

Corporate/Labor/Trade PAC Operations Part 3



February 23, 2012

9:15 – 10:45 a.m.

Tab 4



Objectives – Part 3

- **Highlight Methods For Supporting Federal Candidates**
- Identify Types of PAC Communications

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I. Making Contributions (11 CFR 110.1 and 110.2)



Supporting Federal Candidates

- **Direct Contributions**
- Earmarked Contributions
- In-Kind Contributions



Contributions to Candidates

Review

- **Per Election Limits**
 - \$2,500 (indexed) from nonmulticandidate SSFs
 - \$5,000 from multicandidate committees
 - Only for election in which candidate participates
 - Includes in-kind contributions
 - Recommended: Designate election
 - Electronic redesignations OK

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- A. Limitations Apply: REVIEW**
- 1. Non-multicandidate PACs**
 - a) Indexed for inflation.
 - b) May give \$2,500 per election to federal candidates for 2011-2012 elections.
 - 2. Multicandidate PACs**

May give \$5,000 per election to federal candidates for 2011-2012 elections (limits unchanged).
 - 3. Both in-kind and monetary contributions count against limits.**
 - 4. Connected organization (i.e. association) may not make contributions.**
 - 5. Designate election for contribution – Highly recommended.**
 - 6. Redesignations may now be done electronically.** See the FEC's interpretative rule at 76 FR 16233 (March 23, 2011) (online at http://www.fec.gov/law/cfr/ej_compilation/2011/notice_2011-02.pdf).



Contributions Made

XYZ Organization PAC
A Qualified Multicandidate Committee
999 C Street
Miami, FL 00000

PARTY/ISSUE
DATE **June 3, 2012**

0301

\$ **7,000.00**

PAID TO THE ORDER OF **Committee to Elect Becky Johnson**

Seven thousand and xx/100 ----- DOLLARS

YOUR FINANCIAL INSTITUTION
APPROVED FOR DEPOSIT
\$5,000 for 2012 primary;
\$2,000 for 2012 general

Kathy Sheffield

XYZ Organization PAC
A Qualified Multicandidate Committee
999 C Street
Miami, FL 00000

PARTY/ISSUE
DATE **June 3, 2012**

0302

\$ **5,000.00**

PAID TO THE ORDER OF **The Purple Eyed Susan Fund**

Five thousand and xx/100 ----- DOLLARS

YOUR FINANCIAL INSTITUTION
APPROVED FOR DEPOSIT

Kathy Sheffield

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Reporting Example #1A: Itemizing Monetary Contributions Made to Federal Candidates and Committees

The XYZ Organization PAC, based in Miami, really likes Senator Becky Johnson from its home state. On June 3, 2012, it made out the two checks above; one to Senator Johnson’s campaign committee, and one to her leadership PAC, the Purple Eyed Susan Fund. (Note: The PAC had not previously contributed to the Senator or to the PAC. Florida’s primary is on June 5, 2012.)

1. What types of transactions are these?

2. How must the committee disclose the transaction(s)?

3. What information from the scenario do we need to disclose this correctly?

Reporting Scenario #1A Answers

1. What types of transactions are these?

Answer: These checks represent three separate contributions made by the PAC. The check for \$7,000 represents contributions to both the primary and the general election campaign of the Committee to Elect Becky Johnson. The \$5,000 check is a separate contribution to a separate PAC. Leadership PACs and campaign committees are not considered affiliated, and so the PAC must treat its contribution to the Purple Eyed Susan Fund as a separate contribution.



Reporting Example

Itemizing Monetary Contributions Made and Refunded

- How must the committee disclose the transactions?
- What information from the scenario do we need to disclose this correctly?
- Tricky Issues?

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2. How must the committee disclose the transaction(s)?

Answer: The XYZ Organization PAC must itemize each of these contributions on its monthly report covering June on a Schedule B for Line 23. It should show them as three separate contributions, \$5,000 to the Committee to Elect Becky Johnson for the primary, \$2,000 to the Committee to Elect Becky Johnson for the general, and \$5,000 to the Purple Eyed Susan Fund.

3. What information from the scenario do we need to disclose this correctly?

Answer for Check #1: For the campaign contribution, the candidate committee's name and address, the date made, amount, the candidate's name and office sought (including state and Congressional district), the election (including year) for which the contribution was made (check appropriate box). For purpose, note "contribution." Note that FECFile allows users to get the committee's information from a database.



Contribution to Candidate

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		FOR LINE NUMBER: (check only one)	PAGE OF
Use separate schedule(s) for each category of the Detailed Summary Page		<input type="checkbox"/> 21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input checked="" type="checkbox"/> 23a <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b	OF <input type="checkbox"/> 21 <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b
<small>Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.</small>			
NAME OF COMMITTEE (In Full) XYZ Organization Political Action Committee			
A. Full Name (Last, First, Middle Initial) Committee to Elect Becky Johnson		Date of Disbursement 06 / 03 / 2012	
Mailing Address: 555 5 th Avenue City: City, ST 00000 State: Zip Code:		Purpose of Disbursement Contribution	
Candidate Name: Becky Johnson Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President State: FL District:		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012	
		Amount of Each Disbursement this Period 5,000.00	
B. Full Name (Last, First, Middle Initial) Committee to Elect Becky Johnson		Date of Disbursement 06 / 03 / 2012	
Mailing Address: 555 5 th Avenue City: City, ST 00000 State: Zip Code:		Purpose of Disbursement Contribution	
Candidate Name: Becky Johnson Office Sought: <input type="checkbox"/> House <input checked="" type="checkbox"/> Senate <input type="checkbox"/> President State: FL District:		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012	
		Amount of Each Disbursement this Period 2,000.00	

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Answer for Check #2: For the leadership PAC contribution, the Leadership PAC’s name and address, the date made and the amount. For purpose, note “contribution.” The candidate and election information is not required because the leadership PAC is not an authorized committee that is affiliated with the campaign.



