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**PUBLIC FINANCE
HANDBOOK
2018**

www.ocpf.us



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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February 2018

Dear Statewide Candidate:

OCPF is pleased to provide you with this Public Finance Handbook, detailing the Commonwealth's system of limited public financing of statewide campaigns. Chances are we may have already met with you or representatives of your campaign to provide an overview of the system; this guide is provided to follow up on that discussion and to serve as a more detailed reference for use during the upcoming campaign season. Please review the handbook regardless of whether you plan to take part in the program. The public financing statute (M.G.L. c. 55C) and Massachusetts election law (M.G.L. c. 53) requires certain actions to be taken by all candidates, both those who intend to participate in the system and those who do not.

Public financing has existed in some form in Massachusetts since 1975. In the 2018 version, candidates may receive public funds in return for agreeing to statutory spending limits. These limits may be adjusted based upon the spending declarations of your opponents. Second, the law calls for gubernatorial candidates to receive full funding first, with any remaining funds distributed proportionately to the other five races. Given the limited resources in the State Election Campaign Fund, candidates for all constitutional offices should be aware of their options and the implications of their decisions, such as how much in public funds may be available.

All candidates enrolled in a political party must declare to OCPF by Tuesday, June 5th (unenrolled candidates declare by August 28th) – the same day nomination papers are due with the Secretary of the Commonwealth – whether or not they plan to take part in the public financing system. Under state law, all candidates must file such a notice with OCPF. OCPF will provide a receipt which the candidate must then file with his or her nomination papers. **Failure to do so will result in the candidate's name not appearing on the ballot.**

Running for statewide office is complicated enough. At OCPF, our goal is to guide you through the public financing system so that you can decide whether to take part and also understand its effect on your campaign if you decide not to participate. As always, we encourage you to contact us if you have any questions about public financing.

Thank you and good luck.

Sincerely,

Michael J. Sullivan
Director



PUBLIC FINANCE HANDBOOK

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Section 1

An Overview of the Massachusetts Public Finance System

Originally established in 1975, the Commonwealth's program of publicly funding statewide races is one of the oldest in the country. Under the system, candidates for the six constitutional offices – Governor, Lieutenant Governor, Attorney General, Secretary of the Commonwealth, Treasurer and Receiver General, and Auditor – are eligible to receive matching public funds for their campaigns, in return for agreeing to abide by statutory spending limits and raising threshold amounts of “qualifying” contributions.

The spending limits apply to both the primary and general elections. Prior to 1998, matching funds were available to statewide candidates, but without any corresponding limit on spending. The current spending limits vary according to the office sought and are as follows:

| | <u>Primary</u> | <u>General</u> | <u>Total Limit</u> |
|--------------------|----------------|----------------|------------------------|
| Governor | \$1,500,000 | \$1,500,000 | \$3,000,000 |
| Lt. Governor | 625,000 | * | 625,000 |
| Attorney General | 625,000 | 625,000 | 1,250,000 |
| Secretary of State | 375,000 | 375,000 | 750,000 |
| Treasurer | 375,000 | 375,000 | 750,000 |
| Auditor | 375,000 | 375,000 | 750,000 |

In return for agreeing to limits, candidates who have opposition and who have submitted a minimum amount of qualified contributions are eligible to receive money for both the primary and, if they are successful in the primary, the general election. The amounts for which they are eligible are equal to half of their statutory spending limits:

| | <u>Primary</u> | <u>General</u> | <u>Total</u> |
|--------------------|----------------|----------------|--------------|
| Governor | \$ 750,000 | \$ 750,000 | \$1,500,000 |
| Lt. Governor | 312,500 | * | 312,500 |
| Attorney General | 312,500 | 312,500 | 625,000 |
| Secretary of State | 187,500 | 187,500 | 375,000 |
| Treasurer | 187,500 | 187,500 | 375,000 |
| Auditor | 187,500 | 187,500 | 375,000 |

* Because the nominees for governor and lieutenant governor run as a “candidate team” after the primary, they are both included in the gubernatorial candidate's general election spending limit and maximum matching funds amounts.

The money provided to these candidates comes from the State Election Campaign Fund (SECF), funded by an optional \$1 tax check-off on individual state income tax returns. The fund is divided evenly, with 50 percent earmarked for the primary election and 50 percent for the general election. The actual amount that is disbursed to candidates is limited to the amount that is available in the SECF. The law calls for the gubernatorial race to be fully funded first, with any remaining money distributed proportionately in equal amounts to the other remaining candidates.

Participation in the public financing program is voluntary. On or before June 5, 2018, the day nomination papers for statewide office are due with the Secretary of the Commonwealth, all party enrolled candidates must file a statement declaring whether they agree to the spending limits with OCPF. Candidates for statewide office not enrolled in a political party must file this statement on or before August 28, 2018.

If there is only one candidate in a race and that candidate has agreed to spending limits, the candidate is not eligible for matching funds, but is still subject to the spending limit for that race. If there is more than one candidate and all have agreed to limits, they are all bound by the statutory ceiling and all are eligible for matching funds. If a race featuring a participating candidate also includes at least one candidate who declines to participate, however, the non-participating candidate(s) must subsequently file a declaration establishing a self-imposed spending limit. This limit may be set at any amount. The spending limit of all candidates is then raised to the maximum amount stated by any non-participating candidate(s) in that race. The amount of public funds that each participating candidate is eligible to receive, however, does not change.

Example 1: Smith, Jones and Brown are candidates for their party's nomination for governor. All agree to limit spending and are eligible to participate in the public funding system. They are each subject to the individual spending limit of \$1,500,000 in the primary and could receive up to \$750,000 in matching funds (subject to availability).

Example 2: Smith, Jones and Brown are candidates for their party's nomination for governor. Only Smith opts to limit spending and is eligible to participate in the public funding system. As required, Jones and Brown subsequently file their declarations of self-imposed spending limits for the primary: \$2.5 million and \$3.5 million, respectively. All three candidates' spending limits then rise to \$3.5 million. Smith is still eligible to receive a maximum of \$750,000 in matching funds for the primary (subject to availability).

By statute, the name of any candidate who does not file either the statement of whether he or she agrees to spending limits and/or, if applicable, the statement of self-imposed maximum expenditures will not appear on the primary or general election ballot. Candidates are also subject to penalties if they spend more than their self-imposed or statutory limits.

To become eligible to receive public funds, candidates file reports with OCPF listing contributions received that qualify under the matching funds formula, in total amounts depending on the office sought. Qualifying contributions include only the first \$250 of individual contributions received either the year before or the year of the election, deposited into a candidate's depository bank account and are identified and itemized (regardless of amount) on reports filed with OCPF's electronic filing system. Candidates must also obtain a bond for the amount they receive from the SECF and are subject to penalties for misusing public funds. Matching funds are wired into a candidate's designated depository account and, like all campaign receipts and expenditures, are included in the regular disclosure reports filed on behalf of candidates and committees.

STATEWIDE CANDIDATES EXPENDITURE STATEMENTS

Filing Requirements

Tuesday, June 5, 2018 5 p.m. (Democratic/Republican/Libertarian candidates)

Prior to the deadline for filing nomination papers with the Secretary of the Commonwealth, candidates must file a statement (**Form CPFA 20**) with OCPF declaring whether the candidate agrees or does not agree to limit primary and general election campaign spending. Candidates who file form CPFA 20 receive a receipt from OCPF, which is required to be filed with their nomination papers in order to appear on the primary ballot of their party. Note: Only candidates who file this statement *AND* agree to the statutory spending limits will be eligible to receive limited public financing under M.G.L. c. 55C.

Friday, June 8, 2018 5 p.m.

Prior to the deadline for filing withdrawals of nominations for the state primary any candidate who has not agreed to spending limits and who is opposed in the primary election by a candidate who has agreed to limit spending must file a statement (**Form CPFA 21**) with OCPF stating the maximum amount of expenditures to be made in the candidate's primary campaign. Failure to file this report will disqualify the candidate from appearing on the primary ballot of their party.

Tuesday August 28, 2018 5 p.m. (unenrolled candidates)

Prior to the deadline for unenrolled statewide candidates to file nomination papers with the Secretary of the Commonwealth, an unenrolled candidate must file a statement (**Form CPFA 20**) with OCPF declaring whether the candidate agrees or does not agree to limit general election campaign spending. Candidates who file form CPFA 20 receive a receipt from OCPF, which is required to be filed with their nomination papers in order to appear on the general election ballot.

Monday, September 10, 2018 5 p.m.

Prior to the deadline for filing withdrawals of nominations made at the state primary, candidates who have not agreed to limit spending and are opposed in the general election by a candidate who has agreed to limit spending must file a statement (**Form CPFA 22 or CPFA 22T**) with OCPF of the maximum amount of expenditures to be made in the candidate's general election campaign.

OCPF is required to notify the Secretary of the Commonwealth of candidates who do not, by 5 p.m. on the date due, file these statements. *Massachusetts law will not allow the name of any non-filing candidate to appear on the primary or state election ballot.*

Application of Spending Limit Declarations

ONE OPPONENT

| Candidate Declaration | Opponent Declaration | Expenditure Limit |
|--------------------------|--------------------------|--|
| Agrees to limits | No opponent | Statutory expenditure limit applies |
| Agrees to limits | Agrees to limits | Statutory expenditure limit applies to both campaigns |
| Agrees to limits | Does not Agree to limits | Opponent's stated limit applies to both campaigns |
| Does not Agree to limits | No opponent | No limit |
| Does not Agree to limits | Agrees to Limits | Candidate files maximum expenditure limit and it applies to both campaigns |
| Does not Agree to limits | Does not Agree to limits | No limit |

MULTIPLE OPPONENTS

All candidates agree – Statutory limit applies to all campaigns

Some candidates agree/some do not agree – Highest stated limit applies to all campaigns

All candidates do not agree – No limits apply

NOTE: To be eligible to receive public financing from the Massachusetts State Election Campaign Fund (if available) a candidate must have agreed to limit spending in both the primary and general election and have opposition.

Section 2

Massachusetts Public Finance Program

2018 Election - Important Dates

| <u>Date</u> | <u>Action/Event</u> | <u>Authority</u> |
|---------------------------|--|---|
| January 1, 2017 Sunday | Contributions received by statewide candidates from this date forward from individuals, deposited into the candidate's depository bank account that have been identified and itemized through OCPF's electronic filing system, may be considered as "qualifying contributions." | G.L. c.55C, s.1 OCPF M 97-01 |
| June 5, 2018 Tuesday | Last day for enrolled party candidates to file statements indicating whether they plan to observe statutory spending limits for the primary and general election campaign periods (Form CPFA 20). OCPF provides a receipt (Form CPFA 20R) of filing for candidates to submit to the Secretary of the Commonwealth with their nomination papers. | G.L. c.55C, s.1A G.L. c.53, s.9 |
| June 6, 2018 Wednesday | Primary election campaign expenditure period begins. | 970 CMR 4.03 |
| June 8, 2018 Friday | Last day for candidates who have not agreed to statutory spending limits and who are opposed in the primary by a candidate who has agreed to spending limits to file a statement of maximum primary expenditures (Form CPFA 21). | G.L. c.55C, s.1A G.L. c.53, s.53A G.L. c.55B, s.5 |
| June 29, 2018 Friday | Last day for candidates for governor to file statements of qualifying contributions (Form CPFA 4-6) for consideration on July 10, 2018 for eligibility for public financing in the primary election. | G.L. c.55C, s.4 |
| July 2, 2018 Monday | State Treasurer makes state election campaign funds available. | G.L. c.10, s.42 |
| July 3, 2018 Tuesday | Secretary of the Commonwealth certifies statewide candidates who qualify for the primary ballot and who are opposed on the primary ballot. | G.L. c.55C, s.2 |
| July 6, 2018 Friday | Last day for candidates for statewide office other than governor to file statements of qualifying contributions (Form CPFA 4-6) for consideration on July 10, 2018 for eligibility for public financing in the primary election. | G.L. c.55C, s.4 |

| | | |
|--------------------------------------|--|---|
| July 10, 2018 Tuesday | Last day for OCPF to certify candidates as eligible for primary election public financing. OCPF notifies State Treasurer of amounts that eligible candidates are eligible to potentially receive. | G.L. c.55C, s. 4 |
| July 10, 2018 Tuesday | Last day to file Candidate's Request for Limited Public Financing (Form CPFA 2) and Candidate's Public Financing Bond (Form CPFA 3) for purposes of receiving public financing for the primary election campaign. Comptroller determines balance of SECF, divides SECF: 50% into the primary election account and 50% into the state election account. Comptroller further subdivides primary election account into certified primary candidate accounts. | G.L. c.10, s. 42A G.L. c. 55C, s. 4 G.L. c. 55C, s. 8 |
| July 20, 2018 Friday | Last day for candidates who have been certified as eligible to submit additional qualifying contributions (Form CPFA 4-6) for consideration on July 24, 2018. | G.L. c.55C, s.5 970 CMR 4.02(4) |
| July 24, 2018 Tuesday | OCPF determines and certifies to the State Treasurer amounts which eligible candidates are entitled to receive. | G.L. c.55C, s. 5 970 CMR 4.02(4) |
| August 3, 2018 Friday | Last day for candidates who have been certified as eligible to submit additional qualifying contributions (Form CPFA 4-6) for consideration on August 7, 2018. | G.L. c.55C, s. 5 970 CMR 4.02(4) |
| August 7, 2018 Tuesday | OCPF determines and certifies to the State Treasurer amounts which eligible candidates are entitled to receive. | G.L. c.55C, s. 5 970 CMR 4.02(4) |
| August 17, 2018 Friday | Last day for candidates who have been certified as eligible to submit additional qualifying contributions (Form CPFA 4-6) for consideration on August 21, 2018. | G.L. c.55C, s. 5 970 CMR 4.02(4) |
| August 21, 2018 Tuesday | OCPF determines and certifies to the State Treasurer amounts which eligible candidates are entitled to receive. | G.L. c.55C, s. 5 970 CMR 4.02(4) |
| August 22, 2018 Wednesday | Comptroller transfers all undisbursed monies from eligible primary candidate accounts into the state election account of the SECF for distribution to eligible general election candidates. | G.L. c.10, s.42B |
| August 28, 2018 Tuesday | Last day for unenrolled candidates to file statement indicating whether they plan to observe statutory spending limits for the general election campaign period (Form CPFA 20). OCPF provides a receipt (Form CPFA 20R) for candidates to submit to the Secretary of the Commonwealth with their nomination papers. | G.L. c.55C, s.1A G.L. c. 53, s.10 |
| August 29, 2018 Wednesday | General election campaign expenditure period begins for unenrolled candidates. | 970 CMR 4.03 |

| | | |
|--------------------------------|--|--|
| September 4, 2018 Tuesday | <u>Primary Election Day</u> Primary election campaign expenditure period ends. | G.L. c.53, s.28 970 CMR 4.03 |
| September 5, 2018 Wednesday | General election campaign expenditure period begins for all candidates <i>except unenrolled candidates whose general election campaign period began August 29, 2018.</i> | 970 CMR 4.03 |
| September 10, 2018 Monday | Last day for candidates and candidate teams who have (1) not agreed to voluntary expenditure limits and (2) will appear on the state general election ballot and (3) are opposed by a candidate or candidate team who has agreed to voluntary expenditure limits to file a statement of maximum expenditures for the state election (Form CPFA 22 or A22T). | G.L. c.55C, s.1A(c) G.L. c.55B, s.5 970 CMR 4.04(2) |
| September 18, 2018 Tuesday | Last day for candidates to file post primary balance statement (Form CPFA 10) if candidate received primary election financing. Any candidates disclosing a surplus balance must make refund payment to the SECF. | G.L. 55C, s.9 970 CMR 4.13(4) |
| September 18, 2018 Tuesday | Last day for candidates to file post primary expenditure report (Form CPFA 30) if candidate was subject to statutory or self-imposed campaign expenditure limits. | 970 CMR 4.13(4) |
| September 28, 2018 Friday | Last day for statewide candidates for governor and lt. governor to file statements of qualifying contributions (Form CPFA 4-6) for consideration on October 9, 2018 for eligibility to receive public financing from the SECF for the state election. | G.L. c55C, s.6 970 CMR 4.02(4) |
| October 2, 2018 Tuesday | Secretary of the Commonwealth certifies to OCPF those statewide candidates who qualify for and are opposed on the general election ballot. | G.L. c.55C, s.2 |
| October 5, 2018 Friday | Last day for statewide candidates other than governor and lt. governor to file statements of qualifying contributions (Form CPFA 4-6) for consideration on October 9, 2018 for eligibility to receive public financing from the SECF for the state election. | G.L. c55C, s.6 970 CMR 4.02(4) |
| October 9, 2018 Tuesday | Last day for OCPF to certify candidates as eligible for public financing in the state election. OCPF determines and certifies to the State Treasurer the amounts eligible candidates are to receive. | G.L. c.55C, s.6 970 CMR 4.02(4) |
| October 9, 2018 Tuesday | Last day to file Candidate's Request for Limited Public Financing (Form CPFA 2) and Candidate's Public Financing Bond (Form CPFA 3) for purposes of receiving public financing for the general election campaign. Comptroller divides SECF state election account into state election candidate accounts. | G.L. c.10, s.42A G.L. c. 55C, s. 6 G.L. c. 55C, s. 8 |

| | | |
|---------------------------------------|--|------------------------------------|
| October 19, 2018 Friday | Last day for candidates who have been certified as eligible to receive state election public financing to submit additional qualifying contributions (Form CPFA 4-6) for consideration on October 23, 2018 | G.L. c.55C, s.7 970 CMR 4.02(4) |
| October 23, 2018 Tuesday | OCPF determines and certifies to the State Treasurer amounts which eligible candidates are entitled to receive. | G.L. c.55C, s. 7 |
| October 24, 2018 Wednesday | Comptroller closes all eligible state election candidate accounts in the SECF and all unclaimed monies revert to the SECF. | G.L. c.10, s.42B |
| November 6, 2018 Tuesday | <u>State Election Day</u> General election campaign expenditure period ends. | G.L. c.54, s. 62 970 CMR 4.03 |
| November 20, 2018 Tuesday | Candidates file post election balance statement (Form CPFA 11) if candidate received state election public financing. Candidates disclosing surplus balances on such statement must make refund payment to the SECF. | G.L. c.55C, s.9 |
| November 20, 2018 Tuesday | Candidates file post election expenditure report (Form CPFA 31) if candidate was subject to statutory or self-imposed campaign expenditure limits. | 970 CMR 4.13(4) |
| January 30, 2019 Wednesday | OCPF files with the clerks of the Massachusetts House of Representatives and Senate and the members of the Commission to Select the Director of OCPF a report on the public financing of the 2018 elections. | G.L. c.55C, s.3 |
| April 1, 2019 Monday | State Auditor issues report on the SECF. | G.L. c.10, s.42C |

Section 3

The Decision to Participate: Filing Expenditure Limit Statements

Forms CPFA 20, 21, 22 and 22T

The next five sections of this handbook provide important information for candidates who are considering whether to apply for public financing for statewide campaigns in 2018. Each of these sections covers a step in the application and reporting process and includes an explanation of the reporting forms. The referenced forms, which often contain instructions or relevant regulations on the back, are located at the end of each section.

