

# Accounting and Reporting Manual for Candidates and Treasurers



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# Introduction

This manual is intended to be a practical guide to campaign finance accounting and reporting procedures for candidates running for elective office, the treasurers of their campaigns, and others involved in the election process.

*It is not a substitute for the laws and rules governing campaign finance and practices. Specific citations are noted throughout the manual. For precise legal language and requirements, consult Montana Code Annotated (MCA) Title 13, Chapters 35 and 37 and Administrative Rules of Montana (ARM) Chapter 44.11.*

Montana election law provides for public disclosure of contributions received and expenditures made to influence elections. Accurate disclosure of these transactions requires:

- 1) An understanding of applicable laws and rules; and
- 2) The maintenance of detailed records of contributions received and expenditures made.

**Part 1, CAMPAIGN ACCOUNTING**, on pages 2 through 10, discusses the legal responsibilities of candidates and campaign treasurers participating in Montana elections, including candidate registration with COPP and campaign banking requirements. It also provides formal definitions and basic examples for campaign contributions and expenditures.

**Part 2, CAMPAIGN REPORTING**, on pages 10 through 12, discusses candidate campaign finance reporting requirements. It also provides a brief description of the individual forms candidates are required to file with COPP and the information required to be included.

**Part 3, ATTRIBUTION**, on page 13, briefly discusses the “paid for by” attribution statement required on campaign communications financed by a candidate or their campaign.

The Campaign Electronic Reporting System (CERS) is Montana’s electronic filing system, used by candidates and political committees to file all required campaign statements and reports. Access CERS from COPP’s agency website, [politicalpractices.mt.gov](http://politicalpractices.mt.gov), or by clicking the following link: [Campaign Electronic Reporting System \(dashboard\) \(mt.gov\)](http://politicalpractices.mt.gov/campaign-electronic-reporting-system-dashboard). COPP has additional guidance for accessing CERS and utilizing it to file required statements and reports available [here](#).

## **PART 1: CAMPAIGN ACCOUNTING**

### **STATEMENT OF CANDIDATE**

Candidates seeking election to public office in Montana are required to file a Statement of Candidate with COPP within 5 days of becoming a candidate, Montana Code Annotated (MCA) [13-37-201](#)(1).<sup>1</sup> Becoming a candidate is triggered by certain actions of the individual, MCA [13-1-101](#)(8), with these being: 1) formally filing with the election administrator; 2) receiving or soliciting campaign contributions; or 3) making campaign expenditures.

Candidates file with COPP by submitting the Statement of Candidate (either Form C-1 or C-1A) in CERS.

### **CAMPAIGN TREASURER**

Each candidate for public office must designate a campaign treasurer and certify the name and address of this campaign treasurer on the Statement of Candidate filed with COPP, MCA 13-37-201(1). A candidate may also designate a deputy treasurer if desired, but not more than one per county in which the election is conducted, MCA [13-37-202](#)(1). Any individual appointed as a campaign treasurer or deputy treasurer must be a Montana resident, MCA [13-37-203](#)(1).

*Only an appointed and certified campaign treasurer or deputy treasurer may make deposits and draw checks on the campaign account*, MCA 13-37-203(1). A candidate may designate themselves as the campaign treasurer or deputy treasurers for their own campaign, and in fact would be required to do so if they wish to themselves make deposits or draw checks on behalf of the campaign.

Campaign treasurers are required to maintain detailed reports of all campaign contributions received and expenditures made, MCA [13-37-208](#)(1). These records must be kept for a period of two (2) years.

### **CAMPAIGN DEPOSITORY**

Each campaign must designate a campaign depository (bank account) “for the purpose of depositing all contributions received and disbursing all expenditures made”, MCA [13-37-205](#)(1). This depository may be a bank, a credit union, a savings and loan association, or a building and loan association authorized to transact business in Montana. While candidates or campaigns may have more than one account in the same depository- i.e. separate accounts for the primary and

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<sup>1</sup> Certain school and special district candidates are exempted from this requirement- see MCA 13-37-206.

general elections<sup>2</sup>, they may not utilize their personal account as the campaign account, MCA 13-37-205(5).

All campaign funds received- including personal funds provided by the candidate to their own campaign- must be deposited into the campaign depository.

## CONTRIBUTIONS RECEIVED

A contribution is defined by law, in part, as “an advance, gift, loan, conveyance, deposit, payment, or distribution of money or anything of value to support or oppose a candidate or ballot issue. . .”, MCA [13-1-101](#)(9). This includes personal funds provided by a candidate to their own campaigns, as well as items or services purchased personally by the candidate for use by their campaign.

