



# Campaign Finance Handbook

## CHAPTER 1: DEFINITIONS

It is important to begin this publication with a review of the definitions for some of the most significant terms to be used throughout each chapter. Though not exhaustive of all campaign finance-related terms, this chapter will highlight those which are most often used within this publication and in most practical and operational applications.

Abbreviations used throughout handbook:

FEC	Federal Election Commission	FSL	Federal, State, and Local
LCF	Legislative Campaign Fund	OAC	Ohio Administrative Code
OAG	Ohio Attorney General	OEC	Ohio Elections Commission
PAC	Political Action Committee	PCE	Political Contributing Entity
R.C.	Ohio Revised Code		

### **Auditing Authority**

The Secretary of State or the county board of elections, as appropriate.

The local county board of elections normally examines campaign committees of candidates for local office, local political action committees, local political contributing entities, and those accounts of a local political party that are not filed electronically. Campaign committees of candidates for statewide, Court of Appeals, and General Assembly offices, statewide political action committees, statewide political contributing entities, statewide political parties, and legislative campaign funds are examined by the Secretary of State's Office. In all events, the Secretary of State has the authority to investigate any campaign finance-related issue, whether it is at the local or state level.

Complaints of alleged violations of campaign finance law are filed with the OEC which has original jurisdiction to hear complaints, find violations, and impose penalties – see [Chapter 15 - Ohio Elections Commission](#).

### **Ballot Issue Political Action Committee**

The circulator or committee in charge of an initiative or referendum petition for submitting a constitutional amendment, proposed law, section, or item of any law established to receive contributions or make expenditures.

[R.C. 3517.12\(A\) & \(C\); OAC 111:2-3-10](#)



## Campaign Committee

A candidate or a combination of two or more persons authorized by a candidate to receive contributions and make expenditures.

A campaign committee is the entity through which funds are raised, spent, and disclosed when candidates run for office.

[R.C. 3517.01\(C\)\(1\)](#)

## Candidate

A person certified to appear on a ballot or a person who has received contributions or made expenditures or has appointed a campaign treasurer.

The combination of two people running for Governor and Lieutenant Governor is considered a single candidacy.

For purposes of campaign finance law, a write-in candidate is also considered a candidate.

People running for county or state party central committee, presidential electors, national convention delegates, and charter commission members are not candidates and are not subject to campaign finance reporting.

[R.C. 3501.01\(H\), 3517.01\(C\)\(3\); 64 OAG 1512](#)

## Cash

Cash means coined or paper money designated as legal tender and circulated from hand to hand as a medium of exchange.

[OAC 111:2-4-05](#)

## Contribution

Except as applied to electioneering communications, a contribution is any of the following, if made for the purpose of influencing the results of an election: a loan, gift, deposit, forgiveness of debt, donation, advance, payment, or transfer of funds or anything of value including a transfer of funds from an inter vivos or testamentary trust or decedent's estate, and the payment by any person other than the person to whom the services are rendered for the personal services of another person, for the purpose of influencing the results of an election.



A contribution does not include unreimbursed personal expenses of volunteers, ordinary home hospitality, or personal expenses paid for by a candidate from the candidate's personal funds. A contribution is received when any candidate or any agent of a committee or other entity gains possession of it. In-kind contributions are also considered contributions. See "In-Kind Contribution" later in this chapter for more details.

[R.C. 3517.01\(C\)\(5\), 3517.08](#)

Individuals under seven years old are prohibited from making a contribution.

[R.C. 3517.102\(B\)\(1\)\(c\)](#)

## Cryptocurrency

Cryptocurrencies, such as Bitcoin, are digital currencies that may be used to pay for goods and services as opposed to U.S. dollars or other government issued currencies.

A committee that receives cryptocurrency must be able to identify the donor and report the asset's value at the time of receipt as an in-kind contribution. The committee must report the total sale price of the cryptocurrency asset when the committee converts the cryptocurrency to cash, and any cost involved in the exchange must be reported as an expenditure.

The Ohio Elections Commission advised, unlike other in-kind contributions that are not included within the terms of [R.C. 3517.102](#) for contribution limit purposes, cryptocurrencies are more fungible than other in-kind contributions and thus must be limited in the same manner as any other contribution.

[R.C. 3517.01\(C\)\(16\), 1.03; 2021ELC-03; AO 2014-02](#)

## Debt

Goods or services that have been received by or on behalf of the committee for which full payment or reimbursement has not yet been made.

