OFFICE OF
CAMPAIGN
and
POLITICAL
FINANCE

Commonwealth
of Massachusetts

Campaign Finance Regulations
970 CMR

1.0 Campaign Finance Activity
2.0 Political Expenditures

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970 CMR 1.00: CAMPAIGN FINANCE ACTIVITY

Section

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1.01: Scope and Purpose

M.G.L. c. 55 regulates all campaign finance activity for state, county, city and town elections and regional school and other district elections in the Commonwealth. 970 CMR 1.00 provides for the regulation of activity which is often engaged in by political committees. It establishes specific guidelines for transactions such as debt settlements, the acceptance and reporting of campaign contributions and loans from candidates to their political committees.

1.02: General Provisions

(1) Authority. 970 CMR 1.00 is promulgated under authority and in conformity with M.G.L. c. 55, §§ 3 and 6 and M.G.L. c. 30A.

(2) Amendments. 970 CMR 1.00 may be amended at any time, and such amendments shall take effect in accordance with M.G.L. c. 30A, § 6.

(3) The term political committee as used in 970 CMR shall, unless the context otherwise requires, also apply to a candidate's account, as provided for in M.G.L. c. 55, § 2, and shall apply to all transactions and activities of said account.

(4) The term candidate as used in 970 CMR shall, unless the context otherwise requires, also apply to the candidate committee organized on behalf a candidate in accordance with M.G.L. c. 55.

(5) In any town having elections in November, candidates and committees required to file reports relating to such elections shall file reports in accordance with the schedule established in M.G.L. c. 55, § 18(b) for cities.

1.03: Debts

(1) Corporate Debts. Corporate debts for goods and services may not be settled for less than the amount owed unless both the business corporation and political committee treat the debt in a commercially reasonable manner. 970 CMR 1.03 shall not apply to a debt which is the subject of a dispute between a political committee and a creditor involving questions of satisfactory delivery of goods or services, or the amount owed. In order for a settlement of such a debt to occur all of the following requirements must be met:

(a) Credit was extended in the ordinary course of business similar to terms granted to other political and non-political debtors.
(b) The committee has made commercially reasonable efforts to satisfy the debt.
(c) The creditor has pursued remedies to seek payment in the same manner it normally takes against debtors in a financial condition similar to the committee.
(d) The settlement is similar to others the creditor has made with other debtors, and similar to settlements the committee has proposed to its other creditors.

1.03: continued

(e) The length of time prior to settlement is consistent with normal business and trade practice.

(f) A political committee or candidate must file with this office a Statement of Settlement, which is subject to review, within 30 days of any such settlement. All Statements of Settlement must be signed by the Treasurer and Candidate of the political committee, and a duly authorized agent of the corporation.

(2) Noncorporate Debts. Debts to individuals or unincorporated proprietors may be settled for less than the amount owed in the same manner as provided in 970 CMR 1.03(1), or by meeting each of the following requirements:

(a) The amount forgiven is set forth in a letter of forgiveness and when considered together with amounts contributed from the same individual, is no more than the amount said individual may contribute in accordance with M.G.L. c. 55 or 970 CMR.

(b) The political committee must report any debt which is forgiven as an in-kind contribution.

(3) Definition of "Liability". For purposes of M.G.L. c. 55, a "liability" is an obligation to make an expenditure which arises when a candidate or political committee, or person acting on behalf of a candidate or political committee, receives the proceeds of a loan or a good or service for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or opposing a question submitted to the voters, or is otherwise legally obligated to make a payment.

1.04: Contributions

(1) A contribution which is made by a check which reflects a joint checking account of two individuals shall be presumed to be from the individual whose signature appears on the check, unless other information is provided, in writing, by either individual whose names appear on the check, that the true contributor(s) is different than the signature that appears on the check.

(2) No check reflecting the name of a business corporation may be solicited or received by any candidate or political committee, other than a ballot question committee.

(3) A contribution by a partnership shall be attributed to each partner of the partnership:

(a) In direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the political committee or candidate; or

(b) By agreement of the partners, as long as:

1. Only the profits of the partners to whom the contribution is attributed are reduced (or losses increased), and

2. These partners' profits are reduced (or losses increased) in proportion to the contribution attributed to each of them.

A contribution by a partnership shall not exceed the limitations on contributions by individuals established by M.G.L. c. 55. No portion of such contribution, except a contribution to a ballot question committee, may be made from a corporation subject to M.G.L. c. 55, § 8 that is a partner.

(4) Contributions which are received by ticket sellers must be disclosed as contributions from original and true contributors in the amount given by them.

(5) Anonymous contributions may not be accepted and shall, if unable to be returned to the contributor, be donated within 30 days of receipt, to an entity or entities specified in the residual funds clause, M.G.L. c. 55, § 18, or in a manner consistent with 970 CMR 2.05(2)(w) or 970 CMR 2.06(3)(a). Candidates and political committees must keep records reflecting such contributions.

(6) Any corporation or any other entity which is prohibited from making a particular contribution may not reimburse an individual for any contribution made by that individual.

1.04: continued

(7) Any contribution received by a candidate or political committee, which is returned to the contributor in its original form, is deemed to have not been accepted and therefore need not be reported.

(8) Candidates and committees shall exercise their best efforts to determine whether contributions are legal at the time of receipt. Any contribution which is believed by a candidate or committee to be illegal under M.G.L. c. 55 or any other law prior to its deposit into the account of a political committee or candidate shall be returned to the contributor in its original form. Any contribution which is believed by a candidate or committee to be illegal, subsequent to its deposit, shall be refunded to the contributor immediately. This refund shall be in the form of a check written to the contributor on the account of the candidate or political committee into which the original contribution was deposited. When the director determines a contribution to be illegal, the director may either require the contribution to be refunded to the contributor, or alternatively, he may require the contribution to be disgorged through a payment by the candidate or committee to the Commonwealth.

(9) A political committee or candidate may elect to refund a contribution, subsequent to its deposit, under the following circumstances:

(a) The political committee or candidate determines that the receipt of the particular contribution creates an appearance of a conflict of interest or other possible impropriety. Such a refund would be appropriate, for example, where the receipt of a particular contribution might reasonably be interpreted to create an impression that a contributor can improperly influence or unduly enjoy official favor, or exercise undue influence.

(b) The political committee or candidate has established, or establishes, a refund policy regarding contributions from a particular category or type of contributor. This policy, and the refund of such contributions, must be stated and applied in an open and consistent manner.

(c) Except as provided in 970 CMR 1.04(9)(d), contributions may be refunded to some or all contributors making contributions to a candidate or committee for any reason if refunds are made within 90 days of receipt of such contributions.

(d) Contributions may be refunded within 90 days of receipt because of the termination of a particular candidacy. Such refunds shall be calculated in accordance with 970 CMR 1.04(9)(d)1. or 2.:

1. refunds may be made on a *pro rata* basis; or
2. refunds may be made on a "last in, first out" basis, *i.e.*, the most recent contribution will be refunded in full and the remaining balance will be used to refund each contribution in the reverse order of receipt.

(e) Except as expressly provided, 970 CMR 1.04 shall not be construed to affect the requirements of 970 CMR relating to the disposition of residual funds by candidates and political committees.

(10) Membership Communications. Communications from membership organizations, not including a corporation subject to M.G.L. c. 55, § 8, to its members and their families, on any subject, shall not be understood to be a contribution or expenditure.

(11) Money Orders. No person, candidate or political committee shall make a contribution of money, if the aggregate amount contributed in a calendar year exceeds $50.00, except by check, or by credit card in accordance with 970 CMR 1.09. For the purposes of 970 CMR, the word "check" shall, unless the context otherwise requires, mean a check on which the contributor is directly liable or which is written on a personal, escrow, trust, partnership, business or other account which represents or contains the contributor's funds and shall not mean a certified check, cashier's check, treasurer's check, registered check, money order, traveler's check or other similar negotiable instrument.

(12) Contribution Limitations. Contributions from individuals, candidates and political committees to candidates and political committees shall comply with the contribution limitations set forth in the following chart:

1.04: continued

CONTRIBUTION LIMITATIONS
(M.G.L. c. 55, AS AMENDED BY St. 1994, chs. 43 AND 292)

Limits on contributions to:

	Const. candidate[1]	Other candidate	PAC[2]	"People's committee"[2]	State party comm.	Ward, town city party committees	Ballot question committees
Contribution from: Individual[3]	$500/yr $12,500, total to candidate committees	$500/yr $12,500, total to candidate committees	$500/yr	$100/yr[4]	[------$5,000/yr------][5]		No limit
Legislative and executive agents (i.e., registered lobbyists)	$200/yr[6]	$200/yr[6]	$200/yr	$100/yr[4]	$200/yr [------$5,000/yr------][5]	$200/yr	No limit
Const. Candidate Committee.	$0	$0	$0	$0	$100/yr. $1,500/yr. (total)	$100/yr. $1,500/yr. (total)	$0
Other Candidate Committee	$100/cand. $1,500/ total to all candidates[11]	$100/cand. $1,500/ total to all candidates[11]	No limit[7]	$0	No limit[7]	No limit[7]	No limit[7]
PAC	$500/yr. (Limits on aggreg. amounts received from PACs: Gov:$150,000 LtGov: $31,250 Atty Genl: $62,500 State Secy: $37,500 Treasurer: $37,500 Auditor: $37,500)	$500/yr. (Limits on aggreg. amounts received from PACs: Senator: $18,750 Rep:$7,500 County officers: $18,750 Governors Council: $18,750)	$500/yr.	$0	[------$5,000/yr------][5]		$500/yr.[9]
"People's committee"	$500/yr.	$500/yr.	$500/yr.	$0/yr.	[------$5,000/yr------][5]		$500/yr.[9]
State party committee	$3,000/yr.[10]	$3,000/yr.[10]	$500/yr.	$0/yr.	N/A	$5,000/yr.[5]	$500/yr.[9]
Ward/town, city party committee	$1,000/yr.[10]	$1,000/yr.[10]	$500/yr.	$0/yr.	[------$5,000/yr------][5]		$500/yr.[9]
Ballot question committees	$0	$0	$0	$0	$0	$0	No limit[8]

1.04: continued

[1] "Constitutional candidates" include candidates for governor, lieutenant governor, attorney general, state secretary, treasurer and receiver general, and auditor.

[2] PACs are committees that are not candidate committees, political party committees or ballot question committees. However, if the PAC (1) only receives contributions from individuals in an amount of $100* or less in any calendar year, (2) has been in existence for at least six months, and (3) contributes to five or more candidates, it may request a change in its status to that of a "people's committee."

[3] Individuals under 18 years of age have a $25 annual aggregate contribution limit.

[4] People's committees are prohibited from receiving more than $100* in a calendar year from any individual.

[5] The maximum aggregate contribution which may be made to all political party committees of one party, including committees organized on the state, ward, town, and city level, is $5,000.

[6] Legislative and executive agents are also subject to the aggregate limitation on contributions placed on individual contributors.

[7] Contributions only for "enhancement of the political future of the candidate."

[8] M.G.L. c. 55, § 6B does not specify a limit on how much can be donated to another ballot question committee, except to state that such contributions must be "consistent with the purpose for which [the committee was] organized."

[9] A PAC, people's committee, or party committee is not subject to the $500 limit on contributions to a ballot question committee during a calendar year if such contributions "enhance the principle for which the committee was organized."

[10] This limit is only on contributions made in money. There is no limit on in-kind contributions by party committees to candidates.

[11] A candidate contributing from the candidate's own funds is subject to the $500 individual limit, not the $100 limit.

* Subject to biennial indexing.

(13) A candidate or ballot question committee may establish a separate account to receive money to pay for legal expenses arising from a recount. The funds received, if deposited into this separate account and not raised through the use of funds in the candidate's or ballot question committee's campaign account, are not "contributions" subject to the restrictions and reporting requirements of M.G.L. c. 55.

1.05: Loans

(1) All loans by a candidate to the political committee organized on behalf of that candidate are subject to the following:

(a) If the candidate borrows money with interest from a banking institution in the ordinary course of business, and if he lends those same funds to his political committee, he may charge his committee the exact terms he is being charged by the banking institution, provided however, that he may do so only on the exact amount he has loaned to his committee from funds loaned to him by the banking institution.

(b) If a candidate makes a loan to his political committee from his own personal funds without having secured a bank loan he may not charge his committee interest or any other costs.

1.05: continued

(2) Statutory Limitations.

(a) Candidates for any statewide office and for the offices of state senator and state representative shall not loan, per election, more than the following amounts to their committee:

Governor, Lieutenant Governor	$200,000
Secretary of State	$150,000
Treasurer	$150,000
Auditor	$150,000
Attorney General	$150,000
State senator	$50,000
State representative	$30,000

(b) For the purpose of 970 CMR 1.05, the phrase "per election" shall mean any regular or special preliminary or primary election, or any regular or special general election and shall include the period between the prior relevant primary or election and the following primary or election. For example, a state senator may loan his committee $50,000 for the period between the prior November election and the following September primary which occurs approximately 22 months later, and loan an additional $50,000 for the period between that September primary and the following November election.

