



THE COMMONWEALTH OF MASSACHUSETTS  
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**MEMORANDUM**

TO: Interested Persons  
 FROM: Michael J. Sullivan, Director *mps 6/22/18*  
 SUBJECT: Information For Banks Designated As Depositories  
 For Campaign Funds Under Mass. General Laws Chapter 55

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Candidates for statewide office, Governor's Council, county offices, certain municipal offices, political action committees (other than independent expenditure PACs), and people's committees are required by Section 19 of M.G.L. c.55 to designate a bank or other authorized financial institution (hereinafter referred to as "depository bank") as a depository for campaign funds.<sup>1</sup> Such candidates and committees are often referred to as "depository candidates and committees." **No other candidate or committee, other than a state political party, is required to open a depository bank account.**

**DESIGNATING THE DEPOSITORY BANK**

To designate a bank, **Form CPF D103 "Appointment of Depository Bank"** must be completed by the committee or candidate and the depository bank. It is the responsibility of the committee or candidate to file the completed Form CPF D103 with OCPF within three business days after designating a depository bank. The depository bank must indicate the date an account was opened on **Form CPF D103**.

**RESPONSIBILITIES OF THE DEPOSITORY BANK**

**The Depository Bank Account**

In addition to the usual services a bank provides to its customers, the depository bank has unique responsibilities under the provisions of M.G.L. c.55. All campaign finance activity undertaken by a candidate or committee required to designate a depository bank must be through a checking<sup>2</sup>

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<sup>1</sup> The statewide offices are governor, lieutenant governor, secretary of state, attorney general, treasurer/receiver general and auditor; the county offices are district attorney, clerk of court, register of probate, register of deeds, county commissioner, county treasurer and sheriff. The municipal offices include mayor, city councilor and alderman in the cities of Boston, Brockton, Cambridge, Fall River, Framingham, Lawrence, Lowell, Lynn, New Bedford, Newton, Quincy, Somerville, Springfield and Worcester.

<sup>2</sup> The bank has no filing requirements relating to savings or money market accounts or certificates of deposit.



account with that depository bank. Thus, all receipts of a candidate or committee and all expenditures by a candidate or committee must flow through the depository account. The campaign finance law requires the depository bank to play an integral role in reporting and disclosing these receipts and expenditures. It should be noted that the depository bank has no responsibility for the legality of the actual receipts and expenditures, only certain responsibilities for the reporting of them to OCPF.

### Account Credits

Under the law, depository candidates and committees must deposit all funds received into the depository bank account. Separately, the candidate or committee electronically files a **Report of Receipts** with OCPF, which lists the names and addresses of the contributors of the receipts that are deposited at the depository bank, as well as the contribution amounts.

Additionally, the depository bank will be responsible for reporting all credits to the account during a designated reporting period using OCPF's Web-based reporting system. The reporting system enables the depository bank to produce a report of the deposit activity in the account that provides the total amount and date of each credit for the reporting period.

All account credits must be reported, including bank interest, bank corrections, refunds and wire transfers.

### Account Debits

**Checks:** M.G.L. c.55 requires a candidate/committee to provide certain information on expenditure checks drawn on their depository checking account (this is a standard check that is personalized with the name of the candidate or committee and OCPF identification number, as applicable). The memo line of the check is used by the candidate or committee issuing the check to indicate the **specific purpose** of the expenditure. Example: "newspaper advertisement." This information will enable the depository bank to complete the necessary reports to be electronically filed with OCPF.

The depository bank is responsible for reporting all checks presented for payment during the designated reporting period using OCPF's Web-based reporting system. The reporting system enables the depository bank to produce a report of the expenditures that lists each check alphabetically by payee as of the date presented for payment (not the date of the check) for the reporting period. The required information includes: **the date the check was paid, the payee, the payee's address, and the specific purpose of the expenditure**, all of which may be taken from the face of the check, **and the amount**. If the specific purpose or payee's address is omitted from a check, please indicate this by inserting an asterisk (\*) in the appropriate data entry field(s).

**Debit Card Expenditures:** Debit cards can be used by candidates and committees to make expenditures. The depository bank should record each expenditure using OCPF's Web-based reporting system. The same information required for checks is also required for debit card usage, except for the specific purpose information, which the bank will not have (the candidate or committee will add the purpose information after the bank files the report). Because the specific purpose is omitted from a debit card expenditure, please indicate this by inserting an asterisk in the appropriate data entry field. The depository bank will also enter a vendor's address, if available.

**Other Account Debits:** The depository bank should also record other debits, such as bank fees, chargebacks, transfers to savings accounts, merchant provider fees and wire expenditures.

### **Activity Summary**

The depository bank is responsible for summarizing the receipt and expenditure information for the depository account in a **Summary Report of Campaign Receipts and Expenditures** for the reporting period. This summary information is electronically filed with OCPF by the depository bank.

**Filing Schedule:** The depository bank's reports must be submitted by the 5<sup>th</sup> and 20<sup>th</sup> of each month. The report due by the 20<sup>th</sup> of the month is for the period from the 1<sup>st</sup> to the 15<sup>th</sup> of that month. The report due by the 5<sup>th</sup> of the following month covers the period of the 16<sup>th</sup> through the last day of the previous month. The reports must be transmitted to OCPF no later than midnight of the 5<sup>th</sup> day of the month or the 20<sup>th</sup> day of the month, whichever is applicable. These electronic summaries and contribution reports are considered public records and provide the primary disclosure of the depository candidate's (and committee's) campaign finance activity.

### **Closing an Inactive Depository Account**

From time to time, depository candidates and committees retain no assets in their depository accounts. The costs of servicing such accounts nevertheless continue to be incurred. Should a depository bank encounter this situation, OCPF should be contacted immediately so that the account may be deactivated. Do not close a depository account without first contacting this office.

If you have any questions concerning depository bank accounts and procedures, please contact OCPF at (617) 979-8300.