

**CURRENT PROCEDURES
FOR
CAMPAIGN FINANCE REPORTING**

**** CANDIDATES ****

STATEMENT OF CANDIDATE:

The Statement of Candidate (form C-1 for statewide and state district candidates and form C-1-A for county, municipal and school candidates) is required for all candidates, including write-in candidates. The only exception is for specific school districts and certain special districts – conservation, fire, hospital, irrigation, sewer, transportation or water districts.

Where Statements are Provided and Why They are to be Filed:

Statewide and state district candidates must file a Statement of Candidate (form C-1, provided by the Commissioner's office).

County, municipal, and school candidates must file a Statement of Candidate (form C-1-A, provided by their county election administrator or the Commissioner's office) with the Commissioner and also with their county election administrator.

Those school candidates who are required to file (those in 1st class districts) must file a Statement of Candidate (form C-1-A, provided by their school district clerk or the Commissioner's office) with the Commissioner and also with their school district clerk, who serves as their election administrator.

When Statements are to be Filed:

A candidate must file a Statement of Candidate immediately after receiving or spending money, or after appointing a campaign treasurer, or five days after filing for office, **whichever occurs first.**

Material Provided to Candidates:

Statewide and state district candidates are directed to download the following material when the candidate officially files with the Secretary of State:

1. Statement of Candidate (form C-1)
2. Business Disclosure Statement (form D-1)

County, municipal and school candidates are directed to download the following material when the candidate officially files with the appropriate county election administrator or school official:

1. Statement of Candidate (form C-1-A)

Forms C-1-A are provided either by the appropriate county election administrator or, in some cases, by the Commissioner's office.

When a properly completed Statement of Candidate is received, a letter acknowledging its receipt is emailed or mailed to the candidates. The letter is generated after entering the C-1 or C-1-A information into the database and is signed by the staff member responsible for the particular type of candidate.

To ensure that all candidates are made aware of and have access to the Code of Fair Campaign Practices, the form C-3 is provided only by the Commissioner's office. The Commissioner emails or mails a letter to each candidate shortly after the Statement of Candidate is received. The letter explains the Code and provides copies of the form C-3 to be completed and returned if the candidate wishes. The code is voluntary, if a candidate chooses to subscribe to the code, one copy is filed with the Commissioner's office and one copy is retained by the candidate.

Material Sent to Treasurers of Candidates:

The Statement of Candidate provides the name and address of the campaign treasurer. An informational memo (with a copy to the candidate) and a list of suggested materials are emailed or mailed to each treasurer of a candidate when the Statement of Candidate has been filed and approved.

If the candidate is required to file financial reports, the informational memo will suggest the following materials to be downloaded from the Commissioner's website:

1. Contribution Limits Summary
2. Disclaimer brochure
3. Accounting and Reporting Manual for Candidates and Treasurers (Green Book)
4. A calendar of report due dates
5. Information on electronic filing of campaign reports

(Statewide candidates may receive additional informational memos.)

CAMPAIGN FINANCE REPORTS:

All statewide and state district candidates are required to file campaign finance reports (form C-5). County, municipal and school candidates who anticipate receiving or spending \$500 or more are also required to file campaign finance reports (form C-5). County, municipal and school candidates who anticipate receiving or spending less than

\$500 during the election cycle are not required to file campaign finance reports. (This information is indicated on form C-1-A by checking box A, B or C.)

Reports are due on a filing schedule set out in statute. The schedule varies depending on the office sought. Treasurers are provided with a detailed calendar of reporting dates. Reports are due by 5:00 PM on the due date. Postmarked by the due date does not constitute timely filing; a postmark must indicate that the report was mailed three business days prior to the due date to be considered timely.

Statewide candidates are required to file their reports electronically using Campaign Tracker. State District, County, School and City candidates reports may be filed by fax or email to meet a reporting deadline.

