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ONE HUNDRED EIGHTEENTH CONGRESS

U.S. House of Representatives

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December 30, 2024

MEMORANDUM FOR ALL MEMBERS, OFFICERS, AND EMPLOYEES

FROM: Committee on Ethics

SUBJECT: Legitimate and Verifiable Use of Campaign Funds

This memorandum¹ highlights the Committee's long-standing guidance regarding the personal use of campaign funds and the requirement to properly maintain sufficient records to verify the legitimacy of campaign expenses and comply with House Rule 23, clause 6(b). It also discusses the heightened requirements for transactions between a Member or Member's family and their campaign.

House Rules Require Campaign Expenses To Be Legitimate and Verifiable

The use of campaign funds and resources must comply with **both** the House Rules **and** the Federal Election Campaign Act (FECA).² Although FECA only applies to a Member's use of campaign funds for federal office, the House Rules apply to **any** campaign funds under the Member's control. Campaign funds under the Member's control include the following:

- The Member's principal campaign committee funds,
- Leadership PAC funds,
- Campaign funds for elections to state or local office, and/or
- Campaign funds from any other political committee that is affiliated with the Member.

House Rules prohibit personal use of campaign funds and impose a **separate and additional requirement** that Members be able to verify the legitimacy of campaign disbursements. House Rule 23, clause 6(b) states that

¹ This memorandum does not discuss the limited permissible uses of campaign expenses for official purposes. For information on those uses please see [Campaign Activity Guidance](#). Comm. on Ethics, *Campaign Activity Guidance* (July 30, 2024).

² For questions about whether a Member's use of campaign funds for federal office complies with FECA, please contact the Federal Election Commission (FEC) at (202) 694-1006.

“[a] Member . . . may not convert campaign funds to personal use in excess of an amount representing reimbursement for **legitimate** and **verifiable** campaign expenditures; and . . . may not expend funds from [the Member’s] campaign account . . . that are not attributable to bona fide campaign or political purposes.”

Members are responsible for their campaigns’ compliance with this House Rule. Members must oversee their campaigns to ensure the legitimacy of all campaign expenditures and the sufficiency of related expense verification records.

Campaign Expenditures Must be Legitimate

Legitimate campaign expenditures serve a bona fide campaign or political purpose and do not involve the use of campaign funds for any personal purpose. Although Members have wide discretion to determine what constitutes a *bona fide* campaign or political purpose, “[a] *bona fide* campaign purpose is not established merely because the use of campaign money *might* result in a campaign benefit as an incident to benefits personally realized by the recipient of such funds.”³

In other words, under no circumstances may Members convert campaign funds to personal use for themselves or for anyone else. Campaign funds may not be used to enhance an individual’s lifestyle, for personal enjoyment or entertainment, or to pay an individual’s personal obligations. Nor may Members borrow campaign funds or loan them to anyone for a personal purpose.⁴

Campaign Expenditures Must be Verifiable

The verification requirement of clause 6 is wholly separate from and in addition to FEC campaign record-keeping requirements. This common-sense requirement is necessary due to the volume of campaign expenditures Members’ campaigns typically make. The legitimacy of a campaign expenditure may be subject to review long after the expense was made and memories have faded. Without a verification requirement, there would be no reliable way to ensure campaign funds are not converted to personal use.

How to Satisfy the Verification Requirement

To satisfy House Rule 23, clause 6(b), Members’ campaigns **must** maintain records that document the primary purpose of each campaign expense. The primary purpose is the main reason for the expenditure; the expenditure would not happen but for the primary purpose.⁵

³ Comm. on Standards of Official Conduct, *Investigation of Financial Transactions of Rep. James Weaver with His Campaign Organization*, H.R. REP. NO. 99-933, at 13 (1986) (emphasis in original).

⁴ See *House Ethics Manual December 2022 Print* at 176-177.

⁵ FECA and its regulation identify certain categories of expenditures that are personal use by definition. Nothing in this memorandum supersedes those categories.