M.G.L. Chapter 55C makes limited public financing available to qualifying candidates for governor and, if sufficient funds are available, to other qualifying candidates seeking statewide office in 2018. Candidates are eligible to receive public funds in return for agreeing to abide by specific limits on spending that vary according to the office sought.

All statewide candidates should become familiar with the public financing system, whether they plan to participate or not. That's because M.G.L. Chapter 55C requires that certain actions be taken by all statewide candidates.

I. Primary Election Filings

For statewide candidates seeking nomination in one of the three political parties – Democratic, Republican, and Libertarian – the first important deadline is **June 5, 2018**, (the first Tuesday in June). On or before Tuesday June 5, 2018, enrolled candidates must file completed nomination papers with the Secretary of the Commonwealth's Elections Division.

On or before June 5, 2018, all statewide candidates enrolled in a political party must also file with OCPF Form CPFA 20 – **Statement on Campaign Expenditure Limits - Primary and General Election Campaign**. This form states whether a statewide candidate agrees or does not agree to observe statutory spending limits established for the relevant statewide office by Chapter

55C. This statement covers **both** the primary and general election campaign. A candidate cannot change his or her mind after signing and filing the statement. Candidates who wish to be eligible for public funds, "participating candidates," must agree to limit spending when they file Form CPFA 20.

IMPORTANT: Candidates receive a receipt from OCPF, Form CPFA 20R: Expenditure Limit Statement Receipt, when they file Form CPFA 20. This receipt must accompany a candidate's nomination papers when the papers are filed with the Secretary of the Commonwealth.

A candidate must agree to statutory spending limits to be eligible to receive public funds, subject to availability. **However, only candidates who face opposition may receive public funds.** For example, a participating candidate who does not have opposition in the primary would not be eligible to receive public funds for the primary election campaign. If the candidate then has opposition in the general election, the candidate would be eligible to receive public funds for the general election campaign. Participating candidates who agree to limit expenditures but face no opponent in either the primary or general election are not eligible to receive any matching funds. Such participating candidates without opposition, however, are still bound to abide by the statutory spending limits for their races.

Candidates who do not agree to the statutory spending limits, "non-participating candidates," and who are opposed by a participating candidate in the primary election must file **Form CPFA 21 – Statement of Maximum Expenditures - Primary Election Campaign**, on or before **Friday June 8, 2018**, the deadline for filing withdrawal of nomination papers. In this statement, a non-participating candidate opposed by a participating candidate establishes a self-imposed spending limit. This limit represents the maximum amount of money that the non-participating candidate agrees to spend in his or her campaign.

If a non-participating candidate establishes a self-imposed limit greater than the statutory limit in a race **and** is also opposed by one or more participating candidates, each candidate's limit is increased to the highest self-imposed limit in that race. Non-participating candidates who are opposed **only** by other non-participating candidates, or non-participating candidates who are unopposed, are not required to file Form CPFA 21.

Based upon the statements that are filed, OCPF will notify each candidate of his or her primary election campaign expenditure limit, (if any).

IMPORTANT: *State law requires that the name of any statewide candidate who fails to file Form CPFA 20, or Form CPFA 21 if required of a non-participating candidate, will not be listed on the ballot. In addition, exceeding statutory or self-imposed spending limits may subject a candidate to significant financial penalties.*

There are two campaign expenditure periods during which spending limits apply for party enrolled candidates. The primary election campaign expenditure period runs from **June 6, 2018**, through **September 4, 2018**, Primary Election Day. The general election campaign expenditure period begins on **September 5, 2018**, the day after the Primary Election, and ends on **November 6, 2018**, Election Day. Unenrolled candidates have only one period where spending limits apply, their general election campaign expenditure period, which begins **August 29, 2018** and runs through **November 6, 2018**. Unenrolled candidates do not have a primary election campaign expenditure period.

II. Unenrolled Candidates

Although unenrolled candidates do not run in a primary, such candidates still must file Form CPFA 20, albeit at a later date than enrolled candidates. Unenrolled candidates must file Form CPFA 20 on or before **August 28, 2018**, the deadline for filing their candidate nomination papers

with the Secretary of the Commonwealth. The general election campaign expenditure period for these candidates starts the next day, **August 29, 2018**, and runs through Election Day.

III. General Election Filings

A non-participating candidate who qualifies for the general election ballot **and** who is opposed by at least one participating candidate must file **Form CPFA 22: Statement of Maximum Expenditures – General Election Campaign** on or before **September 10, 2018**.

Candidates for governor and lieutenant governor in the general election are paired as a “candidate team.” Both the candidate for governor and the candidate for lieutenant governor must have agreed to spending limits in order to qualify as a participating candidate team and to be eligible for general election funding from the State Election Campaign Fund. A non-participating candidate team which qualifies for the general election ballot **and** which is opposed by at least one participating candidate team must file **Form CPFA 22T: Statement of Maximum Expenditures - Candidate Team** by **September 10, 2018**.

Based upon the statements on file, OCPF will notify each candidate and candidate team of its general election expenditure limit, if any.

IMPORTANT: State law requires that the name of any statewide candidate or candidate team who fails to file Form CPFA 22 or Form CPFA 22T, if either is required of a non-participating candidate or candidate team as the case may be, will not be listed on the ballot. In addition, exceeding statutory or self-imposed spending limits may subject a candidate to significant penalties.



Form CPFA 20: Statement on Campaign Expenditure Limits Primary and General Election Campaign

Commonwealth
of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
(617) 979-8300

CPF ID# _____
For Office Use

I, _____, a candidate for _____, state that my authorized campaign committee (if any) and I:

(CHECK ONE OF THE FOLLOWING)

AGREE to limit expenditures in the primary and general election campaign periods to the statutory expenditure limit set forth in section 1A(a) of M.G.L. c. 55C.

Limit in the primary election campaign:

Limit in the general election campaign:

| | | | |
|--------------------------------|-------------|----------------------------------|-------------|
| Governor | \$1,500,000 | Governor and Lieutenant Governor | \$1,500,000 |
| Lieutenant Governor | 625,000 | Attorney General | 625,000 |
| Attorney General | 625,000 | Secretary | 375,000 |
| Secretary | 375,000 | Treasurer and Receiver General | 375,000 |
| Treasurer and Receiver General | 375,000 | Auditor | 375,000 |
| Auditor | 375,000 | | |

DO NOT AGREE to limit expenditures in the primary and general election campaign periods to the statutory expenditure limits set forth in section 1A(a) of M.G.L. c.55C. I understand that if I am opposed by a candidate in the primary election or a candidate in the general election who has agreed to the limits set forth above, I must file a statement disclosing a maximum expenditure limit for my primary or general election campaign in accordance with M.G.L. c. 55C, s. 1A(b) and (c).

READ ALL INFORMATION AND INSTRUCTIONS BEFORE SIGNING

Signed under the penalties of perjury:

Candidate's Signature

Date

IMPORTANT: By law, the name of any candidate enrolled in a political party who does not file this statement, Form CPFA 20, by 5:00 p.m. on June 5, 2018 will not appear on the primary or general election ballots. A candidate who is not enrolled in a political party and does not file such statement by 5:00 p.m. on August 28, 2018 will not appear on the general election ballot.

CONFIDENTIALITY: Pursuant to 970 CMR 4.04(3), this statement will remain confidential until all candidates for the same office who are required to file have filed their statements or until the first business day after such statements are due, whichever date is earlier.

INFORMATION FOR CANDIDATES

WHO AGREE TO THE STATUTORY EXPENDITURE LIMITS (PARTICIPATING CANDIDATES)

Public Financing - Candidates who agree to statutory spending limits may be eligible to receive public financing from the State Election Campaign Fund.

Expenditure Limit Increases - Candidates who agree to statutory spending limits expenditure limit would increase to the highest amount declared by an opponent in the Statement of Maximum Expenditures: Primary Election Campaign, Form CPFA 21, or the Statement of Maximum Expenditures: General Election Campaign, Form CPFA 22, filed by opposing non-participating candidates.

IMPORTANT: Any candidate who exceeds an expenditure limit is subject to the penalties provided for in M.G.L. c. 55C, s. 1A(e).

INFORMATION FOR CANDIDATES

WHO DO NOT AGREE TO STATUTORY EXPENDITURE LIMITS (NON-PARTICIPATING CANDIDATES)

Public Financing - Non-participating candidates will NOT be eligible to receive public financing from the State Election Campaign Fund in either the primary or general election campaign.

Statement of Non-participating Candidate - A non-participating candidate who is opposed by a participating candidate must file a Form CPFA 21 (Primary Election Campaign) or Form CPFA 22 (General Election Campaign):

1. On or before the last day for filing withdrawals of nominations for the primary election if opposed at the primary election by a participating candidate, and
2. On or before the last day for filing withdrawals of nominations made at the primary election if such candidate or candidate team is opposed at the general election by a participating candidate or candidate team.

Expenditure Limit Increases - A non-participating candidate's expenditure limit would increase to the highest amount declared in a statement of maximum expenditures for the primary or general election campaign filed by opposing non-participating candidates, if any.

IMPORTANT: By law, the name of any non-participating candidate (if such candidate is opposed by a participating candidate) will not appear on the primary or general election ballots if such candidate does not file a Statement of Maximum Expenditures for primary or general election campaign by 5:00 p.m. on the day for filing withdrawals for that candidate in the primary/general election.

INFORMATION FOR CANDIDATE TEAMS

FOR GOVERNOR AND LIEUTENANT GOVERNOR (GENERAL ELECTION CAMPAIGN)

Participating candidate teams - A candidate team is a participating candidate team and may be eligible to receive public financing in the general election ONLY if BOTH the candidate for governor AND the candidate for lieutenant governor of the candidate team have agreed to the statutory expenditure limits for BOTH the primary and the general election campaigns.

Non-participating candidate teams - A candidate team is a non-participating candidate team and ineligible for public funding if EITHER the candidate for governor OR lieutenant governor of such team did NOT agree to statutory expenditure limits.

Statement of non-participating candidate team - A non-participating candidate team who is opposed by a participating candidate team must file a Statement of Maximum Expenditures: General Election Campaign, Form CPFA 22T, on or before the deadline for filing withdrawals of nominations made at the primary election.

IMPORTANT: By law, the names of a non-participating candidate team that does not file a Statement of Maximum Expenditures: General Election Campaign by 5:00 p.m. on September 10, 2018 and which is opposed by a participating candidate team will not appear on the general election ballots.

Deposit of public funds - public funds allocated to a participating candidate team will be credited to the gubernatorial candidates account.

IMPORTANT: Candidates for Governor And Lieutenant Governor who exceed that Candidate Team's Expenditure Limit may be subject to the penalties provided for in M.G.L. c. 55C, s. 1A(e).

INFORMATION FOR ALL CANDIDATES AND CANDIDATE TEAMS

Primary Election Campaign - The expenditure limit for the primary election campaign commences on the day after the last day for filing nomination papers with the Secretary of State and concludes on the day of the primary election.

General Election Campaign - The expenditure limit for the general election campaign begins the day after the primary election and concludes on the day of the general election. In the case of an unenrolled candidate the general election campaign begins the day following the last day for filing nomination papers with the Secretary of State.

Prepaid and Exempt Expenditures - Certain prepaid expenditures and inventories on hand at the start of the primary or general election campaign are included in the campaign expenditure limits. Other expenditures made may be exempt from the campaign expenditure limit.

Please contact OCPF for further details.



Form CPFA 21: Statement of Maximum Expenditures Primary Election Campaign

Commonwealth
of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
617-979-8300

CPF ID# _____
For office use

I, _____, a candidate for _____,
state that my authorized committee (if any) and I agree that the maximum amount of
expenditures to be made in my campaign for the primary election will be:

\$ _____

READ ALL INFORMATION AND INSTRUCTIONS BEFORE SIGNING

Signed under the Penalties of Perjury:

Candidate signature

Date

IMPORTANT: By law, the name of any non-participating candidate who is opposed by a participating candidate in the state primary election and who does not file this statement, Form CPFA 21, by 5:00 p.m. on June 8, 2018 will not appear on the state primary or general election ballots.
CONFIDENTIALITY: Pursuant to 970 CMR 4.04(3), this statement will remain confidential until all candidates for the same office who are required to file have filed their statements or until the first business day after such statements are due, whichever date is earlier.

OVER

**INFORMATION FOR PRIMARY ELECTION CANDIDATES
WHO HAVE NOT AGREED TO STATUTORY EXPENDITURE LIMITS
(NON-PARTICIPATING CANDIDATES)**

Public Financing - A non-participating candidate will **NOT** be eligible to receive public financing from the State Election Campaign Fund in either the primary or general election campaign.

Statement of Non-participating Candidate - A non-participating candidate who is opposed by a participating candidate in the primary must file a Statement of Maximum Expenditures: Primary Election Campaign, Form CPFA 21. This statement must be filed on or before the last day for filing withdrawals of nominations **for** the primary election if opposed at the primary election by a participating candidate.

IMPORTANT: By law, the name of any non-participating candidate who does not file a Statement of Maximum Expenditures: Primary Election Campaign by 5:00 p.m. on June 8, 2018 and who is opposed by a participating candidate will not appear on the state primary or election ballots.

Expenditure Limit Increases - A non-participating or participating candidate's expenditure limit would increase to the highest amount declared in a Statement of Maximum Expenditures: Primary Election Campaign filed by opposing non-participating candidates, if any.

Primary Election Campaign Period - The dates for the primary election campaign period commences on the day after the last day for filing nomination papers with the Secretary of State for nominations made at the state primaries and concludes on the day of the primary election.

Prepaid and Exempt Expenditures - Certain prepaid expenditures and inventories on hand at the start of the primary election campaign are included in the campaign expenditure limit. Also, liabilities incurred for goods and services used during the primary Election campaign period will count as expenditures made during that period. Other expenditures made during the primary election campaign may be exempt from the campaign expenditure limit.



Form CPFA 22: Statement of Maximum Expenditures General Election Campaign

Commonwealth
of Massachusetts

File with: Director

Office of Campaign and Political Finance

One Ashburton Place

Boston, MA 02108

617-979-8300

CPF ID# _____

For office use

I, _____, a candidate for _____,
state that my authorized committee (if any) and I agree that the maximum amount of
expenditures to be made in my campaign for the general election will be:

\$ _____

READ ALL INFORMATION AND INSTRUCTIONS BEFORE SIGNING

Signed under the Penalties of Perjury:

Candidate signature

Date

IMPORTANT: By law, the name of any non-participating candidate who is
opposed by a participating candidate in the general election and who does not file
this statement, Form CPFA 22, by 5:00 p.m. on September 10, 2018 will not appear
on the state election ballots.

CONFIDENTIALITY: Pursuant to 970 CMR 4.04(3), this statement will remain
confidential until all candidates for the same office who are required to file have
filed their statements or until the first business day after such statements are due,
whichever date is earlier.

OVER

**INFORMATION FOR GENERAL ELECTION CANDIDATES
WHO HAVE NOT AGREED TO STATUTORY EXPENDITURE LIMITS
(NON-PARTICIPATING CANDIDATES)**

Public Financing - A non-participating candidate will **NOT** be eligible to receive public financing from the State Election Campaign Fund in the general election campaign.

Governor/Lieutenant Governor Candidate Teams - Non-participating candidate teams file Form CPFA 22T instead of this form.

Statement of Non-participating Candidate - A non-participating candidate who is opposed by a participating candidate in the general election must file a Statement of Maximum Expenditures: General Election Campaign, Form CPFA 22. This statement must be filed on or before the last day for filing withdrawals of nominations **made** at the primary election if opposed at the general election by a participating candidate.

IMPORTANT: By law, the name of any non-participating candidate who does not file a Statement of Maximum Expenditures: General Election Campaign by 5:00 p.m. on September 10, 2018 and who is opposed by a participating candidate will not appear on the general election ballot.

Expenditure Limit Increases - A non-participating candidate's expenditure limit would increase to the highest amount declared in a Statement of Maximum Expenditures: General Election Campaign filed by opposing non-participating candidates, if any.

General Election Campaign - For enrolled candidates, the expenditure limit period for the general election campaign commences on the day after the primary election and concludes on the day of the general election. For unenrolled candidates, the expenditure limit period commences on the day after the day for filing such unenrolled candidate's nomination papers and concludes on the day of the general election.

Prepaid and Exempt Expenditures - Certain prepaid expenditures and inventories on hand at the start of the general election campaign are included in the campaign expenditure limit. Other expenditures made during the general election campaign may be exempt from the campaign expenditure limit.



Form CPFA 22T: Statement of Maximum Expenditures Candidate Team

Commonwealth
of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
617-979-8300

CPF ID# _____
For office use

We, _____, a candidate for governor and _____, a candidate for lieutenant governor, state that our authorized committees (if any) and each of us jointly and severally agree that the maximum amount of expenditures to be made in the aggregate by both of us and our authorized committees (if any) in our joint campaign as a candidate team for the general election will be:

\$ _____

READ ALL INFORMATION AND INSTRUCTIONS BEFORE SIGNING

Signed under the Penalties of Perjury:

Candidate for Governor signature Date

Candidate for Lt. Governor signature Date

IMPORTANT: By law, the name of any non-participating candidate team who is opposed by a participating candidate team in the general election and which does not file this statement, Form CPFA 22T, by 5:00 p.m. on September 10, 2018 will not appear on the state election ballots.

CONFIDENTIALITY: Pursuant to 970 CMR 4.04(3), this statement will remain confidential until all candidates for the same office who are required to file have filed their statements or until the first business day after such statements are due, whichever date is earlier.

**INFORMATION FOR CANDIDATE TEAMS
WHICH HAVE NOT AGREED TO STATUTORY EXPENDITURE LIMITS
(NON-PARTICIPATING CANDIDATE TEAMS)**

Public Financing - A non-participating candidate team will **NOT** be eligible to receive public financing from the State Election Campaign Fund in the general election campaign.

Non-participating Candidate Team - A governor and lieutenant governor nominated at the primary election, or who are unenrolled and file nomination papers pursuant to M.G.L. c. 53, constitute a candidate team. If any one member of a candidate team did not agree to limit primary and general election expenditures to the statutory amounts set forth in M.G.L. c. 55C, s. 1A when filing Form CPFA 20, that candidate team is a non-participating candidate team.

Statement of Non-participating Candidate Team - A non-participating candidate team who is opposed by a participating candidate team in the general election must file a Statement of Maximum Expenditures: Candidate Team, Form CPFA 22T. This statement must be filed on or before the last day for filing withdrawals of nominations **made** at the primary election or otherwise pursuant to M.G.L. c. 53, if opposed at the general election by a participating candidate team.

IMPORTANT: By law, the name of any non-participating candidate team which does not file a Statement of Maximum Expenditures: Candidate Team by 5:00 p.m. on September 10, 2018 and who is opposed by a participating candidate team will not appear on the general election ballot.

Expenditure Limit Increases - A non-participating candidate team's expenditure limit would increase to the highest amount declared in a Statement of Maximum Expenditures: Candidate Team filed by opposing non-participating candidate teams, if any.

General Election Campaign Period - The expenditure limit period for the general election campaign commences on the day after the primary election and concludes on the day of the general election for candidate teams enrolled in a political party. For candidate teams not enrolled in a political party the general election campaign period begins the day following the deadline for filing nomination papers (August 29, 2018) and ends the day of the general election.