Contribution to Leadership PAC

Schedule B, Line 23

SCHEDULE B (FEC Form 3X)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE 1 OF 2	
ITEMIZED DISBURSEMENTS		<input type="checkbox"/> 21b	<input type="checkbox"/> 22	<input checked="" type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26
		<input type="checkbox"/> 27	<input type="checkbox"/> 26a	<input type="checkbox"/> 26b	<input type="checkbox"/> 26c	<input type="checkbox"/> 29	<input type="checkbox"/> 30b
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) XYZ Organization Political Action Committee							
Full Name (Last, First, Middle Initial) A. The Purple Eyed Susan Fund				Date of Disbursement 06 / 03 / 2012			
Main Address 557 5th Avenue							
City City, ST 00000		State		Zip Code			
Purpose of Disbursement Contribution				Category/Type		Amount of Each Disbursement this Period 5,000.00	
Candidate Name		Office Sought: <input type="checkbox"/> House		Disbursement For:			
State		City		State			
Not Applicable							

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Tricky Issues:

- Itemize contributions to all federal campaigns and committees on Schedule B for Line 23, regardless of amount.
- For contributions to federal campaign committees, include candidate information.
- Strongly recommended that PACs designate contributions to campaigns for particular elections (use year and type of election to properly designate).
- If designating for prior election, also note “debt” (e.g., “2010 general debt”).
- Treat contributions to a leadership PAC as a contribution to a PAC, not a contribution to a campaign.



Returned vs. Refunded

- Returned, Lost or Voided Checks
 - Negative entry on line number transaction was originally disclosed
- Refunds
 - Refund check from another committee appears on Schedule A for Line 16

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Reporting Example #1B, Continued: Itemizing Refunded, Lost and Returned Contributions Made to Federal Candidates and Committees

Senator Becky Johnson's campaign never cashed the contributions from the XYZ Organization PAC. However, the Leadership PAC did cash its contribution, and then decided to refund the contribution.

On August 1, the PAC receives the refund from the Purple Eyed Susan Fund. The PAC's treasurer realizes that the check to the Becky Johnson campaign never cleared the bank, and that day decides to void the check and add the money back into her PAC's checking account.

4. What types of transactions are these?

5. How must the committee disclose the transaction(s)?

6. What information from the scenario do we need to disclose this correctly?

Reporting Example #1B, Answers:

4. What types of transactions are these?

Answer: The uncashed check to the Committee to Elect Becky Johnson that was voided by the XYZ Organization PAC treasurer represents a lost, voided or returned contribution (in this case lost/voided) and thus, a negative expenditure. The check containing the refund from the Purple Eyed Susan Fund represents a refund, and thus, a receipt.

5. How must the committee disclose the transaction(s)?

Answer: Voids or returned/uncashed checks should be disclosed as negative entries on the Line number the transaction was originally disclosed. On the other hand, when a refund check is actually received from another committee and deposited into the federal account, it should be disclosed on Schedule A for Line 16 as a receipt.

6. What information from the scenario do we need to disclose this correctly?

Answer:

The committee will need the information that was originally disclosed on a previous report regarding the transaction, and will also need to reference that report on its disclosure. See examples:

Lost/Voided/Returned Contribution:



Returned, Lost or Voided

Negative Entry, Schedule B, Line 23

SCHEDULE B (FEC Form 3X)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE 1 OF 2	
ITEMIZED DISBURSEMENTS		<input type="checkbox"/> 21b	<input type="checkbox"/> 22	<input checked="" type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26
		<input type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c	<input type="checkbox"/> 29	<input type="checkbox"/> 30b
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) XYZ Organization Political Action Committee							
Full Name (Last, First, Middle Initial) A. Committee to Elect Becky Johnson				Date of Disbursement 08 / 01 / 2012			
Mailing Address 555 5th Avenue							
City City, ST 00000				State Zip Code			
Purpose of Disbursement Check returned				Amount of Each Disbursement this Period - 5,000.00			
Candidate Name Becky Johnson				Category/Type			
Office Sought: <input checked="" type="checkbox"/> House <input checked="" type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Primary 2012			
State: FL		District:					

Refunded Contribution Received:



Refund of Contribution

Schedule A, Line 16

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input checked="" type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
NAME OF COMMITTEE (In Full) XYZ Organization Political Action Committee			
Full Name (Last, First, Middle Initial) A. The Purple Eyed Susan Fund		Date of Receipt 08 / 01 / 2012	
Mailing Address 557 5th Avenue		Amount of Each Receipt this Period 5,000.00	
City City, ST 00000		FEC ID number of contributing federal political committee. C 00000001	
Name of Employer		Occupation	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Aggregate Year-to-Date 5,000.00	

**Contribution
itemized in 2012 July
Monthly**

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Supporting Federal Candidates

- Direct Contributions
- **Earmarked Contributions**
- In-Kind Contributions



Earmarked Contributions

- **Definition**
A contribution to a candidate that the contributor directs (either orally or in writing) through an intermediary or conduit
- **Conduit**
Anyone who receives and forwards an earmarked contribution to a candidate (including SSF)
 - Connected organization may not be a conduit
 - Subject to special reporting obligations

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B. Earmarked Contributions (11 CFR 110.6 and 114.2(f)(3)(ii))

1. Definition

A contribution to a candidate that the contributor directs (either orally or in writing) through an intermediary or conduit.

2. **Conduit/Intermediary**

a) **Definition: Anyone who receives and forwards an earmarked contribution to a candidate.**

This includes individuals, political committees (such as the organization's PAC), unregistered committees and partnerships. *Special reporting required. See details below.

b) **Associations, corporations, unions and other prohibited sources are prohibited from acting as conduits; only the PAC may collect and forward earmarked contributions.**

11 CFR 114.2(f)(3)(ii) and (4)(iii).

c) **Persons exempt from requirements at 110.6 for conduits:**

- (1) Employee or full time volunteer working for campaign committee; and
- (2) Individual expressly authorized to raise money on behalf of the candidate. (Note: This is the **situation most likely to apply to an organization executive.**)
- (3) Committee affiliated with campaign committee; and
- (4) Commercial fundraising firm retained by campaign committee.



Effect on Contribution Limits

An earmarked contribution counts against:

- The contributor's limit for the recipient candidate
AND
- The PAC's limits IF:
 - Direction or control exercised over recipient
 - Deferred earmarking done through PAC via payroll deduction program (See AO 1995-15)
 - Solicitation for earmarked contribution sent by organization to restricted class and collected by PAC

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3. Effect on Contribution Limits

- a) An earmarked contribution always counts against the original contributor's limit for the recipient candidate.
- b) **An earmarked contribution may count against PAC's limits for the recipient candidate in these situations:**
 - Exercised direction or control over the contributor's choice of the recipient candidate. 11 CFR 110.6.
 - Deferred earmarking done through PAC via payroll deduction program. AO 1995-15.
 - Solicitation for an earmarked contribution to a candidate, sent by organization to restricted class and collected by PAC. 11 CFR 114.2(f)(4)(iii); See Tab 7 Communications and Resources.



