

2011 GUIDE TO CAMPAIGN FINANCE

for Municipal Candidates in Towns and Cities
with a Population over 15,000



Produced by:
The Maine Commission on Governmental Ethics
and Election Practices
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Notes

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Changes made since the last publication date of 05/21/2010 are:

- Page 7 clarifies that a municipal registrar may not serve as a treasurer for a candidate for state, county, and municipal office;
- Page 10 explains when a Pre-Election Semiannual Report is required (see table);
- Page 10 lists the actual report deadlines and report periods for the 2011 regular election (November election);
- Page 11 clarifies that either the candidate, treasurer, or both may sign a campaign finance report;
- Page 29 explains that every two years starting December 1, 2010, contribution limits will increase according to the Consumer Price Index (CPI) and that contribution limits for municipal candidates will increase to \$750 on January 1, 2012;
- Page 35 clarifies that a disclosure statement (on a communication authorized by the candidate) is required to include the name - and not the address - of the person who made or financed the communication;
- Page 38 explains that a penalty of no more than \$5,000 may be assessed for communications missing the disclosure statement (except the maximum penalty for yard signs is \$200); and
- Page 45 explains that the timing and placement of political signs in certain municipalities may be more restrictive than state requirements.

The Commission has taken care to make this guide concise and accurate. However, you should not substitute the information presented in this guide for the applicable statutory provisions of Maine Election Law. The statutory requirements are controlling in the event of any omission in this publication.

paragraph 3 (Regulations) and paragraph 6 (Interstate system) states that: Signs may not be placed within the limits of any controlled access highway nor erected within 660 ft. of the nearest edge of the Interstate Highway System in such a manner that the message may be read from the Interstate Highway. All signs located at interstate interchanges are in violation and will be removed.

Municipal Ordinances

Municipal ordinances advocating stricter control take precedence over state law. Check with the municipal clerk for any such local ordinances.

Safe Placement of Signs

Traffic safety should be of the utmost consideration in placement of political signs. Candidates and campaign workers should take great care not to place signs or posters where same could create a traffic hazard.

For example, signs or posters should not be placed at or near intersections where they could obstruct the view of on-coming traffic to the motorist entering the intersection. Also, signs or posters should not be erected on or in any manner so as to interfere with the effectiveness of traffic control devices.

Acceptable display would be those posters or signs affixed to their own stake or post and set in the ground well outside the traveled portion of the highway, or, with the owner's consent and permission, attached to a building or dwelling, or displayed on vehicles or in the windows of business establishments, and in other like manner.

Please help the Department of Transportation to prevent an unsightly, indiscriminate and uncontrolled display of election campaign posters throughout the State and to prevent any possible embarrassment to candidates.

Questions

Please call Robert Sinclair, Supervisor – Right of Way Maintenance Control at (207) 624-3611.

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PLACEMENT OF POLITICAL SIGNS

Questions: Contact Robert Sinclair, Supervisor
 Right of Way Maintenance Control, DOT
 Telephone: (207) 624-3611

Requirements

The Department of Transportation (DOT) would like to inform all candidates and their co-workers of the present statutory and regulatory requirements applicable to placement of roadside posters and signs advertising their candidacy. Under the provisions of 23 MRSA §1913-A and Department Regulations, political posters and signs may be erected and maintained as follows:

May be erected on private property outside the Right of Way limits of public ways at any time prior to an election, primary or referendum, limited in size to a maximum of 50 square feet;

May be erected within the Right of Way limits of public ways no sooner than six (6) weeks prior to an election, primary or referendum and must be removed no later than one (1) week following the date of the election, primary or referendum.

Remember to check with your municipality on local restrictions. Some municipalities require a sign permit/deposit and others restrict the placement to a shorter time period than the six week period enforced by DOT.

Prohibited Practices

Political posters and signs shall not be erected or maintained on any traffic control signs or devices, public utility poles or fixtures, upon any trees or painted or drawn upon rocks or other natural features;

No person shall place, maintain or display upon or in view of any highway any unauthorized sign, signal, marking or device which purports to be or is an imitation of or resembles an official traffic-control device, such as a stop sign;

Political signs may be displayed to view to all public ways except for the Interstate Highway System. Title 23 MRSA §1913-A,

- (11) Campaign training sessions provided to 3 or more candidates; or
- (11-A) Wood or other materials used for political signs that are found or contributed if not originally obtained by the candidate or contributor for campaign purposes;
- (12) The use of offices, telephones, computers and similar equipment when that use does not result in additional cost to the provider; or
- (13) A purchase of apparel from a commercial vendor with a total cost of \$25 or less by an individual when the vendor has received a graphic or design from the candidate or the candidate's committee.

INTRODUCTION

Maine Election Law requires municipal candidates in cities and towns with a population of 15,000 or more to disclose their campaign contributions and expenditures, to comply with contribution limitations and prohibitions, and to meet other requirements of the law. These same requirements apply to gubernatorial, legislative, and county candidates running for office.

This guide was prepared by the Maine Ethics Commission to assist candidates and their treasurers in understanding their responsibilities under Maine Election Law. We urge candidates and their campaign treasurers to become familiar with its contents as early in the campaign as possible. Please remember to:

- Register on time;
- Read all communications from the municipal clerk;
- Keep detailed records of contributions and expenditures; and
- File reports on time.

Candidates and treasurers should not substitute the information contained in this guide for the applicable provisions of the law that are controlling in the event of any conflict with or omission in this guide. Copies of the law may be obtained from the Commission's website at www.maine.gov/ethics, by contacting the Commission's office at 207-287-4179, or by contacting the municipal clerk's office.

