

## INDIVIDUALS AND THE MICHIGAN CAMPAIGN FINANCE ACT (MCFA)

The Michigan Campaign Finance Act (MCFA) provides rules for individuals who want to participate in Michigan elections. This publication is intended to help individuals that want to participate in Michigan elections avoid running afoul of the Michigan's Campaign Finance Act (MCFA). The sections covered in this document are listed below:

[ALLOWABLE ACTIVITY](#)  
[CONTRIBUTION EXEMPTIONS](#)  
[PROHIBITED CONTRIBUTORS](#)  
[PROHIBITED ACTIVITY](#)  
[IDENTIFICATION REQUIREMENTS ON ADVERTISEMENTS](#)  
[FAQs](#)

### ALLOWABLE ACTIVITY

Individuals can make donations/contributions to state and local Candidate Committees, Political and Independent Committees (PACs), Super PACs, Political Party Committees and Ballot Question Committees and make independent expenditures. Individuals may also volunteer for committees.

**Please note that the MCFA does not regulate federal candidates (President, Vice President, US Senate and US Congress).** These candidates are regulated by the [Federal Election Commission](#) (FEC). In addition, the MCFA does not regulate candidates for precinct delegate.

If an individual would like to participate in Michigan state and local elections, it is helpful to understand some basic definitions provided in the MCFA.

**Committee:** A committee is a candidate, organization or group of people that are registered under the MCFA because they are participating in Michigan elections. Most candidates must register a candidate committee. When you make a donation to a candidate, you are really donating to the candidate's committee. Other organizations register as PACs, political party committees or ballot question committees. Most committees are required to file public campaign statements that show their financial information. For more information on committee types see [Appendix H](#).

**Direct Contribution:** A direct contribution is a contribution of money given directly to a committee. Loans are contributions equal to the amount of the loan. Direct contributions/loans may be made with cash up to \$20.00, a check, money order, or credit card. Loan repayments reduce the amount of the contribution. The amount a Candidate Committee or Caucus Committee can receive from an individual is limited. There is no limit to the amount other committee types may receive from an individual.

**In-Kind Contribution:** An in-kind contribution is a contribution of goods or services provided to a committee at no cost or at a discount. In-kind contributions may be loans too. In-kind contributions may be an item already purchased or newly purchased by the contributor. The value of the contribution/loan is the fair market value of the item. The amount a Candidate Committee or Caucus Committee can receive from an individual is limited. There is no limit to the amount other committee types may receive.

Direct and in-kind contributions (including loans) must all be added together to determine if the contribution limit for a committee has been exceeded.

See [Contribution Limits](#) for the specific contribution limits of each office. Please note, contribution limits do not apply to the candidate, candidate's spouse, or a person claimed as a dependent for income tax purposes by the candidate. **This means that the contribution limits do apply to parents, children, siblings, grandparents, uncles, aunts and cousins.**

**Independent Expenditure:** An independent expenditure is a contribution that is not given directly to a candidate or committee and is **not** made under the direction of another person or committee. Independent expenditures can be made in any amount and do not count toward the total contribution amount given to a candidate.

An independent expenditure of \$100.01 or more in a calendar year must be reported within 10 days to the clerk of the county of residence of the person making the independent expenditure. See the [Independent Expenditure Form](#) for more information and a printable copy of the form.

## CONTRIBUTION EXEMPTIONS

An individual can assist a committee in a number of ways without the assistance counting as a contribution. The following exemptions are designed to encourage volunteer participation in the political process:

**Volunteer Personal Services:** A volunteer's personal services do not count as a contribution as long as there is no understanding or agreement that compensation will be received for the time donated. Examples of volunteer personal services include canvassing a neighborhood, stuffing envelopes, walking in a parade, office work or similar types of assistance to the committee. If a volunteer is on earned vacation time when assisting the committee, the vacation pay does not count as a contribution. If a third party compensates the volunteer, the compensation must be reported as an in-kind contribution from the third party.

**Personal Travel and Lodging:** The first \$1,000.00 spent during the year by a volunteer for personal travel expenses (gas, food, lodging) do not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. Additional travel expenses incurred by the volunteer during the year must be reported by the committee as in-kind contributions. This means that the volunteer and the committee must keep track of the personal travel costs of the volunteer to determine if and when the \$500.00 threshold is exceeded.

**Food and Beverages:** The first \$100.00 worth of food and beverages donated to the committee during the year by an individual does not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. Additional donations of food and beverages by the individual during the year count as in-kind contributions. This means that the volunteer and the committee must keep track of the food and beverage donated by the volunteer to determine if and when the \$100.00 threshold is exceeded.

