LOBBYING FINANCIAL REPORT GUIDE

Updated May 2019

COMMISSIONER OF POLITICAL PRACTICES
1209 8TH AVENUE, HELENA, MT
(406) 444-2942
CPPHELP@MT.GOV

Contents

1. When are L-5 lobbying reports due?

A. 2019-2020 Legislative Lobbying Report L-5 Due Dates

1. Feb. 15, 2019: Mandatory L-5 report covering January
2. Feb. 15, 2019 – 2018 Non-Session Year End Report - (Report must cover Jan. 1, 2018 through Dec. 31, 2018)
3. March 15, 2019: L-5 report covering February that is required if you spent $5,000 or more in February
4. April 15, 2019: L-5 report covering March that is required if you spent $5,000 or more in March
5. May 28, 2019 end of session report: Mandatory L-5 report due 30 days after the session adjourns. This report must disclose all 2019 legislative lobbying expenses that were not previously reported.*
6. February 15, 2020: Year-end Session L-5 report required if *any* lobbying activity or expenses occurred during the 2019 session or after the 2019 session's adjournment. If a principal terminated their lobbyist by the end of the legislative session, and no other lobbyists are active, this report is not required.

***All legislative lobbying expenses MUST be reported. This** means, for example, that if you do not spend $5,000 in February and March, and thus do not submit an L-5 report on 3/15 and 4/15, you must report all of your expenses from February 1 through the end of the session in the "end of session report."

B. Post-Session Lobbying L-5 Report Due Dates

1. After the session, any time $5,000 or more is spent on lobbying activities in a single month, an L-5 must be filed on the 15th of the following month. The report must also retroactively include any previous expenses from months were $5,000 or more was NOT spent. For example, if a principal spends $2,000 in June and $5,000 in July, they must file a monthly L-5 on August 15th. This report would cover all June and July expenses and activity. Please see MCA 5-7-208.
2. If $5,000 is not spent in a single month after the legislative session concludes, an L-5 Year End Session Report is required to be filed by February 15, 2020. All post-session lobbying activity and expenses must be disclosed in this L-5 report. Please see MCA 5-7-208.
3. If a principal does not have any lobbying activity after the legislative session and they did not terminate all lobbyists by the end of the session, they must file the L-5 Year End Session Report stating that no activity or expenses occurred. Please see MCA 5-7-208.

Pro Tip: Don't wait until the due date to file your L-5! Hard copies can be hand delivered or emailed to cppcompliance@mt.gov at any time. Alternatively, L-5 reports can now be filed electronically using the lobbying database.

All L-5 reports are **ALWAYS** due by 5:00 p.m. MST on their due date. If report is not received by 5:00 p.m. on its due date, it is considered late filed, and penalties apply.

2. Who is required to file an L-5 lobbying form?

The principal is responsible to report all lobbying expenditures, efforts, and activity on L-5 Lobbying Financial Reports.

A principal and lobbyist can agree to have the lobbyist file the reports, but, again, the legal responsibility to file the reports is that of the principal. The principal must also retain a copy of all L-5 report for three years, along with all the records relevant to the L-5 reports.

3. Can I get an extension for my L-5 report?

No. The deadlines for filing financial reports cannot be extended or waived. Lobbying reports must be received by 5:00 p.m. MST on filing day. The fee for late fillings is a $50 per day fine, up to $2,500. Fees are assessed to the principal.

4. How do I submit my L-5 report?

L-5 reports can be submitted in five ways:

1. Electronically via the COPP lobbyist database,
2. As a digital PDF, (Your L-5 will not go through if you are not redirected after hitting "Submit" to send an email. The COPP strongly advises you save your L-5 PDF and follow-up by emailing a copy to cppcompliance@mt.gov),
3. Via mail (P.O. Box 202401, Helena, MT 59620-2401),
4. Via fax (406-444-1643),
5. Via email to cpphelp@mt.gov, or,
6. Delivered in person to the COPP office (1209 8th Avenue, Helena, MT).

Keep in mind that all reports **MUST** be received by the due date. The fee for late fillings is a $50 per day fine to the principal. Fines can accrue up to $2,500.

