Video Four: Campaign Finance Disclosure
With Aviva Pat, Treasurer, IVHPO

OVERVIEW OF ILLINOIS CAMPAIGN FINANCE DISCLOSURE

This is a very important part of your campaign, especially in the spirit of transparency. You will file your reports with the State Board of Elections (SBE). You must file your reports electronically if your campaign has a balance of $10,000 or more, or has had $10,000 or more in contributions, loans received or expenditures at any time during the reporting period. Electronic software is available at no cost from the SBE (www.elections.state.il.us). Once a political committee files electronically, it must file all future reports electronically, whether or not the $10,000 threshold is met in a given reporting period.

The campaign funds must have their own bank account, it is unlawful to co-mingle campaign funds with your own personal funds. You will need a tax identification number to open a bank account. You can apply for this number (called an employer identification number or EIN regardless of whether or not you have employees) with the IRS at www.irs.gov. If you apply online you will be issued a number immediately and a letter you can print out to take to you bank to open your account.

BEGIN VIDEO

Section One: Forming a Campaign Committee for Financial Disclosure (0:00)

You must have a campaign chair and treasurer, both of whom have the legal responsibility for ensuring that all reports are filed properly and in a timely manner.

The same person can fill both of these positions, the candidate themselves can as well, but you do not want to do it this way. The Campaign Chair and Treasurer are very important roles that should be appointed separately, as discussed in detail in Video One: Getting Started.

Within 10 days of accepting contributions or making expenditures in excess of $3000, your campaign must file a D-1 (Statement of Organization form) with the SBE. While you are not required to file with the SBE until you've raised AND spent at least $3,000 it is advisable to do so immediately because you look like a more serious candidate. Additionally, while you are not required to file electronically until you have raised and spent at least $10,000, it is advisable to do so from the start because it is easier.

NOTE: Effective January 1, 2011, a candidate may have only one political committee, which is subject to certain contribution limits. A candidate may no, within one election cycle, accept contributions exceeding $5000 from an individual; $10,000 from a corporation, labor union or association; or $50,000 from another political committee. The candidate and her/his spouse, parents and children are not subject to the limits and may choose to self-fund the campaign. If one candidate in a race is self-funded, the other candidates in the race are exempt from contribution limits. There are additional rules for

party and leadership committees.

Section Two: When You Start Accepting Contributions (6:00)

The campaign treasurer is responsible for maintaining accurate records, even if the date-to-day responsibility is delegated to a staff person or volunteer. Each individual receipt (contribution or expenditure) must be recorded in a permanent file. You must record everything you get – cash, credit, check, in kind contribution – it does not matter. This can be in any format – index cards, ledger sheets, computer spreadsheet, database, etc. Just make sure that it is recorded. **Anonymous contributions are against the law**.

A disclaimer must be on every piece of literature or website where you are raising money:

"Contributions to the <insert name of your organization> are not deductible for federal income tax purposes. A copy of our report filed with the State Board of Elections is (or will be) available for the State Board of Elections, Springfield."

Once you have filed your Statement of Organization, your campaign is required to report financial activity on *Form D-2, Report of Campaign Contributions and Expenditures*. The SBE publishes a calendar of reporting periods and filing deadlines which they will send to you, along with all required forms and instructions, prior to each filing deadline. Disclosure forms are also available at the Board's offices in Chicago and Springfield, and on the Board's website (www.elections.state.il.us).

All contributions to the campaign are reported in *Section A – Receipts.* There are four categories of monetary receipts: individual contributions, transfers in from other political committees, loans received and other receipts (includes interest from bank accounts, investment income, returned deposits, etc. Any monetary donation, whether cash or check, must be reported in Section A.

Anything of value, other than money, donated to the campaign is considered an in-kind contribution. If your campaign receives rent-free office space, donated printing, furniture, computers, etc., the fair market value is considered an in-kind contribution. If a vendor sells anything of value at less than cost, the difference is an in-kind contribution. If someone pays for printing or picks up the restaurant tab for your fundraiser, that is an in-kind contribution and both the contributor and vendor (printer, restaurant, etc) information is reported.

When you accept a contribution, you must record:

- the full name and address of the contributor,
- date you received it,
- the amount of the contribution, and
- if it is over $500 and from an individual, the name that person's employer and their occupation (no matter the amount, this information is advisable to obtain upfront).

All financial records must be kept for two years.

Contributions can be itemized or non-itemized. Receipts from any single contributor