We welcome your suggestions for additions or changes to this publication. Please direct your comments or questions to the Ethics Commission:

Commission on Governmental Ethics and Election Practices
 Attn: Sandy Thompson
 135 State House Station
 Augusta, Maine 04333-0135
 Telephone: (207)287-4179 Fax: (207)287-6775
 Email: sandy.thompson@maine.gov

- value of these activities does not exceed \$100 with respect to any election.
- (5) Any unreimbursed travel expenses incurred and paid for by an individual who volunteers personal services to a candidate, if the cumulative amount of these expenses does not exceed \$100 with respect to any election;
 - (5-A) Any unreimbursed travel expenses incurred and paid for by the candidate, the candidate's spouse or domestic partner;
 - (6) Any communication by any person that is not made for the purpose of influencing the nomination for election, or election, of any person to state or county office;
 - (7) The payment by a party's state, district, county or municipal committee of the costs of preparation, display or mailing or other distribution of a party candidate listing;
 - (8) The use or distribution of any communication, as described in 21-A M.R.S.A. section 1014, obtained by the candidate for a previous election and fully paid for during that election campaign;
 - (9) Documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the requirements of this Title, lists of registered voters and voter identification information, created or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party;
 - (10) Compensation paid by a state party committee to its employees for the following purposes:
 - (a) Providing no more than a total of 40 hours of assistance from its employees to a candidate in any election;
 - (b) Recruiting and overseeing volunteers for campaign activities involving 3 or more candidates; or
 - (c) Coordinating campaign events involving 3 or more candidates;
 - (10-A) Costs paid for by a party committee in connection with a campaign event at which 3 or more candidates are present;

- (4) A payment or promise of payment to a person contracted with for the purpose of influencing any campaign as defined in section 1052, subsection 1; and

Does not include:

- (1) Any news story, commentary or editorial distributed through the facilities of any broadcasting station, newspaper, magazine or other periodical publication, unless the facilities are owned or controlled by a political party, political committee, candidate or candidate's immediate family ;
- (1-A) Any communication distributed through a public access television station if the communication complies with the laws and rules governing the station and all candidates in the race have an equal opportunity to promote their candidacies through the station;
- (2) Activity or communications designed to encourage individuals to register to vote or to vote if that activity or communication does not mention a clearly identified candidate;
- (3) Any communication by any membership organization or corporation to its members or stockholders, if that membership organization or corporation is not organized primarily for the purpose of influencing the nomination or election of any person to state or county office;
- (4) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative

"Immediate family" means a person's spouse, parent, grandparent, child, grandchild, sister, brother, stepparent, step-grandparent, stepchild, step-grandchild, stepsister, stepbrother, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, guardian or former guardian.

In addition, "immediate family" includes a candidate's domestic partner and the immediate family of the candidate's domestic partner.

REGISTRATION REQUIREMENTS

Complete the Registration Form

21-A M.R.S.A. § 1(5): "Candidate" means any person who has filed a petition under either sections 335 and 336 or sections 354 and 355 and has qualified as a candidate by either procedure, or any person who has received contributions or made expenditures or has given his consent for any other person to receive contributions or make expenditures with the intent of qualifying as a candidate.

Before accepting contributions or making expenditures, a candidate must complete and file a candidate registration form with the municipal clerk. The following requirements must be met:

1. Appoint a treasurer no later than 10 days:
 - after accepting contributions or making expenditures; or
 - becoming a candidate by filing ballot petitions.

A candidate may appoint themselves as their own treasurer. Only one treasurer is appointed but a deputy treasurer may also be appointed. Candidates frequently appoint themselves as deputy treasurer if they are not serving as treasurer.

21-A M.R.S.A. § 101 prohibits a municipal registrar from serving as a treasurer for a candidate for state, county, and municipal office

2. Register the name and address of the treasurer no later than 10 days after appointment.
3. A candidate may form a campaign committee. The treasurer listed in Section 2 of the registration form is the treasurer of the committee. Please note that a candidate is prohibited from forming a political action committee (PAC) for the purpose of supporting their election.

4. No later than 10 days after appointing a political committee (if a committee is formed), register the name of the committee and the names and addresses of committee officers, if any were appointed.

Exemption from Filing Requirements

Candidates who do not accept contributions, make expenditures, or incur obligations for their election are exempt from the requirements of appointing a treasurer and filing campaign finance reports.

To obtain this exemption, a candidate must complete sections 1, 5, and 6 of the registration form. Section 6 must be signed and notarized.

Personal funds of the candidate used for campaign purposes are considered campaign contributions and expenditures under Maine Election Law. Therefore, a candidate who spends personal funds in support of their candidacy is not eligible for a reporting exemption.

Revoking the Filing Exemption

If at a later date, an exempted candidate decides to collect contributions or make expenditures for their campaign, the candidate must revoke Section 6. Until a Statement of Revocation has been filed and a treasurer appointed, the candidate may not accept contributions or make expenditures to promote his or her candidacy.

- (8) Campaign training sessions provided to 3 or more candidates;
- (8-A) Costs paid for by a party committee in connection with a campaign event at which 3 or more candidates are present;
- (8-B) Wood or other materials used for political signs that are found or contributed if not originally obtained by the candidate or contributor for campaign purposes;
- (8-C) The use or distribution of any communication, as described in 21-A M.R.S.A. section 1014, obtained by the candidate for a previous election and fully paid for during that election;
- (9) The use of offices, telephones, computers and similar equipment when that use does not result in additional cost to the provider;
- (10) Activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention a clearly identified candidate; or
- (11) A purchase of apparel from a commercial vendor with a total cost of \$25 or less by an individual when the vendor has received a graphic or design from the candidate or the candidate's committee.

The term "Expenditure" includes:

- (1) A purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination or election of any person to political office, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
- (2) A contract, promise or agreement, expressed or implied, whether or not legally enforceable, to make any expenditure;
- (3) The transfer of funds by a candidate or a political committee to another candidate or political committee; and

- (2) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities by the individual on behalf of any candidate does not exceed \$100 with respect to any election;
- (3) The sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if the charge to the candidate is at least equal to the cost of the food or beverages to the vendor and if the cumulative value of the food or beverage does not exceed \$100 with respect to any election;
- (4) Any unreimbursed travel expenses incurred and paid for by an individual who volunteers personal services to a candidate, if the cumulative amount of these expenses does not exceed \$100 with respect to any election;
- (4-A) Any unreimbursed travel expenses incurred and paid for by the candidate, the candidate's spouse or domestic partner;
- (5) The payment by a party's state, district, county or municipal committee of the costs of preparation, display or mailing or other distribution of a party candidate listing;
- (6) Documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the requirements of this Title, lists of registered voters and voter identification information, created, obtained or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party;
- (7) Compensation paid by a state party committee to its employee of that party for the following purposes:
 - (a) Providing no more than a total of 40 hours of assistance from its employees to a candidate in any election;
 - (b) Recruiting and overseeing volunteers for campaign activities involving 3 or more candidates; or
 - (c) Coordinating campaign events involving 3 or more candidates;

REPORTING REQUIREMENTS

Who must File Campaign Finance Reports?

