

PARTY OPERATIONS

PART 1: PARTY FUNDRAISING AND CANDIDATE SUPPORT



March 19, 2014
1:15 p.m. – 2:45 p.m.
Tab #4

Objectives

- ▣ Review fundraising and other methods of support for the party
- ▣ Review restrictions on nonfederal fundraising by candidates and officeholders
- ▣ Discuss methods of candidate support by the party including coordinated and independent expenditures

PART A: FUNDRAISING

Bank Account Basics

- ❑ Political committees must have \geq one checking account at a federally insured institution
- ❑ Committees may invest funds, but all receipts and disbursements go thru checking account

I. Organize Accounts

- A. **Establishing a Federal Account (11 CFR 103.2 and 103.3)** (*Guide*, pp. 4-5)
 1. Party committee must establish one or more federal accounts and designate a campaign depository at a federally insured institution.
 2. Committee may invest the funds, but all federal receipts and disbursements must be made through the checking account.

National Party Accounts

National parties cannot raise or spend nonfederal funds – federal accounts only



 Information Division
2013-14 Election Cycle

Party Operations Part 1

B. National Party Committees (11 CFR 300.10)

National party committees, their agents, or any entity established, financed, maintained or controlled by a national party committee are prohibited from raising, spending, soliciting, receiving or directing funds that are not subject to the limitations, prohibitions and reporting requirements of the Federal Election Campaign Act (i.e., “soft money”).

State/Local Party Accounts

State and local parties may have three different types of bank accounts:

1. Federal

2. Nonfederal

3. Levin



Information Division
2013-14 Election Cycle

Party Operations Part 1

C. **Three Types of Accounts for State/Local Party Committees** – (11 CFR 102.5(a) and 300.30); (*Guide*, pp. 4-5)

1. **Federal Account – Required for Federal Activity**

Federal funds comply with the limitations, prohibitions and reporting requirements of the Federal Election Campaign Act (the Act).

2. **Nonfederal Account – Optional Under Federal Law**

Nonfederal funds are governed by state law. Not reportable to the FEC.

3. **Levin Account – Optional Under Federal Law or Deposit in Nonfederal Account**

a) Levin funds comply with some of the limits and prohibitions of the Act and are also governed by state law.

b) Used to pay a portion of certain FEA, which are specific activities defined by BCRA. We will discuss FEA in detail in Part 2.

Federal Account Deposits

Must meet one of these conditions:

1. Designated or solicited for federal account
2. Contributors informed that contribution is subject to federal limits/prohibitions

D. Deposits into the Federal Account – (11 CFR 102.5(a) and 300.30(b)(3));
(*Guide*, p. 5)

1. Solicitation Notice

All funds deposited into the party's federal account must meet one of the following conditions:

a) Designated or Solicited for the Federal Account

Funds must be designated by the contributor or expressly solicited for use in connection with federal elections; or

b) Contributors Informed

Contributors must be informed that contribution is subject to federal limits and prohibitions, e.g., in the initial solicitation.

Scenario #1

Reporting Contributions to the Federal Account

Reporting Scenario #1

On March 1, 2014, the Freedom Party sends out a solicitation for contributions. The solicitation states that the funds received will be used in connection with both nonfederal and federal elections. The committee receives a check from Dr. Marvin Monroe in the amount of \$500 on March 15, 2014.

- 1. May the committee deposit the check in the federal account?**
- 2. How should the committee report the receipt of the check?**
- 3. When examining the check from Dr. Monroe, what “red flags” should the committee consider when deciding if the check is permissible?**

Reporting
Federal Receipts

Schedule A, Line 11(a)(i)	
SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS	Use separate schedule(s) for each category of the Detailed Summary Page FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.	
NAME OF COMMITTEE (in Full) The Freedom Party Committee	
Full Name (Last, First, Middle Initial) A. Dr. Marvin Monroe	Date of Receipt <div style="border: 1px solid black; padding: 2px; display: inline-block;">3 / 15 / 2014</div>
Mailing Address 1082 C Street	Amount of Each Receipt this Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$500.00</div>
City State Zip Code Massena NY 11215	
FEC ID number of contributing federal political committee. C	Name of Employer Occupation Self-Employed Psychiatrist
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	Aggregate Year-to-Date ▼ <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$500.00</div>

Party Operations Part 1

Reporting Scenario #1 Answers:

1. May the committee deposit the check in the federal account?

Answer: Yes, because the solicitation stated that the funds would be used in connection with federal elections. Alternatively, the solicitation could have stated that the contributions are subject to the limits and prohibitions of the Act. Either would satisfy 11 CFR 102.5(a)(2).

2. How should the committee report the receipt of the check?

Answer: The contribution is more than \$200 so it should be itemized on Schedule A for Line 11(a)(i).

3. When examining the check from Dr. Monroe, what “red flags” should the committee consider when deciding if the check is permissible?

Answer: Is the check a personal check? Is the check drawn on the account of a corporation or LLP? Is the address on the check a foreign address?