(c) All other candidates may make loans to their committees in unlimited amounts.

1.06: Limitations on Contributions by Political Committee

(1)(a) Pursuant to and only for the purposes of the contribution limitations in M.G.L. c. 55, § 6, contributions shall be considered to be made by a single political committee if made by more than one political committee established, financed, maintained, or controlled by any person, including any parent committee of a subsidiary committee or any person other than a natural person.

(b) Two or more political committees may be considered to be a single political committee for the purposes of the contribution limitations in M.G.L. c. 55, § 6, if such committees make contributions to one or more of the same candidates or political committees and if at least one of the following indicia of a person establishing, financing, maintaining or controlling such committees exist:

1. Such person possesses one or more of the following with respect to each of the political committees:

a. Ownership of a controlling interest in voting rights, shares or securities of one or more of the political committees in question or of a person having control over such committee or committees, if any;

b. The authority, power, or ability to direct or control the activities of one or more of the political committees in question or of a person having control over such committee or committees, if any; or

c. The authority, power, or ability to hire, appoint, discipline, discharge, demote, or remove or otherwise influence the decision of the officers or members of one or more of the political committees in question or of a person having control over such committee or committees, if any.

2. Each of the political committees having the same, or substantially the same, persons as principal officers or members;

3. Each of the political committees reach decisions regarding expenditures made to one or more candidates or political committees in cooperation, consultation or concert with, or at the request or suggestion of, each other or of a person having control over such committees, if any;

4. The transfer of funds between the political committees which represent a substantial portion of the funds of either the transferor or transferee political committee;

5. Contributions to the political committees by the same person or persons, which contributions represent a substantial portion of the contributions received by each of said political committees; or

6. The use of shared administrative resources, including but not limited to office space, equipment or personnel, by the political committees.

1.06: continued

(2)(a) Pursuant to and only for the purposes of the contribution limitations in M.G.L. c. 55, § 6, contributions made by the state committee of a political party and contributions made by any ward or town political committee of the same political party shall be considered to be made by separate political committees.

(b) Pursuant to and only for the purposes of the contribution limitations in M.G.L. c. 55, § 6, contributions made by a political committee established, financed, maintained, or controlled by one or more ward or town political committee of a political party, including but not limited to a city political committee, and contributions made by such ward or town political committee(s) shall be presumed to be made by one political committee.

(c) Pursuant to and only for the purposes of the contribution limitations in M.G.L. c. 55, § 6, contributions shall be presumed to be made by one political committee if made by political committees established, financed, maintained, or controlled by:

1. a single corporation or its subsidiaries (to the extent such political committees are permitted pursuant to M.G.L. c. 55);
2. an organization of national or international unions or local central bodies;
3. a single national or international union or any of its local unions or other subordinate organizations; or
4. a membership organization, including but not limited to a trade or professional association or any state or local entities related to such organization or association.

(d) The presumptions contained in 970 CMR 1.06(2)(b) and 970 CMR 1.06(2)(c) may be rebutted if the political committees in question present credible evidence that they have not made contributions in cooperation, consultation or concert with, or at the request or suggestion of each other or of any person who has established, financed, maintained or controlled such political committees. If the presumptions contained in either 970 CMR 1.06(2)(b) or 970 CMR 1.06(2)(c) are rebutted by credible evidence, the political committees in question nevertheless remain subject to the provisions of 970 CMR 1.06(1)(b).

1.07: Contributions by Conduits and Intermediaries

(1) Generally. Contributions gathered and delivered to a candidate through an intermediary or conduit ("bundled" contributions) are treated not only as contributions from the person making the contribution but also as contributions from the intermediary or conduit, if the intermediary or conduit is a "regulated intermediary," and at least one of the contributions is greater than $100, subject to biennial indexing.

(2) Regulated Intermediaries. Regulated intermediaries include:

(a) political action committees and their officers, employees and agents;

(b) legislative agents and executive agents, and employees or agents acting on their behalf;

(c) lobbying organizations and their officers, employees or agents acting on behalf of the organization; and

(d) persons responsible for delivering "pooled contributions" from a corporation's officers or employees.

(3) Contributions "Through an Intermediary or Conduit".

(a) contributions "through an intermediary or conduit" include either:

1. contributions delivered, in person or by mail, to a particular candidate or candidate's committee; or
2. contributions to a particular candidate or candidate's committee made in a manner that identifies in writing the person who arranged the making of the contributions.

(b) personal contributions made by a regulated intermediary are not made "through an intermediary or conduit."

(c) contributions from a political action committee or lobbying organization which are delivered by an officer or agent of the political action committee or lobbying organization are not made "through an intermediary or conduit."

(d) the reporting and attribution requirements of M.G.L. c. 55, § 10A apply only if two or more contributions are made through a regulated intermediary.

(e) contributions received by a candidate pursuant to a written or oral solicitation by a regulated intermediary are not subject to the provisions of M.G.L. c. 55, § 10A unless the regulated intermediary delivers the contributions to a candidate or the contributions are made in a manner that indicates, in writing, that the contributions were arranged by the regulated intermediary.

1.07: continued

(4) Reporting of bundled contributions.

(a) Regulated intermediaries who deliver or arrange for the making of contributions to a candidate shall file reports, on a form prepared by the director, with the office, or a city or town election official, if applicable, and shall provide a copy of the completed report to the candidate, identifying the original source and the intended recipient of each contribution. A copy of the report shall be delivered to the candidate on the date the candidate receives the contribution, and within ten days thereafter, the original report shall be filed with the director, or with a city or town election official, if applicable.

(b) The report of bundled contributions shall set forth the following information:

1. The name and residential address of the original contributors;
2. The occupation and employer of the original contributors, if the contribution is $200 or more;
3. The amount of each contribution;
4. The intended recipient;
5. The name and residential address of the regulated intermediary; and
6. The basis for the regulated intermediary's being regulated by M.G.L. c. 55, § 10A, (whether the intermediary is a PAC, legislative agent, person arranging pooled corporate contributions, or other regulated intermediary);
7. The dates contributions are delivered to a candidate;

(c) Candidates receiving contributions through regulated intermediaries shall report only the original source of the contributions on their candidate reports and attach a copy of the report required to be filed with the candidate by 970 CMR 1.07(4)(a) and (b).

(d) Candidates shall keep copies of the reports received from regulated intermediaries for six years from the date of the relevant election, together with other records required to be kept by M.G.L. c. 55, § 2.

1.08: Reporting of Contributors' Occupation and Employer

(1) Generally. All candidates and political committees must report both the occupation and the employer or employers of each person whose contribution or contributions in the aggregate equal or exceed the sum of $200 within any one calendar year. Contributions received after the first $200 is received during a calendar year must be refunded if occupation and employer information is not obtained and reported after the exercise of a candidate or committee's best efforts, as defined in 970 CMR 1.08(2).

(2) Exception to Obligation to Disclose - Best Efforts. Contributions may be kept by a committee if the committee, after exercising best efforts to obtain the information, is not able to obtain the information from a contributor after making a request when the contribution is solicited and an additional written request. For the purposes of 970 CMR 1.08, best efforts shall include the following:

(a) The first request for such information must be made, orally or in writing, at the time the contribution is solicited, if a contribution is $200 or more.

(b) If the required information regarding both occupation and employer is not provided at the time of receipt of the contribution, an additional written request addressed to the contributor must be made within 45 days of a committee's receipt of any contribution which brings the total received to $200 or more during a calendar year. The written request must specifically identify the contributor.

(c) If the initial request is made at the time of solicitation and the subsequent written request is made in a timely manner as provided in 970 CMR 1.08(2)(b) and the requested information is not provided by the contributor, the committee may keep the contribution without reporting the occupation and employer information to the director or the city, town or district election official. Committees should note on their campaign finance reports, however, that a letter was sent in compliance with 970 CMR 1.08(2)(b).

(d) If a candidate or treasurer of a committee determines that information provided by a contributor is incomplete, but wishes to keep the contribution, the committee must keep records reflecting all attempts made by the committee to obtain the required information.

1.08: continued

(3) Obligation to Report Additional Information. If a committee files a campaign finance report which contains incomplete occupation and employer information regarding a contributor and subsequently obtains the required information, the committee must submit written notification to the director or city, town or district election official reflecting receipt of the correct information, and supplementing the information previously filed. Such supplemental information must be submitted within 30 days of its receipt by the committee.

1.09: Contributions by Credit Card

(1) Definitions. For the purpose of making and receiving contributions by credit card pursuant to M.G.L. c. 55, § 9 and 970 CMR 1.09, the following terms shall have the following meanings:

Cardholder means the person or political committee whose name appears on a credit card and who is directly liable for the payment of any credit extended.

Card Issuing Bank means the bank or other financial institution that issues a credit card.

Credit Card means a card or other similar device issued by a card issuing bank or other business authorizing the cardholder to buy goods or services.

Merchant Provider means a bank or other business authorized to process credit card transactions.

Paper Record means a credit card receipt or other printed record documenting a credit card transaction.

Vendor means an individual or entity other than a merchant provider that provides services for campaign fundraising on the Internet to candidates and political committees.

(2) Contributions by Credit Card Made Over the Internet.

(a) Credit Card and Internet Agreements. A candidate or political committee may enter into an agreement with a vendor or merchant provider in order to receive contributions by credit card over the Internet. Any such agreement must comply with M.G.L. c. 55, § 9 and 970 CMR 1.09. In addition to any other requirements of 970 CMR 1.09, such agreement must demonstrate compliance with the following:

1. The financial agreement between the candidate or political committee and the vendor or merchant provider must be consistent with customary and usual business practices.
2. The vendor or merchant provider may not provide a discount or other financial incentive to a candidate or political committee that is not available to any other candidate, political committee or the general public.
3. The candidate or committee must, in addition to being responsible for any portion of contributions deducted during processing by the vendor or merchant provider, also pay any applicable additional fees established by the vendor or merchant provider.

(b) Web Site: Screening and Compliance. The vendor or merchant provider, or the candidate or political committee, shall cause to be displayed on the contributor's computer screen appropriate questions requiring a response from the contributor to determine whether the source and amount of a contribution complies with M.G.L. c. 55 and 970 CMR 1.09. Such questions shall require the contributor to answer with an affirmative act such as clicking the cursor in a box or pressing the enter key on the computer keyboard. In addition, a Web site that is used to solicit contributions by credit card must:

1. clearly identify the name of the candidate or political committee that is using the Web site to solicit such contributions via the Internet,
2. require that contributors certify by making an affirmative action that the contributor is responsible for paying all charges incurred in using the credit card to make a contribution and that the contributor's personal funds will be the true source of the contribution in accordance with M.G.L. c. 55, § 10, and
3. make a clear distinction between information that is required by law or regulation and information that is optional, if any. For example, a Web site could indicate required information such as a contributor's name and residential address in red and optional information such as a contributor's interest in working as a volunteer in green.

1.09: continued

(c) Confirmation of Contribution. The vendor or merchant provider, or the candidate or political committee must promptly send written confirmation of each credit card contribution made over the Internet to the contributor by electronic mail or, if the contributor does not have an email address, by first class mail, postage prepaid.

(3) Credit Card Contributions Not Made Via the Internet – Credit Card Agreements. A candidate or political committee may enter into an agreement with a merchant provider in order to receive contributions by credit card other than via the Internet except as prohibited in 970 CMR 1.09(4). All contributions received pursuant to 970 CMR 1.09(3) must be documented by a paper record signed by the contributor at or before the time the committee processes the contribution. Any such agreement between a candidate or political committee and a merchant provider must comply with M.G.L. c. 55, § 9 and 970 CMR 1.09, including, but not limited to 970 CMR 1.09(2)(a)1. through 3.

(4) Credit Card Contributions by Phone. Such contributions are prohibited.

(5) Recordkeeping and Disclosure.

(a) A candidate or political committee soliciting or receiving contributions by credit card shall maintain printed and, if a contribution is received over the Internet, electronic and back-up printed records of each contribution. Such records shall include the:

1. name and residential address of an individual contributor;
2. date received and amount of the contribution;
3. occupation and employer if the contribution is equal to or greater than $200 or if the aggregate of all contributions received from a contributor within any one calendar year is equal to or greater than $200;
4. any costs or fees deducted by or paid to the vendor or the merchant provider;
5. credit card number and expiration date of the contributor's credit card, unless pursuant to a written agreement a vendor or merchant provider has agreed to maintain such records on behalf of the candidate or committee; and
6. the billing address used by the contributor for receipt of credit card bills, if different from the residential or business address of the contributor.

(b) Contributions made by credit card shall be disclosed as received by a candidate or political committee on the day that the contribution is transmitted to the vendor or the merchant provider by the issuing bank.

(c) A candidate or political committee receiving contributions by credit card must report as receipts, on the candidate or committee's campaign finance reports, the full (gross) amount of each contribution before the payment of any fees or deductions to the vendor, card issuing bank or the merchant provider. In addition, all fees paid to or deducted from contributions by a vendor or merchant provider for processing such contributions are expenditures which must be reported in accordance with M.G.L. c. 55 and 970 CMR 1.09.