Prepaid and Exempt Expenditures - Certain prepaid expenditures and inventories on hand at the start of the general election campaign are included in the campaign expenditure limit. Other expenditures made during the general election campaign may be exempt from the campaign expenditure limit.

Section 4

Submission and Certification of Qualifying Contributions

Forms CPFA 1, 4-6

Once a participating candidate has filed a statement agreeing to abide by campaign expenditure limits, the candidate must then comply with the following procedures in order to be certified as eligible for public funds.

1. Qualifying Contributions: Basic Rules and Thresholds

In order to be certified by the director as eligible to receive public funds, a participating candidate must submit a minimum amount of **qualifying contributions** from **individuals**. Only contributions originally deposited into a candidate's **depository account and itemized (including contributions of \$50 and under) on the committee's contributor reports** may be considered as a qualifying contribution.

Like the spending limits established by Chapter 55C, the minimum level of qualifying contributions required for certification varies by the office sought.

| <u>Primary Election</u> | | <u>General Election</u> | |
|-------------------------|-----------|-------------------------|------------|
| Governor | \$ 75,000 | Governor/Lt. Governor | \$ 125,000 |
| Lieutenant Governor | 15,000 | Attorney General | 62,500 |
| Attorney General | 37,500 | Secretary | 25,000 |
| Secretary | 15,000 | Treasurer | 25,000 |
| Treasurer | 15,000 | Auditor | 25,000 |
| Auditor | 15,000 | | |

IMPORTANT: Gubernatorial candidates: *Qualifying contributions must be submitted to OCPF no later than 5:00 p.m. on June 29, 2018, for determination of eligibility for the*

primary election and no later than 5:00 p.m. on September 28, 2018, for determination of eligibility for the general election. Other statewide office seekers must submit their qualifying contributions to OCPF no later than 5:00 p.m. on or before July 6, 2018 for determination of eligibility for the primary election and no later than 5:00 p.m. on October 5, 2018 for determination of eligibility for the general election.

OCPF strongly recommends that each committee submit qualifying contributions in excess of the amount required for certification in case some contributions are ruled ineligible for certification.

Only contributions made by an individual and deposited in a statewide candidate's depository account on or after January 1, 2017, may be eligible for consideration as qualifying contributions for public financing. Contributions from political committees or other entities are not eligible as qualifying contributions. Contributions must also comply with Chapter 55 and OCPF regulations such as occupation/employer information.

Only the first \$250 of an individual's total contributions made in 2017 and 2018, however, is eligible to be considered as a qualifying contribution. For example, if Mary Jones contributes \$500 in 2017 and \$300 in 2018 for a total of \$800 in contributions, only \$250 of the total of \$800 is eligible to be considered as a qualifying contribution.

No contribution made in the form of a loan is eligible to be considered as qualifying contributions.

2. Filing Qualifying Contributions

All qualifying contributions submitted must have been deposited into a candidate's depository account and been itemized on the official committee's contribution reports. These reports are filed by the candidate through OCPF's Electronic Filing System.

Candidates should make sure to include a contributor's full name and residential address for each potential qualifying contribution on the deposit report, even for contributions of \$50 or less. This information is required to ensure accurate tracking of contributions and to eliminate ambiguities about a contribution that might result in disqualification as a qualifying contribution. For example, a contributor should be listed as Jane Smith, not J. Smith or Dr. Smith. Similarly, any identifying initials or numerals such as "Sr.," "Jr.," or "II" should be included.

Candidates must make two photocopies of checks that are submitted as qualifying contributions. One copy is submitted to OCPF when a candidate is making a submission; the other copy should be kept as a part of a candidate's campaign finance records.

For contributions made by credit card, candidates must submit copies of all notifications provided by merchant providers listing the source and amount of credit card contributions.

For contributions by cash, money order, bank check, certified check, treasurer's check or cashier's check, contributors and candidates must complete and sign **Form CPFA 1: Verification Card**. This form must be submitted for such contributions to be considered as a qualifying contribution. Such contributions must be itemized on the candidate's deposit reports. **Please Note:** The campaign finance law limits cash contributions to \$50 per person in a calendar year. Money order, bank check, certified check, treasurer's check or cashier's check contributions are limited to \$100 per person in a calendar year.

A verification card includes the name and residential address of the contributor and a signed statement by the contributor acknowledging the contribution. The remainder of the card must be completed by the candidate's committee. The card identifies the date of deposit of the contribution. A verification card must also be submitted for any contribution made by check if the check does not contain the name of the contributor.

To submit qualifying contributions with OCPF, candidates file Form **CPFA 4-6**. Form **CPFA 4-6** serves as a cover sheet for the submission. Submitted separately is a database of contributions that the committee wishes to have considered as qualifying contributions. This database must include the contributor name, residential address, amount and date of each contribution. It also lists the amount claimed as qualifying to date and the aggregate amount each contributor gave the candidate during 2017 and 2018. Candidates who wish to submit qualifying contributions must have their database in an approved format and should consult OCPF.

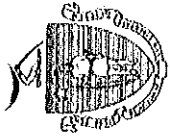
3. Recordkeeping

OCPF strongly advises candidates to keep thorough and accurate records, not only of their public financing data but also of all material relating to their campaigns. By law and regulation, candidates and the treasurers of committees organized on behalf of such candidates must keep detailed accounts and records of all:

- (a) contributions, including in-kind contributions, received;
- (b) expenditures made (including receipted bills for expenditures greater than \$50); and
- (c) liabilities incurred.

Such records will be particularly helpful to candidates and treasurers when completing the required post primary and election reports. In addition, such records are necessary to demonstrate compliance with Chapters 55 and 55C during the post-election audits that OCPF conducts of statewide candidates.

Photocopies of checks, verification cards and other campaign finance documents filed with OCPF are public records available for inspection during regular business hours.



Form CPFA 1: VERIFICATION CARD

Office of Campaign and Political Finance
One Ashburton Place, Rm. 411 Boston, MA 02108
(617) 979-8300 (800) 462-OCPP
www.mass.gov/ocpf

Commonwealth of Massachusetts

I certify that I made a contribution from my personal funds in the amount of \$ _____ to _____
Name of Candidate or Candidate's Committee

Form of Contribution - Check one: Cash Money order or similar instrument Check not containing my name

Print Contributor's Name and Residential Address _____

Signature of Contributor _____

TO BE COMPLETED BY COMMITTEE TREASURER OR DESIGNEE:

The above described contribution was deposited on _____ Date
Signature of Treasurer/Designee: _____



Form CPFA 4 - 6: STATEMENT OF QUALIFYING CONTRIBUTIONS

Commonwealth of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
(617) 979-8300

CPF ID# _____
For Office Use

Name of Candidate

Office Sought

The above named candidate hereby submits this Statement of Qualifying Contributions consisting of this page and the following:

- (a) a disk containing a data base (approved by OCPF) of qualifying contributions. The database contains qualifying contributions totaling \$ _____.
- (b) copies of all contributor checks (and/or CPFA 1's) in chronological order of deposit for each qualifying contribution submitted for consideration.
- (c) for credit card contributions, copies of all notifications provided by merchant providers listing the source and amount of credit card contributions.

In the preparation of this Statement, we have complied with all the provisions of M.G.L. Chapter 55C. In addition, we have **not** submitted any of the following as qualifying contributions:

- (1) a contribution that is a loan;
- (2) a contribution that has been refunded;
- (3) a contribution that has been rejected by the bank or;
- (4) a contribution in excess of \$100 that is in the form of a certified check, cashier's check, registered check, money order, traveler's check or other similar negotiable instrument.

In the event a contribution for which we have received public financing funds is subsequently refunded by the committee or otherwise becomes ineligible as a qualifying contribution (e.g., check rejected for insufficient funds or any other reason), we will so notify you in writing.

SIGNED UNDER THE PENALTIES OF PERJURY

Signature of Candidate

Date

Signature of Committee Treasurer

Date

Section 5

How to Request Public Financing: Forms CPFA 2 and 3

In order to be considered for **certification of eligibility for the primary election**, qualifying contributions for:

1. Candidates for Governor enrolled in a political party must be submitted to OCPF by **June 29, 2018**.
2. Candidates for Lt. Governor, Attorney General, Treasurer, Secretary of State and Auditor enrolled in a political party must be submitted to OCPF by **July 6, 2018**.

In order to be considered for **certification of eligibility for the general election**, qualifying contributions for:

3. Candidates for Governor and Lt. Governor (whether enrolled in a political party or unenrolled) must be submitted to OCPF by **September 28, 2018**.
4. Candidates for Attorney General, Treasurer, Secretary of State and Auditor (whether enrolled or unenrolled in a political party) must be submitted to OCPF by **October 5, 2018**.

Two other forms must be filed with OCPF before matching funds can be released:

- **FORM CPFA 2: Candidate's Request for Limited Public Financing.** This simple but important form must be signed by each participating candidate as well as the chairman and the treasurer of that candidate's committee.
- **FORM CPFA 3: Candidate Public Financing Bond.** This form provides the approved wording for the bond that each participating candidate is required to obtain. A candidate is responsible for arranging the purchase of a bond with his/her own broker. The bond, signed by the candidate, committee chairman and committee treasurer must be witnessed, signed by the surety company and then filed with OCPF.

A bond may be obtained for the maximum amount of public funds for which a candidate may be eligible. Although this may be costly, such a bond ensures that a certified participating candidate will receive funds in that amount if the candidate's State Election Campaign Account is fully funded and the candidate is able to raise sufficient qualifying contributions to receive maximum funding. Maximum amounts of public funding for the primary election are as follows:

| | |
|---------------------|-----------|
| Governor | \$750,000 |
| Lieutenant Governor | 312,500 |
| Attorney General | 312,500 |
| Secretary | 187,500 |
| Treasurer | 187,500 |
| Auditor | 187,500 |

Participating candidates may, however, choose to secure a bond only for the actual amount of funds, if any, allocated to that candidate. This amount will not be known until mid July. Candidates may also submit a bond for a lesser amount. In this case, however, certification and public funds dispersed will be limited to the amount of the bond submitted.

A participating candidate's bond must be in full force for the duration of the year in which the election is held and the following year, i.e., through **December 31, 2019**.

Forms CPFA 2 and 3 must be filed before a candidate can receive any matching funds. Participating candidates who have been certified as eligible by the director may receive matching funds. However, the amount they receive – if they receive any at all – is subject to (a) the amount available in the candidate's state election campaign account, (b) the determination of qualifying contributions submitted and (c) the amount of the candidate's bond.

On or before July 10, 2018, the State Comptroller will determine the balance in the SECF; then that amount is divided according to statute: 50 percent for the primary and 50 percent for the general election. The law then requires that SECF funds be distributed first to certified

) candidates for governor, with any remaining funds divided proportionately among certified candidates for the other offices.

OCPF will determine and certify the amounts that each candidate is eligible to receive based on qualifying contributions submitted on the initial submission made to determine eligibility and on three additional occasions during the primary campaign and one additional date prior to the general election. Check Section 2 of this Handbook for deadlines for submitting the contributions and the dates on which the funds would be certified.



Form CPFA 2: CANDIDATE'S REQUEST FOR LIMITED PUBLIC FINANCING

Commonwealth of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
(617) 979-8300

CPF ID# _____
For Office Use

Office Sought _____

Party Affiliation (if any) _____

Name of Candidate _____

Residential Address _____

City/Town _____ Zip _____

I request limited public financing as provided for in M.G.L. Chapter 55C and I submit herewith the bond required by section 8 in the amount of \$ _____. I understand that I can not receive public funds in excess of the amount of the bond. I am familiar with the provisions of Chapter 55C and specifically with the repayment provisions of section 9.

I understand that if the Director so certifies, the State Treasurer will transfer the certified amount subject to availability of State Election campaign funding to the bank account designated as the depository for campaign funds of my political committee under section 19 of Chapter 55 as follows:

_____ Title of COMMITTEE account

_____ COMMITTEE's Bank Account Number

_____ Name of Bank

_____ Address of Bank City/Town Zip

SIGNED UNDER THE PENALTIES OF PERJURY

_____ Candidate's Signature

_____ Date

FOR THE COMMITTEE:

_____ Chairman's Signature

_____ Treasurer's Signature



Form CPFA 3: CANDIDATE PUBLIC FINANCING BOND

Commonwealth
of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
(617) 979-8300

CPF ID# _____
For Office Use

PLEASE NOTE: THE CANDIDATE MUST ARRANGE FOR THE BOND WITH HIS/HER OWN BROKER

KNOW ALL MEN BY THESE PRESENTS, that we

Candidate (*Print or type the name and residential address: street, city or town, state and zip code*)

Committee Chairman (*Print or type the name and residential address: street, city or town, state and zip code*)

Committee Treasurer (*Print or type the name and residential address: street, city or town, state and zip code*)

as **Principals** and _____, a corporation duly organized and existing under the laws of the State of _____, and having a usual place of business in said Commonwealth of Massachusetts, as Surety, are held and firmly bound unto the Commonwealth of Massachusetts, in the sum of _____ for the payment of which well and truly to be made we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that Whereas, the said Candidate is a duly qualified candidate for the office of _____ and is authorized to receive public financing during the 2018 election year.

NOW THEREFORE, if the said Candidate, Committee Chairman and Committee Treasurer shall faithfully conform and abide by all the requirements of Massachusetts General Laws, Chapter 55C, and any amendments thereto and any rules and regulations promulgated thereunder regulating the public financing of campaigns for statewide elective offices, then this obligation shall be void; otherwise said obligation shall be and remain in full force and effect until December 31, 2019.

IN WITNESS WHEREOF, the said Principals have hereunto set their hands and seals and the Surety has affixed its corporate seal and caused these presents to be signed in its behalf by its duly authorized officer this _____ day of _____, 20_____.

WITNESS:

Candidate

Committee Chairman

Committee Treasurer

Surety

BY: _____
Attorney-in-Fact

Section 6

After the Primary: Post Primary Reports

Form CPFA 10 and Form CPFA 30

Candidates may have to file reports after the primary election on September 4, 2018. This will depend on whether a candidate has received public funds or was subject to a campaign expenditure limit. If a candidate did not receive public funds and was not subject to a campaign expenditure limit, he or she will not have to file either of the reports discussed in this section.

1. Post Primary Reports.

After the primary election on September 4, 2018, each participating candidate **who received public funds** must file a surplus balance report. **Form CPFA 10: Candidate's Post-Primary Balance Statement**, must be submitted to OCPF by **September 18, 2018**. This form discloses all balances remaining in the candidate/committee accounts. This statement is used to determine if a committee must make a refund to the State Election Campaign Fund of any portion of the public funds received during the primary election campaign. The refund is due when the report is filed.

The public financing law provides a formula that requires a committee to pay back a portion of the public financing funds received if the committee has a surplus balance as of the date of the primary election. A surplus balance payment, however, may not be required for successful primary candidates who are certified to receive additional SECF funds in the general election. Please review **OCPF Memorandum M-98-02 Surplus Funds: Application of the Pay-Back Formula** in Section 8 of this Handbook for additional information for completing CPFA Form 10.

Also due on **September 18, 2018** is **Form CPFA 30: Post-Primary Expenditure Statement**. Any candidate who was subject to a statutory or self-imposed spending limit must file this report, which covers the period from June 6, 2018, through Primary Day. The form includes a detailed report of all expenditures made, in-kind contributions received and liabilities incurred during the primary election campaign period. The report must include prepaid

expenditures, that is, any expenditure made prior to the primary election campaign for goods or services which were used during the primary election campaign. For example, if a candidate's committee purchased media time in April for television ads that aired in August, this would be a primary period prepaid expenditure and must be reported on Form CPFA 30. Such expenditures, in-kind contributions and liabilities will count toward a candidate's campaign expenditure limit.

In addition, candidates should report any expenditure, in-kind contribution or liability which is exempt from the campaign expenditure limit. Exempt expenditures include the cost of a candidate's bond to receive public funds, capital goods, certain legal expenses, liabilities incurred and in-kind contributions received for goods or services that were not used during the primary election campaign and the costs of an election night party. The cost of a primary election night party is an exempt expenditure only for candidates whose names will not appear on the general election ballot, that is, those who are unsuccessful.

2. The General Election

As discussed in Section 3, a non-participating candidate who qualifies for the general election **and** who is opposed by at least one participating candidate in the general election must file **Form CPFA 22: Statement of Maximum Expenditures – General Election Campaign** by **September 10, 2018**. Similarly, a non-participating candidate team which qualifies for the general election ballot **and** which is opposed by at least one participating candidate team must file **Form CPFA 22T: Statement of Maximum Expenditures - Candidate Team** by **September 10, 2018**.

Candidates do not file another Form CPFA 20 declaring whether they agree to spending limits for the general election. The form that each candidate filed on or before June 5, 2018, (August 28 for unenrolled candidates) applies to the general election campaign.

Participating candidates and candidate teams must file qualifying contributions for consideration of eligibility for public financing for the general election. The last day to submit

qualifying contributions for Governor/Lt. Governor teams for consideration to be certified as eligible for SECF funds for the general election is **Friday, September 28, 2018**. Other statewide candidates have until **October 5, 2014** for consideration to be certified for general election financing. Additional qualifying contributions may be submitted until **Friday, October 19, 2018**. Final certification of funds by OCPF for the general election occurs on Tuesday October 23, 2018. As in the primary, participating candidates and candidate teams must also file **FORM CPFA 2** and **FORM CPFA 3** before a candidate or candidate team can receive any matching public funds.

Both candidates in a Governor/ Lt.Governor candidate team must have agreed to participate to be considered a participating candidate team. If either the Governor or Lt.Governor candidates did not initially agree to participate, their candidate team would then be considered a non-participating candidate team; they would not be eligible for general election financing. Such a non-participating candidate team, if opposed by a participating candidate team, must file form CPFA 22T to establish their self imposed spending limit for the general election campaign expenditure period as described above.



Form CPFA 10: CANDIDATE'S POST PRIMARY BALANCE STATEMENT

Commonwealth
of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
(617) 979-8300

CPF ID# _____
For Office Use

File on or before September 18, 2018

1. Candidate's Name _____

2. Balance as of September 4, 2018

| | | | |
|--|-------|----------|------|
| a. Committee's Account | \$ | _____ | (2a) |
| b. Candidate's Account (if any) | \$ | _____ | (2b) |
| c. Savings Account, Money Market Account and Interest | \$ | _____ | (2c) |
| d. Other (See M-98-02) | \$ | _____ | (2d) |
| e. Add lines 2a, 2b, 2c and 2d | Total | \$ _____ | (2e) |

3. Reserve necessary to cover debts itemized on reverse side
incurred to defray campaign finance expenditures incurred
during this primary.

| | | | |
|--|----|-------|-----|
| | \$ | _____ | (3) |
|--|----|-------|-----|

4. Surplus - Subtract Line 3 from Line 2e
If line 4 is zero or less, enter zero and skip lines 6-10, no payment is due.

| | | | |
|--|----|-------|-------------------|
| | \$ | _____ | (4) |
| | | | (Surplus Balance) |

5. Total amount of public financing received for the
Primary Election Campaign.

| | | | |
|--|----|-------|-----------------------------|
| | \$ | _____ | (5) |
| | | | (Public Financing Received) |

6. Total contributions. (See M-98-02)

| | | | |
|---|-------|----------|------|
| a. Committee Balance | \$ | _____ | (6a) |
| b. Committee's Account | \$ | _____ | (6b) |
| c. Candidate's Account (if any) | \$ | _____ | (6c) |
| d. Contributions received but not deposited as of September 4, 2018 and Interest | \$ | _____ | (6d) |
| e. Add lines 6a, 6b, 6c, and 6d | Total | \$ _____ | (6e) |

7. Add Line 5 and Line 6e

| | | | |
|--|--------------|----------|-----|
| | Enter Amount | \$ _____ | (7) |
|--|--------------|----------|-----|

8. Divide Line 5 by Line 7

| | | | |
|--|--------------|----------|-----|
| | Enter Amount | \$ _____ | (8) |
|--|--------------|----------|-----|

9. Multiply Line 4 by Line 8

| | | | |
|--|--------------|----------|-----|
| | Enter Amount | \$ _____ | (9) |
|--|--------------|----------|-----|

10. Are you a candidate in the State Election on November 6, 2018?

| | | |
|--|-------|------|
| | _____ | (10) |
|--|-------|------|

OVER



Form CPFA 30: Post Primary Expenditure Report

Commonwealth
of Massachusetts

Finance Director

Office of Campaign and Political Finance

One Ashburton Place
Boston, MA 02108
(617) 979-8300

CPF ID# _____

For office use

All candidates who are subject to a primary campaign expenditure limit must file this form on or before September 18, 2018.