Contribution Exemption: Volunteer Activities

- » Volunteer Services
- » Personal Property
- » Home Event - \$2,000/year
- » Unreimbursed Travel - \$2,000/year

II. Contribution Exemption: Volunteer Services (*Guide*, pp. 27-28)

A. Services of Individual Volunteer

No limit on services provided without compensation by any individual.
11 CFR 100.74.

B. Use of Real or Personal Property (e.g., home or personal computer)

1. Unlimited when Used for Volunteer Services (11 CFR 100.75)

2. Use of Home or Community Room for Event

- a) Individual may spend up to \$2,000/year for food, beverage and invitations in connection with event held at above locations.
11 CFR 100.77.
- b) Community room must be used on a regular basis by community for non-commercial purposes and must be available regardless of political affiliation.
- c) Nominal fee paid for use is not a contribution.

C. Unreimbursed Travel

Individual may spend up to \$2,000/year for his/her own unreimbursed travel on behalf of the party. 11 CFR 100.79.

Contribution Exemption: Food/Beverage Discount

- ▣ Charge must \geq actual cost to vendor
- ▣ Discount limited to \$2,000/year
- ▣ Vendor may be incorporated

III. Contribution Exemption: Food/Beverage Vendor Discounts (*Guide*, p. 28)

A. How Exemption Works

Food and beverage vendors may sell food or beverages at a discount, provided that:

1. Charge must at least equal actual cost to vendor.
2. Discount may not exceed \$2,000/year. 11 CFR 100.78 and 114.1(a)(2)(v).

B. Vendor May be Incorporated

Contribution Exemption: Legal & Accounting Services

- ▣ Services cannot directly further election of candidate
- ▣ Person paying for the services is the employer
- ▣ Employer does not hire a replacement
- ▣ Party must report name of provider, date of service and value

IV. Contribution Exemption: Free Legal and Accounting Services (*Guide*, p. 27)

A. Provided by Employers

An employer (e.g., law or accounting firm) may provide unlimited legal and accounting services as long as certain conditions are met.

B. Conditions for Exemption

1. Services may not directly further election of specific federal candidate.
2. Entity paying for services must be regular employer of individual performing the service.
3. Employer may not hire additional employees to free regular employees to perform the service.

C. Reporting

Party must report name of provider, date of service and value. Report the value of services received by using a memo entry on Schedule A of Form 3X. 11 CFR 100.85, 104.3(h) and 114.1(a)(2)(vi).

V. **Participation by Federal Candidates and Officeholders at Nonfederal Fundraising Events (11 CFR 300.60 – 300.65)**

Party Fundraising by Candidates/ Officeholders

Prohibited Activity

Generally, federal candidates and officeholders cannot solicit, receive, direct, transfer, spend or disburse funds outside of federal limits or from prohibited sources in connection with elections.

 Information Division
2013-14 Election Cycle Party Operations Part 1

A. **Fundraising Restrictions** (*Guide*, pp. 22-23)

1. **In Connection with Federal Elections**

The persons described below may not solicit, receive, direct, transfer, spend or disburse funds in connection with Federal elections unless the amounts consist of Federal funds that are subject to the limitations, prohibitions, and reporting requirements of the Act. 11 CFR 300.61.

2. **In Connection with Nonfederal Elections**

In addition, the persons described below may solicit, receive, direct, transfer spend or disburse funds in connection with any nonfederal election, only in amounts and from sources that are consistent with State law, and that do not exceed the Act's contribution limits or come from prohibited sources under the Act. 11 CFR 300.62.

B. **Application**

The fundraising restrictions apply to the following:

1. **Federal candidates;**
2. **Individuals holding federal office;**
3. **Agents acting on behalf of federal candidate or individual holding federal office.** (See AO 2003-10); **and**

4. **Entities directly or indirectly established, financed, maintained or controlled by, or acting on behalf of, one or more federal candidates or individuals holding federal office** (e.g., a Leadership PAC).
See AO 2003-12 and 11 CFR 300.60.

Party Nonfederal Fundraisers

Candidate/Officeholder may:

- ☐ Attend, speak or be a featured guest at event where nonfederal or Levin funds are raised
- ☐ Solicit funds at event only if solicitation limited to federal funds
 - Written notice limiting solicitation to federal funds OR
 - Oral statement limiting solicitation to federal funds
 - Must be clear and conspicuous; Not clear and conspicuous if difficult to read or hear or if placement is easily overlooked

C. **Attendance at Nonfederal Fundraising Event (11 CFR 300.64(b))**

A Federal candidate or officeholder may:

1. Attend, speak at, or be a featured guest at a nonfederal fundraising event.
2. Solicit funds at a nonfederal fundraising event, provided that the solicitation is limited to funds that comply with the amount limitations and source prohibitions of the Act and that are consistent with State law.
 - a) A Federal candidate or officeholder may limit such a solicitation by displaying at the fundraising event a clear and conspicuous written notice, or making a clear and conspicuous oral statement, that the solicitation is not for Levin funds (when applicable), does not seek funds in excess of \$[Federally permissible amount], and does not seek funds from corporations, labor organizations, national banks, federal government contractors, or foreign nationals.
 - b) A written notice or oral statement is not clear and conspicuous if it is difficult to read or hear or if its placement is easily overlooked.

