

2014 OCTOBER PAC/PARTY REPORTING WORKSHOP



October 8, 2014
1:00 – 2:30 p.m.

http://www.fec.gov/info/roundtable_materials/workshopmaterials.shtml

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Objectives

- ▣ Review filing deadlines and application of “best efforts” for timely filing
- ▣ Learn about the Reports Analysis Division (RAD) review process and how best to respond to a Request for Additional Information (RAI)
- ▣ Discuss common reporting errors

I. Reporting - Timely Filing Schedule and Reporting Dates

2014 Filing Requirements

- ▣ PACs & parties file FEC Form 3X
 - Quarterly (including pre-primary reports)
OR
 - Monthly Schedule

A. Filing Schedule (11 CFR 104.5(c))

1. During Election Year (even-numbered year) PACs and Party Committees File Quarterly or Monthly

- a) Quarterly reports due April 15, July 15 and October 15 and January 31; Pre-Primary, Pre-General, Post-General.
- b) Monthly filers must file report on 20th of each month, except Pre-General and Post-General in lieu of November and December monthly reports. Monthly filers must file a Year-End Report on January 31 of each year.
- c) Reporting period always begins the day after close of books of last report filed.
- d) Monthly is mandatory for national party committees or party committees with reportable FEA. 11 CFR 300.36(c). If a party committee that files quarterly engages in reportable FEA, it must switch to monthly.
- e) See *Reports Due in 2014* in the January 2014 *Record* online. http://www.fec.gov/pages/fecrecord/fecrecord_reporting.shtml

Quarterly Filers - 2014

| Report Type | Coverage and Due Dates |
|-------------------|--|
| April Quarterly | Covers 1/1 - 3/31; Due 4/15/14 |
| July Quarterly | Covers 4/1 - 6/30; Due 7/15/14 |
| October Quarterly | Covers 7/1 - 9/30; Due 10/15/14 |
| Pre-Election | Covers 1st day of current period to 20 days before election; Due 12 days before election (12G covers October 1-15, 2014; Due 10/23/14) |
| Post-General | Covers from 1 st day of period to 11/24; Due 12/4/14 |
| Year-End | Covers 11/25 to 12/31; Due 1/31/15 |

Quarterly Filers - 2014

Pre-General Reports

- Due October 23 for any committee that makes contributions or expenditures in connection with the general election
- Required for campaign committees in connection with candidate's primary

Monthly Filers - 2014

| Reporting Period | Due Date |
|---------------------------------------|------------------|
| January 1-31 | February 20 |
| February 1-28 | March 20 |
| March 1-31 | April 20 |
| April 1-30 | May 20 |
| May 1-31 | June 20 |
| June 1-30 | July 20 |
| July 1-31 | August 20 |
| August 1-31 | September 20 |
| September 1-30 | October 20 |
| October 1-15 (Pre-General) | October 23 |
| October 16-November 24 (Post-General) | December 4 |
| November 25-December 31 (Year-End) | January 31, 2015 |

Choosing a Filing Schedule



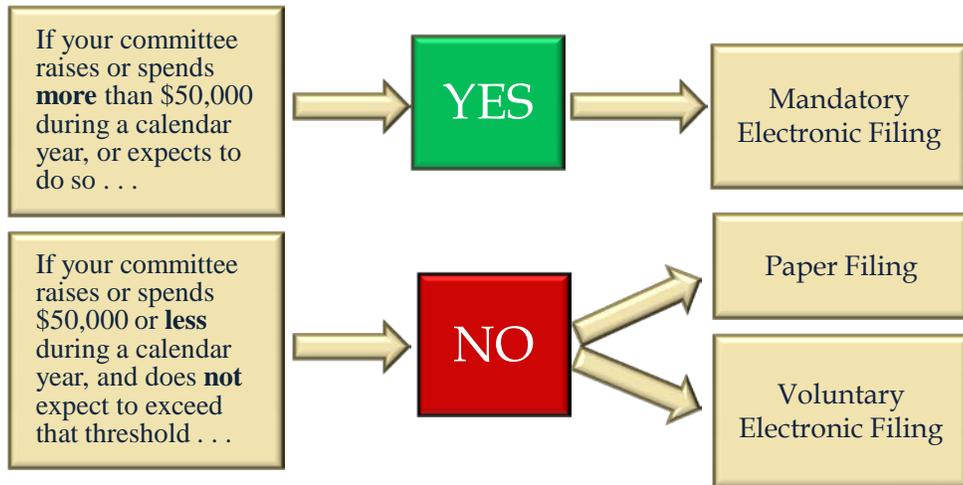
Changing Filing Frequency

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

B. Changing Filing Schedule

1. PACs and Party Committees may change their filing schedule from quarterly to monthly or from monthly to quarterly only after notifying the Commission in writing (or electronically, if an e-filer) of their intention. The committee should provide this notification along with a required report filed under the committee's current filing schedule or in a separate Miscellaneous Text Submission (Form 99).
2. The committee should wait to receive a letter from the FEC acknowledging its filing frequency change. The committee will then be required to file the next required report under the new filing schedule. However, party committees that engage in reportable federal election activity (FEA) must automatically switch to monthly filing.
3. May only change filing schedule once per calendar year.

Are You Required to File Electronically?



The screenshot shows the Federal Election Commission's website in Internet Explorer. The page title is 'Electronic Filing Passwords'. The navigation bar includes 'ABOUT THE FEC', 'PRESS OFFICE', 'QUICK ANSWERS', 'CONTACT US', and 'SITE MAP'. The main content area explains that electronic filing passwords are required for filing reports. It lists who can get a password (registered committee treasurers) and provides a 'Get Started' button. A red arrow points to this button with the text 'Link to Password Request'. A sidebar on the left contains links for 'Campaign Finance Disclosure Portal', 'Meetings and Hearings', 'Enforcement Matters', 'Help with Reporting and Compliance', 'Law, Regulations and Procedures', and 'Commission Calendar'. The footer includes 'Information Division 2013-14 Election Cycle' and '2014 October PAC/Party Reporting Roundtable Slide 11'.

C. Electronic Filing (11 CFR 104.18)

1. **Mandatory for:** PACs, House Campaigns and Party Committees that raise or spend more than \$50,000 in calendar year or have reason to expect to do so.
2. **Voluntary for:** All Other Filers
3. **Password Required**

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

a) Who Can Get a Password?

Only the treasurer and assistant treasurer(s) listed on the committee's Form 1 can get a password. Assistant treasurer's password request must be signed by both assistant and treasurer.

b) How Do You Get a Password?

- (1) Most committees may obtain or change their password on-line at <http://www.fec.gov/electfil/passwords.shtml>
- (2) Existing committees that have not previously used the online system should contact the Electronic Filing Office for assistance at 202-694-1307.

4. **Paper Filing by E-Filer**
Committees that submit a report on paper that should have been filing electronically will be treated as non-filers and may be subject to enforcement actions (including Administrative Fines).
5. **To meet the filing deadline, electronically filed reports must be received and validated by the Commission's computer system on or before 11:59 p.m. (Eastern Time) on the filing date.**
6. **For more information:** <http://www.fec.gov/electfil/electron.shtml>.

