



COMMISSIONER OF POLITICAL PRACTICES

STATE OF MONTANA

JEFF MANGAN
COMMISSIONER
TELEPHONE (406) 444-2942
FAX (406) 444-1643
www.politicalpractices.mt.gov

1209 EIGHTH AVENUE
P.O. BOX 202401
HELENA, MT 59620-2401

Expenditure reporting reminders for the 2020 election

Candidates and committees are reminded that any “expenditures made to a consultant, advertising agency, polling firm, or other person that performs services for or on behalf of a candidate or political committee must be itemized and described in sufficient detail to disclose the specific services performed by the entity to which payment or reimbursement was made”, as per §13-37-229(2)(b), MCA. The entity an expenditure was made to and the nature of the service or services provided both impact how they may be appropriately disclosed. In an effort to provide continued clarity and guidance, a variety of commonly reported expenditures will be discussed.

Individual consultants or other individual professional service providers

As stated in Commissioner Mangan’s Dismissal in the matter of [Strandberg v. Cooney, COPP-2020-CFR-001](#), for expenditures made to an individual consultant or other individual providing a professional service “a combination of position and/or consultant responsibilities are considered acceptable by the COPP for disclosure purposes”.

Words or phrases commonly used by candidates and committees alone to describe expenditures made to individual consultants that the COPP will not consider as adequately detailed include *consulting; campaign consulting; consulting services; general consulting; campaign services; professional services; research; etc.* These terms would be considered inadequate because they do not disclose or identify the specific service or services provided.

Alternatively, the COPP will consider the following terms or phrases acceptable because they easily identify the “position and/or consultant responsibilities”:
digital media consulting; fundraising consulting; campaign strategy consulting; social media ad design; digital fundraising; opposition research; issue research- tax policy; candidate likeability polling; GOTV planning.

Consulting firms, advertising agencies, P.R. groups, polling services, etc.

Similarly, any expenditures made to a group providing professional services must be described with sufficient detail to fully identify the specific service or services provided. If a group is being compensated to provide more than one specific task or service, each individual task or service they perform must be identified.

For example, the Leslie Knope for City Council campaign hires an advertising agency to handle the design of the campaign's social media ads, research effective voter outreach and advertising opportunities, and manage when the campaign's television ads are run on local stations. Expenditures that resemble this hypothetical example are frequently reported by Montana candidates and committees but are often described using only generic terms such as *advertisements*, *research*, or *campaign services*. These terms would be considered inadequate because they do not disclose the specific services provided or easily identify all services provided. Instead, the campaign would be required to use descriptors that more accurately identify the specific services provided, such as *social media ad design*, *voter outreach research*, and *media commercial production*.

Candidates and committees should remember that all "purpose, quantity, subject matter" information is required to be provided for any paid election or electioneering communications or other publicly distributed materials supporting or opposing candidates or ballot issues up for election. More information on how to properly provide this information may be found on the COPP's [Education and Resources](#) page. Candidates and committees should also remember that the 'Paid for by' disclaimer must be included on any material they pay to produce and distribute.

Campaign travel

Any payments made to travel agencies, travel planners, firms, or other professional travel service providers are subject to the requirement that the "specific services provided" be identified. An additional reporting requirement candidates and committees should keep in mind when reporting travel related expenditures is that each "must be detailed enough to distinguish among expenditures for similar purposes. For example, two expenditures for direct mail advertisements should not both be reported as "Flyers.", 44.11.502(7), ARM.

Common examples of words or phrases used to describe campaign travel that do not describe the "specific services provided" or otherwise distinguish among like expenditures include *airfare; gas; fuel; reimbursement-gas; travel; travel reimbursement; transportation; lodging; etc.*

Acceptable alternatives that more accurately identify the services provided and distinguish among similar expenditures include *airfare to Billings event; air travel, Kalispell to Glendive; vehicle rental, Eastern MT travel; gas, drive Bozeman to Missoula; gas reimbursement to volunteer, Great Falls trip; one night lodging, Butte event.*

Legal Payments or Legal Fees

When describing the expenditure of campaign funds for legal payments or legal fees, the COPP will accept the following descriptions: *legal services- compliance; legal services-active representation/defense; or legal services-retainer fee.*

Additionally, the COPP reminds candidates and committees that “purpose, quantity, subject matter” information must be disclosed when describing expenditures, per 44.11.502(7), ARM. As previously discussed, this Rule also requires that expenditures “must be detailed enough to distinguish among expenditures for similar purposes. For example, two expenditures for direct mail advertisements should not both be reported as "Flyers."”.

General Expenditures

- Printed or individually distributed physical materials

Commonly used terms that do not fully disclose “purpose, quantity, subject matter” information or otherwise distinguish like expenditures: *postage; printing; mail; mailer; advertisement; flyer; letter; campaign literature; etc.*

Terms or phrases that would adequately provide this required information: *Postage, 100 intro letters; printing, 5,000 outdoor heritage flyers; print and post, 1,000 fundraising letter and remittance envelopes.*

- ‘Traditional’ media advertisement activity

Commonly used terms that do not fully disclose “purpose, quantity, subject matter” information or otherwise distinguish like expenditures: *television ad; newspaper advertisement; advertisement; commercial; radio advertising; etc.*

Terms or phrases that would adequately provide this required information: *TV commercial, candidate intro, 1/1-1/5/2020; radio ad, education policy, 1/1-1/8/2020; one day newspaper ad, Meet and Greet invite.*

- Social media/digital advertisement activity

Commonly used terms that do not fully disclose “purpose, quantity, subject matter” information or otherwise distinguish like expenditures: *Facebook; Facebook ad; advertising; digital ad; candidate video; online advertisement; digital media; etc.*

Terms or phrases that would adequately provide this required information: *Facebook ad, tax policy, 1/1-1/3/2020; Facebook ad, Ron Swanson endorsement, 1/1-1/14/2020; Google banner ad, Get to know Joe, 1/1-1/8/2020.*

Additional information regarding social media or other digital advertisement reporting can be found on the COPP’s website [here](#).

Miscellaneous Items

Office supplies is considered acceptable to describe the purchase of pens or other writing utensils, paper, binders, notepads, paper clips, sticky notes, and other general office supplies. The term will not be considered acceptable to describe the purchase of larger items like laptops, computer hardware, computer software, specific computer programs, printers, desk chairs, or other large,

standalone purchases. For that reason, COPP Compliance specialists may ask for additional information regarding expenditures described only as ‘office supplies’ where large amounts of money were involved.

Stamps and **envelopes** are both acceptable as standalone descriptors if the quantity of stamps or envelopes purchased is provided.

Bookkeeping, campaign bookkeeping, or budget work will be considered acceptable to describe budget management, budget balancing, bill processing and payment, and/or campaign accounting work.

Campaign compliance services or **campaign reporting** will be considered acceptable to describe payments made to another entity related to the compilation of filing of financial reports with the COPP on behalf of the campaign or committee.

Campaign meal or **staff meal** will be considered acceptable to describe payments made to cover food expenses incurred by campaign staff when campaigning as long as date or location information and the number of individuals attending is provided.

Event catering, event food, or event meal will be considered acceptable to describe payments made to another entity for the provision of food and drinks at a campaign event as long as date or location information is provided. All other costs associated with the event must be individually identified or reported as separate expenditures.