Publicity for Nonfederal Fundraisers

Party committee may use candidate/officeholder name/likeness in publicity that:

- ☐ Does not contain a solicitation
- ☐ Solicits only federal funds
- ☐ Solicits nonfederal or Levin funds, IF . . .
 - The candidate/officeholder is identified in manner not specifically related to fundraising (featured guest, honored guest, special guest, featured speaker, or honored speaker) AND
 - The publicity includes disclaimer that solicitation is not being made by the candidate/officeholder



Information Division
2013-14 Election Cycle

Party Operations Part 1

D. **Publicity for Nonfederal Fundraising Events (11 CFR 300.64(c))**

(Publicity for a nonfederal fundraising event includes, but is not limited to, advertisements, announcements, or pre-event invitation materials, regardless of format or medium of communication.)

1. **Publicity That Does Not Contain a Solicitation**

A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that does not contain a solicitation

2. **Publicity Containing Solicitation Limited to Federal Funds**

A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that solicits only funds that comply with the amount limitations and source prohibitions of the Act.

Publicity for Nonfederal Fundraisers

Even if the communication includes a disclaimer . . .

▣ MAY NOT use candidate/officeholder name or likeness in publicity that solicits nonfederal funds if he/she:

- Serves in a position specifically related to fundraising;
- Is extending an invitation to the event; OR
- Signs the communication



▣ Candidate/officeholder may not disseminate publicity for nonfederal fundraiser that includes a solicitation of nonfederal/Levin funds by someone other than the candidate/officeholder.

3. **Publicity Containing Solicitation of Nonfederal Funds**

A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds **ONLY** if:

- a) The federal candidate or officeholder is identified as a featured guest, honored guest, special guest, featured speaker, or honored speaker, or in any other manner not specifically related to fundraising; **AND**
- b) The publicity includes a clear and conspicuous disclaimer that the solicitation is not being made by the Federal candidate or officeholder. 11 CFR 300.64(c)(3)(i)(B).

E. **Disclaimers on Publicity**

1. **Clear and Conspicuous**

a) **On Written Publicity**

The clear and conspicuous disclaimer required by 11 CFR 300.64(c)(3)(i)(B) must meet the existing requirements in 11 CFR 110.11(c)(2) (i.e., contained in a box set apart from the rest of the communication) if the publicity is written. **Disclaimer requirements were discussed in the Basics for Beginners workshop.**

- b) **On Non-written Publicity**
Where publicity is disseminated by non-written means, the clear and conspicuous disclaimer is required only if the publicity is recorded or follows any form of written script.
- c) **Examples**
Examples of clear and conspicuous disclaimers include, but are not limited to:
- “[Name of Federal candidate/officeholder] is appearing at this event only as a featured speaker. [Federal candidate/officeholder] is not asking for funds or donations;”
or
 - “All funds solicited in connection with this event are by [name of nonfederal candidate or entity], and not by [Federal candidate/officeholder].”
- d) **Use of Fundraising Titles/Candidate Signature**
A Federal candidate or officeholder or an agent of either may not approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds if:
- (1) The Federal candidate or officeholder is identified as serving in a position specifically related to fundraising, such as honorary chairperson or member of a host committee, or is identified in the publicity as extending an invitation to the event, even if the communication contains a written disclaimer as described in paragraph (c)(3)(i)(B) of this section; OR
 - (2) The Federal candidate or officeholder signs the communication, even if the communication contains written disclaimer as described in paragraph (c)(3)(i)(B) of this section.
- e) **Dissemination By Federal Candidate or Agents**
A Federal candidate, officeholder, or an agent of either, may not disseminate publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds by someone other than the Federal candidate or officeholder.

See next page for some solicitation examples.

Some Examples of Permissible Solicitations:

Example: Permissible

Note: Federal candidates & officeholders may be identified in any role or manner on publicity that does not contain a solicitation.

The Freedom Party (nonfederal account) cordially invites you to an event with

HONORARY CHAIR
U.S. REPRESENTATIVE JANE DOE

Friday, May 17th, 7 P.M.
Hotel California
1234 Maine Avenue

Paid for by the Freedom Party and not authorized by any candidate or candidate's committee.
www.freedomparty.com

Because this example does not contain a solicitation, no additional disclaimer is required other than any existing applicable federal disclaimer.

(This example does not address any other applicable requirement under State law.)

No solicitation

Information Division 2013-14 Election Cycle Party Operations Part 1

Example: Permissible

Federal officeholder must be identified in a non-fundraising role because this contains a solicitation outside the federal amount limitations

The Freedom Party (nonfederal account) cordially invites you to a fundraiser with:

HONORED SPEAKER
U.S. SENATOR JOHN SMITH

Friday, May 17th, 7 P.M.
Hotel California
1234 Maine Avenue

Please RSVP with your \$25,000 donation to (123) 456-7890.
Make checks payable to the Freedom Party and mail to: 222 Central Avenue, Union, ST 12346

All solicitations of funds in connection with this event are by the Freedom Party and not by Senator Smith. Paid for by the Freedom Party and not authorized by any candidate or candidate's committee. www.freedomparty.com

Because this contains a solicitation outside the federal limits and prohibitions, it requires a clear & conspicuous disclaimer that the solicitation is not being made by the federal officeholder.