5. What must be reported in an L-5 form?

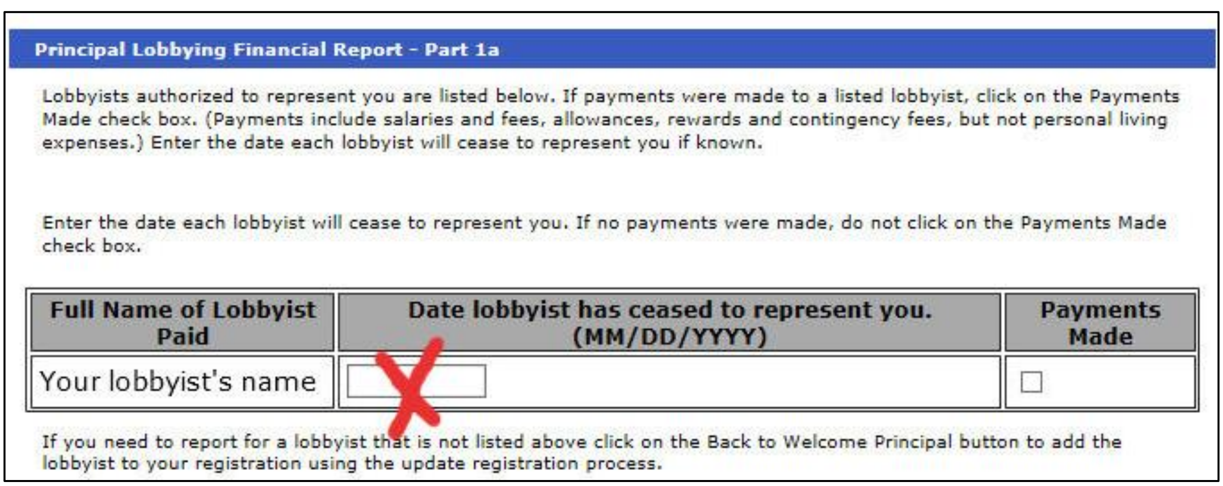
Part 1, Section A

Payments to lobbyists (including salaries, and fees, allowances, rewards, and contingency fees). Reimbursement for personal living expenses do not have to be reported. This must include all payments to registered lobbyists who will be paid at least $2,600 to lobby and payments of individuals who engages in lobbying but who do not have to register (because they are not paid $2,600 or more to lobby).

NOTE: Payments must be disclosed for the date they are received. For example, if a lobbyist and principal enter into an agreement on December 1st that the lobbyist will receive $2,700 in payment on January 16th, and the payment is made on January 16th, that $2,700 payment will be reported in an L-5 that covers the month of January, which is due on 2/15. Although a verbal agreement was made that the money would be transferred in December, it is not reported until the date the transaction occurs.

TIP: Report lobbying payments and expenses so they reflect a bank account or check book.

If you file your L-5 in the lobbying database, in Part 1a, **DO NOT ADD** a date in the “date lobbyist has ceased to represent you” until the lobbyist has stopped representing you. Even if you enter in a future date, such as 05/01/2019, any entry will immediately remove the lobbyist from your 2019 registration (See the X below).



Principal Lobbying Financial Report - Part 1a

Lobbyists authorized to represent you are listed below. If payments were made to a listed lobbyist, click on the Payments Made check box. (Payments include salaries and fees, allowances, rewards and contingency fees, but not personal living expenses.) Enter the date each lobbyist will cease to represent you if known.

Enter the date each lobbyist will cease to represent you. If no payments were made, do not click on the Payments Made check box.

