

# THE CAMPAIGN FINANCE LAW



Political Action Committees &  
People's Committees

[www.ocpf.us](http://www.ocpf.us) / 617-979-8300

# About OCPF

Non-partisan,  
independent agency

Established in 1973

Headed by an  
appointed director who  
serves six year terms

Audit  
Legal  
IT  
Admin

# Changes to the Law

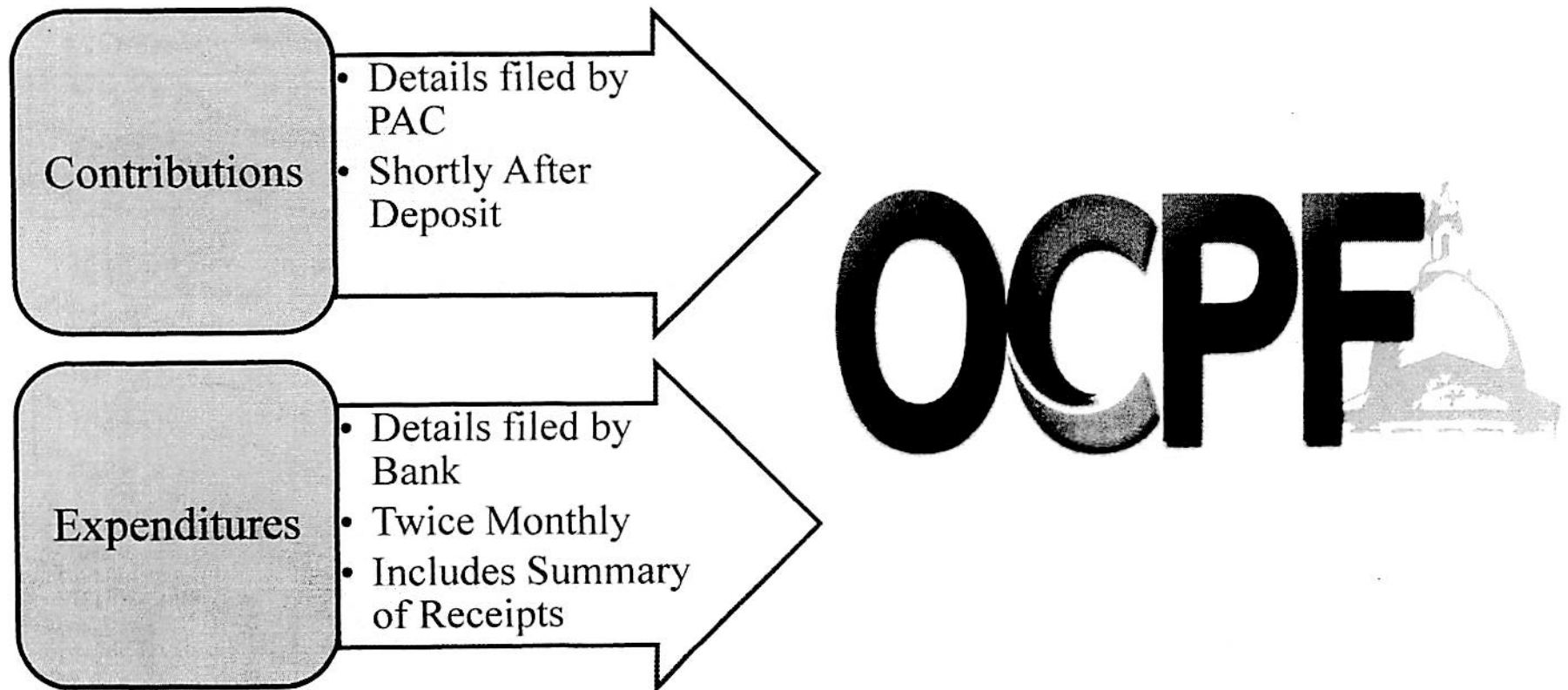
Gov. Patrick signed the bill Aug 1

The thrust of the bill was to create a reporting system for Super PACs

Several changes were made to the depository reporting system

# What is the depository system?

## Quick Summary



# Finish 2014

A normal 2014 year-end report will be filed with OCPF (file as early in January as possible)

Minimal activity in late December and early January

Balance issues: bank account balance vs. campaign finance report balance



# Getting Started: Step 1

- Appoint a Depository Bank by filing the CPF D103
  - The D103 requires the bank to agree to become the PAC's depository bank.
  - **What if my bank does not want to participate in the depository system?** A PAC must transfer to a bank that will participate in the system.
  - If the bank is unfamiliar with the depository system, please provide them with OCPF's draft memo M-90-04 or ask them to call OCPF.

