbon Falls, ME 04252 PHONE: EMAIL: carolynn.gaiason@gmail.com	
REPORT	DUE DATE	REPORTING PERIOD	
42-Day Pre-General Report	09/27/2022	07/20/2022 - 09/20/2022	

FINANCIAL ACTIVITY SUMMARY

CASH ACTIVITY		
	TOTAL FOR PERIOD	TOTAL FOR CAMPAIGN
1. CASH BALANCE FROM LAST REPORT	\$6,025.00	
2. SEED MONEY CONTRIBUTIONS	\$0.00	\$270.00
3. MAINE CLEAN ELECTION ACT PAYMENTS & AUTHORIZATIONS	\$1,375.00	\$7,400.00
4. SALE OF CAMPAIGN PROPERTY (SCHEDULE E, PART 2)	\$0.00	\$0.00
5. OTHER CASH RECEIPTS (INTEREST, ETC.,)	\$0.00	\$0.00
6. MINUS EXPENDITURES (SCHEDULE B)	\$0.00	\$270.00
7. CASH BALANCE AT CLOSE OF PERIOD	\$7,400.00	
OTHER ACTIVITY		
8. IN-KIND SEED MONEY CONTRIBUTIONS	\$0.00	\$0.00
9. TOTAL UNPAID DEBTS AT CLOSE OF PERIOD (SCHEDULE D)	\$6,771.37	

I, Carolynn Sumner Gaiason, CERTIFY THAT THE INFORMATION CONTAINED IN THIS REPORT IS TRUE, ACCURATE, AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

REPORT FILED BY: LORRIE BRANN on behalf of Carolynn Sumner Gaiason
 REPORT FILED ON: 9/28/2022 12:47:35 AM
 LAST MODIFIED: 9/29/2022 11:57:00 AM
 COMMITTEE ID: 426786

**SCHEDULE A
CASH CONTRIBUTIONS**

- For contributors who gave more that \$50, the names, address, occupation, and employer must be reported. If "information requested" is listed instead of occupation and employer, the candidate is waiting to receive that information.
- Cash contributions of \$50 or less can be added together and reported as a lump sum.
- Contributor Types

1 = Individual

9 = Candidate / Candidate Committee

2 = Candidate/ Spouse/ Domestic Partner

10 = General Treasury Transfer

3 = Commercial Source

11 = Transfer from Previous Campaign

4 = Nonprofit Organization

12 = Contributors giving \$50 or less

5 = Political Action Committee

13 = Contributors giving \$100 or less

6 = Political Party Committee

14 = Contributors giving \$200 or less

7 = Ballot Question Committee

15 = MCEA Payment

8 = Other Candidate/ Candidate Committee

16 = Financial Institution

DATE RECEIVED	CONTRIBUTOR	EMPLOYER AND OCCUPATION	TYPE	AMOUNT
9/15/2022	MCEA Payment	Supplemental payment #1	15	\$1,375.00
TOTAL CASH CONTRIBUTIONS				\$1,375.00

**SCHEDULE D
UNPAID DEBTS AND OBLIGATIONS**

- A debt or obligation is incurred if a committee places an order for a good or service without making a payment; makes a promise or agreement to pay for a good or service; signs a contract for a good or service; or receives delivery of a good or service for which the committee has not paid.
- This schedule is a list of all debts and obligations of the committee as of the end of this reporting period.

DATE OF OBLIGATION	CREDITOR	DESCRIPTION	AMOUNT
8/12/2022	Frame Media 188 State Street #202 Portland, ME, 04101	Printed campaign materials (palmcards, signs, stickers, flyers, etc.) Facebook ads; design; 3 mailers & postage for mailers	\$6,771.37
TOTAL UNPAID DEBTS AND OBLIGATIONS			\$6,771.37



CHAPTER 6

Expenditures, Unpaid Debts & Reimbursements with MCEA Funds

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 Appendix *iv* for the full definition of expenditure and the exemptions to the definition.

UNPAID DEBTS & OBLIGATIONS

The legal definition of expenditure includes making a promise of agreement to pay 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 of whether a payment has been made for the good or service (see the chart on this page). If an order remains unpaid at the end of a reporting period, the

treasurer must disclose the order as a debt in the campaign finance report. Chapter 10 contains more information on campaign finance reporting.

UNPAID DEBTS AND 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

BEST PRACTICES FOR SPENDING MCEA FUNDS

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

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



CHAPTER 10

Campaign Finance Reporting

FILING REPORTS — RESPONSIBILITIES & LIABILITIES

A candidate is ultimately responsible for ensuring their campaign complies with the requirements of the Election Law and the Commission's Rules. However, the legal responsibility for filing complete, timely, and accurate campaign finance reports lies squarely with the candidate's treasurer.

