



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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**MEMORANDUM**

TO: Interested Persons

FROM: Michael J. Sullivan, Director *mjs*

SUBJECT: Information For Banks Designated As Depositories  
For Campaign Funds Under Mass. General Laws Chapter 55

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Candidates for statewide office, Governor's Council, county offices and certain municipal offices are required by Section 19 of M.G.L. c.55 to designate a bank or other authorized financial institution (hereinafter referred to as "depository bank") as a depository for campaign funds.<sup>1</sup> Such candidates are often referred to as "depository candidates." If any such candidate has established a political committee, the candidate and the committee must designate a depository bank. **No other candidate is required to open a depository bank account.**

**DESIGNATING THE DEPOSITORY BANK**

**Form CPF D103 "Certificate of Appointment of Depository"** must be completed by the candidate and the depository bank (as well as the candidate's committee, if applicable). The candidate and, if applicable, the treasurer of the candidate's committee complete the top portion of the form. The bank completes the bottom portion and promptly returns the form to the candidate. It is the responsibility of the candidate to file the completed Form CPF D103 with this office within three business days after designating a depository bank.

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<sup>1</sup> The statewide offices are governor, lieutenant governor, secretary of state, attorney general, treasurer/receiver general and auditor; the county offices are district attorney, clerk of court, register of probate, register of deeds, county commissioner, county treasurer and sheriff. The municipal offices include citywide offices in the cities of Boston, Cambridge, Lowell, Springfield and Worcester. The treasurers of each of the political committees of the state political parties are also required to designate a depository. Any references to candidates in this memorandum also apply to state party committees.



Form CPF D103 must be completed whether or not the candidate has a committee and whether or not such candidate opts to open a checking account with the designated depository bank at the time of designation. If a candidate does not have a committee and does not intend to accept contributions, make expenditures or incur liabilities, the candidate is not required to open an account with the depository bank although by law, a depository bank must still be designated. If a candidate has a committee and intends to have that committee handle all campaign finance activity (as is usually the case), the committee must open an account. The candidate does not need to open a separate account. The depository bank must indicate the date an account was opened on **Form CPF D103**.

## **RESPONSIBILITIES OF THE DEPOSITORY BANK**

### **The Depository Bank Account**

In addition to the usual services the depository bank provides its customers, the depository bank has unique responsibilities under the provisions of M.G.L. c.55. All campaign finance activity undertaken by a candidate required to designate a depository bank must be through an account with that depository bank. Thus, all receipts of a candidate and all expenditures by a candidate (or the candidate's committee) must flow through the depository account. The campaign finance law requires the depository bank to play an integral role in reporting and disclosing these receipts and expenditures. It should be noted that the depository bank has no responsibility for the legality of the actual receipts and expenditures, only certain responsibilities for the reporting of them to OCPF.

### **Electronic Filing**

Section 18C of M.G.L. c. 55 requires depository candidates and committees to file their campaign finance reports by electronic means. The requirement varies according to the type of committee or office sought:

- o Reports for candidates for the **statewide offices** of governor, lieutenant governor, state secretary, attorney general, state treasurer, and auditor are required to be electronically filed if total contributions or expenditures by the candidate or candidate's committee during their four-year election cycle are more than \$50,000.
- o Reports for candidates for the **Governor's Council** are required to be electronically filed if total contributions or expenditures by the candidate or candidate's committee during their two-year election cycle are more than \$5,000.
- o Reports for **state party committees** are required to be electronically filed if total contributions or expenditures by the committee during a two-year election cycle are more than \$10,000.
- o Reports for the candidates for **county office** (district attorney, clerk of court, register of probate, register of deeds, county commissioner, county treasurer and sheriff) and all candidates for **mayor or councilor-at-large in the cities of Boston, Cambridge, Lowell, Springfield and Worcester** are required to be electronically filed regardless of the amount of money raised or spent during the election cycle.

The depository banks used by these candidates and committees will be required to electronically file CPF D 105 Summary Reports and CPF D 106 Reports of Expenditures using *Bank Reporter*, free software that is available from OCPF to facilitate electronic filing. Please contact OCPF for more information about electronic filing.

**Depository Checks**

M.G.L. c.55 requires a candidate/committee to use a special check imprinted with certain information. All checks drawn on a depository bank account must have this information. The check should be personalized with the name of the candidate or the candidate's political committee, as applicable. Each check for a depository bank account contains nine different general purposes listed on its face (codes 1 - 9), one of which must be chosen when the check is completed by the candidate or the candidate's committee. In addition, the candidate/committee must also complete a box indicating the specific purpose of the expenditure. This will enable the depository bank to complete the necessary reports to be electronically filed with OCPF (see "Checks Presented for Payment" section). Such check should be made payable to a payee whose name and address are printed on the check. The following is an example of the front of a depository check:

1 <input type="checkbox"/> TV, RADIO 2 <input checked="" type="checkbox"/> NEWSPAPER 3 <input type="checkbox"/> MEETINGS SPECIFIC PURPOSE (MANDATORY)	4 <input type="checkbox"/> PRINTING 5 <input type="checkbox"/> OFFICE 6 <input type="checkbox"/> TRAVEL	7 <input type="checkbox"/> SIGNS OR DISPLAYS 8 <input type="checkbox"/> TRANSFER OF FUNDS 9 <input type="checkbox"/> OTHER	121
SPECIFIC PURPOSE (MANDATORY) <i>Advertising</i>			
Pay <i>One Hundred Dollars and</i> _____ <i>no/100</i>			<i>1/5/05</i> _____ <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$ <i>100<sup>00</sup></i></div>
Pay To The Order Of :	<i>The Daily News</i> _____ NAME <i>20 Main Street</i> _____ ADDRESS <i>Anytown, MA 01234</i> _____ CITY - STATE - ZIP	CAMPAIGN ACCOUNT The Committee to Elect John Doe 1234 Main Street Anytown, Massachusetts 01234  <div style="text-align: right;"> <i>John P. Treasurer</i>          _____          Authorized Signature       </div>	

In order to cash a depository check, the payee must endorse the check below the following statement printed on the back: "The undersigned affirms under the penalties or perjury that he is the named payee of this check or an authorized officer thereof, that he or it performed the services or delivered the goods indicated hereon, that the payment is for the sole purpose of paying for such goods or service, and that no person other than the named payee has any interest, direct or indirect, in this payment."

All of the above information must be contained on the check. It is the responsibility of a depository bank and its check vendor to provide the proper checks for depository filing to their candidates and committee.

### **Deposits**

Under the law, depository candidates and committees must deposit all funds received by them into the depository bank account. In making these deposits, the candidate/committee may use regular bank deposit slips and follow the usual procedures of the depository bank. Separately, the candidate or committee electronically files a **CPF D106 – Report of Receipts** with OCPF, which lists the names and addresses of the contributors of the receipts that are deposited at the depository bank.

Additionally, as deposits are made into a depository candidate or committee's account, the depository bank should record the gross amount of each credit for each deposit in the *Bank Reporter* software provided by OCPF. The software enables the depository bank to produce a report of the deposit activity in the account that provides the total amount and date of each credit for the reporting period.

### **Checks Presented for Payment**

As checks are presented for payment, the depository bank should record each expenditure in the *Bank Reporter* software provided by OCPF. The software enables the depository bank to produce a report of the expenditures that lists each check alphabetically by payee as of the date presented for payment (not the date of the check) for the reporting period. The required information includes: the date the check was paid, the payee, the payee's address, the purpose code and the specific purpose of the expenditure (both of which may be taken from the face of the check) and the amount. If the code number or specific purpose is omitted from a check, please indicate this by inserting an asterisk (\*) in the appropriate data entry field.

### **Activity Summary**

The depository bank is responsible for summarizing the receipt and expenditure information for the depository account in a **CPF D105 – Summary Report of Campaign Receipts and Expenditures** for the reporting period. This summary information is electronically filed with OCPF by the depository bank using the *Bank Reporter* software. The depository bank's reports must be submitted in accordance with the following schedule:

#### **(1) Election Year**

##### **(a) January through June**

From January through June, the depository bank is required to electronically file a report by the fifth of the following month showing all deposits and expenditures made during the previous month as well as the account balance through the last day of the previous month.

##### **(b) July through December**

From July through December, the depository bank of a depository candidate who is on the ballot that year must electronically file reports twice each month. These reports are due on the fifth and twentieth of each month. The first report would be due on July 20th for the period from July 1st through July 15th. The next report would be due on August 5th for the period July 16th through July 31st.

OCPF will notify depository banks of which candidates are on the ballot each election year, as soon as this information becomes available.

**(2) All Other Years**

In non-election years, the depository bank is required to electronically file a report by the fifth of each month showing all deposits and expenditures made during the previous month and the account balance through the last day of the month.

As required, the **CPF D 105 Summary Report** and the **CPF D106 Report of Expenditures** must be transmitted into OCPF's Electronic Filing System (EFS) on or before midnight of the fifth day of the month or the twentieth day of the month, whichever is applicable. These electronic summaries and expenditure reports are considered public records and provide the primary disclosure of the depository candidate's (and committee's) campaign finance activity. **Failure to file these reports on a timely basis severely undermines the purpose of the law and could subject the depository bank to penalties under Section 19 of M.G.L. c.55.**

**Closing an Inactive Depository Account**

From time to time, depository candidates and committees retain no assets in their depository accounts. The costs of servicing such accounts nevertheless continue to be incurred. Should a depository bank encounter this situation, OCPF should be contacted immediately so that the account may be deactivated. Do not close a depository account without first contacting this office.

If you have any questions concerning depository bank accounts and procedures, please contact OCPF at (617) 727-8352 or (800) 462-OCPF. Further information is also available at the office's website, [www.mass.gov/ocpf](http://www.mass.gov/ocpf).