The solicitation disclaimer may be placed in the same box as any other applicable federal disclaimer requirement. Any other applicable disclaimer requirement under state law, which this example does not address, should be placed outside of the federal box.

Contains a solicitation outside the federal amount limits and source prohibitions

Information Division 2013-14 Election Cycle Party Operations Part 1

Some Examples of Impermissible Solicitations:

Example: Impermissible

U.S. Senator John Smith cordially invites you to a fundraising event for the Freedom Party (nonfederal account).

*Friday, May 17th, 7 P.M.
Hotel California
1234 Maine Avenue*

*Please RSVP with your \$25,000 contribution to (123) 456-7890.
Make checks payable to the Freedom Party (nonfederal account)
and mail to: 222 Central Avenue, Union, ST 12346*

All solicitations of funds in connection with this event are by the Freedom Party and not by Senator Smith.
Paid for by the Freedom Party and not authorized by any candidate or candidate's committee. www.freedomparty.com

Contains a solicitation outside the federal amount limits and source prohibitions

In this example, the federal officeholder impermissibly is extending the invitation on publicity containing a solicitation for funds outside the federal limits and prohibitions.

This problem cannot be "cured" by including a disclaimer that the impermissible solicitation is not being made by the federal officeholder.

 Information Division
2013-14 Election Cycle Party Operations Part 1

Example: Impermissible

Join Honorary Chair U.S. Senator John Smith at a fundraiser for the Freedom Party (nonfederal account).

*Friday, May 17th, 7 P.M.
Hotel California
1234 Maine Avenue*

*Please RSVP with your \$25,000 contribution to (123) 456-7890.
Make checks payable to the Freedom Party (nonfederal account)
and mail to: 222 Central Avenue, Union, ST 12346*

All solicitations of funds in connection with this event are by the Freedom Party and not by Senator Smith.
Paid for by the Freedom Party and not authorized by any candidate or candidate's committee. www.freedomparty.com

Contains a solicitation outside the federal amount limits and source prohibitions

In this example, the federal officeholder impermissibly is identified in a role specifically related to fundraising on publicity containing a solicitation for funds outside the federal limits and prohibitions.

This problem cannot be "cured" by including a disclaimer that the impermissible solicitation is not being made by the federal officeholder.

 Information Division
2013-14 Election Cycle Party Operations Part 1

PART B: SPENDING PARTY FUNDS

Supporting Candidates

- ▶ Contributions
- ▶ Exempt Activities
- ▶ Coordinated Party Expenditures
- ▶ Independent Expenditures
- ▶ Federal Election Activities (FEA)

Contribution Limits

Review

2013-14 Cycle	House Candidate	Senate Candidate
National May Give:	\$5,000/election	\$5,000/election from National CCC plus \$45,400 from National/Senatorial
State and Registered Local May Give:	\$5,000/election (combined limit)	\$5,000/election (combined limit)
Unregistered Local May Give:	\$2,600/election; will trigger registration	\$2,600/election; will trigger registration

I. Contribution Limitations From Party Committees (11 CFR 110.1 and 110.2)
(*Guide* pp. 35-40)

A. By National Party Committees

- 1. To Congressional Candidates** – Each may contribute \$5,000 per election, per candidate. 11 CFR 110.2(b).
- 2. To Senatorial Candidates**
 - a)** National Committee plus Senatorial Campaign Committee together may contribute \$45,400/campaign. (Note: indexed for inflation.) 11 CFR 110.2(e).
 - b)** Congressional Campaign Committee may contribute \$5,000/election. 11 CFR 110.2(b).

B. By State, District and Local Party Committees

- 1. To Congressional and Senatorial Candidates**
 - a)** \$5,000 per election, if multicandidate. 11 CFR 110.2(b).
 - b)** \$2,600 per election, if not multicandidate committee. 11 CFR 110.1(b).
 - c)** Limit shared with all federally registered local party committees within the state. 11 CFR 110.3(b)(3).
- 2. Made by Unregistered Local Party Organizations**

May contribute \$2,600/election (indexed for inflation), BUT

 - a)** Permissible funds must be used.
 - b)** Counts towards \$1,000/calendar year registration threshold. 11 CFR 100.5(c) and 110.1(b). See also AOs 2005-02 and 1999-04.

Scenario #2

Reporting Contributions to Federal Candidates

 Information Division
2013-14 Election Cycle

Party Operations Part 1

Reporting Scenario #2 - Reporting Contributions to Federal Candidates

Congressman Cliff Clavin was unsuccessful in his 2012 reelection campaign and lost his seat to local accountant Norm Peterson. Congressman Clavin's campaign has a significant amount of general election debt remaining and the Freedom Party would like to help the campaign pay it down.

Under what circumstances may the Freedom Party make a contribution to retire Congressman Clavin's general election debt? Are there any special reporting rules?