# Getting Started: Step 2

**Prepare and file an Initial Report.** An Initial Report is used to disclose any fundraising or spending activity that occurred prior to the opening of the depository bank account.

**This report covers Jan. 1, 2015, to Jan. 31, 2015**

The initial report is e-filed.



# After organizing, committees begin filing deposit reports

It's strongly recommended that a deposit report is filed on the same day a deposit is made, or shortly afterward (within three days)

All receipts, including contributions and refunds, are listed on the deposit report

Contributions must be deposited within seven days of receipt

Checks from a joint account can be split



# Deposit Report

9/26/2014	Adama, William 123 Olmos Drive Boston, MA 02818	No limit change	\$500.00 CHECK	Pilot USA Airlines
9/26/2014	Labor Union X 222 Gaeta St. Alford, MA 03040 Sam Anders	If group donates to a PAC, the group cannot have corporate money in its general treasury	\$1,000.00 CHECK	
9/26/2014	Mayor Gaius Baltar 345 James Road Boston, MA 03234 85858	Candidates can give to PACs, but can't 'finance' PACs	\$500.00 CHECK	
9/26/2014	Roslin, Laura 333 McDonnell St. Boston, MA 93939		\$100.00 CASH/MO	
9/26/2014	Thrace, Kara 333 West St. Boston, MA 94939		\$200.00 CHECK	Letter Sent Info Requested
9/26/2014	Various employees \$50 or under, Sept. 1 Payroll Deduction		\$2,122.00 CHECK	

# Business Contributions are Prohibited

Corporations, LLPs, LLCs and partnerships are prohibited from making contributions to PACs (even their own PACs)

Prohibition includes in-kind contributions, such as administrative costs

Exception: Sole Proprietor

# Third Party Bank Verification

OCPF compares your  
deposit reports with the  
reports filed by the bank



# Internal Bank Ledger: Correct

## Committee Filings

## Bank Filings

5/27/2014 Totals:		\$1,401.05			\$1,401.05
5/28/2014	05-28-2014-12	\$12.00	5/28/2014	<u>Deposit</u>	\$12.00
5/28/2014	05-28-2014-11	\$516.00	5/28/2014	<u>Deposit</u>	\$516.00
5/28/2014	05-28-2014-10	\$520.00	5/28/2014	<u>Deposit</u>	\$520.00
5/28/2014	05-28-2014-09	\$1,715.00	5/28/2014	<u>Deposit</u>	\$1,715.00
5/28/2014	05-28-2014-08	\$1,870.00	5/28/2014	<u>Deposit</u>	\$1,870.00
5/28/2014	05-28-2014-07	\$2,164.00	5/28/2014	<u>Deposit</u>	\$2,164.00
5/28/2014	05-28-2014-06	\$2,293.00	5/28/2014	<u>Deposit</u>	\$2,293.00
5/28/2014	05-28-2014-05	\$4,675.00	5/28/2014	<u>Deposit</u>	\$4,675.00
5/28/2014	05-28-2014-04	\$5,200.00	5/28/2014	<u>Deposit</u>	\$5,200.00
5/28/2014	05-28-2014-03	\$6,300.00	5/28/2014	<u>Deposit</u>	\$6,300.00
5/28/2014	05-28-2014-02	\$6,995.00	5/28/2014	<u>Deposit</u>	\$6,995.00
5/28/2014	05-28-2014-01	\$7,150.00	5/28/2014	<u>Deposit</u>	\$7,150.00
5/28/2014	05-28-2014-13	\$12,537.60	5/28/2014	<u>Deposit</u>	\$12,537.60
5/28/2014 Totals:		\$51,947.60			\$51,947.60
5/29/2014	05-29-2014-01	\$484.00	5/29/2014	<u>CREDIT CARD</u>	\$484.00
5/30/2014	05-30-2014-07	\$1,195.00	5/30/2014	<u>Deposit</u>	\$1,195.00
5/30/2014	05-30-2014-06	\$1,200.00	5/30/2014	<u>Deposit</u>	\$1,200.00
5/30/2014	05-30-2014-05	\$1,575.00	5/30/2014	<u>Deposit</u>	\$1,575.00
5/30/2014	05-30-2014-04	\$4,000.00	5/30/2014	<u>Deposit</u>	\$4,000.00
5/30/2014	05-30-2014-03	\$7,850.00	5/30/2014	<u>Deposit</u>	\$7,850.00
5/30/2014	05-30-2014-02	\$8,850.00	5/30/2014	<u>Deposit</u>	\$8,850.00
5/30/2014	05-30-2014-01	\$12,450.00	5/30/2014	<u>Deposit</u>	\$12,450.00
5/30/2014	05-30-2014-08	\$23,715.00	5/30/2014	<u>Wire Transfer Incoming</u>	\$23,715.00
5/30/2014 Totals:		\$60,835.00			\$60,835.00
<b>Monthly Totals:</b>		<b>\$175,965.83</b>			<b>\$175,965.83</b>