Campaign treasurers are required to keep a detailed accounting of all contributors. Any system of record keeping may be used, as long as it maintains the information required by law and necessary for filing reports.

All monetary contributions (cash or checks) received by anyone involved with a campaign must be transmitted to the treasurer (or deputy treasurer) and deposited within five business days after the contribution is received, MCA [13-37-207](#)(1). Contributions received via a third-party payment gateway or on-line service provider (ActBlue, Win Red, or PayPal, as examples) are considered received at the time received by the online service provider, ARM [44.11.408](#)(2)(a).

Prior to the time a deposit to the campaign account is made, the treasurer is required to prepare a statement showing the amounts received from each contributor, MCA 13-37-207(2). This statement, the receipt form for cash contributions deposited at the same time, and a deposit slip for the deposit must be kept together as part of the campaign records maintained by the treasurer.

Receipts must be written for any cash contributions of \$25 or more, ARM [44.11.407](#). Cash receipts must show:

- 1) The contributor’s full name and mailing address;
- 2) The date the contribution was received;

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<sup>2</sup> Legislative candidates may utilize one account for both the primary and general elections, provided certain conditions are met- see MCA 13-37-205(6). All other candidates must keep primary and general election funds separate in a dedicated account, Administrative Rules of Montana (ARM) 44.11.224(2).

- 3) The name of the individual who received the contribution on behalf of the candidate; and
- 4) The exact amount received.

Some things are not included in the legal definition of “contribution.” For instance, any time or services provided by individuals volunteering without compensation are not considered contributions and do not need to be recorded or reported, MCA 13-1-101(9)(b)(i). Similarly, meals and lodging provided by individuals in their private residence for a candidate or other individual are not considered a contribution, MCA 13-1-101(9)(b)(ii). Finally, the use of a person’s real property for a fundraising reception or other political event also would not qualify as a reportable contribution, MCA 13-1-101(9)(b)(iii).

## Types of contributions

There are two different types of contributions a candidate may receive. The first, monetary contributions, are traditional cash, check, or related considerations that can be deposited into the campaign account. The second, in-kind contributions, are the provision of items or services of value to the campaign for free or at a reduced price. Any items or services purchased personally by a candidate for campaign use qualify as in-kind contributions received by the campaign. When reporting in-kind contributions, candidates/campaigns must identify the specific item or service provided, and the contribution must be reported using the fair-market value of the item or service, ARM [44.11.403](#)(4).

Frequently, in-kind contributions come in the form of services for which charges usually are made but which are rendered to the campaign free of charge or at lesser amount than is customary.

**Example:** The fair market value of a mailing that your graphic designer friend charges clients is \$1.25 per mailing, but your friend only charges your campaign \$.50 per mailing. The \$.75 per mailing difference is an in-kind contribution that needs to be reported by the campaign.

## Types of contributors

There are several different types of contributors from which a candidate may be receiving contributions. Those include:

1. **Individual contributors (other than the candidate):** Treasurers are required to keep records of all contributions received from individual contributors, including the name of the contributor and the amount provided. Montana

election law does not allow for anonymous contributions, so a campaign does need to know the source of any contribution it receives. When reporting, the campaign will need to disclose the name, address, occupation, and employer of any contributor who has made aggregate (total) contributions of \$50.00 or more, MCA [13-37-229\(1\)\(b\)](#).

2. Political committees: Treasurers are also required to keep records of all contributions received from political committees, including the name of the committee and the amount provided. When reporting, the campaign will need to disclose the name and address of any political committee who has made a campaign contribution, MCA 13-37-229(1)(d).
3. Fundraisers and “mass collection” events: Contributions received from fundraiser or related “mass collection” events (examples include a Pass the Hat event, or the sale of campaign raffle tickets) also need to be recorded and reported.

MCA 13-37-229(1)(h) and ARM [44.11.406](#) allow for campaigns to report contributions of under \$50 received from a fundraiser or related “mass collection” event as one lump sum. Detailed guidance on reporting contributions received at a fundraiser or “mass collection” event can be found on COPP’s agency website. Remember that Montana law does not allow for anonymous contributions- campaign treasurers must still be able to identify the original source of all contributions received at a fundraiser or related “mass collection” event.

