



OHIO CAMPAIGN FINANCE HANDBOOK

CHAPTER 1: DEFINITIONS

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DEFINITIONS

It is important to begin this publication with a review of the definitions for some of the most significant terms that will be used throughout each chapter. Though not exhaustive of all campaign finance-related terms, this chapter will highlight those which are most frequently used within this publication and in most practical and operational applications.

Abbreviations used throughout book:

FEC	Federal Election Commission	FSL	Federal, State and Local
LCF	Legislative Campaign Fund	OAC	Ohio Administrative Code
OAG	Ohio Attorney General	OEC	Ohio Elections Commission
PAC	Political Action Committee	PCE	Political Contributing Entity
R.C.	Revised Code		

Auditing Authority

The secretary of state or the county board of elections, as appropriate.

The local county board of elections normally audits campaign committees of candidates for local office, local political action committees, local political contributing entities and those accounts of a local political party which are not filed electronically. Campaign committees of candidates for statewide and general assembly offices, statewide political action committees, statewide political contributing entities, statewide political parties and legislative campaign funds are audited by the secretary of state's office. However, the secretary of state has the authority to investigate any campaign finance-related issue, whether it is at the local or state level.

Complaints of alleged violations of campaign finance law are filed with the OEC which has original jurisdiction to hear complaints, find violations, and impose penalties – see Chapter 14, *Ohio Elections Commission*.

A CANDIDATE'S CAMPAIGN COMMITTEE MAY BE IN CONTINUOUS OPERATION FOR MANY YEARS. DURING THIS TIME IF THE CANDIDATE RUNS FOR SEVERAL DIFFERENT OFFICES, SOME CAMPAIGN FINANCE REPORTS MAY BE ON FILE WITH THE LOCAL BOARD OF ELECTIONS WHILE OTHERS ARE AVAILABLE ONLINE AT THE SECRETARY OF STATE'S OFFICE. A CANDIDATE MAY HAVE ONLY ONE CAMPAIGN COMMITTEE IN OPERATION AT A TIME FOR ALL STATE AND LOCAL OFFICES SOUGHT.

Ballot Issue Political Action Committee

The circulator or committee in charge of an initiative or referendum petition for a statewide ballot issue that is established to receive contributions or make expenditures.

[R.C. 3517.12 (A) & (C); OAC 111-4-11]

Campaign Committee

A candidate or a combination of two or more persons authorized by a candidate to receive contributions and make expenditures.

A campaign committee is the entity through which funds are raised, spent and disclosed when candidates run for office.

[R.C. 3517.01 (B)]

Candidate

A person who has been certified to appear on a ballot or a person who has received contributions or made expenditures or has appointed a campaign treasurer.

The combination of two people running for governor and lieutenant governor is considered a single candidacy. Persons who are write-in candidates are also considered candidates.

People running for county or state party central committee, presidential electors, national convention delegates and charter commission members are not candidates and are not subject to campaign finance reporting.

[R.C. 3501.01(H), 3517.01(B)(3); 64 OAG 1512]

Contribution

A loan, gift, deposit, forgiveness of indebtedness, donation, advance, payment, transfer of funds or transfer of anything of value including a transfer of funds from an inter vivos or testamentary trust or a decedent's estate that occurs for the purpose of influencing the results of an election.

A contribution does not include unreimbursed personal expenses of volunteers, ordinary home hospitality, or personal expenses paid for by a candidate from the candidate's personal funds. A contribution is received when any candidate or any agent of a committee or other entity gains possession of it.

[R.C. 3517.01(B)(5), 3517.08]

Individuals under the age of seven years are prohibited from making any contribution.

[R.C. 3517.102 (B)(1)(c)]

IN ADDITION TO MONEY RECEIVED VIA CASH, CHECK, ETC., A CONTRIBUTION ALSO INCLUDES NON-MONETARY THINGS OF VALUE SUCH AS FOOD & BEVERAGES PROVIDED AT A FUNDRAISER OR POSTAGE GIVEN TO COMPLETE A CAMPAIGN MAILING.

THESE NON-MONETARY TRANSACTIONS ARE "IN-KIND" CONTRIBUTIONS AND ARE REQUIRED TO BE DISCLOSED IN CAMPAIGN FINANCE REPORTS. SEE ALSO "IN-KIND CONTRIBUTION" LATER IN THIS CHAPTER.

Debt

Goods or services that have been received by or on behalf of the committee for which full payment or reimbursement has not yet been made.

Disclaimer

The portion of a political message that identifies the name and address of the person or entity that paid for the item on which the disclaimer appears.

