

# Getting Started

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## Basics for Beginners

February 22, 2012

Tab #1



## Objectives

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### Discuss Basic Provisions of FECA

- Registration and Reporting Requirements
- Contribution Limits and Prohibitions
- Administration/Enforcement of Law

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## PART 1: REGISTRATION AND REPORTING REQUIREMENTS



### Campaign Finance Laws

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- Federal Election Campaign Act (FECA)
  - ▶ Disclosure
  - ▶ Limitations and Prohibitions
  - ▶ Enforcement

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### Campaign Finance Laws

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- Federal Election Campaign Act (FECA)
  - ▼ Disclosure
    - Political committees must register and report receipts and disbursements

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## Campaign Finance Laws

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### Contributions & Expenditures

Funds raised and spent for the purpose of influencing a federal election

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## Campaign Finance Laws

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- Basic Registration Thresholds
  - ▶ Candidates: Raise/Spend > \$5,000
  - ▶ Parties: Raise/Spend > \$1,000
  - ▶ SSF: Register Upon Establishment
  - ▶ Other PACs: Raise/Spend > \$1,000

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## Campaign Finance Laws

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- Basic Registration Thresholds
  - ▼ Candidates: Raise/Spend > \$5,000
    - Testing the Waters Exemption

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## Campaign Finance Laws

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- Basic Registration Thresholds
  - ▼ Local Party Organizations
    - Raises > \$5,000 in Contributions
    - Spends > \$5,000 on Exempt Activities

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## Registration: First Steps

- Call FEC Information Division  
1-800-424-9530 (Press 6)
- Contact IRS to get Tax ID Number  
1-800-TAX-FORM (Form SS4)
- Open a Bank Account

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## Candidate Registration

### FEC FORM 2 STATEMENT OF CANDIDACY

1. (a) Name of Candidate (in full)		2. Candidate's FEC Identification Number
(b) Address (number and street)	<input type="checkbox"/> Check if address changed	
(c) City, State, and ZIP Code	3. Is Title Statement <input type="checkbox"/> (N) OR <input type="checkbox"/> Amended (A)	
4. Party Affiliation	5. Office Sought	6. State & District of Candidate

#### DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

7. I hereby designate the following named political committee as my Principal Campaign Committee for the \_\_\_\_\_ election(s).  
(year of election)

NOTE: This designation should be filed with the appropriate office listed in the instructions.

(a) Name of Committee (in full)

(b) Address (number and street)

(c) City, State, and ZIP Code

#### DESIGNATION OF OTHER AUTHORIZED COMMITTEES (Including Joint Fundraising Representatives)

8. I hereby authorize the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (in full)

(b) Address (number and street)

## I. Committee Registration

- A. Candidate and Campaign Committee Registration (11 CFR 101.1, 102.1(d) and 102.2)**
- 1. FEC Form 2**  
Candidate files Statement of Candidacy (FEC Form 2) within 15 days of triggering candidacy (i.e., raise/spend over \$5,000).
  - 2. FEC Form 1**  
Principal campaign committee files Statement of Organization (FEC Form 1) within 10 days of designation by candidate.



## Committee Registration

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- ▶ Name of Committee
- ▶ Treasurer & Assistant Treasurer
- ▶ Campaign Depository
- ▶ Amendments

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- B. Committee Registration (11 CFR 102.1(d) and 102.2)**
- 1. FEC Form 1**  
File Statement of Organization (FEC Form 1) within 10 days of triggering registration.
  - 2. Requirements**  
Committees that file electronically must include their email address. Others are encouraged to do so.
  - 3. Amendments**  
Amend Statement of Organization (and other filings) when necessary within 10 days of change.



## Committee Registration

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- ▼ Name of Committee
  - PCC must include candidate's name
  - Unauthorized committees cannot use candidate's name
  - SSF must include connected organization's name

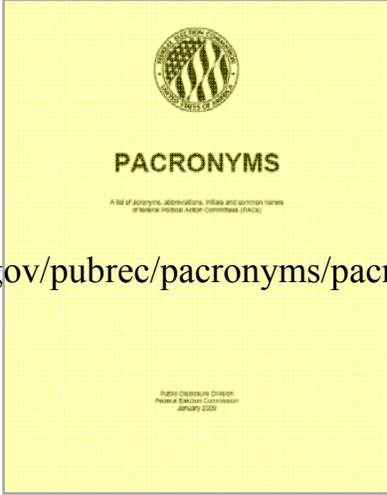
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- C. Name and Address of Committee**
- 1. Principal Campaign Committee and Authorized Committees**  
Name must include name of the candidate.
  - 2. Corporate/Labor/Member/Trade SSF:**  
Official name must include name of connected organization.
  - 3. Use Committee's Official Name on:**
    - a) FEC reports and statements.
    - b) Disclaimer notices for public advertising.



## Committee Registration

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[www.fec.gov/pubrec/pacronyms/pacronyms.shtml](http://www.fec.gov/pubrec/pacronyms/pacronyms.shtml)

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## Committee Registration

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- ▼ E-Mail Address:
  - Required for E-Filers
  - Necessary to receive report notices and other courtesy mailings from FEC

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4. **Street Address, Email, Website**
  - a) E-Mail required for electronic filers; necessary to receive FEC report notices and other courtesy materials.
  - b) URL required if committee has web page.

**FEC FORM 1** | **STATEMENT OF ORGANIZATION**

1. NAME OF COMMITTEE (in full)  12FB4M5

ADDRESS (number and street)  (Check if address is changed)

CITY STATE ZIP CODE

COMMITTEE'S E-MAIL ADDRESS (Please provide only one e-mail address)  (Check if address is changed)

COMMITTEE'S WEB PAGE ADDRESS (URL)  (Check if address is changed)

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**FEC Form 1 (Revised 02/2009)** | **Page 2**

5. TYPE OF COMMITTEE

**Candidate Committee:**

(a)  This committee is a principal campaign committee. (Complete the candidate information below.)