The treasurer of each municipal candidate must file campaign finance reports, unless the candidate is exempt from filing.

A treasurer has specific duties under Election Law:

- keeping detailed records of all campaign contributions and expenditures;
- completing campaign finance reports; and
- filing campaign finance reports on time.

The definition of a "candidate" is not limited to one who has qualified by petition or other means. A candidate is defined as any person who receives contributions or makes expenditures or gives consent for another to do so with the intent of being elected to office (see page 39 for the complete definition).

What Reports are filed?

Pre and Post Election Reports. Maine Election Law requires reports to be filed before the election (Pre-Election Reports) and after the election (Post-Election Reports). Please see the table on the next page for the list of required reports, report periods, and deadlines.

24-Hour Reports. 24-Hour Reports are filed in the two weeks before the election only when large contributions are received and/or large expenditures are made.

These reports are filed beginning on the 13th day before the election through the day before the election when:

- a contribution (including a loan) aggregating \$1,000 or more from the candidate, candidate's spouse, or domestic partner is received; or
- a single expenditure of \$1,000 or more is made. The term "expenditure" includes: the placement of an order for goods/services, a promise/agreement (even an implied one) that

2011 FILING SCHEDULE - NOVEMBER ELECTION		
REPORT	DEADLINE	REPORT PERIOD
Pre-Election Semiannual*	January 18, 2011	Beginning of campaign - December 31, 2010
11-Day Pre-Election	October 28, 2011	<i>If a Pre-Election Semiannual filed:</i> January 1 - October 25, 2011
		<i>If no Pre-Election Semiannual filed:</i> Beginning of campaign - October 25, 2011
42-Day Post-Election	December 20, 2011	October 26 - December 13, 2011
24-Hour Report	Within 24 hours, including Saturdays and Sundays, of receiving a single contribution or making a single expenditure of \$1,000 or more.	October 26 - November 7, 2011
* For candidates who have raised or spent more than \$500 on or before December 31, 2010.		

payment will be made, the signing of a contract for a good/service, and the delivery of a good/service even if payment has not been made.

Please note that 24-Hour Reports must be filed within 24 hours of receiving the contribution or making the expenditure.

Post-Election Semiannual Reports. After the filing of the 42-Day Post-Election Report, candidates with a cash balance ("surplus cash") of more than \$100 or an outstanding loan or debt of more than \$100 must continue to file campaign finance reports every January 15 and July 15 until they have disposed of the cash, loan or debt.

Depending on the date of the election, either the January 15th or the July 15th Post-Election Semiannual Report is the first semiannual report filed. The first post-election semiannual report

DEFINITIONS

CANDIDATE

21-A M.R.S.A. § 1(5) states: "Candidate" means any person who has filed a petition under either sections 335 and 336 or sections 354 and 355 and has qualified as a candidate by either procedure, or any person who has received contributions or made expenditures or has given his consent for any other person to receive contributions or make expenditures with the intent of qualifying as a candidate.

CONTRIBUTION AND EXPENDITURE

The term "Contribution" includes:

- (1) A gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office or for the purpose of liquidating any campaign deficit of a candidate, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
- (2) A contract, promise or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;
- (3) Funds received by a candidate or a political committee that are transferred to the candidate or committee from another political committee or other source; and
- (4) The payment, by any person other than a candidate or a political committee, of compensation for the personal services of other persons that are provided to the candidate or political committee without charge for any such purpose; and

Does not include:

- (1) The value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

For ads missing the disclosure statement, the original ad with the proper disclosure may be re-run or a new ad may be printed explaining the mistake.

If political signs are missing the disclosure statement, the Commission recommends that the campaign apply - to the front of the sign - a weatherproof label printed with the proper disclosure statement. Remember that the disclosure statement must be legible and easily seen.

If you realize that you have distributed political communications without the proper disclosure statement, it is best to contact the municipal clerk as soon as possible. The clerk will provide guidance on correcting the error. Maine Election Law allows 10 days for a violation to be corrected whether the violation was reported by a member of the public or by the candidate. A penalty of no more than \$5,000 may be assessed by the Commission for a communication lacking a disclosure statement—except the maximum penalty for yard signs is \$200. If a good faith effort is made to correct the error, no action is taken.

due after the November election is the July 15th report and covers the period from the end of the last report (42-Day Post-Election report) through June 30th of the year after the election. The report period is roughly a little over 6 months. The next semiannual report, the January 15th report, covers the period from July 1 through December 31st of the year following the election. Please contact the municipal clerk if you are required to file semiannual reports.

Many candidates chose to dispose of cash, pay debts, and pay/forgive outstanding loan balances with the filing of the 42-Day Post-Election Report so that no additional reports are due.

When are Reports Due?

Each report covers a period of time, known as the “report period,” and is due by a date, known as the “filing deadline.” Reports must be filed with the municipal clerk after the close of the report period and on or before the deadline.

The deadlines and report periods are established pursuant to the provisions of Maine Election Law (21-A M.R.S.A. § 1017). The actual dates for these vary slightly with each election and the table on the opposite page applies only to the November 8, 2011 election. Special election report periods and deadlines are established when the election date is set. You will be notified of these dates when you register as a candidate.

Where are Reports Filed?

Candidates for municipal office in towns or cities with a population over 15,000 register and file reports with the municipal clerk.

How are Reports Filed?

Reports must arrive in the clerk’s office no later than the close of business on the filing deadline.

If you mail your report or hand-deliver it, it must be received by the clerk by the close of business on the day of the deadline. Check with your municipal clerk on their hours of operation to assure that your report is filed on time.