Other Requirements

Transmittal to Campaign

- SSF must forward earmarked contribution to recipient campaign within 10 days of receiving contribution along with contributor information for FEC report

Reporting by PAC / Conduit to FEC

- PAC or individual must disclose earmarked contributions to FEC on report (for PAC, this goes on regular report)

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4. Older Requirements Still in Effect

a) Transmittal to Campaign

The conduit must forward an earmarked contribution to the recipient campaign committee within 10 days of receiving the contribution **along with** the contributor information needed to disclose on FEC report.

b) Disclosure

PAC or individual must disclose earmarked contributions to FEC on report (for PAC, this goes on regular report).



Reporting Example

Disclosing Earmarked Contributions

- How must the committee disclose the transaction(s)?
- What information from the scenario do we need to disclose this correctly?
- Tricky Issues?

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Reporting Example #2: Disclosing Earmarked Contributions to Candidates

The CEO of Big Show Corporation, Kenny Chathouse, is a close friend of David Grant, who is running for the Senate in Florida's general election. On October 20, Chathouse gives Big Show Corporation PAC treasurer Jennifer Boyd a personal check for \$500.00 made out to the PAC. He tersely tells her in an email, "That check is really from me for Dave Grant, but I don't know how to make out the check and you do." Jennifer deposits the funds and mails a PAC check to Grant's campaign on October 22, along with a note that the check represents a contribution from his friend, Big Show Corporation CEO Kenny Chathouse.

- 1. What type of transaction is this?**
- 2. How must the committee disclose the transaction(s)?**
- 3. What information from the scenario do we need to disclose this correctly?**

Reporting Example #2 Answers:

1. What type of transaction is this?

Answer: Kenny Chathouse has made an earmarked contribution to David Grant. The Big Show Corporation PAC in this case is acting as a conduit.

2. How must the committee disclose the transaction(s)?

Answer: Because the PAC deposited the contribution, it must disclose the receipt from Kenny on a Schedule A for Line 11(a)(i) (*Itemized Contributions*), along with a note that it is earmarked for David Grant and the candidate information. The PAC must forward the contribution to the campaign within 10 days.



Earmarked Contribution

If Deposited by PAC

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS	Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		
NAME OF COMMITTEE (In Full) Big Show Corporation Political Action Committee		
A. Full Name (Last, First, Middle Initial) Kenny Chathouse		Date of Receipt 10 / 20 / 2012
Mailing Address 1111 Down Road, NW City, ST 00000		Amount of Each Receipt this Period 500.00
FEC ID number of contributing federal political committee C		<div style="border: 2px solid red; border-radius: 50%; padding: 10px; display: inline-block;"> Earmarked for David Grant, Senate, FL </div>
Name of Employer Big Show Corporation	Occupation Chief Executive Officer	
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012	Aggregate Year-to-Date	

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It discloses the forwarding of the contribution as a disbursement on Schedule B for Line 23 (*Contributions Made*) with all of the normal information required on that page plus a notation that it is an earmarked contribution from Kenny Chathouse, a notation that it was transmitted with a PAC check and a notation that the PAC's contribution limit is unaffected.

3. What information from the scenario do we need to disclose this correctly?

Answer: We need to know that Kenny directed the PAC to forward the contribution from him to David's campaign. We also need the date of receipt by the PAC, whether the check forwarded was a personal check or a PAC check, whether the PAC triggered FEC rules at 11 CFR 110.6(d) or 114.2(f) that would cause the contribution to count against PAC limits, and all of the candidate/election/contributor information required for identification.

The image shows a sample of a Schedule B (FEC Form 3X) Itemized Disbursements form. The form is titled "Earmarked Contribution" and "Forwarded by PAC Check". It is for the "Big Show Corporation Political Action Committee" and is dated 10/22/2012. The disbursement is for \$500.00, categorized as "Earmarked contribution by Kenny Chathouse" for candidate "David Grant". The form includes fields for the committee name, address (555 5th Avenue, City, ST 00000), candidate name, office sought (Senate, FL), and disbursement type (General). A red circle highlights the amount "500.00" and the text "Transmitted w/ PAC check; PAC limit unaffected".

Tricky Issues:

- Reporting differs whether PAC deposits the check or forwards original check.
- **If Check Deposited:**
 - Itemize receipt on Schedule A for Line 11(a)(i) regardless of amount.
 - Note on Schedule A the candidate designated as the recipient of the contribution;
 - Itemize forwarding of contribution to candidate on Schedule B for Line 23. (Forward within 10 days.)
 - Note on Schedule B: That a PAC check was used to transmit and whether the PAC limit is affected (e.g., direction or control; deferred earmarking programs; see AO 1995-15; facilitation rules of 114.2(f)).

- **If Check Not Deposited:**
 - Report the same information as above on Schedules A and B, but as memo entries; do not include in totals.
 - **Memo entries** are transactions that are itemized, but the dollar total is excluded from the committee's total receipts or expenditures. For example, committees would use memo entries when itemizing a credit card bill on a Schedule B. The lump sum payment for the bill is itemized as a regular expenditure. The committee would use memo entries to list any specific charges that meet the itemization threshold. By using memo entries, the specific charges are not included in calculations for total expenditures.
 - Note on Schedule B that contributions were forwarded using contributor checks.



Supporting Federal Candidates

- Direct Contributions
- Earmarked Contributions
- **In-Kind Contributions**



Fundraiser for Campaign

- PAC may host fundraiser for candidate at corporation/association/labor/member organization facilities
- Costs Incurred by SSF = In-Kind Contribution
- Advance payment is required for:
 - Staff: fair market value of salary and benefits
 - Mailing list: fair market value
 - Catering or Food Services: fair market value
 - Meeting room/other connected org. facilities: fair market value

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C. **In-kind Contributions (11 CFR 114.2(f)(2), 114.9 and 114.13)**

Example: Fundraising Event Coordinated with Campaign

1. Results in In-Kind Contribution

An SSF may hold a fundraising event for a campaign and invite the general public (e.g., other SSFs and PACs, individuals outside its restricted class); however, any costs incurred are in-kind contributions, including personnel, invitations, food, equipment, etc.

2. Advance Payment

- The connected organization of the SSF must receive **advance** payment for the use of its staff, mailing list and/or food services (regardless of who is paying for them). See AOs 1984-37 and 1984-24;
- **Advance** payment to connected organization also required if SSF is paying for use of other connected organization facilities (e.g., meeting rooms, phones); and
- **Payment by SSF counts as an in-kind contribution (reported by campaign).**



Fundraiser for Campaign

- **If PAC collects contributions**, campaign and PAC will need to report earmarked contributions
- **Avoid earmarking rules** by having campaign representative collect contributions

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3. **Earmarking rules may apply**
 - **If PAC collects contributions**, campaign and PAC will need to report earmarked contributions. Campaign must also determine if new HLOGA bundling disclosure rules tripped.
 - **If campaign representative collects contributions**, earmarking rules do not apply.
 - See Tab 7 for more guidance.



