

PROCEDURES AND GUIDELINES FOR REVIEWING CAMPAIGN FINANCE REPORTS

I. GENERAL GUIDELINES

- ✓ Notes and marks made by office staff on reports are made with red pencil;
- ✓ Notes and marks should be clear and legible but kept to a minimum, and "sticky notes" are handy for this purpose **ONLY** when you need to make a detailed note for follow up to yourself;
- ✓ It should always be obvious to a third party when looking at a reviewed report exactly what the treasurer reported, and what we noted in our review of the report (arithmetic corrections, need for further information, etc.).
- ✓ Reports must be reviewed within 20 days of receipt. If a report is faxed, the fax receipt date is considered the receipt date. **When the original report subsequently is received by mail, the fax receipt date is noted on the original, and the fax copy is discarded.**

***Note: It is often easier to wait for the original to be received before reviewing a report. Faxes are often hard to read, and it saves having to transfer notes from the reviewed fax to the original; however, it's important to watch the 20-day deadline. Review the fax if the deadline is looming.*

Contribution Limits:

Individual Limits

The limits for **each election** in 2012 were:

Governor/Lt. Governor:	\$630
Other statewide offices:	\$310
Other public offices:	\$160

These limitations include **both** monetary and in-kind contributions.

Remember:

- If a candidate has a contested primary, they can receive the limit for both the primary and the general elections. If there is not a contested primary, there is only **ONE** election (the general) to which the limits apply.
- In-kind contributions designated for the general election cannot be accepted before the primary election.

Aggregate political party committee limitations

(These are aggregate limits from ALL political party committees combined.)

Governor/Lt. Governor:	\$22,600	}	
Other statewide offices:	\$ 8,150	}	<i>for</i>
Public Service Commissioner:	\$ 3,260	}	<i>each</i>
State Senate :	\$ 1,300	}	<i>election</i>
Other public offices:	\$ 800	}	

Aggregate PAC limitations for state legislative candidates for 2012

State Senate:	\$2,650	}	<i>for entire</i>
State House:	\$1,600	}	<i>election cycle</i>

Note:

There are no limits on contributions to ballot issue committee, transfers between committees or from individuals to political committees.

II. BEGINNING THE REVIEW

- In the upper right hand box of the finance report you are about to check, enter the review date and your initials. This information is not an indication of approval of the report or that it is in compliance; it simply indicates who reviewed the report and when.
- Make sure complete name and address are provided as well as office sought.
- Locate and pull the file for the appropriate candidate or committee.
- Verify that the reporting period provided by the treasurer matches that which is required in statute, and that there are no gaps in the periods covered by this and previous reports. If the reporting period falls short of the time required in statute, note that you'll need to contact the treasurer for an interim report or possibly for an amended report.
- Verify that the appropriate box for the type of report (Initial, Periodic, etc.) is checked.
- Verify the beginning balance of the CASH SUMMARY, Line 1. The beginning balance of the report should be the same as the ending balance of the previous report (CASH SUMMARY, Line 5). If the Report you are reviewing is an initial report, there will be no previous report, and the CASH SUMMARY, Line 1 must show \$0.00. If the amount on CASH SUMMARY, Line 1 is correct, make a small red check in the right margin.

- Verify the certification. The report must be signed by an appropriate person. A C-6 must be signed by an officer certified on the most recent form C-2 (usually a treasurer or deputy treasurer). A C-5 must be signed by the certified treasurer or deputy treasurer on the form C-1 or C-1-A; or by the candidate.

Schedule A, Receipts:

Arithmetic Review

- Add each column as reported and verify the page totals. If the column and/or page totals are correct, place a red check to the right of the figure. If the column and/or page totals are not correct, redline the totals as reported, and legibly write the correct total in the margin.
- Add all page totals for Schedule A, Receipts. Verify that the figure carried to CASH SUMMARY, Line 2 corresponds with the page totals. If so, place a red check in the margin next to the amount. If there is a discrepancy, redline the incorrect amount and note the correct amount in the margin.

Compliance Review

Schedule A, Sections 1 - 4 on C-5; Sections 1 - 3 on C-6:

- For a candidate, all receipts must be appropriately marked as Primary or General. Research the candidate's status to ensure the treasurer is tracking funds appropriately.
- The Total to Date (TTD) column must be completed for all contributions, including loans but excepting interest, rebates, refunds, other miscellaneous receipts, and fundraisers.
- Verify that any In-Kind contributions reported include an adequate description of what the contribution was; for example, a \$50 in-kind contribution would have "Printing" below the amount if it was for printing costs.
- Loans (Section 3, C-5; Section 2, C-6) are considered contributions; verify that any loans are compliant with contribution limits for the particular candidate. Full name and address of the contributor, occupation and employer, date of the loan, amount of the loan (including description of In-Kind if applicable), and TTD for that contributor.
- Interest, rebates, refunds, other miscellaneous receipts, and fundraisers (Section 4, C-5; Section 3, C-6) do not require a TTD. Specific amounts and sources

need to be shown for each category. If a fundraiser or other mass collection is reported, certain information (found in 44.10.521, ARM) must be provided. The required information for fundraisers is: type of fundraiser, date, approximately how many attended, and the amount received.

Schedule A, Sections 5 – 8 on C-5; Sections 4 – 7 on C-6
Political Committee contributions

- Full committee name and address, date of receipt, amount of contribution (and In-Kind description when applicable), and TTD must be provided.
- Verify that the contribution doesn't exceed limits, both individually and aggregate (refer to 13-37-216, MCA, and 44.10.331, ARM). Use the summary sheet to track aggregate limits.

