2010

Guidance for MCEA Treasurers 2013

Maine Commission on Governmental Ethics and Election Practices

Date: 02/21/2013

Maine Commission on Governmental Ethics and Election Practices
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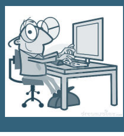


GUIDANCE FOR MCEA TREASURERS

Welcome to the MCEA Program!

When candidates are seeking a campaign treasurer, they frequently ask the question: "What are the responsibilities and tasks of a treasurer?" Candidates want to assure that the person they appoint understands their role as treasurer. This information sheet summarizes the duties and responsibilities of a treasurer. More detailed information can be found in the *Candidate's Guide*—which is located on the Commission's website in electronic format or a copy may be requested from the Commission.

Because an MCEA candidate uses public funds for their campaign, the candidate and the treasurer have a high but reasonable standard of accountability for the proper use of those funds. It is important that a treasurer is reliable and actively keeps track of all campaign finances, maintains all campaign records including seed money contribution and expenditure records *as required by law*, and files complete and accurate campaign finance reports on time.

Questions? Call 207-287-4179

Inside:

1. Keep Complete Records

As treasurer, maintaining and keeping track of <u>all</u> campaign finance records is important because these records document that MCEA funds were spent for campaign purposes. Complete and accurate records also make filing campaign finance reports easy!

Records you need to maintain during the election cycle are:

- For the Campaign Bank Account: All bank statements/credit card statements including copies of cancelled checks.
- For Seed Money Contributions: Copies of contribution checks, deposit slips, name, address of contributor, and occupation and employer information (for contributors giving more than $50).
- For Expenditures:
  1. Vendor invoice or timesheet listing goods or services purchased *for every expenditure over $50*.
  2. Proof the vendor received payment—a cancelled check, cash receipt, or debit/credit record as found in the campaign bank account statement or credit card statement.
  3. Sub-vendors must provide the above records to the vendor—and the vendor must provide them to the treasurer. Make sure vendors are aware of this requirement if they will be using sub-vendors.
- For Reimbursements: From the person requesting the reimbursement, obtain the receipt and proof of payment—which is either a copy of the check the person wrote to the vendor or a copy of a debit/credit card statement from the account that the person used to pay the vendor.
- For Mileage Reimbursements: The original log(s) submitted to the campaign.

Good recordkeeping makes filing accurate campaign finance reports easy.

See Chapter 6 of the Candidate's Guide for a complete explanation of campaign records.

2. Use Campaign Bank Account for All Expenditures

Treasurers and candidates are responsible for authorizing expenditures.

Over spending MCEA funds is a violation.

Candidates are *required* to deposit seed money and MCEA funds into a campaign account because commingling of any campaign funds with personal or business funds *is prohibited.* Therefore, use the campaign account for all campaign transactions. This makes recordkeeping and reporting easy!

- Consider an account where cancelled checks or copies are provided to you with your monthly statements. If you are selected for a random audit, you will have to provide copies of the checks and bank statements to the Commission.
- Minimize reimbursements because they require more recordkeeping (see next page).

3. Seed Money vs. $5 Qualifying Contributions

Sometimes there is confusion between seed money and the $5 qualifying contributions. Seed money is: the limited amount of private funds that the campaign raises from individuals to help the campaign through the qualifying period. The $5 qualifying contribution is: a $5 (or more) contribution collected by the campaign from registered voters in the district to demonstrate that the candidate has support in their district in order to qualify for public funds for their campaign.

SEED MONEY CONTRIBUTION	$5 QUALIFYING CONTRIBUTION
Not a requirement—optional	A requirement for receiving MCEA funds—and must be submitted when requesting certification or no later than by 5:00 p.m. on the day of the deadline.
Payable to the campaign	Payable to "**Maine Clean Election Fund**"
Deposited in the campaign bank account	Not deposited in the campaign bank account but submitted to the Commission (attached to the corresponding Receipt & Acknowledgement form)
From individuals only and may give no more than $100	From any registered voter in the district (Democratic, Green-Independent, Republican, and unenrolled)
No more than $500 may be raised by House candidates; $1,500 for Senate	At least 60 verified contributions must be submitted by House candidates; 175 for Senate candidates

4. Mileage Logs & Reimbursements

See the Candidate's Guide for additional information on logs and reimbursements.

Any mileage reimbursement made with MCEA funds must be documented by a mileage log that meets the standards found in the Commission's laws and rules. The log must be completed contemporaneously—as the travel occurs—not at the end of the campaign or report period.

As treasurer, you should request the original log before authorizing or making a mileage reimbursement. The logs must be kept for three years as part of the campaign records and will be requested if the campaign is randomly selected for an audit—or may be requested as part of a routine compliance check of any report filed with the Commission.

An example of a log meeting all requirements is found in the *Candidate's Guide*. If the log that was used to make a reimbursement(s), does not meet the requirements, the reimbursement may not be allowed and the person who was reimbursed may be required to return the funds.