Scenario #3

Itemizing In-Kind Contributions

- What type of transactions are these?
- How must the committee disclose the transactions?
- What information from the scenario do we need to disclose this correctly?
- Tricky Issues?

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Reporting Scenario #3: Itemizing In-Kind Contributions Made to Candidates

The XYZ Organization PAC decided to throw a posh event for Florida 2nd District incumbent, Sam Thomas, at the hottest address in town, 123 Worth Avenue, aka the Grand Plush Hotel. To prepare for the fundraiser, the PAC estimated that its PAC director would need four hours to work on the event and paid the XYZ Organization in advance for the director's time. Also, the PAC used an email list of the organization for which it paid the usual and normal rental charge in advance of its use. Payment for both the director and the email list was made on 2/22/12.

The fundraiser takes place on 3/22/12. The bill is paid to the Grand Plush Hotel on 4/22/12. Assume that the PAC files quarterly.

- 1. What type of transactions are these?**
- 2. How must the committee disclose the transaction(s)?**
- 3. What information from the scenario do we need to disclose this correctly?**

Reporting Scenario #3 Answers:

1. What type of transactions are these?

Answer: The costs of the event represent an in-kind contribution to a candidate, but also payments made to a vendor and to the connected organization on different dates than the contribution. Both the dates of the payments and the date of the event (i.e., the date of the contribution) are reportable events.

2. How must the committee disclose the transactions?

Answer: The contribution to Sam took place on March 22, the date of the fundraiser.

Thus, an in-kind contribution made on March 22 must be disclosed on a Schedule B for Line 23 on the PAC's April Quarterly report, covering January 1-March 30, 2012 and due on April 15, 2012. The Grand Plush Hotel and the XYZ Organization are listed as the actual payees, in separate entries. Each entry must include a notation that it is an in-kind contribution. All candidate and election information for Sam is noted in the appropriate boxes.



In-Kind Contribution

Disclosure of Date Made

SCHEDULE B (FEC Form 3X)	Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE 1 OF 2
ITEMIZED DISBURSEMENTS		<input type="checkbox"/> 21b <input type="checkbox"/> 22 <input checked="" type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 29 <input type="checkbox"/> 30b	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
NAME OF COMMITTEE (In Full) XYZ Organization Political Action Committee			
Full Name (Last, First, Middle Initial) XYZ Organization		Date of Disbursement 03 / 22 / 2012	
Mailing Address 123 Worth Avenue			
City, State Zip Code City, ST 00000			
Purpose of Disbursement Staff time & email list (In-kind contribution)		Amount of Each Disbursement this Period 350.00	
Candidate Name Sam Thomas		Category/Type 011	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State: FL District: 02		2012	
See Schedule B for Line 21b.			

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In-Kind Contribution

Disclosure of Date Made

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input type="checkbox"/> 21b <input type="checkbox"/> 22 <input checked="" type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b	PAGE 1 OF 2
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.				
NAME OF COMMITTEE (In Full) XYZ Organization Political Action Committee				
Full Name (Last, First, Middle Initial) A. Grand Plush Hotel		Date of Disbursement 03 / 22 / 2012		
Mailing Address 123 Worth Avenue				
City City, ST 00000				
Purpose of Disbursement Reception (In-kind contribution)		Amount of Each Disbursement this Period 1,578.00		
Candidate Name Sam Thomas		Category/Type 011		
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate	Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General			
State: FL District: 02	Other (specify): 2012			

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Because advance payment was made to the XYZ Organization in that same reporting period, the committee must report the actual date of payment on Schedule B for Line 21b (*Other Federal Operating Expenditures*). Because the contribution is itemized, this particular payment is noted as a memo entry. Both entries cross-reference each other.



Advance Payment

Disclosure of Payment Date

SCHEDULE B (FEC Form 3X)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE 1 OF 2	
ITEMIZED DISBURSEMENTS		<input checked="" type="checkbox"/> 21b	<input type="checkbox"/> 22	<input type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) XYZ Organization Political Action Committee							
Full Name (Last, First, Middle Initial) XYZ Organization				Date of Disbursement 02 / 22 / 2012			
Main Address 123 Worth Avenue							
City City, ST 00000		State		Zip Code			
Purpose of Disbursement Staff time & email list (In-kind contribution)				Category/Type 011		Amount of Each Disbursement this Period 350.00	
Candidate Name Sam Thomas							
Office Sought: <input checked="" type="checkbox"/> House		Disbursement For: <input checked="" type="checkbox"/> Primary		<input type="checkbox"/> General			
<input type="checkbox"/> Senate		<input type="checkbox"/> Other (specify)					
State: FL		District: 02		2012		See Schedule B for Line 23.	

2012 FEC Information Division

The committee must also disclose the date of the payment to the vendor in the next quarterly report (i.e., the July Quarterly report, covering April 1 – June 30 and due July 15), since it was made in that reporting period on April 22. Since the contribution has been reported on a previous report, this payment is noted as a memo entry on Schedule B for Line 21b (*Other Federal Operating Expenditures*) with a cross-reference to that report.



Payment to Vendor

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		FOR LINE NUMBER: (check only one)	PAGE 1 OF 1
Use separate schedule(s) for each category of the Detailed Summary Page		<input checked="" type="checkbox"/> 21b	<input type="checkbox"/> 22 <input type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 26a <input type="checkbox"/> 26b <input type="checkbox"/> 26c <input type="checkbox"/> 29 <input type="checkbox"/> 30b
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
NAME OF COMMITTEE (In Full) XYZ Organization Political Action Committee			
Full Name (Last, First, Middle Initial)			
A. Grand Plush Hotel		Date of Disbursement 04 / 22 / 2012	
Mailing Address 123 Worth Avenue			
City City, ST 00000		State Zip Code	
Purpose of Disbursement Reception (In-kind contribution)		Category/Type 011	
Candidate Name Sam Thomas		Amount of Each Disbursement this Period 1,578.00	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		MEMO; See April Quarterly, Schedule B, Line 23	
Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
State FL District 02		2012	

2012 FEC Information Division

3. What information from the scenario do we need to disclose this correctly?

Answer: We need both the date of the contribution (the date that the good/service was provided) and the date of payment to the vendor. Also needed: The payee's name/address, the purpose, a notation of "in-kind" and all of the candidate and election information.

4. Tricky Issues:

- Itemize vendor of good/service as payee.
- Indicate candidate information in appropriate fields.
- Label as in-kind. (FECfile users: use description field)
- Date on Schedule B, Line 23 = date on which good/service is provided.
- If payment made on different date from when good/service provided, itemize again as memo entry on Schedule B for Line 21b (*Operating Expenditures*). (FECFile users: use "memo entry" box.)