Other Filing Considerations

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



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2013-14 Election Cycle

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D. Other Filing Considerations

1. **Statute Prohibits Extensions** (Applicable to Paper and Electronic Filers).
2. **Weekends and Holidays**
Filing dates not extended for weekends or holidays. Must be filed on business day preceding filing date.
3. **Registered vs. Overnight Mail**
 - a) If filing using USPS registered mail, keep receipt.
 - b) “Overnight Mail” means next-day express or priority mail with a delivery confirmation or an overnight service with an online tracking system. File using same terms as certified/registered mail. (Keep receipt/tracking number.)

Administrative Fine Program

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

E. Administrative Fine Program (AFP)

1. Background

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

2. Applies to:

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

3. Civil Money Penalties -- Factors in determining:

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

Administrative Fine Program

- Election-sensitive reports:
 - **Late filer** – filed after due date, but prior to four days before the applicable election
 - **Non-filer** – filed later than that or not at all
- Non-sensitive reports:
 - **Late filer** – filed ≤ 30 days after the due date
 - **Non-filer** – filed > 30 days late or not at all

a) Election Sensitivity

Election sensitive reports include:

- (1) October Quarterly of election year,
- (2) October Monthly of election year, and
- (3) Pre-election reports for primary, general and special elections.

All other reports are considered nonsensitive.

b) Whether Committee is a Late filer or a Non-filer

(1) For Sensitive Reports

- (a) Late filer – when report is filed after the due date but more than four (4) days prior to the election.
- (b) Non-filer - report filed after due date and four (4) days or less before the election, or not at all.

(2) For Nonsensitive Reports

- (a) Late filer – when report is filed within 30 days after the due date.
- (b) Non-filer – when report is filed 31 or more days after due date, or not at all.
- (c) Can still be considered a “nonfiler” even if report is eventually filed.

Administrative Fine Program

- ▣ Prior civil money penalties for reporting violations
- ▣ Financial activity in report
- ▣ Smaller penalties for activity < \$50,000
- ▣ Penalty calculator on FEC website at http://www.fec.gov/af/af_calc.shtml

- c) **Prior civil money penalties for reporting violations under the AFP.**
- d) **Financial Activity**
 - (1) Amount of financial activity in the report – total amount of receipts and disbursements.
 - (2) Committees with less than \$50,000 in financial activity during the reporting period in question are subject to reduced penalties under the AFP pursuant to April 2003 revisions to the regulations.
 - (3) July 2013 revisions to the AFP regulations adjusted penalties for inflation.
 - (4) Campaign Finance Analysts will not be able to tell you if you will be fined or how much. You can use the Administrative Fine calculator (http://www.fec.gov/af/af_calc.shtml) to estimate your fine. Your committee will be notified in writing if the FEC assesses a civil penalty against your committee under the AFP.

Best Efforts to File on Time

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

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

- F. Timely Filing/Using Best Efforts (not the same as “best efforts” for obtaining contributor information)**
- 1. Reports required on time;** no extensions.
 - 2. If report not filed on time,** committees may use “best efforts” defense if committee took normal precautions and trained staff, but failure to report was due to circumstances beyond committee's control and the late report was filed within 24 hours after those circumstances ended (pursuant to April 2007 revisions to AFP regulations).

Best Efforts to File on Time

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

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

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

Best Efforts to File on Time

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

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

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

4. For more information, review:

http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-7.pdf
(rules) and

http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-13.pdf
(policy statement) and the May and July 2007 *Record* issues.

Best Practices: Filing

- ✓ Ensure your staff and vendors understand filing rules and deadlines
- ✓ Update your software regularly
- ✓ Have a current email address on Form 1 to receive courtesy email reminders

Best Practices:

- Ensure your staff, vendors and counsel understand reporting and filing rules and deadlines.
- Update your software regularly, as you will not be able to file using an outdated version of FECFile.
- To keep up with filing deadlines, make sure your committee has a current email address on its Form 1 (for receiving courtesy reminders). (To do this, submit a complete electronic Form 1 with a new email address.) Deadlines are also posted online at http://www.fec.gov/info/report_dates.shtml and in the January *Record* each year.

II. RAD Review Process

Three Branches of RAD

- ▣ Authorized Branch – 14 analysts
 - Review all federal candidate committee reports
 - 2 month training program and mentored for 6-12 months
- ▣ Party Non-Party Branch – 17 analysts
 - Review all Party and PAC reports
 - 4-5 month training program and mentored for 6-12 months
- ▣ Compliance Branch – 4 analysts
 - Implement the Non-Filer and Administrative Fines programs

A. Organization of RAD

1. Three Branches

- a) Party/Non-Party Branch – reviews all party committee and PAC reports – 14 analysts. New analysts undergo a 4-5 month training process and are then mentored by a more senior analyst for 6 to 12 months.
- b) Authorized Branch – reviews federal candidate committee reports – 12 analysts. New analysts undergo a 2 month training process and are then mentored by a more senior analyst for 6 to 12 months.
- c) Compliance Branch – serves a quality control function for the review branches and implements the Non-filer and Administrative Fine Programs – 4 analysts.
- d) Many analysts are cross-trained to review reports filed by all committee/entity types.

PAC/Party Analysts

- ▣ Each analyst is assigned 300-500 committees
- ▣ PACs are assigned randomly
- ▣ Larger PACs assigned to more senior analysts
- ▣ National committees assigned to more senior analysts, State party committees assigned by state, Local parties assigned randomly

2. **Committee Assignments – Party/Non-Party Branch**

- a) Party/Non-Party Branch analysts are assigned anywhere from 300 to 500 committees (parties and PACs).
- b) PACs are assigned randomly with the larger ones being assigned to more senior analysts.
- c) National party committees are assigned to the more senior analysts. State party committees are assigned by state, so that the assigned analyst reviews both the Democratic and Republican state parties. Local party committees are assigned randomly.

Analyst Responsibilities

- ▣ Review assigned committees' reports by established deadlines
- ▣ Assist committees by phone and log calls
- ▣ Meet with committees by request
- ▣ Participate in FEC conferences and roundtables
- ▣ Special projects

3. Analyst Responsibilities

- a) Review all reports filed by assigned committees by established deadlines.
- b) Customer service role – assist committees on the phone on a daily basis and log phone calls. Meet with committees by request.
- c) Participate in FEC Conferences and Roundtables.
- d) Special Projects.

Review and Referral Policy

- ▣ Categories of review include:
 - Mathematical discrepancies
 - Failure to provide supporting schedules
 - Failure to properly itemize contributions from individuals
 - Prohibited, excessive and impermissible contributions
 - Improper itemization of disbursements
- ▣ RFAI threshold
- ▣ Thresholds are confidential and policy is approved by the Commission

B. RAD Review of Reports

1. RAD Review and Referral Policy

- a) Internal policy contains categories of review the analyst checks, such as: prohibited, excessive and impermissible contributions, mathematical discrepancies, failure to provide supporting schedules and failure to properly itemize contributions from individuals and disbursements, to name a few.
- b) Policy has established thresholds for making determinations on whether to send a Request for Additional Information (RFAI).
- c) Thresholds are confidential and policy is approved by the Commission. A redacted version of the RAD Review and Referral Policy can be found on the RAD web page.