## Disclaimer

The portion of a political message that identifies the name of the entity that paid for the item on which the disclaimer appears in a conspicuous place.

A disclaimer must appear on almost everything that is created to influence an election, including electronic messages. That said, individuals acting alone to publish material and certain political



action committees limited in size and amount of expenditure activity are not required to include a disclaimer. Candidates are not considered individuals for purposes of the disclaimer requirement and must include a disclaimer unless the item is specifically exempted. Personal correspondence that is not reproduced for distribution does not need a disclaimer.

See [Chapter 12 – Disclaimers](#) for more details and the list of exempt items.

[R.C. 3517.105, 3517.20; OAC 111:2-4-18; OEC Advs. 96ELC-10, 2012ELC-04](#)

## Electioneering Communication

Any broadcast, cable, or satellite communication made between the date a person becomes a candidate and the thirtieth day prior to a primary or general election at which the candidate will be elected to that office, that refers to a clearly identified candidate and is not otherwise considered an “expenditure.”

Any person intending to make a disbursement for the direct costs of producing or airing electioneering communications must file a notification of that intent with the Secretary of State before making the disbursement.

Electioneering communication does not include web-based communication, print media, printed materials, or telephone communications.

[R.C. 3517.1011; OAC 111:2-3-09](#)

## Expenditure

The disbursement or use of a contribution to influence the results of an election or for making a charitable donation.

[R.C. 3517.01\(C\)\(6\), 3517.08\(G\)](#)

## Foreign Nationals

Foreign governments, foreign corporations, foreign partnerships, or an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence.

Foreign nationals are prohibited from making political contributions to influence any candidate election. Candidates, campaign committees, and all other political entities are prohibited from soliciting or accepting anything – including a monetary contribution, in-kind contribution, or



independent expenditure – from a foreign national. Immigrants with a green card may make political contributions.

[R.C. 3517.13\(W\); 2 U.S.C. 441e](#)

## Gift

A “gift” is the terminology given to the source of funding for the Restricted Fund and Building Fund of a state or county political party, and the Levin Fund of a state political party. Since these accounts cannot be used to support or oppose any particular candidate, the term “contribution” is not an appropriate description for the income on these accounts.

## In-Kind Contribution

Anything of value, other than money, that is used to influence the results of an election or is transferred to or used in support of or opposition to a candidate or political committee.

To qualify as an in-kind contribution, the item or service must have been made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of, the benefited candidate, committee, fund, party, entity, or their authorized agents. In-kind contributions received are considered a form of a contribution, and therefore, subject to all laws or rules on contributions.

Examples include postage, signs, receiving office space without paying rent, the assistance of personnel compensated by a third party, or the purchase of media advertising by a third party on behalf of a committee.

[R.C. 3517.01\(C\)\(16\)](#)

## Independent Expenditure

An expenditure made to advocate the election or defeat of a candidate or a ballot issue without the consent of, and not in coordination, cooperation, or consultation with, or at the request or suggestion of, the candidate, campaign committee, ballot issue, or their authorized agents.

[R.C. 3517.01\(C\)\(17\); 3517.105\(C\); OAC 111:2-2-01](#)

Any expenditure by a political party to finance communications advocating the election or defeat of a candidate for judicial office shall be deemed to be an independent expenditure. Thus, the benefiting judicial candidate campaign committee has no requirement to disclose the cost of the communications.

[R.C. 3517.105\(D\)](#)



## Legislative Campaign Fund

A fund established as an auxiliary of a state political party and that is associated with one of the caucuses of the General Assembly.

[R.C. 3517.01\(C\)\(15\)](#)

## Loan

Money received and deposited into a committee's bank account for which repayment is expected.

A loan is a contribution made by a guarantor as long as it remains unpaid. For campaign finance reporting purposes, a loan is considered a contribution and is therefore subject to contribution limits. A loan made by a bank or other lending institution is not considered a contribution.

[OAC 111:2-1-03, OEC Adv. 98ELC-03](#)

## Multi-beneficiary Campaign Committee

A single campaign committee formed to represent multiple candidates seeking the same office at the same election.

When a board, commission, or other similar body of elected officials has multiple open positions at the same election, two or more candidates may join and form a multi-beneficiary campaign committee to act as their sole campaign committee.

The number of candidates may not exceed the number of open positions on the board, commission, or other similar body of elected officials.

