



# Campaign Finance Handbook

## CHAPTER 6: LEGISLATIVE CAMPAIGN FUNDS

### What is a Legislative Campaign Fund?

A legislative campaign fund (LCF) is an entity that is associated with one of the caucuses of the General Assembly and is established as an auxiliary of a state political party.

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

#### The four LCFs are:

- Ohio House Democratic Caucus;
- Ohio House Republican Alliance;
- Ohio Senate Democrats; and
- Republican Senate Campaign Committee.

## ACCOUNT TYPES

LCFs may have two accounts, with each serving a specific purpose. They include:

- General Political account; and
- Building Fund account.

### General Account

The General Political account is the fund used by an LCF to directly support the members of, or candidates for, the legislative caucus to which the LCF is connected. Such support can be in the form of direct monetary contributions or as in-kind contributions in the form of goods and services – e.g., television airtime, media production, and postage. The General Political account of an LCF may not accept any contribution or transfer from that LCF's building fund.

[R.C. 3517.01\(C\)\(15\); 3517.10\(D\); 3517.101](#)

### Building Fund

Monies given to a Building Fund account are considered “gifts” and not contributions. The gift must be specifically designated. Building Fund gifts may be used for:

- Construction, renovation, purchase, or lease of an office facility and any real property taxes associated with the facility;
- Furniture and fixtures to be installed in an office facility;
- Equipment and supplies to be used in an office facility, including telecommunications and computer hardware and software; and
- Operating costs, maintenance, and repair of an office facility, other than personnel costs.



Gifts to a Building Fund account may not be used solely for the purpose of directly influencing the election of any individual candidate in any particular election for any office.

Any individual, partnership, unincorporated business organization or association, political action committee (PAC), political contributing entity (PCE), labor organization, or corporation (other than a public utility) may make one or more gifts to a Building Fund account. A gift must not exceed the gift limit specified in R.C. 3517.101, as statutory adjusted for inflation in January of each odd-numbered year. Monies received into a Building Fund must be kept in a separate bank account because gifts may be accepted directly from corporations doing business in Ohio.

[R.C. 3517.101, R.C. 3517.104; OEC Adv. 2000ELC-04](#)

## REPORTING

Disclosure of campaign finance activity is a crucial element in monitoring compliance with and effectiveness of Ohio's campaign finance laws and regulations. When a report is filed, it must be a full, true, and itemized accounting of contributions and expenditures for the reporting period.

### **What to Do First**

Before receiving any contribution or gift, or making any expenditure or disbursement, a legislative campaign fund must file [Form 30-D, Designation of Treasurer](#). This form registers the committee and includes basic information such as the name of the LCF, the treasurer and their contact information, and any deputy treasurer. LCFs are responsible to keep all committee information updated (e.g., change in treasurer, change of committee name, change of address, or change of contact information) by filing an amended Designation of Treasurer.

There are no statutory restrictions on who can be a treasurer. An authorized representative of the LCF designates the treasurer for the entity. A treasurer may appoint a deputy treasurer to assist in the accounting, record-keeping, and disclosure responsibilities. The authorized representative must sign to approve the DOT. The treasurer, and deputy treasurer if appointed, must sign the DOT to acknowledge their appointment.

LCF's are responsible to keep all committee information updated (e.g., change in treasurer, committee name, address, and contact information) by filing an updated Designation of Treasurer. This form must be completed in entirety each time it is filed, including all applicable signatures.

[R.C. 3517.10\(D\)](#)



## Where to File Reports

LCFs file their reports with the Secretary of State.

[R.C. 3517.11\(A\)\(1\)](#)

## When to File Reports

LCF reports are due based on the nature and timing of the activity in which the fund engages. All reports must be physically received by the Secretary of State to meet the filing deadline requirement. A report postmarked, but not received, by the deadline is a late filing.

### There are four types of reporting deadlines:

An LCF must file a **pre-election** report by 4 p.m. on the 12<sup>th</sup> day before an election (primary, general, or special) if the LCF spent or received \$1,000 or more to influence that election between the time the last report was filed and the 20<sup>th</sup> day before the election.