(b)  This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate \_\_\_\_\_

Candidate Party Affiliation \_\_\_\_\_ Office Sought:  House  Senate  President State \_\_\_\_\_ District \_\_\_\_\_

(c)  This committee supports/opposes only one candidate, and is NOT an authorized committee.

Name of Candidate \_\_\_\_\_

**Party Committee:**

(d)  This committee is a ( ) (National, State or subordinate) committee of the ( ) (Democratic, Republican, etc.) Party.

**Political Action Committee (PAC):**

(e)  This committee is a separate segregated fund. (Identify connected organization on line 6.) Its connected organization is a:

Corporation  Corporation w/o Capital Stock  Labor Organization

Membership Organization  Trade Association  Cooperative

In addition, this committee is a Lobbyist/Registrant PAC.

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# Committee Registration

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FEC Form 1 (Revised 02/2009) Page 2

**5. TYPE OF COMMITTEE**

**Candidate Committee:**

(a)  This committee is a principal campaign committee. (Complete the candidate information below.)

(b)  This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate \_\_\_\_\_

Candidate Party Affiliation  Office Sought:  Office  House  Senate  President  State

District

(c)  This committee supports/opposes only one candidate, and is NOT an authorized committee.

Name of Candidate \_\_\_\_\_

**Party Committee:**

(d)  This committee is a  (National, State or subordinate) committee of the  (Democratic, Republican, etc.) Party.

**Political Action Committee (PAC):**

(e)  This committee is a separate segregated fund. (Identify connected organization on line 6.) Its connected organization is a:

<input type="checkbox"/> Corporation	<input type="checkbox"/> Corporation w/o Capital Stock	<input type="checkbox"/> Labor Organization
<input type="checkbox"/> Membership Organization	<input checked="" type="checkbox"/> Trade Association	<input type="checkbox"/> Cooperative

In addition, this committee is a Lobbyist/Registrant PAC.

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# Committee Registration

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## List Connected Organization / Affiliated Committees

**6. Name of Any Connected Organization, Affiliated Committee, Joint Fundraising Representative, or Leadership PAC Sponsor**

\_\_\_\_\_

\_\_\_\_\_

Mailing Address \_\_\_\_\_

\_\_\_\_\_

CITY STATE ZIP CODE

Relationship:  Connected Organization  Affiliated Committee  Joint Fundraising Representative  Leadership PAC Sponsor

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## Affiliated Committees

Committees established, financed, maintained or controlled by same entity:

- Principal Campaign Committee and Authorized Committees
- State Party and Registered Local Party Committees in that State
- Corporate Parent and Subsidiaries
- National Membership Organization and its State and Local Units

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### D. **Affiliated Committees (11 CFR 100.5(e) and 110.3(a)(3))**

#### 1. **How to Determine:**

- a) Principle: committees established, financed, maintained, or controlled by same entity or group of persons.
- b) Others may also be affiliated depending on various factors, such as similar patterns of contributions, common officers, etc. See 11 CFR 100.5(g) & 110.3(a).

#### 2. **Examples:**

- a) Candidate – principal campaign committee and all authorized committees; limits on contributing to candidate apply on per election basis.
- b) Party – state party committees normally affiliated with local party committees in same state; national party and state party have separate limits, but may transfer between each other.
- c) Corporation – PACs set up by parent, subsidiary, branch, division or other affiliate.
  - (1) Example for Corporations: In AO 2007-16, the Commission ruled that a corporation spun off from another corporation were no longer affiliated as of the date of the spin-off. Although the two companies had a large common shareholder base, factors indicating disaffiliation were stronger, including lack of ownership by one company in the

other, the minimal personnel overlap between the companies (including the companies' subsidiaries), the lack of any plan for personnel of one of the companies or its subsidiaries to serve in the future in either of the other companies or its subsidiaries (other than the two currently overlapping individuals), and the fact that a majority of the two companies' respective board members did not serve on the board of, and were not officers of, any pre-spin-off corporate entities.

- d) **Union**
  - (1) National and its locals.
  - (2) International and its local, state and central bodies.
  - (3) If union belongs to AFL-CIO, the PACs of that union are affiliated with each other, but are not affiliated with the PACs established by national and state AFL-CIOs.
- e) **Membership** – PACs established by national membership organization and its state and local affiliates.
- f) **Trade Association** – PACs established by federation and its regional, state and local associations, but PACs of member corporations not affiliated with trade association's PACs.



## Affiliated Committees

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Generally treated as one committee for purposes of the federal campaign finance laws:

- Share limits on contributions made and received

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3. **Why Important:**
- a) Same contribution limit applies to contributions received and made by affiliated committees.
  - b) If one committee qualifies as multicandidate, all its affiliated committees qualify.
  - c) No limit on transfers between affiliated committees.



## Committee Registration

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### List Joint Fundraising Representative

6. Name of Any Connected Organization, Affiliated Committee, Joint Fundraising Representative, or Leadership PAC Sponsor

**Committee that collects receipts, pays bills and distributes proceeds for joint fundraising effort**

mailing address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CITY STATE ZIP CODE

Relationship:  Connected Organization  Affiliated Committee  Joint Fundraising Representative  Leadership PAC Sponsor

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## Committee Registration

Joint Fundraising Representative can be a participating committee or new committee

**Joint Fundraising Representative:**

(g)  This committee collects contributions, pays fundraising expenses and disburses net proceeds for two or more political committees/organizations, at least one of which is an authorized committee of a federal candidate.

