

CAMPAIGN OPERATIONS

PART 1: FUNDRAISING



March 20, 2013
9:30 a.m.

Objectives - Part 1

- ▣ How Contributions Work
- ▣ Curing Excessive Contributions
- ▣ Contributions with Tricky Reporting
- ▣ Candidate Support for the Campaign

CAMPAIGN FUNDRAISING

Contribution Basics

Per Election Limits:

\$2,600 (indexed for inflation)

- Individuals/Persons
- Non-multicandidate committees (“non-qualified”)

\$5,000 (not indexed)

- Multicandidate committees (“qualified”)

\$2,000 (not indexed)

- Campaign committee to campaign committee

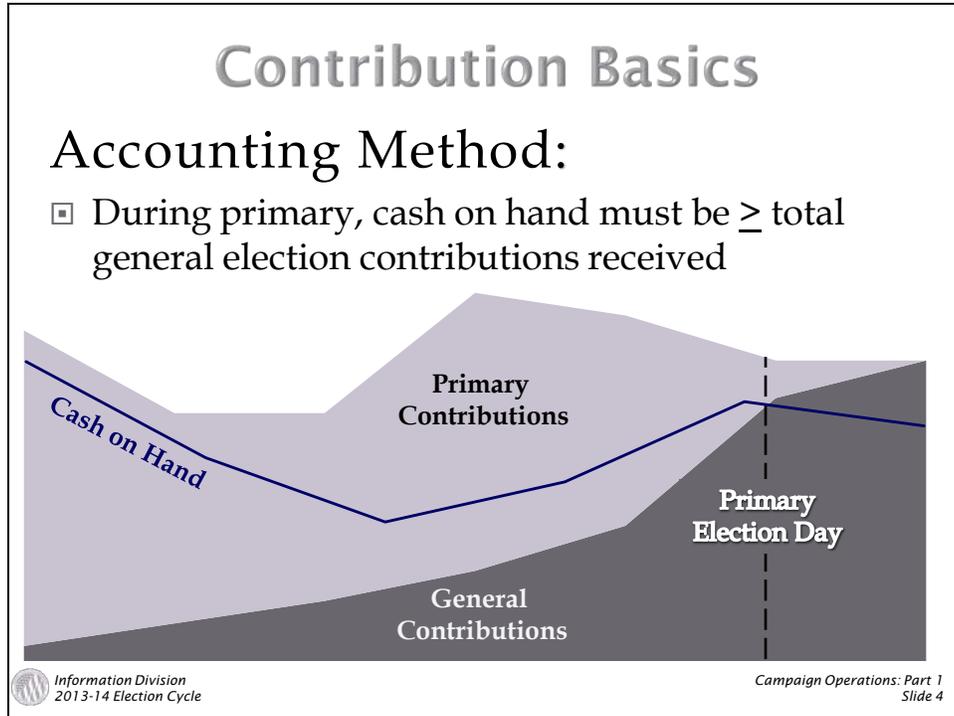
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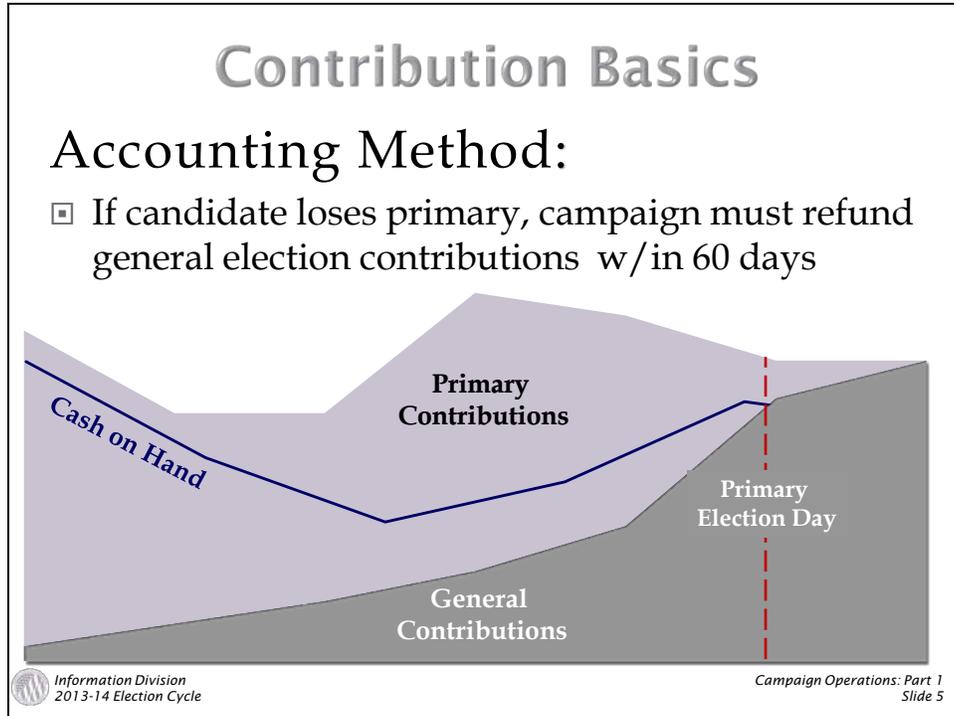
I. Per Election Basis

A. Subject to Limit (*Guide*, p. 17)

1. Limits are per election, per candidate.
 - a) **\$2,600/election** (indexed for inflation) from individuals, persons, non-multicandidate committees.
 - b) **\$5,000/election** (not indexed) from multicandidate committees.
 - c) **\$2,000/election** (not indexed) from one federal candidate’s authorized committee to another federal candidate’s authorized committee.
2. The value of an in-kind contribution (usual and normal charge) counts against same contribution limit as gifts of money.



- B. Accounting Method** (*Guide*, p. 74)
1. Campaign must adopt an accounting system to distinguish between contributions made for the primary and those for the general election.
 2. During the primary, the campaign's cash on hand must at least equal the amount of general election contributions received. 11 CFR 102.9(e)(2).



- C. Candidates Who Lose in the Primary** (*Guide*, pp. 20-21)
1. Entitled to limit only if candidate seeks office in that election.
 2. Candidate who accepts contributions for general election before primary is held and loses the primary must refund, redesignate or reattribute general election contributions within 60 days of the primary or public withdrawal from the primary race. 11 CFR 110.1(b)(3) and (5).
 3. Similar application for convention, runoff, etc.

Contribution Basics

Debt Retirement Contributions

- ▣ Debt is assigned to an election
- ▣ Debt retirement contributions acceptable if:
 - Campaign has “net debts” for an election
 - Contribution designated for that election AND
 - Does not exceed per election limit

D. Contributions to Retire Debts (*Guide*, pp. 27-28)

1. Debt Retirement Contributions

- a) If a committee has net debts outstanding after an election is over, it may accept contributions after the election to retire debts provided that the:
 - (1) Contribution is **designated** for that election;
 - (2) Contribution does **not exceed contributor’s limit for the designated election**; and
 - (3) Campaign has **net debts outstanding** on the day it receives the contribution. 11 CFR 110.1(b)(3)(i) and (iii).
- b) For example, campaigns retiring debt for 2012 general can accept up to \$2,500 from an individual, not the current \$2,600 limit.

Net Debts Outstanding

- ▣ Net debts outstanding is amount committee can raise to retire debt; adjusted continuously
- ▣ Terminating committees may add the cost of winding down

2. Calculating net debts outstanding

- a) A campaign's net debts outstanding consist of unpaid debts incurred with respect to a particular election, minus cash on hand.
- b) First calculated as of the day of election.
- c) Figure is continually recalculated as additional funds are received for, or spent on, the election for which debt remains.

Net Debts Outstanding



Receipts
- Disbursements

Cash on Hand

Debts
- Cash on Hand

Net Debts
Outstanding

II. Methods for Curing Excessive Contributions

Curing Excessives

Options: The Three R's

Refund	Redesignate	Reattribute
• To donor	• To another election	• To another donor
1	2	3

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Practical Application



MICHAEL OR LISA SMITH
123 HICKORY LANE 555-1234
COLORADO SPRING, CO 80901

101

May 4 2014

PAY Cosmo Kramer for Congress Committee \$ 5,200.00
to the order of Five thousand two hundred and xx/100

YOUR FINANCIAL INSTITUTION
ADDRESS OF YOUR INSTITUTION

UNDESIGNATED *Lisa Smith*

⑆ 123456789⑆ 123456⑆ 101

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Curing Excessives

Options: The Three R's

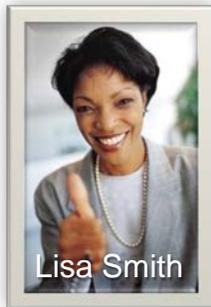
Refund • To donor	Redesignate • To another election	Reattribute • To another donor
1	2	3

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- A. **Refund**
- B. **Redesignate** – (11 CFR 110.1(b)(5)(ii)(B)(1)-(4)); (*Guide*, pp. 24-27)

Presumptive Redesignation



1. Designate \$2,600 to Primary
2. Redesignate \$2,600 to General
3. Notify Lisa, offering option of refund

* Ensure that donor does not exceed contribution limit

1. **Presumptive Redesignation**

If individual or non-multicandidate committee makes an excessive primary contribution, campaign may presumptively redesignate excessive portion to general election if contribution:

- a) Is made before candidate's primary election;
- b) Is not designated in writing for a particular election;
- c) Would be excessive if treated as a primary election contribution; and
- d) As redesignated, does not cause the contributor to exceed any other contribution limit.

