

Illinois
Campaign
Financing
Act

***Committee Treasurer Duties and
Responsibilities***



STATE BOARD OF ELECTIONS
CAMPAIGN DISCLOSURE DIVISION

This brochure is not a complete or fully detailed digest, but an overview intended to help in understanding basic responsibilities under the law. Some of the language in this brochure is presented in simplified form, and should not be considered a substitute for applicable law.

For more complete and authoritative guidance concerning all areas of campaign financial disclosure, refer to actual statutory language and to the State Board of Elections Rules and Regulations. Consultation with professional legal counsel is also encouraged. Additionally, assistance from the State Board of Elections or other governmental authorities, where jurisdiction exists, is encouraged.

INTRODUCTION

Every political committee must have both a chairman and a treasurer in order to accept contributions or make expenditures. The same person, including the candidate, may serve as both. The treasurer of a political committee is responsible for keeping the records and filing all required statements and reports. The Illinois Campaign Financing Law (10 ILCS 5/9-1 *et seq*, Article 9 of Chapter 10 of the Election Code) sets forth the duties and responsibilities of the treasurer.

ASSISTANCE FROM THE STATE BOARD OF ELECTIONS

Several free publications are available from the State Board of Elections to assist treasurers in the performance of their duties. These publications, along with all disclosure forms, may be obtained from the State Board of Elections and may be downloaded from the Board website at www.elections.il.gov. A calendar, outlining filing periods and reporting periods for the current year, is also available.

COMMITTEE REGISTRATION

A political committee is considered to have been formed when it accepts contributions or makes expenditures in excess of \$5000 in support of or opposition to a candidate, public policy question, or for electioneering communication in a 12-month period. Electioneering communication is roughly defined as any form of broadcast, cable or satellite communication, including radio, TV or internet communications, referring to and making an appeal to vote for or against a clearly identified candidate, political party or question of public policy that is made within the 60-days before a general or consolidated election or 30-days before a primary election. Any entity other than a natural person that makes independent expenditures in excess of \$5000 in a 12-month period also has to organize as a political committee. Independent expenditures are roughly defined as any payment or expenditure made to expressly advocate for or against a candidate or question of public policy, provided the spending is not made in concert or connection with a candidate or their committee.

Within 10-business days after a committee reaches the \$5000 threshold (2 business days if the committee reaches the threshold within 30 days prior to an election), the treasurer of the committee or the candidate on whose behalf the committee was formed, must file a Statement of Organization (Form D-1). ALL committees must file the original D-1 with the State Board of Elections. A D-1 form may be faxed to the Board or e-mailed (to D1@elections.il.gov). Failure to file or late filing of a Statement of Organization will result in a civil penalty being imposed by the Board.

Political committees will fall into one of five categories: Candidate Political Committee, Political Party Committee, Political Action Committee, Independent Expenditure Committee, or Ballot Initiative Committee. For more information about the committee types, or for instructions on filling out the Statement of Organization, please refer to the Board's Guide to Campaign Disclosure.

COMMITTEE NAME

There are specific requirements regarding a committee's name, depending on the type of committee being formed. A Candidate Political Committee's name must identify the candidate being supported. A Political Party Committee's name must include the name of the political party. A Political Action Committee's name must include the name of the entity forming the committee. A Ballot Initiative Committee's name must include a description of the question of public policy and whether the committee is supporting or opposing that question.

Also on the Statement of Organization, a committee must identify any sponsoring entity. A sponsoring entity is defined as a person or group contributing at least 33% of the total funding of the political committee.

RECEIPTS

Any person who receives a contribution on behalf of a political committee must give a detailed account of that contribution to the treasurer upon demand or within 5 days. That account must contain the contributor's name and address, along with the amount and date of receipt.

The treasurer must keep a detailed record of the total of all contributions made to the committee. He must also record the full name and mailing address of each contributor, along with the date and the amount of each contribution. The only exception to this rule occurs when the committee is conducting a raffle licensed by the Board. For such raffles, name and address information is not required for individuals whose ticket purchases total \$150 or less.

In addition, if the contributor is a natural person contributing more than \$500 within a reporting period, the occupation and employer of that person must be disclosed. A request for this information should be included on any solicitation materials. If the contribution is not accompanied by this information, a good faith effort must be made to obtain it.

Finally, if someone other than the candidate, committee officers or employees collects contributions from at least 5 people totaling \$3000 or more during a reporting period outside the presence of the candidate or a sanctioned fundraising event, the collector's name, address and occupation will have to be disclosed on the committee's next report.