Primary campaign period: June 6, 2018 through September 4, 2018

Candidate's Name _____

1. Primary Campaign Expenditure Limit

2. Monetary Expenditures (Attach Schedules 2A, 2B & 2D)

- A. Total monetary expenditures (June 6, 2018 to September 4, 2018) _____
- B. Total prepaid expenditures (Made prior to June 6, 2018) _____
- C. Total gross primary campaign expenditure (Lines 2A+2B) _____
- D. Total exempt expenditures () _____
- E. Total primary campaign monetary expenditures (Lines 2C-2D) _____

3. In-Kind Contributions (Attach Schedules 3A, 3B & 3D)

- A. Total in-kind contributions (June 6, 2018 to September 4, 2018) _____
- B. Total in-kind contributions (Received prior to June 6, 2018)* _____
- C. Total gross primary campaign in-kind contributions (Lines 3A+3B) _____
- D. Total exempt in-kind contributions () _____
- E. Total primary campaign in-kind contributions (Lines 3C-3D) _____

4. Liabilities (Attach Schedules 4A, 4B & 4D)**

- A. Total outstanding liabilities incurred (June 6, 2018 to September 4, 2018) _____
- B. Total outstanding liabilities incurred (Prior to June 6, 2018)*** _____
- C. Total gross primary campaign liabilities (Line 4A+4B) _____
- D. Total exempt liabilities () _____
- E. Total primary campaign liabilities (Line 4C-4D) _____

5. Total Primary Campaign Expenditures (Lines 2E + 3E + 4E)

We certify that we have examined this report including attached schedules and it is, to the best of our knowledge and belief, a true and complete statement of all monetary expenditures made, in-kind contributions received and liabilities incurred during the primary campaign period.

Candidate's signature (in ink) _____

Date _____

Treasurer's signature (in ink) _____

Date _____

* Include all in-kind contributions made prior to June 6 for goods and services used during the primary campaign period.
 ** Do not include outstanding liabilities incurred in connection with monetary contributions made as loans.
 *** Include all outstanding liabilities incurred prior to June 6 for goods and services used during the primary campaign period.

Campaign expenditure reports: 970 CMR 4.13(3)

The campaign expenditure reports required to be filed by 970 CMR 4.13 after the primary or general election shall disclose:

(a) the campaign expenditure limit applicable to the candidate or the candidate team;

(b) the following expenditures itemized by date paid, to whom paid, amount paid and the purpose of payment:

1. the total amount of all expenditures made during the primary or general election campaign including, but not limited to, any checks written but not paid from the candidate's account;

2. the total amount of all expenditures made prior to the primary election campaign or the general election campaign for goods and services used during such campaign; and

3. the sum of 970 CMR 4.13(3)(b)1. and 970 CMR 4.13(3)(b)2;

4. the total amount of expenditures claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11;

5. the excess of 970 CMR 4.13(3)(b)3. over 970 CMR 4.13(3)(b)4.

(c) the following in-kind contributions received itemized by the date received, the person making the contribution, the amount or value and the purpose of the contribution:

1. the total amount of in-kind contributions received during the primary or general election campaign;

2. the total amount of in-kind contributions received prior to the primary election campaign or general election campaign which were used during said campaign;

3. the sum of 970 CMR 4.13(3)(c)1. and 4.13(3)(c)2.;

4. the total amount of in-kind contributions claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11;

5. the excess of 970 CMR 4.13(3)(c)3. over 970 CMR 4.13(3)(c)4.

(d) the following liabilities itemized by the date incurred, the person to whom the liability is owed, and the amount and purpose of the liability:

1. the total amount of outstanding liabilities incurred during the primary election campaign or the general election campaign;

2. the total amount of outstanding liabilities incurred prior to the primary election campaign or general election campaign for goods or services used during said campaign;

3. the sum of 970 CMR 4.13(3)(d)1. and 970 CMR 4.13(3)(d)2.;

4. the total amount of outstanding liabilities claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11; and

5. the excess of 970 CMR 4.13(3)(d)3. over 970 CMR 4.13(3)(d)4.

(e) the total adjusted amount of all expenditures made, in-kind contributions received and liabilities incurred which shall consist of the total of 970 CMR 4.13(3)(b)5., 970 CMR 4.13(3)(c)5. and 970 CMR 4.13(3)(d)5.;

(f) the excess of 970 CMR 4.13(3)(e) over 970 CMR 4.13(3)(a).

Section 7

After the Election: Post Election Reports

Form CPFA 11 and Form CPFA 31

Candidates who received public funds or who were subject to a campaign expenditure limit must file reports after the general election. These reports are almost identical to the reports that were required after the primary.

After the general election on November 6, 2018, each participating candidate who received public funds for the general election must file a surplus balance report. This form **Form CPFA 11: Candidate's Post-Election Balance Statement**, must be submitted to OCPF by **November 20, 2018**. This form discloses all balances remaining in the candidate/committee accounts. This statement is used to determine if a committee must make a refund to the SECF of any portion of the public funds received during the general election campaign.

The public financing law provides a formula that requires committees to pay back a portion of the public financing funds received if the committee has a surplus balance as of the date of the general election. Again, please review **OCPF Memorandum M-98-02** in Section 8 of this Handbook for additional information for completing CPFA Form 11.

Also due on or before **November 20, 2018** is **Form CPFA 31: Post-Election Expenditure Statement**. Any candidate, including a candidate for Governor or Lieutenant Governor, who was subject to a spending limit must file this report, which covers the period from the day after the primary election (September 5, 2018) through November 6, 2018. For unenrolled candidates, this period begins August 29, 2018. As noted in the previous section, the form includes a detailed report of all expenditures made, in-kind contributions received and liabilities incurred during the primary election campaign period. The report must include prepaid expenditures, (that is, any expenditure made prior to the general election campaign for goods or services which were used during the general election campaign). For example, if a candidate's committee purchased billboard space in July for display in October, this would be a prepaid expenditure that must be reported on Form CPFA 31. Such an expenditure will count toward a candidate's general election campaign expenditure limit. Similarly, this report will include any

in-kind contributions received or any liabilities incurred prior to the general election campaign for goods or services which were used during the general election campaign.

In addition, candidates should report any expenditure, in-kind contribution or liability which is exempt from the campaign expenditure limit. Exempt expenditures include the cost of a candidate's bond to receive public funds, capital goods, certain legal expenses, liabilities incurred and in-kind contributions received for goods or services that were not used during the primary election campaign and the cost of a general election night party.



Form CPFA 11: CANDIDATE'S POST ELECTION BALANCE STATEMENT

Commonwealth
of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
(617) 979-8300

CPF ID# _____
For Office Use

File on or before November 20, 2018*

1. Candidate's Name _____

2. Balance as of November 6, 2018

| | | |
|--|----------------|------|
| a. Committee's Account | \$ _____ | (2a) |
| b. Candidate's Account (if any) | \$ _____ | (2b) |
| c. Savings Account, Money Market Account and Interest | \$ _____ | (2c) |
| d. Other (See M-98-02) | \$ _____ | (2d) |
| e. Add lines 2a, 2b, 2c and 2d | Total \$ _____ | (2e) |

3. Reserve necessary to cover debts itemized on reverse side
incurred to defray campaign finance expenditures incurred
during this election. \$ _____ (3)

4. Surplus - Subtract Line 3 from Line 2e \$ _____ (4)
If line 4 is zero or less: skip lines 6-8 and enter zero on line 9 (Surplus Balance)

5. Total amount of public financing received for the General
Election Campaign. \$ _____ (5)
(Public Financing Received)

6. Total contributions. (See M-98-02)

| | | |
|---|----------------|------|
| a. Committee Balance (9/5/18) | \$ _____ | (6a) |
| b. Committee's Account (Deposited 9/5/18 to 11/6/18) | \$ _____ | (6b) |
| c. Candidate's account (if any) | \$ _____ | (6c) |
| d. Contributions received but not yet deposited as of 11/6/18 and Interest | \$ _____ | (6d) |
| e. Add lines 6a, 6b, 6c and 6d | Total \$ _____ | (6e) |

7. Add Line 5 and Line 6e Enter Amount \$ _____ (7)

8. Divide Line 5 by Line 7 Enter Amount \$ _____ (8)

9. Multiply Line 4 by Line 8 Enter Amount \$ _____ (9)

OVER



Form CPFA 31: Post Election Expenditure Report

Commonwealth
of Massachusetts

File with: Director
Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
617-979-8300

CPF ID# _____
For Office Use

All candidates who are subject to a general election campaign expenditure limit must file this form on or before November 20, 2018.

General election campaign period: September 5, 2018 through November 6, 2018*

Candidate's Name _____

1. General Election Campaign Expenditure Limit _____

2. Monetary Expenditures (Attach Schedules 2A, 2B & 2D)

- A. Total monetary expenditures (September 5, 2018 to November 6, 2018) _____
- B. Total prepaid expenditures (Made prior to September 5, 2018) _____
- C. Total gross general election campaign expenditures (Lines 2A+2B) _____
- D. Total exempt expenditures () _____
- E. Total election campaign monetary expenditures (Lines 2C-2D) _____

3. In-Kind Contributions (Attach Schedules 3A, 3B & 3D)

- A. Total in-kind contributions (September 5, 2018 to November 6, 2018) _____
- B. Total in-kind contributions (Received prior to September 5, 2018)** _____
- C. Total gross general election campaign in-kind (Lines 3A+3B) _____
- D. Total exempt in-kind () _____
- E. Total election campaign in-kind contributions (Lines 3C-3D) _____

4. Liabilities (Attach Schedules 4A, 4B & 4D)***

- A. Total outstanding liabilities incurred (September 5, 2018 to November 6, 2018) _____
- B. Total outstanding liabilities incurred (Prior to September 5, 2018)**** _____
- C. Total gross general election campaign liabilities (Line 4A+4B) _____
- D. Total exempt liabilities () _____
- E. Total election campaign liabilities (Line 4C-4D) _____

5. Total General Election Campaign Expenditures (Lines 2E + 3E + 4E) _____

We certify that we have examined this report including attached schedules and it is, to the best of our knowledge and belief, a true and complete statement of all monetary expenditures made, in-kind contributions received and liabilities incurred during the general election campaign period.

| | | | |
|---|-------------------|---|-------------------|
| Candidate's signature (in ink) _____ | Date _____ | Treasurer's signature (in ink) _____ | Date _____ |
|---|-------------------|---|-------------------|

* For unenrolled candidates, the general election campaign period begins on August 29, 2018 and ends on November 6, 2018.
 ** Include all in-kind contributions made prior to September 5th for goods and services used during the primary campaign period.
 *** Do not include outstanding liabilities incurred in connection with monetary contributions made as loans.
 **** Include all outstanding liabilities incurred prior to September 5th for goods and services used during the primary campaign period.

Campaign Expenditure Reports: 970 CMR 4.13(3)

The campaign expenditure reports required to be filed by 970 CMR 4.13 after the primary or general election shall disclose:

- a) the campaign expenditure limit applicable to the candidate or the candidate team;
- b) the following expenditures itemized by date paid, to whom paid, amount paid and the purpose of payment:
 1. the total amount of all expenditures made during the primary or general election campaign including, but not limited to, any checks written but not paid from the candidate's account;
 2. the total amount of all expenditures made prior to the primary election campaign or the general election campaign for goods and services used during such campaign; and
 3. the sum of 970 CMR 4.13(3)(b)1. and 970 CMR 4.13(3)(b)2.;
 4. the total amount of expenditures claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11;
 5. the excess of 970 CMR 4.13(3)(b)3. over 970 CMR 4.13(3)(b)4.
- c) the following in-kind contributions received itemized by the date received, the person making the contribution, the amount or value and the purpose of the contribution:
 1. the total amount of in-kind contributions received during the primary or general election campaign;
 2. the total amount of in-kind contributions received prior to the primary election campaign or general election campaign which were used during said campaign;
 3. the sum of 970 CMR 4.13(3)(c)1. and 4.13(3)(c)2.;
 4. the total amount of in-kind contributions claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11;
 5. the excess of 970 CMR 4.13(3)(c)3. over 970 CMR 4.13(3)(c)4.
- d) the following liabilities itemized by the date incurred, the person to whom the liability is owed, and the amount and purpose of the liability:
 1. the total amount of outstanding liabilities incurred during the primary election campaign or the general election campaign;
 2. the total amount of outstanding liabilities incurred prior to the primary election campaign or general election campaign for goods or services used during said campaign;
 3. the sum of 970 CMR 4.13(3)(d)1. and 970 CMR 4.13(3)(d)2.;
 4. the total amount of outstanding liabilities claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11; and
 5. the excess of 970 CMR 4.13(3)(d)3. over 970 CMR 4.13(3)(d)4.
- e) the total adjusted amount of all expenditures made, in-kind contributions received and liabilities incurred which shall consist of the total of 970 CMR 4.13(3)(b)5., 970 CMR 4.13(3)(c)5. and 970 CMR 4.13(3)(d)5.;
- f) the excess of 970 CMR 4.13(3)(e) over 970 CMR 4.13(3)(a).

Section 8



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

ONE ASHBURTON PLACE, ROOM 411
BOSTON, MASSACHUSETTS 02108

MICHAEL J. SULLIVAN
DIRECTOR

TEL: (617) 979-8300
(800) 462-OCPF
FAX: (617) 727-6549

M-97-01

Issued: January 2, 1997

Revised: January 29, 2018

MEMORANDUM

TO: Candidates Seeking Statewide Office in 2018

FROM: Michael J. Sullivan, Director *MJS*

SUBJECT: Preliminary Information for Candidates
Interested in Receiving Public Financing in 2018

M.G.L. chapter 55C, created by chapter 26 of the Acts of 2003, makes public financing available to qualifying candidates for governor and, if sufficient funds are available, to other qualifying candidates seeking statewide office in 2018. All contributions received from individuals and deposited in a statewide candidate's depository account on or after January 1, 2017 may be eligible as qualifying contributions for public financing. Contributions must also comply with chapter 55C and 970 CMR 4.00, OCPF's public finance regulations. This memorandum outlines several important steps candidates must take to ensure that qualified contributions are eligible for matching public funds.

1. Contributor Information/Matching Funds Eligibility

Candidates must identify each contribution submitted for public financing in 2018 by including the contribution on the **Form CPFA 4-6** (Statement of Qualifying Contributions) beginning with contributions received and deposited on or after January 1, 2017. For a contribution to be eligible for matching funds, the contributor must be identified and the contribution must be itemized regardless of amount, when disclosing contributions through OCPF's electronic filing disclosure system.

In addition, when electronically disclosing contributions, candidates should make sure to include the full name and address of each contributor, regardless of the amount of the contribution. For example, a contributor should be listed as Jane Smith not Dr. Smith. Initials or numerals such as "Sr.," "Jr.," or "II" should also be included. For example, John Smith, Jr. or John Smith, II.



2. Photocopying Contributor's Check

Candidates must submit a photocopy of each contribution check to OCPF when requesting matching public funds in 2018. Candidates must, therefore, make two photocopies of every contribution check received during 2017 and 2018; one for the candidate's records and one for submission to OCPF.

3. Verification Cards

To be eligible as a qualifying contribution, contributions by cash, treasurer's check, cashier's check, or money order must be reported on **Form CPFA 1** (Verification Card), signed by the contributor and submitted to OCPF. Contributions by cash may not exceed \$50 per person in a calendar year. Contributions by treasurer's check, cashier's check, or money order, may not exceed \$100 per person in a calendar year.

4 Contributions by Credit Card

For credit card contributions to be eligible, the contributions must be submitted to OCPF with a printed notification provided by the merchant provider to the committee, listing the source of each contribution. The information in the notification must include the amount of each contribution, and the name, and address of each contributor.

Note that merchant providers may provide committees with only *some* of the contributor information committees must maintain, e.g., the name of contributors and the amount contributed. Merchant providers typically do not, however, provide *all* required information, such as contributors' employer and occupation. Committees must obtain such information themselves, using their own website or through follow-up communications with contributors. See M-04-01.

5. Recordkeeping

By law and regulation, candidates seeking statewide office and the treasurers of candidate committees organized on behalf of such candidates must keep detailed accounts and records of all contributions, including in-kind contributions received, all expenditures made and all liabilities incurred. Such records will be particularly helpful to candidates and treasurers when completing the required post primary and election reports.

6. General

(a) *Eligibility* - To be eligible for matching public funds in 2018, enrolled party candidates must file, on or before June 5, 2018, a statement, Form CPFA 20 (Statement on Campaign Expenditure Limits) agreeing or not agreeing to limit spending to the amounts specified in section 1A of chapter 55C. Unenrolled candidates must file this form on or before August 28, 2018. Candidates who do not agree to the limit specified in section 1A must file a statement, Form CPFA 21 (Statement of Maximum Expenditures, Primary Campaign), establishing a self-imposed spending limit no later than June 8, 2018 if they are opposed by a

candidate in the primary who has agreed to the limits. A candidate who agrees to limit spending in accordance with the limits set forth in chapter 55C will have his or her expenditure limit increased to the highest self-imposed spending limit chosen by an opposing candidate. Exceeding the spending limit may subject a candidate to significant civil and criminal penalties.

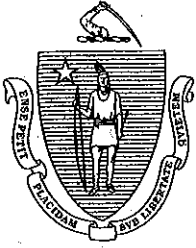
(b) *\$250 Limit* - Only \$250 of an *individual's* total contributions made in 2017 and 2018 is eligible to be considered as a qualifying contribution. For example, if Mary Jones contributes \$500.00 in 2017 and \$300.00 in 2018, only \$250.00 of Ms. Jones' \$800 in contributions may be submitted as a qualifying contribution.

(c) *Loans* - Contributions in the form of a loan are not eligible to be considered as qualifying contributions.

(d) *Penalty for not filing statement agreeing/not agreeing to statutory spending limit or setting self-imposed limit* - Chapter 55C states that the name of any candidate who fails to file a statement within the time required by Section 1A of chapter 55C "shall not appear on the state primary ballot nor the state election ballot, and the director shall inform the state secretary of any such failure."

