

Campaign Finance and Public Disclosure Board

Fundraising Issues

Candidates, political party units, political committees, and political funds should familiarize themselves with issues related to categorizing and reporting receipts and expenditures of fundraisers.

Contributions

All monetary contributions and in-kind contributions received for or at a fundraiser must be reported on periodic Reports of Receipts and Expenditures.

Contributions include all payments made by fundraiser attendees for their share of the cost of participating in the fundraiser.

You must record the name and address of each individual from whom you receive over \$20. If an individual contributes more than \$100 in aggregate (both monetary and in-kind) you must also record the individual's employer.

All monetary and in-kind contributions apply to the candidate's contribution and aggregate contribution limits.*

Individuals who **volunteer** their time to help or perform at a fundraiser are not making a contribution.

*In-kind contributions (food, beverages, etc.) that have a fair-market-value of \$20 or less do not need to be recorded or reported.

Expenses

All expenses of a fundraiser must be counted as expenditures by the entity that holds the fundraiser.

For instance –

- If an entity has a picnic as a fundraiser – the cost of the food and beverages must be paid or accounted for by the entity holding the fundraiser.
- If an entity has a dinner/dance as a fundraiser – the costs of the food, beverage, facility rental, and entertainment are paid for by the committee and are not separate from the fundraiser.
- If an entity has a golf event as a fundraiser - the full cost of the event must be paid by the committee holding the event. Green fees, cart rentals, food, etc. are not separate from the fundraiser.

Candidates report facility rental, food, beverages and entertainment at a fundraiser as noncampaign disbursements.

Candidates report all other costs of the fundraiser such as invitations, envelopes, thank-you notes, mailing costs, etc. as campaign expenditures.

Joint Fundraisers

If you plan to hold a joint fundraiser with other candidates see Minn. Rules 4503.1200 on how to handle contributions and expenses. You may view the rule at:
www.revisor.leg.state.mn.us/arule/4503/1200.html.

Candidates may not receive contributions from or give contributions to legislative, constitutional office, judicial, federal or local candidates – you **MUST** insure that proceeds and expenses from joint fundraisers are accurately reported and recorded.

Political Contribution Refunds

Be aware that in some instances when the contributor receives something of value as part of a fundraiser, the entire contribution **MAY NOT** qualify for a refund through the PCR program.

Please review a Department of Revenue notice about refunds at:
www.taxes.state.mn.us/taxes/publications/revenue_notices/content/Revenue%20notices%2091-16.shtml.

Other issues

Raffles may be considered charitable gambling and may not be appropriate for a political fundraiser. Check with the Gambling Control Board at 651/639-4000 if you are considering having a raffle as part of a fundraiser.

Items donated for a **silent auction** are contributions from the donor. These items are reported as in-kind contributions and in-kind expenditures. In addition, the entity that purchases the item is making a contribution to the committee equal to the amount paid for the item – the fair market value of the donated item will not likely be the same as the amount of the successful bid.

Contributions received at a fundraiser, or at any other time, that are less than \$100 from any one entity are reported as **unitemized contributions**. Many party units incorrectly list these small contributions as miscellaneous income.

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This document is available in alternative formats to individuals with disabilities by calling 651/296-5148; 800/657-3889; or through the Minnesota Relay Service at 800/627-3529.



Minnesota Gambling Control Board

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Frequently Asked Questions about Raffles, Lawful Gambling, and Political Campaign Financing

May we conduct a raffle as a fundraiser for our political campaign?

No. Only nonprofit organizations may conduct raffles.

- Nonprofit organizations which are eligible to conduct raffles are fraternal (not a college or high school fraternity or sorority), religious, veterans, or other nonprofit organization.
- A nonprofit organization must be registered with the Minnesota Secretary of State or have received nonprofit designation from the IRS.

When is a drawing considered a raffle?

The determining factor in whether an activity is a raffle or a drawing is whether the participants must provide consideration (do or give something of value) to enter.

- If consideration is required, it's a raffle.
- If not, it's a drawing.

May we request a donation of gambling funds for our political campaign from organizations that conduct raffles or other forms of lawful gambling (pull-tabs, tipboards, bingo, or paddlewheels)?

No. See next question.

Why can't gambling funds be spent for political purposes?

It's the law. Minnesota Statutes, chapter 349.12, subdivision 25(b) restricts gambling funds from being spent for:

- (1) the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question; or
- (2) any activity intended to influence an election or a governmental decision-making process.

Therefore, nonprofit organizations which conduct raffles and other forms of lawful gambling may not contribute gambling funds to political campaigns or fundraisers.

Questions?

For additional information, contact the Gambling Control Board at 651-639-4000 or go to www.gcb.state.mn.us.