2. **Backward-looking provision:** An undesignated contribution made after primary, but before general, may be applied to primary debt if campaign's net debts are greater than the amount redesignated.

3. **Notification Requirement**

Committee must notify contributor of redesignation by paper mail, e-mail, fax or other written method within 60 days of treasurer's receipt of contribution; must notify contributor of right to receive refund instead.

4. **Electronic Contributor Redesignations**

The Commission has recently acknowledged that, in certain circumstances, an online process can provide a sufficient level of assurance as to the contributor's identity and intent such that it satisfies the written signature requirements. See Interpretive Rule Regarding Electronic Contributor Redesignations, 76 FR 16233 (March 23, 2011). Available on FEC website at:

http://www.fec.gov/law/cfr/ej_compilation/2011/notice_2011-02.pdf



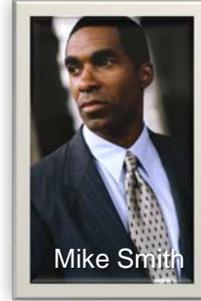
- C. **Reattribute** – (11 CFR 110.1(k)(3)(ii)(B)(1)); (*Guide*, p. 25)
1. **Attribution of Contributions by Contributors**
 - a) Individual contributions attributed to person(s) who sign check.
 - b) Joint account – both must sign check or accompanying statement.

Presumptive Reattribution



Lisa Smith

1. Attribute \$2,600 to Lisa
2. Reattribute excessive \$2,600 to Michael
3. Notify both; offering option of a refund



Mike Smith

* Ensure that neither donor exceeds contribution limit



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2. **Presumptive Reattribution**

If individual contribution exceeds limit and is made on joint account, but has only one signature:

- a) Attribute permissible amount to the signer; and
 - b) Presumptively reattribute excessive amount to other account holder, without obtaining his/her signature.
3. Reattribution may not cause contributors to exceed any contribution limits.
 4. Committee must notify contributor of reattribution by paper mail, e-mail, fax or other written method within 60 days of treasurer's receipt of contribution; must notify contributor of right to receive refund instead.

Avoid Excessives

- ▣ Encourage donors to designate contributions
- ▣ Obtain signatures for joint contributions



- ▣ Designation required if:
 - Contributing to a future election (i.e., not next election)
 - Contributing to retire debt from a past election

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D. Avoiding Excessive Contributions

1. **Campaigns** – Ask contributors to designate contributions for a particular election.
2. **Designate** all contributions your committee makes to federal candidates.
3. **Ask joint contributors** to make sure both sign check or accompanying statement.
4. **Designation of Campaign Contributions by Contributor**
 - a) If contributor intends contribution to count toward a future election, beyond the upcoming election.
 - b) If contributor wants contribution to retire candidate's debt of a past election. Note: This is permissible only if:
 - (1) Candidate has net debt outstanding from that election; and
 - (2) Contribution, when aggregated with previous contributions to same candidate for same election, does not exceed limit.

SCENARIO #1 -- Redesignation/Reattribution of Excessive Contributions
(Guide, pp. 92-94)

Congressman Cosmo Kramer is running for re-election in 2014. While visiting his son in New York City, Morty Seinfeld attended the Congressman's St. Patrick's Day fundraiser at Monk's Café. At the event, he made a \$500 contribution, designated for the primary (see check below). When Morty returned home to Florida, he talked to his wife, Helen, about doing more to get their friend Kramer re-elected to Congress. In response, she mailed the campaign a check for \$5,200 (see check below), which the campaign received on April 3, 2014.



1. How should the committee disclose the \$500 contribution from Morty Seinfeld?
2. Can we accept Helen's contribution check as written? If not, what must the campaign do to remedy the situation?
3. How should the committee disclose the transaction(s) that remedy the excessive contribution?
4. Key issues:

Reporting Receipts

How to Itemize Receipts

Always Itemize:

- ✓ Contributions from party committees and organizations
- ✓ Contributions from other political committees
- ✓ Transfers
- ✓ Loans

Itemize all other receipts when:

- ✓ Aggregate > \$200 from one source in an election cycle

Receipt transactions should include the following itemization information for contribution source:

- Name and mailing address;
- Occupation and employer (individuals only);
- FEC ID number (political committees only);
- Election to which contribution/loan was designated;
- Date of receipt;
- Amount of receipt; and
- Aggregate election-cycle-to-date total for all receipts from same source.

SCENARIO #1 – ANSWERS:

- How should the committee disclose the \$500 contribution from Morty Seinfeld?**
 Contributions from individuals are reported on Schedule A for Line 11(a)(i).

Redesignation/Reattribution

Receipt – Schedule A, Line 11(a)

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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)
Cosmo Kramer for Congress Committee

<p>Full Name (Last, First, Middle Initial) A. Morty Seinfeld</p> <p>Mailing Address Phase 2 – Pines of Mar Gables</p> <p>City Del Boca Vista State FL Zip Code 33433</p> <p>FEC ID number of contributing federal political committee. C</p> <p>Name of Employer Self Occupation Retired</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date of Receipt 03 / 17 / 2014</p> <p>Amount of Each Receipt this Period 500.00</p> <p>Election Cycle-to-Date 500.00</p>
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- Can we accept Helen’s contribution check as written? If not, what must the campaign do to remedy the situation?**

No. Potentially, these could be joint contributions. However, since only Helen signed the \$5,200 check, Helen has made an excessive contribution for the primary. To remedy this, the campaign can reattribute and/or redesignate the excessive portion of her contribution.

- How should the committee disclose the transaction(s) that remedy the excessive contribution?**

Reattribution:

Since Helen’s contribution is drawn on a joint account, the campaign has the option of reattributing the excessive portion to the joint account holder, Morty Seinfeld.

The campaign may presumptively reattribute the excessive portion (\$2,600) to Morty for the primary election as long as it would not cause him to exceed his limits.

Report receipt: show reporting on Schedule A for Line 11(a)(i). Two separate entries:

- a. Show check as written: \$5,200 contribution from Helen Seinfeld for primary; and
- b. Subtract excessive amount of contribution: -\$2,600 removed from Helen Seinfeld’s primary contribution.

For both entries, include cross-reference notations: “retribution and redesignation below.”

In our scenario, Morty Seinfeld made a \$500 contribution before the above check was written, so that attributing the full \$2,600 to him for the primary would cause him to exceed his limit for that election by \$500. Therefore, only \$2,100 may be reattributed to Morty.

Report reattribution: show reporting on Schedule A for Line 11(a)(i). Show full \$5,200 as primary contribution from Helen Seinfeld. Change attribution of excessive portion to Morty Seinfeld as MEMO entry and include notation in Amount of Each Receipt this Period box indicating, “retribution.”

SCHEDULE A (FEC Form 3)
ITEMIZED RECEIPTS

FOR LINE NUMBER (check only one)
 11a 11b 11c 12 13a 13b 13c

NAME OF COMMITTEE (In Full)
Cosmo Kramer for Congress Committee

A. Helen Seinfeld
 Full Name (Last, First, Middle Initial)
 Mailing Address: Phase 2 – Pines of Mar Gables, Del Boca Vista, FL 33433
 Date of Receipt: 04 / 03 / 2014
 Amount of Each Receipt this Period: 5,200.00
 Name of Employer: Self, Occupation: Homemaker
 Receipt For: Primary General Other (specify)
 Election Cycle-to-Date: 5,200.00

B. Helen Seinfeld
 Full Name (Last, First, Middle Initial)
 Mailing Address: Phase 2 – Pines of Mar Gables, Del Boca Vista, FL 33433
 Date of Receipt: 04 / 03 / 2014
 Amount of Each Receipt this Period: -2,600.00
 Name of Employer: Self, Occupation: Homemaker
 Receipt For: Primary General Other (specify)
 Election Cycle-to-Date: 2,600.00
MEMO Reattribution and Redesignation below

Morty Seinfeld
 Full Name (Last, First, Middle Initial)
 Mailing Address: Phase 2 – Pines of Mar Gables, Del Boca Vista, FL 33433
 Date of Receipt: 04 / 03 / 2014
 Amount of Each Receipt this Period: 2,100.00
 Name of Employer: Self, Occupation: Retired
 Receipt For: Primary General Other (specify)
 Election Cycle-to-Date: 2,600.00
MEMO Reattribution

Redesignation & Reattribution

See reattribution and redesignation below

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With the remaining \$500, the campaign can presumptively redesignate the excessive \$500 to the general election as a remedy.