Full Name of Lobbyist Paid	Date lobbyist has ceased to represent you. (MM/DD/YYYY)	Payments Made
Your lobbyist's name	X	☐

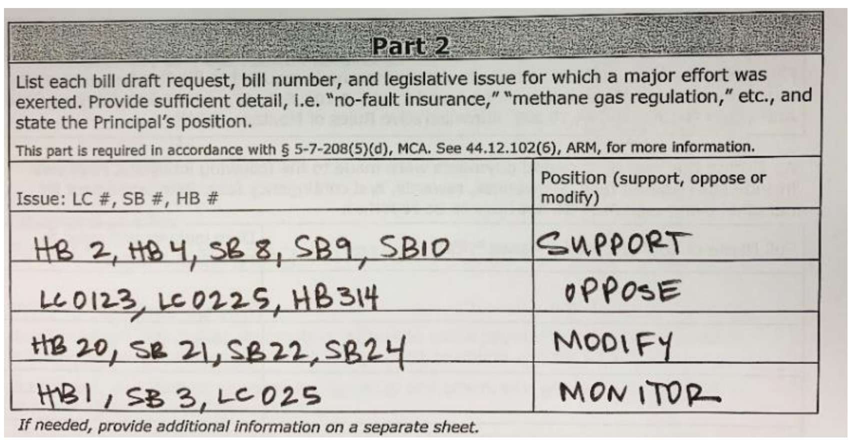
If you need to report for a lobbyist that is not listed above click on the Back to Welcome Principal button to add the lobbyist to your registration using the update registration process.

Part 1, Section B

All other lobbying-related expenses (e.g. advertising, travel expenses, communication costs, office expenses etc.). All entertainment expenditures must be reported in Part 1B (and possibly Part 4) of the L-5 report. "Expenses" in Part 1B is the sum total for all expenses. The entertainment section in Part 4 (see Part 4 below for more details) includes itemized details for entertainment expenditures (often food or drink) of $25 or more that are paid to the benefit of any one public official, or $100 or more paid to the benefit of more than one public official.

Part 2

Report each bill draft request, bill number, and legislative issue for which a major effort was exerted. A description of the bill and the principal's position (oppose, support, or modify) must be included. This section must include all lobbying efforts by registered lobbyists who will be paid at least $2,600 to lobby and the lobbying efforts of individuals who engage in lobbying but who do not have to register (because they are not paid $2,600 or more to lobby).



Part 2

List each bill draft request, bill number, and legislative issue for which a major effort was exerted. Provide sufficient detail, i.e. "no-fault insurance," "methane gas regulation," etc., and state the Principal's position.

This part is required in accordance with § 5-7-208(5)(d), MCA. See 44.12.102(6), ARM, for more information.

Issue: LC #, SB #, HB #	Position (support, oppose or modify)
HB 2, HB 4, SB 8, SB 9, SB 10	SUPPORT
LC 0123, LC 0225, HB 314	OPPOSE
HB 20, SB 21, SB 22, SB 24	MODIFY
HB 1, SB 3, LC 025	MONITOR

If needed, provide additional information on a separate sheet.

Need more space? If you need more room to enter in your lobbying activity, email an addendum and list the needed information to cppcompliance@mt.gov. Include the principal's name on the L-5 report.

Part 3

Report each earmarked contribution and membership fee of $250 or more paid to the principal to promote, oppose, or modify the introduction or enactment of legislation.

Part 4

Report itemized payments of $25 or more (often this is food or beverages) that benefited any public official. Include itemized payments of $100 or more paid to the benefit of more than one public official. These benefits must also be reported within the lump sum expense total in Part IB.

- **"Name of Payee"** is the name of the establishment where the expense was incurred and paid (e.g. the bar, restaurant, etc. where an entertainment event was held).
- **"Name of official receiving the benefit"** references the name(s) of the public official(s) the expenditures were paid to benefit also need to be listed. If the entire legislative delegation is invited to such an event, simply list “All legislators invited.”
- **Example 1:** The principal hosts an entertainment event at Bert and Ernie’s. At this event, the principal pays $200 total to the benefit of four public officials: Senator Tony Stark, Senator Natasha Romanoff, Representative Thor Odinson, and Representative Bruce Banner. On the L-5, you would include this $200 expenditure in Part 1B along with any other entertainment expenses. It would also need to be reported in Part 4, with Bert and Ernie’s listed as the payee, $50 as the benefit amount, and each of Sen. Stark, Sen. Romanoff, Rep. Odinson, and Rep. Banner listed as the name of the officials receiving the benefit.
- **Example 2:** The principal has Jimmy John’s cater an event in the rotunda and all legislators are invited. The event costs $3,000. On the L-5, you would include this $3,000 expenditure in Part 1B, as you did with the $200 from Example #1. It would also need to be reported in Part 4, with Jimmy John’s as the payee, $3,000 as the benefit amount, and “All legislators invited” listed as the name of official receiving the benefit.

