

Advisory Opinion
IECDB AO 2016-04

September 1, 2016

TO ALL INTERESTED PERSONS:

Pursuant to Iowa Code section 68B.32A(12) and rule 351-1.2, the Iowa Ethics and Campaign Disclosure Board issues this opinion on the use and reporting of credit card and debit card purchases by committees. We note at the outset that the Board's jurisdiction is limited to the application of Iowa Code chapters 68A and 68B, Iowa Code section 8.7, and rules in Iowa Administrative Code chapter 351. Advice in a Board opinion, if followed, constitutes a defense to a subsequent complaint based on the same facts and circumstances.

QUESTIONS:

In IECDB Advisory Opinion 2001-12, we issued an opinion permitting the use of debit and credit cards by committees. Since that time, two questions have arisen: First, may a committee pay a credit card company directly for purchases made on a personal credit card? Second, may the interest accrued on a personal credit card purchase be reimbursed by a committee?

OPINION:

In IECDB Advisory Opinion 2001-12, we noted that nothing in the campaign finance laws or rules prohibits a committee from using a credit card or debit card issued to the committee or an individual from using a personal credit card or debt card for purchases on behalf of the committee. We take this opportunity to restate the advice given in the 2001 opinion as well as add to it by answering the questions above.

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

If an individual uses a personal debit card to make a purchase on behalf of the committee and is going to be reimbursed by the committee, then the committee would disclose the purchase on Schedule D as a debt owed to the individual along with a description of the nature of the debt. The reimbursement to the individual would be disclosed on Schedule B as an expenditure with a brief description of what the reimbursement is for (such as printing, postage, lumber for campaign signs).

If a committee uses a credit card issued in the name of the committee, then the purchase would be disclosed on Schedule D as a debt owed by the committee to the credit card company 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 individual uses a personal credit card to make a purchase on behalf of the committee, then the purchase would be disclosed on Schedule D as a debt owed to the individual along with a description of the nature of the debt. Reimbursement to the individual would be disclosed on Schedule B as an expenditure to the individual credit card holder. Alternatively, we would permit the committee to reimburse the individual's credit card company directly at the individual's request. The reimbursement shall be disclosed on Schedule B as an expenditure to the credit card company. The committee shall include the credit card holder's name in the description of the expenditure. For example, "reimbursement for campaign signs purchased from ABC Sign Company with John Doe's credit card."

A committee may not reimburse individuals for interest accrued on an individual's credit card for purchases made on behalf of the committee. Iowa law prohibits the use of campaign funds for the satisfaction of "personal debts"ⁱ which would include interest on a personal credit card.

CONCLUSION:

IECDB AO 2001-12 is hereby updated. A committee may use a debit card or credit card issued in the name of the committee and disclose the debt and payment as described above. A committee may also reimburse an individual who uses a personal debit card or credit card to make a purchase on behalf of the committee. The committee may reimburse the individual or, at the request of the individual card holder, pay the individual's credit card company directly. A committee may not reimburse an individual for interest accrued on a personal credit card. We note receipts and credit card statements that reflect campaign activities shall be maintained as part of the committee's campaign records. Pursuant to Iowa Code section 68A.203(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
Jonathan Roos, Vice Chair
John Walsh
Carole Tillotson

Mary Rueter

Submitted by Megan Tooker, Board Legal Counsel

ⁱ Iowa Code § 68A.302(2)(b).