(h)  This committee collects contributions, pays fundraising expenses and disburses net proceeds for two or more political committees/organizations, none of which is an authorized committee of a federal candidate.

Committees Participating in Joint Fundraiser

1.	<input type="text"/>	FEC ID number	C	<input type="text"/>
2.	<input type="text"/>	FEC ID number	C	<input type="text"/>
3.	<input type="text"/>	FEC ID number	C	<input type="text"/>
4.	<input type="text"/>	FEC ID number	C	<input type="text"/>

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## Committee Registration

### List Leadership PAC Sponsor

6. Name of Any Connected Organization, Affiliated Committee, Joint Fundraising Representative, or Leadership PAC Sponsor

**Jane Doe**

Mailing Address **123 Main Street**

**Anytown** CITY **ST** STATE **00000** ZIP CODE

Relationship:  Connected Organization  Affiliated Committee  Joint Fundraising Representative  Leadership PAC Sponsor

**NOT AFFILIATED**

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- E. Leadership PAC – 11 CFR 100.5(e)(6) and (g)(5)**
- 1. Definition of Leadership PAC**
    - a) Political committee directly or indirectly established, financed, maintained or controlled by federal candidate/officeholder but is:
      - (1) Not an authorized committee;
      - (2) Not affiliated with an authorized committee; and
      - (3) Not a political party committee.
    - b) Treated as nonconnected PAC.
- F. Treasurer & Assistant Treasurer (11 CFR 102.7, 102.9 and 104.14)**
- 1. Treasurer Required – Asst. Treasurer Recommended**
    - a) Identify on Form 1.



## Committee Registration

- ▼ **Treasurer & Assistant Treasurer**
  - Deposits receipts
  - Authorizes all expenditures
  - Monitors contributions
  - Keeps all required records
  - Signs reports
  - Files accurate reports on time

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- 2. Duties:**
  - a) Depositing receipts.
  - b) Authorizing all expenditures.
  - c) Monitoring contributions.
  - d) Keeping all required records.
  - e) Signing reports.
  - f) Filing accurate reports on time.



## Treasurer's Liability

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- ▶ Treasurer generally named as enforcement respondent in official capacity
- ▶ Personal liability possible if:
  - Knowingly and willfully violated the Act;
  - Recklessly failed to fulfill duties; or
  - Intentionally ignored information that led to the violation

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3. **Treasurer Responsible for Compliance.**
  - a) Usually named in enforcement actions.
  - b) Policy statement on when treasurer may be found personally liable (online at <http://www.fec.gov/law/policy/2004/notice2004-20.pdf>)
  - c) Embezzlement policy (online at <http://www.fec.gov/law/policy/embezzlepolicy.pdf>)



# Recordkeeping

Contributions over \$50, record:

- Amount
- Date received
- Donor's name and address
- Full-size photocopy or digital image of check

Contributions aggregate over \$200, record:

- Above information plus occupation and employer if from individual

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## G. Recordkeeping and Best Efforts (11 CFR 102.8 and 102.9)

### 1. Recordkeeping

#### a) For Receipts

- (1) For any amount, need date received and amount.
- (2) Over \$50, name and address of contributor/payor.
- (3) Over \$200, above plus occupation and employer.

#### b) For Disbursements

- (1) For any amount, need name of payee, address, purpose, date made.
- (2) For contributions made, also need name of candidate, state, district, and election designation.

#### c) Record Retention

Retain each record for three years from the date of the report on which it was last disclosed.



## Making Best Efforts

- ✓ Request contributor info when soliciting contribution
- ✓ If info missing, make follow-up request within 30 days
- ✓ Amend report to disclose missing information once received

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### 2. **Best Efforts (11 CFR 104.7)**

- a) Required to make “best efforts” to obtain, maintain and report required information.
- b) To show “best efforts,” committee must:
  - (1) Request information in solicitation materials, along with applicable disclaimer informing contributors that information is required under federal law;
  - (2) Make follow-up request within 30 days of receipt of contributions lacking required information, keep written documentation of follow-up request (with no additional solicitation made); and
  - (3) Amend reports to disclose information received but not previously disclosed (or include information in memo reports on the next report filed).



## Committee Registration

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- ▼ Campaign Depository
  - Must have at least one (federal) checking account
  - May also invest funds
  - All disbursements must come from checking account

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- H. Campaign Depository (11 CFR 103.2 and 103.3)**
- 1. Disclose on Form 1.**
  - 2. Required Accounts**
    - a) Must have at least one (federal) checking account.
    - b) All contributions deposited into and expenditures made from depository.
  - 3. Timing**

Deposit contributions within 10 days of treasurer's receipt.



## Committee Registration

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### ▼ Amendments

- File within 10 days after change in information
- E-filers submit replacement file
- Paper filers only complete portions requiring changes

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### **I. Amendments to Form 1 (11 CFR 102.2(a)(2))**

1. Required within 10 days after change in information.
2. Paper filers may amend by letter or Form 1; E-filers must amend electronically by submitting a replacement Form 1.

## II. Where to File FEC Financial Reports (11 CFR 108.4)



### Where to File

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- Federal = FEC (unless committee supports only Senate Candidates)
- State = Only if supporting committees in Puerto Rico, Guam and Mariana Islands

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- A. **House = FEC**
- B. **Senate = Secretary of the Senate**
- C. **PACs and Parties: FEC**
- D. **State Filing**  
Required only in Guam, Puerto Rico and Mariana Islands.



## FEC Welcome Packet

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- FEC Identification Number
- Campaign Guide
- Filing Information

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## 2012 Filing Requirements

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- Candidates file FEC Form 3
  - Quarterly + Pre- and Post-Election
- PACs/Parties file FEC Form 3X
  - Quarterly + Pre- and Post-Election; or
  - Monthly Schedule

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\* Most Presidential candidates will file Form 3P monthly during 2012.