[R.C. 3517.10\(A\)\(1\)](#)

An LCF must file a **post-election report** by 4 p.m. on the 38<sup>th</sup> day after the election if the LCF received contributions or made expenditures to influence that election between the time the last report was filed and the 31<sup>st</sup> day after the election.

[R.C. 3517.10\(A\)\(2\)](#)

An LCF must file a **semiannual report** by 4 p.m. on the last business day of July if the LCF was not required to file a report after the immediately preceding primary election. It should cover the time since the last report through the last day of June. A semiannual report should only reflect the activity that has occurred since the last report was filed.

[R.C. 3517.10\(A\)\(4\)](#)

An LCF must file an **annual report** by 4 p.m. on the last business day of January if the fund was not required to file a post-election report after the immediately preceding November election. The annual report must cover the time since the last report through the last day of December. The report should reflect only activity that occurred since the last report was filed.

[R.C. 3517.10\(A\)\(3\)](#)



Identifying the individual recipients of the fund's contributions is the key to when a report will be required. The need for pre-election and post-election reports will be determined by whether the recipient of an LCF contribution will appear or did appear on a particular election ballot.

[R.C. 3517.01\(B\)\(5\) & \(6\)](#)

## Report Forms

All reporting forms, along with instructions for their use, are available at the Secretary of State's website: [OhioSoS.gov](http://OhioSoS.gov).

Committees not required to file electronically may choose to download the forms and use them for creating reports in paper form. Filers may choose to create their own forms for use in paper filing, with the express written approval of the Secretary of State's Office, as long as they are substantially similar to the forms prescribed by the Secretary of State's Office.

[OAC 111:2-4-10](#)

Filers seeking the approval of alternative paper forms may direct their request, along with a sample of each of the alternative forms to [CFinance@OhioSoS.gov](mailto:CFinance@OhioSoS.gov), or via mail to:

Office of the Ohio Secretary of State  
Campaign Finance Division  
22 North Fourth Street, 15<sup>th</sup> Floor  
Columbus, Ohio 43215

## GENERAL RULES

### Treasurer Duties and Liability

The treasurer of an LCF, and any appointed deputy treasurer are legally responsible for campaign finance reporting requirements. There are no statutory restrictions on who can be a treasurer. The treasurer is appointed by an authorized representative of the LCF and must keep detailed records of everything received, given, or expended. A treasurer may appoint a deputy treasurer to assist in the accounting, record-keeping, and disclosure responsibilities. The treasurer, and deputy treasurer if appointed, must sign the DOT to acknowledge their appointment.

Each report must contain a statement that the report is complete and accurate, subject to the penalty for election falsification. Whoever commits election falsification is guilty of a felony of the



fifth degree. The cover page of every report filed must be signed by the treasurer or a deputy treasurer. A treasurer must retain accurate records of all activity for six years.

[R.C. 3517.10\(C\) & \(D\), 3517.992, 3599.36; OAC 111:2-4-11, 111:2-4-13](#)

## Keeping Reports in Balance

Errors and mistakes in the report can easily affect the balance on hand (Line 6) on a report's cover page, causing it to be incorrect. A treasurer should take two easy steps to avoid or detect potential problems in the report.

- When a report is completed, the balance on hand (Line 6) on the cover page should equal the balance listed on the committee's bank account statement. If the treasurer has reported all the necessary contributions and expenditures (including service charges, interest, and voided checks), then these balance figures should be the same.
- The treasurer should ensure the statements received from the bank are balanced against the committee's reports in a regular and timely fashion.

These two steps will go a long way to help a treasurer ensure that no contribution or expenditure information is incorrect or has been omitted.

## Bank Account

An LCF must establish a bank account that is separate from any personal or business account. All monetary contributions received must be deposited into this account. All contributions received and all expenses paid from this account must be disclosed.

[R.C. 3517.10](#)

## Loans

An LCF may receive contributions in the form of a loan where the contributor expects to be repaid. While there is no requirement to obtain or disclose any formal loan agreement between the LCF and the contributor, it is advisable to consider having an agreement with all terms expressly detailed. Once a loan is received, the balance – along with any payments made – must be disclosed on [Form 31-C, Statement of Loans Received](#), in each report filed until the loan is repaid or forgiven by the contributor.