Redesignation:

Campaign committees may also remedy an excessive contribution by applying the excessive portion to a future election. The campaign may presumptively redesignate the excessive portion to the general election as long as the contribution:

- Is made before the candidate's primary election;
- Is not designated;
- Would be excessive if treated as a primary election contribution; and
- As redesignated, does not cause the donor to exceed any other limits.

Helen Seinfeld has not yet made any general election contributions; therefore the campaign may presumptively redesignate either the full \$2,600 excessive portion of primary contribution to the general, or the \$500 that remains after the reattribution to Morty. To maximize the availability of funds for the primary, the campaign chooses the latter.

Report redesignation: show reporting on Schedule A for Line 11(a)(i) as a \$500 contribution from Helen Seinfeld. Change designation to general as a MEMO entry and include notation in Amount of Each Receipt this Period box indicating, "redesignation."

See Reporting Example on Next Page

**SCHEDULE A (FEC Form 3)
 ITEMIZED RECEIPTS**

FOR LINE NUMBER: (check only one) PAGE
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 12 13a 13b 14

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NAME OF COMMITTEE (In Full)
Cosmo Kramer for Congress Committee

Full Name (Last, First, Middle Initial)
Helen Seinfeld

A. Mailing Address
Phase 2 – Pines of Mar Gables
 City **Del Boca Vista** State **FL** Zip Code **33433**

Date of Receipt
04 / 03 / 2014

FEC ID number of contributing federal political committee.
C

Amount of Each Receipt this Period
5,200.00

Name of Employer
Self Occupation **Homemaker**

Receipt For:
 Primary General
 Other (specify)

Election Cycle-to-Date
5,200.00

See reattribution and redesignation below

Full Name (Last, First, Middle Initial)
Helen Seinfeld

A. Mailing Address
Phase 2 – Pines of Mar Gables
 City **Del Boca Vista** State **FL** Zip Code **33433**

Date of Receipt
04 / 03 / 2014

FEC ID number of contributing federal political committee.
C

Amount of Each Receipt this Period
500.00

Name of Employer
Self Occupation **Homemaker**

Receipt For:
 Primary General
 Other (specify)

Election Cycle-to-Date
3,100.00

**MEMO
 Redesignation**

Receipt For:
 Primary General
 Other (specify)

Election Cycle-to-Date
2,600.00

**MEMO
 Reattribution**

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4. Key issues:

- A presumptive reattribution is allowed even if only one signature is on the check. Ensure that the reattribution won't cause donors to exceed any limits (i.e., per election limits, biennial limit).
- A presumptive redesignation for the primary to the general election is allowed if the contribution is not designated for a particular election. For example, if Helen had written "primary" on the memo line of her check, a presumptive redesignation would not be allowed. The redesignation would need to be done the "old" way – with written authorization from contributor within 60 days of receipt BEFORE the redesignation could occur.
- Remember written notification to contributor(s) must be done within 60 days of receipt for presumptive reattributions and redesignations. The notification must also offer the contributor the option to receive a refund instead.

Partnerships/LLCs

- ▣ Partnerships/Non-corporate LLCs may contribute \leq \$2,600 per election

- ▣ Dual Attribution
 - Counts as contribution from partnership and from non-corporate members
 - Allocation based on ownership stake or other agreement among partners

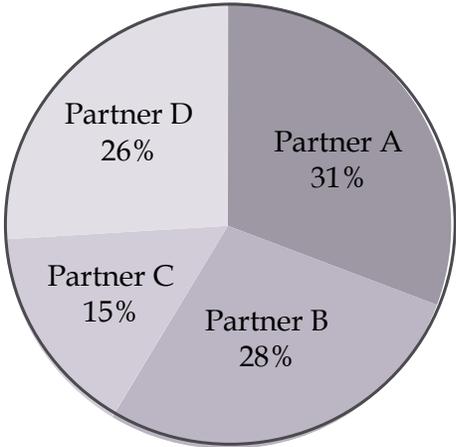
III. Contributions with Tricky Reporting

- A. **Partnership and Limited Liability Company (LLC) Contributions** – (11 CFR 110.1(e) and (g)); (*Guide*, pp.127-129)
1. **Limit: \$2,600/election** (indexed for inflation).
 2. **Dually Attributed**
 - a) Contributions are attributed both to the partnership (or LLC) and also to individual partners based on their share of the profits/losses.
 - b) Partnerships and LLCs must provide campaign with written statement indicating attribution to partners.
 - c) Cannot attribute to any corporate partners.

See Example of Attribution on Next Page

Example: Dual Attribution

Partnership Contribution:



Partner A	\$800
Partner B	\$725
Partner C	\$400
Partner D	\$675
<hr/>	
Partnership	\$2,600

Partnership

SCHEDULE A (FEC Form 3) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	PRELIMINARY NUMBER only one	PAGE OF
			X	
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) Cosmo Kramer for Congress Committee				
Full Name (Last, First, Middle Initial) A. J. Peterman Catalog, LLP		Date of Receipt 04 01 2014	Amount of Each Receipt for this Period 2,600.00	
Mailing Address 229 West 81st Street New York NY 10024		FEC ID number of contributing federal political committee. C	See attribution below	
Name of Employer J. Peterman Catalog		Occupation Owner/Founder	MEMO Partnership Attribution	
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Election Cycle-to-Date 1,300.00		
Full Name (Last, First, Middle Initial) B. John Peterman		Date of Receipt 04 01 2014	Amount of Each Receipt for this Period 1,300.00	
Mailing Address 229 West 81st Street New York NY 10024		FEC ID number of contributing federal political committee. C	MEMO Partnership Attribution	
Name of Employer J. Peterman Catalog		Occupation Senior Editor		
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Election Cycle-to-Date 1,300.00		
Full Name (Last, First, Middle Initial) C. Elaine Benes		Date of Receipt 04 01 2014	Amount of Each Receipt for this Period 1,300.00	
Mailing Address 229 West 81st Street New York NY 10024		FEC ID number of contributing federal political committee. C	MEMO Partnership Attribution	
Name of Employer J. Peterman Catalog		Occupation Senior Editor		
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Election Cycle-to-Date 1,300.00		

- Report total from partnership
- Use memo entries for individual partners

3. Reporting Tips

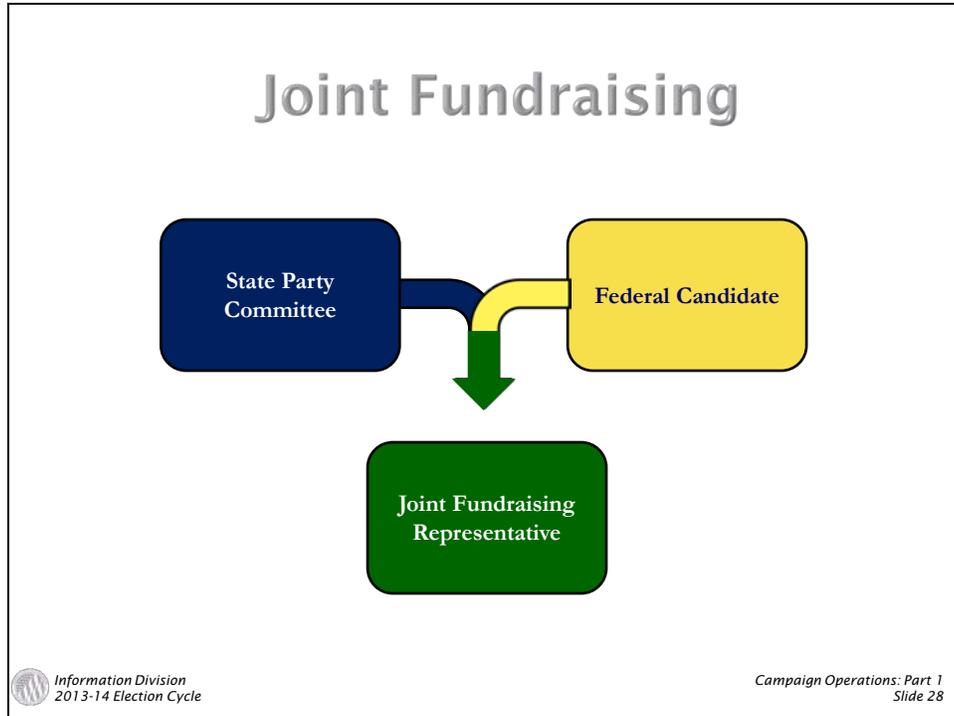
- Partnership contributions are disclosed on Schedule A for Line 11(a)(i).
- The campaign reports the contribution from entity (partnership/LLC) and includes notation in the Receipt this Period box indicating, "See attribution below."
- Use memo entries to indicate attribution to partners/members that aggregate over \$200 for the election cycle. Do NOT add them again to the totals.