Objectives – Part 3

- Highlight Methods For Supporting Federal Candidates
- **Identify Types of PAC Communications**



PAC Communications

- **Coordinated Communication**
- Independent Expenditure

2012 FEC Information Division

II. PAC Communications

A. What PAC May Do:

1. Communicate

Under FEC rules at 114.5(i), an SSF may communicate with the general public using PAC funds on any subject (except soliciting funds for the PAC), including express advocacy.

2. Coordinate

SSF may coordinate communications with a candidate or party; however, in-kind contribution results.

B. Types of Communications

1. Coordinated Communications

In-kind contribution results, subject to limitations

2. Independent Expenditure

No contribution results; no limitations



Coordination

- Basic Definition of Coordination:

Made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or their agents, or a party committee or its agents

- Treated as in-kind contribution, subject to limitations and prohibitions

- Reportable by committees making and receiving the contribution

2012 FEC Information Division

C. Definition of Coordination (11 CFR 109.20)

Coordination means "made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or their agents, or a political party committee or its agents."

D. Why Important? Coordination = In-Kind Contribution (11 CFR 109.21(b)(1))

1. **Connected organization** prohibited from making contributions
2. **Subject to contribution limitations**
3. **Disclaimer required**
4. **Reporting**

In many cases, reportable by campaign or party committee as in-kind contribution received (and by PAC if in-kind contribution made by PAC).



Three-Part Coordinated Communication Test

- ▼ **Source of Payment**
 - Paid for by the PAC
- ▶ **Content Standard**
- ▶ **Conduct Standard**

2012 FEC Information Division

E. Three-part test (11 CFR 109.21(d)):

All three parts must be satisfied to justify conclusion that payments for a coordinated communication are for the purpose of influencing a federal election (and that costs incurred are in-kind contributions).

1. Overview:

- **Source of payment** is PAC;
- **Content** is republication of candidate material, express advocacy or communication made that refers to a clearly identified candidate; and
- **Conduct** involves candidate's agents in request or suggestion, material involvement, or substantial discussion, or involves republication of candidate material, use of common vendor, or use of prior employee or contractor.
- **Good AO**
See AO 2011-14.



Three-Part Coordination Test

▼ Content Standard

Meeting one of these:

- Electioneering Communication
- Republication of Campaign Materials
- Express Advocacy
- Public Communication within Certain Time Frame before Election
- NEW: Communication that is “Functional Equivalent of Express Advocacy”

2012 FEC Information Division

2. “Content Standard”

Will satisfy test if communication meets any one of these five standards:

- a) **“Electioneering Communication;”**
- b) **Public Communication that Republishes, Disseminates or Distributes Campaign Materials;**
- c) **Public Communication with Express Advocacy;**
- d) **Public Communication Within Certain Time Frame Before Election (No express advocacy required);**
 - Refers to clearly identified candidate;
 - Is directed to voters in the jurisdiction of the clearly identified candidate or to voters in a jurisdiction where one or more candidates of the political party appear on the ballot.

Or

- e) **Communication that is “Functional Equivalent of Express Advocacy”**

11 CFR 109.21(c)(5) specifies that a communication is the functional equivalent of express advocacy if it is susceptible of no reasonable interpretation other than as an appeal to vote for or against a clearly identified Federal candidate.

- Applies without regard to the timing of the communication or the targeted audience.

- Applies outside the pre-election period used for other public communications.
- In its application of this test, Commission will follow Supreme Court's reasoning in *FEC v. Wisconsin Right to Life*. See explanation and justification for this rule and Tab 2 Recent Developments for more information.
- Effective December 1, 2010. See 75 FR 55947.



Time Frames

1. House or Senate candidates = 90 days or fewer before a primary or general election
2. Presidential candidates = entire period from 120 days before the primary through date of general election.
3. Political parties = If during a presidential election cycle, 120 days before the primary through the general election; if during a midterm cycle, 90 days before the primary or the general.

2012 FEC Information Division

3. **Time Frames for Public Communications Referring to Clearly Identified Candidate before Election (with No Express Advocacy) (11 CFR 109.21(c)(4) - See E.2.c on previous page.)**
 - Senate and House candidates = 90 days before a primary or general election.
 - Presidential candidates = entire period from 120 days before the clearly identified candidate's primary in that jurisdiction where disseminated up through the date of the general election.
 - Political parties = 120 days before a primary or general election.



Three-Part Coordination Test

- ▼ **Conduct Standard**
 - Request or Suggestion
 - Material Involvement
 - Substantial Discussion
 - Common Vendor
 - Former Employee/Independent Contractor

2012 FEC Information Division

4. **“Conduct Standard”**
Will satisfy test if communication meets any one of these five standards:
- a) **Request or Suggestion (11 CFR 109.21(d)(1))**
 - b) **Material Involvement (11 CFR 109.21(d)(2))**
 - c) **Substantial Discussion (11 CFR 109.21(d)(3))**
 - d) **Employment of Common Vendor (11 CFR 109.21(d)(4))**
 - e) **Former Employee/Independent Contractor (11 CFR 109.21(d)(5))**



Three-Part Coordination Test

Source of payment
+ “Content standard”
+ “Conduct standard”

= Coordinated Communication

= In-Kind Contribution Subject to
Limits and Prohibitions



PAC Communications

- Coordinated Communication
- **Independent Expenditure**

2012 FEC Information Division



Independent Expenditure

Expenditure for communication that:

- Expressly advocates the election or defeat of a clearly identified candidate AND
- Is not made in cooperation, consultation or in concert with, or at the request or suggestion of, the candidate or his/her campaign, or a political party committee or the agents of either.

2012 FEC Information Division

II. Independent Expenditures – 11 CFR 100.16

A. Definition

Expenditure for communication that "expressly advocates" the election or defeat of a clearly identified candidate and that is not made in cooperation with, or at the suggestion of, the candidate or his/her campaign or its agents, or a political party or its agents.

B. Elements of Definition

1. Clearly Identified (11 CFR 100.17)

A candidate's name, nickname, photograph or drawing appears or identity is otherwise apparent through references such as "the President," "your Congressman," "the incumbent."



Express Advocacy

Message unmistakably urges election or defeat of clearly identified federal candidate.