## Debts

When an LCF has received a good or service that is 60 days or more payable at the time of a reporting deadline, it must disclose the transaction on [Form 31-N, Statement of Outstanding Debts](#), within that report. The debt, and any activity relating to it, must be in each report until the debt is repaid or forgiven by the contributor. If the debt is forgiven, the amount forgiven is considered an in-kind contribution.

## CONTRIBUTIONS

Generally, the value of all contributions received by an LCF must be disclosed. Except for those received at a fundraising event, all contributions must be separately itemized. The primary elements for complete disclosure of a contribution are:

- The name of the contributor;
- The address of the contributor;
- The date of the contribution; and
- The amount of the contribution.

## Anonymous Contributions

A person may not make an anonymous contribution by request. If a donor does not want to be identified, the contribution should not be made. But if an LCF inadvertently receives an anonymous contribution, it must try to identify the donor. If the efforts fail, the LCF should explain the circumstances that caused the contribution to be anonymous and include a description of the efforts it made to determine the donor's identity. This information should appear in the address portion of [Form 31-A, Statement of Contributions Received](#).

[R.C. 3517.10\(C\)\(2\)](#)

## Cash Contribution Limits

A contributor may not give more than \$100 per election in cash. Cash includes only currency or coin.

[R.C. 3517.13\(F\); OAC 111:2-4-05](#)

## Contribution Limits

In most cases, contributions to an LCF are limited by statute. Contributions given to an LCF from a "designated state campaign committee" are not limited. For information about "designated state



campaign committees,” see [Chapter 3, Statewide and General Assembly Candidates](#). A [contribution limit chart](#) is available from the Secretary of State’s [website](#).

[R.C. 3517.102](#)

## Contributions from Minor Children

Legislative campaign funds are prohibited from knowingly accepting a contribution from an individual who is under the age of seven.

[R.C. 3517.102\(C\)\(5\)\(a\)](#)

## Corporate Contributions

Corporations are prohibited from contributing to any candidate, political action committee, and certain political party funds. This prohibition applies to the provision of corporate funds or property to a candidate or campaign committee.

[R.C. 3599.03; OEC Adv. 97ELC-05](#)

To determine the status of a business or a corporation registered in Ohio, you may contact the Secretary of State’s Business Services Division at 877.767.3453. Also, the complete database of business entity filings is available and can be searched at the [Secretary of State’s website](#). Follow the links for Businesses and [Business Search](#).

## Contributions Received Through Online Payment Processors

Online payment processing applications must provide for complete reporting of all contribution disclosure requirements, including:

- Full name of contributor;
- Complete street address of contributor;
- Date of contribution;
- Full amount of contribution as authorized by contributor; and
- Contributor’s employer (or, if self-employed, occupation and business name), if applicable.

The recipient of an online contribution must disclose the full amount of the payment as a contribution. Any fee associated with the processing of the contribution must be disclosed as an



offsetting expenditure. The fees assessed on multiple contributions made through an online payment processor during any reporting period may be aggregated for disclosing as a single expenditure transaction. An LCF that aggregates payment processing fees must attach a copy of the statement verifying the individual expenditures to the respective campaign finance statements.

## Fund-Raiser Exemption

Individual contributions totaling \$25 or less per person received at a specific fund-raising activity need not be itemized (listed by person) within a report. These contributions should be reported as a single line item with an aggregate amount on [Form 31-E, Statement of Contributions Received at a Social or Fund-Raising Event](#). Also, in-kind contributions totaling \$325 or less from one contributor at a single fund-raising activity need not be itemized. These contributions should be reported as a single line item with an aggregate amount on [Form 31-J-1, Statement of In-Kind Contributions Received](#). In all events, the treasurer must keep itemized records of all contributions, in case such records are requested by the auditing authority.

[R.C. 3517.10\(C\)\(4\)\(e\)](#)

## Contributions from Joint Checking Accounts

Contributions received from a joint checking account shall be considered a contribution from the person signing the check, absent evidence to the contrary. If the contribution is to be apportioned to each account holder, the contributions must be reported separately as two individual contributions.