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## Quarterly Filers - 2012

Report Type	Coverage and Due Dates
April Quarterly	Covers 1/1 - 3/31; Due 4/15/12
July Quarterly	Covers 4/1 - 6/30; Due 7/15/12
October Quarterly	Covers 7/1 - 9/30; Due 10/15/12
Pre-Election	Covers 1st day of current period to 20 days before election; Due 12 days before election (12G covers 10/1-10/20/12; Due 10/25/12)
Post-General	Covers from 1 <sup>st</sup> day of period to 11/26; Due 12/6/12
Year-End	Covers 11/27 to 12/31; Due 1/31/13

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## Monthly Filers – 2012

Reporting Period	Due Date
January 1-31	February 20
February 1-29	March 20
March 1-31	April 20
April 1-30	May 20
May 1-31	June 20
June 1-30	July 20
July 1-31	August 20
August 1-31	September 20
September 1-30	October 20
October 1-17 (Pre-General)	October 25
October 18-November 26 (Post-General)	December 6
November 27-December 31 (Year-End)	January 31, 2013

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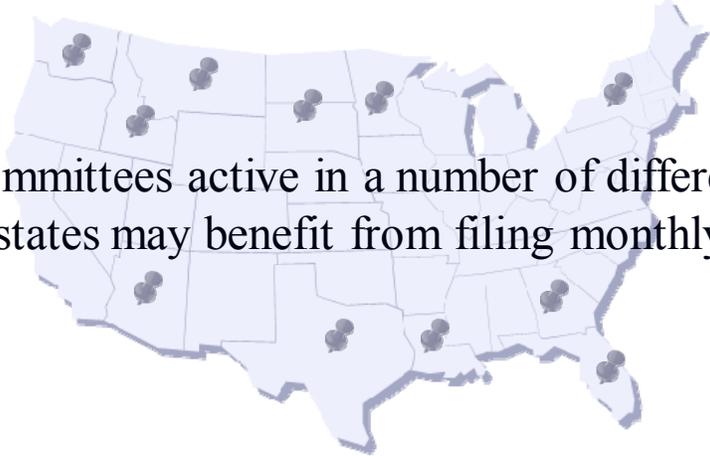
### III. Filing Dates (11 CFR 104.5(c))

- A. **During Non-election Year (odd-numbered year)**
  - 1. **Congressional Candidates File Quarterly**  
Quarterly reports due April 15, July 15 and October 15 and January 31
  - 2. **Presidential Candidates File Quarterly or Monthly**
  - 3. **PACs and Party Committees File Semi-Annually or Monthly**
    - a) Semi-annual filers must file reports due July 31 and January 31.
    - b) Monthly filers must file report on 20<sup>th</sup> of each month.
  
- B. **During Election Year (even-numbered year)**
  - 1. **Congressional Candidates File Quarterly, plus Pre- and Post-Election Reports**  
Quarterly reports due April 15, July 15 and October 15 and January 31; Pre-Primary, Pre-General, Post-General.
  - 2. **Most Presidential Candidates File Monthly**
  - 3. **PACs and Party Committees File Quarterly or Monthly**
    - a) Quarterly reports due April 15, July 15 and October 15 and January 31; Pre-Primary, Pre-General, Post-General.
    - b) Monthly filers must file report on 20<sup>th</sup> of each month, except Pre-General and Post-General in lieu of November and December monthly reports.



## Choosing a Filing Schedule

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Committees active in a number of different states may benefit from filing monthly.

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## Changing Filing Frequency

- ▶ Request on or before next report
  - Electronic filers must submit request electronically
- ▶ No more than once per year

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### B. Changing Filing Schedule

#### 1. Timing

- a) PACs and parties may change their filing schedule from quarterly to monthly or from monthly to quarterly only after notifying the Commission in writing (or electronically if an e-filer), of its intention at the time it files a required report under its current filing schedule or in a separate miscellaneous text submission (Form 99) filed at any time.
  - b) Such political committee will then be required to file the next required report under its new filing schedule and will receive a letter which lists the subsequent filing requirements.
2. **May only change filing schedule once per calendar year.**
  3. **A semi-annual filing PAC in 2011 automatically files quarterly in 2012. No need to notify FEC (unless switching to monthly).**



# Filing Date Resources



FEC.gov / E-mail      1-800-424-9530

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#### IV. Other Filing Issues

##### A. Filing Amendments Required For:

###### 1. Errors

Committee discovers that an earlier report contained erroneous information or mathematical errors.

###### 2. Disclosure of Late Information

Committee obtains required reporting information concerning a particular transaction after the transaction has been reported.

###### 3. Response to Request for Additional Information (RAI)

FEC sends letter and requests amendment. Response due date appears in upper right corner of RAI.