Partnerships/LLCs

- ▣ Contributions by:
 - Corporate partner/member
 - Any LLC treated as corporation



4. **Types of LLCs**
 - a) LLC Treated as Partnership
If treated as partnership for tax purposes, partnership rules above apply.
 - b) LLC Treated as Corporation
If treated as corporation for tax purposes, corporate prohibition on contributions applies.



- B. Joint Fundraising** – (11 CFR 102.17); (*Guide*, pp. 131-138)
Election-related fundraising conducted by a campaign committee and one or more other political committees or unregistered organizations.

Joint Fundraising

Procedures:

- ▣ Establish Joint Fundraising Representative (JFR)
 - Participants designate JFR as an authorized committee on Form 1
 - Collects/deposits joint fundraising contributions in separate account
 - Pays expenses and transfers proceeds to participants
- ▣ Create Written Agreement
 - Outlines formula for allocating proceeds and expenses

- 1. Joint Fundraising Representative**
 - a) All participants must either create a new committee (recommended) or select one of the participating federal political committees to act as joint fundraising representative (JFR).
 - b) New committee established as JFR must register with the FEC and must include the name of each participating federal candidate in the new committee's name.
 - c) Participants amend FEC Form 1 to designate JFR as an authorized committee.
 - d) Responsible for collecting and depositing joint contributions, paying expenses and allocating net proceeds to all participants.
 - e) Must keep records and report overall joint fundraising activity.
- 2. Screening Contributions**
 - a) JFR and participants must screen contributions to make sure they are neither prohibited nor in excess of contribution limits.
 - b) Maximum limit = total amount he/she may contribute to all participants, without exceeding any limits.
- 3. Joint Fundraising Agreement**

Participants agree to formula to allocate proceeds and expenses and sign a written agreement.

SCENARIO #2 -- Joint Fundraising Transfers (Guide, pp. 136-138)

Representative Cosmo Kramer and Senator George Costanza decide to hold an event on July 1, 2014 in Candidate Kramer's district to jumpstart their 2014 general election campaigns. They plan to divide the expenses and proceeds equally and have designated the "Kramer/Costanza Victory Fund" as their joint fundraising representative.

At the event, Kramer/Costanza Victory Fund collects a total of \$5,200. The only contributions came from two of Candidate Kramer's high school friends, Lloyd Braun and David Puddy. Each made a \$2,600 contribution at the event. Since the proceeds were split evenly (50%) between Representative Kramer and Senator Costanza, Mr. Braun and Mr. Puddy each made a \$1,300 contribution to Representative Kramer and a \$1,300 contribution to Senator Costanza.

Kramer/Costanza Victory Fund incurred \$1,000 in expenses to put on the July 1st event. As a result, the Kramer for Congress Committee received a check from the Kramer/Costanza Victory Fund on July 5, 2014, in the amount of \$2,100, comprising the committee's 50% allocation of net proceeds.

1. How should Kramer for Congress disclose the transfer in from Kramer/Costanza Victory Fund?

2. Is any additional disclosure necessary?

3. Key Issues:

SCENARIO #2 – ANSWERS:

1. How should Kramer for Congress disclose the transfer in from Kramer/Costanza Victory Fund?

The funds are coming from Kramer/Costanza Victory Fund, which has been authorized to raise money for the candidate. Therefore, the receipt is treated as a transfer of funds from an authorized committee – not as contributions from individuals. The campaign committee should itemize its net proceeds (the campaign’s share of the gross contributions, minus its share of expenses) as a receipt from Kramer/Costanza Victory Fund.

Report receipt of transfer from Joint Fundraising Representative (JFR): show reporting on Schedule A for Line 12. The Date of Receipt is the date the campaign receives the net proceeds from the JFR.

2. Is any additional disclosure necessary?

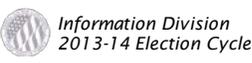
Yes. The committee must list the individual contributions contained in the transfer-in from the JFR that meet the itemization threshold using MEMO entries on Schedule A. The MEMO entries should be linked to the transfer (for electronic filers) or appear directly underneath the main transfer entry. This will make it clear which individual contributions made up each transfer in cases where the committee reports multiple JFR transfers. (If unable to link or list individual contributions underneath the main transfer entry, specify the JFR transfer date next to each individual contribution as MEMO text).

Report individual contributors: show reporting on Schedule A for Line 12 using MEMO entries. The Date of Receipt is the date the JFR received the contribution from the individual; the Amount of Each Receipt this Period is the campaign’s full share of contribution (before expenses); also include the notation in the Receipt This Period box indicating, “Kramer/Costanza Victory Fund – Joint Fundraiser.”

See Reporting Example on Next Page



SCHEDULE A (FEC Form 3) ITEMIZED RECEIPTS		FOR LINE NUMBER (check only one)		PAGE		OF	
Use separate schedule(s) for each category of the Detailed Summary Page		<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c	<input type="checkbox"/> 11d	<input type="checkbox"/> 12	<input type="checkbox"/> 13
<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) Cosmo Kramer for Congress Committee							
A. Full Name (Last, First, Middle Initial) Kramer/Costanza Victory Fund				Date of Receipt 07 / 05 / 2014			
Mailing Address 48 West 77 th Street City: New York State: NY Zip Code: 10024				Amount of Each Receipt This Period 2,100.00			
FEC ID number of contributing federal political committee: C 00558741				Joint Fundraising Committee			
Name of Employer: _____ Occupation: _____				Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____			
Election Cycle-to-Date: _____				2,100.00			
B. Full Name (Last, First, Middle Initial) Lloyd Braun							
Mailing Address 340 Amsterdam Avenue City: New York State: NY Zip Code: 10024				Date of Receipt 07 / 01 / 2014			
FEC ID number of contributing federal political committee: C _____				Amount of Each Receipt This Period 1,300.00			
Name of Employer: NYC Mayor's Office Occupation: Chief of Staff				MEMO Kramer/Costanza Victory Fund - Joint Fundraiser			
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____				Election Cycle-to-Date: _____			
1,300.00				1,300.00			
C. Full Name (Last, First, Middle Initial) David Puddy							
Mailing Address 375 West End Avenue City: New York State: NY Zip Code: 10024				Date of Receipt 07 / 01 / 2014			
FEC ID number of contributing federal political committee: C _____				Amount of Each Receipt This Period 1,300.00			
Name of Employer: West End Auto Body Occupation: Mechanic				MEMO Kramer/Costanza Victory Fund - Joint Fundraiser			
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____				Election Cycle-to-Date: _____			
1,300.00				1,300.00			