If you have any questions or would like to make an appointment to review the disclosure and public financing procedures, please call OCPF.

Copies of chapter 55C and OCPF's public finance regulations (970 CMR 4.00) are available on our website www.ocpf.us/legal or upon request.



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

ONE ASHBURTON PLACE, ROOM 411
BOSTON, MASSACHUSETTS 02108

MICHAEL J. SULLIVAN
DIRECTOR

TEL: (617) 979-8300
(800) 462-OCPF
FAX: (617) 727-6549

M-98-02

MEMORANDUM

TO: Statewide Candidate Committees Participating in Limited Public Financing
FROM: Michael J. Sullivan *mjs*
DATE: January 29, 2018
RE: Surplus Funds: Application of the Pay-Back Formula

Section 9 of the limited public financing law, M.G.L. c.55C, provides a formula which requires committees to pay back a portion of the public financing funds received if the committee has excess funds as of the date of the primary or general election, whichever is applicable. This memorandum outlines the various factors which affect the pay-back formula.

The formula to determine the pay-back of excess public financing funds is:

$$\text{Surplus Balance} \times \frac{\text{Public Finance Received}}{\text{Public Finance Received} + \text{Contributions}}$$

Surplus Balance equals:

(a) the total of the following amounts as of the date of the primary or general election, whichever is applicable:

- (1) cash on hand (e.g. petty cash);
- (2) contributions received but not deposited;
- (3) accounts receivable (e.g. refunds/deposits from telephone, utility, rental properties)¹;
- (4) the cost of capital goods greater than \$1,000 acquired during the primary or election;
- (5) the balance remaining in all committee accounts (e.g. depository, savings, money market);

¹Any expenditure which does not comply with M.G.L. c. 55, 55C or 970 CMR 1.00-4.00 must be included in this category. OCPF will use reasonable efforts to determine, within the time frame prescribed by section 9, whether any expenditure made by the committee does not comply with applicable law and regulation. Such determinations are subject to change based upon additional information or review.



minus:

(b) the amount of any outstanding liability incurred during the election cycle to defray campaign expenditures used during the primary or general election.

Public Financing Received equals all public funds which a statewide candidate received pursuant to the provisions of M.G.L. c.55C for the primary or general election campaign whichever is applicable.

Contributions equals:

(a) **Primary election campaign:** the committee balance as of January 1, 2017, or the opening of the committee's depository account whichever is later plus the total of all contributions deposited since then and the total of all contributions received but not yet deposited in the candidate's depository account after such date.

(b) **General election campaign:** the committee balance as of the day after the primary election plus the total of all contributions deposited since then and the total of all contributions received but not yet deposited in the candidate's depository account after the primary election.

Any refunds, returned contributions, interest earnings or transfers from savings accounts, money market or other accounts into the depository account which are listed on the deposit reports should not be used in calculating contributions.

Section 9

Massachusetts General Law Chapter 55C

Limited Public Finance of Campaigns for Statewide Elective Office

Section 1: Definitions

Unless a contrary intention clearly appears, the words and phrases used in this chapter shall have the following meanings:

“Director”, the director of campaign and political finance as established by chapter 55.

“Candidate”, any candidate as defined by chapter 55.

“Statewide elective office”, the office of governor, lieutenant-governor, attorney general, secretary, treasurer and receiver general and auditor.

“Contribution”, any contribution as defined by chapter 55.

“Qualifying contribution”, any contribution made by an individual and deposited in a candidate’s depository account as required by section nineteen of chapter 55 during the calendar year in which elections are held for statewide elective office or the next preceding calendar year except as follows: (a) no contribution shall be considered a qualifying contribution unless the name and address of the individual making the contribution can be determined from statements required to be filed with the director; (b) no contribution shall be considered a qualifying contribution to the extent that it exceeds \$250 or would exceed \$250 when added to any such contribution previously made by the same individual during the calendar year in which elections are held for statewide elective office or the next preceding calendar year.

The same contribution may be a qualifying contribution for both the primary election and the state election in a year in which elections are held for statewide elective office but no contribution shall remain a qualified contribution after the end of any such year.

Section 1A: Filing Statement

(a) On or before the last day for filing that candidate's nomination papers with the state secretary pursuant to chapter 53, every candidate for statewide elective office shall file with the director a statement, in a form prescribed by the director, that the candidate does or does not agree:

(1) in the case of primary candidates, to abide by the following limits on expenditures for the following elective offices in the campaign for the state primary:

Governor \$1,500,000

Lieutenant Governor 625,000

Attorney General 625,000

Secretary 375,000

Treasurer and Receiver General 375,000

Auditor 375,000; and

(2) in the case of all candidates for statewide elective office, to abide by the following limits on expenditures for the following elective offices in the campaign for the state election:

Governor and Lieutenant Governor \$1,500,000

Attorney General 625,000

Secretary 375,000

Treasurer and Receiver General 375,000

Auditor 375,000

The name of a candidate who fails to file any statement within the time required by this subsection shall not appear on the state primary ballot nor on the state election ballot, and the director shall inform the state secretary of any such failure.

(b) On or before the last day for filing withdrawals of nominations for the state primary, every primary candidate for statewide office who has not agreed to abide by the expenditure limit under subsection (a), and who is opposed in that primary by 1 or more candidates who have agreed to this limit, shall file with the director a statement, in a form prescribed by the director, of the maximum amount of expenditures to be made in his campaign for that primary. The name of a candidate who fails to file a statement required by this subsection within the time so required shall not appear on the state primary ballot, and the director shall inform the state secretary of any such failure. The state primary campaign expenditure limit agreed to under subsection (a) by any candidate shall be increased to the highest amount stated under this subsection by any opposing candidate who has not agreed to this limit.

(c) On or before the last day for filing withdrawals of nominations made at the state primary, every candidate for statewide office in the state election who has not agreed to abide by the expenditure limit under subsection (a), and who is opposed in that election by 1 or more candidates who have agreed to this limit, shall file with the director a statement, in a form prescribed by the director, of the maximum amount of expenditures to be made in his campaign for that primary. The name of a candidate who fails to file a statement required by this subsection within the time so required shall not appear on the state election ballot, and the director shall inform the state secretary of any such failure. The state election campaign expenditure limit agreed to under subsection (a) by any candidate shall be increased to the highest amount stated under this subsection by any opposing candidate who has not agreed to this limit.

(d) Any candidate appointed to fill a vacancy in a nomination for statewide elective office shall file the statement required by subsection (a) not later than the last day for filing the certificate of

nomination to fill such vacancy. The time for opposing candidates to file the statements required by subsection (b) or (c), as the case may be, shall be extended accordingly.

(e) Any candidate who files a statement with the director under this section and who makes expenditures in excess of the limit established by this section, or in excess of the amount stated by said candidate pursuant to subsection (b) or (c), shall be punished by a fine of not more than the total of 2 times the amount of the expenditures in excess of said limit or said amount, as the case may be, in addition to the penalties provided by section 12.

Section 2: Qualifying candidates

On or before the ninth Tuesday before the primary election in any year in which elections are held for statewide elective office the state secretary shall determine and certify to the director and the state treasurer the names and addresses of all candidates for statewide elective office who qualify for the primary ballot and are opposed, by one or more candidates who have qualified for the same ballot in the primary election. For purposes of this chapter any candidate for statewide elective office for whom certificates of nomination and nomination papers have been filed in apparent conformity with law shall be considered qualified for the ballot notwithstanding any objections thereto that may be filed and notwithstanding any vacancy that may occur following the filing of such certificates of nominations and nomination papers other than a vacancy caused by withdrawal of a candidate within the time allowed by law. On or before the fifth Tuesday before the state election in any such year the state secretary shall determine and certify to the director and to the state treasurer the names and addresses of all candidates for statewide elective office who qualify for the state election ballot and are opposed by one or more candidates who have qualified for the state election ballot. For purposes of this chapter any candidate for statewide elective office for whom certificates of nomination and nomination papers have been filed in apparent conformity with law shall be considered qualified for the ballot, as provided with respect to candidates for the primary election, and any, such candidates nominated at the primary election shall be considered qualified for the ballot notwithstanding any objections thereto that may be filed and notwithstanding any vacancy that may occur other than a vacancy caused by withdrawal of a candidate within the time allowed by law. The state secretary shall

) promptly determine and certify to the director and state treasurer the name and address of any candidate that no longer qualifies for the primary or state election ballot or no longer has opposition because of death or withdrawal or ineligibility for office or because objections to certificates of nomination and nomination papers have been sustained or because of a recount or for any other like reason.

Section 3: Limited public financing eligibility

The director shall determine and certify to the state treasurer those candidates for statewide elective office that are eligible for limited public financing as provided in sections 4 and 6 and shall determine and certify to the state treasurer the amounts due to each eligible candidate as provided in sections 5 and 7.

) The director shall prescribe and make available forms on which statements of qualifying contributions shall be filed by candidates, which statements shall contain the name and address of each individual making a contribution, the amount of the contribution and date of deposit, the cumulative total of all contributions made by that individual during the calendar year in which elections are held for statewide elective office and the next preceding calendar year and shall contain such other information and shall be organized in such a manner as the director may reasonably require to expedite the determinations required to be made by the director by this chapter. The director shall notify candidates of any amounts determined by the director to be due from candidates under section nine and shall direct that such amounts be paid to the state election campaign fund. On or before January 30 of any year next following a year in which elections are held for statewide elective office the director shall prepare and submit a report relating to the matters entrusted to him under this chapter to the clerk of the senate and to the commission established by section 3 of chapter 55 and shall make copies of such report available to any person upon payment of the reasonable cost of copying or reproduction.

Section 4: Minimum financing available; primary election

Any candidate for statewide elective office certified by the state secretary under section 2 as qualifying for the ballot and having opposition in primary election shall be eligible to receive limited public financing of his primary election campaign, to the extent provided by section 5, on determination and certification by the director that the candidate (a) has filed a request for public financing with the director together with the bond required by section 8; (b) has filed with the director a statement under subsection (a) of section 1A agreeing to abide by the expenditure limits provided thereby; and (c) has received qualifying contributions as defined by section 1 in at least the following minimum amounts for the following statewide elective offices:

Governor \$75,000

Lieutenant Governor 15,000

Attorney General 37,500

Secretary 15,000

Treasurer and Receiver General 15,000

Auditor 15,000

Only amounts appearing in statements of qualifying contributions filed with the director, in such form as he shall prescribe, shall be considered in determining whether any such minimum amount has been met. Determination and certification of the eligibility of candidates shall be made by the director on the eighth Tuesday before the primary and shall be based solely upon information contained in such statements as have been filed by candidates. Candidates for governor seeking public financing shall file the statement on or before the Friday that is 11 days preceding said eighth Tuesday and other candidates seeking public financing shall file said statements on or before the Friday next preceding said eighth Tuesday.

Section 5: Maximum financing available; primary election

Any candidate eligible to receive limited public financing of his primary election campaign shall, on determination and certification by the director, be entitled to an amount equal to \$1 for each one dollar of qualifying contributions as defined by section 1, subject to the following limitations: (a) no candidate shall be entitled to receive any amount in excess of the balance then remaining in the primary candidate account established for that candidate under section 42 of chapter 10; (b) nor shall any candidate be entitled to receive any amount in excess of the following maximum amounts for the following statewide elective offices:

Governor \$750,000

Lieutenant Governor 312,500

Attorney General 312,500

Secretary 187,500

Treasurer and Receiver General 187,500

Auditor 187,500

Only amounts appearing in statements of qualifying contributions filed with the director, in such form as he shall prescribe, shall be considered in determining amounts to which candidates are entitled. Determinations and certifications of the amounts to which eligible candidates are entitled shall be made by the director on or before the eighth, sixth, fourth and second Tuesday before the primary election and shall be based solely upon information contained in such statements as have been filed prior to such dates.

Section 6: Minimum financing available; state election

Any candidate for statewide elective office certified by the state secretary under section two as qualifying for the ballot and having opposition in the state election shall be eligible to receive limited public financing of his state election campaign, to the extent provided by section 7, on determination and certification by the director that the candidate (a) has filed a request for public financing with the director together with the bond required by section 8; (b) has filed with the director a statement under subsection (a) of section 1A agreeing to abide by the expenditure limits provided thereby; and (c) has received qualifying contributions as defined by section 1 in at least the following minimum amounts for the following statewide elective offices:

Governor and Lieutenant Governor \$125,000

Attorney General 62,500

Secretary 25,000

Treasurer and Receiver General 25,000

Auditor 25,000

Only amounts appearing in statements of qualifying contributions filed with the director, in such form as he shall prescribe, shall be considered in determining whether any such minimum amount has been met. Determination and certification of the eligibility of candidates shall be made by the director on the fourth Tuesday before the state election and shall be based solely upon information contained in such statements as have been filed by candidates. Candidates for governor and lieutenant governor seeking public financing shall file the statement on or before the Friday that is 11 days preceding said fourth Tuesday and other candidates seeking public financing shall file said statements on or before the Friday next preceding said fourth Tuesday.

The fact that a qualifying contribution has previously been considered in determining eligibility for, or the extent of, public financing of a candidate's primary election campaign shall not

prevent consideration of the same contribution in determining eligibility for public financing of such candidate's state election campaign.

Section 7: Maximum financing available; state election

Any candidate eligible to receive limited public financing of his state election campaign shall, on determination and certification by the director, be entitled to an amount equal to \$1 for each one dollar of qualifying contributions as defined by section one subject to section nine and subject to the following limitations: (a) no candidate shall be entitled to receive any amount in excess of the balance then remaining in the state election candidate account established for that candidate under section 43 of chapter 10; (b) nor shall any candidate be entitled to receive any amount in excess of the following maximum amounts for the following statewide elective offices:

Governor and Lieutenant Governor \$750,000

Attorney General 312,500

Secretary 187,500

Treasurer and Receiver General 187,500

Auditor 187,500

Only amounts appearing in statements of qualifying contributions filed with the director, in such form as he shall prescribe, shall be considered in determining amounts to which candidates are entitled. Determinations and certifications of the amounts to which eligible candidates are entitled shall be made by the director on or before the fourth and second Tuesday before the state election and shall be based solely upon information contained in such statements as have been filed prior to such dates.

The fact that a qualifying contribution has previously been considered in determining eligibility for, or the extent of, public financing of a candidate's primary election campaign shall not

prevent consideration of the same contribution in determining the extent of public financing of such candidate's state election campaign.

Section 8: Bond for faithful compliance

No candidate shall be eligible to receive public financing under this chapter unless and until the candidate deposits with the director a bond for the faithful compliance by such candidate and any political committee organized on his behalf with the provisions of this chapter. Such bond shall be in a form approved by the director, shall be signed by such candidate and the chairman and treasurer of any such committee, shall run to the commonwealth, shall be in force during the year in which elections for statewide elective office are held and for the following calendar year. The bond deposited for the purpose of receiving public financing for the primary election campaign must be for the amount which the comptroller has credited to the account established on behalf of that candidate for the primary election campaign. The bond deposited for the purpose of receiving public financing for the state election campaign must be for the amount which the comptroller has credited to the account established on behalf of that candidate for the state election campaign, but in the case of a candidate for governor, the bond on behalf of said candidate shall be in the amount which the comptroller has credited to the account established on behalf of that governor and lieutenant governor team.

On determination by the director that a candidate has failed to make the payments to the state treasurer required by section 9 the director may request the attorney general to bring an action in the name of the state treasurer upon the bond of such candidate and his political committee and may recover for the benefit of the state election campaign fund, up to the sum of such bond, any such payments so required. Any such action shall be in addition to remedies otherwise available by law and no action on any such bond shall preclude the director from bringing such other civil or criminal proceedings as may otherwise be provided by law.

Section 9: Statement of surplus balance

Within 2 weeks following any primary or state election for statewide elective office any candidate who has received public financing under this chapter shall file a statement with the director showing the balance remaining in the candidate's depository account as of the primary or state election less any reserve necessary to cover debts incurred to defray campaign expenditures incurred during such primary or state election. Except as provided in this section, any candidate having a surplus balance following any such primary or state election shall thereupon pay to the state treasurer for deposit to the State Election Campaign Fund an amount determined by multiplying such surplus balance by a fraction the numerator of which is the total amount of public financing received on account of such primary or state election campaign and the denominator of which is the sum of such public financing received and all contributions received by such candidate. No candidate having a surplus balance following the primary election shall be required to make any payment on account of such surplus if such candidate is certified by the state secretary under section 2 as qualifying for the ballot and having opposition in the state election and is certified by the director of campaign and political finance as eligible for public financing for the state election within 3 weeks following such primary election. In determining and certifying the amount to which any such candidate is entitled under section 7, the director shall reduce the amount that would otherwise be determined under that section by an amount equal to the amount that such candidate would be required to pay to the state treasurer under this section but for this sentence.

If the director determines that any portion of the payments made to an eligible candidate under this chapter was in excess of the aggregate amount of the payments to which the candidate was entitled he shall so notify the candidate and he shall thereupon pay to the state treasurer an amount equal to the excess amount.

If the director determines that any portion of the payments made to a candidate under this chapter for use in his primary election campaign or his state election campaign was used for any purpose other than to defray campaign expenditures in that campaign, or to repay loans the proceeds of which were used to defray campaign expenditures in that campaign, the director shall so notify

the candidate and he shall thereupon pay an amount equal to the full amount so used to the state treasurer without regard to the source of the funds so used.

Any candidate who fails to pay an amount determined by the director to be due within 10 days of notice thereof shall be subject to a penalty of \$50 per day for every day that such amount remains unpaid.

Section 10: Declining public financing

No candidate shall be required to accept public financing nor shall any candidate otherwise eligible for public financing be denied such financing solely because an opposing candidate declines to accept such financing.

Section 11: Director authority

The director shall promulgate such rules and regulations as are necessary to effectuate the purposes of this chapter.

The director shall have the same power and authority to investigate the legality, validity, completeness and accuracy of all reports and actions required to be filed and taken by candidates pursuant to this chapter as is provided by section 3 of chapter 55 pertaining to campaign contributions and expenditures.

Section 12: Punishment for violations

Violation by any person of any provision of this chapter shall, in addition to any civil liabilities established by this chapter, be punished by imprisonment for not more than 1 year or by a fine of not more than on \$1,000, or both.

970 CMR 4.00: PUBLIC FINANCE REGULATIONS

Section

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4.01: Scope and Purpose

M.G.L. c. 55C establishes expenditure limits for certain candidates for statewide elective office in the Commonwealth. In addition, M.G.L. c. 55C provides that candidates for statewide elective office who agree to abide by certain statutory expenditure limits and who submit qualified contributions in the minimum amounts established by law are eligible for limited public financing. M.G.L. c. 55C also regulates the distribution, accounting and, in certain cases, the repayment of public funds by candidates. 970 CMR 4.00 governs certain procedures candidates must follow in order to have their name appear on the ballot and that those candidates seeking public financing of their campaign must follow to qualify for public funds. In addition, 970 CMR 4.00 governs the procedures, recordkeeping practices and post election audits applicable to candidates for statewide elective office.

