Tip #3: Reporting coordinated expenditures - candidates

Greetings all 2022 candidates!

COPP Compliance Specialists would like to remind candidates that any expenditure made by a candidate "in cooperation with, in consultation with, at the request of, or with the express prior consent of" another candidate/candidate's campaign would qualify as a coordinated expenditure, 13-1-101(10), MCA. Under 44.11.602(5), Administrative Rules of Montana, candidates who participate in a coordinated expenditure must report the activity as both an expenditure made by their campaign AND an in-kind contribution received from the other participating candidate/s.

Montana's campaign contribution limits apply to coordinated expenditures. The Commissioner strongly encourages candidates avoid coordinating campaign expenditures with other candidate/s, as coordinated expenditures are difficult to track and appropriately disclose. Best practice is for a campaign to individually and independently handle all campaign expenses. Consider the following examples:

1. Candidate A and B hold a shared campaign fundraising event. They evenly split the $300.00 fee required to rent the building ($150.00 each) and $150.00 on paid advertisements for the event. To properly report this activity, each candidate must
   A. Report expenditures in the amount $150.00 for venue rental and $75.00 for event advertising; and
   B. Reporting receiving in-kind contributions of $150.00 from the other candidate for the venue rental and $75.00 for event advertising. CERS will automatically apply the $225.00 in in-kind contributions received to the allowable campaign contribution limit for that contributor.

2. As a group, candidates X, Y, and Z purchase campaign fliers, at a total cost of $300.00. The fliers directly support each candidate, and each candidate pays 1/3 the cost ($100.00). To properly report this activity, each candidate must
   A. Report making an expenditure in the amount of $100.00; and
   B. Report receiving an in-kind contribution of $33.33 from each of the other two candidates ($100.00 value per candidate divided by 3 candidates = $33.33 in-kind contribution received). CERS will automatically apply the $33.33 in in-kind contributions received to the allowable campaign contribution limit for that contributor.

Montana's campaign contribution limits apply to coordinated expenditures, meaning participating candidates would need to apply the in-kind contributions received from each of the other candidates to the relevant contribution limit. As with any other contribution, if an in-kind contribution is received through a coordinated expenditure exceeds the allowable limit, the receiving candidate is required to reimburse the contributor in the amount of the overage.
Any services provided to a candidate or campaign "without compensation by individuals volunteering a portion or all of their time" do not qualify as a contribution received, 13-1-101(9)(b)(i), MCA. For that reason, candidates do not need to report receiving in-kind contributions from other candidate/s when coordinating volunteer activities, such as joint volunteer door knocking. Similarly, unpaid campaign activities- organic social media interactions, jointly submitted Letters to the Editor, etc.- would not qualify as contributions received. As noted above, coordinated expenditures must be reported as both an expenditure and in-kind contribution received.

I hope this helps! If you have any questions, please call or email for more information. You may contact us via telephone at (406) 444-4627 or via email at cpphelp@mt.gov and cppcompliance@mt.gov.

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