Review of Reports

- ▣ Thresholds are applied on a per report basis.
 - If reoccurring reporting issues exist on multiple reports, a committee may receive multiple RFAIs identifying the same issue
 - RAD does not consider previous responses to RFAIs
 - ▣ Exception: Responses relating to best efforts procedures apply for the two year election cycle; responses relating to foreign address inquiries that indicate safe harbor guidelines are followed for all contributions apply for the two year election cycle
- ▣ It's possible to see an issue questioned on one report, but not on another

- d) Review is conducted on a per report basis, meaning the thresholds are applied to each report reviewed.
 - (1) This means a committee may receive a RFAI which includes the same issue already addressed in response to a RFAI referencing a different report.
 - Exceptions include outlining Best Efforts procedures for obtaining contributor information, which would apply to the two-year cycle, and responses relating to foreign address inquiries that indicate safe harbor guidelines are followed for all contributions apply for the two-year election cycle.
 - (2) There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on for another report.
- e) Policy is reassessed every election cycle and revisions/changes made based on input from RAD and other offices (such as OGC), and Commissioners.

Request for Additional Info

- ▣ If internal thresholds are met:
 - Analyst sends RFAI with response due date in upper right corner
- ▣ No extensions
- ▣ Responses assessed by analysts, team leaders
- ▣ Analysts do not reply to committee responses

C. Request for Additional Information (RFAI)

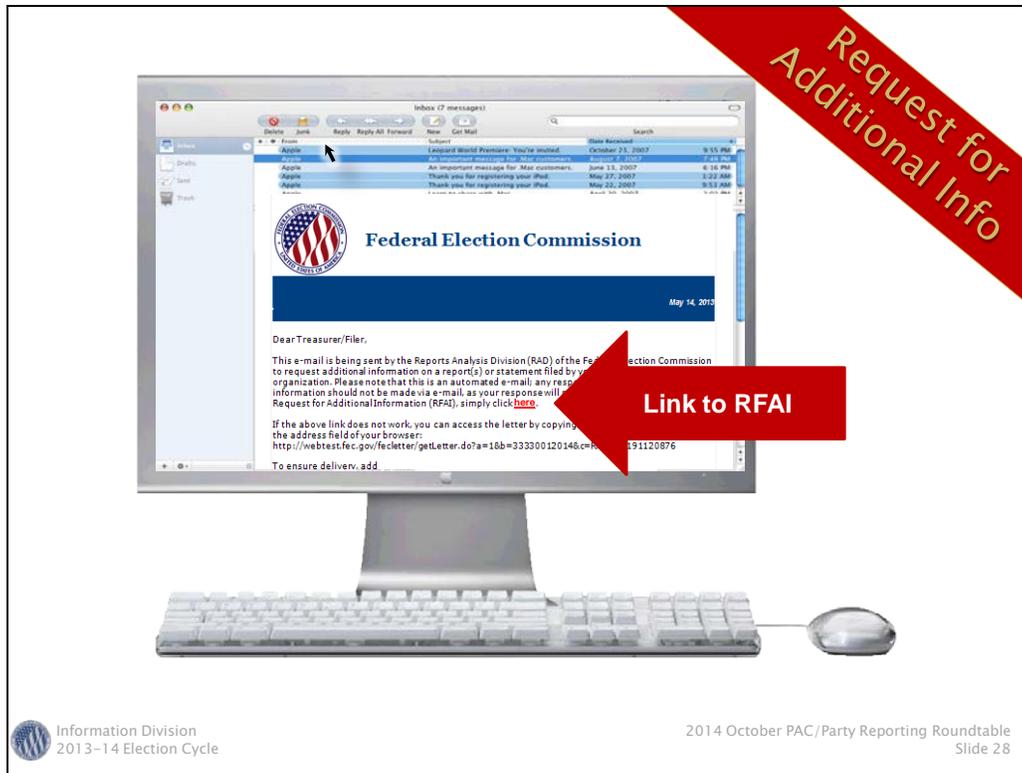
1. **If internal thresholds are met, an RFAI is sent**, with a Response Due Date in the upper right hand corner of the letter, extensions are not granted. The committee analyst's name and contact telephone number are also provided in the letter.

*Tip: You can find out who your analyst is by visiting:
<http://www.fec.gov/rad/index.shtml>.*

RFAIs via Email

- ▣ RAD is now emailing RFAIs to email address on Form 1 (Statement of Organization).
 - Opt-Out Option: File a Form 99 to request that RFAIs be mailed via USPS.
- ▣ Committees can now disclose up to two email addresses on Form 1.
- ▣ Ensure current contact information (mailing address, email address, and phone number) appear on FEC Form 1.

2. Committees should ensure that they have provided the most current mailing address, email address and phone numbers on their Statement of Organization (FEC Form 1). Often RFAIs are returned by the Post Office due to an incorrect mailing address.
3. RAD's process for sending RFAIs has changed. Most RFAIs are now sent via email to the Committee's official email address, as disclosed on the Statement of Organization (FEC Form 1). Up to two email addresses can now be provided (both will be used for emailing RFAIs). Committees will have the option to continue to receive RFAIs on paper through the mail.



Request for Additional Info

Inbox (7 messages)

| From | Subject | Date Received | Size |
|-------|---|------------------|---------|
| Apple | Leopard World Premiere: You're invited! | October 21, 2007 | 9.15 KB |
| Apple | Leopard World Premiere: You're invited! | October 20, 2007 | 7.25 KB |
| Apple | An important message for Mac customers. | June 13, 2007 | 6.16 KB |
| Apple | Thank you for registering your iPad. | May 27, 2007 | 1.22 KB |
| Apple | Thank you for registering your iPad. | May 22, 2007 | 8.53 KB |

Federal Election Commission

May 14, 2012

Dear Treasurer/Filer,

This e-mail is being sent by the Reports Analysis Division (RAD) of the Federal Election Commission to request additional information on a report(s) or statement filed by you or your organization. Please note that this is an automated e-mail; any response or information should not be made via e-mail, as your response will be lost. To request for Additional Information (RAFI), simply click [here](#).

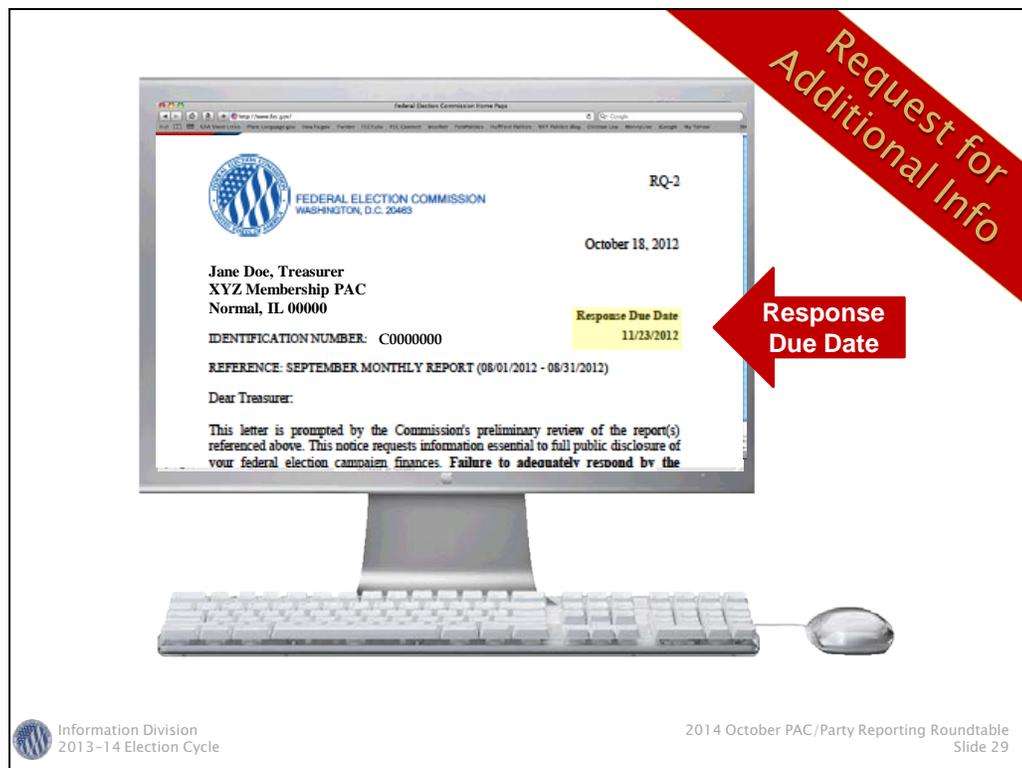
If the above link does not work, you can access the letter by copying the address field of your browser: <http://webstest.fec.gov/fec/letter/getLetter.do?i=18b=333300120148&id=391120876>