LOANS

Loans, including loans from the candidate to his or her own committee, are considered contributions and are required to be reported (including reporting on a Schedule A-1). The terms and conditions of any loan or credit agreement to a committee must be in writing and must include, but not be limited to, the method and amount of repayment. The rate of interest, which cannot substantially exceed the prevailing market interest rate, must also be written. This information is for internal records only and need not be filed with the Board. However, any endorser or guarantor of the loan must be disclosed.

IN-KIND CONTRIBUTIONS

The contributor of any in-kind contribution must notify the recipient committee of the contribution within 5 business days. If the recipient receives no notice from the contributor, the in-kind contribution must still be reported. A contribution of goods or services is considered received on the day the committee receives the required notification from the contributor. If the committee does not receive the notification, the contribution is considered received on the date the candidate or

committee officer obtains knowledge of the in-kind contribution, or on the date the goods are actually received or the services are actually performed.

ILLEGAL CONTRIBUTIONS

No contribution that was given anonymously may be accepted by a political committee. The treasurer must immediately forward any anonymous contribution to the State Treasurer. No political committee may accept a contribution that is known to be from someone other than the stated contributor. The use of public funds for political or campaign purposes is also prohibited. In addition, businesses that have existing contracts or bids on contracts valued in excess of \$50,000 are prohibited from making contributions to the public official (or his/her political committee) responsible for awarding the contract. Committees are also subject to limits on the amount of contributions they can receive from various sources. See the brochure, "Contribution Limits" for more detailed information.

EXPENDITURES

The treasurer must keep an accurate record of the total of all expenditures made by or on behalf of the committee. Any expenditure must be identified by the full name and address of the recipient, along with the date and amount of each expenditure. Proof of payment should be retained.

Any disbursement of campaign funds that meets the definition of *expenditure* in the Illinois Campaign Financing Act is considered lawful. Certain types of expenditures are specifically prohibited. Campaign funds may not be expended (1) in violation of any law, (2) if they are clearly in excess of fair market value, (3) to repay any personal loans or to repay any debts other than loans to the committee on behalf of the committee or for repayment of goods and services purchased by the committee under a credit agreement, (4) for a personal residence, (5) for clothing or personal laundry expenses, (6) for personal travel, (7) for membership or club dues for organizations primarily engaged in providing health, exercise, or recreational services, (8) for anything for which a person has been reimbursed by the State or any person, (9) for purchase or lease of a motor vehicle for personal use, (10) for tuition or other educational expenses, or (11) for payments to the candidate or his or her family unless for compensation for services actually rendered. For a more detailed explanation of each prohibition, refer to 10 ILCS 5/9-8.10 of the Campaign Disclosure Act or contact the Board.

RECORD KEEPING SYSTEM

The treasurer is responsible for setting up a record keeping system. This can be as simple or as complex as necessary, as long as it covers all the committee's receipts and expenditures. The electronic filing software available from the Board also provides a basic record keeping system. It allows for electronic filing of reports and also gives the committee the capability of printing completed disclosure reports. The software known as IDIS may be downloaded from the Board website at www.elections.il.gov or obtained from the Board on CD-ROM.

APPLICATION FOR EMPLOYER IDENTIFICATION NUMBER (FORM SS-4)

A financial institution may request that a political committee apply for an employer identification number from the IRS when opening an account. This eliminates the use of an individual's social security number on a political committee account, which could result in personal tax liability. The application for an employer identification number (Form SS-4) may be obtained from the IRS at (800) 829-4933. The SS-4 Form is to be completed and returned to the IRS, which will assign an identification number within 4 to 6 weeks. If further information or assistance is required, contact the IRS Taxpayer Assistance Number (800) 424-1040 or your financial institution.

PRESERVATION OF RECORDS AND REPORTS

All filed reports and statements, as well as all records and accounts necessary to compile these filings, must be preserved by the treasurer for a period of two years. All records required under Public Act 86-394 (Raffles-Political Committees) must be preserved for a period of three years.

REPORT FILING

The treasurer is responsible for the filing of all reports. Reports must be filed in a timely manner, typewritten, printed legibly in black ink, or filed electronically (if the electronic filing threshold is met). The forms provided by the State Board of Elections must be used unless prior written approval is received from the Board. Requests for approval must be submitted in writing to the Board. A sample of the desired form must accompany any such request.