"The treasurer shall file complete and accurate campaign finance reports as required by section 1017." (21-A M.R.S.A. § 1016-A(2))

"The treasurer shall certify the completeness and accuracy of the information in any report of contributions and expenditures filed with the commission as required by section 1017."

(21-A M.R.S.A. § 1016)

While the responsibility for filing reports is the treasurer's, the liability for penalties arising out of reporting violations is shared by the treasurer and the candidate.

"The commission may hold the candidate and treasurer jointly and severally liable for any penalties assessed for violations of the financial reporting...requirements of [the Election Law and the Commission's Rules]."

(21-A M.R.S.A. § 1016-A(3))

If the treasurer has delegated the report filing responsibility to a deputy treasurer, that individual may be held jointly and severally liable for penalties related to reports they filed.

It is because of these significant reporting responsibilities and potential liabilities that the Commission staff strongly recommends candidates select a competent treasurer who will actively manage and oversee the campaign's financial activities and compliance with the Election Law. If a candidate, treasurer, deputy treasurer, or any other person handling financial reporting has a question about the reporting requirements, they should contact the campaign's Candidate Registrar. Many reporting questions and problems can be quickly resolved with a simple call or email.

FILING DEADLINES

Reports must be filed no later than 11:59 p.m. on the filing deadline. The only exception is for 24-Hour Reports, which must be filed within 24 hours of receiving an MCEA payment of \$1,000 or more, or making a single expenditure of \$1,000 or more, during the 13-day period prior to an election. Candidates who do not submit a report by the filing deadline will be assessed a civil penalty.

REPORTING PERIODS

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



\$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 “Other”. Treasurers may aggregate fees for online contributions in one expenditure per report. This practice is not allowed with any other type of expenditure.

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 RECEIPTS OF MCEA FUNDS

The Commission staff enters candidates’ MCEA

payments into the eFiling system. If a payment is approved during a 24-hour reporting period, the candidate’s treasurer is responsible for filing a 24-Hour Report for that payment.

REPORTING EXPENDITURES & DEBTS

The Election Law requires campaign treasurers to disclose the date, amount, payee, and purpose of all expenditures in campaign finance reports submitted to the Commission, including debts that are unpaid at the end of a reporting period.

The “payee” is the vendor that provided the goods or services to the campaign. It is not acceptable to report “cash,” “reimbursement,” the method of payment (“Visa”), 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

EXPENDITURE TYPES			
APP	Apparel (t-shirts, hats, embroidery, etc.)	OTH	Other and fees (bank, contribution, and money order fees, etc.)
CON	Contribution to party committee, non-profit, other candidate, etc.	PER	Personnel and campaign staff, consulting, and independent contractor costs
EQP	Equipment of \$50 or more (computer, tablet, phone, furniture, etc.)	PHO	Phones (phone banking, robocalls and texts)
EVT	Campaign and fundraising events (venue or booth rental, entertainment, supplies, etc.)	POL	Polling and survey research
FOD	Food for campaign events or volunteers, catering	POS	Postage for US Mail and mailbox fees
HRD	Hardware and small tools (hammer, nails, lumber, paint, etc.)	PRO	Professional services (graphic design, legal services, web design, etc.)
LIT	Printed campaign materials (palmcards, signs, stickers, flyers, etc.)	RAD	Radio ads and production costs only
MHS	Mail house and direct mail (design, printing, mailing, and postage all included)	TKT	Entrance cost to event (bean suppers, fairs, party events, etc.)
NEW	Newspaper and print media ads only	TRV	Travel (mileage and lodging, etc.)
OFF	Office supplies, rent, utilities, internet service, phone minutes and data	TVN	TV/cable ads, production, and media buyer costs only
ONL	Social media and online advertising only	WEB	Website and internet costs (website domain and registration, etc.)



the goods or services received. A discount from a PAC or party committee may constitute an impermissible in-kind contribution. Also, the payment must be solely for the purpose of promoting a candidate's own nomination or election. These expenditures, when reported, must contain a clear and detailed explanation of the purchase and its sole benefit to the candidate's campaign.

REPORTING THE PURCHASE & SALE OF CAMPAIGN PROPERTY

When a campaign uses MCEA funds to purchase property or equipment costing \$50 or more that could be converted to personal use after the campaign, the purchase of such property or equipment should be reported with an expenditure type of "Equipment."