To ensure deliverv.add

Link to RAFI

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Request for Additional Info

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 18, 2012

Jane Doe, Treasurer
XYZ Membership PAC
Normal, IL 00000

Response Due Date
11/23/2012

IDENTIFICATION NUMBER: C0000000

REFERENCE: SEPTEMBER MONTHLY REPORT (08/01/2012 - 08/31/2012)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. Failure to adequately respond by the

Response Due Date

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not be considered.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended.

If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1166.

Sincerely,

Bradley Matheson
Bradley Matheson
Senior Campaign Finance Analyst
Reports Analysis Division

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Request for Additional Info

Analyst's Phone Number

Analyst's Name

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RAD FAQs Web Page

FEDERAL ELECTION COMMISSION

ABOUT THE FEC | PRESS OFFICE | QUICK ANSWERS | CONTACT US | SITE MAP |

HOME / RAD

Reports Analysis Division
Click Here to Find Your Campaign Finance Analyst

REPORTS ANALYSIS DIVISION MISSION STATEMENT

The ultimate mission of the Reports Analysis Division (RAD) is to ensure that campaigns and political committees file timely and accurate reports that fully disclose their financial activities. RAD is responsible for receiving statements and financial reports filed by political committees participating in Federal elections, providing assistance and guidance to the committees to properly file their reports, and for taking appropriate action to ensure compliance with the FECA. By enforcing the rules in a fair and objective manner, RAD fosters the electorate's faith in the ultimate integrity of the nation's political process.

The Reports Analysis Division is composed of 26 analysts tasked with reviewing approximately 50,000 financial reports per year. Each analyst is assigned 200-400 committees and is available to assist committee representatives over the phone on a daily basis. The division assists committee officials in complying with reporting requirements and conducts detailed examinations of the campaign finance reports filed by political committees. RAD also implements the fair and Administrative Fine program. For more information, see our [FAQs](http://www.fec.gov/rad/faq) (PDF).

Helpful Links to General Questions:

- Reporting and Filing Information

<http://www.fec.gov/rad/index.shtml>

Click here

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Responding to RFAs

- ▣ Analysts do not contact committees in every case when a response is not sufficient
- ▣ Committee should contact its analyst before and/or after filing a response
- ▣ Analysts do not make legal conclusions
- ▣ Analysts cannot categorize your activity
- ▣ In some cases, RAD consults OGC before sending an RFAI and when assessing a committee's response

- 4. Responses are assessed by the analysts and in some cases, team leaders.**
- a) Analysts do not reply to responses.
 - b) Contact is not made with committees in every case when a response is not sufficient. Further explanation below.
 - c) Committees are encouraged to contact their assigned analyst prior to responding if unsure about how to respond or after a response is filed to ensure an adequate response is received.
 - d) Keep in mind that analysts can't make legal conclusions or give guidance on a legal conclusion being made by a committee. In addition, they cannot determine what category your activity falls under (i.e., independent expenditures or coordinated party expenditures).
 - e) In some cases, RAD consults with OGC before sending a RFAI and when making a response assessment.

Responding to RFAs

- ▣ File amendment to:
 - Add, Change or Delete actual entries on FEC report
- ▣ Use miscellaneous text submission (Form 99) for:
 - Narrative responses that do not affect actual entries within a report
 - (e.g., demonstrating best efforts)

5. **Must amend report when changing information that affects entries on a report.** This would include additions, changes or deletions.
6. **Miscellaneous Text Submission (Form 99)**
Used for narrative responses that do not affect actual entries within a report. (For example, when outlining procedures for “Best Efforts” in obtaining contributor information.)

Audit Consideration Factors

- ▣ Level of financial activity
- ▣ Responses to RFAs
 - ✓ Late or no response
 - ✓ Inadequate response
- ▣ Number of amendments filed is NOT a factor
- ▣ Number of RFAs received is NOT a factor if responses were adequate and timely



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D. Referrals to the Audit Division

1. Factors for making referrals to the Audit Division

- a) Level of financial activity;
- b) Responses to RFAs:
 - (1) Late or no response,
 - (2) Inadequate response.

2. The number of amendments filed is not a factor

3. The number of RFAs is not a factor if responded to adequately and on time.

OGC & ADRO Referrals

- ▣ Policy includes referral thresholds
- ▣ RAD calls committee before referring to OGC or ADRO to explain RFAI and request response
- ▣ Adequate and timely response may prevent referral

E. Referrals to OGC (Office of General Counsel) and ADRO (Alternative Dispute Resolution Office)

1. Internal policy includes thresholds for determining whether a matter should be referred to OGC or ADRO.
2. Committee will receive a phone call from RAD prior to a referral to ADRO or OGC to explain RFAI and request a response.
3. An adequate response is required by the timeframe given to prevent the matter from being referred.

III. Common Reporting Errors

Common Math Errors

- ▣ Cash on hand
- ▣ Detailed Summary Page
 - Line totals
 - Column B figures (YTD or ECTD)
- ▣ Amendments

The screenshot shows the 'SUMMARY PAGE OF RECEIPTS AND DISBURSEMENTS' for the period 07/01/2014 to 09/30/2014. Line 7, 'Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))', has a value of 86,753.09 circled in red. The form also includes columns for 'This Period' and 'Calendar Year-to-Date'.

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A. Common Math Errors

1. Cash on Hand

The ending balance of the last report should match the opening balance of the current report.

2. Use the Detailed Summary Page to conduct a quality check for Columns A and B.

- Ensure that each of the “total” lines equals the sum of the lines supporting that total line.
- Do the math to ensure that the Column B figure (Year-To-Date) is correct. Column B from last report + Column A from this report = Column B for this report.

3. Amendments:

Math errors like those mentioned above occur frequently when a committee amends a past report and does not file all subsequent reports. For changes made to an old report, the committee may need to file all subsequent amendments in many cases, including if any contributions or disbursements moved lines, if activity moved to a different report, or if activity is added or removed from that reporting period. A small adjustment on a past report can affect each of the following reports.