Although Members may determine an expense's primary purpose, there must be a reasonable connection between the expense and the primary purpose. The following non-exclusive list of factors may guide that determination:

- The amount of time devoted to the expenditure's purpose,
- The main reason for making the expenditure, and/or
- Whether you would be making the expenditure if not for the purpose.

Here are some examples of information Members' campaigns can retain to document the primary purpose of each campaign expense:

- The date, time, and location of each event, activity, or purchase;
- The specific campaign, political, or official purpose of the expenditure;
- The specific politically- or officially-related activities in which the Member (or other participant) engaged, including a description of event or topics of discussion;
- The names of all people present at any meal or activity paid with campaign funds; and/or
- Destinations and purposes for any travel expenditures, including mileage and gas.

Although Members may determine how best to keep the necessary records for their campaigns, the records must be maintained for at least three Congresses.⁶ The following documents that campaigns already produce may facilitate this recordkeeping:

- Briefing memos prepared by the campaign for campaign and official events, dinners/meals, and meetings;
- Calendar entries from the campaign or official calendar that contain the required information; and/or
- Vehicle mileage logs required by the FEC.

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Example 1: Member plans a campaign fundraiser at a country club in her district. The Member's campaign will pay rental fees, catering fees, and other expenses associated with the event. Campaign expenditures related to the cost of executing the fundraiser would be permissible and verifiable if the Member's campaign records appropriately document the expenditures.

Example 2: Member plans to hold several campaign events and meetings at a local country club, which offers members of the club discounted event catering. Member decides to join the country club, and membership requires yearly dues payments. Yearly campaign expenditures for country club dues to maintain unlimited access to such a facility are impermissible, even if access is solely maintained to facilitate fundraising activity.

Tip: Campaign expenditures to pay dues for country clubs, health clubs, recreational facilities or other nonpolitical organizations are a prohibited personal use under FECA and

⁶ Comm. on Ethics, Committee Rules 18(d); 15(i).

its regulations. Expenditures related to a particular campaign fundraiser at a club, however, are permitted similar to those for any other campaign fundraiser at another location.⁷ Under FECA and its regulations, campaign funds may be used for membership dues in an organization that may have political interests. Contact the FEC for additional guidance.

Example 3: Member planned a family ski vacation to Aspen. While enjoying the trip, Member decides to meet with some potential donors in the area. This meeting does not convert the personal trip to a campaign trip, and the use of campaign expenses for the vacation would not be legitimate or verifiable. The use of campaign funds to pay for lunch with potential donors during a personal trip may be legitimate and verifiable if the Member's campaign maintains appropriate documentation.

Tip: It is not enough that a Member can articulate a campaign benefit for an expense; what matters is the primary purpose of the disbursement.

Example 4: Member and his campaign manager go to dinner to discuss an upcoming debate. Member pays for the dinner using campaign funds. Member only documents the date and total expense for the dinner. This campaign expense may be legitimate, but it is not verifiable as Member did not also document the primary purpose of the campaign expenditure.

Tip: A best practice would be to maintain the receipt and also document the participants and specific campaign purpose of the event, such as the topics of discussion.

Example 5: Member grabs a quick lunch at Wendy's on her way home from pickle ball. While waiting for her food, a constituent recognizes her and launches into a story about an issue he is having with the IRS. Member convinces the constituent to call the district office, gets her food, and leaves. Member's lunch is not a legitimate campaign expense simply because she talked with a constituent while waiting for it.

Example 6: Member's campaign plans a trip to the Superbowl every year for his top donors and campaign staff. The trip includes tickets, transportation, lodging, and meals for all attendees. Many of the donors and staff bring their families to enjoy the event, as well. Member documents the primary purpose of the trip and the total expenditure for all attendees, but does not keep a record of who attended, and how much was spent on tickets, transportation, lodging, and meals for each attendee. This campaign expenditure has not satisfied the verification requirements.

Example 7: Member uses a car paid for by her principal campaign committee to attend various events during one day. Member neither documents the mileage for traveling to the events nor the purpose of the events. These gas expenses may be legitimate campaign expenditures, but they are not verifiable without the proper records.