[R.C. 3517.081\(B\)](#)

## Ohio Elections Commission

A body empowered to hear alleged violations of campaign finance law in [R.C. 3517.08 - 3517.13, 3517.17, 3517.18, 3517.20 - 3517.22, 3599.03](#), and [3599.031](#) and to give advisory opinions on campaign finance law. Comprised of seven members, the commission has 3 Democrats, 3 Republicans, and 1 member unaffiliated with a political party.

[R.C. 3517.152, 3517.153, etc.ohio.gov](#)

Although a board of elections, the Secretary of State's Office, or an individual may file a campaign finance related complaint, only the OEC may find a violation of campaign finance law and impose a penalty. Please see [Chapter 15, Ohio Elections Commission](#) for more information.

The Ohio Elections Commission can be reached at 614.466.7090 or [ethics@ethics.ohio.gov](mailto:ethics@ethics.ohio.gov).



## Other Income

Other income means a loan, investment income, or interest income. Money returned to the committee account, including a credit or refund, the sale of an asset, or an outstanding check that has not cleared within a reasonable time are also reported as other income.

Contributions that are other income must be itemized separately from all other contributions.

[R.C. 3517.10; OAC 111:2-4-16](#)

## Political Action Committee (PAC)

A combination of two or more persons, the primary or major purpose of which is to support or oppose any candidate, political party, or issue, or to influence the result of any election through express advocacy.

A PAC does not include candidate committees, legislative campaign funds, political parties, political contributing entities, or political clubs.

To determine whether a purpose is a primary or major purpose, the following should be considered:

- Whether the combination of two or more persons receives money or any other thing of value in a common account for the specific purpose of supporting or opposing any candidate, political party, legislative campaign fund, political action committee, political contributing entity, or ballot issue;
- Whether the combination of two or more persons has or will make a continuing pattern of expenditures from a common account to support or oppose any candidate, political party, legislative campaign fund, political action committee, political contributing entity, or ballot issue;
- Whether the combination of two or more persons constitutes an entity that did not exist prior to supporting or opposing any candidate, political party, legislative campaign fund, political action committee, political contributing entity, or ballot issue; and
- Whether the total dollar value of the combination of two or more persons' activity described in the above paragraphs during a calendar year exceeds \$100.

[R.C. 3517.01\(C\)\(8\); OAC 111:2-1-02\(K\)\(1\)](#)

A "combination of two or more persons" does not include persons making separate individual contributions to the same campaign committee, political party, or other entity.

[OAC 111:2-1-02\(K\)\(2\)](#)



## Political Club

An organization excluded from the definition of a “political action committee” and having these attributes:

- Is formed primarily for social purposes;
- Consists of 100 members or less;
- Has officers and periodic meetings;
- Maintains less than \$2,500 in its treasury at all times; and
- Makes no more than \$1,000 in total contributions per calendar year.

Despite its name, a “political club” is not necessarily required to have any affiliation with any political party.

[R.C. 3517.01\(C\)\(8\)\(b\); OAC 111:2-1-02\(L\)](#)

## Political Contributing Entity

Any entity, including a corporation or labor organization that may lawfully make contributions and expenditures to influence the outcome of an election.

Only labor organizations may make contributions and expenditures in accordance with the decision in *UAW et al. v. Philomena, et al.* (1998) 121 Ohio App. 3d 760 (10th District). Corporations may not be PCEs.

[R.C. 3517.01\(C\)\(25\)](#)

## Political Party

A political party is any group of voters that garners and maintains at least 3% of the total vote in a gubernatorial or presidential election, or properly files party formation petitions.

Along with having a statewide party apparatus, political parties may have separate, local organizations in each of Ohio’s 88 counties.

[R.C. 3517.01\(A\)](#)

## Treasurer

An individual appointed by a candidate, political action committee, political contributing entity, political party, or legislative campaign fund to receive, deposit and disclose contributions, make and disclose expenditures, and file periodic reports of campaign finance activity.



A treasurer must keep a strict account of all contributions received and expenditures made. Any reasonable accounting procedure may be employed by the treasurer to ensure a full, complete, and accurate account of all financial and disclosure information. The treasurer must preserve all records and accounts for six years after each periodic report has been filed.

[R.C. 3517.01\(C\)\(2\), 3517.081, 3517.10\(D\); OAC 111:2-4-13](#)