Common Schedule Errors

23. Contributions to Federal Candidates/Committees and Other Political Committees..... \$2,600

**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) 27 28 29 30 31

PAGE: 08 OF 11

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 PAC

FOR FURTHER LINE ITEMIZATION (Required)
A. Jane Doe for Congress

Date of Disbursement
08 / 11 / 2014

Main address
PO Box 1234

City
Big City

State
US

Zip Code
00000

Purpose of Disbursement
Contribution

Candidate Name
Jane Doe

Amount of Each Disbursement This Period
2,600.00

Category/Type

Where bought: House Senate Precinct Other (specify) _____

Disbursement For: Primary General Other (specify) _____

State
US

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B. Common Schedule Errors

1. Include correct schedules.

The Detailed Summary Page gives cues as to which schedules will need to be included with the filing. For example, if the committee has an amount on Line 23, a Schedule B will need to be included in your filing to support the amount on Line 23 of the Detailed Summary Page.

2. Fill out the schedule completely.

If the committee files electronically, it is helpful to look at the report as it appears filled in on the FEC Forms. Add any missing information, including purposes of disbursement or employer and occupation information.

Common Schedule Errors

- ❑ Include all information required by each schedule:
 - Full name of contributor
 - Employer/occupation information
 - Purposes of disbursement
 - Purposes for debts

C. Best Efforts Statements

Best Efforts Statements

- ❑ Can be filed “preemptively” at the beginning of a year or election cycle
- ❑ Be sure your statement:
 - Outlines your committee’s set procedure
 - Includes each of the required steps outlined in the campaign or committee guide
- ❑ Retain detailed records of your follow-up requests (copies of letters, emails, phone logs)

Purpose of Disbursement

Entry must be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment.

| | | | |
|--|---|---|---|
| Full Name (Last, First, Middle Initial) A. Genius Consulting | | Date of Disbursement 08 / 28 / 2014 | |
| Mailing Address 123 Moneyed Lane | | Amount of Each Disbursement this Period 2,500.00 | |
| City City, ST 00000 | State | Zip Code | <input type="checkbox"/> Refund or Disposal of Excess Contributions Required Under 11 C.F.R. 403.59 |
| <input type="checkbox"/> PAC Fundraising Consulting | | Category/Type | |
| Office Sought: | <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | Disbursement For: | |
| State: | <input type="checkbox"/> Detroit | <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | |

D. Purpose of Disbursement

1. FEC regulations require that the “purpose of disbursement” entry for each disbursement be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment. 11 CFR 104.3(b)(3) and (4).

Purpose of Disbursement

- ❑ Rule of thumb: Could reader discern why a payment was made simply by reading the description provided?
- ❑ Non-exhaustive lists for inadequate and adequate examples available online at <http://www.fec.gov/law/policy.shtml#purpose>

2. Policy statement includes non-exhaustive lists of acceptable and unacceptable “purpose of disbursement” descriptions intended to provide additional guidance to the regulated community and to foster consistency among filers.
3. As a rule of thumb, the statement suggests that filers consider whether a person unaffiliated with the campaign/committee could discern why a payment was made by reading the description they have provided.
4. Lists are updated periodically and made available online
 - Inadequate examples at <http://www.fec.gov/rad/pacs/documents/ExamplesofAdequatePurposes.pdf>
 - Adequate examples at <http://www.fec.gov/rad/pacs/documents/ExamplesofAdequatePurposes.pdf>

IV. Reporting Examples

A. Methods for Curing Excessive Contributions

1. **Refund**
2. **Redesignate** (11 CFR 110.1(b)(5)(ii)(B)(1)-(4))

Redesignation Procedures

Campaign Requests Redesignation:

1. Campaign must offer refund option when requesting redesignation
2. Signed redesignation authorization must be received by campaign within 60 days of its receipt of the contribution
3. If redesignation process is not completed within 60 days, campaign must refund excessive portion to PAC

a) **Procedures for Redesignation Request**

- (1) Campaign must offer refund option when asking PAC for redesignation.
- (2) Signed redesignation authorization must be received by campaign within 60 days of their receipt of original contribution.
- (3) If redesignation process not completed within 60 day window, campaign must refund the excessive portion back to the PAC.

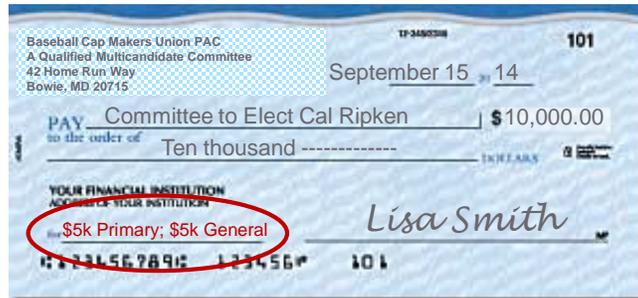
b) **Electronic Contributor Redesignations**

The Commission 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.



FEC Recommended

Designate all contributions to candidates



B. Avoiding Excessive Contributions

1. Designate election for all contributions – highly recommended.
2. Designation required if:
 - a) PAC intends contribution to count toward a future election, beyond the upcoming election.
 - b) Making debt retirement contribution for past election.

Best Practice: Avoid Excessive Contributions – Designate All Contributions!

C. Reporting Example #1A & B: Itemizing Monetary Contributions Made to Federal Candidates and Committees

Reporting Example

- ▣ Itemizing Monetary Contributions Made and Refunded
 - How does the SSF disclose the transaction?
 - What information do we need to disclose?

The Baseball Cap Makers Union PAC, a multicandidate committee based in Maryland, really likes Senator Bryce Harper, a former professional baseball player now representing the state of Nevada. On August 21, 2014, the PAC made out two checks; one to Senator Harper's campaign committee, and one to his leadership PAC, the Nationals Fund. (Note: The PAC had not previously contributed to the Senator or to the Leadership PAC.)

- 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?**

**Answers to Reporting Example #1A:
Monetary Contribution to Federal PAC (Check #301)**

Contributions Made

Contribution to Leadership PAC

Contribution to Campaign

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1. What type of transaction is this?

Answer: This check represents a contribution made by the Baseball Cap Makers Union PAC. The \$5,000 check is a contribution to a Senator's Leadership PAC. Note that the Leadership PACs and the campaign committee of the Leadership PAC sponsor are not considered affiliated.

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

Answer: The PAC must itemize the contribution on its September Monthly report (covering the month of August) on a Schedule B for Line 23.

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

Answer: Disclose 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.

Schedule B, Line 23

Contribution to Leadership PAC

| | | | | |
|--|--|---|--|------|
| 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"/> 27 <input type="checkbox"/> 26a <input type="checkbox"/> 26b <input type="checkbox"/> 26c <input type="checkbox"/> 29 | PAGE |
| 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) Baseball Cap Makers Union PAC | | | | |
| Full Name (Last, First, Middle Initial) A. Nationals Fund | | Date of Disbursement 08 / 21 / 2014 | | |
| Mailing Address 1500 South Capitol Street | | | | |
| City Washington, DC 20003 | | | | |
| Purpose of Disbursement Contribution | | Amount of Each Disbursement this Period 5,000.00 | | |
| Candidate Name | | Category/Type | | |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | Disbursement For: <input type="checkbox"/> Campaign <input type="checkbox"/> Other (specify) <input type="checkbox"/> General | Not Applicable | | |
| State | District | | | |

**Answers to Reporting Example #1B:
Contribution to Federal Candidate (Check #302)**

Contributions Made

The image displays two checks from the Baseball Cap Makers Union PAC, a Qualified Multicandidate Committee, dated August 21, 2014, and signed by Lisa Smith. The top check, #0301, is for \$5,000.00 payable to Nationals Fund and is labeled 'Contribution to Leadership PAC'. The bottom check, #0302, is for \$7,000.00 payable to Committee to Elect Bryce Harper and is labeled 'Contribution to Campaign'. Both checks include the MICR line: ⑆ 123456780⑆ 0301 123-456-7⑆.