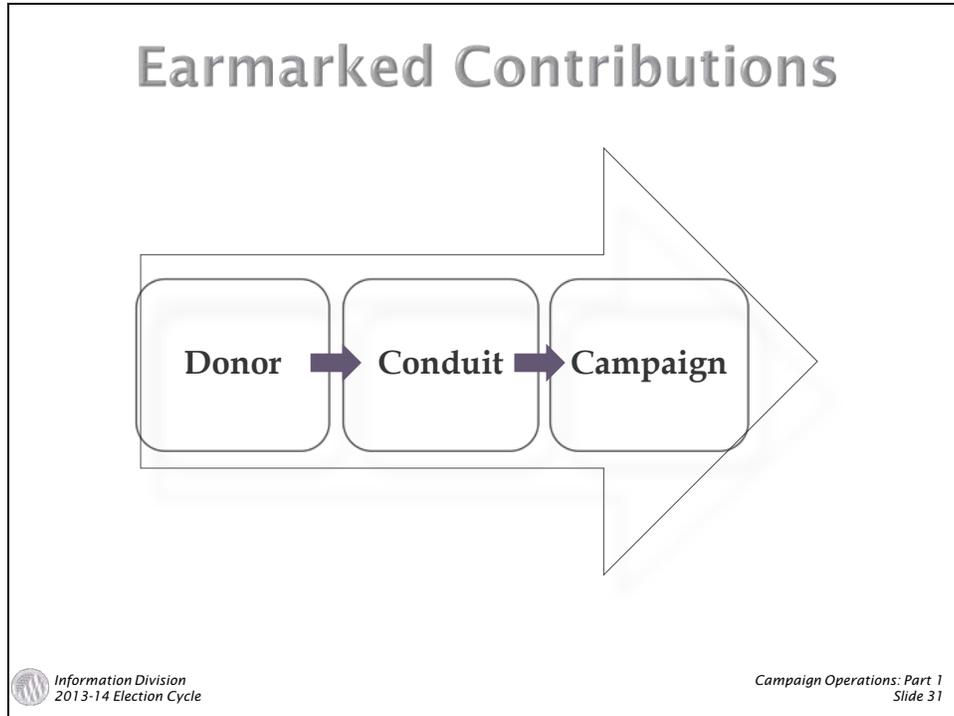


Campaign Operations: Part 1
Slide 30

- Report transfer received from JFR
- Memo entries for individual donors

3. Key issues:

- The date of receipt may be different for the JFR and the contributors.
- Report the transaction using Line 12 (Transfers from Other Authorized Committee), not Line 11(a)(i).
- Use MEMO entries to break out contributor itemization.
 - Report gross amount of contribution(s) and include a notation referring back to JFR.
 - Itemize contributions from the original donors making up its share of the gross receipts as MEMO entries on Schedule A (only contributions aggregating over \$200 for the election cycle for the contributor require itemization).
 - Please note that in most cases, the net amount of the transfer in to a participating campaign committee will be less than the sum of the MEMO entries supporting the transfer.
- The JFR pays expenses out of the total funds raised, and then gives participating committees their allocated share of the leftover money.
- Remember, when designating a separate JFR, participating campaign(s) must amend their FEC Forms 1 & 2 to add the JFR as an authorized committee.



- C. Earmarked Contributions** – (11 CFR 110.6); (*Guide*, pp. 123-126)
- 1. Definition**
A contribution to a candidate which the contributor directs (either orally or in writing) through an intermediary or conduit.

Conduit/Intermediary

Anyone who receives and forwards an earmarked contribution to a candidate

Except . . .

- Employees/full time volunteers of campaign
- Authorized fundraisers
- Affiliated committees of the campaign
- Commercial fundraising firms

2. Conduit/Intermediary

- a) Anyone who receives and forwards an earmarked contribution to a candidate. This includes individuals, political committees, unregistered committees and partnerships.
- b) Persons not considered conduits include:
 - (1) Corporations, unions and other prohibited sources;
 - (2) Employees or full time volunteers working for campaign committee;
 - (3) Individuals expressly authorized to raise money on behalf of the candidate;
 - (4) Committees affiliated with campaign committee; and
 - (5) Commercial fundraising firms retained by campaign committee.

Earmarked Contributions

Procedures:

- Contribution must be:
 - Forwarded to campaign within 10 days of conduit's receipt
- Conduit must:
 - Provide campaign with contributor information for FEC report

3. **Effect on Contribution Limits**
 - a) An earmarked contribution counts against the contributor's limit for the recipient candidate.
 - b) Conduit limit is affected when the conduit exercises direction or control over the contributor's choice of recipient candidate.
4. **Transmittal to Campaign**
 - a) The conduit must forward an earmarked contribution to the recipient campaign committee within 10 days of receiving the contribution.
 - b) Campaign should receive transmittal report from conduit containing the contributor information needed to disclose on FEC report.

SCENARIO #3: Earmarked Contributions (Guide, pp. 125-126)

The Kramer for Congress Committee receives a \$1,150 check from the Kramerica Industries PAC on April 15, 2014, along with the following note:

*Kramerica Industries PAC
129 W. 81st Street Apt. 5B
New York, NY 10024*

Dear Mr. Newman:

On April 13, a couple of our Gold Star Members gave me \$1,150 and asked that it be contributed to your campaign committee. These contributions were not solicited by our PAC. We are merely passing them along in the form of the enclosed PAC check.

Of the total amount, \$1,000 should be attributed to Mickey Abbott – he is an Executive VP and resides at 440 Columbus Avenue, New York, NY 10024. The remaining \$150 came from our other Executive VP, Joe Davola, of 400 Broome Street, also in NYC (Joe Davola has not previously made any contributions to Representative Kramer in this election cycle.)

Wishing you continued success in the primary season.

*Frank Costanza
Treasurer, Kramerica PAC*

- 1. Does the committee disclose the receipt of an earmarked contribution as a PAC contribution or as a contribution from the individual? Or both?**
- 2. How should the committee disclose the transaction(s)?**
- 3. Key issues:**

SCENARIO #3 – ANSWERS:

1. Does the committee disclose the receipt of an earmarked contribution as a PAC contribution, a contribution from the individual or both?

Only as a contribution from the individual(s). In this scenario, Kramerica PAC is acting as a conduit. Since the decision to make the contribution to the candidate was independently made by the individual contributor, not under the direction or control of the PAC, it is treated as a contribution only from the individual(s), not affecting the conduit PAC's limits.

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

- **Report itemized contribution from individual** on Schedule A for Line 11(a)(i). The Date of Receipt is the date the conduit received the money from contributor; itemization should also include a notation in the Receipt This Period box indicating, "Earmarked through Kramerica PAC." The \$150 contribution does not require itemization, but its value should be included in the total amount of unitemized contributions reported on Line 11(a)(ii).
- **Report the receipt from conduit** on Schedule A for Line 11(a)(i) as a MEMO entry. The Date of Receipt is the date the campaign received the funds from the conduit; itemization should also include a notation in the Receipt This Period box indicating "Total earmarked through conduit, PAC limits not affected."

See Reporting Example on Next Page

SCHEDULE A (FEC Form 3) ITEMIZED RECEIPTS		FOR LINE NUMBER: (check only one)	PAGE	OF
Use separate schedule(s) for each category of the Detailed Summary Page		<input checked="" type="checkbox"/> 11a		
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.		<input type="checkbox"/> 11b		
NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee		<input type="checkbox"/> 11c		
Full Name (Last, First, Middle Initial) Mickey Abbott		<input type="checkbox"/> 11d		
A. Mailing Address 440 Columbus Avenue		<input type="checkbox"/> 13a		
City New York State NY Zip Code 10024		<input type="checkbox"/> 13b		
FEC ID number of contributing federal political committee. C		<input type="checkbox"/> 13c		
Name of Employer Kramerica Industries Occupation Executive Assistant		<input type="checkbox"/> 14		
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		<input type="checkbox"/> 15		
Election Cycle-to-Date 1,000.00		Date of Receipt 04 / 13 / 2014		
Amount of Each Receipt this Period 1,000.00		Amount of Each Receipt this Period 1,000.00		
Earmarked through Kramerica PAC				
Full Name (Last, First, Middle Initial) Kramerica Industries PAC		Date of Receipt 04 / 15 / 2014		
B. Mailing Address 129 West 81st Street Apt. 5B		Amount of Each Receipt this Period 1,150.00		
City New York State NY Zip Code 10024		Amount of Each Receipt this Period MEMO		
FEC ID number of contributing federal political committee. C 00342972		Total earmarked through conduit PAC limit not affected		
Name of Employer Kramerica Industries PAC Occupation 				
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)				
Election Cycle-to-Date 1,150.00				

Earmarked

Both entries relate to a single receipt

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3. Key issues:

- The date of receipt may be different for the conduit and the contributor(s).
- Use MEMO entry if the amount of earmarked contributions passed on by the conduit exceeds \$200 over the election cycle.
- The conduit's contribution limit is affected if the conduit exercises direction or control over the choice of candidate. Please note that if the conduit's limit is affected, the conduit must tell the campaign.

Lobbyist Bundling

“Bundled Contributions”

- ▣ Contributions forwarded to a campaign by:
 - Lobbyist
 - Registrant
 - Lobbyist/Registrant PAC



- D. Disclosure of Contributions Bundled by Lobbyists/Registrants and Lobbyist/Registrant PACs – (11 CFR 104.22); (*Guide*, pp. 155-161)**
Generally, to be a bundled contribution, the intermediary between the contributor and recipient campaign committee must be a lobbyist, registrant or lobbyist registrant PAC.

Lobbyist Bundling

Types of Bundled Contributions

1. Forwarded Contributions
2. Received AND Credited Contributions

Exception for contributions made by:

- Lobbyist
- Registrant
- Lobbyist/Registrant PAC

1. **Bundled Contributions: Forwarded Contribution**

Contribution (monetary or in-kind) delivered or transmitted by physical or electronic means to campaign committee by lobbyist/registrant or lobbyist/registrant PAC or by any person the reporting committee knows to be acting on behalf of a lobbyist/registrant or lobbyist/registrant PAC.

