



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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M-98-03

Issued: May 12, 1998

Revised: June 22, 2018

MEMORANDUM

TO: Interested Persons
FROM: Michael J. Sullivan, Director *mjs 6/22/18*
SUBJECT: Use of Candidate's Personal Funds for Campaign

This memorandum reviews many of the questions that candidates ask about making contributions and expenditures to their campaigns from their own personal funds. Candidates may contribute their own personal funds to their campaign and use funds contributed 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 must be kept in a separate campaign account and may not be commingled with personal or business accounts. Such contributions and expenditures must also be disclosed in accordance with the campaign finance law, M.G.L. c. 55.

I. Contributions - Candidates may contribute their own personal funds to their campaign.

1. Do I have to disclose contributions of my own funds? Yes. All such contributions must be disclosed. Legislative and most municipal candidates disclose this information on the candidate's campaign finance report. Funds deposited into the committee account are reported in Schedule A: Receipts. Expenditures by a candidate made on behalf of the campaign are disclosed in Schedule C: In-kind contributions.

Depository candidates¹ disclose this information when depositing their contributions on a Deposit Report.). Depository candidates making contributions to their own committee must generally deposit funds in to the committee account rather than make expenditures directly, since depository candidates may not make out-of pocket expenditures over \$100. See M.G.L. c. 55, § 19(c).

2. Is there a limit to how much I can contribute to my campaign? No. You may contribute to your campaign without limitation. 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.

¹ Depository candidates include candidates for statewide office, Governor's Council, county offices and mayoral and city council candidates 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).



II. Loans - A candidate may make a contribution in the form of a loan to his or her campaign². 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.**

1. Do I have to report loans I make to my campaign, and if so how? Yes. A legislative candidate discloses the loan when e-filing the candidate's campaign finance report. If the candidate is making an out-of-pocket expenditure and treating the transaction as a loan, the candidate reports the actual expenditure in the Expenditures schedule. For expenditure type, select "Out-of-pocket Candidate Expense (as loan)." If the candidate makes a loan by depositing a check into the committee account, then the loan is disclosed electronically in the Receipts and the Liabilities schedules. For transaction type, select "Candidate Loan."

Depository candidates disclose a loan to the committee on a deposit report and should 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 20.³

Municipal candidates who file locally report the 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 1.*

Example 1: Form CPF M102

Schedule A: Receipts

Date Received	Name and Residential Address (alphabetical listing required)	Amount	Occupation & Employer (for contributions of \$200 or more)
9/4/18	Candice Candidate (loan to committee) 101 Memory Lane Anytown, MA 01234	\$2,500	Computer Programmer ISR Company

² 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.

³ Depository candidates should generally make loans to their committee by depositing funds into the committee account, since depository candidates may not make out-of-pocket expenditures over \$100.

Schedule D: Liabilities

Date Incurred	To Whom Due	Address	Purpose	Amount
9/4/18	Candice Candidate	101 Memory Lane Anytown, MA 01234	Loan to Committee	\$2,500

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 election⁴ 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 are limited to \$1,000 per calendar year (\$200 for lobbyists).

3. 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” in the liability schedule of the dissolution report.

III. Expenditures - A candidate may use personal funds to make campaign expenditures.

1. 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 need a committee to solicit and receive such contributions on your behalf. See M.G.L. c. 55, § 13.

2. Do I have to report expenditures of my own funds, and if so, how? Even if you make expenditures only from your own personal funds without raising any money from other persons, you must still file campaign finance reports. These transactions are reported as contributions from you on the Receipts schedule, and the corresponding expenditures are disclosed on the Expenditures schedule of the campaign finance report (for non-depository candidates). See Example 2.

⁴ 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.

Example 2: Campaign Finance Report filed by Non-depository Candidates with OCPF
Schedule A: Receipts

Date Received	Name and Residential Address (alphabetical listing required)	Amount	Occupation & Employer (for contributions of \$200 or more)
9/4/18	Candice Candidate (loan to committee) 101 Memory Lane Anytown, MA 01234	\$2,500	Computer Programmer ISR Company

Schedule B: Expenditures

Date Paid	To Whom Paid	Address	Purpose of Expenditure	Amount
10/5/18	Best Eats	44 Mall Road Anytown, MA 01234	Election Night Party	\$500
10/2/18	Good Newspaper	10 Print Avenue Anytown, MA 01234	Campaign Ads	\$500
9/5/18	Great Signs, Inc.	2 Billboard Way Anytown, MA 01234	Campaign Signs	\$1,500

For depository candidates, expenditures must be made through the candidate's depository account. Candidates must first deposit the funds into their depository account, to ensure that the expenditures are disclosed by the candidate's bank.

For further information and guidance regarding this memorandum, please contact OCPF.