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The Harper Campaign receives the PAC check on August 24, 2014, and notes that the undesignated \$7,000 check is an excessive contribution. As such, the campaign sends the PAC a redesignation request. As a big supporter of the Senator, the PAC does not want a refund. On September 2, the PAC treasurer sends the campaign a redesignation letter which is received by the campaign treasurer on September 5.

1. What type of transaction is this?

Answer: This check represents two separate contributions made by the Baseball Cap Makers Union PAC. The check for \$7,000 represents contributions to both the primary and the general election campaign of the Committee to Elect Bryce Harper. However, as an undesignated contribution, it's an excessive primary contribution. To remedy this, the campaign has asked the PAC to redesignate the excessive portion (\$2,000) to the general election.

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

Answer: The PAC is required to disclose the original disbursement since the close of books for the June Monthly report (covering the month of May) falls before the redesignation letter is sent by the PAC. Then the PAC then must disclose the redesignation on the September Monthly report (covering the month of August) since the redesignation occurred during that reporting period.

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

Answer: Report original disbursement (September Monthly) - show reporting on Schedule B for Line 23. The itemization information includes 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. Include notation “Redesignation Pending.”

Contribution to Campaign

Part I: September Monthly

| | | | |
|--|---|--|------|
| 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"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 | PAGE |
| 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) Baseball Cap Makers Union PAC | | | |
| Full Name (Last, First, Middle Initial) A. Committee to Elect Bryce Harper | | Date of Disbursement 08 / 21 / 2014 | |
| Mailing Address 873 Long Ball Drive | | Amount of Each Disbursement this Period 7,000.00 | |
| City, State, Zip Code Las Vegas, NV 89101 | | | |
| Purpose of Disbursement Contribution | | Category/Type 011 | |
| Candidate Name Bryce Harper | | Redesignation Pending | |
| Office Sought: <input 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) | | |
| State: NV District: | | | |

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Report Redesignation (October Monthly): Show reporting on Schedule B for Line 23. There will be two separate entries.

- \$7,000 contribution as disclosed on June monthly – MEMO entry.
- \$2,000 contribution shown with general checked – REDESIGNATION; MEMO entry.

Disclose both entries as MEMO entries since this is not new money leaving the PAC account, but new information on a previous disbursement.

Part II: October Monthly

Redesignation

| 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) | PAGE OF |
|---|--|---|--|--|
| | | | <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 | <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) Baseball Cap Makers Union PAC | | | | |
| A. Committee to Elect Bryce Harper Full Name (Last, First, Middle Initial) Mailing Address: 873 Long Ball Drive City: Las Vegas, NV 89101 State: Zip Code: | | Date of Disbursement 08 / 21 / 2014 | | |
| Purpose of Disbursement: Contribution Candidate Name: Bryce Harper Office Sought: NV <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) | | Amount of Each Disbursement this Period 7,000.00 MEMO; as disclosed in Sept Monthly | | 011 Category/Type |
| B. Committee to Elect Bryce Harper Full Name (Last, First, Middle Initial) Mailing Address: 873 Long Ball Drive City: Las Vegas, NV 89101 State: Zip Code: | | Date of Disbursement 09 / 05 / 2014 | | |
| Purpose of Disbursement: Contribution Candidate Name: Bryce Harper Office Sought: NV <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) | | Amount of Each Disbursement this Period 2,000.00 MEMO Redesignation | | 011 Category/Type |

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Points to Remember:

- 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.
- **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.
- If redesignated after the close of books, show the redesignation on the next report and indicate the report on which it was previously itemized.
- Previous report should not be amended.
- 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., “2012 general debt”).
- Treat contributions to a leadership PAC as a contribution to a PAC, not a contribution to a campaign.

D. Reporting Example #1C: Itemizing Refunded, Lost and Returned Contributions Made to Federal Candidates and Committees

Returned vs. Refunded

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

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On September 10, the Baseball Cap Makers Union PAC treasurer realizes that the check to the Nationals Fund never cleared the bank, and decides to void the check and add the money back into the PAC's checking account.

On the same day, the PAC receives a refund check from the Harper Campaign for \$2,000. Senator Harper lost in the primary and has refunded the PAC's general election contribution.

- 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?**

**Answers to Example #1C:
Itemizing Refunded, Lost and Returned Contributions Made to Federal Candidates
and Committees**

1. What types of transactions are these?

Answer: The uncashed check to the Nationals Fund that was voided by the Baseball Cap Makers Union 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 Committee to Elect Bryce Harper represents a refund, and thus, a receipt.

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

Answer: Voided or returned/uncashed checks should be disclosed as negative entries on the Line number the transaction was originally disclosed (in this case, Schedule B for Line 23). 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.

3. 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. The committee should also reference the original contribution date in the “purpose” section of the report.

Reporting Example Continues on Next Page

Report Lost/Voided/Returned Contribution:

Negative Entry, Schedule B, Line 23

**Returned, Lost
Or Voided**

| | | | | | | | |
|--|--|--|------------------------------|--|------------------------------|-----------------------------|------------------------------|
| SCHEDULE B (FEC Form 3X) | | Use separate schedule(s) for each category of the Detailed Summary Page | | FOR LINE NUMBER: (check only one) | | PAGE | |
| 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"/> 29c | <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) Baseball Cap Makers Union PAC | | | | | | | |
| Full Name (Last, First, Middle Initial) Nationals Fund | | | | Date of Disbursement 09 / 10 / 2014 | | | |
| Mailing Address 1500 South Capitol Street | | | | | | | |
| City State Zip Code Washington, DC 20003 | | | | | | | |
| Purpose of Disbursement Check lost in mail – orig. contribution 8/21/14 | | | | Amount of Each Disbursement This Period - 5,000.00 | | | |
| Candidate Name | | | | Category/Type | | | |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) | | | | | |
| State: District: | | | | | | | |

Report Refunded Contribution Received:

Schedule A, Line 16

Refund of Contribution

| | | | | | | | |
|--|--|---|------------------------------|---|-----------------------------|--|-----------------------------|
| SCHEDULE A (FEC Form 3X) | | Use separate schedule(s) for each category of the Detailed Summary Page | | FOR LINE NUMBER: (check only one) | | PAGE OF | |
| ITEMIZED RECEIPTS | | <input type="checkbox"/> 11a | <input type="checkbox"/> 11b | <input type="checkbox"/> 11c | <input type="checkbox"/> 12 | <input checked="" type="checkbox"/> 16 | <input type="checkbox"/> 17 |
| <input type="checkbox"/> 13 | | <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) Baseball Cap Makers Union PAC | | | | | | | |
| A. Full Name (Last, First, Middle Initial) Committee to Elect Bryce Harper | | | | Date of Receipt 09 / 10 / 2014 | | | |
| Mailing Address 873 Long Ball Drive | | | | Amount of Each Receipt this Period 2,000.00 | | | |
| City, State, Zip Code Las Vegas, NV 89101 | | | | FEC ID number of contributing federal political committee. C 00000001 | | | |
| Name of Employer | | Occupation | | Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) | | | |
| | | | | Aggregate Year-to-Date 2,000.00 | | | |

Contribution itemized in Sept Monthly

Points to Remember:

- If SSF receives its original check, not deposited (or if its check is lost or otherwise not deposited):
 - Report amount as negative entry on Schedule B for Line 23.
 - Subtract from the total amount for that schedule.
 - Note that check is lost, voided, etc. (FECFile users: use description field).
- If SSF receives refund check issued by candidate:
 - Itemize on Schedule A for Line 16 (check appropriate election designation box).
 - Reference previous report of contribution made (FECFile users: use description field).