2. **Bundled Contributions: Received and Credited Contribution**

Contribution (monetary or in-kind) received by campaign committee from contributor and credited by campaign to a lobbyist/registrant or lobbyist/registrant PAC through records, designations, or other means of recognizing that money has been raised by the lobbyist/registrant or lobbyist/registrant PAC.

a) **Track or Give Credit for Contributions: Records**

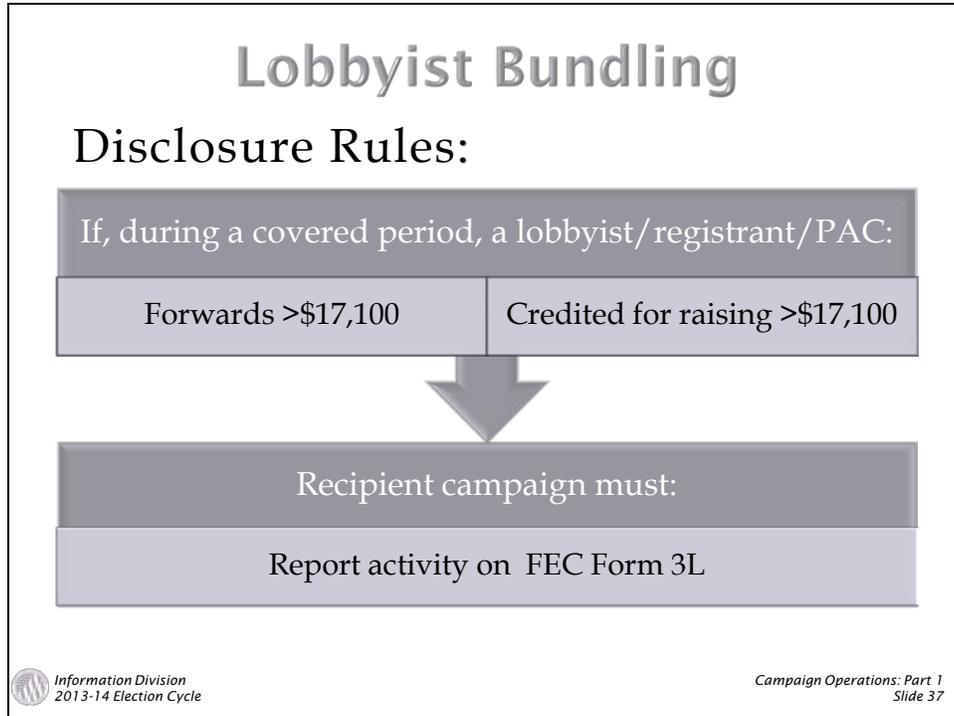
Written evidence (i.e., computer files, databases) that the campaign attributes contributions received by campaign as raised by a lobbyist/registrant/PAC.

b) **Track or Give Credit for Contributions: Designations or Other Means of Recognizing.**

Benefits given by the campaign to persons for raising a certain amount of contributions including, but not limited to:

- (1) **Titles** assigned by the campaign;
- (2) **Tracking identifiers** assigned by the campaign for the purpose of maintaining information about the amount of contributions the person raises;

- (3) **Access** (includes offers or attendance) to campaign events or activities; and
 - (4) **Mementos** given by the campaign (e.g. photos with the candidate or autographed copies of books authored by candidate).
- 3. **What is NOT a “Bundled” Contribution?**
Personal funds contributions from lobbyists/registrants or spouses of individual lobbyists/registrants; and contributions made by lobbyist/registrant PAC from its own PAC funds.
- 4. **Identifying Lobbyist/Registrant/Lobbyist Registrant PAC**
(*Guide*, pp. 156-157)



5. Disclosure of Lobbyist Bundling Activity (*Guide*, p. 157)

a) 2013 Disclosure Threshold = \$17,100

Campaign committees that receive two or more bundled contributions from a lobbyist/registrant or lobbyist/registrant PAC aggregating in excess of \$17,100 during a specific covered period are required to disclose activity on FEC Form 3L.

b) Bundled Contributions Disclosed on Form 3L

(*Guide*, pp. 157-160)

Form 3L is filed simultaneously with Form 3. 11 CFR 104.22(a)(5)

(1) 2013 “Covered Periods”

(i) Semi-Annual

- January 1 - June 30 (Mid-Year Semi-Annual), and
- July 1 - December 31 (Year End Semi-Annual).

AND

Quarterly

- January 1 - March 31 (April Quarterly),
- April 1 - June 30 (July Quarterly),
- July 1 - September 30 (October Quarterly), and
- October 1 - December 31 (Year End).

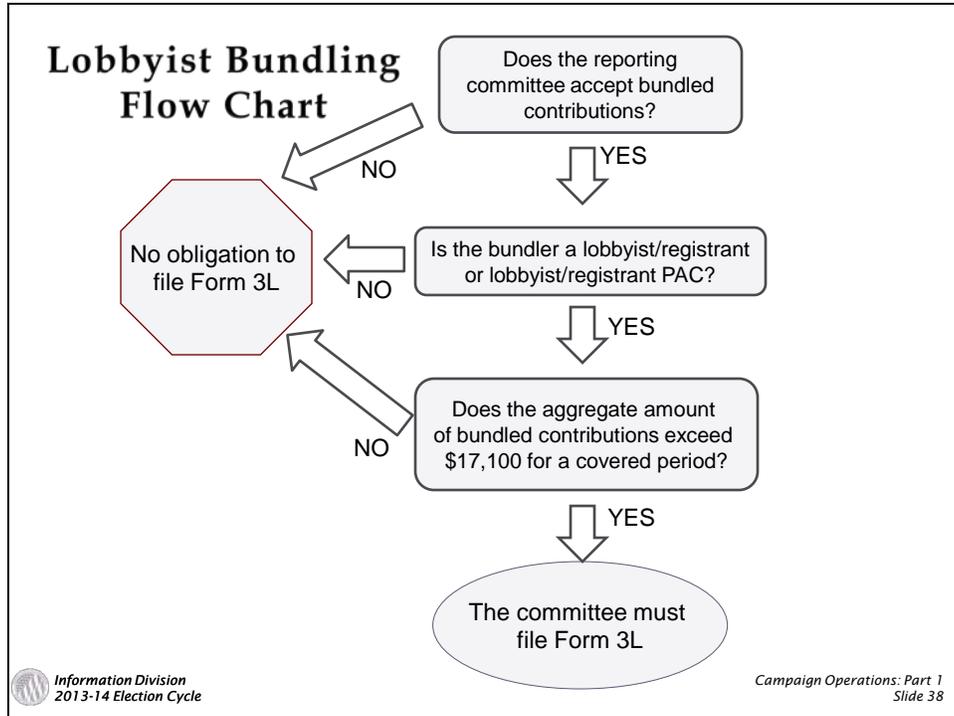
(ii) Pre-Election (if participating in special election)

(2) FEC Form 3L

- (i) Campaigns must also file a semi-annual report for any semi-annual period for which they filed a quarterly report.
- (ii) Example. A campaign that filed an April Quarterly 3L Report but did not trigger the 3L filing requirement during the July Quarterly period would not be responsible for filing a July Quarterly 3L Report, but would be responsible for filing a Mid-Year Semi-Annual 3L Report to reflect its bundled contributions during the January 1 through June 30 covered period.
- (iii) July Quarterly and Year End Reports can be filed as Quarterly/Semi-Annual Reports by checking the applicable box on the first page.

(3) Form 3L and Instructions:

<http://www.fec.gov/pdf/forms/fecfrm3l.pdf> and
<http://www.fec.gov/pdf/forms/fecfrm3l.pdf>



c) **Has My Campaign Triggered Disclosure of Bundled Contributions?**

To determine whether your campaign triggers disclosure under these rules, ask the following three questions:

- (1) Does the campaign receive forwarded contributions or give credit to fundraisers for contributions they raise?
- (2) If so, are the contributions forwarded by, or does the campaign give credit to, persons that qualify as lobbyists/registrants or lobbyist/registrant PACs?
- (3) If so, does the amount forwarded by, or credited to, a lobbyist/registrant or lobbyist/registrant PAC exceed \$17,100 during the covered period?

If the answer to all three questions is yes, then the campaign committee must file a Form 3L.