## PROHIBITED CONTRIBUTORS

**Foreign Nationals:** The Federal Election Campaign Act prohibits foreign nationals from making any contributions or expenditures (including independent expenditures) in connection with any U.S. elections. It is also unlawful for any person to solicit, accept or receive a contribution from a foreign national. For further information on this requirement visit the Federal Election Commission Web site at: <http://www.fec.gov/pages/brochures/contrib.shtml>

**Casino Interest Holders:** Public Act 69 of 1997 amended the Michigan Casino Revenue and Control Act to prohibit persons having a casino interest in one of the three Detroit casinos from making campaign contributions to a Committee other than a Ballot Question committee. The Casino Revenue Act further stipulates certain periods of time when a casino licensee or supplier licensee may contribute.

The persons who are prohibited from making contributions are:

- 1) a casino licensee or a supplier licensee;

- 2) a person who holds at least a 1% interest in a casino licensee, a supplier licensee or a casino enterprise;
- 3) a person who is an officer or a managerial employee of the licensee or casino enterprise as defined by Rules promulgated by the Michigan Gaming Control Board (MGCB);
- 4) a person who is an officer of the person who holds at least a 1% interest in the licensee or casino enterprise; or
- 5) the Independent Committee of a licensee or casino enterprise.

**Casino Licensee:** Contributions may not be made from a date one year prior to applying to the MGCB for a casino license and continuing until three years after the license expires. The prohibited period includes all time in between these dates, including the period when the MGCB is still considering a license application.

**Supplier Licensee:** Contributions may not be made from the date an application is submitted to the MGCB for a supplier license and continuing until three years after the license expires.

The MGCB enforces this prohibition. A person who makes a prohibited contribution is guilty of a felony, punishable by imprisonment for 10 years and/or a fine of not more than \$100,000.00.

**Investment Fiduciary Subject to P.A. 347 of 2012:** [Public Act 347 of 2012](#) places restrictions on participation in Michigan elections by an "Investment Fiduciary" as defined by Section 12c of the law. P.A. 347 is commonly referred to as a "pay to play" law.

## PROHIBITED ACTIVITY

The MCFA specifies the following prohibitions.

- Contributions over \$20 in cash are prohibited and must be made on a written instrument such as check, money order, credit card, etc.
- Contributions made in excess of the "contribution limit" are prohibited.
- Anonymous contributions in any amount are prohibited. The name and address of the contributor must be provided to the committee.
- The individual making the contribution must be identified. Making contributions in the name of another person is prohibited.
- Making a contribution with the agreement or arrangement that the receiving committee will transfer the contribution to a particular Candidate Committee is prohibited. The individual making the contribution must be identified.
- Corporate contributions are prohibited as a contribution to committees with the exception of Super PACs and Ballot Question Committees.

## IDENTIFICATION REQUIREMENTS ON ADVERTISEMENTS

An individual (other than a candidate) is not subject to the identification requirement provision as it relates to printed matter provided that the individual is acting independently and is not acting as an agent for a candidate or any committee. See [Appendix J](#) for further information.

## FAQs

### **What candidates are regulated by the Michigan Campaign Finance Act (MCFA)?**

The MCFA covers most offices elected in Michigan. This includes Governor, Lt. Governor, Secretary of State, Attorney General, State Senate, State Representative, all judicial offices, all county, city, township, village and most school district offices.

**Please note that the MCFA does not regulate federal candidates (President, Vice President, US Senate and US Congress).** These candidates are regulated by the [Federal Election Commission](#) (FEC). In addition, the MCFA does not regulate candidates for precinct delegate.

### **Can I donate money to candidates?**

Yes, unless you fall into one of the prohibited groups; foreign national or casino supplier or licensee explained above.

This is a very common type of participation in Michigan elections. Many individuals donate directly to candidates. Contributions may be made with cash up to \$20.00, a check, money order, or credit card. There are limits on the amount of money that you can donate to a candidate in Michigan elections. The committee is the best source to find out how much you can contribute to their campaign. You will have to provide information to the committee. This includes your name and address. If you contribute over \$100.00 to the committee you must also provide your employer information and occupation. The committee is required to report this information on a campaign statement. This information is accessible to the public.

### **Can I loan money to candidates?**

Yes, but loans are contributions equal to the amount of the loan so the limits apply to loans. Loan repayments reduce the amount of the contribution. Loans may be made with cash up to \$20.00, a check, money order, or credit card.

### **Can I donate new or used goods to candidates?**

Yes, unless you fall into one of the prohibited groups; foreign national or casino supplier or licensee explained above.

Many individuals donate directly to candidates or committees by donating new or used goods or services. For example, you may have a laptop that you are no longer using and you want to donate it to the committee or maybe you hire a cleaning service to clean the campaign office. However, just like donations of money, there are limits on the amount of goods or services that you can donate to a candidate in Michigan elections. These must be added with any donations of money as well. The committee is the best source to find out how much you can contribute to their campaign. You will have to provide information to the committee. This includes your name and address. If you contribute over \$100.00 to the committee you must also provide your employer information and occupation. The committee is required to report this information on a campaign statement. This information is accessible to the public.