A disclaimer must appear on almost everything that is created in an attempt to influence an election, including electronic messages. However, individuals acting alone to disseminate material and certain political action committees limited in size and amount of expenditure activity are not required to include a disclaimer. Candidates are not considered individuals for purposes of the disclaimer requirement. Personal correspondence that is not reproduced for distribution does not need a disclaimer. Political parties do not need to include addresses as part of their disclaimers.

[R.C. 3517.105, 3517.20; OAC 111-5-19; OEC Adv. 96ELC-10]

SOME CAMPAIGN-RELATED ITEMS DO NOT REQUIRE A DISCLAIMER. BECAUSE OF THEIR SIZE, SHAPE OR MATERIAL, SOME ITEMS HAVE BEEN AUTOMATICALLY EXEMPTED FROM THE DISCLAIMER REQUIREMENT. EXAMPLES INCLUDE: PENCILS, MUGS, HATS, AND GOLF BALLS. FOR A COMPLETE LISTING, PLEASE SEE OAC 111-5-19.

Earmarked Contribution

A contribution received by a person, candidate or reporting entity from another person or entity with the understanding that the contribution is to be passed on to another candidate or reporting entity.

If this occurs, and the intermediate recipient is not a reporting entity, the intermediate recipient must inform the ultimate recipient of the original source of the contribution. If the intermediate recipient is a reporting entity, the intermediate recipient must not only inform the ultimate recipient of the original source of the contribution, but must also reflect in his or her own report from whom the contribution was originally received and for whose benefit the contribution was given. The ultimate recipient must report the original source of the contribution as well as the intermediate recipient's role in receiving and passing on the contribution. Earmarked contributions are subject to all applicable contribution limits.

[R.C. 3517.13(G)]

Electioneering Communication

Any broadcast, cable or satellite communication that refers to a clearly identified candidate and that is made within 30 days of an election.

Any person intending to make a disbursement for the direct costs of producing or airing electioneering communications must file a notification of that intent with the secretary of state prior to making the disbursement.

[R.C. 3517.1011(C); OAC 111-4-10]

Electioneering communication does not include Web-based communication, print media, or printed materials.

Expenditure

The disbursement or use of a contribution for the purpose of influencing the results of an election or for making a charitable donation.

[R.C. 3517.01(B)(6), 3517.08 (G)]

Foreign Nationals

Foreign governments, foreign corporations, foreign partnerships, individuals with foreign citizenship and immigrants without a green card.

Foreign nationals are prohibited by law from making political contributions to influence any candidate election. Candidates, campaign committees and all other political entities are prohibited from soliciting or accepting anything – including a monetary contribution, in-kind contribution, or independent expenditure – from a foreign national. Immigrants with a green card may make political contributions.

[2 U.S.C. 441e; R.C. 3517.13 (W)]



Gift

A “gift” is the terminology given to the source of funding for the Restricted Fund of a state or county political party and the Levin fund of a state political party. Since these accounts cannot be used to support or oppose any particular candidate, the term “contribution” is not an appropriate description for the income on these accounts.

In-Kind Contribution

Anything of value, other than money, that is used to influence the results of an election.

Examples include postage, signs, receiving office space without paying rent, the assistance of personnel compensated by a third party or the purchase of media advertising by a third party on behalf of a committee. To qualify as an in-kind contribution, the item or service must have been made with the consent of, in coordination, cooperation or consultation with, or at the request or suggestion of, the benefited candidate, committee, fund, party or entity. In-kind contributions received are considered a form of a contribution, and, therefore, subject to all laws or rules regarding contributions.

[R.C. 3517.01(B)(16)]

Independent Expenditure

An expenditure made to advocate the election or defeat of a candidate or a ballot issue without the consent of, and not in coordination, cooperation or consultation with, or at the request or suggestion of, the candidate, campaign committee, or ballot issue.

[R.C. 3517.01(B)(17); 3517.105 (C); OAC 111-3-02]

Any expenditure by a political party for the purpose of financing communications advocating the election or defeat of a candidate for judicial office shall be deemed to be an independent expenditure. As such, the benefiting judicial candidate campaign committee has no requirement to disclose the communications cost.

[R.C. 3517.105 (D)]

Legislative Campaign Fund

A fund that is established as an auxiliary of a state political party and that is associated with one of the caucuses of the General Assembly.

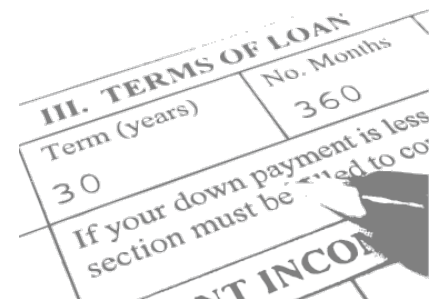
[R.C. 3517.01(B)(15)]

Loan

Money received and deposited into a committee’s bank account for which repayment is expected.