Two Part Definition:

- Part A: Specific Call to Action
- Part B: Only Reasonable Interpretation Test

2012 FEC Information Division

2. **Express Advocacy (11 CFR 100.22)**
Message unmistakably urges election or defeat of one or more clearly identified candidates.
3. **Two Part Definition of Unmistakably Urging Election or Defeat**
 - **Part A: Specific Call to Action**
 - **Part B: “Only Reasonable Interpretation Test”**
4. **Part A: Specific Call to Action (11 CFR 100.22(a))**
 - a) **Explicit Words of Advocacy For or Against a Federal Candidate**
Examples: "Re-elect your Congressman," "support your Democratic nominee," "reject the incumbent."
 - b) **Urging Action with Respect to Candidates Associated with a Particular Issue**
Example: “Vote Pro-Environment,” when accompanied by names or photographs of candidates identified as supporting the issue.
 - c) **Campaign Slogan or Words (e.g., on bumper stickers & ads) that can have No Other Reasonable Meaning than to Support or Oppose Candidate,**
Examples: “Bush/Cheney!”, “Obama for America!”

5. **Part B: Express Advocacy by Context – “Only Reasonable Interpretation Test” (11 CFR 100.22(b))**

Absent explicit words of advocacy for or against a candidate, the communication, when taken as whole and with limited reference to context, can only be interpreted by reasonable person as “encouraging action to elect or defeat” federal candidate.



Independent = Unlimited

Expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate, that is not made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate or his/her agents.

2012 FEC Information Division

C. **The Basics**

1. **No Limits if Definition Met**

One may spend an unlimited amount because the expenditure is not coordinated (and thus, a contribution).

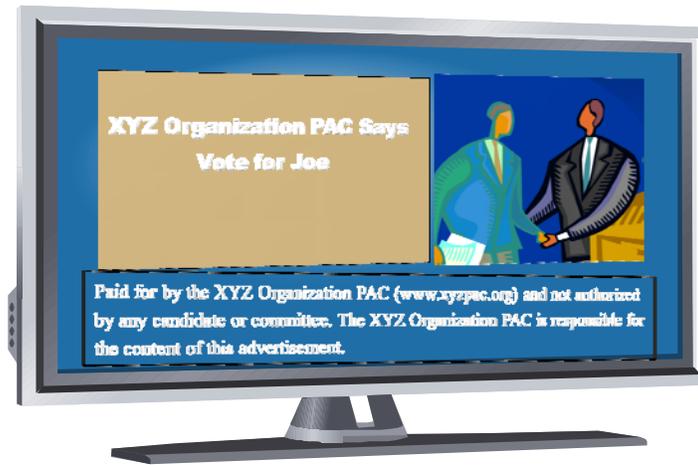
2. **If Coordinated, In-kind Contribution Results (See 11 CFR 109.21 and Section III).**

3. **Disclaimer required (See 11 CFR 110.11 and Basics Tab 1)**



Independent Expenditures

Example



2012 FEC Information Division



Disclosure

- PACs report using Schedule E
- Date made = Date disseminated
- Aggregate on per calendar year, per election, per office sought basis

2012 FEC Information Division

4. **Disclosure of Independent Expenditures**
 - a) **Report using Schedule E/FEC Form 3X during appropriate reporting period.**
 - b) **Date Made = Date Disseminated**
 - An independent expenditure is considered made when it is publicly distributed or otherwise publicly disseminated.
 - See the FEC's new interpretative rule at 76 FR 16233 (October 4, 2011) (online at http://www.fec.gov/law/cfr/ej_compilation/2011/notice_2011-13.pdf)
 - c) **Aggregation**
Done on a per calendar year, per election, per office sought (race) basis.
 - d) **Additional reporting on 48- and 24- hour basis:**



Independent Expenditures

- **48-Hour Notices**
Required for IEs aggregating \geq \$10,000 made 20 days or more before an election
- **24-Hour Notices**
Required for IEs aggregating \geq \$1,000 made < 20 days but more than 24 hours before an election.
- **Disclose again on next regular report**

2012 FEC Information Division

- **48-Hour Reporting (11 CFR 104.5(g)(1))**
 - Must file a **48-hour notice** for independent expenditures that aggregate \$10,000 or more, anytime during a calendar year up to and including the 20th day before an election.
 - A 48-Hour Notice is required each time an additional \$10,000 is aggregated in independent expenditures.
- **24-Hour Reporting (11 CFR 104.5(g)(2))**
 - Must file a **24-hour notice** for independent expenditures aggregating \$1,000 or more made less than 20 days but more than 24 hours before the day of an election.
 - A 24-Hour Notice is required each time an additional \$1,000 is aggregated in independent expenditures.
- **The 48-Hour Notice and 24-Hour Notice time frames** for each state are located on our website at http://www.fec.gov/info/report_dates_2012.shtml#ie.



Scenario

Reporting Independent Expenditures

2012 FEC Information Division

Reporting Example #4: Large Last-Minute Independent Expenditures

Background: On October 14, 2012 —23 days before the November 6 general election—the Emerald Coast Consulting, Inc. PAC runs \$6,000 in ads in *The Key Biscayne Times* newspaper supporting 4th district House candidate, Arthur Fonzarelli. Two days later - on October 16 - the PAC runs \$4,200 more in ads in the *Times* attacking Fonzarelli’s opponent, Pinky Tuscadero. Then, just two days before the election - November 4 - the PAC runs a \$7,500 radio ad on WBQW-FM supporting Fonzarelli. Payment for these ads occurred on November 24, 2012.

- 1. What type of transaction is this?**
- 2. How must the committee disclose the transaction(s)?**
- 3. What information from the scenario do we need to disclose this correctly?**

Reporting Example #4 Answers:

1. What type of transaction is this?

Answer: The PAC is making an independent expenditure, defined as an expenditure for communication that "expressly advocates" the election or defeat of a clearly identified candidate and that is not made in cooperation with, or at the suggestion of, the candidate or his/her campaign or its agents, or a political party or its agents.

2. How must the committee disclose the transaction(s)?

Answer:

- An independent expenditure is considered made when it is publicly distributed or otherwise publicly disseminated.
- Committees must file a **48-hour notice** for independent expenditures that aggregate \$10,000 or more, per election, per office, anytime during a calendar year up to and including the 20th day before an election (including a special election).
- Committees must file a **24-hour notice** for independent expenditures that aggregate \$1,000 or more, per election, per office, and is made less than 20 days but more than 24 hours before the day of an election (including a special election), the committee must file a 24-hour report on Schedule E disclosing the independent expenditure.
- Must disclose again, on Schedule E, on the next regular FEC report.
- Committees must report both the date of dissemination and the date of payment (and debt, if these take place during different reporting periods). Let's look at some different examples using our scenario.