[OAC 111:2-4-14](#)

## In-Kind Contributions Received

An in-kind contribution is a non-monetary contribution of goods or services that is made with the consent of, in coordination or cooperation with, or at the request or suggestion of, the benefited LCF. Examples include receiving postage or signs, receiving rent-free office space, having personnel compensated by a third party, or having a third party buy media advertising on behalf of the fund. These contributions are reported on [Form 31-J-1, In-Kind Contributions Received](#).

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



## Joint Fund-Raisers

Each LCF that engages in a joint fund-raising activity may deposit into its account only the checks that are made out to that particular LCF. If a check is received that is made out to more than one reporting entity, then it must be refunded to the contributor and not deposited into the LCF bank account. The expenses for the event are divided equally among the participants unless they have agreed to divide them in another manner. If the expenses are not divided equally and one committee pays for more or all of the event costs, an in-kind contribution occurs and must be disclosed.

[OAC 111:2-4-17](#)

## Labor Organization Contributions

An LCF may accept contributions from a PAC sponsored by a labor organization or from a labor organization's political contributing entity (PCE).

[R.C. 3517.01\(C\)\(21\), 3517.082](#)

## Partnerships/Unincorporated Associations

Professional associations (e.g., physicians, architects & dentists) under [R.C. 1785](#), limited liability companies under [R.C. 1705](#), or partnerships as defined by [R.C. 1776 through 1783](#), are not "corporations" under [R.C. 3599.03](#). These entities are considered either partnerships or unincorporated businesses. A partnership or unincorporated business may use its checking account to transmit a contribution to a candidate. The contribution must come with detailed information about each partner, owner, or member and their allocated portion of the contribution. The recipient of such a contribution must itemize each allocated portion according to the information provided. No contribution from a partnership or other unincorporated business may be accepted, deposited, or used unless the recipient has the allocation information necessary to itemize the contribution by the partner, owner, or member.

[R.C. 3517.10\(I\); OAC 111:2-4-20; OEC Adv. 96ELC-03](#)

## Public Employee Solicitations / Contributions

Public employees are prohibited from being solicited for political contributions while performing their official duties or while they are in those areas of a public building where official business is conducted. Public employees are prohibited from soliciting contributions while performing official



duties or in areas of a public building where official business is conducted. For these prohibitions, the term “public employee” does not include any person holding an elective office.

[R.C. 3517.092](#)

## Deposit of Contributions or Other Income

The LCF must deposit all contributions and other monetary income in the LCF’s account within 30 days of receipt or return the contribution to the donor. A contribution that is clearly illegal must be returned and not deposited. A contribution that appears on its face to be legal (e.g., not from a foreign national, corporation, or in excess of contribution limits) may be deposited and used by the LCF.

Contributions that appear questionable may be deposited, but not spent. The treasurer must make a good-faith effort to determine the legality of the contribution. If, within 30 days of receipt, the legality of the contribution cannot be determined, the contribution must be returned.

If a contribution is kept that is later found to be illegal, then the LCF must refund it within 10 days of the discovery.

[OAC 111:2-4-11](#)

## Raffles

The use of raffles or other games of chance to raise money for an LCF, while not specifically prohibited in the campaign finance statutes, is discouraged for many reasons. First, the collecting and reporting of all the required contributor information for every raffle ticket or chance sold can be very difficult. An LCF treasurer must keep a strict account of all contributions received – regardless the amount of the contribution. Second, the raffle or other games or schemes of chance in which persons pay to play may be a lottery prohibited by [Article XV, Section 6 of the Ohio Constitution](#) or may constitute gambling in violation of [R.C. 2915](#). In addition, political fund-raising events involving a raffle or other scheme or game of chance held on the premise of a liquor permit holder may involve a violation of [OAC 4301:1-1-53](#) of the Ohio Department of Commerce, Division of Liquor Control.

Many fund-raising events award door prizes to some persons who attend. Giving door prizes of minimal value, such as flower arrangements, is unlikely to constitute a violation because the persons participating would have contributed regardless of the possibility of receiving a prize. But



if the value of the door prize is significant enough to encourage contributors to purchase an entrance ticket in order to win the prize, then a violation may have occurred.