5. Reimbursements: Making and Reporting Correctly

(except mileage reimbursements; see opposite page)

1. Before making a reimbursement, obtain from the person you are reimbursing: (a) the original vendor receipt/invoice for the goods/services purchased and (b) a copy of the check the person wrote to the vendor or a copy of a debit/credit card statement from the account that the person used to pay the vendor. These records are required and are needed in order to correctly report a reimbursement.
2. Make all reimbursements in the same report period in which the goods/services were originally purchased. This is a requirement in Commission Rules because if the reimbursement is not made in the report period, it is considered an in-kind contribution and is prohibited for MCEA candidates.
3. Report the reimbursement correctly. The name of the "Payee" is the vendor name—the name on the original receipt/invoice and not the name of the person receiving the reimbursement. Enter the name of the person receiving the reimbursement in "Remarks."

This is the #1 reporting error! Please report reimbursements correctly.

See the Candidate's Guide for additional information on reimbursements.

6. Documenting TV and Radio Ad Purchases

You should make sure that your media buyer and media outlets understand the documentation requirements early – when you and the campaign are placing an order. Copy the guidance found in the *Candidate*'s *Guide* and provide these pages to the media buyer or outlets. The guidance describes the documentation that the campaign is required to obtain and keep as part of the campaign records. Documentation includes the following three items: "proof of payment"—copy of check or debit/ credit statement; invoice from media outlet; and invoice from media buyer (if using one).

See the Candidate's Guide for additional information on media purchases.

The final invoice from the media outlet is for the actual spots aired—which may be less than the number of spots that were scheduled and initially paid for. The media outlet will refund the difference to the campaign or the buyer. The buyer will then refund the amount to the campaign.

Two Ways to Purchase Ads	
Using a media buyer	**Purchasing directly from media outlets**
Provide copies of pages from the *Candidate's Guide* (as mentioned above) that explain the documentation and reporting requirements.	Provide copies of the pages from the *Candidate's Guide* (as mentioned above) that explain the documentation and reporting requirements.
When making payment, make sure the buyer understands the documentation that they will have to provide to you.	Request that the documentation (invoice) be provided ASAP – rather than weeks after the election.
Report refunds.	Report refunds.

Proof of Payment to Media Outlet	
When a media buyer makes a payment	**When the campaign makes a payment**
If by check, a copy of the check written by media buyer to media outlet	If by check, a copy of check written by the campaign to media outlet
If by debit/credit card, a copy of media buyer's statement	If by debit/credit card, a copy of card statement

7. Handling and Reporting Vendor Refunds

See the Candidate's Guide for additional information on vendor refunds.

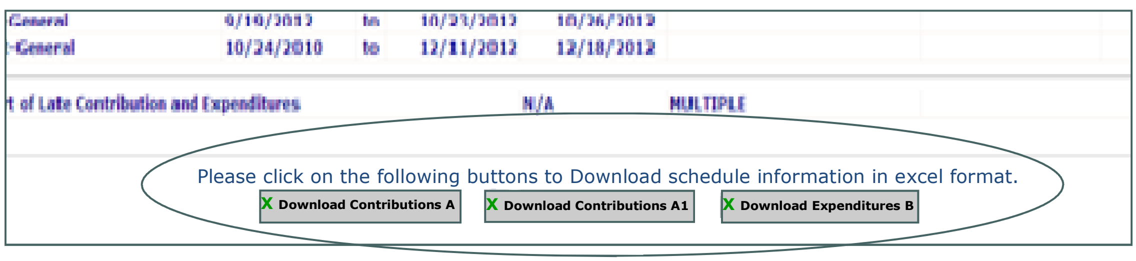
1. Deposit Refund Check. When a vendor refund is received, deposit the refund check into the campaign bank account.

2. Report the Refund. To report a refund, go to Schedule B. Enter the date that the refund check was received by the campaign as the "Date Expenditure Made." Select "See List of Payees" and choose the vendor's name from the list. Enter the "Expenditure Type" that was originally enter when the expenditure was reported. In the "Remarks" section, enter "Refund." In "Expenditure Amount," enter the amount of the refund as a *negative* amount.

8. E-filing System: Helpful Accounting Tool

Thank goodness for Excel !!

There are many benefits of using the electronic filing system, or e-filing system, to file campaign finance reports but one benefit that is sometimes overlooked is the capability to create Excel files of: (1) the contributions (seed money and MCEA payments) received and (2) the expenditures made. To create the files, click on the button at the bottom of your homepage (see below). Creating an Excel file of your report data is a great tool to use when reconciling bank and report balances and in finding reporting errors.



9. Reconcile Bank Balance with Report Balance

Before you file a report, reconcile the cash balance found on line 7 of the Summary Schedule of the report you are filing with the cash balance of the campaign bank account. By reconciling the balance, you are assured that you are filing an accurate report that substantially complies with the reporting requirements.

We found the reporting errors. Somebody entered all of the zeros upside down.

10. File Reports On Time

Treasurers and candidates are responsible for filing campaign finance reports on time. All reports—including 24 Hour Reports—are filed on the Commission's website unless an E-filing Waiver Request was submitted to the Commission. Filing deadlines for each report may be found on the candidate's homepage in the e-filing system and in the *Candidate's Guide*.

11. Record Retention: 3 Years

Treasurers must keep all campaign records for three years after the filing of the last campaign finance report for the election. For candidates, who were unsuccessful in the primary, the last campaign finance report is the 42-Day Post-Primary Report; for candidates, who participated in the general election, the last report is the 42-Day Post-General Election.