A report that is properly signed by the candidate and/or treasurer

may be faxed to the clerk's office, provided that the original report is received by the clerk within 5 calendar days.

Please see the section entitled "Postmark and Fax Provisions" on page 27 for more information.

and plastic cups, pencils, pens, plastic tableware, 12-inch or shorter rulers, swizzle sticks, and tickets to fund-raisers.

The Commission may exempt similar items based on their small size. If you have questions on whether an item is required to have a disclosure statement, contact the municipal clerk or the Commission.

Electronic media advertisements (e.g., Google ads) are not required to have the disclosure statement if it would be impracticable to include it due to size or character limitations.

Broadcast Communications

No person operating a broadcasting station within this state may broadcast any communication expressly advocating the election or defeat of a clearly identified candidate, whether or not such broadcast is authorized by that candidate, without an oral or written visual announcement that includes the name of the person who made or financed the communication.

Pre-recorded Automated Telephone Calls

Prerecorded automated telephone calls and scripted live telephone communications that name a clearly identified candidate during the 21 days before a primary election or the 35 days before a general election (the 35 day period applies to municipal candidates) must clearly state the name of the person who made or financed the calls.

Prerecorded automated calls paid for by the candidate that use the candidate's voice and are made in support of the candidate do not need a disclosure statement.

Complaints and Enforcement

If the municipal clerk receives a complaint concerning a communication that is missing a disclosure statement, the municipal clerk will contact the candidate and/or the treasurer and request that the disclosure statement be added to the communication.

The person who financed the communication has 10 days to correct the violation after being notified by the municipal clerk. In some instances (e.g., newspaper ads), the corrective action is more difficult than in other instances (e.g., political signs).

Communications made through a broadcasting station and paid for by the candidate or candidate's committee do not have to include the address.

In addition, these requirements apply to any communication that names or depicts a clearly identified candidate and that is disseminated to voters in the last 21 days before the primary election or in the last 35 days before the general election. The 35 day period applies to municipal elections since there is no primary election.

Below are examples of suitable disclosure statements for political communications:

By a Candidate:

“Paid for and authorized by John Doe”

“Paid for and authorized by the candidate” (where the candidate's full name is clearly stated in the communication)

By Candidate's Political Committee:

“Authorized by the Candidate and paid for by the Committee to Elect Ruth Clark”

By the Candidate's Agents:

“Authorized by Candidate Anne Brown and paid for by Sam Smith, Treasurer”

“Paid for by the Candidate and authorized by John Jones, Chairman of Committee to Re-elect Ann Brown”

Hand Painted Signs

Hand painted signs financed by the candidate and containing the candidate's name are not required to have a disclosure statement.

Exempted Items

Items exempt from the disclosure law include: ashtrays, badges and badge holders, balloons, campaign buttons, clothing, coasters, combs, emery boards, envelopes, erasers, glasses, key rings, letter openers, matchbooks, nail files, noisemakers, paper

RESPONSIBILITIES OF THE CANDIDATE AND TREASURER

Candidate's Responsibilities

In addition to complying with registration requirements and reviewing and signing campaign finance reports, the candidate must:

- Within 5 days of a transaction, report to the treasurer all contributions received and expenditures made, including personal funds of the candidate that are used for campaign expenses;
- Notify the municipal clerk within 10 days if the treasurer's office becomes vacant, and appoint a successor. Serve as treasurer from the date of the vacancy until the appointment;
- Check with the treasurer to make sure campaign finance reports are filed on time. The candidate and the treasurer jointly are responsible for the timely and accurate filing of each required report; and
- File an amended registration if any information on the registration changes. The amendment must be filed within 10 days of the change.

Treasurer's Responsibilities

Maine Election Law requires the treasurer to perform these functions:

- Keep detailed records of all contributions received and of all expenditures made. The following records must be maintained:
 - 1) The name and address of every person making a contribution of more than \$10, and the date and amount of the contribution.

2) The name, address, occupation, and employer of every person contributing more than \$50 in the aggregate in any reporting period and the date and amount of the contribution. Personal funds of the candidate used for campaign purposes must be reported to and recorded by the treasurer. These may be reported as campaign contributions and expenditures, as in-kind contributions, as unpaid debts, or as loans. (See also "Recording Loans and Loan Payments" on page 20.)

3) An accounting of each expenditure made by or on behalf of the candidate or committee, including the full name of each payee/creditor, the date and purpose of the expenditure, and the amount.

4) If the payee is a member of the candidate's immediate family or household, the relationship to the candidate (e.g., "spouse," "sister," "son," "roommate") must be recorded and reported in the remark section on Schedule B Expenditures of the campaign finance report form. Reimbursements made to a member of the candidate's immediate family or household must also include the candidate's relationship in the remark section.

- Complete and file campaign finance reports on time.
- Certify the completeness and accuracy of the information disclosed in campaign finance reports.
- Sign all campaign finance reports (if candidate has not signed).
- Obtain and keep receipts for each expenditure of more than \$50 made by or on behalf of the candidate, and for any such expenditure in a lesser amount if the aggregate amount of those expenditures to the same person in any election exceeds \$50.
- Keep all campaign records for two years following filing of the final report of the election.

PUBLICATION AND DISTRIBUTION OF POLITICAL COMMUNICATIONS

"Paid for and authorized by..."

Whenever a person makes an expenditure to finance a communication (e.g., campaign signs, political advertisements, campaign websites, palmcards, etc.) expressly advocating the election or defeat of a clearly identified candidate through:

Disclosures are required on campaign websites and electronic communications.

- broadcasting stations and cable television systems;
 - newspapers and magazines;
 - websites;
 - campaign signs or other outdoor advertising facilities;
 - direct mails or other similar types of general public political advertising; or
 - flyers, handbills, bumper stickers, and other non-periodical publications
- the communication, if authorized by a candidate, a candidate's authorized political committee or their agents, must clearly and conspicuously state that:

- the communication has been so authorized (e.g., "Authorized by the candidate"); and
- must clearly state the name of the person who made or financed the expenditure (e.g., "Paid by Ruth Clark, Treasurer").

The address of the person who made or financed the communication is not required for communications authorized by the candidate and/or agents of the candidate/campaign.