Questions or information on raffles and other schemes or games of chance should be referred to the county prosecutor in the county where the activity occurs.

*SOS Advisory No. 94-04*

## **EXPENDITURES**

The value of all expenditures made by an LCF must be disclosed. The primary elements for complete disclosure of expenditures are:

- The name of the payee;
- The address of the payee;
- The date of the expenditure;
- The amount of the expenditure; and
- A detailed purpose of the expenditure.

In some cases, more information or more detailed itemization may be required.

### **Permissible Campaign Expenses**

The use of campaign funds for personal or business purposes is prohibited. All expenditures made by an LCF must be for influencing the result of an election or for making a charitable contribution.

Campaign expenses must be legitimate, verifiable, ordinary, necessary. These terms have been defined by the Ohio Elections Commission as follows:

Legitimate	Conforming to recognized principles or accepted rules and standards.
Verifiable	Able to be proven true, confirmed, or authenticated.
Ordinary	Taking place according to customary occurrences or procedures.
Necessary	Appropriate and helpful to accomplishing a particular end.

In addition, the Ohio Elections Commission has made clear that these expenses must be reasonable in cost and form.

[OEC Adv. 87ELC-4](#)



## Gifts

Gifts to employees for birthdays, weddings, and retirements, and flowers to employees or their family members because of illness or death have been considered permissible.

## Legal Fees

The Ohio Elections Commission has advised that expenditures for legal fees are permissible when the fees are part of representing the LCF on matters before the Commission.

[OEC Adv's. 87ELC-9, 87ELC-15, 88ELC-1, 90ELC-4, 96ELC-06, 96ELC-08, 2000ELC-05, 2006ELC-01](#)

## Charitable Contributions

Charitable contributions are those made to a charity designated as exempt from federal income taxation under subsection 501(a) and described in subsections 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10) or 501(c)(19) of the Internal Revenue Code, or to any charity approved by advisory opinion of the Ohio Elections Commission.

[R.C. 3517.08\(G\)](#)

## Refunds

An LCF may not make any refund of any contribution, unless the purpose is to refund a contribution in excess of the applicable contribution limit or to refund a contribution that has been found to be illegal.

[OEC Adv. 99ELC-03](#)

## Credit Cards

An LCF may use a credit card to purchase goods and services on behalf of the fund. If the LCF pays the credit card company directly, then each credit card purchase should be listed separately as an expenditure on [Form 31-B, Statement of Expenditures](#), or on [Form 31-F, Statement of Expenditures for a Social or Fund-Raising Event](#), with the vendor name, address, date, and amount of purchase. The credit card statement should be attached to the report along with a copy of the canceled check to the credit card company.

[OAC 111:2-4-13](#)

If an individual uses a credit card and seeks reimbursement from the LCF for the purchases, then the reimbursement expenditure is reported on the expenditure form. The treasurer must obtain



receipts for all reimbursements issued to verify the legitimacy of each campaign expense. This documentation for an expenditure must be provided with the respective campaign finance report.

## Independent Expenditures

An independent expenditure is one that is made in support of or in opposition to either a candidate or a ballot issue without the consent of, and not in coordination, cooperation, or consultation with, or at the request of or suggestion of, the candidate, agent of the candidate, or ballot issue committee. Such expenditures are reported by the entity that makes them, but not by the benefited committee.

[R.C. 3517.01\(C\)\(17\), 3517.105; OAC 111:2-2-01, OAC 111:2-2-02](#)

## In-Kind Contributions

An in-kind contribution is a non-monetary contribution of goods or services that was made with the consent of, in coordination or cooperation with, or at the request or suggestion of, the benefited candidate, agent of the candidate, fund, or party. An LCF may contribute to a candidate's campaign committee any item or service it has bought rather than, or along with, making a monetary contribution. For example, an LCF may have bought a large block of radio airtime at a particular radio station. When the LCF gives a portion of this asset to a campaign committee, an in-kind contribution has been made by the LCF and received by the campaign committee. As a result, both entities have a responsibility to disclose this transaction.