To report a fundraiser or related “mass collection” event, the campaign would need to include:

- 1) The date of the event,
- 2) The approximate number of people attending,
- 3) A description of the event, and
- 4) The aggregate (total) amount of under \$50.00 contributions received.

*Any individual who has contributed an aggregate (total) of \$50 or more needs to be reported as an individual contributor, regardless of where or when their contributions are received.*

4. Refunds, rebates, etc.: Campaigns treasurers are required to record and report any refunds, rebates, etc. received by the campaign as contributions, MCA 13-37-229(1)(i). Common examples include interest earned on a campaign savings account, or rebates provided by a vendor for bulk purchases.

5. **Loans**: Campaign treasurers are additionally required to record and report any loans received by the campaign, MCA 13-37-229(1)(f). By definition any loan to a campaign is a contribution, ARM [44.11.405](#).
6. **Candidate contributions**: Candidates may make contributions to their own campaign. The campaign treasurer is required to track, and the campaign is required to report, all contributions made by the candidate to their own campaign. There is no limit on the amount a candidate may contribute to his or her own campaign.

## Campaign contribution limits

Montana has established campaign contribution limits, MCA [13-37-216](#). The current limits are posted on COPP's agency website on the [Contribution Limits](#) page, and are also published in ARMs [44.11.226](#) and [227](#).

Montana's campaign contribution limits apply per election. For purposes of campaign contribution limits, MCA 13-37-216(6) defines an election as:

the general election or a primary election that involves two or more candidates for the same nomination. If there is not a contested primary, there is only one election to which the contribution limits apply. If there is a contested primary, then there are two elections to which the contribution limits apply

An individual (other than the candidate) or political committee (other than a political party committee) may contribute the following amount to candidates per election:

Governor/Lt. Governor	\$1,190
Other statewide offices	\$830
All other public offices	\$470

Contributions to candidates by political party committees are subject to separate aggregate limits:

Governor/Lt. Governor	\$118,700
Other statewide offices	\$89,050
Public Service Commission	\$17,800
State Senate	\$3,550
Other public offices	\$2,350

**Example:** A candidate for the office of Governor can receive \$118,700 in aggregate (total) contributions from political party committees. In other words, the candidate can receive one \$118,700 contribution from one political party committee, or multiple smaller contributions up to the \$118,700 limit. When the candidate has reached the \$118,700 aggregate limit, they cannot accept any more political party contributions.

An exemption for these aggregate political party limits does exist for certain paid personal services provided by paid staff of a political party committee benefitting the associational interests of a candidate. While still reportable as in-kind contributions, these “personal services” do not count towards the aggregate limits discussed above. See ARM 44.11.225(3).

Some campaigns coordinate certain campaign expenditure activities with political party committees or other entities. Any coordinated election activity other than those personal services provided by paid staff of a political party committee exempted under ARM 44.11.225(3) needs to be reported as a contribution received and is subject to Montana’s campaign contribution limits.

**Example:** The Firefighter PAC and Charlie Brown’s campaign for Senate District 1 work together on an advertisement that advocates for Charlie Brown’s campaign. Charlie can accept items or services up to the \$470 contribution limit as a contribution from the Firefighter PAC. Any excess costs beyond \$470 would have to be paid by Charlie Brown’s campaign.

## Prohibited contributions

Candidates are prohibited from accepting campaign contributions from corporate or union sources, MCA [13-35-227](#). Candidates may not accept these contributions either directly or indirectly via a pass-through (such as a political committee). Candidates may accept contributions from individuals employed by a corporate entity or members of a union. Similarly, candidates may accept contributions from political committees created or organized by employees of a corporation or members of a union, so long as all contributions collected by that committee are voluntarily provided.

If a contribution is received from a corporate or union source, a refund must be made immediately upon discovery.

As previously noted, candidates are also prohibited from accepting anonymous contributions, MCA [13-37-217](#). *A candidate/campaign must be able identify the source of all contributions received.* If the source of a contribution cannot be identified or otherwise remains anonymous, those funds must be donated to a nonprofit entity rather than utilized by the campaign.

Use of an intermediary to pass funds along from a third party as a means of concealing the identity of the true donor is also prohibited under MCA 13-37-217. A campaign may not knowingly accept a contribution in a name other than that of the person who is the actual contributor.

Finally, federal law prohibits foreign nationals from making contributions in connection with any state, local, or federal election. Candidates can accept contributions from US citizens residing outside the country.