6. How do I report entertainment expenses that I host?

All entertainment expenditures must be reported in Part 1B (and possibly Part 4) of the L-5 report. All entertainment expenditures (often food or drink) of $25 or more that are paid to the benefit of any one public official, or $100 or more paid to the benefit of more than one public official, must be itemized and reported in Part 4 as well.

- The “name of payee” is the name of the establishment where the expense was incurred and paid (e.g. the bar, restaurant, etc. where an entertainment event was held).
- The name(s) of the public official(s) the expenditures were paid to benefit also need to be listed. If the entire legislative delegation is invited to such an event, simply list “All legislators invited.”

Example 1: The principal hosts an entertainment event at Bert and Ernie’s. At this event, the principal pays $200 total to the benefit of four public officials: Senator Tony Stark, Senator Natasha Romanoff, Representative Thor Odinson, and Representative Bruce Banner. On the L-5, you would include this $200 expenditure in Part 1B along with any other entertainment expenses. It would also need to be reported in Part 4, with Bert and Ernie’s listed as the payee, $50 as the benefit amount, and each of Sen. Stark, Sen. Romanoff, Rep. Odinson, and Rep. Banner listed as the name of the officials receiving the benefit.

Example 2: The principal has Jimmy John’s cater an event in the rotunda and all legislators are invited. The event costs $3,000. On the L-5, you would include this $3,000 expenditure in Part 1B, as you did with the $200 from Example #1. It would also need to be reported in Part 4, with Jimmy John’s as the payee, $3,000 as the benefit amount, and “All legislators invited” listed as the name of official receiving the benefit.

Pro Tip: If the principal has made reportable entertainment expenditures, make sure these are included in Part 1B. Additionally, check to see if any reportable itemized payments made to entertain public officials are broken down in Part 4!

7. How do I report entertainment expenses that are financed by multiple principals?

Scenario: Principals A, B, and C invite all 50 senators at an event with a $1,500 meal catered by Bucky’s Catering

PAYMENT OPTION 1: The expense is shared evenly among each of the three principals and each render payment to the caterer at the same time. Payment to Bucky’s Catering is evenly divided and paid for at the same time by Principal A, Principal B, and Principal C. Each principal would report Bucky’s Catering as the "name of payee," the specific amount they individually paid, and list the names of the public officials who attended.

> **Reporting:** Principal A, Principal B, and Principal C each need to note their $500 entertainment expense in Part 1, Section B ($500 in addition to any other expenses from the reporting period) as well as in Section 4 with the below details:
>
> - Name of payee: Bucky’s Catering;
> - Name(s) of public official(s): All senators;
> - Benefit amount: $500

PAYMENT OPTION 2: Principal A covers the payment to the vendor and is later reimbursed for $500 from both Principal B and C.

> **Principal A** will need to report both the 1) expenditure to Bucky's Catering, and 2) the reimbursement from Principal B and C. The date the transaction is completed determines when the expenditure and reimbursement must be reported.
>
> Principal A reports **the expenditure** of spending $1500 on entertainment expenses in Part 1, Section B ($1500 in addition to any other expenses from the reporting period) and in Section 4 with the below details:
>
> - Name of payee: Bucky’s Catering;
> - Name(s) of public official(s): All senators;
> - Benefit amount: $1500
>
> Principal A reports **the reimbursement** of $500 contributions from both Principals B and C in Part 3 with the below details:
>
> - Full name of contributor: Principal B;
> - Amount: $500;
> - Issue area earmarked: reimbursement for previously reported Bucky’s Catering expense;
> - Full name of contributor: Principal C;

- Amount: $500;
- Issue area earmarked: reimbursement for previously reported Bucky's Catering expense