4.02: General Provisions

- (1) Authority. 970 CMR 4.00 is promulgated under authority of M.G.L. c. 55, §§ 3 and 6, c. 55C, § 11 and M.G.L. c. 30A.
- (2) Amendments. 970 CMR 4.00 may be amended at any time, and such amendments shall take effect in accordance with M.G.L. c. 30A, § 6.
- (3) Submission Deadlines. Unless otherwise provided for in 970 CMR 4.00, all reports, statements or other information required to be filed by candidates with the director pursuant to M.G.L. c. 55C shall be filed with the Director no later than 5:00 P.M. on the date such statement is due. The Director shall receive and record all submissions regardless of when filed but shall not act on any submission filed after 5:00 P.M. unless so ordered by a court of competent jurisdiction.
- (4) Certifications. Determination and certification of a candidate's eligibility pursuant to M.G.L. c. 55C, §§ 4 and 6 and determination and certification of the amount of public funds to which candidates are entitled pursuant to M.G.L. c. 55C, §§ 5 and 7 shall be made on or before the eighth, sixth, fourth or second Tuesday before the primary election or the fourth or second Tuesday before the general election based solely on information contained on statements of qualifying contributions filed with the director. Candidates for governor seeking public financing in the primary campaign shall file the statement on or before the Friday preceding the ninth Tuesday before the primary, and other candidates seeking public financing in the primary campaign shall file the statement on or before the Friday preceding the eighth Tuesday before the primary. Candidates for governor and lieutenant governor seeking public financing in the general election campaign shall file the statement on or before the Friday preceding the fifth Tuesday before the general election and other candidates seeking public financing in the general election shall file the statement on or before the Friday preceding the fourth Tuesday before the

4.02: continued

general election. All candidates submitting additional qualifying contributions for determination and certification on or before the sixth, fourth, or second Tuesday before the primary, or on or before the second Tuesday before the general election, shall file the statement on or before 5:00 P.M. on the Friday preceding said Tuesday. The director shall receive and record all statements of qualifying contributions regardless of when filed but shall not act on any such statement filed after 5:00 P.M. unless so ordered by a court of competent jurisdiction.

4.03: Definitions

Terms used in 970 CMR 4.00 shall have the meanings provided in M.G.L. c. 55 or 55C unless the term is specifically defined in 970 CMR 4.03 or the context otherwise requires.

Campaign Expenditure Limit means the self-imposed expenditure limit established by a candidate or a candidate team pursuant to M.G.L. c. 55C, § 1A(b) and (c) or the statutory expenditure limit established by M.G.L. c. 55C, § 1A(a).

Candidate means a candidate for the office of governor, lieutenant governor, secretary of state, attorney general, state treasurer and receiver general and auditor as defined by M.G.L. c. 55C, § 1 and who files nomination papers with the secretary of state pursuant to M.G.L. c. 53 or who is appointed to fill a vacancy in a nomination for such office. The term "candidate" shall include, unless the context otherwise requires, the candidate committee organized on behalf of such candidate.

Candidate Team means the team for governor and lieutenant governor nominated at the state primary election during an election cycle or otherwise nominated in accordance with M.G.L. c. 53.

Depository Account means the bank account established by a candidate, as defined by M.G.L. c. 55, § 1, for statewide elective office under M.G.L. c. 55, § 19.

Director mean the Director of the Office of Campaign and Political Finance.

Election Cycle means the calendar year in which elections are held for statewide elective office and the next preceding calendar year.

Eligible Candidate means a candidate as defined in 970 CMR 4.03 whom the director certifies to the state treasurer as eligible for limited public financing pursuant to M.G.L. c. 55C, § 3.

General Election Campaign means the period which begins on the day after the primary election and concludes on the day of the general election except, in the case of an unenrolled candidate as defined in M.G.L. c. 53, § 6, such period shall begin on the day after the day for filing such unenrolled candidate's nomination papers and conclude on the day of the general election.

In-kind Contribution means a contribution of anything of value other than money.

Non-participating Candidate means a candidate who has filed the statement required by 970 CMR 4.04(1) stating that the candidate has not agreed to abide by the statutory expenditure limit applicable to such candidate for the primary and general election campaign.

Non-participating Candidate Team means a candidate team in which either the candidate for governor or the candidate for lieutenant governor has filed the statement required by 970 CMR 4.04(1) stating that the candidate has not agreed to abide by the statutory expenditure limit applicable to the candidate for governor or the candidate for lieutenant governor as the case may be for the primary election campaign and the statutory expenditure limit applicable to a candidate team for the general election campaign.

Participating Candidate means a candidate who has filed the statement required by 970 CMR 4.04(1) stating that the candidate has agreed to abide by the statutory expenditure limit applicable to such candidate for the primary and general election campaign.

4.03: continued

Participating Candidate Team means a candidate team in which the candidate for governor and the candidate for lieutenant governor have each filed the statement required by 970 CMR 4.04(1) stating that the candidate for governor or the candidate for lieutenant governor as the case may be has agreed to abide by the statutory expenditure limit applicable to the candidate for governor or the candidate for lieutenant governor as the case may be for the primary election campaign and applicable to a candidate team for the general election campaign.

Primary Election Campaign means the period which begins on the day after the last day for filing a candidate's nomination papers with the secretary of state pursuant to M.G.L. c. 53 and concludes on the day of the primary election.

Qualifying Contribution means any monetary contribution made by an individual and deposited in the depository account of a candidate, as defined by M.G.L. c. 55, § 1, during the election cycle provided that the contribution does not exceed an individual's qualifying contribution limit as defined by 970 CMR 4.03 and complies with the requirements of 970 CMR 4.05. A qualifying contribution shall not include a contribution:

- (a) made in the form of a loan;
- (b) refunded or intended to be refunded to a contributor;
- (c) uncollected due to lack of sufficient funds or for other reasons; or
- (d) prohibited by M.G.L. c. 55, 970 CMR 1.00 or any other law or regulation.

Qualifying Contribution Limit means any qualifying contribution to a candidate which is equal to or less than \$250, or, when added to any previously submitted contribution made by the same individual to that candidate during an election cycle, is equal to or less than \$250.

Self-imposed Expenditure Limit means the expenditure limits established by a candidate or a candidate pursuant to M.G.L. c. 55C, § 1A(b) and 1A(c).

Statutory Expenditure Limit means the expenditure limit established for a candidate or a candidate team by M.G.L. c. 55C, § 1A(a).

4.04: Candidate Statements to Abide by Expenditure Limits

(1) Statement Agreeing to Statutory Expenditure Limit. On or before the last day for filing nomination papers with the state secretary pursuant to M.G.L. c. 53, every candidate for statewide elective office shall file, with the director, a statement on a form prepared by the director stating that the candidate does or does not agree to abide by the statutory expenditure limit for the primary election campaign and the general election campaign.

(2) Statement Establishing Self-imposed Expenditure Limit. On or before the last day for filing withdrawals of nominations for the state primary and on or before the last day for filing withdrawals of nominations made at the state primary, every non-participating candidate or candidate team opposed in the primary election or the general election as the case may be by a participating candidate or candidate team shall file with the director a statement establishing a self-imposed expenditure limit.

(3) Director's Review of Statements. The director shall review all statements submitted pursuant to 970 CMR 4.04(1) and (2).

(a) Statements filed, pursuant to 970 CMR 4.04(1), by a candidate enrolled in a party, shall be confidential until all such candidates for the same office have filed their Statement on Campaign Expenditure Limits (Form CPFA 20) or until the first business day after such statements are due, whichever date is earlier. Such statements filed by a candidate not enrolled in a party shall be confidential until all such candidates for the same office have filed their statements or until the first business day after such statements are due from such candidates, whichever date is earlier.

(b) All statements filed under 970 CMR 4.04(2) shall be confidential until all candidates for the same office who are required to file Statements of Maximum Expenditures (Form CPFA 21, Form CPFA 22 or Form CPFA 22T) have filed such statements, or until the first business day after such statements are due, whichever date is earlier.

4.04: continued

(4) Exception to Campaign Expenditure Limit. A nonparticipating candidate or candidate team shall not be subject to a campaign expenditure limit if no other candidate seeking nomination or election to the same statewide elective office or offices is a participating candidate or candidate team.

(5) Multiple Self-imposed Expenditure Limits. If the campaign expenditure limit is increased for a candidate or candidate team in accordance with M.G.L. c. 55C, § 1A(b) and (c), such limit shall be increased for all candidates or candidate teams seeking nomination or election to the same statewide elective office or offices to the highest self-imposed expenditure limit established by a candidate or candidate team for such office or offices.

4.05: Eligible Candidate's Statement of Qualifying Contributions

(1) Any candidate or candidate team who seeks certification as an eligible candidate or candidate team shall, in addition to any other requirement established by M.G.L. c. 55C or 970 CMR 4.00, file with the director on a form prepared by the director a statement of qualifying contributions pursuant to M.G.L. c. 55C, § 3.

(2) The statement of qualifying contributions shall include such information as the Director may reasonably require to expedite the certifications and determinations required to be made by the director under M.G.L. c. 55C and 970 CMR 4.00. Such information, except for the information required by 970 CMR 4.05(2)(e), (g) and (h), shall be submitted in a database approved by the director:

(a) the first and last name and residential address, listed in chronological order by date of deposit, of each individual making a contribution that is being claimed, in whole or in part, as a qualifying contribution;

(b) the amount of each contribution claimed as a qualifying contribution and the date of deposit;

(c) the amount of the contribution claimed as a qualifying contribution which shall not exceed the qualifying contribution limit;

(d) the cumulative total of all contributions claimed as qualifying contributions for the election cycle to date less than or equal to \$250 from an individual including the contribution identification number for any previously claimed contributions;

(e) if the contribution equals or exceeds \$200 or would equal or exceed \$200 when added to any such contribution previously made by the same individual during a calendar year, the occupation and employer of such individual or a copy of the letter requesting such information as required by 970 CMR 1.08(2)(b), unless:

1. such information is contained in the listing of contributions when originally deposited or amended in accordance with 970 CMR 1.08; or

2. the contributions were solicited less than 45 days prior to the submission of the statement of qualifying contributions at which time a request for the information was made by the candidate or committee, but in this instance such submission must be amended by candidates and committees as more accurate employer/occupation information becomes available.

(f) the cumulative total of all contributions made by that individual during the election cycle;

(g) a copy of each contribution check which is being claimed as a qualifying contribution, submitted in chronological order;

(h) the verification card provided for in 970 CMR 4.05(3) for the following contributions:

1. a cash contribution of \$50 or less, or a contribution made by money order, bank check, treasurer's check, certified or cashier's check or other check on which the contributor is not directly liable of \$100 or less;

2. a contribution written on a check which does not contain the name of the contributor; and

3. a contribution written on a check containing a name of a sole proprietorship's account or other unincorporated business association or organization; and

(i) a cumulative, alphabetical listing by last name of all contributions claimed as qualifying contributions to date.

4.05: continued

- (3) The director shall prepare verification cards which include the information required by 970 CMR 4.05(2)(h). Verification cards shall be signed by the contributor and the candidate committee's treasurer or the treasurer's designee and shall state that the contribution identified by the verification card was made during the relevant election cycle from personal funds of the individual contributor signing the verification card.
- (4) No contribution appearing on the statement of qualifying contributions shall be certified by the director as a qualifying contribution unless the name and residential address of the contributor appears on such statement and each of the following documents in substantially the same form as provided for in 970 CMR 4.06:
 - (a) the contribution check or verification card required by 970 CMR 4.05(3); and
 - (b) the electronic report of the deposit on which such contribution was reported to the director under M.G.L. c. 55, § 19(b) or any amended deposit report filed with the director.
- (5) Contributions of \$250 or less made during the election cycle to either or both the candidate for governor or the candidate for lieutenant governor of a candidate team may be claimed as a qualifying contribution for the general election campaign by the candidate team and shall be certified by the director if such contribution otherwise complies with 970 CMR.
- (6) A contribution that is not listed in the electronic filing system as having been received and deposited by the candidate will not be claimed as a qualifying contribution.
- (7) A statement of qualifying contributions that is submitted prior to the deadline for filing such statements under M.G.L. c. 55, §§ 4 and 6 and 970 CMR 4.02(4) may be electronically amended prior to such deadline.

4.06: Determination of Contributor Identity

In determining whether the name and residential address are in "substantially the same form" on the documents set forth in 970 CMR 4.05(2) and (3), the following rules shall apply unless additional information submitted with the documents in 970 CMR 4.05(2) and (3) provide clear and convincing evidence regarding the identity of an individual contributor:

- (1) Amount. The amount of the total contribution reported on the statement of qualifying contributions must equal the amount of the contribution check and the amount reported on the electronic report of deposit for such contribution.
- (2) Initials. A contributor's name is acceptable without a middle initial such as Jane Smith instead of Jane M. Smith or with a first initial and a middle name such as J. Mary Smith. A contributor's name would not be acceptable with only a first initial such as D. Jones.
- (3) Titles. The following rules shall apply to the use of initials, numerals and titles in determining whether a contribution shall be certified by the director:
 - (a) Initials or numerals at the end of a last name which identify an individual such as "Jr.", "Sr.", "II", and "III" must appear in a consistent manner on the documents submitted pursuant to 970 CMR 4.05(3).
 - (b) Titles such as "Mr.", "Ms.", "Mrs.", or "Dr." and a last name only, for example Ms. Jones or Dr. Smith would not be acceptable.
- (4) Signatures. The contribution check must be signed by the contributor or accompanied by a verification card unless the contribution was made on a joint account and has been specifically attributed to one or more of the joint owners of such account in a writing submitted to the candidate at the time the contribution was made in accordance with 970 CMR 1.04(1). A contribution check signed by more than one contributor shall be attributed in equal amounts to each contributor unless accompanied by a verification card.

4.07: Candidates Eligible for Public Financing

- (1) Eligible Primary Candidates. A candidate shall be certified as an eligible candidate for the purpose of receiving limited public financing for that candidate's primary election campaign if:

4.07: continued

- (a) the state secretary has certified the candidate as qualifying for the ballot and having opposition under M.G.L. c. 55C, § 2; and
 - (b) the candidate has filed with the Director:
 - 1. the statement agreeing to the statutory expenditure limit;
 - 2. the statement of qualifying contributions required by 970 CMR 4.05, which the director has determined includes qualifying contributions in the minimum amounts established by M.G.L. c. 55C, § 4. Candidates for governor seeking public financing in the primary campaign shall file the statement on or before the Friday preceding the ninth Tuesday before the primary, and other candidates seeking public financing in the primary campaign shall file the statement on or before the Friday preceding the eighth Tuesday before the primary; and
 - 3. the request required by 970 CMR 4.07(2).
- (2) The candidate shall file a written request for limited public financing on a form prepared by the Director. Such request shall include a statement that the candidate:
- (a) is requesting limited public funds for that candidate's primary election campaign and will use such funds only in accordance with M.G.L. c. 55 and c. 55C and 970 CMR;
 - (b) understands that the candidate must obtain a bond in accordance with M.G.L. c. 55C, § 8 and 970 CMR 4.09 prior to the distribution of any public funds; and
 - (c) understands that the candidate may be required to pay back public funds to the Commonwealth pursuant to M.G.L. c. 55C, § 9.
- (3) Eligible General Election Candidates. Except as provided in 970 CMR 4.07(5), a candidate or candidate team shall be certified as an eligible candidate for the purposes of receiving limited public financing for the candidate's general election campaign if:
- (a) the state secretary has certified the candidate or candidate team as qualifying for the ballot and having opposition under M.G.L. c. 55C, § 2; and
 - (b) the candidate has filed with the director:
 - 1. the statement agreeing to the statutory expenditure limit;
 - 2. the statement of qualifying contributions required by 970 CMR 4.05, which the director has determined includes qualifying contributions in the minimum amounts established by M.G.L. c. 55C, § 6. Candidates for governor and lieutenant governor seeking public financing in the general election campaign shall file the statement on or before the Friday preceding the fifth Tuesday before the primary, and other candidates seeking public financing in the primary campaign shall file the statement on or before the Friday preceding the fourth Tuesday before the primary; and
 - 3. the request required by 970 CMR 4.07(4).
- (4) The candidate shall file a written request for limited public financing on a form prepared by the Director. Such request shall include a statement that the candidate:
- (a) is requesting limited public funds for that candidate or candidate team's general election campaign and will use such funds only in accordance with M.G.L. chs. 55 and 55C and 970 CMR;
 - (b) certifies that the candidate will obtain a bond in accordance with M.G.L. c. 55C, § 8, 970 CMR 4.08(3) and 4.09 prior to the distribution of any public funds; and
 - (c) understands that the candidate may be required to pay back public funds to the Commonwealth pursuant to M.G.L. c. 55C, § 9.
- (5) Candidate Teams. A candidate team shall be certified as an eligible candidate team for the purposes of receiving limited public financing for such team's general election campaign in the same manner as a candidate is certified as an eligible candidate in accordance with 970 CMR 4.07(3) provided:
- (a) the candidate for governor and the candidate for lieutenant governor of a candidate team have each filed the statement required by 970 CMR 4.04 agreeing to abide by the statutory expenditure limit;
 - (b) the Director has determined that the combined statements of qualifying contributions submitted by the candidate for governor and the candidate for lieutenant governor of such candidate team include qualifying contributions in the minimum amounts established by M.G.L. c. 55C, § 6; and
 - (c) the candidate for governor has filed the request for limited public financing in accordance with 970 CMR 4.07(4) on behalf of the candidate team.

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4.08: Certification of Limited Public Financing for Eligible Candidates

- (1) Primary Election Public Funding. A candidate certified as an eligible candidate pursuant to 970 CMR 4.07(1) shall, upon filing the bond required by M.G.L. c. 55C, § 8, be entitled to limited public financing in the amount established by M.G.L. c. 55C, § 5.
- (2) No candidate shall be entitled to receive an amount of public funding for that candidate's primary election campaign in an amount in excess of:
 - (a) the primary candidate account established under M.G.L. c. 10, § 42A(a); or
 - (b) the maximum amounts established by M.G.L. c. 55C, § 5; or
 - (c) the amount of the bond filed pursuant to M.G.L. c. 55C, § 8.
- (3) General Election Public Funding. A candidate or candidate team certified as an eligible candidate or team pursuant to 970 CMR 4.07(3) or 4.07(5) shall, upon filing the bond required by M.G.L. c. 55C, § 8 by the candidate or, in the case of a candidate team by the candidate for governor of such team, be entitled to limited public financing in the amount established by M.G.L. c. 55C, § 7.
- (4) No candidate or candidate team shall be entitled to receive an amount of public funding for that candidate or candidate team's general election campaign in an amount in excess of:
 - (a) the general election candidate account established under M.G.L. c. 10, § 42A(b); or
 - (b) the maximum amounts established by M.G.L. c. 55C, § 7; or
 - (c) the amount of the bond filed pursuant to M.G.L. c. 55C, § 8.