Treasurers of all candidates, **even if they are not required to file campaign finance reports**, must keep records of campaign financial activity as specified in the accounting and reporting manual. **Accounts kept by a campaign treasurer of a candidate must be preserved by the treasurer for a period coinciding with the term of office for which the person was a candidate or for a period of 4 years, whichever is longer.**

Office Procedures to Review Reports:

According to campaign finance law, section 13-37-121(1), MCA, **"each statement and report filed with the commissioner during an election or within 60 days thereafter shall be inspected within 20 days after it is filed."**

All reports are reviewed by the Commissioner's staff. Any errors or omissions result in contacting the treasurer of the candidate by letter, email or telephone for additional information, clarification or corrections. Minor corrections on the filed report may be made by the Commissioner's staff (with agreement of the treasurer). Most correction are made by the treasurer filing corrections or an amended report.

If a report is not received when due, the treasurer is contacted by letter and by telephone if necessary. After a certain amount of time, if the report still has not been received, the Commissioner may issue an Order of Noncompliance. Orders give the treasurer five days after receipt of the Order to file the delinquent report.

It is critical that statements and reports are filed in a timely manner. The Commissioner is required by statute to certify to the proper official (the Secretary of State or county election administrator) that a candidate has complied with all reporting requirements. The Secretary of State or county election administrator then can print names on the ballots, issue certificates of nomination when a candidate is nominated and issue certificates of election when a candidate is elected. Without this certification process, a candidate's name cannot appear on the ballot nor can a candidate assume an office, even if elected.

**** COMMITTEES ****

STATEMENT OF ORGANIZATION:

A new committee is authorized to accept contributions and make expenditures when a Statement of Organization (form C-2) is filed with the Commissioner. The name of the committee must be approved by the Commissioner before the statement is considered properly filed.

The naming and labeling section of the campaign finance laws requires that a political committee shall:

- (a) name and identify itself in its organizational statement using a name or phrase: (i) that clearly identifies the economic or other special interest, if identifiable, of a majority of its contributors; and (ii) if a majority of its contributors share a common employer, that identifies the employer; . . .”
[Section 13-37-210, MCA]

After the Statement of Organization is approved, an email or letter is sent to the treasurer packet of information is forwarded to the treasurer. The packet contains:

1. Accounting and reporting manual for committees (Pink Book)
2. Reporting forms C-7 and C-7E
3. A calendar of report due dates
4. Interpretation of the naming and labeling statute
5. A booklet of campaign finance laws
6. Disclaimer brochure
7. Information on Electronic Filing
8. Contribution limits summary

CAMPAIGN FINANCE REPORTS:

Political Action Committee (PACs) and Political Party Committees:

All political action committees and political party committees are required to file campaign finance reports (from C-6) with the Commissioner's office and with the county election administrator of their "headquarters county"; that is, the treasurer's county of residence.

As with the reports filed by candidates, the filing schedule is set out in statute, reports must be received by 5:00 PM on the report due date, and the reports must be reviewed within ten days of receipt .

The procedure for obtaining delinquent reports, correcting and amending reports, and issuing Orders of Noncompliance for committee is similar to those of candidates.

Ballot Issue Committees:

In addition to the above procedures for committees, ballot issue committees have a unique reporting component. In Montana, corporations can make contributions to ballot issues or ballot issue committees only. When a corporation makes a contribution to a ballot issue committee, the corporation becomes an incidental committee (see below) and has reporting requirements to the Commissioner's office.

Incidental Committees:

When reports from committees or candidates show contributions from an organization or group whose primary purpose is other than influencing election, the formation of an incidental committee has occurred. Almost any type of organization may become an incidental committee by way of making a political contribution. The organization then has reporting requirements to the Commissioner's office. Many groups are unaware of the requirements, and follow-up is usually necessary to acquaint them with their responsibilities and assist them in their compliance.

When reports show such a contribution, the Commissioner's office sends a letter to the organization. The packet contains, at a minimum, an explanatory memo, and a form C-2.

In addition to the form C-2, depending on several variables, the organization/incidental committee may be required to file campaign finance reports on the form C-4. The packet sent to the treasurer of the incidental committee (after the completed C-2 has been filed) will include:

1. Accounting and reporting manual for committees (Pink Book)
2. Forms C-7 and C-4
3. A booklet of campaign finance statutes
4. A calendar of reporting dates.
5. Disclaimer brochure
6. Information on electronic filing