RECORD-KEEPING AND BEST PRACTICES

Before establishing a record-keeping system, the candidate and treasurer should familiarize themselves with the requirements found in Maine Election Law. This section of the guide explains some of the important requirements and offers guidance as to “best practices.” You can use any manual or electronic system that is helpful to you in meeting these requirements. Please contact the clerk’s office or the Commission with questions.

Open a Campaign Bank Account

Maine Election Law prohibits the commingling of campaign funds with any personal or business funds of the candidate or any person associated with the campaign. A separate campaign bank account must be established for the campaign. In addition, it is easy to track campaign transactions if one account is dedicated to campaign purposes only.

If your campaign account accrues interest, the bank will report interest paid on the account to the IRS. Therefore, you should consult the IRS or your tax advisor regarding tax liability. To obtain a federal tax ID Number, contact the IRS office nearest you.

Establish a policy of promptly depositing all contributions in your campaign account. To implement that policy, insist that campaign workers, who solicit contributions, promptly turn them into the treasurer for deposit.

Campaign workers should also be advised that Maine law requires candidates and their agents to report to the treasurer the receipt of a contribution or the making of an expenditure within 5 days. A contribution is reported as received on the date it actually comes into the candidate’s or treasurer’s possession, not when it is dated or deposited in the campaign account.

Maintain Campaign Records

Campaign records include receipts, bank statements, checkbooks, canceled checks, invoices, and copies of filed campaign reports. Campaign records must be kept for two years after the filing of the

last report for the election. For candidates filing the 42-Day Post-Election Report in December 2011, records must be maintained until December 2013.

Establish Procedures

Some treasurers use pages from the report form as a journal and keep them in a loose-leaf binder.

The timely and organized recording of transactions will make the job of filing reports easier as well as providing supporting documentation of the entries in your reports. Convenient ways to keep track of financial transactions are to maintain a spreadsheet (e.g., Excel) or a journal type of recording system.

When setting up your record-keeping system, refer to this guidebook and the report form to make sure that your system is capturing all of the required information. The report form consists of separate “schedules” or pages used to report specific kinds of information. The report forms are available from the clerk’s office.

Record-keeping Requirements

For Cash Contributions. Record all cash contributions made to the candidate or committee on the contribution schedule, Schedule A, of the report form. Cash contributions include all monetary contributions, whether in the form of cash or check. For further clarification, see the definition of “contribution” at the end of this guide.

For the 2011 election, the contribution limit is \$350 per contributor.

Include the following information in your records:

- The name and address of every person making a contribution of more than \$10, the date, and amount of each contribution.
- The cumulative total for each contributor. When a “Contributor giving \$50 or less” exceeds the \$50 threshold, you must report their name, address, and occupation and employer. Some candidates prefer to report the names and addresses of all contributors giving \$50 or less but election law requires a candidate only to maintain this information in the campaign records and to

If an unpaid debt is to you, your spouse or domestic partner (e.g., an expenditure was made with personal funds and has not been reimbursed with campaign funds), you can report the unpaid debt as an in-kind contribution on Schedule A-1 or report it as a contribution on Schedule A from you and report a corresponding expenditure on Schedule B.

If an unpaid debt is to a volunteer or supporter (e.g., they made an expenditure with their personal funds and have not yet been reimbursed with campaign funds), you can report the unpaid debt as an in-kind contribution from them on Schedule A and report it as a contribution from them on Schedule B as long as the amount corresponding expenditure on Schedule B does not exceed \$350. Remember that contributors may give up to \$350 in aggregate for the election which means that any prior contribution from that person is counted towards the \$350 limit.

You must continue to file semiannual reports until your outstanding loan and/or debt is \$100 or less (see pages 10 - 11 for more information on semiannual reports). Please contact the clerk's office for information on the first semiannual report due.

Disposing of Outstanding Loans. To close out your campaign with the filing of your 42-Day Post-Election Report, you may:

- forgive the outstanding loan balance. You must enter a contribution on Schedule A for the forgiven amount. The name of the contributor is you, your spouse or domestic partner (for loans made by these entities) or the name of the individual who made a loan to you (individuals may only loan up to \$350); and/or
- use campaign funds to pay off the loan. You are permitted to fundraise after the election for the purpose of paying off loans and debts.

Disposing of Debts. If the unpaid debt or obligation is with a vendor, you may dispose of or reduce the unpaid debt to an amount of \$100 or less by:

- using campaign funds to pay off the debt. You are permitted to fundraise after the election for the purpose of paying off debts (and loans);
- using your personal funds to pay the vendor. Report the payment as a contribution from you - as an in-kind contribution on Schedule A-1 or as a cash contribution on Schedule A (with a corresponding expenditure on Schedule B); or
- having the vendor make an in-kind contribution of up to \$350 for the services/goods provided. Remember that contributors may give up to \$350 in aggregate for the election which means that any prior contribution from that vendor is counted towards the \$350 limit.

There is no limit in Maine Election Law on the amount of funds that you, your spouse or domestic partner can contribute to your campaign. You can pay off all unpaid debts with your personal funds.

report only the sum under "Contributor's giving \$50 or less."

- The name, address, occupation, and employer of contributors who have given more than \$50 in the aggregate (i.e., cumulative total), the date, and amount of each contribution.

Consider requesting occupation and employer information when soliciting contributions. If this information is not received by the report deadline, enter "Information Requested" for occupation and employer.

Be sure to include in the campaign records, the cash contributions made by the candidate, candidate's spouse or domestic partner. These contributions are reported on Schedule A.

Your bank statement is another supporting document for cash contributions. If you list contributions on your spreadsheet or journal when the contributions are received, you will be able to reconcile your campaign account deposits with cash contributions received and reported on the report form.

You may find it helpful to keep an electronic spreadsheet or an alphabetical card file of contributors. You and your treasurer will be reporting detailed information about each contributor who gave you more than \$50 in the aggregate (e.g., cumulative total).

For contributions received from the candidate's immediate family members, report the family relationship (e.g., "candidate's spouse," "candidate's son," etc.).

