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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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