



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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**M-98-03**

Revised: May 28, 2020

**MEMORANDUM**

TO: Interested Persons  
FROM: OCPF  
SUBJECT: Use of Candidate's Personal Funds for Campaign

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This memorandum reviews questions that candidates ask about making contributions to, and expenditures from, their campaigns using their own personal funds. Candidates may contribute their own personal funds to their campaign and use those funds for campaign purposes in any amount. Certain candidates are limited, however, in how much they may loan to their campaign. Of course, like any contribution, candidate contributions may not be commingled with personal or business accounts.

**I. Contributions and Expenditures by Candidates**

**1. Is there a limit to how much I can contribute to my campaign?**

No. You may contribute to your campaign without limitation.<sup>1</sup> In contrast, individual contributions from others are limited to \$1,000 per calendar year. Contributions from lobbyists, however, are limited to \$200 in a calendar year.

**2. If I use my own money for my campaign, does this have to be disclosed?**

Yes, candidates who file with OCPF generally file in the depository system.<sup>2</sup> This means that they must generally deposit funds into the committee account rather than make expenditures directly, to ensure that expenditures are disclosed by the depository bank.

Municipal candidates who do not file using the depository system disclose out-of-pocket expenditures by reporting (1) a receipt in Schedule A; (2) an expenditure in Schedule B; and, if the candidate intends to be repaid, (3) a liability in Schedule D.

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<sup>1</sup> The spouse of a candidate may also contribute (or loan, subject to the restrictions on candidate loans described in Section II, below) without limitation.

<sup>2</sup> Depository candidates and committees include state, county, and mayoral candidate committees, PACs that file reports with OCPF (other than independent expenditure PACs), state party committees, and committees organized on behalf of candidates for city council in cities with a population of 65,000 or more (currently Boston, Cambridge, Lowell, Springfield, Worcester, New Bedford, Brockton, Quincy, Lynn, Fall River, Newton, Lawrence, Somerville, and Framingham). See M.G.L. c. 55, § 19. The only candidates that file with OCPF who are not in the depository system are candidates for Barnstable Assembly of Delegates.

**3. If I am paying for campaign expenses, do I need to organize a political committee?**

No. If you are employed for compensation by the commonwealth or any of its subdivisions, however, you would be prohibited from political fundraising. *See* M.G.L. c. 55, § 13. If you are a public employee subject to Section 13, you must (unless you use only your own funds for your campaign) organize a political committee to solicit and receive contributions on your behalf.

**II. Loans by Candidates to the Candidate’s Campaign**

A candidate may make a contribution in the form of a loan to his or her campaign. If a candidate loans funds to the campaign, the campaign may subsequently repay the candidate. The amount of a candidate loan, however, is restricted for some candidates. It is important for candidates and treasurers to remember that a loan is also considered a contribution.<sup>3</sup>

**1. Do I have to report loans I make to my campaign, and if so, how?**

Candidates who file with OCPF disclose a loan to the committee on a deposit report and select “candidate loan” from the drop-down menu when reporting the deposit. The loan will be listed as a liability of the campaign on the Liabilities schedule of the year-end campaign finance report, which is e-filed each year on January 20.<sup>4</sup>

Local candidates who do not file with OCPF report a loan as a contribution on Schedule A of the campaign finance report, Form M102. The report should note clearly on Schedule A that the contribution was made as a loan to the campaign. In addition, the loan should be reported as a liability of the campaign on Schedule D of the report. *See* Example.

**Example: Form CPF M102 (Local Candidate Disclosure of Candidate Loan)**

**Schedule A: Receipts**

<b>Date Received</b>	<b>Name and Residential Address (alphabetical listing required)</b>	<b>Amount</b>	<b>Occupation &amp; Employer (for contributions of \$200 or more)</b>
<b>9/4/20</b>	<b>Candice Candidate (loan to committee) 101 Memory Lane Anytown, MA 01234</b>	<b>\$2,500</b>	<b>Computer Programmer ISR Company</b>

<sup>3</sup> The campaign finance law defines “contribution” to include all loans, except bank loans made in the ordinary course of business. *See* M.G.L. c. 55, §1. Although loans from candidates to their committees are therefore “contributions,” not all contributions are loans. For a contribution to be considered a loan, it must be disclosed as such on campaign finance reports filed by the candidate.

<sup>4</sup> Candidates for the Barnstable Assembly of Delegates, although they file their campaign finance reports with OCPF, are not in the depository system. Therefore, they disclose the receipt and repayments of candidate loans in the same manner as local candidates, as described below, although electronically via OCPF’s web-based reporting software.

**Schedule D: Liabilities**

<b>Date Incurred</b>	<b>To Whom Due</b>	<b>Address</b>	<b>Purpose</b>	<b>Amount</b>
<b>9/4/20</b>	<b>Candice Candidate</b>	<b>101 Memory Lane Anytown, MA 01234</b>	<b>Candidate Loan</b>	<b>\$2,500</b>

**2. Is there any limit to the amount which I may loan my campaign?**

Yes, for some offices. The amount a candidate may loan his or her campaign per election<sup>5</sup> is limited for certain candidates as follows:

Governor	\$200,000	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

All other candidates, including candidates running for county or municipal office, may make loans to their campaigns without limitation. Since loans are treated as contributions, however, loans from other individuals (except the candidate’s spouse) are limited to \$1,000 per calendar year (\$200 for lobbyists).

**3. How do I report repayment of a loan?**

Candidates who file with OCPF are issued a check from their committee with a notation in the “memo” line of the check stating “candidate loan repayment.” The candidate then selects “Candidate Loan Repayment” on the Liabilities schedule of the year-end report.

Local candidates who do not file with OCPF report the loan repayment as an expenditure on Schedule B and also reduce the liability on Schedule D, of the report covering the period in which the repayment takes place.

**4. What if I decide to dissolve my committee and the committee has never repaid the loan to me?**

If you do not have funds remaining in your campaign account, or if you use remaining funds for other campaign purposes, you may “forgive” the loan obligation by selecting “Loan Forgiveness” on the liability schedule of the dissolution report. When “Loan Forgiveness” is selected, the R7 software automatically includes the amount forgiven as an in-kind contribution.

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<sup>5</sup> The phrase “per election” includes each regular or special primary or general election. For example, a candidate for state senate may loan his or her committee \$50,000 between the previous November election and the following September primary and another \$50,000 between the September primary and the following November election, for a total of \$100,000.

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Municipal candidates who file locally disclose an in-kind contribution on Schedule C, and a loan forgiveness on Schedule D.

For further information and guidance regarding this memorandum, please contact OCPF at (617) 979-8300.