4.09: Candidate's Bond and Distribution Limitations

- (1) The bond which is filed shall:
 - (a) be on a form approved by the director;
 - (b) contain the notarized original signatures of the candidate, chairman and treasurer of such candidate's committee and the surety;
 - (c) be issued by a fidelity or surety company authorized or licensed to do business in Massachusetts; and
 - (d) if signed by an attorney-in-fact for such fidelity or surety company, be accompanied by a notarized power of attorney.
- (2) The bond shall be in the amount the comptroller has credited to the account established by the comptroller on behalf of the candidate for the primary election or general election or such other amount determined by the candidate subject to 970 CMR 4.09(4).
- (3) Bonds shall be signed under the penalties of perjury by the candidate and the chairman and treasurer of that candidate's committee.
- (4) Notwithstanding the provisions of 970 CMR 4.09(2) the director shall not determine or certify, and no candidate shall be eligible to receive, any amount of public financing that would be in excess of:
 - (a) the amount of the bond filed pursuant to M.G.L. c. 55C, § 8 and 970 CMR; or
 - (b) the balance then remaining in the account established by the comptroller on behalf of the candidate for the primary election or general election; or
 - (c) the maximum amounts provided for in M.G.L. c. 55C, §§ 5 and 7.
- (5) No eligible candidate shall receive a distribution of public financing pursuant to M.G.L. c. 10, c. 55C or 970 CMR unless and until the eligible candidate files with the director the bond required by M.G.L. c. 55C, § 8.
- (6) Wiring of Funds. All public funds allocated to a candidate or a candidate team certified as eligible for limited public financing shall be wired by the state treasurer to the depository account of the candidate or, in the case of a candidate team, to the depository account of the candidate for governor of such candidate team.

(4.10: General Election: Rules Applicable to Governor and Lieutenant Governor Team: Reserved)

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4.11: Expenditures Subject to Expenditure Limitations

(1) General. Candidates and political committees may pay and expend money or other thing of value including funds received pursuant to M.G.L. c. 55C, receive in-kind contributions and incur liabilities, for reasonable and necessary expenses directly related to the campaign of such candidates provided such expenditures, in-kind contributions and liabilities comply with M.G.L. c. 55, § 6, 970 CMR 2.06: *Expenditures by Candidates and Political Committees* and 970 CMR 4.00.

(a) Primary Election Campaign. All expenditures made, in-kind contributions received and liabilities incurred, other than liabilities incurred as a result of loans made by a candidate to that candidate's committee in accordance with M.G.L. c. 55, § 7, during the primary election campaign whether or not such expenditures, contributions or liabilities comply with M.G.L. c. 55, c. 55C, 970 CMR or any other law or regulation shall count toward the campaign expenditure limit, if any, of the primary election campaign except as provided in 970 CMR 4.11(2). In addition, all expenditures made, in-kind contributions received or liabilities incurred, other than liabilities incurred as a result of loans made by a candidate to that candidate's committee in accordance with M.G.L. c. 55, § 7, prior to the primary election campaign for goods or services used during the primary election campaign, shall count toward such expenditure limit.

(b) General Election Campaign. All expenditures made, in-kind contributions received and liabilities incurred, other than liabilities incurred as a result of loans made by a candidate, including a candidate for governor or a candidate for lieutenant governor of a candidate team to that candidate's committee in accordance with M.G.L. c. 55, § 7, during the general election campaign whether or not such expenditures, contributions or liabilities comply with M.G.L. c. 55 and 970 CMR shall count toward the campaign expenditure limit, if any, of the general election campaign of such candidate or candidate team except as provided in 970 CMR 4.11(2). In addition, all expenditures made, in-kind contributions received or liabilities incurred, other than liabilities incurred as a result of loans made by a candidate, including a candidate for governor or a candidate for lieutenant governor of a candidate team, to that candidate's committee in accordance with M.G.L. c. 55, § 7, prior to the general election campaign for goods or services used during the general election campaign, shall count toward such expenditure limit.

(2) Exempt Expenditures. A candidate may elect to exempt from the primary or general election campaign expenditure limit, if any, expenditures made, in-kind contributions received or liabilities incurred prior to or during the relevant election period for goods and services which comply with 970 CMR 4.11(2)(a) through (f). To qualify as an exempt expenditure, a candidate must demonstrate that an expenditure meets the requirements of 970 CMR 4.11(2). Exempt expenditures include:

(a) Candidate's Bond. The cost of obtaining the bond required by M.G.L. c. 55C, § 9.

(b) Capital Goods. Expenditures made, in-kind contributions received and liabilities incurred for capital goods that have a useful life of more than one year, would be depreciable in a usual business environment, and have a cost or value of \$1,000 or more at the time of acquisition.

(c) Legal Services. Expenditures made, in-kind contributions received or liabilities incurred for legal services and other related services solely in connection with one's interest in being a candidate such as proceedings before the director, hearings before the state ballot law commission and petitions for recounts. Such exempt expenditures, in-kind contributions and liabilities under 970 CMR 4.11(2)(c) shall not include:

- 1. prorated expenses for administration and overhead;
- 2. the cost of maintaining accounts or records; or
- 3. the cost of preparing and filing reports, affidavits and statements required by M.G.L. c. 55, c. 55C and 970 CMR.

(d) Liabilities. Expenditures made or in-kind contributions received to satisfy liabilities incurred during the primary election campaign or the general election campaign for goods or services not used in such campaign.

(e) Unused Goods and Services. Expenditures made, in-kind contributions received or liabilities incurred for goods or services which are not used during the campaign election period when purchased provided, however, that such expenditures, contributions or liabilities shall be considered campaign expenditures for the primary or general election campaign in which such goods or services are used.

4.11: continued

- (f) Election Night Party. Expenditures made, in-kind contributions received or liabilities incurred solely for goods or services provided in connection with a party held after the primary election by any candidate whose name will not appear on the ballot at the subsequent general election or provided in connection with a party held after the general election by any candidate.
- (3) Prorated Expenditures. Expenditures made, in-kind contributions received or liabilities incurred for goods and services which are used in both the primary election campaign and the general election campaign shall be allocated between the primary and general election campaigns on a 50-50 basis unless the candidate can document with detailed accounts and records an allocation of any such goods and services based upon time, space, use of materials or other objective basis.

4.12: Recordkeeping

Candidates and treasurers of political committees shall keep and preserve detailed accounts as required by M.G.L. c. 55, §§ 2 and 5 and 970 CMR 1.10: *Record Keeping*.

4.13: Post Primary and Election Reports

- (1) Each candidate, including each candidate for governor of a candidate team, who receives public funds pursuant to M.G.L. c. 55C in either the primary or general election shall file, on a form prepared by the director, the surplus balance report provided for in 970 CMR 4.13(2). In addition, each candidate, including each candidate for governor and each candidate for lieutenant governor of a candidate team who is subject to a campaign expenditure limit shall file on a form prepared by the director the campaign expenditure report provided for in 970 CMR 4.13(3).
- (2) Surplus Balance Reports. The surplus balance report required to be filed under 970 CMR 4.13 after the primary election campaign and after the general election campaign shall disclose:
- (a) the balance remaining in the candidate's account as of the last day of primary or general election campaign as the case may be, including but not limited to:
 1. cash on hand;
 2. checks received but not deposited;
 3. accounts receivable;
 4. the cost of any capital goods that have a useful life of more than one year, would be depreciable in a usual business environment, and have a cost or value of \$1,000 acquired during the primary or election campaign; and
 5. the balance remaining in the candidate's depository account or any candidate or committee checking, savings, money market or other account whether or not such account is authorized by M.G.L. c. 55 or 970 CMR.
 - (b) the amount of any outstanding liability incurred during the election cycle to defray campaign expenditures for goods and services used during the primary or general election campaign;
 - (c) the surplus balance, if any, which shall equal the excess of 970 CMR 4.13(2)(a) over 970 CMR 4.13(2)(b);
 - (d) the total amount of public financing received for the primary or general election campaign;
 - (e) the total amount of the contributions for the primary election campaign or the general election campaign as follows:
 1. for the primary election campaign, the balance as of the first day of the election cycle or the opening of the depository account whichever is later plus the total amount of contributions deposited in the candidate's depository account on or after the first day of the election cycle or the opening of the depository account whichever is later and any contributions received but not deposited through the primary election; and
 2. for the general election campaign, the balance as of the day after the primary election plus the total amount of contributions deposited in the candidate's depository account on or after the day after the primary election and any contributions received but not deposited, through the general election.
 - (f) the total of public financing received, 970 CMR 4.13(2)(d), plus contributions received, (2)(e)1. or 970 CMR 4.13;

4.13: continued

(g) the surplus balance, 970 CMR 4.13(2)(c), if any, shall be multiplied by the fraction required by M.G.L. c. 55C, § 9 the numerator of which shall consist of the public financing received, 970 CMR 4.13(2)(d), and the denominator of which shall consist of the public financing received plus any contributions received, 970 CMR 4.13(2)(f);

(h) the amount established by 970 CMR 4.13(2)(g) shall be paid to the state treasurer except as otherwise provided in M.G.L. c. 55C, § 9.

(3) Campaign Expenditure Reports. The campaign expenditure reports required to be filed by 970 CMR 4.13 after the primary or general election shall disclose:

(a) the campaign expenditure limit applicable to the candidate or the candidate team;

(b) the following expenditures itemized by date paid, to whom paid, amount paid and the purpose of payment:

1. the total amount of all expenditures made during the primary or general election campaign including, but not limited to, any checks written but not paid from the candidate's account;

2. the total amount of all expenditures made prior to the primary election campaign or the general election campaign for goods and services used during such campaign; and

3. the sum of 970 CMR 4.13(3)(b)1. and 2.;

4. the total amount of expenditures claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11;

5. the excess of 970 CMR 4.13(3)(b)3. over 970 CMR 4.13(3)(b)4.

(c) the following in-kind contributions received itemized by the date received, the person making the contribution, the amount or value and the purpose of the contribution:

1. the total amount of in-kind contributions received during the primary or general election campaign;

2. the total amount of in-kind contributions received prior to the primary election campaign or general election campaign which were used during said campaign;

3. the sum of 970 CMR 4.13(3)(c)1. and 2.;

4. the total amount of in-kind contributions claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11;

5. the excess of 970 CMR 4.13(3)(c)3. over 970 CMR 4.13(3)(c)4.

(d) the following liabilities itemized by the date incurred, the person to whom the liability is owed, and the amount and purpose of the liability:

1. the total amount of outstanding liabilities incurred during the primary election campaign or the general election campaign;

2. the total amount of outstanding liabilities incurred prior to the primary election campaign or general election campaign for goods or services used during said campaign;

3. the sum of 970 CMR 4.13(3)(d)1. and 2.;

4. the total amount of outstanding liabilities claimed as exempt, if any, from the campaign expenditure limit pursuant to 970 CMR 4.11; and

5. the excess of 970 CMR 4.13(3)(d)3. over 970 CMR 4.13(3)(d)4.

(e) the total adjusted amount of all expenditures made, in-kind contributions received and liabilities incurred which shall consist of the total of 970 CMR 4.13(3)(b)5., (c)5. and (d)5.;

(f) the excess of 970 CMR 4.13(3)(e) over 970 CMR 4.13(3)(a).

(4) Filing Requirements. The primary and general election public financing reports and campaign expenditure reports provided for in 970 CMR 4.13 shall be filed with the director on or before the second Tuesday following the primary election or the general election. The reports required by 970 CMR 4.13 shall be signed by the candidate and treasurer under the penalties of perjury.

4.14: Post Election Audit

(1) The director may conduct a comprehensive audit of the accounts as defined by 970 CMR 4.12 of all candidates.

(2) Candidates and their treasurers shall submit all accounts as defined in 970 CMR 4.12 that are requested by the director in connection with a comprehensive audit conducted under 970 CMR 4.14 within 30 days after receiving a written request from the director for such accounts.

4.14: continued

(3) In connection with any statement, report or affidavit required to be filed by M.G.L. c. 55C or 970 CMR 4.00 or any action required to be taken by M.G.L. c. 55C or 970 CMR 4.00 or, if a candidate or treasurer fails to submit the accounts and other information relative to contributions, expenditures and liabilities as required by 970 CMR 4.14(2), the director may issue a summons pursuant to M.G.L. c. 55, § 3 and c. 55C, § 11 for the production of such accounts or other information and for the attendance and testimony under oath of witnesses.

(4.15: Filing by Disk: Reserved)

REGULATORY AUTHORITY

970 CMR 4.00: M.G.L. c. 55, §§ 3 and 6; c. 55C, § 11.

NON-TEXT PAGE

Section 10

Massachusetts Office of Campaign and Political Finance

Report on the Limited Public Financing
System for Candidates for Statewide Office
in the 2014 Election



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I. Introduction

"On or before January thirtieth of any year next following a year in which elections are held for statewide elective office, the director shall prepare and submit a report relating to the matters entrusted to him under this chapter to the clerk of the senate and to the commission established by section three of chapter fifty-five...." [M.G.L. c.55C, s.3]

To the Clerk of the Senate and the Commission to Select the Director of Campaign Finance:

In accordance with Massachusetts General Laws Chapter 55C, Section 3, I hereby submit this report summarizing the Commonwealth's system of limited public financing of campaigns for statewide elective office during the 2014 election.

This report outlines the workings of the State Election Campaign Fund and provides specifics on its operation in the 2014 election, including the availability and distribution of funds to participating candidates. More than \$1 million was distributed to three candidates running for statewide office in 2014. The total outlay is about \$350,000 less than the 2010 figure.

The public financing system was effectively implemented in a professional and efficient manner during the 2014 election, due in large part to the coordination between the Office of Campaign and Political Finance (OCPF), the Office of the Secretary of the Commonwealth, the Department of Revenue, the Office of the Comptroller, and the Office of the Treasurer and Receiver General. The work of each of these agencies contributed to the system's effectiveness and, therefore, each deserves recognition for its efforts.

An extra word of thanks also goes out to the candidates and their political committees, who cooperated with this office by making early submissions of qualifying candidate statements.

Respectfully submitted,



Michael J. Sullivan
Director
Office of Campaign and Political Finance

January 30, 2015

II. Historical Overview

The system for partial public financing of campaigns for statewide office has been in place for every election since 1978, with one exception. That was in 2002, when the Clean Elections program covered candidates for statewide office, as well as those running for the Legislature and the Governor's Council. That system was repealed in 2003 and the previous program, for statewide candidates only, was reinstated.

The current system potentially offers limited funds to candidates for the six statewide offices: Governor, Lieutenant Governor, Attorney General, Treasurer and Receiver General, Secretary of the Commonwealth and Auditor. The funds are provided from voluntary contributions of \$1 by state income tax filers.

In the nine statewide elections since its institution, public financing has provided more than \$11.8 million to candidates, most recently more than \$1 million in 2014.

Disbursements to Candidates from the State Election Campaign Fund 1978-2014 Statewide Elections

| <i>Year</i> | <i>Amount Available</i> | <i>Amount Disbursed</i> |
|-------------|-------------------------|-------------------------|
| 1978 | \$175,161 | \$162,521 |
| 1982 | \$679,930 | \$489,912 |
| 1986 | \$888,498 | \$865,412 |
| 1990 | \$450,003 | \$380,356 |
| 1994 | \$358,438 | \$256,758 |
| 1998 | \$1,753,463 | \$1,719,614 |
| 2002 | \$4,088,405 | \$4,088,405 |
| 2006 | \$1,613,689 | \$1,361,222 |
| 2010 | \$1,563,839 | \$1,419,852 |
| 2014 | \$1,235,905 | \$1,065,704 |

Note: Any funds remaining after the election are carried over to the next statewide election.

The largest outlay of public financing was in 2002, when almost \$4.1 million was distributed during the Clean Elections program. That program provided partial funding to 10 candidates. Not counting the Clean Elections funds, the limited public financing program has distributed \$7,721,354 to candidates since 1978.

A total of 109 candidates have received public funds since 1978: 99 under the limited financing system, and the other 10 under the Clean Elections program. The number of candidates in each election cycle who received money has varied over the years, depending on such factors as each candidate's particular circumstances and the changing criteria for receiving funds. The law stipulates, for example, that candidates for governor are eligible to receive full

funding before other statewide candidates may receive funds. In addition, starting with the 1998 election, candidates wishing to be eligible for public financing are required to agree to statutory spending limits.

Candidates' Eligibility for and Receipt of Public Funds 1978-2014

| Year | Primary | | General | | Total recipients |
|------|---------------------|----------------|---------------------|----------------|------------------|
| | Eligible for funds* | Received funds | Eligible for funds# | Received funds | |
| 1978 | 22 | 12 | 10 | 8 | 16 |
| 1982 | 12 | 12 | 16 | 3 | 13 |
| 1986 | 11 | 9 | 10 | 10 | 16 |
| 1990 | 17 | 15 | 14 | 8 | 19 |
| 1994 | 19 | 10 | 16 | 8 | 14 |
| 1998 | 13 | 4 | 7 | 5 | 8 |
| 2002 | 12 | 10 | 6 | 6 | 10 |
| 2006 | 14 | 2 | 4 | 3 | 3 |
| 2010 | 6 | 4 | 8 | 5 | 7 |
| 2014 | 12 | 2 | 10 | 2 | 3 |

*Denotes candidates who agreed to observe spending limits, a requirement for receiving public funds that started with the 1998 election.

Candidates who won their primaries or otherwise reached the November ballot, such as unenrolled candidates. Candidates for governor and lieutenant governor run as candidate teams.

III. The State Election Campaign Fund

The sole source of funding for limited public financing in Massachusetts is the State Election Campaign Fund (SECF), which was established under M.G.L. Chapter 10, Section 42. Under Section 42, taxpayers may direct \$1 of their tax liability on their annual income tax returns to the SECF (\$2 for joint returns). Such a designation does not increase a filer's tax liability or decrease the amount of a refund. From 1976 to 1993, however, the funding was by an "add-on" system, by which taxpayers could contribute to the SECF only by adding \$1 or \$2 to their tax liability.

Throughout its history, the SECF has been hindered by limited participation. Before 1994, when designating money to the fund meant an increase in a taxpayer's liability, less than 5 percent of the tax returns included a contribution to the fund. The switch to a check-off in 1994 meant a substantial increase in participation, with the rate of donations moving closer to 10 percent. In the most recent tax year for which figures are available, 2013, 4.89 percent of tax returns designated funds to the SECF. This percentage rate has consistently decreased since 2002.

**State Election Campaign Fund
Taxpayer Participation Rates and Amounts Collected**

| Tax Year | Number of donations | Participation rate | Amount Collected |
|-----------------|----------------------------|---------------------------|-------------------------|
| 1993 | 42,587 | 1.50% | \$56,648 |
| 1994 | 279,523 | 9.89% | \$394,150 |
| 1995 | 247,097 | 8.45% | \$351,705 |
| 1996 | 291,872 | 9.86% | \$417,791 |
| 1997 | 320,284 | 10.39% | \$449,991 |
| 1998 | 279,600 | 8.82% | \$382,270 |
| 1999 | 326,599 | 10.22% | \$447,283 |
| 2000 | 325,878 | 9.89% | \$445,789 |
| 2001 | 341,008 | 10.32% | \$465,545 |
| 2002 | 305,810 | 9.24% | \$419,308 |
| 2003 | 265,373 | 8.08% | \$365,895 |
| 2004 | 248,744 | 7.50% | \$343,790 |
| 2005 | 231,579 | 6.98% | \$321,393 |
| 2006 | 222,241 | 6.51% | \$308,467 |
| 2007 | 213,183 | 6.16% | \$296,489 |
| 2008 | 200,895 | 5.78% | \$280,672 |
| 2009 | 192,549 | 5.68% | \$269,131 |
| 2010 | 195,037 | 5.59% | \$272,463 |
| 2011 | 184,808 | 5.24% | \$258,910 |
| 2012 | 176,555 | 4.93% | \$247,366 |
| 2013 | 175,552 | 4.89% | \$245,108 |

Chapter 43 of the Acts of 1994 changed the funding mechanism for the SECF from a voluntary \$1 taxpayer donation (add-on) to a \$1 taxpayer designation (check-off), or \$2 for a joint return, effective tax year 1994.