###### 4. Procedures for Filing Amendments:

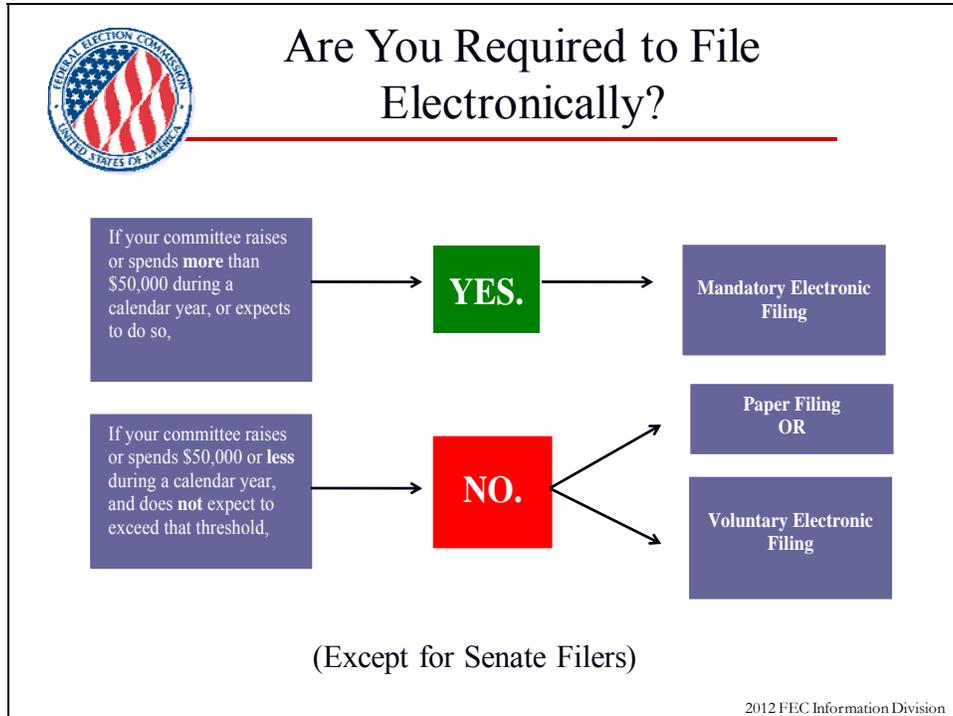
###### a) Paper Filers

- (1) It is not necessary to resubmit the entire report.
- (2) Complete the signature page of the Summary Page, checking box indicating that it is an amended report.
- (3) Attach corrected schedules, if necessary.
- (4) Attach cover letter explaining change (recommended).

###### b) Electronic Filers

- (1) Must submit amendments in electronic format (if original was filed electronically).

- (2) Amendment must include complete report (as opposed to just the portion requiring an amendment).



**B. Electronic Filing (11 CFR 104.18)**

**1. Mandatory for:**

House Campaigns, PACs and Party Committees that raise or spend more than \$50,000 in calendar year or have reason to expect to do so.



**C. Voluntary for All Other Filers**

**1. Senate Campaigns**

Must file paper copy of report with Secretary of Senate (statutory requirement).

**2. Passwords**

**a) Required**

Before you can electronically file your report, you will have to obtain a password. You can not file without one.

**b) Who Can Get a Password?**

Only the treasurer and assistant treasurer(s) listed on the committee's Statement of Organization can get a password. Assistant treasurer's password request must be signed by both assistant and the treasurer.

**c) How Do You Get a Password?**

- (1) Send a password request letter (sample available online at <http://www.fec.gov/electfil/passwords.shtml>) by fax to 202-219-0674.
- (2) If you can, use committee letterhead.
- (3) Items to include in the request: committee name, 9 digit FEC ID number (e.g., C00123456), treasurer's name, phone number and signature.
- (4) You will get your password over the phone.

- d) **How Long Does it Take?**
  - a) You can usually get one the same day. However, around the filing deadline, it can take longer since it is a busier period.
  - b) We recommend you request your password as early in the process as possible. Try to avoid waiting until the report filing deadline to request one because you may not be able to get one in time to file before the deadline.
3. **Use Updated Software**
  - a) Software revised when forms changed – always use the latest version. Auto update feature makes it simple.
  - b) Latest version of FECFile 8 – build 8.0.1.6 available for download at <http://www.fec.gov/electfil/updatelist.html>.



## Filing on Paper

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- **No Extensions**
  - Filing dates not extended for weekends or holidays.
  - Must be received on business day preceding filing date.
- **Registered vs. Overnight Mail**
  - If filing using USPS registered mail, keep receipt.
  - “Overnight Mail” means express or priority mail with delivery confirmation or overnight service with on-line tracking system. Same terms as certified/registered mail. (Keep receipt)

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- D. **Other Reporting Considerations for Paper Filers**
  1. **Statute Prohibits Extensions** (Applicable to Paper and Electronic Filers).
  2. **Weekends and Holidays**  
Filing dates not extended for weekends or holidays. Must be received on business day preceding filing date.
  3. **Registered vs. Overnight Mail**
    - a) If filing using USPS registered mail, keep receipt.

- b) “Overnight Mail” means express or priority mail with a delivery confirmation or an overnight service with an on-line tracking system. File using same terms as certified/registered mail. (Keep receipt.)



## Paper Forms

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Phone  
800-424-9530

Faxline  
202-501-3413

On-line  
[www.fec.gov/info/forms.shtml](http://www.fec.gov/info/forms.shtml)

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## Filing Information

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# File Your Reports on Time!

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## Administrative Fine Program

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- Civil money penalties for filing late, or not filing at all.
- Size of fine depends on various factors.

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### **E. Administrative Fines Program (AFP) (11 CFR Part 111, Subpart B)**

#### **1. Background**

Program for assessing civil money penalties for violations for failure to file reports on time and/or at all.

#### **2. Applies to:**

- a) Late filers
- b) Non-filers
- c) Regulations found at 11 CFR 111.30-111.45.

#### **3. Civil Money Penalties -- Factors in Determining:**

The interaction of several factors will determine the size of the penalty (also see calculator on website at [http://www.fec.gov/af/af\\_calc.shtml](http://www.fec.gov/af/af_calc.shtml)):



## Administrative Fine Program

- Election-sensitive reports:
  - ▶ **Late filer** - if filed after due date, but more than four days before the applicable election.
  - ▶ **Non-filer** - if filed later than that.
- Non-sensitive reports:
  - ▶ **Late filer** - if filed  $\leq$  30 days after the due date.
  - ▶ **Non-filer** - if filed  $>$  30 days late.