(d) In accordance with 970 CMR 1.04(8), candidates and political committees must review all contributions received by credit card to determine that such contributions comply with both the source and limitation requirements of the campaign finance law. Any contribution determined to be illegal or in excess of the limits of M.G.L. c. 55 shall be refunded in accordance with 970 CMR 1.04(8) to the contributor.

(6) Depository Candidates/Committees.

(a) Within seven business days of receipt of the contribution from the card issuing bank, the vendor or merchant provider shall deposit the amount of the contribution into the candidate or political committee's depository account, unless the agreement between the candidate or political committee and the vendor or merchant provider authorizes the vendor or merchant provider to deduct transaction costs or fees from a credit card contribution(s) received in which case the vendor or merchant provider may deposit the net proceeds of such contribution(s) into the candidate or political committee's depository account.

(b) Each candidate and each treasurer of a political committee required to designate a depository account shall file reports of credit card receipts with the director. These reports shall be filed on the fifth day of each month, complete as of the first day of that month and, during the last six months of an election year, on the 20th day of each month complete as of the 15th day of that month, if during such reporting period a credit card contribution(s) is deposited into the candidate or political committee's depository account. The reports shall contain the following information regarding the credit card contributions deposited in the candidate or committee's account during the reporting period:

1.09: continued

1. The full name and residential address of each contributor where the contribution was in excess or $50.00 or where the aggregate of all contributions received from that contributor within the calendar year has exceeded $50.00, along with the date of the deposit and amount of contribution, and the contributor's occupation and employer if aggregate contributions by that contributor has exceeded $200.00 for the calendar year. In the case of a credit card contribution by a trust, foundation or association, other than a political committee, the names and addresses of its principal officers shall also be disclosed as required by M.G.L. c. 55, § 10;
2. The total amount of contributions itemized pursuant to 970 CMR 1.09(6)(b)(1);
3. The total amount of contributions $50.00 and under;
4. The total amount of credit card receipts; and
5. The total proceeds of credit card contributions deposited in the committee account. If this amount is less than total amount of credit card receipts for the reporting period due to a vendor or merchant provider having deducted a fee prior to depositing a contribution(s) into the candidate or committee's depository account in accordance with 970 CMR 1.09(6)(a), then the total amount of transactions costs or fees deducted by the vendor or merchant provider during the reporting period shall also be disclosed. This figure should be calculated by subtracting the aggregate proceeds of credit card contributions deposited during the reporting period from the total amount of credit card receipts reported pursuant to 970 CMR 1.09(6)(b)4.

(c) The information required to be forwarded in accordance with 970 CMR 1.09(6)(b) shall be submitted on forms approved by the director or electronically in compliance with M.G.L. c. 55, § 18C.

1.10: Record Keeping

(1) 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.

(2) For the purpose of 970 CMR 1.10, the word "accounts" shall include all accounts, records and other documents, including but not limited to correspondence and fund raising materials, maintained or required by M.G.L. c. 55, M.G.L. c. 55C or 970 CMR by the candidate or candidate committee whether in written, electronic or other form. In addition, accounts shall include, but not limited to:

(a) bank accounts, bank statements, ledgers, canceled checks or other information relative to such bank accounts,

(b) bills, receipts, and other vendor information received in connection with any expenditure made or liability incurred for goods and services,

(c) copies of all contributor checks, contributor lists, card files, and other contributor information.

(3) Candidates and political committees shall keep all accounts required to be maintained under 970 CMR 1.00 separate and distinct from all other accounts and shall preserve such accounts for a period of six years from the date of the general election.

(4) The specific purpose of each expenditure made by check shall provide sufficient detail to demonstrate that an expenditure complies with the campaign finance law. Examples of such detail include the following:

(a) "Candidate radio ads" instead of "Ads."
(b) "5,000 bumper stickers" instead of "Printing."
(c) "Auto reimbursement" instead of "Travel."

1.10: continued

(5) Candidates and treasurers of political committees which do not keep and preserve detailed accounts as required by 970 CMR 1.10 shall, at the director's request, exercise their best efforts to arrange with the candidate or committee's bank and vendors or other persons providing goods or services to the candidate or committee to provide the director with copies of all such accounts. The costs to arrange and provide copies of such accounts shall be paid by the committee.

(6) Candidates and treasurers of political committees must keep paper copies of all reports, correspondence, or other items filed electronically with OCPF for six years from the date of the general election.

1.11: Electronic Filing

(1) Definitions. For the purposes of M.G.L. c. 55, § 18C and 970 CMR 1.11, the following words shall have the following meanings:

Authentication shall mean the method used to identify a person signing and creating electronic signatures and records.

CPF ID Number shall mean the unique identification number assigned to a candidate or political committee by the Director pursuant to 970 CMR 2.07(10) and the unique identification number assigned to depository banks pursuant to M.G.L. c. 55, §§ 18C(c) and 19(e).

Depository Bank shall mean a financial institution which a candidate or political committee has designated as a depository for the campaign funds of such candidate or political committee in accordance with M.G.L. c. 55, §19(a).

EFS shall mean the OCPF Electronic Filing & Campaign Disclosure System that is the electronic reporting system developed for the submission, retrieval, storage and public disclosure of campaign finance reports and financial activity statements required to be filed with the Director pursuant to M.G.L. c. 55, §18C(a).

Election Cycle shall mean, for candidates seeking election in a regularly scheduled biennial state election, the period beginning on the first day of January following the most recent regularly scheduled biennial state election for that elected office and ending on the 31st day of December following the next state election for that office, inclusive. For candidates seeking election in a legislative special election, election cycle shall mean the period beginning on the day the election is ordered by the Senate or House of Representatives and ending on the 20th day after the special election. For political committees not organized on behalf of a candidate, election cycle shall mean the period beginning on the first day of January following the most recent biennial state election and ending on the 31st day of December following the next biennial state election.

Electronic Record shall mean a record created, generated, sent, communicated, received or stored by electronic means.

Electronic Signature shall mean an electronic process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the record.

User shall mean a candidate, duly appointed treasurer of a political committee or the cashier or treasurer of a depository bank to whom a CPF ID number and password have been assigned or a person acting under the authority or on behalf of the candidate, political committee or depository bank to whom a CPF ID number and password have been assigned.

(2) Pursuant to M.G.L. c. 55, § 18C(h), electronic campaign finance reports and financial activity statements created and filed with the Director shall be electronically signed by means of the following process:

(a) Authentication. The EFS shall be maintained on secure servers. Access to the EFS servers for the purpose of creating and submitting electronic records shall be accomplished by a login protocol requiring users to input both their CPF ID number and a unique eight-digit, alpha-numeric password.

1.11: continued

(b) Demonstration of Intent to Sign the Record. A user shall demonstrate his or her intent to electronically sign an electronic campaign finance report or financial activity statement by the affirmative act of clicking through an electronic interface to file an electronic record with this office. The electronic interface that this office shall employ for electronically signing records will provide written notice upon the web page presented to the user for electronic signature that clearly indicates to the user that the click-through method used is a binding signature and the pages or data to which the user is agreeing when he or she signs electronically.

(c) Binding. The electronic signature shall be bound to the electronic record(s) by two means: the candidate's, committee's or depository bank's CPF ID number shall be encoded into the electronic record(s) at the time of its creation; and at submission, each signed electronic record shall be assigned a unique transaction identification number maintained on the EFS secure server. Proof of electronic signature shall be provided to the user at the time of signing the record(s) in the form of a file submission receipt that shall clearly identify the user's CPF ID number and the transaction number for the electronic record(s) submitted.

(d) Data Integrity. The Director shall ensure the data integrity of the signed electronic records submitted, stored and maintained in the EFS by:

1. employing encryption technology for the transmission of data from remote locations to the EFS secure servers;
2. managing the servers so that the EFS provides an audit trail for every electronic record created, submitted and stored in the EFS; and
3. by immediately electronically locking electronic records at signing so that they cannot be subsequently altered.

(e) Notice. Pursuant to M.G.L. c. 55, § 18C(h), notice shall be provided on the web page presented to the user for electronic signature that electronic records shall be signed under penalties of perjury as required by M.G.L. c. 55, § 24 and 970 CMR 2.14(6). Such electronic signature shall, in the case of a candidate's committee report, be attributable to both the candidate and the duly appointed treasurer of the candidate's political committee, in the case of other types of committees, to the duly appointed treasurer of the political committee or, in the case of depository banks, to the cashier or treasurer of the bank.

(3) The requirement to file electronically commences at the start of the election cycle and not when the statutory thresholds provided in M.G.L. c. 55, § 18C(b) are exceeded. Candidates and political committees required to electronically file must commence electronic filing at the beginning of an election cycle if they anticipate raising or spending more than the statutory thresholds provided in M.G.L. c. 55, § 18C(b) during that election cycle. Candidates and political committees that do not commence electronic filing at the start of an election cycle and who subsequently exceed the statutory thresholds provided in M.G.L. c. 55, §18C(b) during the election cycle shall be required to immediately commence filing campaign finance reports electronically. Said candidates and political committees shall further be required to electronically file all campaign finance reports required to be filed in accordance with the campaign finance reporting schedules set forth in M.G.L. c. 55, §§ 18 and 19 from the start of the election cycle.

(4) Once a candidate or political committee exceeds the electronic filing threshold and therefore is required to file electronically, the candidate or committee must continue to file all subsequent campaign finance reports electronically, including all reports due in future election cycles, regardless of the amounts raised or spent in future election cycles.

(5) All electronic reports shall be filed in the EFS via the Internet using software approved by the Director. If the Director determines that a candidate, political committee or depository bank is not able otherwise to file electronically, the Director may, in his discretion, allow the candidate, political committee or depository bank to file an electronic report by disk or e-mail attachment. If a candidate or committee files by disk or e-mail attachment, the candidate or committee will be required to file with the Director a written attestation of the report signed under the penalties of perjury as required by M.G.L. c. 55, § 24 and 970 CMR 2.14(6).

(6) Candidates and treasurers required to designate a depository account who are required to file electronically shall report information regarding contributions to the director electronically on the schedule specified in M.G.L. c. 55, § 19(e).

1.11: continued

(7) All candidates for county office, and all candidates for city-wide office who are required to designate a depository, must file all disclosure reports required by M.G.L. c. 55 electronically.

1.12: Transfer of Candidate Political Committee From Municipal Level to State Level

(1) A candidate or candidate committee that files reports with a city or town clerk or election commission must, if the candidate intends to seek state or county elective office, or will otherwise be required to file with OCPF in accordance with M.G.L. c. 55, § 19 because of the new office being sought, transfer by registering with the Office of Campaign and Political Finance as provided in 970 CMR 1.12.

(2) A Change of Purpose form (OCPF Form CPF P101) must be filed with the Office of Campaign and Political Finance to indicate the state or county office the candidate is seeking. A copy of the form also must be filed with the candidate's local election official.

(3) If the candidate has a political committee at the municipal level, a copy of the original Statement of Organization of the Candidate's Committee (OCPF Form CPF M101) currently on file with the local election official must be filed with the Office of Campaign and Political Finance. If the candidate's committee has a new treasurer, a Change of Treasurer form (OCPF Form CPF T 101) must also be filed with the Office of Campaign and Political Finance, and a copy must be filed with the local election official.

(4) A copy of the candidate's most recent Campaign Finance Report (OCPF Form CPF M102) as filed with the local election official must also be filed with the Office of Campaign and Political Finance. The next filing with OCPF will report activity from the day following the ending date of such report.

(5) If at the time of transfer the candidate's account shows a cash balance or any outstanding liabilities, copies of all campaign finance reports subsequently filed with the Office of Campaign and Political Finance must also be filed with the local election official. Copies of such campaign finance reports must continue to be filed with the local election official until the liabilities indicated at the time of transfer have been satisfied and any cash balance shown at the time of the transfer has been exhausted.

(6) While a candidate continues to seek or hold office at both the state or county and municipal level, reporting requirements with both the Office of Campaign and Political Finance and the local election official will continue.

(7) A candidate not initially required to appoint a depository under M.G.L. c. 55, § 19 who later seeks an office which causes the candidate to be required to appoint a depository in accordance with M.G.L. c. 55, § 19, shall become subject to depository reporting requirements on whichever of the following dates is the earliest:

(a) on the date a change of purpose form is filed for such candidate;
(b) on the date the candidate first raises or spends money for the purposes of influencing the nomination or election for such office; or
(c) on January 1st of the election year in which the candidate seeks election to such office.

1.13: Transfer of Candidate Political Committee From State Level to Municipal Level

(1) A candidate or candidate committee that files reports with the Office of Campaign and Political Finance must, if the candidate intends to seek elected office in a city or town, and provided the candidate or candidate committee will not otherwise still be required to file with the Office of Campaign and Political Finance in accordance with M.G.L. c. 55, § 19 because of the new office being sought, transfer by registering with the local election official as provided in 970 CMR 1.13.

(2) A Change of Purpose form (OCPF Form CPF P101) must be filed with the local election official to indicate the city or town office the candidate is seeking. A copy of the form also must be filed with the Office of Campaign and Political Finance.