Principal B and Principal C Reporting: Principals B and C would report spending $500 on entertainment expenses in Part 1, Section B ($500 in addition to any other expenses from the reporting period) and in Section 4 with the below details (This information would need to be reported on the L-5 lobbying report covering the time period where the payments were made to Principal A):

- Name of payee: Principal A
- Name(s) of public official(s): All senators
- Benefit amount: $500

8. What are common errors made in L-5 reports?

COMMON ERROR #1: The name of principal is not included on the L-5 report

The name of the principal who is filing the L-5 report MUST be included on the front page of the report if filed hard copy. Please remember that the principal is the group or organization authorized to make payments to lobbyists and is different from the "signing authority." Many hard copy L-5's are delivered to the COPP without this crucial information.

Without a name provided, the COPP does not know who has filed the report, and you would not be counted as having filed your L-5.

Pro Tip: Take a second and make sure the name of the principal is listed before you deliver your hard copy L-5 to the COPP! The name of the principal will automatically be included if the report is filed electronically in the lobbyist database.

COMMON ERROR #2: Reporting entertainment expenses

All entertainment expenditures must be reported in Part 1B of the L-5 report.

All entertainment expenditures (often food or drink) of $25 or more that are paid to the benefit of any one public official, or $100 or more paid to the benefit of more than one public official, must be itemized and reported in Part 4 as well.

The "name of payee" is the name of the establishment where the expense was incurred and paid (e.g. the bar, restaurant, etc. where an entertainment event was held).

The name(s) of the public official(s) the expenditures were paid to benefit also need to be listed. If the entire legislative delegation is invited to such an event, simply list "All legislators invited."

Pro Tip: If the principal has made reportable entertainment expenditures, make sure these are included in Part 1B. Additionally, check to see if any reportable itemized payments made to entertain public officials are broken down in Part 4!

Example 1: The principal hosts an entertainment event at Bert and Ernie's. At this event, the principal pays $200 total to the benefit of four public officials: Senator Tony Stark, Senator Natasha Romanoff, Representative Thor Odinson, and Representative Bruce Banner. On the L-5, you would include this $200 expenditure in Part 1B along with any other entertainment expenses. It would also need to be reported in Part 4, with Bert and Ernie's listed as the payee, $50 as the benefit amount, and each of Sen. Stark, Sen. Romanoff, Rep. Odinson, and Rep. Banner listed as the name of the officials receiving the benefit.

Example 2: The principal has Jimmy John's cater an event in the rotunda and all legislators are invited. The event costs $3,000. On the L-5, you would include this $3,000 expenditure in Part 1B, as you did with the $200 from Example #1. It would also need to be reported in Part 4, with Jimmy John's as the payee, $3,000 as the benefit amount, and "All legislators invited" listed as the name of official receiving the benefit.

COMMON ERROR #3: Include sufficient information on legislative efforts

ANY bill the principal takes official action on must be listed in Part 2 of the L-5, along with the position taken by the principal.

The official position taken on bills can be described as: Support (the Principal supports the bill as-is); Oppose (the Principal opposes the bill as-is); Modify (the Principal supports the bill but only with certain changes or modifications to its language); or Monitor (the Principal does not have an official position on the bill yet but is formally tracking it in order to make a determination as to position).

Example: The principal supports SB 111, opposes HB 222, supports SB 333 but only with specific modification, and has tracked the progress of HB 444 to determine if they will support or oppose it. The principal would report this as: "SB 111: Support, HB 222: Oppose, SB 333: Modify, and HB 444: Monitor."

COMMON ERROR #4: Report dates for expenses (especially for lobbyist payments)

Payments must be disclosed on the date that they are received. For example, if a lobbyist and principal enter into an agreement on December 1st that the lobbyist will receive $2,700 in payment on January 16th, and the payment is then made on January 16th, this expense would be reported in the initial L-5 report that covers January 1-31st and due on February 15th. Although an agreement was made in December regarding payment, the payment took place on January 16th, and must be reported in an L-5 to reflect the January 16th date.

TIP: Report expense dates so that they reflect the bank account where the money was exchanged. Your L-5 expenses must align with bank accounts dates. So if a check is written on January 16th and deposited on January 19th, the expense is reported as being paid on January 19th.