ELECTRONIC FILING

Any political committee that at any time during any reporting period has a balance of \$10,000 or more, or \$10,000 or more in contributions, loans received, or expenditures, must file campaign disclosure reports electronically. Electronic filing software is available at no cost from the Board. Once a political committee is required to file electronically, it must continue to file electronically until the committee dissolves. All political committees are encouraged to file electronically, even if not required by law.

The electronic filing software (IDIS) may be obtained from the Board on CD-ROM. It may also be downloaded from the Board website (www.elections.il.gov). Electronic filing requires a working internet connection.

A Filer Account and password must be established with the Board in order to file electronically. When contacting the Board about a Filer Account, you will be asked to provide a Filer Account name (no more than 12 characters long) password (at least 6 characters, case-sensitive), the name of a contact person, a 9-digit number unique to that contact person, and a telephone number and email address. The Filer Account name for your committee will always remain the same, but the password and contact person may be changed by contacting the Board. Committees that previously obtained a Filer Identification Number (FID) with the Board will continue to use that FID as their Filer Account name.

SIGNATURE AUTHORIZATION

Only the treasurer or the candidate on whose behalf a report is filed is authorized to sign a disclosure report. However, if the treasurer or candidate is unavailable, another person may sign in his absence as follows: "<treasurer's name> by <name of person signing>". A letter must be submitted within 30 days authorizing that person's signature. If no such letter is submitted, the signature is treated as invalid, making the report invalid and the committee subject to administrative sanctions. The authorization of a signature of someone other than the treasurer does not relieve the treasurer of responsibility for the contents of that report.

A Statement of Organization filed by a Ballot Initiative Committee or Independent Expenditure Committee also requires the signature of the committee chairman, in addition to the treasurer.

RESIGNATION OF TREASURER

A treasurer who resigns his office must verify the accuracy of the committee records to his successor. The resigning treasurer is accountable for any business transacted through the date of his resignation.

DEATH OF TREASURER

Upon the death of the treasurer, the candidate or the remaining officers of the committee (if the candidate is unable or unwilling to do so) must appoint a new treasurer and amend the committee's Statement of Organization (Form D-1) within 10 days. If there are no remaining officers, the person or persons who succeed to the interests of the committee in its funds is responsible for all report filings until new officers are chosen or until the committee terminates.

CHANGES IN STATEMENT OF ORGANIZATION

Any change in information included on the Statement of Organization must be reported within 10 days. Only the committee name and address, along with any changed information, need be included. This amended Statement of Organization should be filed with the Board, either in Springfield or Chicago.

LIABILITY OF TREASURER

The treasurer, as well as the chairman or the candidate, may be held liable for any information reported in relation to campaign disclosure. Anyone who believes that grounds exist to warrant filing of a complaint may do so. Failure to file or willful filing of false or incomplete information is a business offense subject to a fine.

REQUIRED REPORTS

All political committees must file four Quarterly Reports each year. Each report covers a three-month period (January – March, April – June, July – September, October – December) and must include all transactions that have taken place during that three-month period, including any information previously reported on a Schedule A-1.

A Schedule A-1 (Report of Campaign Contributions of \$1000 or more) must be filed if a committee receives any contribution of \$1000 or more from a single source. An A-1 must be filed within 5 business days of receipt of the contribution by the committee, except that in the 30 day period before an election an A-1 must be filed within 2 business days. Receipts of loans, in-kind contributions and personal monies must also be reported on an A-1 if they total \$1000 or more. Schedule A-1 forms may be faxed (unless the committee is required to file electronically) – if faxed, do not send an original.

A political committee that makes independent expenditures of \$1000 or more during the 30 days before an election must electronically report the expenditures on a Schedule B-1. The report must be filed within 5 business days. Each Schedule B-1 must include the date, amount and purpose of each independent expenditure, as well as the name and office of the candidate supported or opposed by the independent expenditure. A statement that the expenditure was not made in coordination in any way with that candidate is also required.

An Independent Expenditure Committee that, during a single election cycle, makes independent expenditures supporting or opposing a particular candidate totaling more than \$250,000 for statewide

racers and \$100,000 for all other races must file a written disclosure of this fact with the Board within 2 business days of exceeding the threshold.

If a committee dissolves or determines it will no longer receive any campaign contributions or make any campaign expenditures, it may terminate its status as a committee by filing a Final Report. This report must be all-inclusive from either the committee's date of creation or the beginning of the current Quarterly reporting period, and must show a zero closing balance. All committee assets and investments must be liquidated and their disposition reported prior to the filing of a Final Report. Filing an acceptable Final Report relieves the committee of any further filing obligations. If the committee dissolves with outstanding debts and obligations, the treasurer must notify the Board of the disposition of all debts and obligations. If a committee dissolves while owing the Board a penalty, any remaining committee funds must be applied toward that penalty before the committee can file a Final Report, and any successor committee formed within 24-months of dissolution is responsible for the remaining penalty. If the committee remains dissolved for more than 24 months, the penalty is abated.