1.13: continued

(3) If the candidate has a political committee at the state level, a copy of the original Statement of Organization of the Candidate's Committee (OCPF Form CPF 101) currently on file with the Office of Campaign and Political Finance must be filed with the local election official. If the candidate's committee has a new treasurer, a Change of Treasurer form (OCPF Form CPF T 101) must be filed with the local election official, and a copy must be filed with the Office of Campaign and Political Finance.

(4) A copy of the candidate's most recent Campaign Finance Report (OCPF Form CPF 102) as filed with the Office of Campaign and Political Finance must be filed with the local election official. The next filing with the local election official will report activity from the day following the ending date of such report.

(5) A committee's filing requirements with OCPF will be discontinued and no further concurrent filings will be required with OCPF, if at the time of transfer:

(a) the candidate's account shows a cash balance of $500 or less; and

(b) the committee has no liabilities or has outstanding liabilities only to the candidate; and

(c) the committee has filed Form CPF P101 with OCPF indicating that the candidate is seeking a specified municipal office.

In all other instances, copies of all campaign finance reports filed with the local election official after transfer must be filed with OCPF until the cash balance shown at the time of transfer has been exhausted and any liabilities existing to persons other than the candidate at the time of transfer have been satisfied.

(6) While a candidate continues to seek or hold office at both the state or county and municipal level, reporting requirements with both the Office of Campaign and Political Finance and the local election official will continue.

(7) A candidate not initially required to appoint a depository under M.G.L. c. 55, § 19 who later seeks an office which causes the candidate to be required to appoint a depository in accordance with M.G.L. c. 55, § 19, shall become subject to depository reporting requirements on whichever of the following dates is the earliest:

(a) on the date a change of purpose form is filed for such candidate;

(b) on the date the candidate first raises or spends money for the purposes of influencing the nomination or election for such office; or

(c) on January 1st of the election year in which the candidate seeks election to such office.

(8) A candidate who seeks municipal office and maintains filing requirements with the Office of Campaign and Political Finance shall also file reports as required by M.G.L. c. 55, § 18C.

REGULATORY AUTHORITY

970 CMR 1.00: M.G.L. c. 55, §§ 3, 6 and 10A.

NON-TEXT PAGE

970 CMR 2.00: POLITICAL EXPENDITURES

Section

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2.01: Scope and Purpose

M.G.L. c. 55 is a comprehensive and specific statute which covers a variety of areas concerning the financing of political campaigns in the Commonwealth for state, county, city and town elections. It regulates the sources from, and manner in which, campaign funds may be raised and spent. It provides for the disclosure of all contributions received and expenditures made. The statute also regulates certain conduct surrounding the raising and spending of campaign funds, such as the activities of public employees.

970 CMR 2.00 is promulgated pursuant to M.G.L. c. 55, § 6 which is concerned with political expenditures. In accordance with the statute, 970 CMR 2.00 governs two different categories of political committees. Political committees which are established on behalf of candidates for statewide offices are governed by 970 CMR 2.05, and as such can only expend campaign funds for reasonable and necessary expenses directly related to the campaign of the candidate, as 970 CMR 2.05 provides. All ballot question committees, non-statewide candidate committees, people's committees, political action committees, party committees and any other political committees are governed by 970 CMR 2.06. As such, these political committees can only expend campaign funds for the enhancement of the political future of the candidate or principle for which the committee was organized, as 970 CMR 2.06 provides. Notwithstanding any of the above, M.G.L. c. 55, § 6 strictly prohibits any expenditure the purpose of which is primarily for a candidate's or any other person's personal use.

970 CMR 2.00 governs all expenditures by political committees organized for the purpose of participation in Massachusetts campaign finance activity.

2.02: Definitions

Terms used in 970 CMR shall have the meanings provided in M.G.L. c. 55. In addition:

Ballot Question Committee means a political committee which receives or expends money or other things of value for the purpose of favoring or opposing the adoption or rejection of a specific question or questions submitted to the voters including, without limitation, a charter change, an initiative or referendum question or a constitutional amendment.

Candidate Committee means the political committee organized on behalf of a candidate in accordance with M.G.L. c. 55, § 5, and shall also apply to the campaign fund or account of a candidate who has not organized a candidate committee or who receives contributions or makes expenditures independently of such a committee where the fund or account is used or intended to be used to support the candidate's campaign or enhance the candidate's political future.

Constitutional Candidate Committee means the political committee organized on behalf of a candidate for governor, lieutenant governor, secretary of state, attorney general, treasurer and receiver general or auditor in accordance with M.G.L. c. 55, § 5.

2.02: continued

Duly Organized means a political committee which has filed a Statement of Organization with the Office of Campaign and Political Finance or, if active solely for the purpose of a city or town election, with the city, town or district clerk or election commission.

Joint Fundraiser means an event sponsored by two or more candidates or political committees, pursuant to 970 C.M.R. 2.12, which is intended to raise funds, through the device of tickets, advertisements, or otherwise, to further the political future of the sponsoring candidates or political committees.

Local Election Official means any city, town or district clerk or board of election commissioners.

Membership Organization means any organization which identifies the individuals within the organization as members. Such organizations include, but are not limited to, clubs, unions and associations. Political committees and corporations subject to M.G.L. c. 55, § 8 are not "membership organizations."

Non-resident Fundraiser means an event sponsored by a candidate for public elected office in Massachusetts, within the scope of M.G.L. c. 55, § 18B, which is intended to raise funds for: any person seeking nomination or election to state or federal office, including President or Vice President, in:

(a) any state other than the commonwealth;
(b) the federal government; the District of Columbia, or any territory or possession of the United States.

Political Party Committee means a political committee organized in accordance with M.G.L. c. 52 on behalf of a political party, as defined in M.G.L. c. 55, § 1, whether elected or non-elected.

People's Committee means any political committee which is not a candidate's committee, political party committee, or ballot question committee, which:

(a) only receives contributions from individuals;
(b) limits contributions received from any individual to the aggregate of $100 (indexed biennially in accordance with M.G.L. c. 55, § 1) during a calendar year;
(c) has been in existence for at least six months;
(d) contributes to five or more candidates; and
(e) files a Declaration of Status Form (CPF Form 101 DS-1) with OCPF.

Political Action Committee means any political committee which is not a candidate's committee, political party committee, ballot question committee or people's committee.

Primarily for the Candidate's or any Other Person's Personal Use means an expenditure by the committee the purpose of which is primarily to benefit personally the candidate or any other person.

Reasonable and Necessary Expenses means those expenses which are not extreme or excessive and which are integral and central to the political campaign for that public office.

Residual Funds means any and all assets of the political committee which the committee has legal and rightful title to at the time of its dissolution, and any and all assets of a candidate's account at the time of its dissolution.

2.03: General Provisions

(1) Authority. 970 CMR 2.00 is promulgated under authority of M.G.L. c. 55, §§ 3 and 6.

(2) Amendments. 970 CMR 2.00 may be amended at any time, and such amendments shall take effect in accordance with M.G.L. c. 30A, § 6.

2.04: Advisory Opinions

(1) Any person may request in writing an advisory opinion concerning the specific application of M.G.L. c. 55, or any regulation contained in 970 CMR.

(2) The written advisory opinion request shall describe a specific activity or transaction and shall pose specific questions. The request may be accompanied by such data, views and arguments as the requesting person deems pertinent.

(3) The Director shall review all requests for Advisory Opinions. He may request that additional or more specific information or questions be submitted by the requesting person.

The Director may determine that:

(a) a particular request for an advisory opinion poses issues which are not within his jurisdiction;

(b) the questions posed are not appropriate to an advisory opinion;

(c) sufficient information has not been provided by the requesting person.

The Director may, for these reasons, determine that an advisory opinion will not be rendered. If such a determination is made, he shall, within a reasonable time, notify the requesting person that the advisory opinion will not be rendered. If such a determination is not made the Director shall, within a reasonable time, issue to the requesting person a written advisory opinion.

(4) All advisory opinion requests and all advisory opinions shall be public records, under M.G.L. c. 4, § 7, and shall be subject to public inspection as required by M.G.L. c. 66, § 10.

(5) The Director may, in his discretion, issue Interpretive Bulletins and Memoranda which concern matters of general application of M.G.L. c.55 and 970 CMR 2.00.

2.05: Expenditures by Constitutional Candidate Committees

(1) Expenditures by constitutional candidate committees shall be governed by 970 CMR 2.05.

(2) Such constitutional candidate committees may pay and expend money or other things of value for reasonable and necessary expenses directly related to the campaign of the candidate on whose behalf the committee is organized, provided that such expenditures are not primarily for the candidate's or any other person's personal use, and subject to any other prohibitions and limitations contained in M.G.L. c. 55 and 970 CMR 2.00. The following expenditures, as well as any other expenditures which are similar to the following and not inconsistent with 970 CMR 2.00, M.G.L. c. 55 or any other law shall be permitted by political committees governed by this 970 CMR 2.05:

(a) Postage incurred for mailing campaign literature and for conducting relevant campaign business;

(b) Television and radio advertising;

(c) Newspaper, billboard and magazine advertising;

(d) Printing;

(e) Computer use, subject to the limitations set forth in 970 CMR 2.00;

(f) Polling voters;

(g) Reasonable public relations expenses, provided they meet the following requirements:

1. For a part-time or full-time campaign staff person or persons whose primary responsibilities are to function as a Public Relations Consultant, and relevant expenses;

2. For the hiring of a public relations firm or agency and relevant expenses.

(h) Reasonable and necessary expenses in connection with the operation of a campaign office or offices, including:

1. Telephones, the use of which is restricted to campaign purposes except for an incidental activity;

2. Furniture, the nature and use of which is consistent with appropriate activity in a campaign office;

3. Office rent, provided that a political committee which is paying less than the fair market value of the space it rents is receiving a contribution in-kind from the landlord or owner of this office space. Such a contribution in-kind is subject to all the provisions of M.G.L. c. 55 regarding disclosure, limitations and prohibitions on contributions;

4. Office equipment, including typewriters, postage meters and copying machines;

2.05: continued

5. Utilities.

(i) Campaign staff and consultants. Such individuals may be compensated in a reasonable manner solely for work actually done for that political committee;

(j) The reasonable traveling expenses for the candidate, speakers, and other agents of the committee, which may include the leasing of a car for campaign related travel, subject to the following:

1. Expenses are relative to a political activity or function, the direct purpose of which is to solicit votes or contributions;
2. All activities held and expenses incurred under 970 CMR 2.05(2)(j) must be within the Commonwealth of Massachusetts.

(k) Reasonable traveling expenses for a candidate in connection with conferences or seminars which are;

1. Specifically designed for candidates for public office or those holding public office; and
2. Sponsored by associations or organizations whose memberships consist primarily of candidates for public office or those holding public office.

(l) Reasonable travel and related expenditures for a candidate and agents of a political committee in connection with meetings, conferences or conventions, provided that the issues with which any such meeting, conference or convention is concerned are within the scope of that person's direct and substantial responsibilities as a candidate or agent of the committee, and whose subject matter is related to at least one of the following:

1. party politics;
2. campaigning for votes;
3. fundraising;
4. substantive issues which are directly related to the campaign of the candidate.

(m) Reasonable travel and related expenses for a candidate and agents of a political committee in connection with obtaining services for which the political committee is permitted to make expenditures under 970 CMR 2.00;

(n) Rental of halls and other space for political activities;

(o) Expenses for fundraising, for obtaining votes and for other similar activities, which may include beverages, food, entertainment, decorations, bartenders, security officers and service and maintenance persons;

(p) Bumper stickers, signs, placards, brochures, leaflets and other such campaign items;

(q) Delivery services, express mail, telegraph services;

(r) Paper supplies;

(s) Newspaper and magazines, literature, clipping services;

(t) Inaugural expenses, which may include room rental, printing, decorations, entertainment, food and beverages;

(u) The repayment of loans, if such loans:

1. were received by the political committee in accordance with the requirements of 970 CMR 1.00 and M.G.L. c. 55;
2. were used to defray expenditures permitted by 970 CMR 2.00; and
3. did not exceed the maximum amounts set forth in 970 CMR 1.05(2).

(v) Taxes;

(w) Charitable contributions, if the expenditure is clearly made from funds of the political committee other than those funds received as public financing pursuant to M.G.L. c. 55C, and if all of the following requirements are met:

1. The contribution is made to an entity which is subject to either M.G.L. c. 12, § 8(f), M.G.L. c. 67 or M.G.L. c. 180;
2. Neither the candidate, treasurer, or any official of the political committee is a trustee, officer, principal or beneficiary or involved in any manner in the operations of said entity;
3. Neither the candidate, treasurer, nor any official of the political committee is related by consanguinity of affinity to any trustee, officer, principal, or beneficiary of said entity;
4. Making such charitable contributions is a usual and customary practice of that political committee;
5. The candidate or political committee will receive publicity and foster political goodwill towards the particular campaign during which the contribution is made as a result of making the contribution.

2.05: continued

(3) Any candidate or political committee subject to 970 CMR 2.05 may request an advisory opinion, under 970 CMR 2.04, to determine the permissibility of any other expenditure under 970 CMR 2.05.

(4) Prohibitions.