Contributions to Candidates

Contribution to Retire Candidate Debt

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	
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) The Freedom Party						
Full Name (Last, First, Middle Initial) A. Cliff Clavin in 2012						
Mailing Address 84 Beacon Street					Date of Disbursement 04 / 30 / 2014	
City Boston		State MA	Zip Code 02108			
Purpose of Disbursement					Amount of Each Disbursement this Period	
Candidate Name Cliff Clavin					011 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: MA District: 9		2012 Debt Retirement				

 Information Division
2013-14 Election Cycle

Party Operations Part 1

Scenario #2 Answer:

Under what circumstances may the Freedom Party make a contribution to retire Congressman Clavin's general election debt? Are there any special reporting rules?

Answer: The party may make the contribution if the committee has not already maxed out on its contribution limit to this candidate for the general election 2012. For contributions made to retire debt, be sure to designate the contribution(s) specifically for debt retirement for that particular election. Contributions to candidates are reported on Line 23 of FEC Form 3X.

Exempt Activities

Key Facts:

- ☐ Contribution limits do not apply
- ☐ Must use federally permissible funds
- ☐ Count toward \$5,000 exempt activity registration threshold

II. Exempt Party Activities (*Guide*, pp. 49-50)

A. Special Features of Party Exempt Activities

1. **Volunteer-Intensive**
2. **Unlimited**
Not subject to contribution or coordinated expenditure limits, provided criteria listed below are met.
3. **Use Federal funds for portions allocable to federal candidates**
4. **Subject to \$5,000 Registration Threshold (11 CFR 100.5(c))**
5. **Disclaimer Required (11 CFR 110.11(e))**
 - a) Must state that party paid for communication.
 - b) Disclaimer does not need to state whether the communication is authorized by a candidate or any authorized committee.

Slate Cards/Sample Ballots

To be Exempt:

- ▣ Must name 3 or more candidates
- ▣ No general public political advertising (except direct mail)
- ▣ Content limited
 - Name of candidate
 - Office held/sought
 - Party affiliation

- B. Three Specific “Exempt Party Activities:”**
- 1. Slate Card/Sample Ballot/Palm Card (11 CFR 100.80 and 100.140)**
 - a) Must name 3 or more candidates for any public office;
 - b) No general public political advertising, except direct mail (defined as commercial vendor or commercial lists); and
 - (1) Content restricted to identification of candidates, office currently held, office sought and party affiliation. Excessive biographical information, information on candidate positions or statements of party philosophy fall outside of the exemption.
 - (2) Photographs and computer graphics may be used. See AO 2008-06 for more information.

Campaign Materials

To be Exempt:

- ▣ Only for general election nominees
- ▣ Distributed by volunteers
- ▣ No general public political advertising
- ▣ Paid for by local/state party committee
- ▣ Party may not use:
 - Funds designated for a candidate
 - Funds or materials provided by National committee for purchase of the materials

2. **Campaign Materials (11 CFR 100.87 and 100.147)**
(Includes pins, bumper stickers, brochures, yard signs, posters, newsletters and party tabloids)
- a) Activity may only be conducted for the general election on behalf of the party's nominees.
 - b) Party committee must use volunteers to distribute;
 - c) No public political advertising, no direct mail;
 - d) Payment for materials must be made by party committee. Any payment by state candidate committee to party for state candidate's share of materials is not a contribution to the party;
 - e) Payments may not be made from funds designated for a particular candidate; and
 - f) Payments may not be made from funds provided by National committee for purchase of the materials, nor can the National committee provide the materials.
 - g) In AO 2010-01, the Commission approved a state party committee's payment for and distribution by volunteers of exempt campaign materials on behalf of a state party's "presumptive nominees" before the primary election was held, but only after the date that the party is able to identify its presumptive nominee.

Presidential GOTV-Voter Registration

To be Exempt:

- ▣ Only Presidential/VP candidates mentioned
 - Contribution results if other candidates identified
- ▣ No general public political advertising
- ▣ Phone bank activity exempt if operated by volunteers
- ▣ No payment with:
 - Funds designated for a candidate or
 - Funds donated by national committee

3. **Presidential Voter Registration and Get-Out-the-Vote Drives (11 CFR 100.89 and 100.149)**

- a) In order to be exempt, only the Presidential and Vice-Presidential nominees may be specifically mentioned and targeted;
- b) If the activity is also conducted on behalf of other specifically-identified candidates, must be in-kind contributions or coordinated expenditures;
- c) Phone bank activities exempt if operated by volunteers;
- d) No public political advertising, no direct mail;
- e) Payments may not be made from funds designated for a particular candidate; and
- f) Payments may not be made from funds donated by the National committee for voter registration and GOTV activities.