3. What information from the scenario do we need to disclose this correctly?

Answer: The first two ads aggregated more than \$10,000 for the calendar year for the Florida House special general election and were made more than 20 days before the election. This triggers the requirement to file 48-hour notices on a stand-alone Schedule E *solely to indicate the date the communications were disseminated*. In this case, the requirement was triggered on October 16, so the 48-hour notices are due October 18.



48-Hour IE Notice

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC		FEC IDENTIFICATION NUMBER C 00000004
Check if <input type="checkbox"/> 24-hour notice <input checked="" type="checkbox"/> 48-hour notice		
Full Name (Last, First, Middle Initial) of Payee Key Biscayne Times		Date 10 / 14 / 2012
Mailing Address 135 Biscayne Blvd.		Amount \$6,000.00
City Key Biscayne	State FL	Zip Code 00000
Purpose of Expenditure Newspaper Ad	Category/Type	Office Sought: <input checked="" type="checkbox"/> House State: FL <input type="checkbox"/> Senate District: 4 <input type="checkbox"/> President
Name of Federal Candidate Supported or Opposed by Expenditure: Arthur Fonzarelli		Check One: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose
Calendar Year-To-Date Per Election for Office Sought \$6,000.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012 general

2012 FEC Information Division



48-Hour IE Notice

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC		FEC IDENTIFICATION NUMBER C 00000004
Check if <input type="checkbox"/> 24-hour notice <input checked="" type="checkbox"/> 48-hour notice		
Full Name (Last, First, Middle Initial) of Payee Key Biscayne Times		Date 10 / 16 / 2012
Mailing Address 135 Biscayne Blvd.		Amount \$4,200.00
City Key Biscayne	State FL	Zip Code 00000
Purpose of Expenditure Newspaper Ad	Category/ Type	Office Sought: <input checked="" type="checkbox"/> House State: FL <input type="checkbox"/> Senate District: 4 <input type="checkbox"/> President
Name of Federal Candidate Supported or Opposed by Expenditure: Pinky Tuscadero		Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose
Calendar Year-To-Date Per Election for Office Sought \$10,200.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012 general

2012 FEC Information Division

4. Now, while we have fulfilled the notice requirement for these two communications, where else must we disclose the dissemination date of these ads?
5. So the money has not actually left our account. What else do we have to disclose in addition to the date of the independent expenditures, as disclosed on Schedule E?

4. Now, while we have fulfilled the notice requirement for these two communications, where else must we disclose the dissemination date of these ads?

Answer: On our next scheduled report (the 12 Day Pre-General in this example, covering October 1-17, 2012, and due October 25, 2012), using Schedule E again. They are itemized as memo entries on Schedule E, however, because we will not have paid the newspaper by the time the report is due.



Schedule E

(Pre-General)

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES			PAGE 1 OF 1 FOR LINE 24 OF FORM 3X
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC		FEC IDENTIFICATION NUMBER C 00000004	
Check if <input type="checkbox"/> 24-hour notice <input type="checkbox"/> 48-hour notice		Date 10 / 14 / 2012	
Full Name (Last, First, Middle Initial) of Payee Key Biscayne Times		Amount MEMO \$6,000.00	
Mailing Address 135 Biscayne Blvd.		City State Zip Code Key Biscayne FL 00000	
Purpose of Expenditure Newspaper Ad		Office Sought: <input checked="" type="checkbox"/> House State: FL <input type="checkbox"/> Senate District: 4 <input type="checkbox"/> President	
Name of Federal Candidate Supported or Opposed by Expenditure: Arthur Fonzarelli		Check One: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	
Calendar Year-To-Date Per Election for Office Sought \$6,000.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012 general	

2012 FEC Information Division



Schedule E (Pre-General)

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC		FEC IDENTIFICATION NUMBER C 00000004	
Check if <input type="checkbox"/> 24-hour notice <input type="checkbox"/> 48-hour notice			
Full Name (Last, First, Middle Initial) of Payee Key Biscayne Times		Date 10 / 16 / 2012	
Mailing Address 135 Biscayne Blvd.		Amount MEMO \$4,200.00	
City Key Biscayne	State FL	Zip Code 00000	
Purpose of Expenditure Newspaper Ad	Category/Type	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	State: FL District: 4
Name of Federal Candidate Supported or Opposed by Expenditure: Pinky Tuscadero		Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	
Calendar Year-To-Date Per Election for Office Sought \$10,200.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012 general	

2012 FEC Information Division

5. So the money has not actually left our account. What else do we have to disclose in addition to the date of the independent expenditures, as disclosed on Schedule E?

Answer: Show a debt owed to the newspaper on Schedule D, supporting Line 10, on the same report (12 Day Pre-General) and on subsequent reports until it is repaid.



IE – Report Debt Owed

Other Reporting - Debt

SCHEDULE D (FEC Form 3X) DEBTS AND OBLIGATIONS Excluding Loans		(Use separate schedule(s) for each numbered line)	PAGE 1 OF 1 FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC			
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor Key Biscayne Times		Nature of Debt (Purpose): Newspaper Ads/IEs	
Mailing Address 135 Biscayne Blvd.		10/14/12 and	
City Key Biscayne	State FL	Zip Code 00000	
Outstanding Balance Beginning This Period \$0.00		10/16/12	
Amount Incurred This Period \$10,200.00	Payment This Period \$0.00	Outstanding Balance at Close of This Period \$10,200.00	

2012 FEC Information Division

6. What will our reporting obligations be after payment is made on November 24?

7. Do we have anything left to report?

6. What will our reporting obligations be after payment is made on November 24?

Answer: Disclose the payments on Schedules E in the next scheduled report (30-Day Post-General, covering October 18 – November 26, 2012, and due December 6, 2012).



Schedule E

(Post-General)

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC		FEC IDENTIFICATION NUMBER C 00000004
Check if <input type="checkbox"/> 24-hour notice <input type="checkbox"/> 48-hour notice		
Full Name (Last, First, Middle Initial) of Payee Key Biscayne Times		Date 11 / 24 / 2012
Mailing Address 135 Biscayne Blvd.		Amount \$6,000.00
City Key Biscayne	State FL	Zip Code 00000
Purpose of Expenditure Newspaper Ad – 10/14/12	Category/Type	Office Sought: <input checked="" type="checkbox"/> House State: FL <input type="checkbox"/> Senate District: 4 <input type="checkbox"/> President
Name of Federal Candidate Supported or Opposed by Expenditure: Arthur Fonzarelli		Check One: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose
Calendar Year-To-Date Per Election for Office Sought \$17,700.00		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) 2012 general

2012 FEC Information Division



Schedule E (Post-General)

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC		FEC IDENTIFICATION NUMBER C 00000004	
Check if <input type="checkbox"/> 24-hour notice <input type="checkbox"/> 48-hour notice			
Full Name (Last, First, Middle Initial) of Payee Key Biscayne Times		Date 11 / 24 / 2012	
Mailing Address 135 Biscayne Blvd.		Amount \$4,200.00	
City Key Biscayne	State FL	Zip Code 00000	
Purpose of Expenditure Newspaper Ad - 10/16/12	Category/ Type	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	State: FL District: 4
Name of Federal Candidate Supported or Opposed by Expenditure: Pinky Tuscadero		Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	
Calendar Year-To-Date Per Election for Office Sought \$17,700.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012 general	

2012 FEC Information Division

7. Do we have anything left to report?

Answer: Yes, report the payment of the debt on Schedule D.



