

# Advisory Opinion

IECDB AO 2001-12

October 18, 2001

TO ALL INTERESTED PERSONS:

Pursuant to Iowa Code section 68B.32A(11), the Iowa Ethics and Campaign Disclosure Board takes the opportunity to issue its opinion on the use and reporting of credit cards by committees. We note at the outset that the Board's jurisdiction is limited to the application of Iowa Code chapters 56 and 68B and rules in Iowa Administrative Code chapter 351. Whether some other statutory system, common law theory or agency rule applies to this issue is not covered by this opinion.

OPINION:

The Board first notes that nothing in the campaign finance laws or rules prohibits a committee from using a credit card or an officer of the committee from using a credit card for campaign purposes on behalf of the committee. The issue becomes the proper reporting of credit card purchases to comply with the public disclosure requirements of Iowa Code section 56.6.

If the committee is using a "debit" card in the name of the committee, then it would treat an expenditure the same as a committee check and disclose the expenditure on Schedule B of the committee's campaign disclosure report. Any information required on Schedule B concerning an expenditure would also have to be included.

If an officer of the committee uses a "debit" card and is going to be reimbursed, the committee would disclose the expenditure on Schedule D as a "debt" owed to the individual. A description of the nature of the debt would need to be included (place where item was purchased and amount of item). The reimbursement to the individual would be disclosed on Schedule B as an "expenditure" with a brief description of what the reimbursement is for (printing, postage, lumber for campaign signs).

If the committee uses a credit card in the name of the committee, purchases would be disclosed on Schedule D as debts owed to the committee along with the description of the nature of the debt. Payment to the credit card company would be disclosed on Schedule B as an "expenditure" along with a brief description of what items were purchased on the card.

If an officer of the committee uses a credit card, the purchase would be disclosed on Schedule D and the reimbursement to the officer on Schedule B. In the alternative, purchases could be disclosed as "in-kind" contributions on Schedule E. However, purchases disclosed as in-kind contributions cannot be reimbursed.

In closing we note that credit card statements that reflect campaign activities should be maintained as part of the committee's campaign records. Pursuant to Iowa Code section 56.3(4), all such records must be maintained for five years except that a committee must maintain such records for only three years after dissolution.

**BY DIRECTION AND VOTE OF THE BOARD**

James Albert, Board Chair

1st Vice-Chair Geraldine Leinen

2nd Vice-Chair Gwen Boeke

Mark McCormick

Bernie McKinley

Phyllis Peters

Submitted by: W. Charles Smithson, Board Legal Counsel