Maintaining a record of each individual's contributions will help you identify when a contributor reaches the itemization threshold of more than \$50 or has exceeded the contribution limit of more than \$350 (see "Prohibitions and Restrictions" in this guide).

In addition to the information you are required to keep in your records, you may want to include other reference information such as check number, thank you sent, etc.

For In-Kind Contributions. In-kind contributions include donated materials, goods, services, or supplies in a form other than cash or check. Record-keeping for in-kind contributions is the same as it is for cash contributions. Record: (1) the name and address of

each person whose donated good or service was valued at more than \$10; (2) the occupation and employer of each person whose donation was valued at more than \$50; and (3) a description of the donated good or service. Make sure that your record-keeping aggregates the total cash and total in-kind contributions for each contributor. The contribution limit applies to the aggregate of all contributions - cash and in-kind.

The “amount” of the in-kind contribution is the fair market value of the item or service. The fair market value is what it would have cost you if you had paid cash for the donated items or services.

Some services and items do not constitute in-kind contributions and, therefore, are not reportable. These include the value of volunteer services provided without compensation and the cost of invitations, food, and refreshments up to \$100 per volunteer for “house parties.” For further clarification of what constitutes a reportable contribution, refer to the definition of “contribution” at the end of this guide.

For Expenditures. Written records and supporting documents that track how campaign funds are spent are just as important as the records documenting contributions to your campaign.

If you use checks or a debit card to pay expenses whenever possible, you will have a verifiable, chronological history of your expenditures.

Receipts and invoices for expenditures greater than \$50 are required to be maintained. An easy way to comply with this requirement is to obtain a receipt for each expenditure. Insist at the start of a campaign that every person who makes an expenditure provides a receipt when requesting reimbursement.

Unpaid bills and payments to vendors can be maintained alphabetically by vendor name. This helps prevent double payments and makes the information readily accessible. Alternatively, small campaigns may find it more convenient to maintain unpaid bills and payments in chronological order by date of purchase.

All expenditures made by or on behalf of the candidate are recorded in at least two places:

- Returning the funds to the candidate’s contributors;
- Making a gift to a qualified political party within this state, including any county or municipal subdivision of such a party;
- Making an unrestricted gift to the State’s general fund. A candidate for municipal office may dispose of a surplus by making a restricted or unrestricted gift to the municipality;
- Carrying forward the funds to a political committee established to promote the same candidate for a subsequent election;
- Carrying forward the surplus balance for use by the candidate for a subsequent election;
- Transferring the surplus balance to one or more other registered candidates or to a political committee established to promote the election of those candidates, provided that the amount transferred does not exceed contribution limits;
- Repaying any loans or retiring any other debts incurred to defray campaign expenses of the candidate;
- Paying for any expense incurred in the proper performance of the office to which the candidate is elected, as long as each expenditure is itemized on expenditure reports; and
- Making a gift to a charitable or educational organization that is not prohibited, for tax reasons, from receiving such a gift.

Disposing of Outstanding Loans and Debts

If you have an outstanding loan balance and/or debt of more than \$100 at the end of your campaign, you may want to consider reducing loan balances and paying off debts because additional reports will be required.

Most candidates with outstanding loan balances decide to forgive these balances because they do not want to be responsible for filing semiannual reports.

funds - which is Ms. Clark. If the original source is not reported to the candidate, the contributor (Ms. Clark), the PAC, and the candidate could be penalized up to \$5,000 each.

Anonymous Contributions: Restricted to \$10 or less

Campaign treasurers must keep a detailed and exact account of all contributions received including contributions made by the candidate and the name and address of every person contributing in excess of \$10. Therefore, anonymous contributions of more than \$10 may not be accepted.

If a candidate or treasurer receives an anonymous contribution in excess of \$10, the amount over \$10 must be promptly disposed of. The Commission recommends that the campaign make a donation to a charitable organization, an educational institution, etc. - as long as the organization is not associated with any election, campaign or candidate's election in the state.

Separate Campaign Bank Account Required

Contributions and other receipts (bank account interest) received by a candidate may not be commingled with the personal or business funds of the candidate, treasurer, volunteers, or officers, members, or associates of the candidate's campaign committee. Establish a campaign bank account to keep contributions separated from your personal and business funds.

False Statements

No person, candidate, or treasurer, may make a false statement in any required report. Making a false statement in a report is a Class E crime.

Disposing of Unspent Campaign Funds

After an election, a candidate may be left with unspent funds (e.g., cash balance on last report is greater than \$100). These funds may not be converted to personal use. Pursuant to the provisions of 21-A M.R.S.A. § 1017(8), a treasurer must dispose of surplus funds exceeding \$100 within 4 years of the election for which the contributions were received.

Surplus funds may be disposed of by:

- in the campaign account checkbook or campaign bank statement (shown as debits or payments) which provides a permanent record for each individual check or debit and an up-to-date record of the bank balance; and
- on the expenditure schedule, Schedule B, of the report form.

Using a spreadsheet or journal provides a more comprehensive record than your checkbook and bank statement because it usually includes both paid and unpaid bills. Information on unpaid bills and obligations is used when filing 24-Hour Reports and completing the unpaid bills schedule, Schedule D Unpaid Bills and Obligations, of the report form.

The table below is an example of how expenditures may be recorded and tracked in campaign records. List the date and amount of the expenditure, the name and address of each payee or creditor, and a description of the expenditure.

RECORD FOR EXPENDITURES AND UNPAID BILLS						
Date Ordered	Payee/Creditor	Description	Amt. Owed	Amt. Paid	Ck. No.	Unpaid Balance
7/08/2011	Jones Printing 122 Maple St Bangor, ME 04002	Palm Cards	\$500	\$300	129	\$200
7/21/2011	Maine Sign Co. 76 Maine St. Augusta, ME 04332	Yard Signs	\$900	\$500	130	\$400
Unpaid Bills/Debts/Obligations						\$600

For Loans and Loan Payments. Record loans from the candidate, candidate's spouse or domestic partner, loans from other individuals, and loans from financial institutions. All of the information found on Schedule C Loans of the report form must be reported and it may be useful to use Schedule C to track and record activity with any loans made to the campaign.