# Internal Bank Ledger: Incorrect

Period:		Sep	2010
		Bank Filings	
		9/1/2010 COUNTER CREDIT	\$2,575.00
		9/2/2010 PAYROLL DES: TRANSFER	\$775.00
9/11/2010	09-11-2010-1	\$950.00	
		9/13/2010 DEPOSIT	\$950.00
9/15/2010	09-15-2010-1	\$2,630.00	
		9/17/2010 TRANSFER	\$3,180.00
Monthly Totals:		\$3,580.00	\$7,480.00

# **Expenditures ...**

can be made to enhance the  
principle for which the  
PAC/PC was formed

(no personal expenditures)




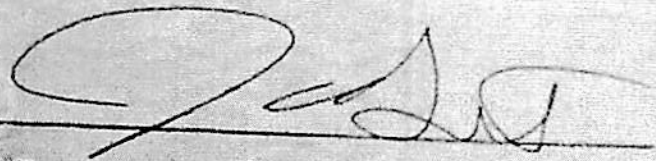


# How can expenditures be made?

All expenditures should be made using committee checks or the committee debit card

**Debit Card Use:** A committee will be required to amend their bank reports to include purpose information.

# Expenditures by Check

<p>Pay to the order of PAC 80999 12345 Main Drive Anytown, CA 92345</p>	<p>← PAC checks should include the CPF ID Number</p>	<p>5715</p>
<p>PAY TO THE ORDER OF <u>POLITICAL SOLUTIONS INC.</u></p>		<p>DATE: <u>6/6/14</u></p>
<p><u>ONE THOUSAND AND <math>\frac{00}{100}</math></u></p>	<p>\$ <u>1,000</u></p>	
<p>DOLLARS  Security Features. Described on Back.</p>		
<p><u>MEMBER LIST</u></p>		
<p>⑆0000 123456780000</p>	<p>000001</p>	<p>⑈00000</p>

# OCPE

# Expenditures by Check

5284

5/5/15 DATE

Vic Gatto Committee \$ 500

and  $\frac{00}{100}$  DOLLARS

number

5284

# **The Big Idea:**

expenditures must flow through the  
depository account for complete and  
accurate disclosure to happen

**OCPF** 

# Frequent Expenditure Issues

Purpose information should be as detailed as possible (committees can clarify the purpose of an expenditure after a bank report is filed, almost always for debit card purchases)

Legible expenditure information on checks: someone at the bank has to be able to read it

Reimbursements cannot exceed \$100 per item (exception: reimbursing a business, group or union for services/goods provided to the committees, such as paid labor or postage).