After the election, MCEA candidates must sell equipment at fair market value and return the proceeds by the deadline for the campaign finance report due 42 days after the election. For candidates defeated in the primary election, proceeds must be returned by July 26, 2022; for candidates who participated in the general election, proceeds must be returned by December 20, 2022. The proceeds should be reported as a contribution with the contribution type of Equipment Sales Proceeds.

REPORTING WITHDRAWALS OF CASH

The Commission staff recommends making expenditures by writing checks or using a debit card from a campaign's bank account. This will help campaigns keep track of the dates, amounts, and payees of all expenditures which must be included on campaign finance reports. Using cash to make an expenditure of greater than \$50 is prohibited. If a campaign chooses to withdraw cash to make small

expenditures, the expenditures should be reported as explained in this chapter, not as an expenditure to "cash."

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, treasurers should calculate the total amount of interest earned for the entire reporting period, and enter the total onto the report as an unitemized contribution.

REPORTING UNPAID DEBTS & OBLIGATIONS

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

FILING REPORTS ELECTRONICALLY

After a candidate registers, they and their treasurer will receive an email with instructions on how to log into the eFiling system. The campaign will enter each transaction (*i.e.* seed money contributions, expenditures, debts, *etc.*) individually into the Commission's eFiling website. MCEA disbursements will be entered by Commission staff on behalf of the campaign. Although both the candidate and treasurer may log in and enter transactions, only the treasurer has credentials to file a report. A report is only considered to be timely filed if it is submitted properly through the eFiling system.

MAKING & REPORTING EXPENDITURES

Candidates must spend their MCEA funds for campaign-related purposes and not for other purposes, such as the candidate's personal benefit, party-building, or to promote another candidate's campaign. MCEA candidates should be aware of the Expenditure Guidelines (included in this folder), and that some types of expenditures have special record keeping and reporting requirements. MCEA candidates should take into account the public nature of the funds, the underlying objectives of the MCEA, and the reasonableness of the expenditures under the circumstances.



MAKING

- All expenditures **must** be made with campaign funds and **must** be allowable under the **Expenditure Guidelines**; **only** campaign purchases may be made with campaign funds.
- All expenditures **should** be made from the campaign bank account **by check or debit card**, and **reimbursements** to the candidate or volunteers should be **avoided**. **Expenditures over \$50 may never be paid for with cash.**
- Expenditures to pay **campaign staff or consultants must have a contemporaneous contract or invoice or timesheet** (please see your 2022 Candidate Guidebook or contact your Candidate Registrar for more information).
- All **campaign literature, advertising, and promotional items**, other than small or handmade items, must have a **proper disclosure statement** on it—the most simple version is: **“Authorized and Paid For by the Candidate”**
- Candidates are allowed to **reimburse** themselves and others for **campaign travel** using the **\$0.45/mile rate**, but **contemporaneous travel logs must be kept** to do so; candidates **should not purchase fuel outright** with MCEA funds, as the mileage rate includes the cost of fuel.

(over)



REPORTING

- Every expenditure and debt, regardless of amount, **must be itemized** in campaign finance reports.
- If a campaign places an order or purchase, or enters into an agreement for services, it has **incurred a debt**. If a campaign has any unpaid or outstanding debts at the end of a reporting period, **those debts must be disclosed in that report. Debts must be reported even if no payment has been made** and no goods or services have been received.
- For each expenditure the campaign must: report the **date and amount**, and the **full name and address of the payee**; choose an **expenditure type**; and include a **brief description** of what was purchased. Campaigns will be asked to amend their reports if any of this information is **missing, inaccurate, or incomplete**.
- When choosing an **expenditure type**, candidates should do their best to make sure they are selecting an **appropriate option**. Incorrect expenditure types are the most common reason campaigns need to amend reports.
- When reporting a **reimbursement**, the **vendor of the goods or services** should be reported as the payee, **not the person who was reimbursed**, and the date should be the date of the original purchase, not the date the reimbursement was made. In the **description** area, the campaign should include the information of **who was reimbursed and on what date**.
- When reporting a **mileage reimbursement** expenditure, **the payee should be the individual who is receiving the reimbursement**; the campaign **should** include in the description the **number of miles traveled and the dates of travel** for the amount being reimbursed.
- In the 13 days before an election, **most expenditures, debts, and debt payments of \$1,000 or more** have to be reported in a special **24-Hour Report**. Please refer to the 2022 Candidate Guidebook or contact your Candidate Registrar for more information about filing 24-Hour Reports.