Source: Massachusetts Department of Revenue

A total of \$1,235,905 was available to candidates last year, which was not enough to provide the full statutory amounts of matching funds to all candidates who agreed to observe spending limits in return for public money.

IV. Candidates' Participation in the 2014 Program

Statewide candidates may only receive limited public financing if they agree to observe spending limits throughout the entire campaign. Party-affiliated candidates, for example, must observe limits in both the primary and general elections. Candidates who are not enrolled in a party cannot participate in a primary, but must observe limits starting with the date nomination papers are due in August and running through the general election.

The statutory spending limits vary according to the office sought:

Expenditure Limits for Public Financing Participants

| | Primary | General | Total Limit |
|---------------------------|-------------|-------------|-------------|
| Governor | \$1,500,000 | \$1,500,000 | \$3,000,000 |
| Lt. Governor | \$625,000 | * | \$625,000 |
| Attorney General | \$625,000 | \$625,000 | \$1,250,000 |
| Treasurer | \$375,000 | \$375,000 | \$750,000 |
| Secretary of State | \$375,000 | \$375,000 | \$750,000 |
| Auditor | \$375,000 | \$375,000 | \$750,000 |

In return for agreeing to limits, candidates who have opposition in the primary are eligible to receive money for both the primary and, if they are successful in the primary and are opposed, the general election. The amounts for which they are eligible are equal to half of their statutory spending limits:

Maximum Distributions for Public Financing Participants

| | Primary | General | Total |
|---------------------------|-----------|-----------|-------------|
| Governor | \$750,000 | \$750,000 | \$1,500,000 |
| Lt. Governor | \$312,500 | * | \$312,500 |
| Attorney General | \$312,500 | \$312,500 | \$625,000 |
| Treasurer | \$187,500 | \$187,500 | \$375,000 |
| Secretary of State | \$187,500 | \$187,500 | \$375,000 |
| Auditor | \$187,500 | \$187,500 | \$375,000 |

* Because the nominees for governor and lieutenant governor run as a "candidate team" after the primary, they are both included in the gubernatorial candidate's general election spending limit and maximum matching funds amounts.

For example, participating candidates for governor are limited to expenditures of \$1.5 million for the primary election campaign (which was June 4 to Sept. 9 in 2014) and \$1.5 million for the general election campaign (which was Sept. 10 to Nov. 4 in 2014, and Aug. 27 to Nov. 4 for

unenrolled candidates), for a total of \$3 million. In return, those candidates were eligible for up to \$750,000 in matching funds for each of the two periods, for a total of \$1.5 million. If opposed by a non-participating candidate, a participating candidate is still eligible to receive funds. Additionally, their expenditure limit would be increased to the highest amount set by a non-participating candidate.

A total of 32 candidates for statewide office were required to file declarations with OCPF stating whether they agreed to observe statutory spending limits in 2014. Candidates on the ballot in a party primary filed when they submitted nomination papers to the Secretary of the Commonwealth in June, while candidates who were not enrolled in a party did so when they filed their papers in August.

Participation in Public Financing 2014 Statewide Candidates

| <u>Office / Statutory Limit*</u> | <u>Agreed to limits (participants)</u> | <u>Did not agree to limits (non-participants)</u> |
|---|--|---|
| Governor \$1.5 million per election** | Joseph Avellone (D) Donald Berwick (D) Martha Coakley (D) Evan Falchuk (U) Mark Fisher (R) Scott Lively (U) Jeffrey McCormick (U) | Charles Baker (R) Steven Grossman (D) Juliette Kayyem (D) |
| Lieutenant Governor \$625,000 Primary** | James Arena-DeRosa (D) Leland Cheung (D) Angus Jennings (U) Stephen Kerrigan (D) Michael Lake (D) Tracy Post (U) Shelly Saunders (U) | Karyn Polito (R) |
| Attorney General \$625,000 per election | | Maura Healey (D) John Miller (R) Warren Tolman (D) |
| Secretary \$375,000 per election | David D'Arcangelo (R) Daniel Factor (U) | William Galvin (D) |
| Treasurer \$375,000 per election | Thomas Conroy (D) Ian Jackson (U) | Barry Finegold (D) Deborah Goldberg (D) Michael Heffernan (R) |
| Auditor \$375,000 per election | Suzanne Bump (D) M K Merelice (U) Patricia Saint Aubin (R) | |

* Statutory limit is subject to increase depending on self-imposed limit set by any opponent who did not agree to statutory limits.

** Because the nominees for governor and lieutenant governor run as a "candidate team" after the primary, they are both included in the gubernatorial candidate's general election spending limit and maximum matching funds amounts.

Note: Unenrolled candidates do not have a primary and were on the general election ballot only.

To become eligible to receive public funds, candidates filed disclosure reports with OCPF listing contributions received that qualified under the matching funds formula, in amounts depending on the office sought. Qualifying contributions include only the first \$250 of individual contributions that were received during 2013 and 2014 and deposited into a candidate's depository bank account. Candidates also were required to obtain a bond for the amount they received from the SECF and were subject to penalties if they misused public funds. Matching funds were wired into a candidate's depository account by the Commonwealth and, like all campaign receipts and expenditures, were disclosed in the regular disclosure reports filed on behalf of their committees.

V. Statutory Responsibilities

The distribution of funds to candidates who apply for funding in the manner described above involves the coordination of the efforts of five state agencies.

The Treasurer is responsible for the management and investment of the State Election Campaign Fund as well as the disbursement of any funds to certified candidates. As noted below, funds collected by the Department of Revenue through state income tax returns have provided the sole source of revenue for the SECF.

On June 30 of each year in which elections are held for the six statewide offices, the Comptroller determines the balance in the SECF and the Treasurer is required to make all invested funds available for immediate withdrawal. The total amount that is available for public financing that year is apportioned on a 50/50 basis, with half available for the Primary Election Account and half available for the General Election Account. The total amount in 2014 was \$1,235,905.

On or before the eighth Tuesday before the primary, the Secretary of the Commonwealth certifies to OCPF the names of those candidates who qualify for the primary ballot and who are opposed by one or more candidates. (Unopposed candidates are not eligible for public financing.) Once the Secretary has certified the number of names to the Director, and the Director has completed the certification of participating candidates, the Comptroller subdivides the Primary Election Account into accounts for each participating candidate, based on a formula provided for by M.G.L. Chapter 10.

As noted earlier, the law calls for candidates for governor to receive full funding first, then for candidates for the other five statewide offices to receive money, based on availability. For example, the primary election account would first be divided to allow each certified gubernatorial candidate to be eligible to receive the full primary share for that office of \$750,000, or as close to that amount as possible if there were not enough money to do so. If

there was any money left over, it would be divided proportionately among other certified candidates.

The Director of OCPF is responsible for certifying to the treasurer that each candidate has met the statutory obligations necessary to receive the public funds.

VI. The Primary Election

Spending Limit Declarations

The first filing deadline for candidates concerning the public financing system for 2014 was June 3, the same day nomination papers were due with the Elections Division of the Secretary of the Commonwealth. On or before that date, a total of 23 candidates who were seeking their parties' nomination for statewide office filed statements declaring whether they intended to limit their spending in the 2014 primary and general elections.

Failure to file a statement would have meant a candidate could not be on the primary ballot. However, every candidate filed the statement, form CPFA 20.

Participation in Public Financing Statewide Candidates on the 2014 Primary Ballot

| <u>Office / Statutory Limit*</u> | <u>Agreed to limits and will participate</u> | <u>Did not agree to limits and will not participate</u> |
|--|---|---|
| Governor \$1.5 million per election** | Joseph Avellone (D) Donald Berwick (D) Martha Coakley (D) Mark Fisher (R) | Charles Baker (R) Steven Grossman (D) Juliette Kayyem (D) |
| Lieutenant Governor \$625,000 Primary*** | James Arena-DeRosa (D) Leland Cheung (D) Stephen Kerrigan (D) Michael Lake (D) | Karyn Polito (R) |
| Attorney General \$625,000 per election | | Maura Healey (D) John Miller (R) Warren Tolman (D) |
| Secretary \$375,000 per election | David D'Arcangelo (R) | William Galvin (D) |
| Treasurer \$375,000 per election | Thomas Conroy (D) | Barry Finegold (D) Deborah Goldberg (D) Michael Heffernan (R) |
| Auditor \$375,000 per election | Suzanne Bump (D) Patricia Saint Aubin (R) | |

Of the candidates who were eligible for the primary ballot, 12 agreed to abide by spending limits, which were binding for both the primary and general elections (candidates who were not enrolled in a political party and were therefore not on the ballot in the September primary were not required to file limit declarations in June. Rather, their filings were due on Aug. 26, the deadline for unenrolled candidates to submit nomination papers with the Secretary of the Commonwealth.)

At the time of the filings, OCPF estimated the amount of money in the State Election Campaign Fund that would be available to participating candidates at about \$1.2 million, which by statute was to be divided evenly between the primary and general election campaigns. The program calls for gubernatorial candidates to receive funds first, if they agree to limit spending and have a primary opponent. Because candidates for governor with primary opponents agreed to participate, no funds were available for other races.

Self-imposed Limits

Candidates who chose not to participate in the public financing system but were opposed by at least one participating candidate (i.e., those who had agreed to limits) in their primary were still required to observe a spending limit, though the exact amount in each race would be self-imposed. Those non-participating candidates were required to file by June 6 a statement with OCPF stating the maximum amount that they would spend in the primary campaign.

The spending limits of the participating candidates in those races were then increased to the amounts specified by their non-participating opponents. The amount of public funds for which those participating candidates were eligible, however, did not change.

The candidates who declined to accept statutory expenditure limits and were opposed in the primary by at least one candidate who had agreed to limit spending were gubernatorial candidates Charles Baker (R), Steven Grossman (D) and Juliette Kayyem, (D); and candidates for treasurer Barry Finegold (D) and Deborah Goldberg (D). All five candidates filed the required statements declaring the maximum amounts of their expenditures for the primary, which resulted in the adjustment of the spending limit for each race.

Governor

- **Charles Baker: \$5 million.** The limit for Baker's Republican primary opponent, Mark Fisher, increased to \$5 million from his previous statutory limit of \$1.5 million.
- **Steven Grossman: \$9 million.** The limit for Grossman's Democratic primary opponents, Joseph Avellone, Donald Berwick, Martha Coakley and Kayyem, increased to \$9 million. The statutory limit was \$1.5 million.
- **Juliette Kayyem: \$5 million.** Because Grossman set the limit at \$9 million, all Democratic gubernatorial candidates were subject to the higher amount.

Treasurer

- **Barry Finegold: \$2 million.** The limit for Finegold and his primary challengers, Thomas Conroy and Goldberg, was \$2 million.
- **Deborah Goldberg: \$1.7 million.** Because Finegold submitted a limit of \$2 million, the limit for all Democratic primary candidates was the higher amount.

In other races, spending statements were not required because those contests either had no candidates who agreed to participate in the public financing program, or had candidates that agreed to participate but did not face primary opponents who chose not to participate.

With the filing by the five non-participating candidates, the spending limits for all candidates in the primary were set:

Spending Limits for the 2014 Primary Election

Statutory or Self-Imposed

(June 4 to Sept. 9)

| Race | Democratic Primary Election Spending Limit* | Republican Primary Election Spending Limit* |
|------------------|--|--|
| Governor | \$9 million | \$5 million |
| Lt. Gov. | \$625,000 | No Limit |
| Attorney General | No Limit | No Limit |
| Secretary | No Limit | \$375,000 |
| Treasurer | \$2 million | No Limit |
| Auditor | \$375,000 | \$375,000 |

**Per candidate*

Note: "No Limit" means no candidate for that race agreed to participate in the public financing program

Certification and Release of Funds

In July, the Comptroller certified the amount that was available in the State Election Campaign Fund for distribution to candidates in 2014 at \$1,235,905. Under law, that amount was split in half: \$617,952 for the primary campaign and the same amount for the general election campaign. Any funds that remained after the primary would be added to the general election amount.

Each candidate who agrees to observe a spending limit and submits the minimum amount of qualifying contributions are eligible to receive matching funds for the primary. As noted earlier, gubernatorial candidates are funded first and remaining funds, if any, are distributed to other statewide candidates. Because gubernatorial candidates qualified to receive matching funds in the primary, no funds remained for candidates running for other statewide offices.

Two gubernatorial candidates were certified and received funds for the primary election. They each received the maximum amount available.

**Funds Disbursed
in the 2014 Primary Campaign**

| <i>Candidate</i> | <i>Office sought</i> | <i>Amount disbursed</i> |
|--------------------|----------------------|-------------------------|
| Donald Berwick (D) | Governor | \$308,976 |
| Martha Coakley (D) | Governor | \$308,976 |
| TOTAL | | \$617,952 |

VII. The General Election

The general election campaign did not officially start until the day after the Sept. 9 primary (Aug. 27 for unenrolled candidates), though all candidates had previously made their intentions known regarding whether they would comply with spending limits. The statements filed by Democratic and Republican candidates in June stating whether they agreed to spending limits were binding for both the primary and general elections. Unenrolled candidates who were seeking statewide office filed statements by Aug. 26 indicating whether they intended to limit their spending in the general election.

All nine unenrolled candidates – Evan Falchuk, Scott Lively and Jeffrey McCormick for governor; Angus Jennings, Shelly Saunders and Tracy Post for lieutenant governor; Daniel Factor for secretary of state; Ian Jackson for treasurer; and M K Merelice for auditor – agreed to observe spending limits.

Prior to the general election, statewide candidates who were not participating in the public financing program, but were opposed by participating candidates, were required to file maximum spending declarations by Sept. 12. The candidates who filed statements with OCPF by the deadline were Charles Baker (R), candidate for governor; Secretary of the Commonwealth William Galvin (D); and Deborah Goldberg (D) and Michael Heffernan (R), candidates for state treasurer. Baker and his running mate for lieutenant governor, Karyn Polito (R), filed one statement as a candidate team.

If applicable, participating candidates' limits for the election period (Sept. 10 to Nov. 4, and Aug. 27 to Nov. 4 for unenrolled candidates) were raised to the highest amount cited by a non-participating candidate in that race.

As a result of the filings, the spending limits for all candidates in three races were increased to the amount of the self-imposed limit by the non-participating candidates. Because no candidates for attorney general participated in the public financing program, there was no spending limit in that race. Both candidates for state auditor agreed to the statutory spending limit of \$375,000.

Charles Baker (R), William Galvin (D), Deborah Goldberg (D) and Michael Heffernan (R) were all opposed in the general election by candidates who agreed to the statutory limits – Attorney General Martha Coakley (D), Evan Falchuk (U), Scott Lively (U) and Jeffrey McCormick (U), candidates for governor; David D’Arcangelo (R) and Daniel Factor (U), candidates for secretary; and Ian Jackson (U), candidate for treasurer. The spending limits for those participating candidates increased to the amounts specified by Baker and Galvin, and the higher of the limits set by Goldberg and Heffernan.

The self-imposed limits declared by each of the five filers were:

- **Baker/Polito: \$8 Million.** The spending limit for Baker’s general election opponents, Coakley, Falchuk, Lively and McCormick, increased to \$8 million from the statutory limit of \$1.5 million. Spending by lieutenant governor candidates also counted toward the gubernatorial cap of \$8 million. The lieutenant governor candidates were Polito, Angus Jennings (U), Stephen Kerrigan (D), Tracy Post (U) and Shelly Saunders (U).
- **Galvin: \$2 million.** The spending limit for Galvin’s general election opponents, D’Arcangelo and Factor, increased to \$2 million from the statutory limit of \$375,000.
- **Goldberg: \$2 million.** The spending limit for Goldberg’s general election opponents, Heffernan and Jackson, increased to \$2 million from the statutory limit of \$375,000.
- **Heffernan: \$1 million.** Because Goldberg declared a higher limit, Heffernan’s limit was also raised to \$2 million.

General Election Spending Limits for all Statewide Races

| | |
|-------------------------------|-------------|
| Governor/Lt. Governor Team | \$8 million |
| Attorney General | No Limit |
| Secretary of the Commonwealth | \$2 million |
| Treasurer | \$2 million |
| Auditor | \$375,000 |

Release of Funds

Half of the State Election Campaign Fund – \$617,952 – was made available to candidates for the general election. Ten candidates remained who were on the general election ballot and had agreed to spending limits, and were therefore eligible to receive funding – if they ultimately submitted qualifying contributions for matching funds.

State law calls for candidates for governor to be funded first, with any remaining funds to be distributed to other statewide candidates who are eligible to receive public financing. Because the fund contained \$617,952 for the general election, and because two candidates for governor qualified for public financing, the total was split in half for each candidate (Martha Coakley and Jeffrey McCormick) and there was no money available for other candidates.

Running mates for lieutenant governor are considered eligible to receive public funds if they agree to spending limits and are in a contested race. However, public funds for the general election are distributed to a gubernatorial candidate team and deposited to the depository account of the gubernatorial candidate. For the purpose of this report, the gubernatorial candidates are considered the recipients of the money.

The following are the allotments of public funds for the general election and the overall totals:

Total Public Funds Received in 2014

| <i>Candidate/Office</i> | <i>Primary</i> | <i>General</i> | <i>Total</i> |
|-------------------------|------------------|------------------|--------------------|
| Donald Berwick | \$308,976 | -- | \$308,976 |
| Martha Coakley | \$308,976 | \$296,868* | \$605,844 |
| Jeffrey McCormick | -- | \$150,884 | \$150,884 |
| TOTAL | \$617,952 | \$447,752 | \$1,065,704 |

*Martha Coakley qualified for \$308,976 for the general election, but the total was reduced because her campaign committee was required to return unused primary election funds to the Commonwealth. By agreement with OCPF, the Coakley Committee did not write a check for \$12,107. Instead, the committee's general election distribution was reduced by that amount.

A total of \$1,065,704 was distributed to three candidates from the SECF, which originally contained \$1,235,905. The balance of \$170,201 in unused funds is now retained for use in the statewide election in 2018, in accordance with Chapter 55C.

Not all the funds were used for several reasons. Jeffrey McCormick did not submit enough matching contributions to receive the full amount available of \$308,976 for the general election. Chapter 55C requires that after the primary and general elections, candidates return any unused public funds. One candidate, Donald Berwick, returned \$10,583 in surplus funds to the state. Martha Coakley was required to refund \$12,107 in surplus funds from the primary election, but

instead of making the payment, that amount was withheld from the campaign's general election funding. Due to the unused public funds, the total carried over for 2018 is \$180,783.

VIII. Conclusion

The SECF was a reliable source of funds for three gubernatorial candidates, none of whom were ultimately successful in the 2014 election.

Several issues can be considered to determine whether the SECF can be improved. Among the revenue issues are whether additional funding sources should be designated to augment the checkoff or whether the checkoff itself should be increased from its current \$1 per filer. By comparison, the federal checkoff amount is \$3. Another issue to be considered is how funds should be allocated, especially if the longstanding revenue shortfall continues. Should the spending limits and the statutory payments be increased to account for inflation? Should the current 50/50 division of SECF funds for the primary and general elections be modified to provide more money for one election over the other?

As always, OCPF is ready to take part in any discussion of the future of the limited public financing program or any other campaign finance issue.