(a) Personal Use. Notwithstanding any of the above, no such political committee may make any expenditure that is primarily for the candidate's or any other person's personal use. Expenditures prohibited under 970 CMR 2.05(4)(a) shall include, but not be limited to, the following:

1. Any expenditure which acknowledges any guilt as to the violation of any law including but not limited to the payment of parking tickets. This prohibition shall not apply to parking tickets issued to automobiles leased in the name of the political committee provided that a RMV Form 1 or RMV Form 3 has been filed with the Registry of Motor Vehicles which clearly states that this automobile is in the custody of the political committee.

2. Any expenses relative to alleged violations of law, other than those which have arisen solely as a function of an individual assuming and performing necessary duties and responsibilities as an incumbent office holder, candidate or treasurer of a political committee. However, under no circumstances may funds of a political committee be used for any such expenses incurred after conviction of the incumbent office holder, candidate or treasurer has incurred.

3. Any expenses relative to civil suits or administrative proceedings, except that this prohibition shall not apply to:

a. expenses which have arisen solely as a result of one's interest in being a candidate for public office, such as expenses involved in proceedings before the State Ballot Law Commission;

b. expenses relative to certain civil suits where an individual's alleged liability stems solely from that person's legal performance of his duties as an incumbent office holder, candidate, treasurer or other agent of a political committee; and

c. expenses relative to necessary legal action to protect or further the interests of the political committee.

4. Normal clothing attire which is usual to the ordinary course of everyday living. 970 CMR 2.05(4)(a)4. shall not apply to:

a. novelty clothing items and costumes which are worn primarily to advertise one's candidacy; and

b. clothing items rented by a candidate for his use exclusively for a particular political function, which is different than that ordinarily purchased by individuals.

(b) No political committee subject to 970 CMR 2.05 may receive, pay or expend money or anything of value unless such transaction is a reasonable and necessary expense directly related to the campaign of a candidate on whose behalf the committee is organized. Expenditures prohibited under 970 CMR 2.05(4)(b) shall include, but not be limited to the following:

1. Gifts. This prohibition shall not apply to gifts to campaign workers if:

a. the gift accurately reflects the contribution made by those workers to the efforts of the political campaign of the committee; and

b. the gift is made in a timely fashion as to clearly indicate its purpose is to express gratitude for work done on behalf of the campaign; and

c. no gifts may be made to campaign workers for any other purpose or for any other occasion.

An expenditure for a gift not prohibited under 970 CMR 2.05(4) is only permitted to the extent that the expenditure is clearly made from funds of the political committee other than those funds received as public financing pursuant to M.G.L. c. 55C.

2. Flowers. This prohibition shall not apply to flowers sent on behalf of the candidate and political committee where:

a. the candidate or treasurer has no personal relationship with the individual or his or her family receiving the flowers; and

b. sending flowers is appropriate to the occasion; and

c. the flowers would not be sent but for the existence of an important political relationship between the candidate or political committee and the individual who is being honored or memorialized with the sending of the flowers.

2.05: continued

An expenditure for flowers not prohibited under 970 CMR 2.05(4) is only permitted to the extent that the expenditure is clearly made from funds of the political committee other than those funds received as public financing pursuant to M.G.L. c. 55C.

3. Memberships in any organizations and associations, except that this prohibition shall not apply to memberships for the candidate in organizations which are specifically designed for political candidates;

4. Contributions to, or expenditures on behalf of, individuals seeking membership in elected political committees as provided in M.G.L. c. 52;

5. Expenses for room and board expenses and delegate fees for any delegates to state or national political party conventions, other than such expenses solely for the candidate on whose behalf the political committee making the expenditure is organized.

(c) No such political committee may contribute any money or any thing of value to any other political committee or to the campaign fund of any other candidate provided that such political committee may contribute to a political party committee if:

1. the aggregate of all contributions to any one political party committee shall not exceed the sum of $100 per calendar year; and

2. the aggregate of all such contributions to all political party committees shall not exceed the sum of $1,500 per calendar year.

2.06: Expenditures By All Other Political Committees

(1) Expenditures by all other political committees not governed by 970 CMR 2.05 shall be governed by 970 CMR 2.06.

(2) Such political committees may pay and expend money or other things of value for the enhancement of the political future of the candidate or principle for which the committee was organized, and subject to any other prohibitions and limitations contained in M.G.L. c. 55 and 970 CMR 2.00.

(3) Expenditures which may be made for the enhancement of the political future of the candidate or principle for which that political committee was organized shall include those categories listed in 970 CMR 2.05(2)(a) through (v). In addition, the following expenditures, as well as any expenditures which are similar to the following and not inconsistent with 970 CMR 2.00, M.G.L. c. 55 or any other law shall be permitted by political committees governed by 970 CMR 2.06:

(a) Charitable contributions, if all of the following requirements are met:

1. The contribution is made to an entity which is subject to either M.G.L. c. 12, § 8(f), M.G.L. c. 67 or M.G.L. c. 180;

2. Neither the candidate, treasurer, or any official of the political committee is a trustee, officer, principal or beneficiary or involved in any manner in the operations of said entity;

3. Neither the candidate, treasurer, nor any official of the political committee is related by consanguinity or affinity to any trustee, officer, principal or beneficiary of said entity;

4. Making such charitable contributions is a usual and customary practice of that political committee;

5. The candidate or political committee will receive publicity and foster political goodwill as a result of making the contribution.

(b) Gifts and Flowers, of reasonable value, if the purpose of the expenditure falls within one of the following categories:

1. Gifts to campaign workers, if:

a. The gift accurately reflects the contribution made by those workers to the efforts of the political campaign of the committee; and

b. the gift is made in a timely fashion as to clearly indicate its purpose is to express gratitude for work done on behalf of the campaign; and

c. no gifts may be made to campaign workers for any other purpose or for any other occasion.

2. The political committee or candidate will receive publicity and foster political goodwill as a result of making the gift or contribution, if:

2.06: continued

a. the candidate or treasurer has no personal relationship with the individual or his family; and

b. the gift is appropriate to the occasion which has prompted the gift; and

c. making such a gift is a usual and customary practice of the political committee; and

d. the gift would not be made but for the interest in it enhancing the political future of the candidate or principle for which the committee was organized.

3. No gifts may be made under 970 CMR 2.05(3)(b)1. or 2.05(3)(b)2. unless all the provisions of each subdivision are satisfied.

(c) Memberships for the candidate in organizations and associations, provided that the candidate would not be participating in the particular organization or association but for the candidate's interest in it enhancing the candidate's political stature. This shall not be construed to permit the payment of memberships in professional organizations other than those specifically designed for political candidates;

(d) Reasonable travel expenses for a candidate in connection with functions or activities where the candidate's participation is important to political relations with the candidate's constituents or contributors, if the primary interest in participating in the event is the enhancement of the political future of the candidate;

(e) Reasonable travel expenses for officers and employees of elected political committees, if the following requirements are met;

1. The expenses are in connection with functions or activities where the individual's participation is critical to political relations with contributors or members of the political party which the political committee represents;

2. The individual's primary interest in participating in the event or undertaking the activity is to enhance the political future of the elected political committee which he or she represents.

(f) Reasonable travel expenses of the treasurer and chairperson of a non-elected political committee, if the following requirements are met:

1. The non-elected political committee is organized to:

a. promote or defeat the election of more than one candidate; or

b. oppose or promote a charter change, referendum question, constitutional amendment or other question submitted to the voters.

2. The expenses are in connection with functions or activities where the individual's participation is critical to political relations with constituents or contributors to the political committee;

3. The primary interest in participating in the event is to enhance the political future of the committee of which he or she is treasurer or chairperson.

(4) Any candidate or political committee subject to 970 CMR 2.06 may request an advisory opinion, pursuant to 970 CMR 2.04, to determine the permissibility of any other expenditure under 970 CMR 2.06.

(5) Such political committee may contribute to other political committees and to other candidates subject to the following limitations:

(a) The contributions by a candidate committee to another candidate committee shall not exceed $100 per calendar year;

(b) the aggregate of all such contributions by a candidate committee to all other candidate committees shall not exceed the sum of $1,500 per calendar year.

(6) Prohibitions.

(a) Personal Use. Notwithstanding any of the above, no such political committee may make an expenditure that is primarily for the candidate's or any other person's personal use. Expenditures prohibited under 970 CMR 2.06(6) shall include, but are not limited to, the following:

1. Any expenditure which acknowledges any guilt as to the violation of any law, including but not limited to the payment of parking tickets. 970 CMR 2.06(6) shall not apply to parking tickets issued to automobiles leased in the name of the political committee provided that a RMV Form 1 or RMV Form 3 has been filed with the Registry of Motor Vehicles which clearly states that this automobile is in the custody of the political committee;

2.06: continued

2. Any expenses relative to alleged violations of law, other than those which have arisen solely as a function of an individual assuming and performing necessary duties and responsibilities as an incumbent office holder, candidate or treasurer of a political committee. However, under no circumstances may funds of a political committee be used for any such expenses incurred after conviction of the incumbent office holder, candidate or treasurer has occurred;

3. Any expenses relative to civil suits or administrative proceedings, except that this prohibition shall not apply to:

a. expenses which have arisen solely as a result of one's interest in being a candidate for public office, such as expenses involved in proceedings before the State Ballot Law Commission;

b. expenses relative to certain civil suits where an individual's alleged liability stems solely from that person's legal performance of his duties as an incumbent office holder, candidate, treasurer or other agent of a political committee; and

c. expenses relative to necessary legal action to protect or further the interests of the political committee;

4. Normal clothing attire which is usual to the ordinary course of everyday living. 970 CMR 2.06(6)(a)4. shall not apply to:

a. novelty clothing items and costumes which are worn primarily to advertise one's candidacy; and

b. clothing items rented by a candidate for his use exclusively for a particular function, which is different than that ordinarily purchased by individuals.

(b) No political committee subject to 970 CMR 2.06 may pay or expend money or any thing of value unless such transaction will enhance the political future of the candidate or principle on whose behalf the committee was organized. Expenditures prohibited under 970 CMR 2.06(6)(b) shall include, but not be limited to the following:

1. Contributions to, or expenditures on behalf of, individuals seeking membership on elected political committees as provided for in M.G.L. c. 52.

2. Expenditures for room and board expenses, and delegate fees, for any delegate to a state or national political party convention, including any delegate who is also an agent or officer of a political committee organized on behalf of a candidate, unless such expenditures are for:

a. The candidate on whose behalf the political committee making the expenditure was organized;

b. The delegates representing a ward, city or town political party committee and the expenditures for each such delegate are paid by the committee in an equal manner; or

c. The delegates who represent the principle for which a political action committee or people's committee was organized and the expenditures for each such delegate are paid by the committee in an equal manner.

(7) A debit card linked to the bank account of any candidate or committee not required to appoint a depository in accordance with M.G.L. c. 55, § 19 may be used to make an expenditure consistent with M.G.L. c. 55, § 6 and 970 CMR 2.06. Such candidates and committees may also make online and other electronic expenditures linked to such account provided that the bank statement for the account provides sufficient information to document the name and address of the vendor/payee for any debit card transaction or online payment. Like all other expenditures made by such candidates or committees, debit card and electronic expenditures shall be reported in accordance with M.G.L. c. 55, § 18, and records of electronic and debit card expenditures shall be maintained pursuant to M.G.L. c. 55, §§ 2 and 5 and 970 CMR 1.10. An electronic transaction or a transaction using a debit card shall be considered a transaction by check for purposes of M.G.L. c. 55, § 9, but shall not be considered a special check required by M.G.L. c. 55, § 7 for candidates required to designate a depository in accordance with M.G.L. c. 55, § 19. A debit card may not be used to obtain cash.

2.07: Miscellaneous Provisions Applicable to all Political Committees

(1) Any expenditure made by a political action committee or a people's committee for the benefit of a clearly identified candidate must be disclosed as a contribution or contribution in-kind received by that candidate or his or her political committee. This requirement shall not

2.07: continued

apply to an expenditure which is made by such a political action committee or a people's committee without the cooperation or prior consent of, or without any consultation with the candidate or any authorized agent of his or her political committee.

(2) Items acquired by a political committee must be primarily used by such political committee for the purposes permitted by 970 CMR 2.00. Under no circumstances may the use of an item in a manner other than that permitted by 970 CMR 2.00 be more than incidental to the overall use of the item. A political committee must be reimbursed for any such incidental use of an item. Reimbursement shall be made:

NON-TEXT PAGE

2.07: continued

(a) By the person or persons to whose benefit that incidental use is attributable;
(b) By check payable to the political committee for the reasonable fair market value of that portion of the item's use for which the political committee is not benefiting.

(3) The use of anything of value by a political committee, other than of those things which are owned by the political committee or for which the political committee has paid the fair market value for the use thereof, shall constitute a contribution in-kind to that political committee by the person or entity which has ownership of the thing of value. Such contributions in-kind are subject to all limitation and disclosure requirements of M.G.L. c. 55. 970 CMR 2.07(3) shall include, but not be limited to, the use of;
(a) office equipment;
(b) function rooms;
(c) equipment;
(d) transportation vehicles.
Notwithstanding the above, 970 CMR 2.07(3) shall not apply to the use of space provided free of charge or at less than a fair market value to a political committee when it is a usual and customary practice for the owner to provide such space in such a manner to the general public.