**I have a business that is incorporated. Can I use my business checkbook to write a check to a candidate?**

No. Corporations are prohibited from giving directly to candidates in Michigan. You must use a personal check, money order or other form of payment to contribute to the candidate's committee.

**Is there any way for me to use my corporate account for elections in Michigan?**

Yes. Corporations are allowed to give to Super PACs and make independent expenditures. However, the rules for reporting this type of activity can be complicated, so you should seek advice before participating in this way.

**I'm the candidate's spouse; do I have a limit on how much I can contribute?**

No. Contribution limits do not apply to the candidate, candidate's spouse, or a person claimed as a dependent for income tax purposes by the candidate.

**Can I give over the limit if the candidate is a relative?**

No. Unless you are the candidate's spouse or claimed by the candidate for income tax purposes, you must follow the same limits and rules as other contributors. This means that the contribution limits apply to parents, children, siblings, grandparents, uncles, aunts and cousins.

**Can I just spend my own money and not coordinate with a candidate or committee?**

Yes, unless you fall into one of the prohibited groups; foreign national or casino supplier or licensee.

These are called *Independent Expenditures*. For example, you might decide to buy an advertisement directly from the local newspaper on your own without the committee's input. There is no limit to the amount of money an individual can spend on Independent Expenditures and they do not count toward the total contribution amount given to a candidate or committee. However, an independent expenditure of \$100.01 or more in a calendar year must be reported within 10 days to the clerk of the county of residence of the person making the independent expenditure. When an individual does something on their own, the committee is not responsible for reporting it, the individual is responsible for reporting it. See the [Independent Expenditure Form](#) for more information and a printable copy of the form.

**Can I contribute to a candidate for precinct delegate?**

Yes. Since the MCFA does not regulate candidates for precinct delegate, you can assist the candidate with their election and contribution limits do not apply.

**What other kinds of political committees can I donate to?**

The MCFA has other types of committees that you can donate to in addition to candidate committees. Unlike the candidate committee, there are no contribution limits set for many of these other committee types. The chart below gives some basic information of the different types of committees you can donate to in Michigan.

<b>Committee Type</b>	<b>Contribution Limit</b>
Candidate Committees	See Contribution Limits Chart
Political Party Committee	No Limit
Political Action Committee	No Limit
Super PAC	No Limit
Caucus Committee	\$40,000.00 per calendar year
Ballot Question Committee	No Limit

**Will my name and address appear on public records if I donate to a candidate or committee?**

Probably; most committees are required to report this information for public display. You should check with the candidate or committee to confirm their reporting requirements. If required, the committee must report the name, address, date and amount of the contribution. If the individual gives over \$100.00 in a calendar year, the committee must also report employer and occupation information of the contributor. If the committee is unable to identify the contributor, the committee cannot keep the funds and must donate them to a tax exempt charity.

**What happens to my money if I don't give my name to the committee?**

Committees cannot keep money if they cannot identify the contributor. The money must be donated to a tax exempt charity.

**Can I volunteer my time to work on a campaign?**

Yes. A volunteer's personal services do not count as a contribution as long as there is no understanding or agreement that compensation will be received for the time donated. Examples of volunteer personal services include canvassing a neighborhood, stuffing envelopes, walking in a parade, office work or similar types of assistance to the committee. If a third party compensates the volunteer, the compensation must be reported as an in-kind contribution from the third party. If a volunteer is on earned vacation time when assisting the committee, the vacation pay does not count as a contribution.

**I don't want to break the law, what is not allowed?**

There are things that are prohibited in Michigan campaigns.

- Contributions over \$20 in cash are prohibited and must be made on a written instrument such as check, money order, credit card, etc.
- Contributions made in excess of the "contribution limit" are prohibited.
- Anonymous contributions in any amount are prohibited. The name and address of the contributor must be provided to the committee.
- The individual making the contribution must be identified. Making contributions in the name of another person is prohibited.
- Making a contribution with the agreement or arrangement that the receiving committee will transfer the contribution to a particular Candidate Committee is prohibited. The individual making the contribution must be identified.
- Corporate contributions are prohibited as a contribution to committees with the exception of Super PACs and Ballot Question Committees.

## **How can I find out who has given to candidate or committees?**

For state level candidates including Governor, Lt. Governor, State Senate, State Representative and all judicial offices you can go to our [searchable database](#). This database contains information for other committees that are registered with the Bureau of Elections. For local level candidates including county, city, township, village and school district offices, the information is filed with the various [County Clerk's](#) offices.

## **QUESTIONS?**

If you have any questions, please do not hesitate to contact this office.

Michigan Department of State  
Bureau of Elections  
Post Office Box 20126  
Lansing, Michigan 48901-0726  
Phone: (517) 373-2540  
Email: [Disclosure@Michigan.gov](mailto:Disclosure@Michigan.gov)  
Follow us on Twitter: @MichCFR

Eq 6/14