Review: IE Definition

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.

EXPRESS ADVOCACY
NO COORDINATION

E. Independent Expenditures – Definition

1. 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.

Disclosure

- ▣ PACs report on Schedule E of Form 3X
- ▣ Date made = Date disseminated
- ▣ Aggregate on per calendar year, per election, per office sought basis

F. Disclosure of Independent Expenditures

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

Disclosure

48-Hour Reports

- ☐ Required for IEs
 - Aggregating ≥ \$10,000
 - Made 20 days or more before an election

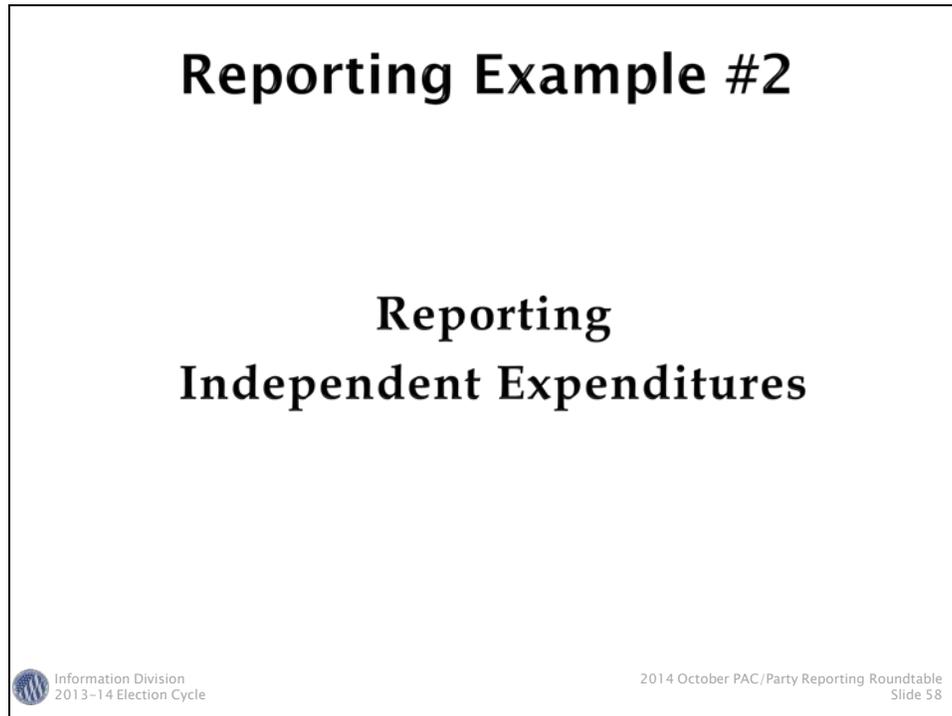
24-Hour Reports

- ☐ Required for IEs
 - Aggregating ≥ \$1,000 made
 - < 20 days but more than 24 hours before an election

****Disclose again on next regular report****

- **48-Hour Reporting (11 CFR 104.5(g)(1))**
 - Must file a **48-Hour Report** 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 Report 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 Report** 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 Report is required each time an additional \$1,000 is aggregated in independent expenditures.
- **48- and 24-Hour Report** is filed using stand-alone Schedule E; check appropriate box to note type of report.
- **48- and 24-Hour Report time frames** for each state are located on our website:
 - **2014:** http://www.fec.gov/info/charts_ie_dates_2014.shtml.

G. Large Last-Minute Independent Expenditures (Reporting Example #2)



Background: House candidate Derek Jeter wouldn't accept PAC checks and his campaign would not speak to representatives of the Baseball Cap Makers Union PAC. However, the PAC still wanted to lend its support to candidate Jeter. Just before the November 4 general election, the PAC contracts with WBAT-FM to run a \$7,500 radio ad on October 27, supporting Jeter. The bill for the ads was paid on November 27, 2014.

- 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?**

Answers to Example #2: Large Last-Minute Independent Expenditures

PAC Reporting Independent Expenditures

Last-Minute Reporting:

- ▣ What type of transaction is this?
ANSWER: Last-minute independent expenditure
- ▣ How must the committee disclose transaction(s)?
ANSWER: 24-hour report; again on post-general
- ▣ What information from the scenario do we need to disclose this correctly?

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1. What type of transaction is this?

Answer: The PAC is making an independent expenditure, defined as an expenditure for a communication that "expressly advocates" the election or defeat of a clearly identified candidate and that is not made in cooperation with, or at the request or 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. If it aggregates \$1,000 or more and is made less than 20 days but more than 24 hours before the day of an election, as this expenditure did, the PAC must file a 24-Hour Report on Schedule E disclosing the independent expenditure. The PAC must disclose the independent expenditure again, on Schedule E, for the next regular FEC report (30-Day Post General Report).

See Reporting Example on Next Page

24-Hour IE Report

Initial Reporting - 24-hour Schedule E

**SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES**

PAGE **1** OF
FOR LINE 24 OF FO

| | | | | | |
|--|--------------------|--|--|---|---|
| NAME OF COMMITTEE (In Full) Baseball Cap Makers Union PAC | | | FEC IDENTIFICATION NUMBER C 0000004 | | |
| Check <input checked="" type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report | | | <input checked="" type="checkbox"/> New report <input type="checkbox"/> Amends report filed on <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">M</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">M</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">/</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">D</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">D</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">/</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">Y</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">Y</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">Y</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">Y</table> | | |
| Full Name of Payee WBAT-FM | | | Date of Public Distribution/Dissemination 10 / 27 / 2014 | | |
| Mailing Address 12100 West Howard Avenue | | | Amount 7,500.00 | | |
| City Brooklyn | State NY | Zip Code 11228 | Date of Disbursement or Obligation <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">M</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">M</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">/</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">D</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">D</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">/</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">Y</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">Y</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">Y</table> <table style="display: inline-table; border: 1px solid black; margin: 0 5px;">Y</table> | | |
| Purpose of Expenditure Radio Ad | | Category/Type 004 | Name of Federal Candidate Derek Jeter | | |
| | | <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | Office Sought: <input type="checkbox"/> President <input type="checkbox"/> Senate | <input checked="" type="checkbox"/> House | District: 10 State: NY |
| Calendar Year-To-Date Per Election for Office Sought | | 7,500.00 | Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶ 2014 General | | |

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

Answer: Key facts in the scenario include the date of dissemination (10/27/14), the fact that it is an advertisement that contained express advocacy, and was not coordinated with the campaign. The PAC will also need to disclose the payee’s name and address, the candidate information, the purpose of the expenditure, the amount and the calendar year-to-date per election for the office sought.