## CAMPAIGN EXPENDITURES

An expenditure is defined in law as “a purchase, payment, distribution, loan advance, promise, pledge, or gift of money or anything of value made by a candidate or political committee to support or oppose a candidate or ballot issue,” MCA [13-1-101](#)(21). Generally, all purchases made by a candidate/campaign intended to support the candidate’s candidacy for public office qualify as expenditures. With exceptions for services, food, or lodging provided in a manner that are not considered contributions, and personal necessities for the candidate or the candidate’s immediate family.

All money spent must be by check, debit card, wire transfer or other electronic means that clearly identifies the person receiving payment drawn on the campaign

account, ARM [44.11.502](#). The person who draws the check must be an appointed treasurer or an appointed deputy treasurer certified on the Statement of Candidate filed with COPP.

Campaigns must keep records for all expenditures. These records must be able to identify certain information about the person or business to whom the expenditure was made, including:

- 1) The full name and mailing address,
- 2) The date the expenditure was made,
- 3) The full amount of the expenditure, and
- 4) The purpose of the expenditure.

*A common mistake is the reporting of expenditures made to consultants or similar service providers. Reports of expenditures made to a consultant, advertising agency, polling firm, etc. must be itemized and must be described in sufficient detail to disclose the specific services performed, MCA 13-37-229(2)(b).*

## CAMPAIGN DEBTS AND OBLIGATIONS

The timely and proper reporting of debts or related obligations owed by a campaign is one of the most commonly missed requirements during the reporting process. *Campaigns are required to report all debts or related obligation at the time the obligation is incurred, MCA 13-37-229(2)(b)(vi) and ARM 44.11.502(2).* If the exact amount is unknown at the time, the estimated amount must be reported, ARM [44.11.506](#). Debts or related obligations are to be reported with the same level of detail as expenditures.

## SURPLUS CAMPAIGN FUNDS

Surplus campaign funds are defined as “those campaign funds remaining when all debts and other obligations of the campaign have been paid or settled”, ARM [44.11.702\(2\)](#). Surplus campaign funds must be disposed of within 120 days after the time of filing the closing campaign report, MCA [13-37-240\(1\)](#). Surplus campaign funds cannot be contributed to another campaign, including the candidate’s own future campaign, nor can they be used for personal benefit, MCA 13-37-240(2).

“Personal benefit” is defined as any use “that will provide a direct or indirect benefit *of any kind* to the candidate or any member of the candidate’s immediate family”, MCA 13-37-240(2). Additional guidance on how to properly and timely disperse of surplus campaign funds is available on COPP’s website [here](#).

## **PART 2: CAMPAIGN REPORTING**

### **STATEMENTS AND REPORTS**

All candidates are required to file required statements and reports electronically, utilizing the CERS system.<sup>3</sup> These required statements and reports include the C-1 or C-1A Statement of Candidate and the C-5 campaign finance report. Certain contributions received and expenditures made immediately prior to an election must be reported within two (2) business days via forms C-7 and C-7E. Each of these forms, including the time for filing, will be discussed in more detail below.

All candidates for statewide and state district offices are additionally required to file a Business Disclosure Statement (Form D-1) with the COPP within 5 days of official filing with the Secretary of State as a candidate or appointment to office, MCA [2-2-106](#)(1)(b). Form D-1 must be filed as a signed hard copy (paper) document provided to COPP.

*If a candidate fails to file statements and reports in the time or manner required by law prior to an election, the candidate’s name “may not be printed on the official ballot for an election,” MCA [13-37-126](#)(1). Further, if elected, the candidate will not receive a certificate of election until all required statements and reports have been filed. Without a certificate of election, an individual may not assume the powers and duties of office, MCA [13-37-127](#)(1).*

#### **C-1 Statement of Candidate**

All candidates for statewide and state district offices in Montana must file form C-1, the general Statement of Candidate, within 5 days of becoming a candidate. The C-1 must include the candidate’s name and address, the office sought, the name and address of the designated treasurer and deputy treasurer (if any), and the name and address of the campaign depository (bank) where the campaign account is located.

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<sup>3</sup> Again, certain school and special district candidates are exempted from this requirement- see MCA 13-37-206

*If any changes occur after the original C-1 Statement of Candidate has been filed, a candidate must file an amended form providing the new information within 5 business days, ARM [44.11.303](#)(2).*

## **C-1A Statement of Candidate**

All candidates for local offices - county, municipal (city) and school- in Montana must file form C-1A, the local candidate Statement of Candidate, within 5 days of becoming a candidate. The C-1A must include the candidate's name and address, the office sought, the name and address of the designated treasurer and deputy treasurer (if any), and the name and address of the campaign depository (bank) where the campaign account is located.