(4) A political committee may not acquire an item or service through any financing arrangement which would involve a loan from a corporate entity, other than a corporation organized pursuant to the provisions of M.G.L. c. 180. 970 CMR 2.07(4) shall not apply to ballot question committees.

(5) A political committee may not acquire an item or service through any financing arrangement involving a loan from an individual which would result in exceeding the contribution limitations of M.G.L. c. 55.

(6) No individual, candidate, political committee or person acting on behalf of such individual, candidate or political committee shall make an expenditure for an amount exceeding $50 except by check, other than as provided for in M.G.L. c. 55, § 9 and 970 CMR 2.09.

(7) A political committee may invest its funds only in the following:
(a) savings accounts, which shall include any interest bearing account or deposit in a bank or savings institution;
(b) money market instruments, or in any fund which invests primarily in money market instruments, if such instruments are short term and may include the following:
1. United States Government Obligations: Debt Securities issued by the United States Treasury or by an agency or instrumentality of the United States Government;
2. Certificates of Deposit: Negotiable certificates issued by a savings bank and commercial bank which earn specified rates of interest over given periods;
3. Banker's Acceptances: Negotiable obligations of a bank to pay a draft which has been drawn on it;
4. Commercial Paper: Short-term promissory notes of large corporations with high commercial paper ratings;
5. Repurchase Agreements: The purchase of securities with the condition that the securities will be sold back to the original owner at the end of a specified term for a negotiated rate of interest which yields a higher price, provided however, that such repurchase agreements are limited to member banks of the Federal Reserve System or primary dealers in United States Government Securities.
(c) All investments authorized under 970 CMR 2.07(7) shall be made in the exercise of the judgment and care consistent with the prudent man rule, so-called.

(8) In the event of the dissolution of a political committee, any residual funds, which shall include all funds received as the result of the disposition of the assets of the political committee as provided in 970 CMR 2.08, must be donated in accordance with the provisions of the residual funds clause of M.G.L. c. 55, § 18.

(9) The disposition of residual funds, as provided in 970 CMR 2.07(9), shall apply to all assets of a political committee organized on behalf of a candidate at the time of the death of said candidate, other than those funds which are necessary to pay the following expenses:

2.07: continued

(a) Obligations incurred by the committee prior to the candidate's death, provided that such expenditures are permitted by 970 CMR 2.05 and 970 CMR 2.06;
(b) Costs clearly associated with administering the termination of the committee;
(c) Obligations to employees which would be reasonable and payable as a usual and customary business practice;
(d) Federal and state taxes, such as employee taxes and interest income taxes.

(10) Identification Numbers. The director shall assign each candidate and political committee registered with this office a unique identification number.
(a) Each political committee shall include, on any statement, affidavit or report filed with the director:
1. the political committee's identification number, and
2. the identification number of any political action committee or people's committee from which it receives or to which it makes a contribution or transfer of funds.
(b) All political action committees and people's committees shall have the committee's identification number printed on all committee checks.

2.08: Disclosure and Disposition of Assets of Political Committees

(1) For the purposes of 970 CMR 2.08, "assets" shall mean any one item that has a useful life of more than one year, would be depreciable in a normal business environment, and has a cost or value of $1,000 or more at the time of its acquisition.

(2) Each political committee shall disclose the disposition of its assets. A Disclosure of Assets Statement, as prescribed by the director, shall be filed with the director, or with a local election official, if applicable, with the campaign finance report due January 20th of any year in which an asset has been disposed of and upon the filing of any dissolution report.

(3) A Disclosure of Assets Statement filed by a political committee which has not filed such form in a prior year shall contain the information required by the form for all assets of the political committee.

(4) A Disclosure of Assets Statement filed by a political committee which has filed such form in a prior year shall contain the information required by the form for all assets acquired by the committee, or disposed of by the committee, during the period since the end of the period covered by the last Disclosure of Assets Statement filed.

(5) All assets of a political committee must remain the property of that political committee and may not accrue to the personal benefit of a candidate or any other person.

(6) Assets of a political committee may only be disposed of in a manner which conforms to the provisions of M.G.L. c. 55.

2.09: Credit Card Expenditures

(1) Definitions. For the purposes of 970 CMR 2.09, the following words have the following meanings:

Credit Card shall mean a card or plate issued by a bank or other credit institution for the purpose of obtaining goods or services on credit.

Credit Card Statement shall mean the statement prepared periodically by the lending institution which has issued the credit card, which discloses all activity relative to the credit card during a given period.

(2) A political committee may apply for and receive a credit card for the purpose of making expenditures, which are permitted by and subject to all provisions of 970 CMR 2.00. Alternatively, a candidate may personally apply for a credit card to be dedicated in its entirety for use solely by that candidate's political committee, subject to the following:

2.09: continued

(a) The committee makes all payments directly to the credit card company;
(b) The credit card bears the name of the committee on its face, or if the financial institution issuing the card will not allow the committee's name to be placed on the card, the candidate obtaining the card agrees with the committee, in writing, that the card will be maintained and used exclusively by the committee and that the committee will comply with the requirements of 970 CMR 2.09; and
(c) Only the candidate or the candidate committee may provide collateral or funds to guaranty payment for purposes of obtaining the credit card.

(3) Any application for a credit card to be maintained and used by a political committee must be considered and processed by the bank or other lending institution in accordance with applicable banking laws and in the ordinary course of business. This means that the determination of the credit worthiness of the committee applicant or candidate must be subject to the same criteria as other similar applicants in a like financial position.

(4) Any extension of credit, and the terms of the credit, must be commercially reasonable.

(5) Any credit card maintained and used by a political committee must, except as provided in 970 CMR 2.09(2)(b), bear the name of the political committee on the face of the card. The card may also bear the name of the candidate, treasurer or other agent of the political committee, who has been authorized as a card holder by the political committee.

(6) Any individual guarantees which are provided to the lending institution considering a credit card application, whether voluntarily or at the request of the lending institution, are subject to all contribution limitations of M.G.L. c. 55. Therefore, no individual, other than the candidate, may be a guarantor on a credit card for any amount which, together with all other contributions by that individual to that political committee, results in a contribution in excess of the amount permitted by statute.

(7) A political committee may not use a credit card for the purpose of obtaining any cash advance or loan of money. Such credit cards may only be used for the purpose of obtaining goods and services.

(8) Any political committee which maintains and uses a credit card shall file reports disclosing all campaign finance activity. Such reports shall be filed as follows:
(a) For all candidates and political committees required to designate a depository account under M.G.L. c. 55, § 19, on or before the 15th day of each month covering the entire statement period of the most recent credit card statement received prior to the date of filing.
(b) For city or town ballot question committees, the credit card disclosure must be filed on the same schedule and accompany the campaign finance reports required to be filed on or before the eighth day preceding a city or town preliminary or primary, the eighth day preceding a city or town election, and if a city election, the 20th day of January in the following year complete as to the 31st day of December of the prior year, and if a town election, the 30th day following said election. All such reports shall be complete as of the final day of the most recent credit card statement received prior to the date of filing.
(c) For all other political committees and candidates relative to city or town elections, the credit card disclosure shall accompany the campaign finance report required to be filed the eighth day preceding the primary; the eighth day preceding the election; in a town election the 30th day following said election; and the 20th day of January. All such reports shall be complete as of the most recent credit card statement received prior to the date of the filing.
(d) For state ballot question committees the credit card disclosure must be filed on the same schedule and accompany the campaign finance reports required to be filed the 60th day prior to the election, the subsequent campaign finance reports required to be filed on the 20th day of each month until the election; the campaign finance reports (if any) required to be filed the fifth day of each month thereafter and the campaign finance reports required on or before the 20th of January. All such reports shall be complete as of the final day of the most recent credit card statement received prior to the date of the filing.

2.09: continued

(e) For all other candidates and political committees, the credit card disclosure shall accompany the campaign finance report required to be filed on or before the eighth day preceding the primary; on or before the eighth day preceding the election and on or before the 20th day of January. All such reports shall be complete as of the final day of the most recent credit card statement received prior to the date of the filing.
(f) A separate report shall be filed for each credit card account of the political committee.
(g) For the purposes of 970 CMR 2.09, the date of each expenditure made with a credit card shall be the transaction date shown on the credit card statement.

2.10: Reimbursements to Candidates and Other Individuals

(1) The provisions of 970 CMR 2.10 shall apply to all expenditures made by a political committee for the purpose of reimbursing a candidate or any other individual.

(2) A candidate or other individual may be reimbursed for expenses paid out by that individual or candidate if:
(a) The expenditures made by said individual or candidate, for which he or she is being reimbursed, is permitted by, and entirely consistent with, M.G.L. c. 55 and 970 CMR; and
(b) The individual or candidate receiving such reimbursement has made the expenditure out of his or her own personal funds and is the true source of those funds;
(c) The individual or candidate has not been reimbursed for said expenditure, by any other individual or entity; and
(d) The reimbursement is made promptly. If a committee does not reimburse an individual for goods or services purchased by that individual for the committee within 30 days of the purchase, the committee should consider the individual's expenditure as an in-kind contribution or a loan.

(3) A candidate or individual which has been reimbursed by a political committee, under 970 CMR 2.10 may not be reimbursed, at any time, for said expense by any other individual or entity.

(4) A political committee may not make an expenditure where the expenditure has already been paid directly or indirectly, by the candidate, other individual or any other entity, other than in accordance with 970 CMR 2.10.

(5) Any reimbursement to the candidate or any other individual may not result in any payment of funds greater than the amount expended by the candidate or individual.

(6) A political committee which is not required to designate a depository in accordance with M.G.L. c. 55, § 19, which reimburses any person more than $50 in any reporting period shall disclose such reimbursement on a form provided by the director. The form shall be filed with the campaign finance report prepared for the period during which the reimbursement is made and shall itemize, for each such expenditure, the date and amount of the expenditure, the name and address of the vendor, the purpose of the expenditure, the amount of the expenditure, the name of the person being reimbursed, and the date and amount of the reimbursement.

(7) Candidates and political committees required to designate a depository by M.G.L. c. 55, § 19 may not make reimbursements in excess of $50 except as specified by M.G.L. c. 55, §§ 9 and 19(c). Such candidates and committees, however, which reimburse any person more than $50 shall disclose such reimbursement, on a form provided by the director, within 30 days of making the expenditure and shall itemize, for each such expenditure, the date and amount of the expenditure, the name and address of the vendor, the purpose of the expenditure, the amount of the expenditure, the name of the person being reimbursed, and the date and amount of the reimbursement.

2.11: Joint Campaign Activities

Two or more Massachusetts candidate committees or political party committees may jointly make expenditures including but not necessarily limited to expenditures for a joint fundraising event in accordance with 970 CMR 2.12, or the purchase of campaign materials, media services or political flyers for a joint campaign event. The expenditures defined in 970 CMR 2.11, as well as any expenditure which is similar to the following and not inconsistent with M.G.L. c. 55 and 970 CMR, shall be permitted:

2.11: continued

(1) Definitions. For the purposes of 970 CMR 2.11, the following phrases shall have the following meanings:

Campaign Material means any materials used in political campaigns including, but not limited to, buttons, bumper stickers, signs, balloons, hats, or T-shirts.

Media Services means a media service including, but not limited to, advertisements or announcements in newspapers, radio, broadcast or cable television, video, or billboards.

Political Flyer means any written material used in political campaigns including, but not limited to, a flyer, pamphlet, booklet, brochure, or slate card prepared by a candidate or political committee.

(2) Primary Purpose of Expenditure. An expenditure by a candidate committee or political party committee for the purpose of making a joint expenditure with another candidate or political party committee is permitted only if the primary purpose of the expenditure is the promotion of the nomination or election of the candidate whose committee makes the expenditure, or the promotion of the political party for which the committee was organized.

(3) Resulting Contribution. An expenditure by any political committee made in connection with another political committee which is not expressly authorized by 970 CMR 2.11 or does not comply with the requirements of 970 CMR 2.11, shall be considered a contribution as defined by M.G.L. c. 55, §1 from the committee making the expenditure to the other committee(s) involved in and benefiting from the expenditure, and will be subject to the contribution limitations of M.G.L. c. 55, §§ 6, 6A and 6B.

(4) Cost Allocation. Costs incurred pursuant to 970 CMR 2.11 shall be allocated between the participating committees according to the benefit reasonably expected to be derived by each committee based upon factors that include, but are not limited to, the amount of print space, airtime, consultant or staff time, or office space allocated to each committee, or the comparative benefit or use of goods or services received by each committee. The relative prominence or popularity of the participating candidates are not appropriate factors to consider when allocating costs for joint expenditures.

(5) Distribution of Joint Campaign Materials. Candidate committees or political party committees making expenditures to purchase joint campaign materials shall distribute such materials in a manner which benefits each candidate or committee.

(6) Reporting.

