



RIGHT TIME. RIGHT PLACE. **RIGHT SOLUTION.**

## POLITICAL INVOLVEMENT GUIDE FOR CREDIT UNIONS



Maine Credit Union League



## WHY ARE CREDIT UNIONS POLITICALLY ACTIVE?

### PROTECTING THE CREDIT UNION TAX EXEMPTION

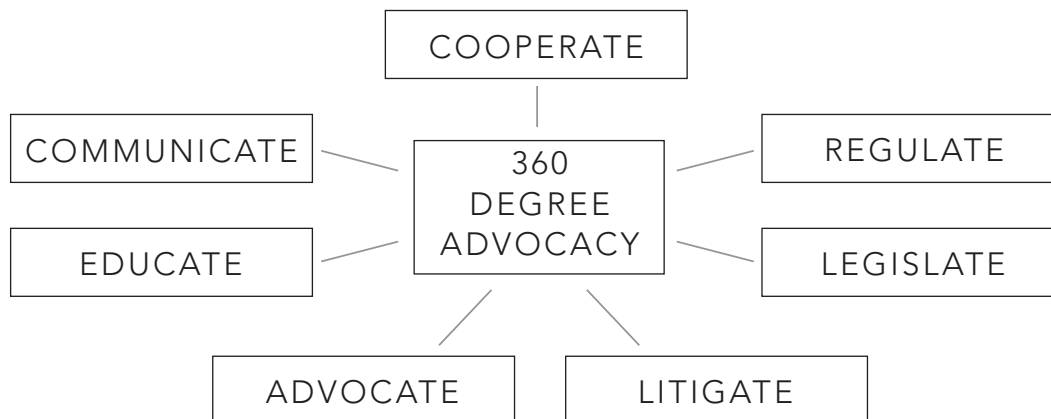
Credit unions are written into law in the Federal Credit Union Act (FCUA) and corresponding state statutes. The FCUA makes credit unions not-for-profit, member-owned, volunteer-led, and therefore tax exempt. Credit unions are politically active because they hold a special place in the financial services sector, and we need to protect that status every day in Augusta and Washington.

### RELATIONSHIPS WITH OUR ELECTED OFFICIALS MATTER

Decisions happen every day in Augusta and Washington that affect the way credit unions serve members, and if we don't elect legislators that understand the credit union difference, then we don't have a seat at the table. Credit unions are politically active because if we're not at the table, we're on the table.

### ADVOCACY HAPPENS EVERY DAY

When credit unions are confronted with an issue, we can't just use one avenue to solve the problem. Advocacy happens every day in many different ways: it happens when you provide services to members that they can't get anywhere else; it happens when we work together to amplify the credit union voice beyond what we could do on our own; and it happens when we educate and communicate the credit union difference. Credit unions are politically active because when we take a 360 degree approach to advocacy we can make the biggest difference for our members.





## POLITICAL ACTIVITY

The grassroots power of credit unions is an asset to any credit union-friendly candidate. You as an individual and as a credit union are part of that grassroots power and we encourage you to be politically active.

### HOW CAN I GET INVOLVED?

#### **AS A CREDIT UNION**

- Invite your legislator to your branch
- Educate your staff about credit union-endorsed candidates
- Enroll your credit union in Payroll Deduction (for staff) and Deduct-a-Buck (for board members and credit union members)
- Engage your members and your staff with a 'Get Out the Vote' program
- Hold a voter registration drive
- Use social media to show your support of credit union friendly candidates
- Attend events such as the CUNA Governmental Affairs Conference (GAC), Hike the Hill, and Credit Union Day
- Work with the League to host a 'meet your legislator' chapter event

#### **AS AN INDIVIDUAL**

- Donate your time to a political campaign (take time off from work to do so, to avoid having your credit union make an inadvertent campaign contribution)
- Educate yourself and your co-workers about credit union-friendly candidates
- Participate in Payroll Deduction and if you're already giving, consider giving a little bit more
- Register to vote
- Use social media to show your support of credit union-friendly candidates

---

With any involvement in a political campaign, be conscious of making an inadvertent in-kind contribution. In-kind contributions include, but are not limited to, any of the following non-monetary contributions:

- Offering goods or services for free or at a less than usual charge
- A person or entity paying for services on the candidate's behalf
- Volunteering on a campaign during business hours when you are still being paid by your credit union
- Extending credit to a campaign under terms that are not substantially similar to the terms extended in the ordinary course of business



We want credit union friends elected to office, but running a campaign is expensive. Without a well-funded campaign, getting and staying in office can be difficult even for the best candidates. As a result, political contributions are an important way to support candidates that support credit unions.

The easiest way to contribute is through our Political Action Committee (PAC), the Credit Union Legislative Action Council (CULAC), which is dedicated to supporting credit union-friendly candidates in Maine and Washington. You can also contribute directly to many candidates or various PACs that support the candidate or their party.

How much you can contribute as an individual or credit union is guided by law, which the following sections outline. The amount you give is entirely up to you and while more is always appreciated, even a \$50 contribution can be meaningful.

## STATE ELECTIONS: STATE LEGISLATIVE AND GUBERNATORIAL RACES

### WHAT IS A CONTRIBUTION?

A contribution includes a gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing a nomination or election except that a loan of money to a candidate by a financial institution in Maine made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included.

Other types of contributions include “in-kind” contributions, which are goods or services provided to a campaign at no cost, or at a cost that is less than the usual charge.

EXAMPLE: volunteering for a campaign during the work day while you are being paid by your employer counts as an in-kind contribution.

The full definition of a “contribution” can be found in 21-A M.R.S.A. § 1012(2).