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- a) **Election sensitivity**
  - (1) Election sensitive reports include:
    - October Quarterly;
    - October Monthly of election year; and
    - Pre-election reports for primary, general and special elections.
  - (2) All other reports are considered nonsensitive.
- b) **Whether committee is a late filer or a non-filer**
  - (1) For Sensitive reports
    - (a) Late filer – when report is filed after the due date but more than four (4) days prior to the election.
    - (b) Non-filer - report filed after due date and four (4) days or less before the election, or not at all.
  - (2) For Nonsensitive reports
    - (a) Late filer – when report is filed within 30 days after the due date.
    - (b) Non-filer – when report is filed 31 or more days after due date, or not at all.
    - (c) Can still be considered a “non-filer” even if report is eventually filed.
- c) **Prior civil money penalties for reporting violations under the AFP**

**d) Financial activity**

- (1) Amount of financial activity in the report - total amount of receipts and disbursements.
- (2) Revisions were made to the regulations reduce penalties for committees with less than \$50,000 in financial activity during the reporting period in question (see April 2003 *RECORD*).
- (3) July 2009 revisions to AFP regulations adjusted penalties for inflation.
- (4) Campaign Finance Analysts will not be able to tell you if you will be fined or how much.



## Best Efforts to File on Time

Best efforts\* may be used as a defense for late filing if:

- Committee was prevented from filing report on time by reasonably unforeseen circumstances beyond committee's control and
- Filed the report no later than 24 hours after the end of those circumstances

\*Not the same as best efforts for obtaining contributor information

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- F. Timely Filing/Using Best Efforts (not the same as “best efforts” for obtaining contributor information)**
- 1. Reports required on time;** no extensions.
  - 2. If report not filed on time,** committees may use “best efforts” defense if committee took normal precautions and trained staff, but failure to report was due to circumstances beyond committee's control and the late report was filed within 24 hours after those circumstances ended.



## Best Efforts to File on Time

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Committee may use best efforts defense if late filing is due to:

- Failure of FEC computers/Commission-provided software, despite committee seeking technical assistance from FEC personnel and resources
- Widespread disruption of information transmissions over internet
- Severe weather or other disaster-related event

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**3. Rules specify that:**

- a) Committee may use best efforts defense if failure to report is due to failure of Commission computers or software, despite receiving Commission technical assistance, widespread disruption of information transmissions over the internet, or severe weather or other disaster-related event.



## Best Efforts to File on Time

Committee may **not** use best efforts defense if late filing is due to:

- Negligence;
- Illness, inexperience or unavailability of treasurer or committee staff;
- Committee computer, software or ISP failures;
- Delays caused by committee vendors/contractors;
- Failure to know; or
- Failure to use filing software properly.

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b) Committee may not use best efforts defense if failure to report is due to unavailability, inexperience or negligence of staff, counsel or organization, failure of committee's computer system, delays caused by vendors, failure to understand or know the law or failure to use filing software properly.

**4. For more information, review:**

[http://www.fec.gov/law/cfr/ej\\_compilation/2007/notice\\_2007-7.pdf](http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-7.pdf) (rules) and

[http://www.fec.gov/law/cfr/ej\\_compilation/2007/notice\\_2007-13.pdf](http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-13.pdf) (policy statement) and the May and July 2007 Record issues.

## PART 2: BASIC OPERATIONS/CONTRIBUTION LIMITS AND PROHIBITIONS



### Disclaimers

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- Identify who paid for a communication
- Clarify whether a campaign authorized it
- Appear on all “public communications,” widely distributed emails, public websites

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#### I. **Disclaimer Notices on Communications (11 CFR 110.11)**

- Identifies who paid for a public communication
- Clarifies whether a campaign authorized it
- Required on all “public communications,” widely distributed emails and public websites



## Public Communication

- Cable, satellite or broadcast communication;
- Newspaper or magazine;
- Mass mailing (> 500 pieces);
- Outdoor advertising facility;
- Phone bank (> 500 calls w/same info);
- Communications placed for a fee on another person's website (but not any other Internet or email activity);  
or
- Any other form of general public political advertising

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### A. **Public Communication Defined (11 CFR 100.26)**

Includes communications made using the following media:

- Broadcast, cable or satellite;
- Newspaper or magazine;
- Outdoor advertising facility;
- Mass mailing (>500 substantially similar mailings w/in 30 days);
- Phone bank (>500 substantially similar calls w/in 30 days);
- Communications placed for a fee on another person's web page.

### B. **Disclaimer Also Required On:**

- Electronic mail (> 500 substantially similar communications sent by a campaign committee); and
- Websites of political committees.



## Clear and Conspicuous

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### ▶ Printed Materials

Disclaimer must be contained  
within a printed box set apart  
from content of communication

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### C. **Special Rules for Printed Communications**

1. Disclaimer must be contained within a printed box set apart from content of communication.
2. Print must be of sufficient type size to be “clearly readable” and must have a reasonable degree of color contrast between the background and the printed statement.
3. Safe Harbor: 12 point type in newspapers; magazines; flyers; signs; and other printed communications no larger than 24” x 36.”