Candidate Support

- ▣ Unlimited Personal Funds
- ▣ ½ Jointly Held Assets
- ▣ Contributions vs. Loans
 - Both unlimited from personal funds
 - Loans can be repaid, contributions cannot



IV. Support from the Candidate

- A. **Personal Funds** (*Guide*, pp. 15, 29-30)
1. **Unlimited**
Candidate may spend unlimited personal funds on his/her campaign.
 2. **Definition**
Assets that the candidate had legal right of access to, or control over, or equitable interest in, prior to candidacy, including:
 - a) Salary.
 - b) Other earned income. See AO 2006-13.
 - c) Dividends from stock.
 - d) Sale of stock or investments.
 - e) Income from trusts established before candidacy.
 - f) Bequests to candidate (even after candidacy).
 - g) Winnings from lotteries or games of chance.
 - h) Gifts of cash or other assets, but **only if** customarily received prior to candidacy.
 3. **Application to Spouse** (*Guide*, pp. 14-15, 17)
 - a) **Limit: \$2,600/election** (indexed) – same as other individuals.
 - b) Candidate may use a portion of assets (normally 50%) jointly owned with his or her spouse, without contribution from spouse resulting.

- B. Loans from the Candidate** (*Guide*, pp. 14-15, 30, 36, 91-92, 105-106)
- 1. Loan = Contribution**
Considered a contribution; as such, has no limit. However, amount disclosed as loan can be repaid, contributions can not. See AO 2008-09.
 - 2. Source of Loan Funds**
 - a) Candidate's own personal funds.
 - b) Candidate uses funds obtained through a personal loan from a lending institution, funds derived from an advance on their brokerage account, credit card or other line of credit.

Candidate Support

Repayment of Candidate Loans

- ▣ Using contributions made *before* election
 - May repay entire amount
- ▣ Using contributions made *after* election
 - May repay no more than \$250,000
 - Amount in excess of \$250,000 = contribution

3. **Repayment of Personal Loans from Candidate** (*Guide*, pp. 30, 51)

- a) For personal loans from the candidate (including advances or candidate-endorsed bank loans) to his or her authorized committee that aggregate more than \$250,000, the following rules apply:
 - (1) Campaign committee may use contributions to repay the candidate for the entire amount of the loan or loans only if those contributions were made on or before the day of the election; and
 - (2) Committee may use contributions to repay the candidate only up to \$250,000 from contributions made after the date of the election.
 - (3) If committee uses the amount of cash-on-hand as of the date of the election to repay the candidate for loans in excess of \$250,000, then it must:
 - (a) Do so within 20 days of the election; and
 - (b) Treat the portion of candidate loans that exceed \$250,000, minus the amount of cash-on-hand as of the day after the election as a contribution by the candidate.
- b) See AOs 2008-22 and 2008-09 (still in effect even though Millionaires' Amendment is not).

Candidate Support

Transfers

- ⊘ Nonfederal Campaign to PCC - PROHIBITED
- ✓ From Prior Fed. Campaign in Different Cycle
 - Unlimited
 - No aggregation of contributor limits

- C. Transfers from Candidate's Other Campaigns for Different Offices**
(*Guide*, pp. 59-61)
- 1. From Candidate's State or Local Campaign** (11 CFR 110.3(d))
Prohibited.
 - 2. From Candidate's Prior Federal Campaign in Different Cycle** (11 CFR 110.3(c)(4))
Unlimited, without aggregation of contributor limits. See AOs 1996-52 and 1980-30.

Candidate Support

Transfers

- ✓ From Candidate's Campaign for Different Office
 - In the Same/Overlapping Election Cycle
 - Set up separate committee
 - No transfers while actively seeking more than one office
 - Aggregation of contributor limits
 - In Different Cycles
 - Unlimited
 - No aggregation

3. **From Candidate's Federal Campaign for Different Office in Same or Overlapping Cycle** – (11 CFR 110.3(c)(5))
 - a) Prohibited while actively seeking more than one office.
 - b) When no longer actively seeking two offices, permitted, but contributor limits are aggregated.
 - c) See AOs 1984-38, 1982-01 and 1978-19.
4. **Separate Accounts and Organizations Required.**
Required for each campaign for different office.

SCENARIO #4 – Candidate Loans (Guide, pp. 91-92, 103-107)

On June 13, 2014, Candidate Cosmo Kramer generously dips into his “rainy-day” savings account and contributes \$10,000 to his campaign committee to give his primary re-election campaign a last push before the primary. He indicates, however, that once money from other contributors comes in, he wishes to be paid back in full, no matter how long it may take, and will not charge the committee any interest.

Successful in the primary, however, concerned about the lack of money coming into the campaign for the general, on October 1, 2014, Candidate Kramer decides to loan the campaign an additional \$50,000 – this time the funds were derived from a loan he took out from Chemical Bank. The bank charges the candidate 12.5% interest on the loan. However, the candidate decides not to charge as much interest to the committee and loans the money to the campaign at an interest rate of 9.5%.

After visiting their son, George who is friends with Congressman Kramer, Frank and Estelle Costanza stop by and contribute \$2,600 each towards Candidate Kramer’s primary. With a new confidence in their fundraising plan in the coming months, the campaign repays Candidate Kramer \$4,000 of his loan on October 10, 2014. (Note: payment consists of \$3,650 principal payment and \$350 interest payment).

- 1. How should the committee disclose the personal funds loan? If so, how should the committee disclose it?**

- 2. Are the reporting requirements any different for Candidate Kramer’s \$50,000 loan to the committee funded from a loan he took out from a lending institution?**

- 3. How is the committee’s loan repayment to the candidate disclosed?**

- 4. Key issues:**

SCENARIO #4 – ANSWERS:

1. How should the committee disclose the personal funds loan? If so, how should the committee disclose it?

- **Report the loan as a contribution** on Schedule A for Line 13(a). The Date of Receipt is the date the money is received by the campaign committee; itemization should include notation in Receipt This Period box indicating “personal funds.”

Review: How to Itemize. Include following information for contribution source.

- Name and mailing address;
- Occupation and employer (individuals only);
- FEC ID number (political committees only);
- Election to which contribution/loan was designated;
- Date of receipt;
- Amount of receipt; and
- Aggregate election-cycle-to-date total for all receipts from same source.

Candidate Loan

Part 1 of 2: Report as Contribution (July Quarterly)

Receipt – Schedule A, Line 13(a)



SCHEDULE A (FEC Form 3)	Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: PAGE OF (check one)
ITEMIZED RECEIPTS		<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 11d <input type="checkbox"/> 12 <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b <input type="checkbox"/> 14 <input type="checkbox"/> 15
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) Cosmo Kramer for Congress		
Full Name (Last, First, Middle Initial) A. Cosmo Kramer		Date of Receipt MM / DD / YYYY 06 / 13 / 2014
Mailing Address 129 West 81st Street Apt. 5B		Amount of Each Receipt this Period 10,000.00
City New York	State Zip Code NY 10024	
FEC ID number of contributing federal political committee. C		personal funds
Name of Employer Kramerica Industries	Occupation Founder	
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Election Cycle-to-Date 10,000.00	



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- **Report terms of the loan** on Schedule C for Line 13(a). The Loan Source is the candidate. Itemization should also include notation indicating “personal funds.” Note that the committee will continuously report the loan on Schedule C until loan is fully repaid.

Candidate Loan

Part 2 of 2: Report as Loan (July Quarterly)

Loan Reporting – Schedule C, Line 13a

SCHEDULE C (FEC Form 3)		PAGE CF
LOANS	Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b
NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee		
LOAN SOURCE Full Name (Last, First, Middle Initial) Cosmo Kramer – personal funds		Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)
Mailing Address 129 West 81st Street Apt. 5B		
City New York State NY ZIP Code 10024		
Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
10,000.00	0.00	10,000.00
TERMS		
Date Incurred 06 13 2014	Date Due None	Interest Rate None % (apr) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
List All Endorsers or Guarantors (if any) to Loan Source		
1. Full Name (Last, First, Middle Initial)		Name of Employer
Mailing Address		Occupation
City State ZIP Code		Amount Guaranteed Outstanding

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2. Are the reporting requirements any different for Candidate Kramer’s \$50,000 loan to the committee funded from a loan he took out from a lending institution?

Yes. In addition to the disclosures on Schedules A & C (as noted above), the campaign committee must also submit Schedule C-1 to disclose the loan agreement between the lending institution and the candidate. Schedule C-1 also includes description/value of collateral used (if any), and requires the signature of an approving official from the bank.