## Expenditure Verification

Every expenditure in excess of \$25 must have a corresponding canceled check or receipt photocopy attached to the report. A proper receipt is one that has been marked "PAID" by the vendor. In addition, the Secretary of State or the county board of elections may request a mileage log for mileage reimbursements, so that the expenditure and its appropriateness may be verified. If canceled checks are not returned or provided by the banking institution of the LCF, a copy or printout of the campaign committee's bank account will suffice for the receipt requirement so long as the name of the vendor, date of transaction, and amount of the expenditure are all provided. Additionally, printouts of canceled check images as provided by the fund's banking institution satisfy the expenditure verification requirement.

[R.C. 3517.10\(D\); OAC 111:2-4-13; OEC Adv.s. 87ELC-03, 87ELC-12](#)



## Reimbursement of Campaign Expenses

Campaign related expenses incurred by employees or volunteers may be reimbursed by the LCF if they are legitimate and verifiable prior expenses and not otherwise prohibited by law. The LCF may not advance funds to a candidate, employee, or volunteer; the expense must be incurred before reimbursement. The treasurer must obtain receipts for all reimbursements issued to verify the legitimacy of each campaign expense. Reimbursements for items or services bought on behalf of the committee that are not reimbursed during the reporting period must be reported as outstanding debt. The Secretary of State or the county board of elections may request a mileage log or receipts for reimbursements so that the expenditure and its appropriateness may be verified.

### [R.C. 3517.13\(O\)](#)

No beneficiary of an LCF or other person may convert for personal use anything of value from the LCF, except as reimbursement for:

- Legitimate and verifiable prior campaign expenses.
- Legitimate, verifiable, ordinary, and necessary expenses incurred by the beneficiary while:
  - Engaged in activities to support or oppose another candidate, political party, or issue;
  - Raising funds for, or participating in activities of, a political party or other political committee; or
  - Attending a political party convention or meeting.

### [OEC Adv. 87ELC-4](#)

## Corrections and Amendments

When a correction is necessary or additional information is obtained by the LCF or required by the Secretary of State relating to a report that has already been filed, the LCF must file an amended report. Amendments filed on paper consist of only corrections to previously submitted information or additional information. The amendment should include either a report cover page or a cover letter specifying the name of the LCF and what report is being amended. Amendments filed electronically consist of all report data – what was originally filed and new or modified records.

When an error is found, or when checks are received that could not earlier be attached to a report, the amendment should be filed immediately. When an auditing authority requests more



information or a correction to a report, the LCF has 21 days to provide the information or correction.

[R.C. 3517.11\(B\); OAC 111:2-4-19](#)

## Closing the Committee

An LCF must have a zero-dollar balance and no outstanding loans or debts before it can terminate. When these criteria have been met, an LCF must file a final report listing all activity, if any, that has occurred since the previous report. After filing their final report, an LCF must email [CFinance@OhioSoS.gov](mailto:CFinance@OhioSoS.gov) their committee has a zero-dollar balance, no outstanding loans or debts, and wishes to terminate.

[R.C. 3517.10\(A\)](#)

## Record Retention

LCFs must maintain their records for six years. This requirement includes all bank records (including deposit records), reports, amendments, correspondence, receipts, invoices, and mileage logs.

[R.C. 3517.10\(D\), 3517.106\(D\); OAC 111:2-4-13](#)

## Excess Funds

An LCF is limited in the amount of contributions it may retain after a general election by R.C. 3517.102(E), as statutorily adjusted for inflation in January of each odd-numbered year. Excess amounts are determined as of the close of business on the seventh day before the post-general election statement is filed. Any excess money retained by an LCF must be disposed of within 90 days after the filing of the post-general election campaign finance report. The excess money can be given to either the Ohio Elections Commission fund, individual contributors up to the amount of their contribution, or certain 501(c) nonprofit corporations. The LCF must file a report on the 90<sup>th</sup> day disclosing its balance on hand at the close of business on the seventh day before the post-general election statement is filed, attesting that the excess funds were disposed of according to law, and any other information required by the Secretary of State.

[R.C. 3517.102\(E\), R.C. 3517.104](#)