On the next report filed (30 Day Post-General covering 10/16/14-11/24/14, and due on 12/4/14), the PAC must report the same information disclosed on the 24-Hour Report on Schedule E as a MEMO entry because the payment has not been made as of the close of books for the Post-General report. Accordingly, the PAC must report a debt on Schedule D to “WBAT-FM” until it is settled.

Reporting Example Continues on Next Page

Disclosure on Next Regular Report

**SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES**

PAGE **1** OF
FOR LINE 24 OF FORM

**IE Disclosed
(Post-General)**

| | | | |
|---|--|---|---|
| NAME OF COMMITTEE (In Full) Baseball Cap Makers Union PAC | | FEC IDENTIFICATION NUMBER C 00000004 | |
| Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report <input checked="" type="checkbox"/> New report <input type="checkbox"/> Amends report filed on | | M M / D D / Y Y Y Y | |
| Full Name of Payee WBAT-FM | | Date of Public Distribution/Dissemination 10 / 27 / 2014 | |
| Mailing Address 12100 West Howard Avenue | | Amount MEMO | |
| City Brooklyn | State NY | Zip Code 11228 | 7,500.00 |
| Purpose of Expenditure Radio Ad | Category/Type 004 | Date of Disbursement or Obligation M M / D D / Y Y Y Y | |
| Name of Federal Candidate Derek Jeter | <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> President <input type="checkbox"/> Senate | District: 10 State: NY |
| Calendar Year-To-Date Per Election for Office Sought | 7,500.00 | Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶ 2014 General | |

Reporting Example Continues on Next Page

**Debt Owed
(Post-General)**

Other Reporting - Debt

**SCHEDULE D (FEC Form 3X)
DEBTS AND OBLIGATIONS
Excluding Loans**

(Use separate schedule(s) for each numbered line)

PAGE **1** OF
FOR LINE NUMBER: (check only one)
 9
 10

| | | |
|--|------------------------------------|--|
| NAME OF COMMITTEE (In Full) Baseball Cap Makers Union PAC | | |
| A. Full Name (Last, First, Middle Initial) of Debtor or Creditor WBAT-FM | | Nature of Debt (Purpose): Radio Ad for Derek Jeter |
| Mailing Address 12100 West Howard Avenue | | |
| City State Brooklyn NY | Zip Code 11228 | |
| Outstanding Balance Beginning This Period 0.00 | | |
| Amount Incurred This Period 7,500.00 | Payment This Period 0.00 | Outstanding Balance at Close of This Period 7,500.00 |

When full payment is made to the vendor on 11/27/14, it should be reflected on Schedule E supporting Line 24, as well as Schedule D supporting Line 10 of the Year End Report (coverage period: 11/25/14-12/31/14). Note that the date of disbursement reflects the date of the payment to the vendor.

Reporting Example Continues on Next Page

Subsequent Payment

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

PAGE 1 OF 1
FOR LINE 24 OF FORM 278E

**IE Payment
(Year-End)**

| | | | |
|--|--|---|---|
| NAME OF COMMITTEE (In Full) Baseball Cap Makers Union PAC | | FEC IDENTIFICATION NUMBER C 00000004 | |
| Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report <input type="checkbox"/> New report <input type="checkbox"/> Amends report filed on | | M M / D D / Y Y Y Y | |
| Full Name of Payee WBAT-FM | | Date of Public Distribution/Dissemination 10 / 27 / 2014 | |
| Mailing Address 12100 West Howard Avenue | | Amount 7,500.00 | |
| City Brooklyn | State NY | Zip Code 11228 | |
| Purpose of Expenditure Radio Ad | Category/Type 004 | Date of Disbursement or Obligation 11 / 27 / 2014 | |
| Name of Federal Candidate Derek Jeter | <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> President <input type="checkbox"/> Senate | District: 10 State: NY |
| Calendar Year-To-Date Per Election for Office Sought | 7,500.00 | Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶ 2014 General | |

Reporting Example Continues on Next Page

**Debt Paid
(Year-End)**

Other Reporting - Debt

**SCHEDULE D (FEC Form 3X)
DEBTS AND OBLIGATIONS
Excluding Loans**

| | | |
|--|--|--|
| (Use separate schedule(s) for each numbered line) | PAGE 1 OF _____ FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10 | |
| NAME OF COMMITTEE (In Full) Baseball Cap Makers Union PAC | | |
| A. Full Name (Last, First, Middle Initial) of Debtor or Creditor WBAT-FM | Nature of Debt (Purpose): Radio Ad for Derek Jeter | |
| Mailing Address 12100 West Howard Avenue | | |
| City State Zip Code Brooklyn NY 11228 | | |
| Outstanding Balance Beginning This Period <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 5px;">7,500.00</div> | | |
| Amount Incurred This Period <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 5px;">0.00</div> | Payment This Period <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 5px;">7,500.00</div> | Outstanding Balance at Close of This Period <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 5px;">0.00</div> |

Points to Remember: Reporting Last-Minute Independent Expenditures

- **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 Report** 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 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 report).
- 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 Report is required each time an additional \$1,000 is aggregated in independent expenditures.
- The 24-Hour Report time frames for each primary are on the FEC website at http://www.fec.gov/info/report_dates_2014.shtml#ie.
- **48-Hour Reporting**
 - In addition, must file a **48-Hour Report** 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 Report).
 - 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 Report is required each time an additional \$10,000 is aggregated in independent expenditures.

Avoid Common Mistakes

- ❑ Check for math errors
- ❑ Include all required schedules, all information
- ❑ Provide all information required by schedule
- ❑ Consult form instructions available on FEC.gov
- ❑ Designate contributions
- ❑ Only enter contributors into reporting software once to avoid aggregation problems
- ❑ Ensure correct committee name disclosed for contributions made/received



Information Division
2013-14 Election Cycle

2014 October PAC/Party Reporting Roundtable
Slide 65

H. Avoiding Common Mistakes

1. Check for math errors.
2. Include all appropriate schedules.
3. Provide all information required by schedule. Consult form instructions available on our web site at <http://www.fec.gov/info/forms.shtml>.
4. Designate all contributions made to Federal candidate committees. If not designated, contribution is applied towards next election and may result in excessive contribution. Also indicate year of election and check Primary or General. For Special, Runoff, Convention or Recount election, check “Other” and also include election type and year (e.g., “Special General 2014”).
5. Avoid accidentally entering contributors multiple times into the committee’s reporting software program. This causes aggregation problems as well as excessive contributions to be reported.
6. Ensure the correct committee name is disclosed for contributions made. Using an incorrect committee name creates data entry problems and errors on the public record.

Reporting Help

- ✓ RAD's FAQ web page
- ✓ FECFile Getting Started Manuals
- ✓ Campaign and Committee Guides
- ✓ FECTube YouTube Channel
- ✓ Extended Phone Coverage
- ✓ Call your analyst! 800-424-9530, press 5

Objectives

- ▣ Review filing deadlines and application of “best efforts” for timely filing
- ▣ Learn about the Reports Analysis Division (RAD) review process and how best to respond to a Request for Additional Information (RAI)
- ▣ Discuss common reporting errors

Workshop Evaluation

Help Us Help You!

Please complete an evaluation
of this workshop.