Paying for Exempt Activities

- ▣ Allocate federal/nonfederal funds ONLY if:
 - Activity mentions both federal/nonfederal candidates
- ▣ If exempt activity meets one or more definitions of FEA:
 - Still “exempt” from contribution/expenditure
 - Must be paid as FEA (100% federal)

4. Payment for Exempt Activities

a) Allocation of Exempt Activity

- (1) If conducted in conjunction with nonfederal activity, may allocate the costs of Exempt Activity between Federal and nonfederal funds. 11 CFR 106.7(d)(3).
- (2) May NOT allocate between Federal and nonfederal funds, any Exempt Activity that mentions ONLY Federal candidates. 11 CFR 106.7(e)(1).
- (3) **Example:** A slate card that lists only candidates for Federal office and does not list a candidate for nonfederal office.

b) Exempt Activity that is also FEA (11 CFR 100.24(b)(3) and 300.33(a)(1) and (2))

- (1) If Exempt Activity also meets one of the definitions of FEA, such activity is still exempt from the definition of “contribution” and “expenditure” (i.e., activity is unlimited). However, the activity must be paid for as FEA, i.e., with Federal funds. 11 CFR 100.24(b)(3) and 300.33(a)(1) and (2).
- (2) **Example:** A Presidential Get-Out-the-Vote Drive phone bank may qualify as Exempt Activity under 100.89 and 100.149. However, such a phone bank may also qualify as a “public communication that PASOs a Federal candidate,” which is Type 3 FEA. Though Exempt Activity may be allocated between Federal and nonfederal funds, this activity also qualifies as Type 3 FEA, which is not allocable; must use 100% Federal funds.

Coordinated Party Expenditures

- ▣ Funds spent by party
- ▣ On behalf of general election nominee
- ▣ Separate limits apply; May designate limit to other party committee
- ▣ Party reports; disclaimer required
- ▣ Also known as 441a(d) expenditures

III. Coordinated Party Expenditures (11 CFR 109.32 through 109.37)

(*Guide*, pp. 47-49)

Expenditures made by a party committee on behalf of its nominee in the general election. Committees have a “coordinated party expenditure” limit (calculated each election cycle) that is *separate* from its contribution limit to the candidate.

Expenditures may range from paying bills for candidate to paying for “coordinated communications” on behalf of the candidate. (Note: Coordinated party expenditures are also known as “441a(d) expenditures,” which refers to the section of the statute where they appear.)

A. In Connection With General Election of Party’s Candidates

May be made *before* candidate has been nominated (11 CFR 109.34).

Coordinated Party Expenditures

- ▣ National Party Committee
 - Limit for House, Senate, Presidential candidates
- ▣ State Party Committee
 - Limit for House, Senate candidates
 - Presidential candidates (only if designated)
- ▣ Local/District Party Committee
 - No coordinated party spending authority unless designated



Information Division
2013-14 Election Cycle

Party Operations Part 1

- B. Who Makes Them (11 CFR 109.32(b)):**
- 1. National Party Committee**
For House, Senate and Presidential candidates.
 - 2. State Party Committee**
 - a) For House and Senate candidates.
 - b) For Presidential candidates, but *only* if designated, in advance and in writing, by the national committee.
 - 3. Local or District Party Committee**
 - a) For House, Senate, Presidential candidates but
 - b) *Only if designated, in advance and in writing*, by national or state committee, as appropriate.

Coordinated Party Expenditures

Designation of Spending Authority:

In advance

In writing

Keep written
designation for 3 years

Monitor and disclose
expenditures made by designated agents



C. Designation

1. Committee may designate other party committees to spend **against** its limit.
2. Must be done in advance and in writing.
3. Must be received by the **designee** committee *before* any expenditure is made.
4. Retain, for recordkeeping **purposes**, copy of written designation for three years.

D. Payment

Party committee makes actual payment to the vendor—funds may not be given directly to the candidate's campaign committee.

Coordinated Party Expenditures

- ▣ House Candidates
 - \$10,000 increased by COLA, or the Senate limit for states with only one representative
- ▣ Senate Candidates
 - \$20,000 increased by COLA, or the State's VAP x \$.02 increased by COLA
- ▣ Presidential Candidates
 - National VAP x \$.02 increased by COLA

- E. Limits (based on formula):**
1. **Separate Limits for State and National parties.**
 2. **For Congressional Candidates**
\$10,000 plus COLA (2014 limit: \$47,200 [\$94,500 for states with one district]).
 3. **For Senate Candidates**
\$20,000 plus COLA or the state VAP x \$.02 plus COLA, whichever is greater (e.g., 2014 state limits range from \$94,500 to \$2,755,200 in California).
 4. **For Presidential Candidate**
National VAP x \$.02 plus COLA (e.g., 2012 limit = \$21,684,200).
- F. Reporting**
1. Reported by party on Schedule F.
 2. Candidate committee does not report the benefit of the activity.
- G. Use only Federal Funds**
Party must make expenditure from its federal account.

Coordinated Party Expenditures

Disclaimer on Public Communications:

- ▣ Name of the party committee paying for the communication
- ▣ If communication made with the candidate's approval and after the nomination, then authorization statement required
- ▣ Subject to disclaimer rules for printed communications

H. **Disclaimer Requirements for Public Communications (11 CFR 110.11(d))**

(*Guide*, pp. 64-66)

1. **Disclaimer Must State:**

- a) Name of party committee that paid for communication; and
- b) If made with the approval of the candidate, that the communication is authorized by the candidate or his/her committee (not necessary if communication disseminated before candidate's nomination; see 11 CFR 110.11(d)(1)(ii)).