All required reports must be filed with the State Board of Elections.

FUNDRAISING

If funds are solicited through ticket sales, literature, broadcast media, the Internet or other forms of political advertisement, a notice must be included: "A copy of our report filed with the State Board of Elections is (or will be) available on the Board's official website, www.elections.il.gov, or for purchase from the State Board of Elections, Springfield, Illinois."

Most types of political committees are limited in the amount of contributions they can receive from specific types of donors. Contribution limits are based on election cycles, which equal calendar years for all but Candidate Political Committees. For candidate committees, the election cycles depend on the office being sought by the candidate. For more complete information on contribution limits, please refer to the Board's Guide to Campaign Disclosure or the pamphlet "Contribution Limits".

No constitutional office holder or candidate, member of the General Assembly or candidate, political caucus of the General Assembly, or any political committee on behalf of any of the above may hold a fundraising function in Sangamon County on any day the legislature is in session. The prohibition runs from February 1 through the later of the adjournment dates of either house of the spring session, and applies during the fall veto session as well. Between June 1 and the first day of the fall veto session, the ban does not apply to members or candidates for the General Assembly whose districts are located entirely within Sangamon County.

No candidate, public official, state employee or member of any political organization may intentionally solicit, offer or receive contributions on State property. The only exception to this rule is if it occurs at a fundraising event for which the State property has been leased or rented by a private person or entity.

It is illegal for certain state and local government employees to knowingly solicit or receive political contributions from a person engaged in a business activity over which the employee has regulatory authority. This ban applies to salaried employees of State executive branch constitutional offices and employees of chief executive officers of counties, townships or municipalities.

DISCLOSURE ON POLITICAL COMMUNICATIONS

Any pamphlet, circular, handbill, advertisement or any other communication directed at voters that mentions the name of a candidate in the next upcoming election must identify as the payor the political committee responsible for its preparation or distribution. This rule does not apply to items that are too small to contain the required disclosure. There is also an exception for telephone communications that use random sampling or other scientific survey methods to gauge public opinion about a candidate or question of public policy.

RAFFLES

Raffles are a legal means of fundraising for political committees, with some restrictions. A license is required and may be obtained free of charge by making application to the State Board of Elections. The application must reflect certain information, such as when and where chances will be sold and where the drawing will be held. A single license may be valid for a specified number of raffles for a period of up to one year. An applicant is ineligible to receive a raffle license if it owes a civil penalty to the Board or has an outstanding overdue report. For each raffle held by a committee, a stand-alone Raffle Report must be filed. This report lists the gross receipts, expenses, net proceeds and the distribution of cash and non-cash prizes from the raffle and must be filed with the committee's next Quarterly or Final Report, whichever comes first. A committee conducting a Board-licensed raffle is not required to keep name and address information for individuals who purchase raffle tickets, provided the individual's total purchase is \$150 or less. However, receipts from raffles must also be considered when determining if contribution limits from particular entity have been reached.

TRANSFER OF RECORDS

All reports and records required under the Campaign Disclosure Act must remain the property of the political committee. Outgoing officers must transfer all reports and records to new officers within 10 days or face possible legal action.

FEDERAL REQUIREMENTS

Please be aware that some committees may have additional reporting requirements with the Internal Revenue Service. In particular, committees and political organizations may need to file certain forms with the IRS, including Forms 8871, 8872, 990, and 1120-POL. For more information please contact the IRS at 877-829-5500 or visit the IRS website at www.irs.gov.

For more information, complete guidelines, and rules and regulations as set forth by the State Board of Elections, write, call, FAX or e-mail the:

Illinois State Board of Elections
2329 S MacArthur Blvd
Springfield, IL 62704
(217) 782-4141
(800) 527-VOTE (8683)
(217) 782-5959 (FAX)
(217) 782-1518 (TDD)
webmaster@elections.il.gov

Illinois State Board of Elections
James R. Thompson Center
100 West Randolph, Suite 14-100
Chicago, IL 60601
(312) 814-6440
(800) 923-VOTE (8683)
(312) 814-6485 (FAX)
(312) 814-6431 (TDD)

Information including the law, rules and regulations, forms, calendar, and a glossary of terms may be obtained by accessing the State Board of Elections website at www.elections.il.gov.

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