## Clear and Conspicuous

### ▼ Radio and Television

- Audio approval statement voiced by candidate/sponsor
- TV: Full screen view/photo of candidate/sponsor and 4 x 4 written disclaimer

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- D. Special Rules for TV and Radio Ads Not Authorized by a Candidate's Committee (11 CFR 110.11(c)(4))**  
Identify the committee responsible for the communication (e.g., "*The Pendant Publishing PAC is responsible for the content of this ad.*")
- E. Disclaimer is Not Required When:**
1. It cannot be conveniently printed (e.g., pens, bumper stickers, campaign pins and buttons);
  2. Its display is not practical (e.g., wearing apparel, skywriting, water towers); or
  3. Item is of minimal value, does not contain a political message and is used for administrative purposes (e.g., committee checks and receipts).
- F. Wording of Disclaimer (11 CFR 110.11(b))**
1. **Authorized but Not Financed by Campaign**  
"*Paid for by Pendant Publishing PAC and authorized by the Cosmo Kramer for Congress Committee.*"
  2. **Not Authorized by Campaign (i.e., Independent Expenditures, Electioneering Communications)**  
"*Paid for by Play Now PAC ([www.playnowpac.org](http://www.playnowpac.org)) and not authorized by any candidate or candidate committee.*"

3. **Clear and Conspicuous Placement of Disclaimer Notice**  
Disclaimer notices must be clearly and conspicuously displayed. Can not be difficult to read or placed where it is easily overlooked.



## Campaign Finance Laws

- Federal Election Campaign Act (FECA)
  - ▶ Disclosure
  - ▶ Limitations and Prohibitions
  - ▶ Enforcement

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## II. Contributions (11 CFR 100.52)

### A. Broad Definition

Anything of value given or loaned to influence a federal election.

### B. Types

1. Money
2. In-Kind (goods and services)
3. Loans of money or advances of goods and services
4. Bank loan endorsements and guarantees
5. Advances of personal funds by staff and volunteers
6. Proceeds from sales of fundraising items
7. Extension of credit to committee outside ordinary course of business



## Contribution Limits

<b>For 2011-12 Elections</b>	Candidate per election	National Party per year	State, District & Local Party per year	Any PAC per year	Special Limits
Individual	\$2,500	\$30,800	\$10,000 (combined)	\$5,000	\$117,000 biennial limit
National Party	\$5,000	No Limit	No Limit	\$5,000	\$43,100 per Senate campaign
State, District & Local Party	\$5,000 (combined)	No Limit	No Limit	\$5,000 (combined)	None
PAC: multicandidate	\$5,000	\$15,000	\$5,000 (combined)	\$5,000	None
PAC: not multicandidate	\$2,500	\$30,800	\$10,000 (combined)	\$5,000	None

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### C. Contribution Limits (11 CFR 110.1 and 110.2)

#### 1. Certain Limits Increased and Indexed for Inflation

- a) Candidate and party limits increased and indexed; multicandidate PAC limits unchanged.
- b) Indexing began in 2005 – odd-numbered years.

#### 2. How Applied

- a) Limits apply to contributions received and contributions made by committee.
- b) If made by an individual, counts against the limit of the person signing the check or accompanying note.

#### 3. Presidential

- a) Primaries – One limit for all.
- b) General – No contributions if candidate accepts public funds. (See AO 2007-03, Obama)
- c) General Election Legal and Compliance (GELAC) Fund – OK if donations comply with limits.

#### 4. Cash Contributions – \$100

#### 5. Anonymous Contributions – \$50



## Contribution Limits

For 2011-12 Elections	Candidate per election	National Party per year	State, District & Local Party per year	Any PAC per year	Special Limits
Individual	\$2,500	\$30,800	\$10,000 (combined)	\$5,000	\$117,000 biennial limit
National Party	\$5,000	No Limit	No Limit	\$5,000	\$43,100 per Senate campaign
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PAC: multicandidate	\$5,000	\$15,000	\$5,000 (combined)	\$5,000	None
PAC: not multicandidate	\$2,500	\$30,800	\$10,000 (combined)	\$5,000	None

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## Multicandidate Status

- Registered with FEC 6 months
- Received contributions from > 50 donors
- Made contributions to  $\geq 5$  candidates
- Alternative: affiliated with multicandidate committee

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**D. Multicandidate Committee Status (11 CFR 100.5(e))**

**1. Why Important:**

Determines whether PAC or party committee can give up to \$5,000 to candidate, per election (and whether candidate can accept it).

**2. Criteria**

- a) Registered with FEC 6 months.
- b) Received contributions from more than 50 contributors.
- c) Has made contributions to at least 5 federal candidates (not needed for state party committee).
- d) Alternative: be affiliated with multicandidate committee.

**3. Responsibility for Informing FEC**

- a) PAC or Party committee must file Form 1M within 10 days of qualifying as multicandidate committee.
- b) Check box at end of page 2, Form 3X.

**4. Responsibility for Informing Campaigns**

- a) Multicandidate committee must inform recipients that it has qualified as multicandidate committee.
- b) Call FEC's Public Records Office to verify status as *qualified* multicandidate committee.