2. **Not Subject to "Stand by Your Ad" Rules Requiring Voiceover/Appearance by Candidate.**

3. **Subject to Rules for Printed Communications.**

Coordination

- ▣ If communication is coordinated, considered in-kind or 441a(d) expenditure, subject to limits.
- ▣ Coordination three-part test:
 - ✓ Source of payment;
 - ✓ “Content standard” re: timing and subject matter of communication; AND
 - ✓ “Conduct standard” re: interaction between campaign and payee.

I. **Three-Prong Coordinated Communication Test (11 CFR 109.37 and 109.21(d))** (*Guide*, pp. 59-62)

1. **Three-Pronged Test Overview:**

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

Three-Part Coordination Test

▣ Source of payment

Party committee

2. Source of Payment

The source of payment for a Coordinated Party Expenditure is the political party committee making the expenditure.

Three-Part Coordination Test

▣ Content Standard

▪ Meeting one of these:

- ▣ Electioneering Communication
- ▣ Republication of Campaign Materials
- ▣ Express Advocacy
- ▣ Public Communication within Certain Time Frame before Election

3. **“Content Standard”**

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

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

Time Frames

1. House/Senate candidates: ≤ 90 days before primary or general election
2. Presidential candidates: 120 days before primary through date of general election
3. Political parties:
 - Midterm cycle, ≤ 90 days before primary or general election
 - Presidential cycle, 120 days before primary through the general election

(3) **Time Frames**

- Senate and House candidates = 90 days before a primary or general election.
- Presidential candidates = 120 days before the primary through the date of the general election on a state-by-state basis.
- Political parties = 90 days before a primary or general election in a midterm election cycle (2014) and 120 days before the primary running through the date of the general election in a presidential election cycle (2016).

Three-Part Coordination Test

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

4. “Conduct Standard”

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

- a) **Request or Suggestion (11 CFR 109.21(d)(1))**
- b) **Material Involvement (11 CFR 109.21(d)(2))**
- c) **Substantial Discussion (11 CFR 109.21(d)(3))**
- d) **Employment of Common Vendor During Previous 120 days (11 CFR 109.21(d)(4))**
- e) **Use of Former Employee/Independent Contractor During Previous 120 days (11 CFR 109.21(d)(5)).**

Three-Part Coordination Test

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

= Coordinated Communication

= In-Kind Contribution / 441a(d)
Subject to Limits and Prohibitions

Safe Harbors

- Endorsements/solicitations by federal candidates
- 120-day temporal limit for common vendor and former employee conduct standards
- Establishment and use of “firewall”
- Use of publicly available information
- Certain commercial transactions

- J. Safe Harbor for Endorsements and Solicitations by Federal Candidates**
1. A public communication in which a Federal candidate endorses another candidate for Federal or nonfederal office is not coordinated unless the

- public communication PASOs the endorsing candidate (or another candidate who seeks election to the same office). 11 CFR 109.21(g)(1).
2. A public communication in which a Federal candidate solicits funds for another candidate for Federal or nonfederal office, a political committee, or a charitable organization organized under 26 USC §501(c) is not coordinated unless the communication PASOs the soliciting candidate. 11 CFR 109.21(g)(2).
 3. **120-day temporal limit for common vendor and former employee conduct standards.**
 4. **Safe harbor for establishment and use of firewall.**
Written firewall policy required. Must be designed and implemented to prohibit flow of information between:
 - Employees or consultants providing services for person paying for communication;
 - Vendors currently/previously providing services to candidate/authorized committee, candidate's opponent/authorized committee or party. 11 CFR 109.23(h).
 5. **Safe harbor for use of publicly available information**
 6. **Safe harbor for certain commercial transactions**
Federal candidate may appear in public communications in his/her capacity as a business owner or operator that existed prior to the candidacy provided that:
 - The medium, timing, content and geographic distribution of the public communication(s) are consistent with public communications made prior to the candidacy; and
 - The public communication does not promote, attack, support or oppose that candidate or another candidate seeking the same office. 11 CFR 109.21(i).

Independent Expenditure

Definition

- ▣ Expenditure for a communication:
 - Expressly advocating the election or defeat of a clearly identified candidate
 - Not made in cooperation, consultation, in concert with, or at the request or suggestion of a candidate or his/her agents

IV. Independent Expenditures (11 CFR 100.16) (*Guide*, pp. 62-63)

A. 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 (i.e., is not coordinated). 11 CFR 100.16.

B. Unlimited

No limitation on amounts expended.

C. Not an Independent Expenditure if “Coordinated Party Expenditure.”

Disclaimer and Reporting

- ▣ Name of party committee paying for it
- ▣ Not authorized by any candidate or candidate's committee
- ▣ Report on Schedule E

D. **Disclaimer** (*Guide*, pp. 64-66)

1. **Must State:**

- a) Name of party committee that paid for expenditure; and
- b) That the expenditure is not authorized by any candidate or candidate's committee. 11 CFR 110.11(d)(3).

2. **Specific Disclaimer Requirements**

- a) Printed communications subject to specific rules at 11 CFR 110.11(c)(1) and (2).
- b) Radio/television ads subject to special rules at 11 CFR 110.11(c)(4).