(a) Each candidate or committee making joint expenditures must disclose the expenditures to the director, or with the local election official, if applicable, in campaign finance reports as required by M.G.L. c. 55, §§ 18 and 19. Each participating candidate or committee's report must identify the other candidate(s) or committee(s) participating in the joint expenditure.

(b) Reports shall be filed according to the schedule provided in M.G.L. c. 55, §§ 18 and 19.

(7) Maintenance of Records. Each candidate committee or political party committee making joint expenditures must maintain complete records, consistent with M.G.L. c. 55, §§ 2 and 5, reflecting all expenditures made.

(8) Exemptions for Certain Committees. Through the 30th day after the relevant general election, 970 CMR 2.11(2) and 2.11(4) shall not apply to joint expenditures by committees organized to promote candidates for Governor and Lieutenant Governor once they are deemed to be running as a ticket in the general election if the primary purpose of the expenditure is the promotion of the election of the candidates' ticket. For the purposes of 970 CMR 2.11(8), the following candidates are deemed to be running as a ticket in the general election:

(a) party candidates who have been nominated at a primary election; or

(b) designation and unenrolled candidates who have been jointly nominated pursuant to M.G.L. c. 53.

2.11: continued

(9) Joint Campaign Events. Two or more Massachusetts candidate committees or political party committees may sponsor a joint campaign event if they allocate costs according to the benefit reasonably expected to be derived by each committee, they each pay vendors directly, and they each have contributors write checks directly to sponsoring committees. If a joint campaign event is held in this manner, the provisions of 970 CMR 2.12(2) and 2.12(3) are not applicable. Each candidate or committee sponsoring a joint campaign event must maintain complete records, consistent with M.G.L. c. 55, §§ 2 and 5, regarding the event.

2.12: Joint Fundraising Events

(1) Massachusetts candidates and political party committees may jointly sponsor fundraising events as provided in 970 CMR 2.12.

(a) One or more state or local committees of a political party may sponsor a joint fundraising event with one or more candidates or candidate committees only by forming a "special committee." The name of the committee must comply with M.G.L. c. 55, § 5.

(b) One or more candidates or candidate committees may sponsor a joint fundraising event with other candidates or candidate committees.

(c) One or more political party committees may sponser a joint fundraising event with other political party committees.

(d) Committees sponsoring a joint fundraising event, except those candidates and committees which have established a special committee, must designate an individual to be a "joint fundraising agent" to make expenditures, accept contributions, allocate proceeds and maintain records in accordance with 970 CMR 2.12.

(e) All funds received by a special committee or joint fundraising agent must be deposited in a separate, segregated account designated for that purpose.

(f) Political action committees and people's committees may not sponser joint fundraising events with any candidate or committee.

(g) Ballot question committees may not sponser joint fundraising events with candidates or candidate committees.

(2) Expenditures incurred and contributions received by candidates and committees sponsoring joint fundraising events are subject to the following restrictions.

(a) Primary Purpose of Expenditure.

1. An expenditure by a sponsoring committee in connection with a fundraising event is permitted only if the primary purpose of the expenditure is the enhancement of the political future of the candidate or the enhancement of the political party for which the committee was organized.

2. An expenditure by a sponsoring committee in connection with a joint fundraiser which does not comply with the requirements of 970 CMR 2.12(2)(a)1., shall be considered a contribution as defined by M.G.L. c. 55, § 1 from the committee making the expenditure to the committee benefiting from the expenditure and will be subject to the contribution limitations of M.G.L. c. 55, § 6.

(b) Allocation of Expenditures and Liabilities.

1. Funding of Special Committee or Joint Fundraising Agent. To the extent the committees sponsoring an event provide funds to a special committee or joint fundraising agent to allow the special committee or joint fundraising agent to make expenditures in connection with the event, each participating committee must provide funds and incur liabilities equally.

2. Expenditures by Special Committee or Joint Fundraising Agent. A special committee or joint fundraising agent may make expenditures only to defray the costs of a joint fundraising event. Such expenditures may be made from funds provided by sponsoring committees or from proceeds received from contributors.

(c) Attribution and Distribution of Contributions. Contributions received at or in connection with a joint fundraising event must be "attributed" to each participating committee in accordance with one of the alternatives defined in 970 CMR 2.12(2)(c). Attribution is based on gross proceeds received, *i.e.*, no deduction is made to reflect expenditures by a joint fundraising agent or special committee. After attribution, net proceeds must be distributed, in accordance with 970 CMR 2.12(2)(c), to each participating committee.

2.12: continued

1. *Pro Rata* Attribution and Distribution. Unless participating committees agree otherwise, and such agreement complies with 970 CMR 2.12(2)(c)2. or 3., contributions will be attributed equally to each participating committee and each committee will receive equal shares of net proceeds. Prior to purchasing a ticket or making a contribution, contributors must be informed that contributions are understood to be made to each participating committee in equal shares.

a. Attribution. Each contributor shall be understood to be a contributor to each participating committee, and the *pro rata* portion of an individual's contribution, shall be attributed to each participating committee. For example, if a person contributes $60, and three candidate committees participate in an event, $20 is attributed to each committee, which amount is applied to the maximum contribution allowed by M.G.L. c. 55, § 7A.

b. Distribution. Net proceeds shall be distributed to each participating committee in equal shares. For example, if three candidate committees participate in a joint fundraising event which receives $3,500 in contributions, but the joint fundraising agent spends $500 in connection with the event, each committee is entitled to a ⅓ share ($1,000) of the $3,000 in net proceeds.

2. Attribution and Distribution Based on Committee Selling Ticket or Arranging for Contribution. Prior to the event, participating committees may agree, in writing, to allocate contributions and distribute net proceeds based on which committee sells a particular ticket or arranges for a particular contribution. Contributors must be informed, prior to making a contribution or buying a ticket, that the contribution will be reported as a contribution to the committee which sold the ticket and the proceeds will be given to that committee.

a. Attribution. Each contributor shall be understood to be a contributor to the committee which sells the contributor a ticket or arranges for the contributor's contribution. For example, if three committees hold a joint fundraising event and one committee sells tickets to six individuals, but the other two committees do not sell any tickets, the contributions would be attributed, in their entirety, to the first committee.

b. Distribution. Net proceeds shall be distributed to each participating committee in proportion to the total amount of contributions arranged by each committee. For example, if three candidate committees participate in a joint fundraising event which receives $3,000 in contributions, but the joint fundraising agent spends $1,000 in connection with the event, distribution of the $2,000 in net proceeds will be determined by the total contributions arranged by each participating committee. If one of the three committees arranged for $1,500 (½ of the total contributions received by the joint fundraising agent), that committee would receive a distribution of ½ of the net proceeds, or $1,000. The remaining $1,000 of net proceeds would be distributed to the other two committees based on the percentage of contributions arranged by each.

3. Distribution Based on Agreement of Sponsoring Party Committees. Prior to the event, if all participating committees are committees organized on behalf of state, city, ward, or town political party committees, the participating committees may agree in writing to distribute net proceeds and allocate contributions based on various objective factors, including factors which objectively measure the relative benefit which should be applied to each participant.

a. Attribution. Attribution of contributions shall be determined in accordance with the committees' agreement. For example, if three town committees agree to attribute contributions based on a contributor's residence, and 50% of the total of $3,000 in contributions is from one town, 50% of total contributions ($1,500) would be attributed to that town's committee.

b. Distribution. Distribution of net proceeds shall be determined in accordance with the committees' agreement. In the above example, if $500 of the $3,000 total contributed is used to pay expenses, the town committee which is attributed 50% of the contributions would receive $1,250 (the attributable amount less the event's expenses multiplied by 50%).

2.12: continued

4. Attribution and Distribution by Special Committees. Prior to the event, participating committees involved in a fundraiser by a special committee may agree in writing to apportion contributions and distribute net proceeds according to the types of political committees sponsoring the event. The per contribution share to any political committee may not exceed the individual contribution limit established for that committee by M.G.L. c. 55, § 7A. For example, a party committee and two candidate committees may agree to sponsor an event costing $6,000 per person, with $5,000 going to the party committee and $500 each going to the candidate committees. Contributors must be informed, prior to making a contribution or buying a ticket, that contributions are understood to be made to each participating committee in the agreed upon manner.

a. Attribution. Each contributor shall be understood to be a contributor to each participating committee according to the apportionment set forth in the committee's agreement. Based on the above example, an individual purchasing a $6,000 ticket to the special committee fundraiser would be contributing $5,000 to the party committee and $500 to each of the candidate committees.

b. Distribution. Distribution of net proceeds shall be made in proportion to the contribution apportionment set forth in the committee's agreement. Using the above example, the event's gross receipts would be $60,000 if ten people contributed. If the special committee paid $12,000 in expenses, $48,000 would be left over to divide amongst the committees. The committees' agreement apportioned $5,000, or 10/12, of every contribution received to the party committee and $500, or 1/12, to each of the candidate committees. Using the same formula to divide net proceeds would result in the distribution of $40,000 (10/12 of $48,000) to the party committee and $4,000 (1/12 of $48,000) to each of the candidate committees.

(d) Limitation on Contributions to Joint Fundraising Agents and Special Committees. Fundraising agents and special committees must ensure that contributions received on behalf of candidates and political committees comply with M.G.L. c. 55's limitations on contributions.

1. Contributions Received by Joint Fundraising Agents. Such contributions are subject to the combined limitation of those participating in the joint fundraising event. For example, if three candidates hold an event, and they choose to attribute and distribute contributions on a *pro rata* basis, *i.e.*, as defined in 970 CMR 2.12(2)(c)1., an individual could contribute up to $1,500, assuming:

a. the proceeds are divided equally among the candidates; and

b. the individual has given no other contributions to any of the three candidates during the calendar year.

On the other hand, if the participating candidates choose to attribute and distribute contributions based on which committee sells the tickets, *i.e.*, as defined in 970 CMR 2.12(c)2., an individual could contribute up to $500 to any one committee selling tickets, assuming no other contributions are made to that committee during a calendar year.

2. Contributions Received by Special Committees. Subject to the combined limitations of the committees participating in the joint fundraising event, contribution limitations to special committees are determined by the method of attribution and distribution agreed upon by the sponsoring committees in accordance with 970 CMR 2.12(2)(c). For example, if two candidate committees and a party committee sponsor an event, the individual contribution limit to the special committee (for individuals who did not previously contribute to the relevant committee(s) during the calendar year) may be either:

a. $1,500, if the committees allocate and distribute contributions on a *pro rata* basis in accordance with 970 CMR 2.12(2)(c)1;

b. $500, if the committees allocate and distribute contributions based on ticket sales in accordance with 970 CMR 2.12(2)(c)2; or

c. $6,000, if the committees allocate and distribute contributions based on committee types in accordance in with 970 CMR 2.12(2)(c)4.

3. Treatment of Excess Contributions. A contribution may not be accepted by a fundraising agent or special committee to the extent the contribution exceeds the limits imposed by M.G.L. c. 55. If a contribution is accepted by a fundraising agent or special committee and then later determined to be, in whole or in part, in excess of the amount permitted by M.G.L. c. 55, the excess amount must immediately be refunded by the fundraising agent or special committee to the contributor.

2.12: continued

(e) Identification and Distribution of Contributions Received at Joint Fundraising Events.

1. Contributions over $50.00 must be by check made payable to the special committee conducting the event, or the joint fundraising agent.

2. All expenditures shall be paid and all proceeds of an event shall be distributed to sponsoring committees within 30 days of the event, pursuant to 970 CMR 2.12(2)(c), to each sponsor.

3. Special committees shall dissolve upon distribution of proceeds.

(3) Reporting.

(a) Each special committee and joint fundraising agent must disclose to the sponsoring candidates and committees, on a form prescribed by the director:

1. the date of the event;

2. the total contributions received by the special committee or joint fundraising agent;

3. the amount paid to the special committee or joint fundraising agent by each sponsoring committee (these amounts will also be reflected, as expenditures, in the campaign finance report filed by a sponsoring committee);

4. the name and address of each contributor, regardless of the amount contributed;

5. the amount contributed by each contributor;

6. the attribution method used and the amount attributable to each sponsoring committee;

7. the occupation and employer of each contributor making a contribution if a participating committee would receive, in connection with the event, $200 or more;

8. a listing of all in-kind contributions received by the special committee or joint fundraising agent reflecting the date received, the contributor, the residential address of the contributor, the occupation and employer of the contributor (if the value of the contribution, together with any other contribution received from the contributor, would result in a participating committee receiving $200 or more in connection with the event), and a description of the contribution and its total value (which will be allocated *pro rata* or as agreed prior to the event, among each sponsoring committee);

9. the full name and address of each person to whom an expenditure is made by the special committee or joint fundraising agent, the amount, date and purpose of each expenditure, and a total of all such expenditures, whether from funds received from sponsoring committees or from proceeds of the event;

10. the date proceeds are distributed; and

11. the share of proceeds received by each committee (which will also appear as a receipt in a sponsoring committee's campaign finance report).

(b) The report shall be duplicated by the treasurer of the special committee or the joint fundraising agent who shall provide a copy of the report to each sponsoring committee. The report shall be provided to each sponsoring committee within 30 days of the event.