A common confusion: There is NO individual limit for how much a political party committee can contribute to a candidate; there is, however, an aggregate limit)

- If a candidate reports receipts from a committee, or a committee reports receipts from a candidate, or a committee reports receipts from another committee, cross check with the corresponding report to see that each has reported and amounts agree. For example, if John Smith reports a contribution from the Milk Drinkers PAC (MOOPAC), MOOPAC must report a corresponding expenditure on their report. If they are ok, place a red check in the margin next to the committee name (or the name of the candidate).
- Any contributions involving committees must be recorded on the back of the candidate's or committee's summary sheet. Once the contribution is cross checked against the corresponding report, place a red check in the appropriate column on the summary sheet. Be sure that contributions fall within the limitations for aggregate PAC contributions to legislative candidates

Section 9 on C-5; Section 8 on C-6
Individual contributions

- Each contribution itemized must include the contributor's full name and mailing address, occupation, and employer; amount of contribution this period (and description of In-Kind if applicable), and TTD. "Businessman" is not ok; the entry must specify business type, and if they are the owner, president, etc.
- One individual name per contribution (Mr and Mrs Smith not allowed). If a check is drawn on a joint checking account, the contribution is reported from the signer of the check, NOT from both.
- TTD not to exceed limit for that type of candidate (no limits for contributions to committees of any type). Refer to 13-37-216.

Form C-7 information

- If any C-7 forms were received, check to see that all the information is included on the report. Cross check the C-7 with the report. If the information is on the report (form C-5 or C-6), initial and date the C-7 and file it immediately behind the report.

Schedule B, Expenditures

Arithmetic review

- Add the columns of amounts, and check the page totals as with Schedule A. If the column and/or page totals are correct, place a red check to the right of the figure. If the column and/or page totals are not correct, redline the totals as reported, and legibly write the correct total in the margin.
- Add all page totals for Schedule B, Expenditures. Verify that the figure carried to the CASH SUMMARY, Line 4 corresponds with the page totals. If so, place a red check in the margin next to the amount. If there is a discrepancy, redline the incorrect amount and note the correct amount in the margin.

Compliance review

- Note that there may be an amount in the Petty Cash column. That amount must not exceed the statutory limit for the type of candidate or committee; refer to 13.37.215, MCA and calculate the time involved from the reporting period.
- A separate entry under Schedule B must be completed for each expenditure; however, committees need not indicate "P or G" unless the expenditure purpose is a contribution to a candidate.

If several expenditures are made to the same Payee, it's sufficient to provide the full name and mailing address once for that payee as long as the other information is provided.

- If expenditures to a committee or another candidate are shown, cross check the report(s) of the recipient to see that they show receipt of the funds. If the reports correspond, put a red check in the margin next to the entry.

- Record expenditures that are contributions to candidates and other committees on the back of the summary sheet. Check the appropriate columns when they have been cross checked against the recipient of the funds.

Schedule C, Debts Not Yet Paid

- Any loans to the campaign which are outstanding are reported here. Track loans and outstanding debts with each report; they will become significant when a closing report is eventually filed. Closing reports are filed pursuant to 13-37-228 (3), MCA; closing reports may be filed only when all debt against the campaign is resolved.

Note that the amounts reported on Schedule C do not affect the cash summary of the campaign at this time.

Schedule D, Corrections to Previous Reports

- This section is used to correct previously filed reports. There may be an adjustment to the CASH SUMMARY for the campaign. Each correction is examined individually for compliance. For example, if the correction shows a contribution that was received in a previous reporting period but was inadvertently not reported, the correction entry must contain all of the information required for that type of contribution. Check to see that all corrections are properly entered in the CASH SUMMARY, Line 3

Cash Summary

- Do the math! Make any corrections by redlining the incorrect amount and writing in the correct amount. If there are significant arithmetic problems with a report, have another person in the office double check the figures.

Closing Reports

- For a report to be filed correctly as a closing report, there may be **no outstanding debts** reported in Schedule C. If there are outstanding debts listed, the treasurer must be notified that a closing report must be filed when all debts have been retired.
- If a report is a closing report, put a red "C" in the margin on the summary sheet by the reporting period of the closing report. You must also place a red dot on the manila file folder label for the candidate and/or committee.

- If a report is correctly filed as a closing report and there is an ending balance of \$10 or more, a form C-118 and an explanation memo must be mailed to the candidate. The form C-118 is used by candidates to report what they did with their surplus campaign funds. The C-118 is due back in this office 135 days after the closing report was filed.

III. FOLLOW UP

- Review your notes and corrections on the report, and determine the most appropriate and efficient follow up. This might be a phone call to the treasurer. **As a general rule, follow up should be done by emailing or mailing a letter or memo to the treasurer.** Depending on the problems with the report, an amended or corrected report may be necessary.

Our changes to correct a report should be kept to a minimum. The law requires the treasurer to report accurately; we need to work with them to achieve compliance, but we can't do the work for the treasurer.

- **Document your follow up on the summary sheet.** With a dated entry, summarize any phone calls, or note that a memo was sent (include a copy of the memo in the file; and cc the candidate with any written correspondence with the treasurer). The notes on the summary sheet should be written so that if you are not available, another staff person will be able to determine what the report problems are.
- Do not return original reports to the treasurer, except if a report is unsigned; in that case, make a photocopy of the unsigned report and keep the photocopy in the file.
- Complete the arithmetic portion of the file's summary sheet for this report.
- Note the report's status in the computer and/or on your written list.

IV. Follow Up to Follow Up!

- You will need to devise some way that works for you to track the status of reports that require follow up. Most of the time treasurers will respond promptly to requests for amendments, further information, corrections, etc. With the volume of candidates and committees we track.