

Illinois
Campaign
Financing
Act

A Guide for FUNDRAISERS



STATE BOARD OF ELECTIONS
CAMPAIGN DISCLOSURE DIVISION

State law requires candidates, political committees and, in some cases, individuals to keep full and accurate records of financial transactions and to file periodic disclosure reports. Since fundraising record keeping is so closely governed by state law, there are some rules you should keep in mind.

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 fundraising, 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.

WHAT IS A CONTRIBUTION?

1. Money or anything of value knowingly received in connection with the election, nomination for election or retention of any person to or in public office, or in connection with any question of public policy. "Anything of value" includes all things, services or goods.

2. Anything of value that constitutes an electioneering communication made in concert or cooperation with the recipient candidate or committee. An electioneering communication is essentially any broadcast, cable, satellite or internet advertising or communication made prior to an election that makes an appeal to vote for or against a clearly identified candidate, party or question of public policy.

3. The purchase of tickets for election-related fundraising events.

4. A transfer of funds received by a political committee from another political committee.

5. The services of an employee donated by an employer, unless the services are provided voluntarily and without promise or expectation of compensation from any source.

6. Gifts of goods or services (in-kind contributions) provided without expectation of repayment, such as a hall rental, food or entertainment.

7. Expenditures made "out-of-pocket" on behalf of one's own candidacy.

WHAT IS NOT A CONTRIBUTION?

1. Services provided on a voluntary basis.

2. The use of an individual's property and the cost of invitations, food and beverages provided by that individual for candidate related activities – provided the value of the service does not exceed a total of \$150 in a reporting period.

3. The sale of food or beverage by a vendor for use in a candidate's campaign at a less than normal charge (as long as that charge is at least equal to the actual cost of the food or beverage to the vendor).

4. Communications by a corporation or association to its members, stockholders or executive or administrative personnel or their families.

5. Voter registration or other campaigns that encourage voting, but make no mention of a clearly identified candidate, political party or group or question of public policy.

6. Independent expenditures (any payment or expenditure, including electioneering communications, made to expressly advocate for or against the nomination or election of a candidate or public official or for or against any question of public policy to be submitted to the voters, provided the spending is not coordinated with a candidate or their committee.)

7. Interest or other investment income or refunds or returns of a committee's previous expenditures are technically not contributions, but they do have to be listed on a committee's disclosure reports.

ARE ANONYMOUS CONTRIBUTIONS PERMITTED?

Anonymous contributions or contributions made by one person in the name of another person are not allowed. It is also prohibited for a person to knowingly accept an anonymous contribution or a contribution made by one person in the name of another person. Any political committee that receives such a contribution must forward it immediately to the State Treasurer.

CONTRIBUTION LIMITS

Political committees, with the exception of Ballot Initiative Committees and Independent Expenditure Committees are subject to limits on the amount of contributions they can receive from different types of contributors. These limits are based on election cycles, which for most committees equal calendar years (the exception is Candidate Political Committees, for which the election cycles depend on the office being sought by the candidate supported by the committee.) For details on the contribution limit amounts, please refer to the Campaign Disclosure Act or the Board pamphlet, "Contribution Limits".

EXAMPLES OF FUNDRAISING PROHIBITIONS

A political committee is not allowed to accept contributions or make expenditures at any time when there is a vacancy in the office of chairman or treasurer of that committee. Expenditures cannot be made for or on behalf of a political committee without the authorization of its chairman, treasurer, or their designated agents.

Contributions may not be made or accepted on State property unless the property has been leased or rented by a private person or entity.

No constitutional officer or candidate, member of the General Assembly or candidate, or political caucus of the General Assembly may hold a fundraising function in Sangamon County on any day the legislature is in session (during the period from February 1 through the later of the adjournment dates of either house of the spring session, and during the entire fall veto session). Between June 1 and the first day of the fall veto session each year, this provision does not apply to General Assembly members or candidates whose districts lie entirely within Sangamon County.

It is illegal to promise any government benefit, employment or appointment in exchange for a contribution. It is also illegal to coerce anyone into making contributions by physical force, threatened loss of employment or any other means. Certain State and local government employees are also prohibited from knowingly soliciting or receiving contributions from a person engaged in a business or activity over which the employee has regulatory authority. In addition, businesses that have existing contracts or bids on contracts valued at more than \$50,000 a year are prohibited from making contributions to the public official (or his/her political committee) responsible for awarding the contract.

Remember that prohibitions other than those found in the Illinois Campaign Financing Act also exist. For example, national banks and nationally chartered corporations are prohibited from making political contributions. Also, no public funds may be used for political or campaign purposes. Some local jurisdictions may also have ethics ordinances or other rules that may apply.