(c) Sponsoring committees not required to designate a depository by M.G.L. c. 55, § 19 shall file, in paper format, the joint fundraising report on the same day the committee files the campaign finance report which reflects the distribution of proceeds from the joint fundraising agent or special committee.

(d) Sponsoring committees required to designate a depository pursuant to M.G.L. c. 55, § 19 shall deposit all funds received from the joint fundraising agent or special committee within seven days of receipt from the joint fundraising agent or special committee. Thereafter, such committees shall file the joint fundraising report with the director on or before the fifth day of the month following the deposit of the proceeds.

(e) Sponsoring candidates and treasurers of sponsoring committees shall review the joint fundraising report, verify the determination of the share of contributions and expenditures attributable to the sponsoring committee.

(f) Sponsoring candidates and treasurers of sponsoring committees and joint fundraising agents are responsible for ensuring the accuracy of the information contained in the joint fundraising report.

(g) Sponsoring candidates and treasurers shall refund any contribution or portion thereof, of contributions attributed to the candidate, or portion thereof, which, when considered together with other contributions received from a contributor, exceed the limitations of the campaign finance law, including the limitations established in M.G.L. c. 55, § 7A, or is otherwise not consistent with the requirements established by the campaign finance law.

2.12: continued

(h) Special committees, but not joint fundraising agents, shall also file a statement of organization with the director, prior to receiving any funds or making any expenditures.

(4) Maintenance of Records.

(a) The treasurer of a special committee or a joint fundraising agent must make copies of all records, pursuant to M.G.L. c. 55, §§ 2 and 5, reflecting contributions received and expenditures made in connection with the event and provide a set of copied records to each participating committee.

(b) Each committee participating in a joint fundraising event must maintain complete records reflecting expenditures made and contributions received in connection with the activity.

(c) A committee participating in a joint fundraising event must donate funds received to a charitable or other entity specified in the residual funds clause of M.G.L. c. 55, § 18, if the special committee, joint fundraising agent, or participating committee has failed to maintain records reflecting the allocation of contributions and expenditures.

2.13: Non-resident Fundraising Events

(1) Sponsorship of Event. A candidate or elected official will be deemed to "sponsor" a fundraising event on behalf of a non-resident candidate, and will be subject to the reporting requirements defined in M.G.L. c. 55, § 18B, if the Massachusetts candidate or elected official is primarily responsible for taking any one or more of the following actions:

(a) Arranging for fundraising events or endorsing fundraising events; or

(b) Taking action to encourage attendance at the event.

(2) A sponsor of a non-resident fundraising event must file the report required by M.G.L. c. 55, § 18B with the director within 30 days of the event. Where an event is sponsored by more than one person, sponsors may file one joint report.

2.14: Failure to File Reports, Penalties

(1) Campaign Finance Reports, Generally. Failure to file any of the following campaign finance reports required to be filed with the director, in accordance with the schedule specified in M.G.L. c. 55, § 18, will result in the immediate assessment of a civil penalty, pursuant to M.G.L. c. 55, § 3: CPF Forms 102ND, D102, 102PC, and 102BQ.

(2) Ward, Town and City Committee Reports. Failure to file a campaign finance report that is required to be filed with the director in accordance with M.G.L. c. 55, § 18 on the date that it is due will result in the immediate assessment of a civil penalty pursuant to M.G.L. c. 55, § 3 if the committee has received contributions, made expenditures, incurred liabilities, or acquired or disposed of assets in excess of $1,000 during the relevant reporting period or during the calendar year.

(3) Miscellaneous Reports. Failure to file any of the following reports or affidavits required to be filed with the director, within 14 days after notification by the director or his designee that filing in accordance with M.G.L. c. 55 has not taken place, will result in the assessment of a civil penalty, pursuant to M.G.L. c. 55, § 3, commencing on the 15th day after the date of the director's notification letter:

(a) Reports of independent expenditures promoting the election or defeat of candidates (CPF Forms 18A and M18A);

(b) Reports of corporate treasurers reflecting expenditures made to influence or affect the vote on any question submitted to the voters (CPF Form 22);

(c) Reports of governmental treasurers reflecting expenditures made to influence or affect the vote on any question submitted to the voters (CPF Forms 22A and M22A);

(d) Affidavit reflecting change of treasurer and acceptance of office by new treasurer (CPF Forms T101 and M-T101);

(e) Change of purpose of candidate's political committee (CPF Form 101P);

(f) Disclosures of committee credit card activity (CPF Forms 9 and M9);

(g) Certificate of appointment of depository (CPF D103);

(h) Report of fundraising event for non-resident candidate (CPF 102NR);

2.14: continued

(i) Reports of treasurers of ward, town and city committees not subject to the provisions of 970 CMR 2.14(2); and

(j) Any other report, statement or affidavit required to be filed by M.G.L. c. 55 or 970 CMR.

(4) Failure to File Timely Reports with Local Election Officials.

(a) Local election officials shall inspect campaign finance reports (CPF Form M102) within 30 days of the reporting dates required by M.G.L. c. 55 and other reports or statements within 60 days of the date such reports or statements are due.

(b) If a candidate or political committee fails to file a required report or statement in a timely manner the election official must provide written notification to the person(s) required to file that the report or statement must be filed within ten days to avoid the assessment of penalties.

(c) If a person who receives notification from the local election official fails to respond within ten days of receiving notice, the election official shall notify the director and furnish the director with a copy of the notification letter required by 970 CMR 2.00 and M.G.L. c. 55, § 28, together with any other information which may be relevant to the referral, such as correspondence from the election official notifying the candidate or treasurer of the due-date of a report or statement, the portion of the ballot containing the candidate's name, if applicable, the statement of organization of the political committee and the last report filed by the candidate.

(d) Upon receiving notification from the local election official, the director shall assess a penalty, pursuant to M.G.L. c. 55, § 3, against the candidate or treasurer responsible for filing the late report or statement.

(5) Requests for Waiver of Penalty.

(a) Candidates, treasurers, and other persons who have been assessed a penalty may submit a request for a waiver of part or all of any such penalty to the director in accordance with M.G.L. c. 55, § 3.

(b) Requests for waiver must be in writing and signed by the person who has been assessed a penalty. Such requests may be accompanied by documentation, if any, demonstrating the cause of a delay.

(c) The filing of a request for waiver does not suspend the due date of a report, statement or affidavit and does not suspend the assessment of the $10 per day penalty specified in M.G.L. c. 55, § 3.

(d) The determination of whether "good cause" exists to waive a penalty or portion thereof depends on a number of factual circumstances and shall be made by the director or his designee based upon the specific facts of each case. Examples of "good cause" may include, but are not necessarily limited to:

1. A death, incapacitating illness, or hospitalization of the candidate, treasurer, or other person who has been assessed a penalty, or in the immediate family of such person.
   a. Requests submitted due to illness or hospitalization must be accompanied by sufficient documentation, which would consist of a doctor's statement noting the name of the patient, the incapacitating illness or hospitalization, and the date(s) of the illness or hospitalization.
   b. In the case of death, a death certificate or obituary notice would constitute adequate documentation.
2. Serious accident involving the candidate or treasurer or other person who has been assessed a penalty. Requests for waiver for this reason must be accompanied by a copy of the hospital bill, a doctor's statement, or other adequate documentation.
3. Unforeseen severe weather conditions, *e.g.*, hurricane or major snowstorm at the time of filing.
4. Other good cause.

(e) The following circumstances generally do not constitute "good cause":

1. Postal delay.
2. Change of treasurer.
3. Relocation of campaign office.
4. Forms not received by committee.
5. Ignorance of requirement to file form.
6. Candidate or treasurer moved without notifying OCPF.
7. Lack of access to campaign records.

2.14: continued

(f) The director or his designee shall issue a written determination for each waiver request within 30 days. The request may be approved or denied in whole or in part.

(g) Within 30 days of receiving the director's decision regarding a waiver request, a candidate or treasurer may submit a written request for a hearing to appeal the decision.

1. Within 30 days of receipt of such request, a hearing shall be scheduled before the director or his designee.
2. Hearings shall be brief and informal; rules of evidence shall not apply.
3. At the request of the director, his designee or a person requesting a hearing, such hearing shall be tape recorded and testimony shall be taken under oath administered by the person conducting the hearing.
4. The person requesting the hearing must, unless excused in accordance with 970 CMR 2.14(5)(g)4., be present at the hearing. If the person requesting the hearing is unable to attend due to unforeseen circumstances that person may request that the hearing proceed in his absence. If the director approves the request the hearing may proceed notwithstanding that person's absence.
5. Within 30 days of the hearing, the director or his designee shall issue a written decision approving or denying, in whole or in part, the waiver request. The decision is subject to judicial review in accordance with M.G.L. c. 55, § 3 and c. 30A.

(6) All reports, statements and affidavits referenced in M.G.L. c. 55 or 970 CMR shall be signed under the penalties of perjury.

2.15: Constituent and Legislative Services

An elected officer's political committee may pay or expend money or other things of value for the provision of constituent or legislative services including the opening and maintaining of a district office.

(1) General Expenditures. The following expenditures, as well as any expenditure which is similar to the following and not inconsistent with M.G.L. c. 55 and 970 CMR, shall be permitted by an elected officer's political committee:

(a) The reasonable costs of providing services to constituents including requests for information, assistance in gaining access to governmental services, and responding to district issues and concerns by an elected officer if each of the following requirements are met:

1. the service is provided to a member of the public who is not a family member of the elected officer;
2. the service is provided by an elected officer or an officer's aide in the officer's or aide's official capacity; and
3. the provision of said service is not otherwise prohibited by M.G.L. c. 55 or 970 CMR.

(b) The reasonable and necessary costs associated with carrying out the customary or official duties or responsibilities of a legislator which otherwise comply with M.G.L. c. 55 and 970 CMR, including, but not limited to, payments for the use of meeting rooms, food and beverages provided that such costs are not:

1. usual costs associated with the ordinary course of everyday living or recreational activities, or
2. made primarily for the elected officer's or any other person's personal use.

(2) District Offices.

(a) Political committees organized on behalf of legislators may pay the reasonable costs of opening and maintaining a district office.

1. Examples of such costs may include:
   a. the purchase, lease and use of telephones, office furniture, office equipment including computers, copying machines, fax machines, typewriters and postage meters and utilities;
   b. the cost of leasing or renting but not purchasing office space; and
   c. all other necessary and reasonable costs associated with the opening and maintenance of a district office.
2. All expenditures authorized by 970 CMR 2.15 shall be reasonable and consistent with the use and purpose of a district office.

2.15: continued

3. No district office nor any of the district office's equipment shall be used for the personal use of a candidate or any other person.

(b) Campaign activities may be undertaken in a district office provided each of the following requirements are satisfied and such activity is otherwise permitted by law:

1. Public resources may not be used to support the candidate's campaign. Such resources include, but are not limited to, legislative aides during their work hours, stationery, and other materials or services provided by or paid for by the state or other public entity.

2. Campaign activities may not be performed during the hours the office is open for constituent services, unless campaign and constituent service functions are physically separated and the candidate clearly delineates that part of the office used for constituent services from that part used for campaign purposes.

3. Such use of a district office for campaign purposes must comply with M.G.L. c. 55, § 14.

(3) Campaign Finance Reports. A political committee may file a constituent and legislative services report as an attachment to any campaign finance report in order to identify the purpose of each constituent and legislative expenditure or portion thereof and the total of all such expenditures or portions thereof reported on a political committee's campaign finance report which were made for the purposes set forth in 970 CMR 2.15. The attachment authorized by 970 CMR 2.15 shall be voluntary and does not supersede a political committee's obligation to provide the information regarding expenditures required by M.G.L c. 55, § 18.

(4) Nothing in 970 CMR 2.15 shall be construed to authorize a political committee to pay for any district office expense which is otherwise paid or reimbursed by the commonwealth.

2.16: State Party Expenditures

(1) Definitions. For the purpose of 970 CMR 2.16 the following terms shall have the following meanings:

Allocable Expense means any expense that may be allocated between the non-federal and federal accounts of a state committee in accordance with regulations promulgated by the Federal Election Commission.

Federal Account means the separate federal account of a state committee established under regulations promulgated by the Federal Election Commission.

State Account means the separate state or any non-federal account of a state committee established under regulations promulgated by the Federal Election Commission, and in accordance with M.G.L. c. 55, § 19.

State Committee means the state committee of a political party, as defined in M.G.L. c. 50, § 1, organized in accordance with M.G.L. c. 52.

(2) All state committee expenditures made primarily for the purpose of aiding, promoting or preventing the nomination or election of any person to a state or local public office must be made from the state account, unless such expenditure is required to be made out of the federal account of the state committee by the Federal Election Campaign Act or regulations promulgated under its authority.

(3) Monetary contributions by state committees to any political committee organized pursuant to M.G.L. c. 55, § 5 must be made from the state committee's state account.

(4) A state committee may transfer, from its state account to its federal account, the full amount of the state share of any allocable expense in accordance with regulations promulgated by the Federal Election Commission.

REGULATORY AUTHORITY

970 CMR 2.00: M.G.L. c. 55, §§ 3 and 6.

NON-TEXT PAGE