Title 21-A M.R.S.
Chapter 13: Campaign Finance Reports and Finances

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§ 1012. Definitions

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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 state, county or municipal 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;

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§ 1017. Reports by candidates

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3-A. Other candidates. A treasurer of a candidate for state or county office other than the office of Governor shall file reports with the commission and municipal candidates shall file reports with the municipal clerk as follows. Once the first required report has been filed, each subsequent report must cover the period from the end date of the prior report filed.

D-1. Reports must be filed no later than 11:59 p.m. on the 42nd day before the date on which a general election is held and must be complete as of the 49th day before that date, except that this report is not required for candidates for municipal office.

...

5. Content. A report required under this section must contain the itemized accounts of contributions received during that report filing period, including the date a contribution was received, and the name, address, occupation, principal place of business, if any, and the amount of the contribution of each person who has made a

contribution or contributions aggregating in excess of \$50. The report must contain the itemized expenditures made or authorized during the report filing period, the date and purpose of each expenditure and the name and address of each payee and creditor and any refund that a payee has made to the candidate or an agent of the candidate. If the payee is a member of the candidate's household or immediate family, the candidate shall disclose the candidate's relationship to the payee in a manner prescribed by the commission. The report must contain a statement of any loan to a candidate by a financial institution in connection with that candidate's candidacy that is made during the period covered by the report, whether or not the loan is defined as a contribution under section 1012, subsection 2, paragraph A. The candidate and the treasurer are jointly and severally responsible for the timely and accurate filing of each required report.

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§ 1020-A. Failure to file on time

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2. Campaign finance reports. A campaign finance report is not timely filed unless a properly signed or electronically submitted copy of the report, substantially conforming to the disclosure requirements of this subchapter, is received by the commission by 11:59 p.m. on the date it is due. Except as provided in subsection 7, the commission shall determine whether a report satisfies the requirements for timely filing. The commission may waive a penalty in whole or in part if the commission determines that the penalty is disproportionate to the size of the candidate's campaign, the level of experience of the candidate, treasurer or campaign staff or the harm suffered by the public from the late disclosure. The commission may waive the penalty in whole or in part if the commission determines the failure to file a timely report was due to mitigating circumstances. For purposes of this section, "mitigating circumstances" means:

- A. A valid emergency determined by the commission, in the interest of the sound administration of justice, to warrant the waiver of the penalty in whole or in part;
- B. An error by the commission staff;
- C. Failure to receive notice of the filing deadline; or
- D. Other circumstances determined by the commission that warrant mitigation of the penalty, based upon relevant evidence presented that a bona fide effort was made to file the report in accordance with the statutory requirements, including, but not limited to, unexplained delays in postal service or interruptions in Internet service.

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4-A. Basis for penalties. The penalty for late filing of a report required under this subchapter is a percentage of the total contributions or expenditures for the filing period, whichever is greater, multiplied by the number of calendar days late, as follows:

- A. For the first violation, 2%;
- B. For the 2nd violation, 4%; and
- C. For the 3rd and subsequent violations, 6%.

Any penalty of less than \$10 is waived.

Violations accumulate on reports with filing deadlines in a 2-year period that begins on January 1st of each even-numbered year. Waiver of a penalty does not nullify the finding of a violation.

A report required to be filed under this subchapter that is sent by certified or registered United States mail and postmarked at least 2 days before the deadline is not subject to penalty.

A registration or report may be provisionally filed by transmission of a facsimile copy of the duly executed report to the commission, as long as the facsimile copy is filed by the applicable deadline and an original of the same report is received by the commission within 5 calendar days thereafter.

94-270 COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES

Chapter 1: PROCEDURES

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SECTION 7. EXPENDITURES

3. Reporting Debts and Unpaid Obligations

- A. The following events constitute expenditures, even if the payment for a good or service has not been made at the time of the event:
 - (1) The placement of an order for a good or service;
 - (2) The signing of a contract for a good or service;
 - (3) The acceptance of the delivery of a good or the performance of a service by a vendor; or
 - (4) A promise or an agreement (including an implied one) that a payment will be made in exchange for a good or service.
- B. For reporting purposes, the expenditures listed in paragraph A are designated as debts or obligations prior to payment for the goods or services being made.
- C. If a person required to file a campaign finance report has a debt or obligation which remains unpaid at the end of the report period, the person shall report the date, amount, vendor, and purpose of the debt or obligation. If the exact amount is not known, the person filing the report shall report an estimate of the amount (preferably obtained in a written statement from the vendor).
- D. If a debt or obligation occurs in the same report period as a payment for that debt or obligation, the person filing the report will report only the payment, not the debt or obligation.