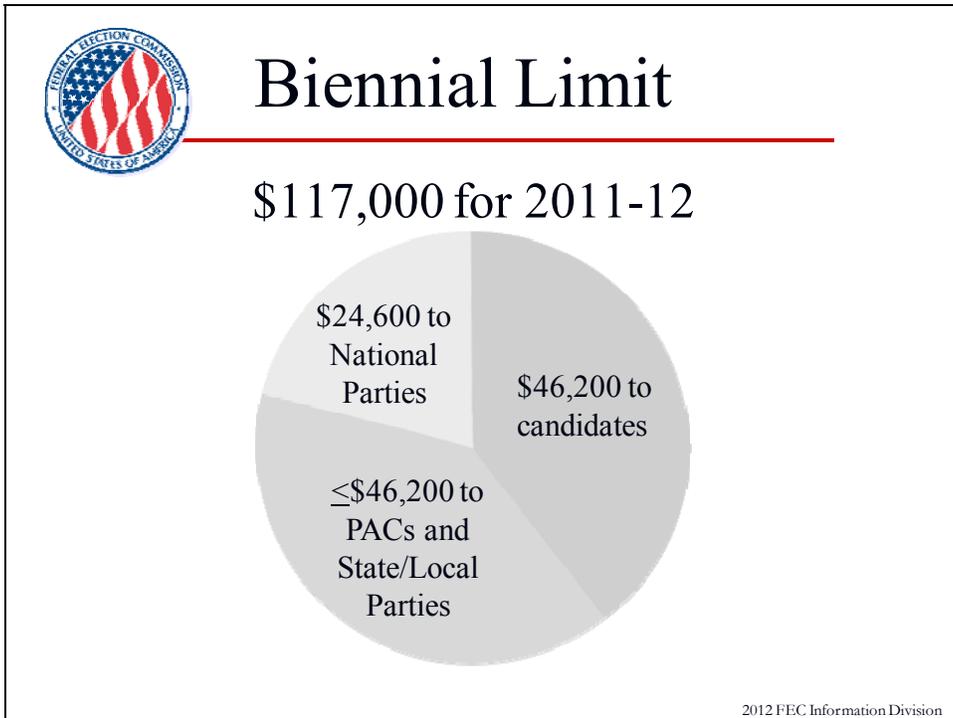
## Limits from Candidates

- A federal candidate's campaign committee may contribute up to \$2,000 per election to another federal candidate's campaign.
- A federal candidate's campaign may transfer unlimited amounts of excess funds to a party committee.

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**E. From Other Federal Campaigns**

1. **Limit: Still \$2,000/election.** 11 CFR 102.12(c)(2).
2. NOT subject to inflation indexing.





## Campaign Finance Laws

- Federal Election Campaign Act (FECA)
  - ▼ Prohibitions
    - Corporations and Unions
    - Federal Government Contractors
    - Foreign Nationals
    - Contributions in Name of Another
    - Cash Contributions > \$100

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### III. Contribution Prohibitions

- A. Corporations (including incorporated membership, trade and cooperative organizations or associations), labor organizations and national banks** are prohibited from making contributions in connection with federal elections. **11 CFR 114.2**. Therefore, they may not:
- 1. Act as conduit for earmarked contribution.**
  - 2. Give discount to campaign or committee that is not in normal business practice.**
  - 3. Allow use of facilities or resources without reimbursement, and, in some cases, advance payment.**
- B. Federal Government Contractors (11 CFR Part 115)**
- C. Foreign Nationals (11 CFR 110.20)**
- 1. American subsidiary of foreign corporation may establish SSF only if:**
    - a) Foreign nationals do not control or participate in decisions of SSF; and
    - b) SSF is not administered or otherwise funded with foreign revenues.

2. **Ban does not apply to permanent resident aliens (green card holders).**
  3. **Individuals who are foreign nationals may:**
    - a) Volunteer for Congressional campaign and participate in decision-making, (Note: because volunteer is engaged to candidate.) AO 2004-26.
    - b) Attend campaign fundraising events (Note: because attendee is engaged to candidate). AO 2004-26.
    - c) They may not, however, participate in decision-making regarding election activities for a corporation or a political committee. AO 2004-32.
- D. Contributions in Name of Another (11 CFR 110.4(b))**
1. Cannot reimburse or be reimbursed for contributions.
  2. Parents cannot give in names of children.
  3. BCRA increased penalties for violations of this ban.



## Campaign Finance Laws

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As a result of the 2010 Supreme Court decision in *Citizens United v. FEC*, corporations and labor organizations are no longer prohibited from making expenditures in connection with federal elections.

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## Campaign Finance Laws

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- Federal Election Campaign Act (FECA)
  - ▼ Prohibited in All U.S. Elections
    - Foreign Nationals
    - National Banks
    - Federally Chartered Corporations

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- E. Certain Prohibitions Apply to All Elections (11 CFR 114.2(a))**
1. Foreign nationals
  2. National banks
  3. Federally chartered corporations



## Questionable Contributions

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- Deposit or return within 10 days of receipt
- Determine legality within 60 days
- Retain or refund, as appropriate

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#### **IV. Handling Questionable Contributions to Federal Account (11 CFR 103.3)**

##### **A. Deposit While Checking**

If unsure whether contribution is from a permissible source, party may deposit it while confirming permissibility.

##### **B. Refund After 30 Days If Unable to Verify Legality**

Within 30 days of receipt, must refund if unable to determine if contribution is permissible.

## PART 3: ADMINISTRATION/ENFORCEMENT OF LAW



### Campaign Finance Laws

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- Federal Election Campaign Act (FECA)
  - ▶ Disclosure
  - ▶ Limitations and Prohibitions
  - ▶ Enforcement

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### Enforcement

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- ▼ Action initiated by:
  - FEC Audit and Review
  - Sworn and Notarized Complaint
  - Referral from Another Agency

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## I. FEC Role

### A. Enforcing the Law

#### 1. Compliance Cases (OGC)

- a) OGC reviews, investigates and prepares briefs and recommendations for Commission.
- b) Cases originate through either internal referrals or external complaints.
- c) Four Commission votes needed to take action.
- d) Civil penalty arrived through conciliation agreement.

#### 2. Office of Administrative Review (OAR)

Administers automatic fines for late or non-filed reports.

#### 3. Office of Alternative Dispute Resolution (ADR)

- a) Administers alternative dispute resolution program of FEC.
- b) Alternative way of resolving enforcement matters through mediation.



## Enforcement

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### ▼ Agency Actions:

- Administrative Fines
- Alternative Dispute Resolution
- Matters Under Review (MURs)

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## How to Reach the FEC

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FEC.gov, FECTube & Twitter

FECMail and info@fec.gov

FAXLINE: (202) 501-3413

Toll free information line:  
(800) 424-9530

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## Workshop Evaluation

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*Help Us Help You!*

Please complete an evaluation  
of this workshop.

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# Next Workshop

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## Committee Operations Part 1



11:15 a.m. – 12:45 p.m.

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