IE – Pay Debt

Other Reporting - Debt

SCHEDULE D (FEC Form 3X) DEBTS AND OBLIGATIONS Excluding Loans		(Use separate schedule(s) for each numbered line)	PAGE 1 OF 1 FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC			
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor Key Biscayne Times		Nature of Debt (Purpose): Newspaper Ads/IEs	
Mailing Address 135 Biscayne Blvd.		10/14/12 and	
City Key Biscayne	State FL	Zip Code 00000	10/16/12
Outstanding Balance Beginning This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$10,200.00</div>			
Amount Incurred This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$0.00</div>		Payment This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$10,200.00</div>	
Outstanding Balance at Close of This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$0.00</div>			

2012 FEC Information Division

8. Now, what about our third ad - the radio ad? What special reporting, if any, did it trigger?

Review: On November 4, two days before the November 6 general election, the PAC runs a \$7,500 radio ad on WBQW-FM supporting Fonzarelli.

8. Now, what about our third ad - the radio ad? What special reporting, if any, did it trigger?

Answer: The third expenditure aggregates more than \$1,000 for the Florida District 4 general election and was made in the last 20 days of the election; therefore, it has triggered the requirement to file a 24-hour notice on Schedule E, *again just a notice to report the date of dissemination*. Since the requirement was triggered on November 4, the 24-Hour report is due November 5.



24-Hour IE Notice

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES			PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC		FEC IDENTIFICATION NUMBER C 00000004		
Check <input checked="" type="checkbox"/> 24-hour notice <input type="checkbox"/> 48-hour notice				
Full Name (Last, First, Middle Initial) of Payee WBQW-FM		Date 11 / 04 / 2012		
Mailing Address 12100 West Howard Avenue		Amount \$7,500.00		
City Miami	State FL	Zip Code 00000		
Purpose of Expenditure Radio Ad	Category/Type	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	State: FL District: 4	
Name of Federal Candidate Supported or Opposed by Expenditure: Arthur Fonzarelli		Check One: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose		
Calendar Year-To-Date Per Election for Office Sought		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012 general		
		\$17,700.00		

2012 FEC Information Division

9. Now, we have again only reported the date of dissemination but we haven't made the payment. How do we report the payment? Is there any debt to report?

9. Now, we have again only reported the date of dissemination but we haven't made the payment. How do we report the payment? Is there any debt to report?

Answer: We report the payment on our next scheduled report, the 30-Day Post-General (10/18/12 – 11/26/12), on Schedule E. There is no debt to report because we paid for the ad within the same reporting period in which the ad was run.



Schedule E

(Post-General)

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES			PAGE 1 OF 1 FOR LINE 24 OF FORM 3X
NAME OF COMMITTEE (In Full) Emerald Coast Consulting, Inc. PAC		FEC IDENTIFICATION NUMBER C 00000004	
Check if <input type="checkbox"/> 24-hour notice <input type="checkbox"/> 48-hour notice			
Full Name (Last, First, Middle Initial) of Payee WBQW-FM		Date 11 / 24 / 2012	
Mailing Address 12100 West Howard Avenue		Amount \$7,500.00	
City Miami	State FL	Zip Code 00000	
Purpose of Expenditure Radio Ad – 11/4/12	Category/Type	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	State: FL District: 4
Name of Federal Candidate Supported or Opposed by Expenditure: Arthur Fonzarelli		Check One: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	
Calendar Year-To-Date Per Election for Office Sought \$17,700.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2012 general	

2012 FEC Information Division

Tricky Issues: Reporting Last-Minute Advertising

- **Debts**
 - Debts include ads that are contracted for but not paid for
 - When payment for ad is made in subsequent reporting period, report payment on Schedule E, and include date of dissemination in purpose field.
 - Update Schedule D with payment; cross-reference Schedule E.

- **24-Hour Reporting**
 - Must file a **24-hour notice** for independent expenditures aggregating (per calendar year, per election, per office) \$1,000 or more made less than 20 days but more than 24 hours before the day of an election.

- Aggregation is done on a per calendar year, per election, per office sought (race) basis.
- Use Schedule E on Form 3X – check “24-hour” box.
- Must be received by FEC within 24 hours after the independent expenditure is publicly distributed or otherwise publicly disseminated.
- Must be certified (signed) by treasurer (e-filers should type the treasurer's name following the certification on the notice).
- For paper filers, can use overnight delivery, hand-delivery or fax to 202-219-0174 (certified or registered mail date will not be considered filed date for these).
- Last-minute independent expenditures must be disclosed again on Schedule E of the next scheduled report that the committee files.
- A 24-Hour Notice is required each time an additional \$1,000 is aggregated in independent expenditures.
- The 24-Hour Notice time frames for each state are located on our web site at http://www.fec.gov/info/report_dates_2011.shtml#ie.
- **48-Hour Reporting**
 - In addition, must file a **48-hour notice** for independent expenditures that aggregate \$10,000 or more, anytime during a calendar year up to and including the 20th day before an election.
 - Use Schedule E on Form 3X – check “48-hour” box.
 - Must be received by FEC within 48 hours after expenditure is publicly distributed or otherwise publicly disseminated.
 - Must be certified (signed) by treasurer (e-filers should type the treasurer's name following the certification on the notice).
 - For paper filers, can use overnight delivery, hand-delivery or fax to 202-219-0174 (certified or registered mail date will not be considered filed date for these).
 - Last-minute independent expenditures must be disclosed again on Schedule E of the next scheduled report that the committee files.
 - Aggregation is done on a per calendar year, per election, per office sought (race) basis.
 - A 48-Hour Notice is required each time an additional \$10,000 is aggregated in independent expenditures.



Workshop Evaluation

Help Us Help You!

Please complete an evaluation
of today's workshop.

2012 FEC Information Division



Next Workshop

Best Practices for
FEC Compliance