9. How do I register and/or reset my account in the lobbing database?

I am a lobbyist or principal. How do I register and create a new 2019-2020 account in the database?

If you have **never** created a 2019-2020 account in the database (e.g. you filed your 2019-2020 registration via paper and not online), you will need to create a new user**. If you filed your registration as a hardcopy paper application, you will NOT be in the system and will need to create a new username account in the system.** You must re-register in the database each session to file L-5s in the database.

Have you already created an account in the database?

If you filed a lobbying or a principal registration via paper, email, fax, or any other non-database option, you must create a new account in the database for 2019-2020 (You must re-register in the database each session year to file L-5s in the database). To create a new account, reference this step-by-step guide if you are a lobbyist. If you are a principal, reference this step-by-step guide.

If you already created a 2019-2020 database account, and you have forgotten your username or password, you will have to create a new user. The COPP does NOT know your username or password information and cannot reset them for you. Click **Create New User** in the database's login page to begin. Once a new username and password have been created you can use your Access ID to tie the new login credentials to the lobbyists or principal you had previously registered.

An **access ID** is generated when you register via the lobbying database. When you register, you receive an email from cpphelp@mt.gov with your access ID. If you cannot find your access ID, contact the COPP at 444-2942 or email cpphelp@mt.gov. Every letter in the access ID is capitalized. If a lobbyist or principal is registering using the electronic system for the first time, an Access ID is not necessary.

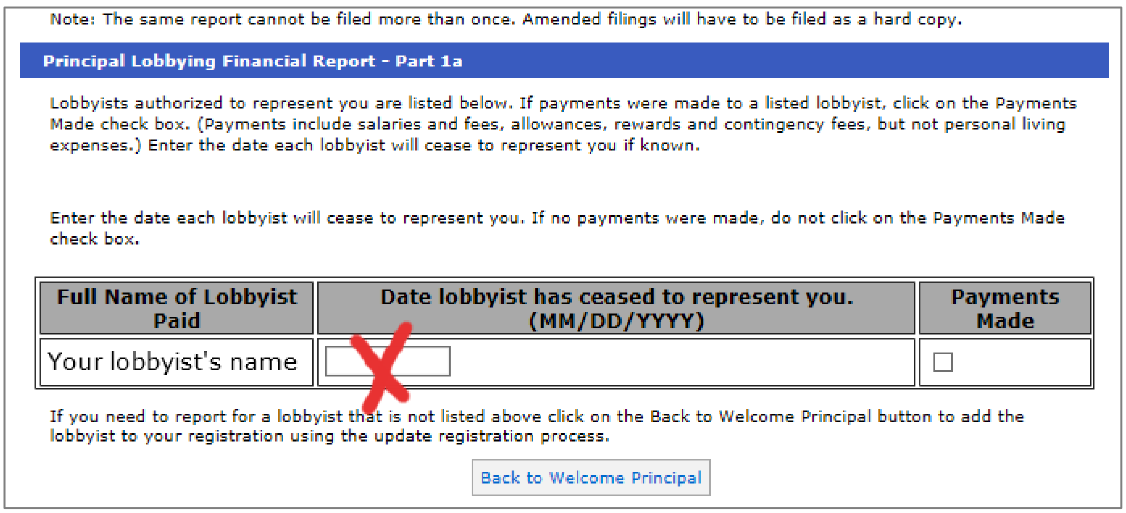
Please call our office at 444-2942 if you have any questions!

10. What are helpful tips for using the lobbying database?

1. Have all your financial information ready to go. There is not an option to save an L-5. If your computer times out, your L-5 will be automatically submitted, even if it is not complete. If you think this happened, call the COPP at 444-2942 and we can delete any accidentally-submitted L-5.

2. Do not use your browser's options to navigate back and forth. Use the commands within the database (e.g. "Back").

3. In Part 1a, **DO NOT ADD** a date in the "date lobbyist has ceased to represent you" until the lobbyist has stopped representing you. Even if you enter in a future date, such as 05/01/2019, any entry will immediately remove the lobbyist from your 2019 registration (See the X below).