*If any changes occur after the original C-1A Statement of Candidate has been filed, a candidate must file an amended form providing the new information within 5 business days, ARM 44.11.303.*

Local candidates must designate their reporting status with COPP on the C-1A. Local candidates who anticipate contributions/expenditures will remain below \$500 may certify this with COPP on the C-1A, ARM [44.11.304](#)(1). These candidates are exempted from filing campaign finance reports with COPP, MCA [13-37-226](#)(5). These candidates must still track any campaign contributions received (including personal funds) and expenditures made, as the candidate must file an Amended C-1A reflecting this change in reporting status and begin filing C-5 campaign finance reports within 5 business days if activity exceeds \$500.00, ARM 44.11.304(2).

## **D-1 Business Disclosure Statement**

All statewide and state district candidates are required to file the D-1 Business Disclosure Statement with the COPP within 5 days of filing with the Secretary of State as a candidate. Reference MCA [2-2-106](#)(2) for full requirements as to the information the Business Disclosure Statement must include. Form D-1 is filed as a signed hard copy (paper) document submitted to COPP, unlike all other required statements and reports.

Local candidates (county, municipal (city), and school offices) are not required to file the D-1 Business Disclosure Statement with COPP.

## **C-5 Campaign Finance Report**

Form C-5 is the candidate campaign finance report. Form C-5 must be filed by all candidates for election to statewide or state district office, and by local candidates (county, municipal (city) or school office) who certify that contributions or expenditures will exceed \$500. A C-5 campaign finance report discloses those contributions received and expenditures made by the candidate during a given reporting period. Form C-5 must be filed electronically using the CERS system.

Reporting calendars for a given election- as established under MCA 13-37-226- can be found on COPP's agency website, [here](#).

## **C-7 Notice of Pre-Election Contributions**

Any contribution equal to the applicable campaign contribution limit received between the 15<sup>th</sup> day of the month prior to an election in which the candidate is participating and the day before the election must be disclosed within 2 business days, MCA 13-37-226(2)(c). Candidates disclose these contributions by filing a C-7 Notice of Pre-Election Contributions in CERS. Contributions disclosed via a C-7 do not need to also be individually input into the relevant C-5 report, as the CERS system does this automatically.

Candidates who are unopposed in an election are exempted from filing form C-7, pursuant to MCA 13-37-226(6). These unopposed candidates simply report all contributions received directly in the relevant C-5 report.

## **C-7E Notice of Pre-Election Expenditures**

Similarly, any expenditure equal to the applicable campaign contribution limit made by a candidate between the 15<sup>th</sup> day of the month prior to an election in which the candidate is participating and the day before the election must be disclosed within 2 business days, MCA 13-37-226(2)(d). Candidates disclose these expenditures by filing a C-7E Notice of Pre-Election Expenditures in CERS. Expenditure disclosed via a C-7E do not need to also be individually input into the relevant C-5 report, as the CERS system does this automatically.

Candidates who are unopposed in an election are exempted from filing form C-7E, pursuant to MCA 13-37-226(6). These unopposed candidates simply report all expenditures made directly in the relevant C-5 report.

## **Part 3: Attribution**

Campaign materials financed by a candidate or candidate's campaign must include a "Paid for by..." attribution statement, MCA [13-35-225](#)(1)(a). The attribution statement must include the words "paid for by" and the full name and address of the candidate's campaign. The attribution statement must be clear and conspicuous, ARM [44.11.601](#)(3).

Candidates in a partisan election must also include their partisan affiliation on campaign materials. Partisan affiliation can be included by naming the political party in full (Democrat, Republican, or Libertarian), by using a commonly accepted abbreviation ("D" for Democrat, "R" for Republican, or "L" for Libertarian), or using a commonly accepted partisan symbol (the donkey symbol for Democrat, the elephant symbol for Republican, the Statue of Liberty symbol for Libertarian), ARM 44.11.601(4).

Examples attribution statements include:

Paid for by John Williams  
PO Box 123  
Helena, MT 59601  
Democrat

OR

Paid for by Jones for County Commissioner  
PO Box 456  
Great Falls, MT 59401  
R

OR

Paid for by John Doe  
789 Main Street  
Bozeman, MT 59715