Example 8: Member hires a cleaning service to clean his personal residence as he has no time to do it while working and campaigning. Member pays for the cleaning service using campaign funds. The expense is not legitimate as the primary purpose is not campaign related.

⁷ 11 C.F.R. § 113.1(g)(1)(G).

Example 9: Newly elected Member ended her career as a chef at a local restaurant to start her first term. To get ready for her new role, she purchases a new wardrobe of nice suits to wear at her upcoming campaign events. She may not use campaign funds for her new wardrobe, as using campaign funds to purchase clothing, other than campaign t-shirts and caps, is *per se* personal use.

Example 10: Member hires a campaign treasurer to handle the documentation of all his campaign expenditures. Member's campaign treasurer must suddenly care for an ailing family member and falls behind on recordkeeping. Member is still personally responsible for oversight of his campaign and the maintenance of the records and must take steps to ensure recordkeeping remains current and complete.

Example 11: Member buys fifty nominal value ornaments to give to donors. She documents the purchase date and related campaign purpose. She also documents each time she gives one out by recording the date of the gift, the recipient's name, and the campaign related reason each recipient was given the ornament. This campaign purpose is legitimate and verifiable.

Additional Requirements for Members and their Families

Under House Rules, a Member's campaign may only purchase or rent goods, services, or office or event space from the Member (or the Member's family⁸) if "(1) there is a *bona fide* campaign need for the goods, services, or office or event space, and (2) the campaign does not pay more than fair market value."⁹ For these transactions the campaign's records **must** include information that shows these criteria were met and documents the actual use of the particular goods, services, or office or event space.¹⁰

To satisfy the requirement, Members should maintain as much of the following information as possible about any campaign expense paid to themselves or a family member:

- The date, time, and location of each event, activity, or purchase;
- The specific bona fide campaign need for the goods, services, or space;
- The efforts made to establish fair market value for the transaction and receipts for those efforts;
- A written contract between the campaign and Member or the family member memorializing the transaction; and/or
- A log of campaign work done by the family member including hours worked and services provided.

⁸ Family members, as identified in 11 C.F.R. § 113.1(g)(8), include a person who shares a residence with the candidate. House Rule 24, cl. 2 prohibits the use of campaign funds for official communications; services, including salaries; and office space, furniture, and equipment. House Rule 23, cl. 8(c) prohibits the use of official funds to pay a Member's relative.

⁹ See *House Ethics Manual December 2022 Print* at 179; 11 C.F.R. § 113.1(g)(1)(E), (H).

¹⁰ See *House Ethics Manual December 2022 Print* at 179. Members should always be mindful to avoid even the appearance of impropriety.

Transactions between a Member or Member's family and the Member's campaign are subject to heightened scrutiny. Members are encouraged to call the Committee for guidance before entering these types of transactions.

EXAMPLES

Example 12: Member's mother owns an office building in the district. Member wants to rent office space in the building for his campaign office. Member and his mother draw up and sign a written contract that contains the rental dates and purpose. Member and his mother also research and document comparable office space in the area to establish the rental payment is fair market value.¹¹ Member's campaign maintains these records. This transaction with a family member is legitimate and verifiable.

Tip: Carefully consider what space will be used by the campaign and ensure expenses only relate to the campaign's use. Concerns regarding personal use of campaign funds may arise if a family member is also using the space independent of the campaign and a portion of the campaign's expenses cover expenses related to the independent use.

Example 13: Member's spouse is a graphic designer. Member hires him to design logos and marketing materials for her campaign using her husband's standard contract. Member's campaign uses the graphics and marketing materials and pays her husband his typical hourly rate for his work. Member's spouse produced the work; however, he does not track the time spent creating the logos and marketing materials. Without documentation to show how much work was performed by her spouse to create the logos and marketing materials, this campaign expense is not verifiable.

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If you have any questions regarding this guidance, please contact the Committee's Office of Advice and Education at (202) 225-7103.

¹¹ Contact the Committee and the FEC for any questions regarding calculating fair market value.