See Reporting Example on Next Page

Part 1 of 3: Report as Contribution

Bank Loan

Receipt - Schedule A, Line 13(a)

SCHEDULE A (FEC Form 3) 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"/> 11d <input type="checkbox"/> 12 <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b <input type="checkbox"/> 14 <input type="checkbox"/> 15
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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) Cosmo Kramer for Congress Committee	
Full Name (Last, First, Middle Initial) Cosmo Kramer	Date of Receipt 10 / 01 / 2014
A. Mailing Address 129 West 81st Street Apt. 5B	City State Zip Code New York NY 10024
FEC ID number of contributing federal political committee. C	Amount of Each Receipt this Period 50,000.00
Name of Employer Kramerica Industries	Occupation Founder
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Election Cycle-to-Date 60,000.00

Loan from Bank

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Part 2 of 3: Report as Loan

Bank Loan

Loan Reporting – Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3) LOANS	Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b
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NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee		
LOAN SOURCE Full Name (Last, First, Middle Initial) Cosmo Kramer (Loan from Bank)	Election: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	
Mailing Address 129 West 81st Street Apt. 5B	City State ZIP Code New York NY 10024	
Original Amount of Loan 50,000.00	Cumulative Payment To Date 0.00	Balance Outstanding at Close of This Period 50,000.00
TERMS		
Date Incurred 10 / 01 / 2014	Date Due 01 / 31 / 2016	Interest Rate 9.5 % (apr)
Secured: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

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Note that terms disclosed on Schedules C and C-1 may differ.

- (1) Candidate may use different terms than the bank (including no repayment conditions).
- (2) Lending institution must have terms offered in the normal course of business.

Part 3 of 3: Schedule C-1 Loan Agreement- Bank & Candidate

Bank Loan

SCHEDULE C-1 (FEC Form 3) LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS		Supplementary for Information found on Page _____ of Schedule C
Federal Election Commission, Washington, D.C. 20463		
NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee		FEC IDENTIFICATION NUMBER C 00320000
LENDING INSTITUTION (LENDER) Full Name Chemical Bank	Amount of Loan 50,000.00	Interest Rate (APR) 12.5 %
Mailing Address 120 West 81st Street	Date Incurred or Established 10 01 2014	
City New York State NY Zip Code 10024	Date Due 01 31 2016	
A. Has loan been restructured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, date originally incurred		
B. If line of credit, Amount of this Draw: _____ Total Outstanding Balance: _____		
C. Are other parties secondarily liable for the debt incurred? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Endorsers and guarantors must be reported on Schedule C.)		
D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes, specify: Real estate		What is the value of this collateral? 250,000.00
E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify: _____		Does the lender have a perfected security interest in it? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes What is the estimated value? 0.00
A depository account must be established pursuant to 11 CFR 100.82(e)(2) and 100.142(e)(2). Date account established: _____ Location of account: _____ Address: _____ City, State, Zip: _____		
F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assured repayment.		

Information Division
2013-14 Election Cycle

Campaign Operations: Part 1
Slide 50

3. How is the committee's loan repayment to the candidate disclosed?

If payment is applied to the principal AND interest balances, the committee may use one check, but must break out each part and disclose them separately. Payment towards the principal balance is shown as a loan repayment, and payments toward interest are reported as operating expenditures. Note that principal repayments must also be continuously reported on Schedule C for each reporting period.

- **Report principal payment** on Schedule B for Line 19(a); itemization should include notation in Purpose of Disbursement box indicating, "candidate loan repayment – personal funds."
- **Report interest payment** on Schedule B for Line 17; itemization should include a notation in Purpose of Disbursement box indicating, "interest payment on candidate loan."

See Reporting Example on Next Page

Part 1 of 2: Report Payment on Schedule C

Loan Reporting – Schedule C, Line 13(a)

Bank Loan

SCHEDULE C (FEC Form 3)		PAGE OF	
LOANS		Use separate schedule(s) for each category of the Detailed Summary Page	
		FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b	
NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee			
LOAN SOURCE Full Name (Last, First, Middle Initial) Cosmo Kramer (Loan from Bank)		Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
Mailing Address 129 West 81st Street Apt. 5B			
City New York		State NY ZIP Code 10024	
Original Amount of Loan 50,000.00	Cumulative Payment To Date 3,650.00	Balance Outstanding at Close of This Period 46,350.00	
TERMS			
Date Incurred 10 / 01 / 2014	Date Due 01 / 31 / 2016	Interest Rate 9.5 % (apr)	Secured: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
List All Endorsers or Guarantors (if any) to Loan Source			
1. Full Name (Last, First, Middle Initial)		Name of Employer	
Mailing Address		Occupation	
City State ZIP Code		Amount Guaranteed Outstanding	

Part 2 of 2: Report Payment on Schedule B

Principal Payment – Schedule B, line 19(a)

Bank Loan

SCHEDULE B (FEC Form 3)		PAGE OF	
ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	
		FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 17 <input type="checkbox"/> 18 <input type="checkbox"/> 19a <input type="checkbox"/> 19b <input type="checkbox"/> 20a <input type="checkbox"/> 20b <input type="checkbox"/> 20c <input type="checkbox"/> 21	
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) Cosmo Kramer for Congress Committee			
Full Name (Last, First, Middle Initial) A. Cosmo Kramer		Date of Disbursement 10 / 10 / 2014	
Mailing Address 129 West 81st Street Apt. 5B		Amount of Each Disbursement this Period 3,650.00	
City New York		Interest Payment – Schedule B, line 17	
State NY ZIP Code 10024			
Purpose of Disbursement Loan Payment - Candidate Loan from Bank			
Candidate Name Cosmo Kramer		Category/Type	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State NY District 8			

SCHEDULE B (FEC Form 3)		PAGE OF	
ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	
		FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 17 <input type="checkbox"/> 18 <input type="checkbox"/> 19a <input type="checkbox"/> 19b <input type="checkbox"/> 20a <input type="checkbox"/> 20b <input type="checkbox"/> 20c <input type="checkbox"/> 21	
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) Cosmo Kramer for Congress Committee			
Full Name (Last, First, Middle Initial) A. Cosmo Kramer		Date of Disbursement 10 / 10 / 2014	
Mailing Address 129 West 81st Street Apt. 5B		Amount of Each Disbursement this Period 350.00	
City New York			
State NY ZIP Code 10024			
Purpose of Disbursement Interest Payment on Bank Loan			
Candidate Name Cosmo Kramer		Category/Type	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State NY District 8			

4. Key issues:

- If the candidate wishes to be paid back, be sure to report the receipt as a loan on the *first report* disclosing the receipt.
- **Tips for a Personal Funds Loan**
 - Use both Schedules A for Line 13(a) and Schedule C for Line 13(a).
 - Don't forget loan terms. Terms of a loan from the candidate's personal funds (no lending institution involved) may be more flexible. If there is no interest or due date, don't leave boxes blank, enter "none" or "n/a."
 - Include notations on both Schedules A & C indicating "personal funds."
 - When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven – for both paper and electronic filers.
- **Tips for a Candidate Loan from Lending Institution**
 - When the candidate obtains a loan from the bank and then loans those funds to the campaign, report using Schedule A for Line 13(a), Schedule C for Line 13(a), and Schedule C-1.
 - Don't forget to include loan terms. Often terms on C-1 and C will differ. The candidate is able to use different terms than the bank (including no repayment conditions). The bank must have terms offered in the normal course of business.
 - Remember to include notations – i.e., "home equity line of credit."
 - Candidate may charge the campaign an interest rate on a loan derived from a bank that is different from what the bank charges the candidate.
 - When disclosing repayment on this type of loan, principal campaign committee (PCC) may issue repayment to candidate or to the bank. Reflect payment on Schedules B and C. On Schedule B, break out payments towards principal and interest separately – disclosed on different line numbers: Line 19(a) for principal payments and Line 17 for interest payments.
 - Loans made by a lending institution directly to the committee should be reported on Schedules A and C for Line 13(b) and Schedule C-1. Repayments on these loans should be reported on Schedule B for Line 19(b) for principal payments and Schedule B for Line 17 for interest payments, as well as reflected on Schedule C.

FAQs on EXCESSIVE CONTRIBUTIONS

FAQs

- ▣ Common Contribution Pitfalls
 - Qualified vs Non-Qualified Committees
 - Limits are different
 - Affiliated PACs
 - Shared contribution limits
 - LLCs/Partnerships
 - Dual attribution
 - Contributions from unregistered organizations
 - Contact the entity to ensure they have federally permissible funds to cover their contribution
 - Contribution from other federal campaigns
 - Only \$2,000

FAQs

- ▣ Presumptive Redesignation
 - Not available for all contributions
 - Individuals and non-multicandidate committees ONLY
 - Contribution must be undesignated

Workshop Evaluation

Help Us Help You!

Please complete an evaluation
of this workshop.

Committee Operations Part 2

1:45 p.m. - 3:15 p.m.

Candidates: 9th Floor
<http://fec.adobeconnect.com/connect9>

Party Committees: 5th Floor
<http://fec.adobeconnect.com/connect5>