If you're unsure whether a potential expenditure is permitted, please call our office for guidance



# Future Year End Report (D102)

A summary of the  
year's activity

Includes beginning  
balance, total receipts,  
total expenditures and  
ending balance

In-kind contributions  
(itemized)

Liabilities (itemized)

Due by Jan 20: Late  
Fine: \$25 a day up to  
\$5,000 (personal to  
treasurer)





# In-Kind Contributions

Goods or services that are not monetary contributions

Counts toward the \$500 annual limit

# In-Kind Exception: Personal Services

Committees are not required to disclose  
volunteer hours or services

Personal time, not paid by corporation or  
group



# Subvendor Reports

Discloses payments made by a campaign vendor to subvendors, subject to thresholds



Commonwealth  
of Massachusetts

## Form CPF SV1: Subvendor Report Office of Campaign and Political Finance

File With: Director  
Office of Campaign and Political Finance  
One Ashburton Place Rm. 411  
Boston, MA 02108  
(617) 972-8300

CP

Hodor Consulting

Vendor

\$16,000.00

Total Vendor Payment

Jones "DEP" Committee

Committee Name

4/12/2013

Date of Payment

Signed under the penalties of perjury:

Candidate/Treasurer's signature (in ink)

Date

Date	Name and Address	Amount	Purpose
4/25/2013	Winterfell Polling Inc. 3456 Dorne Ave. Boston, MA 02105	\$1,100.00	Telephone Poll

# Summary of Reports Due

**Deposit Reports:**  
Filed by Committees

**Bank Reports:** Filed  
by Banks, disclosing  
itemized expenditures  
and total receipts

**Year-End Report:**  
Filed annually by  
Committees

**Subvendor Report:**  
Filed by Committees  
by the 5<sup>th</sup> of each  
month (if there is  
activity)



# Audit Tips

File deposit reports timely. Audit letters will be sent for any deposit report not filed.

Make copies of all checks received

Keep all receipts and invoices

Keep copies of all letters requesting occupation and employer information

Use a vendor's full name, rather than abbreviations and acronyms

Include a contributor's full name, if available (middle initial or Jr. / Sr.)

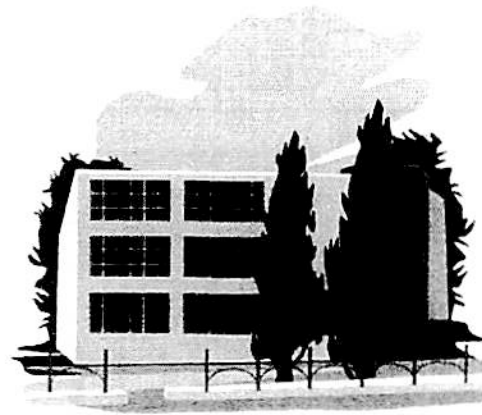
# Important Ground Rules

Public employees



Public buildings

Public resources





# Public Employees

May not solicit or receive campaign contributions,  
directly or indirectly

## Restrictions

- May not solicit (verbal or written), collect money or sell tickets to a fundraiser
- May not host a fundraiser
- May not help identify people to be targeted for fundraising
- *May not serve as treasurers of any political committee*
- Elected officials are exempt



# Public Employees

## Permitted activities

- May run for office, provided they organize a committee to handle all fundraising
- May contribute to candidates and attend fundraisers
- May endorse candidates in ads, letters and postcards
- Work for a campaign in a non-fundraising capacity and host “meet the candidate” sessions that do not involve raising money
- Serve as a member of a political committee in any non-fundraising capacity



# Government Buildings

## Not Permitted

- Solicit or receive contributions in a public building
- Use a government building as a return address or contact number for buying tickets to a fundraiser
- Display posters or fliers advertising a fundraiser
- Solicitations to public e-mail addresses



# Public Resources

Anderson v. City of Boston (1978): Public resources may not be used for political campaign purposes

## Examples of Public Resources

Phones

Copiers

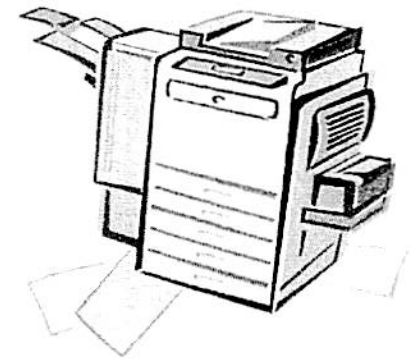
E-mail

Paper

Vehicles

Labor and employee time

**Exception:** Equal access



# Agency Actions

Public Resolution Letter

Disposition Agreement

Referral

*How does OCPF answer media questions?*



# Electronic Filing

- Web-based Reporter system

- IT help is available