Remember, loans from "other individuals" are considered contributions to the candidate. Therefore, the lender is subject to the contribution limitation of \$350 and if the loan amount is more

than \$50, the occupation and employer of the lender must be obtained and reported. This limitation does not apply to loans by a candidate, the candidate's spouse or domestic partner or loans made by financial institutions in the state.

Keep a record of all loan activity which includes the date of the loan, the dates and amounts of payments, the dates and amounts of forgiveness, and the outstanding loan balance.

For loans made by the candidate, candidate's spouse/domestic partner, or other individuals and are later forgiven (all or in part), the amount that is forgiven is recorded in the campaign records in two places:

- in the records for loans and the records for contributions.

(Please note that a forgiven loan amount is reported on the campaign finance report in two places as explained on page 25.)

PROHIBITIONS AND RESTRICTIONS

Contribution Limit: \$350 per Contributor (through 12/31/2011)*

An individual, political committee, party committee, corporation or association may not make contributions to a municipal candidate aggregating more than \$350. This limitation does not apply to contributions made by the candidate, the candidate's spouse, or domestic partner.

Only U.S. citizens and persons holding valid green cards may make contributions to candidates or committees.

Starting December 1, 2010 and every two years thereafter, the contribution limit will be adjusted according to the CPI (Consumer Price Index) as reported by the U.S. Department of Labor.

* On January 1, 2012, the contribution limit for municipal candidates increases to \$750 per contributor.

Aggregate Contribution Limit: \$25,000 per Year

No individual may make contributions to candidates aggregating more than \$25,000 in any calendar year.

This limitation does not apply to contributions in support of a candidate by the candidate, the candidate's spouse or domestic partner.

Contributions in the Name of Another

No person may make a contribution in the name of another person, and no candidate may knowingly accept such a contribution. Candidates must take reasonable steps to identify the original source of funds and to report the actual contributor. Misreporting the source of contributions is a serious violation of Election Law.

For example, if Ms. Clark makes a contribution to a political action committee (PAC) with the intent that the PAC make a contribution to a specified candidate, the PAC when making the contribution to the candidate must report to the candidate the original source of

The penalty for filing a late report is calculated using a formula found in Maine Election Law. The table below shows the penalty formula and an example. Any penalty of less than \$10 is waived.

Penalty Amounts:	
The applicable percentage listed below is applied to the “financial activity” that occurred during the report period - which is either the total of all contributions received or the total of all expenditures made (including unpaid debts) <u>whichever is greater</u> multiplied by the number of days late.	
First Violation	1%
Second Violation	3%
Third Violation	5%

EXAMPLE OF PENALTY CALCULATION

For the reporting period:
 Total contributions are: \$1,000
 Total expenditures are: \$ 500

The total of contributions for the reporting period is greater than the total of expenditures. **Therefore \$1,000 is used in the calculation.**

This is the first time that the candidate was late in filing their report. **Therefore, the applicable percentage used is 1%.**

The report was filed 5 days late.

**Penalty amount equals:
 \$1,000 x 1% (1st violation) x 5 days late = \$50.00**

A CANDIDATE OR TREASURER WHO FAILS TO FILE A REQUIRED REPORT WITHIN 30 DAYS OF THE FILING DATE IS GUILTY OF A CLASS E CRIME.

COMPLETING CAMPAIGN FINANCE REPORTS

Report Form: General Information

All information must be reported on forms prescribed by the Commission and provided to the municipal clerk. Complete the forms by typing or printing clearly in ink. The treasurer and/or the candidate must sign the report.

Please call the municipal clerk or the Commission with any questions you may have concerning the completion of reports.

Cover Page. Complete the first page, the “cover page,” of the report. This page includes the contact information of the candidate and treasurer (e.g., name, address, phone number, etc.), the period covered by the report (the “report period”), and the filing deadline. If the report period or deadline is not shown, contact the municipal clerk or the Commission.

Dates for the transactions listed on a report must fall within the report period covered by the report. If you enter transactions that occur outside the period covered by the report, you will be asked to file an amended report showing the transactions in the proper report period.

Report Schedules. You may want to make copies of the blank schedules (pages) before completing the report so that you will have enough pages to list all of the contributions and expenditures.

Complete all applicable schedules of the report form before completing the summary section (last page of the form). If two or more pages of any schedule are used, the totals from all pages of that schedule are added together and entered on the final page of that schedule. Follow the instructions at the top and bottom of each page.

Summary Schedule. Follow the instructions on the report form for completing the summary section, Schedule F. The summary section summarizes all of the information contained in the report.

Reporting Contributions on Schedule A

Reporting Contributions of more than \$50. Using your campaign records (e.g., spreadsheet, journal, etc.) report the sources of contributions of more than \$50 by entering:

- the date the contribution was received;
- the contributor's name, and address;
- the contributor's occupation and employer if the contributor was an individual; and
- the contributor type code (see codes at bottom of Schedule A of the report form and use the appropriate code).

Reporting Contributions of \$50 or less. Total all contributions of \$50 or less received during the report period and enter:

- "Contributors giving \$50 or less" as the "Payee Name";
- the last day of the report period or a date range as the "Date of the Contribution"; and
- the total of all contributions of \$50 or less as the "Amount."

Reporting Personal Contributions by the Candidate. Any expenditure of personal funds by a candidate to support their candidacy may be considered a contribution (cash or in-kind) or an unpaid debt and may be reported according to the following:

- If the candidate does not expect to be reimbursed for the expenditure, the treasurer reports the transaction as a contribution and as an expenditure or reports the transaction on Schedule A-1 as an in-kind contribution.
- If the candidate expects to be reimbursed for the expenditure and has not been reimbursed by the end of the report period, the treasurer reports the transaction on the unpaid debts and obligations schedule.
- If the candidate expects to be reimbursed and is reimbursed for the expenditure by the end of the report

FILING CAMPAIGN FINANCE REPORTS

Candidates and their treasurers must strictly adhere to the filing deadlines, as well as provide all required information on the reports to avoid penalties for late or incomplete reports. Reports must arrive in the clerk's office no later than the close of business on the day of the deadline.