## RECIPIENTS & CONTRIBUTION LIMITS FOR INDIVIDUALS, MULTICANDIDATE PAC (E.G., CULAC), AND CREDIT UNIONS

<p>LEGISLATIVE (PARTY CANDIDATES)</p> <hr style="width: 50%; margin: 10px auto;"/> <p><b>\$425</b> PER ELECTION*</p>	<p>LEGISLATIVE (UNENROLLED)</p> <hr style="width: 50%; margin: 10px auto;"/> <p><b>\$425 TOTAL</b> (NO PRIMARY FOR UNENROLLED CANDIDATES)</p>	<p>GUBERNATORIAL CAMPAIGN (PARTY CANDIDATES)</p> <hr style="width: 50%; margin: 10px auto;"/> <p><b>\$1,725</b> PER ELECTION*</p>	<p>GUBERNATORIAL CAMPAIGN (UNENROLLED)</p> <hr style="width: 50%; margin: 10px auto;"/> <p><b>\$1,725 TOTAL</b> PER ELECTION*</p>	<p>GENERAL PURPOSE PAC (E.G. NOT FOR SPECIFIC CANDIDATE)</p> <hr style="width: 50%; margin: 10px auto;"/> <p><b>UNLIMITED</b></p>
--	---	---	---	---

\* The per election limits apply separately to primary and general elections. For example, a legislative party candidate can receive up to \$800 total from an individual (\$400 for the primary and \$400 for the general election).

\*\* Specific candidate PACs are for a single candidate and count against your per election contribution only if the candidate solicits the contribution to the PAC. In all other situations, a person can give unlimited amounts to a PAC.

### TYPES OF CANDIDATES IN STATE ELECTIONS

In Maine, there are two courses for state house candidates to run; traditionally funded or as a clean elections candidate.

#### TRADITIONALLY FINANCED CANDIDATES

Traditionally financed candidates receive their contributions from the public directly to their campaign. In Maine, **unlike at the federal level**, a business or individual organization like a **state-chartered** credit union can make a contribution to a candidate. Federally chartered credit unions are prohibited from making corporate contributions of any kind. State-chartered credit union contributions are subject to taxation on the IRS 1120-POL<sup>1</sup>.

Contributors who give more than \$10 to a candidate must provide the campaign with their name and address. Individuals who give more than \$50 during a reporting period must also provide their occupation and employer.

<sup>1</sup> In Maine, state-chartered credit unions can make corporate contributions to their state credit union league's state Political Action Committee (PAC) or directly to a candidate for state or local office. If the amount contributed is in excess of \$100, the credit union is required to file Form 1120-POL with the IRS. Federal credit unions are exempted from filing Form 1120-POL.



## **MAINE CLEAN ELECTIONS CANDIDATES**

The Maine Clean Election Act (MCEA) established a voluntary program of full public financing for eligible political candidates running for Governor, State Senator, or State Representative.

To become eligible, candidates are required to demonstrate community support through collecting a minimum number of checks, online contributions, or money orders of \$5, made payable to the Maine Clean Election Fund.

Candidates who choose to participate can accept very limited private contributions at the beginning of their campaign called 'seed money', but after a candidate receives funds from the MCEA, they can no longer accept private contributions. Seed money can only come from individuals, unlike other kinds of contributions.

## **OTHER CONTRIBUTIONS**

There are a few other restrictions to contributions in Maine, including independent expenditures. If you are considering making a different type of contribution than those listed above, please contact Robert Caverly at your League at [rcaverly@mainecul.org](mailto:rcaverly@mainecul.org).



# FEDERAL ELECTIONS

## UNITED STATES CONGRESSIONAL AND SENATE RACES

### WHAT IS A CONTRIBUTION?

Federal law provides that anything given of value to influence a federal election is considered a contribution. Similar to Maine law, a contribution under Federal law includes 'in-kind' contributions that go beyond the traditional monetary contribution.

Similar to Maine law, your contributions to federal candidates and committees are limited under federal law. The Federal Elections Commission provides the following limits on contributions to candidates:

### RECIPIENTS & CONTRIBUTION LIMITS FOR INDIVIDUALS, MULTICANDIDATE PAC (E.G., CULAC)

RECIPIENTS	HOUSE CAMPAIGN	SENATE CAMPAIGN	MULTICANDIDATE PAC	SUPER PAC
INDIVIDUAL	\$2,900 PER ELECTION*	\$2,900 TOTAL PER ELECTION*	\$5,000 PER YEAR	UNLIMITED
MULTICANDIDATE PAC	\$5,000 PER ELECTION*	\$5,000 TOTAL PER ELECTION*	\$5,000 PER YEAR	UNLIMITED

\*The per election limits apply separately to primary and general elections.

**Unlike Maine law,** Federal law **prohibits** a corporation from making any type of contribution in a federal election. This prohibition applies to credit unions.

If you contribute more than \$200 to a committee, the committee is required to use its best efforts to collect and publicly disclose on a financial report your name, address, occupation and employer, as well as the date and amount of your contribution.

### OTHER CONTRIBUTIONS

There are a few other restrictions to contributions for federal races, including independent expenditures. If you are considering making a different type of contribution than those listed above, please contact Robert Caverly at your League at [rcaverly@mainecul.org](mailto:rcaverly@mainecul.org).

Contributions to CULAC are not tax deductible. Individuals who are associated with the Maine Credit Union League or with CUNA-affiliated credit unions that have a signed permission agreement with their leagues are eligible to participate in CULAC. All contributions to CULAC are strictly voluntary and will be used for political purposes. You have the right to refuse to contribute without any reprisal.



Maine Credit Union League

[WWW.MAINECUL.ORG](http://WWW.MAINECUL.ORG) | 800.442.6715 | 207.773.5671