

# CAMPAIGN FINANCING

The following are excerpts from the “Campaign Finance Overview – Local Candidates” manual, which cover the topics that are more frequently asked by candidates. The [complete manual](#) is available upon request or can be found on the Wisconsin Ethics Commission website on the [Resources page](#). For general information about contribution limits, a filing schedule, and answers to common campaign finance questions, use the Campaign Finance links on the main page of the [Wisconsin Ethics Commission website](#).

## ELIGIBILITY FOR EXEMPTION

Committees may be eligible for an exemption from filing campaign finance reports if the committee anticipates that it will not accept or make contributions, make disbursements, or incur loans and other obligations in an aggregate amount exceeding \$2,500 in a calendar year. This includes the candidate’s personal funds contributed and spent on campaign expenses. For example, if a committee receives \$1,600 in contributions and spends \$1,000 in disbursements, the committee’s aggregate activity is \$2,600, and it would not be eligible for exemption.

A local candidate eligible for exemption may claim exemption at any time. A local candidate claiming exemption can remain on exemption until they exceed the threshold or request termination.

## FINANCIAL RECORDS DURING EXEMPTION

When a committee is exempt, it is not required to file any campaign finance reports until it requests termination. However, the candidate or treasurer is still required to keep financial records of all contributions to the committee and of all expenditures for three years after the end of the contribution limit period.

A candidate committee that is exempt from filing campaign finance reports and for which the candidate serves as the treasurer may use a personal account as the campaign depository and intermingle campaign funds with personal and other funds. While permissible, intermingling funds can cause confusion about whether the funds were received or spent for personal or for campaign purposes. It can also make it more difficult to track contribution limits. Therefore, the best practice is to have a separate account for the candidate committee.

## REVOKING EXEMPTION

If the committee exceeds the \$2,500 aggregate limit on contributions, disbursements, or obligations, the committee must amend its campaign registration statement by checking in Box A28, “No, this registrant is not eligible for exemption.” An amendment to the registration statement must be filed with the appropriate filing officer immediately. The committee is then required to file campaign finance reports beginning with the next regular report due after the earlier of either the date that the amended registration was filed or the date that the committee exceeded \$2,500 in aggregate contributions, disbursements, or obligations.

If an exempt committee receives and accepts a contribution that results in the committee exceeding \$2,500 in aggregate activity, the committee shall do one of the following:

1. Immediately file an amended registration revoking the exemption; or
2. Within 15 days of receiving the contribution, return the contribution to the contributor or donate it to the common school fund or to a charitable organization.
3. If the candidate had been serving as their own treasurer and using a personal account while the committee was on exempt status, the committee must open a separate bank account when exempt status is revoked and transfer all campaign funds in the personal account to the new account.

### IN-KIND CONTRIBUTIONS

An in-kind contribution is any good, service, or property offered to the candidate committee free of charge or at less than the usual cost, or payment of the candidate committee's obligations for such goods, services, or property. Before making an in-kind contribution, the contributor is required to notify the candidate, candidate's agent, or the administrator or treasurer of the committee, and obtain either oral or written consent to the contribution. In-kind contributions are subject to the same itemization thresholds and the same contribution limits as monetary contributions. Monetary contributions and in-kind contributions from a single contributor are added together for the purposes of determining compliance with contribution limits and the year-to-date amount for a specific contributor. If the contributor does not know the actual value of the contribution, a good faith and reasonable estimate of the fair market value should be provided to the candidate committee before the closing date of the next campaign finance report in which the contribution is required to be listed.

For example, if a campaign worker purchases stamps that are used for a mailing and is not reimbursed for the cost of the stamps, the value of the stamps is an in-kind contribution to the candidate committee from that campaign worker. When an individual is paid to work on behalf of a candidate by a person other than the candidate committee, the payment for those services is an in-kind contribution to the candidate committee. If a person offers to provide food and beverages for a fundraiser at less than the ordinary market price, the difference between the ordinary market price and the cost to the candidate committee is an in-kind contribution from the person. If another person pays for a newspaper, radio, or TV ad, and coordinates with the candidate committee about the content, timing, or other details of that ad, that ad would be an in-kind contribution.

### PROHIBITED CONTRIBUTIONS

Certain contributions are prohibited by Wisconsin law. A candidate committee may not accept the following types of contributions:

1. Anonymous contributions of more than \$10
2. Contributions in cash of more than \$100

3. Contributions given in the name of someone other than the contributor
4. Contributions from corporations, associations organized under ch. 185 or 193, labor organizations, or federally recognized American Indian Tribes
5. Contributions in excess of the aggregate limits set by law
6. Contributions from foreign nationals

Licensed lobbyists can make personal contributions to candidates for local office and their candidate committees, provided that the local candidate is not currently holding or a candidate for a partisan state elective office. Lobbyists are prohibited from making campaign contributions to state candidates for partisan state office except between the first day authorized to circulate nominations papers and the day of a special or general election. Additionally, if the legislature is in session during that period, lobbyists may not make contributions to legislators or candidates or legislative office. Id. For further information on lobbyist contributions, visit the Campaign Finance Prohibited Contributions page on the Ethics Commission's website (<https://ethics.wi.gov>) or contact the Ethics Commission.

A candidate committee should monitor contributions carefully. If the candidate committee is aware that a contribution was received from a potentially prohibited source, the committee should confirm that the contribution is lawful. It is recommended that a committee not accept any contributions if the committee cannot determine whether the contribution is lawful.