Remember the candidate and/or treasurer must sign and date the report (at the bottom of the cover page).

Hand-Delivered Reports

If you hand-deliver your report, the clerk must receive it by the close of business on the day of the deadline.

Postmark and Fax Provisions

Reports that are sent by regular U.S. mail that arrive in the clerk's office no later than the close of business on the day of the filing deadline are considered to be filed on time.

Reports that are sent by certified or registered U.S. mail and are postmarked at least two days before the deadline are considered to be filed by the deadline.

A report that is properly signed by the candidate and/or treasurer and faxed to the municipal clerk, provided that the original of the report is received by the municipal clerk within 5 calendar days, is considered to be filed on time. Please check with your municipal clerk on acceptance of faxed reports.

Penalties for Late Filing

The candidate and the treasurer are jointly responsible for the accurate and timely filing of each required report. A penalty may be assessed against a candidate and/or treasurer who fail to file a required report by the filing deadline, or who fail to file a complete and accurate report.

If only a partial payment is made on the debt during a report period, continue to report the unpaid balance of that debt or obligation. When a payment or partial payment is made on a debt or obligation, the payment amount is reported as an expenditure on Schedule B of the report form.

Completing the Summary Schedule

Follow the instructions on the report form and complete Schedule F Summary.

period, the treasurer reports the transaction on the expenditure schedule noting in the “Remark” section that it was a reimbursement (see page 24).

Another way that a candidate may use personal funds is when the candidate, candidate’s spouse, or domestic partner makes a loan to the campaign, which is reported on Schedule C.

Reporting In-Kind Contributions on Schedule A-1

Report a description of the item or service provided, the date, and fair market value. If the value of the item or service is more than \$50, list the contributor’s name, address, occupation, and employer. Follow the instructions on Schedule A-1 of the report form.

Contribution limits apply to the aggregate of all contributions, not just cash contributions. For example: a contributor who has given an in-kind contribution of \$150 may only give an additional amount in cash up to the contribution limit of \$350.

Reporting Valuation of Contributions Sold at Auction (including yard sale, etc.) Any contribution received by a candidate that is later sold at auction should be reported as follows:

- If the good/service is sold at auction before the start of or during the report period, the value of the good/service is the amount of the purchase price paid at auction/sale, etc.
- If the good/service is sold after the end of the report period, the value of the good/service is the difference between the value of the contribution as originally reported (i.e., as an “in-kind” contribution with estimated “fair market value”), and the amount of the purchase price paid at auction/sale, etc.

Reporting Expenditures on Schedule B

Using your spreadsheet or journal, enter expenditures (except unpaid bills, debts, or obligations) made during the report period on Schedule B Expenditures.

For each expenditure, report the date, the name of payee, the amount, and purpose of the expenditure. Use the applicable three letter code ("Expenditure Type") to report the purpose. For expenditures requiring a remark, enter a description in the "Remark" section.

Reporting Petty Cash Payments. Sometimes petty cash transactions are incorrectly reported as reimbursements to the person who used the petty cash to purchase the item. A correctly reported petty cash transaction is shown below.

REPORTING PETTY CASH EXPENDITURES				
Schedule B Expenditures				
Date	Name of Payee	Expenditure Type	Remark (if required)	Amount
08/14/11	OFFICE SUPPLY INC	OFF	Supplies purchased by candidate with petty cash	\$78.00
09/01/11	USPS	POS	Postcard stamps purchased by candidate with petty cash	\$52.00

The Commission recommends that petty cash not be used and that the person making the expenditure be reimbursed after the expenditure is made.

Reporting Payments Made to a Member of the Candidate's Immediate Family or Household. When the campaign pays a member of the candidate's immediate family or household for goods or services provided to the campaign or when the campaign makes a reimbursement to an immediate family or household member, the relationship of the family or household member to the candidate is reported on Schedule B Expenditures (see example below).

REPORTING PAYMENTS TO MEMBERS OF THE CANDIDATE'S IMMEDIATE FAMILY OR HOUSEHOLD				
Schedule B Expenditures				
Date	Name of Payee	Expenditure Type	Remark (if required)	Amount
08/14/11	RYAN WHITE	LIT	SON OF CANDIDATE Design of palmcard	\$200.00
09/01/11	EMILY JONES	CNS	ROOMMATE OF CANDIDATE Campaign strategy	\$850.00

Reporting a Reimbursement. When the campaign makes a reimbursement for a good or service that was paid for with the personal funds of a supporter, volunteer, etc., the reimbursement must be: (1) made in the same report period as the supporter/volunteer paid the vendor; and (2) the vendor name or "Payee" name reported correctly. In the example below, ABC Printing is the vendor - "Payee" - because they produced the palmcards - and J. Smith was simply reimbursed for the payment he made to them.

REPORTING A REIMBURSEMENT				
Schedule B Expenditures				
Date	Name of Payee	Expenditure Type	Remark (if required)	Amount
09/23/11	ABC PRINTING	LIT	PALMCARDS; REIMBURSED J. SMITH (CANDIDATE)	\$650
Incorrect reporting of reimbursement is shown below.				
09/23/11	J. SMITH (CANDIDATE)	LIT	PALM CARDS	\$650

Reporting Loans and Loan Payments on Schedule C

Loans. Report loans on Schedule C of the report form. List the name and address of the lender or person making the loan, the date, and amount of each loan. Remember that loans from individuals are limited to \$350 except loans made by the candidate, candidate's spouse, or domestic partner and loans made by financial intuitions.

Loan Payments. Report each payment made on Schedule C of the report form and not on Schedule B Expenditures. Enter the name and address of the lender and the date and the amount of the payment.

Forgiving a Loan. Report the forgiven amount on Schedule C Loans and on Schedule A Contributions (as a contribution). Follow the instructions on Schedule C and the Summary Schedule so that the forgiven amount is not doubled counted as a receipt.

Reporting Unpaid Debts and Obligations on Schedule D

Report unpaid bills, debts, or obligations on Schedule D of the report form that are unpaid at the end of the report period. Enter the date the debt or obligation was incurred, the amount and purpose, and the name and address of the creditor.