Note: The same report cannot be filed more than once. Amended filings will have to be filed as a hard copy.

Principal Lobbying Financial Report - Part 1a

Lobbyists authorized to represent you are listed below. If payments were made to a listed lobbyist, click on the Payments Made check box. (Payments include salaries and fees, allowances, rewards and contingency fees, but not personal living expenses.) Enter the date each lobbyist will cease to represent you if known.

Enter the date each lobbyist will cease to represent you. If no payments were made, do not click on the Payments Made check box.

Full Name of Lobbyist Paid	Date lobbyist has ceased to represent you. (MM/DD/YYYY)	Payments Made
Your lobbyist's name		☐

If you need to report for a lobbyist that is not listed above click on the Back to Welcome Principal button to add the lobbyist to your registration using the update registration process.

Back to Welcome Principal

4. If your information will not fit in a database section, note in the section, "See addendum." Then, email your addendum to cppcompliance@mt.gov. Include the principal's name in the email.

5. You can confirm that your L-5 was filed in the database by going to the Lobbyist and Principal Search Database. This database stores database-filed L-5s the moment they are filed. Make sure to select **View all Principals**, and then select **Continue.** You will then have the option to pick your principal by alphabetical order. Find and click on your principal's name, and then select **View Financial Information.** You will be able to see all the L-5s that have been filed for a principal listed out (e.g. Initial Report, Non-Session Year End Report, etc.)

11. Can I, a lobbyist, certify and sign the L-5 form?

A principal and lobbyist can make an agreement that a lobbyist can file L-5s on behalf of the principal. In this case, the lobbyist will need to either log in to the lobbying database with the principal's credentials or file an L-5 report in person, via fax or email, or through the digital PDF option.

12. What is the COPP's review process after I file a L-5 report? What does a sample inspection report look like?

The COPP Inspects all L-5 reports received from principals. Any required information that is not included will be noted. COPP compliance specialists will inspect each report and contact the principal or the principal's signing authority via email and notify them about any reporting deficiencies or any additional required information.

Amended L-5 reports can be filed at any time. If you forgot to include something on your original L-5 filing, provide an amended version to the COPP as soon as possible! Please note that you cannot currently correct errors via the lobbying database. Please contact our office at 444-2942 or email us at cpphelp@mt.gov with the corrections to your report.

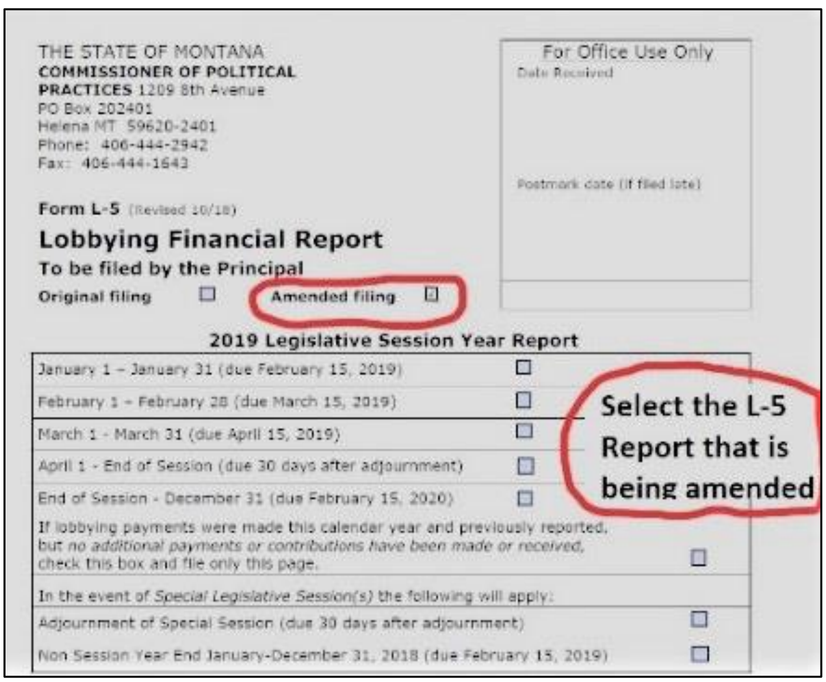
Curious what the inspection process looks like? Check out the sample L-5 reports in the Appendix section of this guide.