A loan is a contribution made by a guarantor to the extent that it remains unpaid. For campaign finance reporting purposes, a loan is considered a contribution and is therefore subject to contribution limits. A loan made by a bank or other lending institution is not considered a contribution.

[OAC 111-1-03, OEC Adv. 98ELC-03]



Multi-beneficiary Campaign Committee

A single campaign committee formed to represent multiple candidates.

When a board or commission or other similar body of elected officials has multiple open positions at the same election, two or more candidates may join together and form a multi-beneficiary campaign committee to act as their sole campaign committee.

[R.C. 3517.081 (B)]

OHIO ELECTIONS COMMISSION

21 W. BROAD ST. STE. 600
COLUMBUS, OH 43215
(614) 466-3205

WWW.ELC.OHIO.GOV

Ohio Elections Commission

A body empowered to hear alleged violations of campaign finance law contained in R.C. 3517.08 - 3517.13, 3517.17, 3517.18, 3517.20 - 3517.22, 3599.03 and 3599.031 and to give advisory opinions concerning campaign finance law. Comprised of seven members, the commission has three Democrats, three Republicans and one member unaffiliated with a political party.

[R.C. 3517.152, 3517.153]

Although a board of elections, the secretary of state's office, or an individual may file a campaign finance related complaint, only the OEC may find a violation of campaign finance law and impose a penalty. Please see Chapter 14, *Ohio Elections Commission* for more information.

Political Action Committee (PAC)

A combination of two or more persons, the primary or major purpose of which is to support or oppose any candidate, political party, or issue, or to influence the result of any election through express advocacy.

A PAC does not include candidate committees, legislative campaign funds, political parties, political contributing entities or political clubs.

To determine whether a purpose is a primary or major purpose, the following should be considered:

- » Whether the combination of two or more persons receives money or any other thing of value in a common account for the specific purpose of supporting or opposing any candidate, political party, legislative campaign fund, political action committee, political contributing entity or ballot issue.
- » Whether the combination of two or more persons has or will make a continuing pattern of expenditures from a common account to support or oppose any candidate, political party, legislative campaign fund, political action committee, political contributing entity or ballot issue.

- » Whether the combination of two or more persons constitutes an entity that was not in existence prior to supporting or opposing any candidate, political party, legislative campaign fund, political action committee, political contributing entity or ballot issue.
- » Whether the total dollar value of the combination of two or more persons' activity described in the above paragraphs during a calendar year exceeds \$100.

[R.C. 3517.01(B)(8); OAC 111-1-02(K)(1)]

A "combination of two or more persons" does not include persons making separate individual contributions to the same campaign committee, political party or other entity.

[OAC 111-1-02 (K)(2)]

Political Club

An organization excluded from the definition of a "political action committee" and having the following attributes:

- » *Formed primarily for social purposes.*
- » *Consists of 100 members or less.*
- » *Has officers and periodic meetings.*
- » *Maintains less than \$2,500 in its treasury at all times.*
- » *Makes no more than \$1,000 in total contributions, to influence the outcome of an election, per calendar year.*

Notwithstanding its name, a "political club" is not necessarily required to have any affiliation with any political party.

[R.C. 3517.01(B)(8)(b); OAC 111-1-02 (L)]

Political Contributing Entity

Any entity, including a corporation or labor organization, that may lawfully make contributions and expenditures to influence the outcome of an election.

Currently, only labor organizations may make contributions and expenditures in accordance with the decision in *UAW et al. v. Philomena, et al.* (1998) 121 Ohio App. 3d 760 (10th District). Corporations may not currently be PCEs.

[R.C. 3517.01 (B)(25)]

Political Party

A major political party is any group of voters that garners and maintains at least 5% of the total vote in a gubernatorial or presidential election. Both the Democratic party and the Republican party are major political parties in the state of Ohio. In addition to having a statewide party apparatus, each major political party has separate, local organizations in each of Ohio's 88 counties.

[R.C. 3517.01 (A)]

Treasurer

An individual appointed by a candidate, political action committee, political contributing entity, political party or legislative campaign fund to receive, deposit and disclose contributions, make and disclose expenditures and file periodic reports of campaign finance activity.

A treasurer is required to keep a strict account of all contributions received and expenditures made. Any reasonable accounting procedure may be employed by the treasurer to ensure a full, complete and accurate account of all financial and disclosure information. The treasurer must preserve all records and accounts for six years after each periodic report has been filed.

[R.C. 3517.01 (B)(2), 3517.081, 3517.10 (D); OAC 111-5-14]