SOLICITING FUNDS – REQUIREMENTS

Please be aware that any committee that makes an expenditure for a communication directed at voters and mentioning the name of a candidate in the next upcoming election must be clearly identified within that communication as having paid for it. There is an exception for a printed communication paid for by a political committee controlled by a member of the General Assembly, if the communication is directed at constituents and is made in connection with the performance of governmental or public service functions.

Additionally, any political committee must include specific language on all literature and advertisements that solicit funds. The notice reads:

“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.”

Any political committee that solicits or receives contributions or makes expenditures on behalf of a candidate, but is not authorized in writing to do so, must include a disclaimer on all literature and advertising it produces or authorizes and that mentions the candidate. This disclaimer must state that the committee is not authorized by the candidate and that the candidate is not responsible for the activities of the committee.

The Internal Revenue Service requires political committees and organizations whose gross annual receipts normally exceed \$100,000 to include a clear and easily recognizable statement on fund solicitations indicating that contributions to the organization are not deductible as charitable contributions for federal income tax purposes.

WHAT RECORDS MUST BE KEPT?

Candidates and committees must keep in-house records of all contributions and expenditures, regardless of amount. This information must show the date and amount of each contribution or expenditure, as well as the name and address of the contributor (for contributions) or recipient (for expenditures). The only exception is for a committee conducting a raffle under a license obtained from the Board. For such raffles, the committee treasurer is not required to keep a record of the name and address of any person whose total ticket purchase is \$150 or less. Proof of payment, such as a payment receipt or invoice, is required for each expenditure made by or on behalf of the committee.

If an individual contributes, lends or endorses amounts of more than \$500 during a reporting period, that person’s employer and occupation information will have to be reported. The law requires that committees make a good faith effort to obtain this information.

Every person who receives a contribution must provide the amount, name and address of the contributor and the date it was received. This information must be provided to the treasurer of the committee within five days of the receipt of the contribution, or on demand of the treasurer. Additionally, if one person collects contributions totaling \$3000 or more from at least five people outside the presence of the candidate or a sanctioned fundraising event, that person’s name, address and occupation will have to be reported. This requirement does not apply to the candidate, committee officers or employees, someone authorized by the committee to accept contributions or to an entity used for processing financial transactions, such as a credit card company.

All financial records of a political committee must be retained for two years.

SOME RECORD KEEPING GUIDELINES

To assist the campaign or committee treasurer in keeping accurate records, it is important to obtain required information at the time when contributions are received. When soliciting or receiving funds, always obtain the full name, residence address and ZIP code, employer and occupation information (if applicable), and the date of the contribution. Be sure to forward all money and information about the contribution to the treasurer of your political committee immediately upon receipt.

For reporting purposes, the date a monetary contribution is deposited in a bank, financial institution or other repository of funds is considered the date of receipt. If the money is never actually deposited, the date of receipt is considered to be the date the cash was given to any authorized member or official employee or agent of the committee. In the case of checks or money orders that are not deposited, the date of receipt is the date the check is cashed and the cash becomes available to the committee. When reporting these contributions, be careful to not use the date written on the check, unless it was cashed or deposited the same day. In the case of money collected through an entity used to process financial transactions such as via credit card, the date of receipt is the date the committee receives notice that the contribution was deposited.

Any contributor of an in-kind contribution must notify the recipient committee or candidate within five business days of making the contribution. An in-kind contribution is considered to have been received on the date the candidate or committee receives that notification.

Contributions of \$1000 or more from a single source must be reported by the recipient committee on a Schedule A-1 form within 5 business days of receipt. In the 30 day period before an election, this filing deadline drops to 2 business days. The Schedule A-1 form may be faxed or filed electronically. If faxed or filed electronically, do not send an original. Also remember that if your committee is required to file its other reports electronically, any Schedule A-1 forms must also be filed electronically.

All funds of a political committee must be segregated from, and may not be commingled with, any personal funds of officers, members or associates of the committee.

ARE RAFFLES PERMITTED?

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 applying to the State Board of Elections. The license application must include certain specific information such as when and where chances will be sold, and when 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. A political committee is not eligible for a raffle license if it has any outstanding fines or outstanding overdue reports. Additionally, for each raffle held by a committee, a separate Raffle Report must be filed to document the gross receipts, expenses and net proceeds from the raffle, as well as the distribution of all cash and non-cash prizes from the raffle.

WHAT ABOUT FEDERAL LAWS?

If you are raising funds to be spent in any federal campaign, you should contact the Federal Election Commission for a copy of their rules and regulations.

Federal Election Commission
999 E Street, N.W.
Washington, DC 20463
(800) 424-9530 www.fec.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.