13. I RECEIVED MY INSPECTION REPORT AND I NEED TO AMEND AN L-5. HOW DO I DO THAT?

All items noted on a Lobbying Financial Report Inspection **must** be corrected with an amended L-5 report. It is the principal's responsibility to revise, update, and submit an amended (revised) L-5 report. Please note that the online reporting system does not provide an option to amend reports. **The only option to submit an amended report, regardless of how the original L-5 was filed, is via hard copy.**

To amend an L-5 report, you must:

1. Check the "Amended filing" box on the L-5 form (see image below)
2. Check the box that corresponds to the L-5 report that is being amended (see image below)
3. Represent all information correctly on the amended report. This means that you must re-enter information that was originally entered correctly and enter in information that the inspection report noted as being insufficient, unclear, or lacking.
4. File the amended L-5 with the COPP in one of the following ways:
    a. As a digital PDF (Your L-5 will not go through if you are not redirected after hitting "Submit" to send an email. The COPP strongly advises you save your L-5 PDF and follow-up by emailing a copy to cppcompliance@mt.gov),
    b. Via mail (P.O. Box 202401, Helena, MT 59620-2401),
    c. Via fax (406-444-1643),
    d. Via email to cppcompliance@mt.gov, or
    e. Delivered in-person to the COPP office (1209 8th Avenue, Helena, MT).


THE STATE OF MONTANA
COMMISSIONER OF POLITICAL PRACTICES 1209 8th Avenue
PO Box 202401
Helena MT 59620-2401
Phone: 406-444-2942
Fax: 406-444-1643

For Office Use Only
Date Received
Postmark date (if filed late)

Form L-5 (Revised 10/18)
Lobbying Financial Report
To be filed by the Principal
Original filing ☐ **Amended filing** ☐

2019 Legislative Session Year Report

January 1 – January 31 (due February 15, 2019)	☐
February 1 – February 28 (due March 15, 2019)	☐
March 1 - March 31 (due April 15, 2019)	☐
April 1 - End of Session (due 30 days after adjournment)	☐
End of Session - December 31 (due February 15, 2020)	☐
If lobbying payments were made this calendar year and previously reported, but *no additional payments or contributions have been made or received*, check this box and file only this page.	☐
In the event of *Special Legislative Session(s)* the following will apply:	
Adjournment of Special Session (due 30 days after adjournment)	☐
Non Session Year End January-December 31, 2018 (due February 15, 2019)	☐

14. How can I find past or current lobbying reports? And how can I confirm that my L-5 was filed with the database?

All lobbying reports are uploaded and publicly accessible to one of two databases.

1. One database stores lobbying reports that are submitted digitally via the lobbying database. These digital reports from 2009-2019 can be found in our electronic database.
2. The second database stores reports that are filed as paper hardcopies or are emailed or faxed are available on our 2017-2019 digitized hard copy platform.

Did you file your L-5 in the database? (And not as a fax, emailed, or hardcopy L-5?)

If so, you can confirm instantly that your L-5 was filed in the database by going to the Lobbyist and Principal Search Database. Make sure to select View all Principals, and then select Continue. You will then have the option to pick your principal by alphabetical order. Find and click on your principal's name, and then select View Financial Information. You will be able to see all the L-5s that have been filed for a principal listed out (e.g. Initial Report, Non-Session Year End Report, etc.).

15. What needs to be reported when a principal and lobbyist terminate a lobbying relationship?

A principal and lobbyist can terminate a lobbying relationship at any time, including before the legislative session ends.

To end a lobbying relationship, the principal must:

1. File a final L-5 that covers the dates from the last submitted L-5 through the day the relationship was terminated. The final L-5 can be filed whenever it is known that the relationship is terminated.

2. Send an email to cppcompliance@mt.gov stating the date the relationship between the specific principal and specific lobbyist is terminated.

Appendix