E. **Reporting**

1. **Reported by party committee on Schedule E.**

- 2. **Special notices required if party spends more than \$10,000 in any calendar year or more than \$1,000 in last twenty days before the election.** (*Guide*, pp. 93-95)

Scenario #3

Reporting Coordinated Party Expenditures

 Information Division
2013-14 Election Cycle

Party Operations Part 1

Reporting Scenario #3: Coordinated Party Expenditures

Background: On October 12, 2014—23 days before the November 4 general election—the Freedom Party runs \$6,000 in advertisements in *The Milwaukee Journal-Sentinel* supporting the party's 4th district House candidate, Robert “Rocky” Balboa.

- 1. How would you report these three ads if you had coordinated them and treated them as Coordinated Party Expenditures (441a(d) expenditures) assuming payment was made on October 12?**

Coordinated Expenditures

Reporting 441a(d) Expenditures

SCHEDULE F (FEC Form 3X) ITEMIZED COORDINATED PARTY EXPENDITURES MADE BY POLITICAL PARTY COMMITTEES OR DESIGNATED AGENT(S) ON BEHALF OF CANDIDATES FOR FEDERAL OFFICE (2 U.S.C. §441a(d))		PAGE 1 OF 1 FOR LINE 25 OF FORM 3X
(To be used only by Political Committees in the General Election)		
NAME OF COMMITTEE (In Full) The Freedom Party Committee		
Has your committee been designated to make coordinated expenditures by a political party committee? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If YES, name the designating committee:	Full Name of Subordinate Committee Mailing Address City State ZIP Code	
Full Name (Last, First, Middle Initial) of Each Payee The Milwaukee Journal Sentinel	Purpose of Expenditure Newspaper Ad	Category/Type
Mailing Address 135 Morrissey Blvd.	Date 10 / 12 / 2014	
City State ZIP Code Milwaukee WI 53201		
Name of Federal Candidate Supported Robert "Rocky" Balboa, Sr.	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> Presidential State: WI District: 4	Amount \$6,000.00
Aggregate General Election Expenditure for this Candidate ▶		\$6,000.00

Information Division
2013-14 Election Cycle

Party Operations Part 1

Scenario #3 Answer:

1. **How would you report these three ads if you had coordinated them and treated them as Coordinated Party Expenditures (441a(d) expenditures) assuming payment was made on October 12?**

Answer: Coordinated party expenditures are reported on Schedule F.

- **Coordinated Party Expenditures**
 - Itemize on Schedule F.
 - If contracted but not paid, itemize as memo entry.
 - Reference date of dissemination in purpose box when reporting payment on subsequent report.

Scenario #4

Reporting Independent Expenditures

Reporting Scenario #4: Independent Expenditures

What if the party ran the same advertisements but did NOT coordinate with the candidate?

Background: On October 12, 2014—23 days before the November 4th general election—the Freedom Party Committee runs \$6,000 in ads in *The Milwaukee Journal Sentinel* newspaper supporting its 4th district House candidate, Robert “Rocky” Balboa. Two days later- on October 14 - the party runs \$4,200 more in ads in the *Journal* attacking Balboa’s opponent, Apollo Creed. Then, just two days before the election—November 2—the party runs a \$7,500 radio ad on WCMY-FM supporting Balboa. Payment for these ads occurred on November 24, 2014.

1. **How would you classify these ads for purposes of the law?**
2. **If they are independent expenditures, how would you report them?**
3. **How would you report these three ads if you had not coordinated them, assuming payment was again made on November 24?**

Scenario #4 Answers:

1. How would you classify these ads for purposes of the law?

Answer: If not coordinated, then they may possibly be independent expenditures or public communications (FEA).

Independent Expenditures

- ▣ Date made = date disseminated
- ▣ 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 > 24 hours before an election
- ▣ Disclose again on next regular report

 Information Division
2013-14 Election Cycle Party Operations Part 1

Commission Interpretive Rule on When Certain Independent Expenditures are Considered to be “Publicly Disseminated” for Reporting Purposes (76 FR 61254 (10/4/11))

- Applies to yard signs, mini-billboards, handbills, t-shirts, hats, buttons and similar communications.
- Reasonable dates that may be treated as date of public dissemination include, but are not limited to:
 1. The date filer receives delivery of communication;
 2. The date filer distributes communication to its members or employees for later public dissemination;
 3. The date a filer distributes the communications to its affiliate or member organizations for later public dissemination;
 4. The date as of which the filer authorizes its members or employees to display the communication; or
 5. The date of actual public dissemination, if that date is known to the filer.
- May NOT choose a date later than actual dissemination or a date after the election to which IE pertains.

2. If they are independent expenditures, how would you report them?

Answer: If not coordinated and if they contained express advocacy, yes, they would be considered independent expenditures. An independent expenditure is an expenditure for a communication that expressly advocates the election/defeat of a clearly identified candidate and that is not coordinated with a candidate or the candidate's agents. Party committees use Schedule E to report independent expenditures made.

- An independent expenditure is considered made when it is publicly distributed or otherwise publicly disseminated.
- Committees must file a **48-hour report** for independent expenditures that aggregate \$10,000 or more, per election, per office, anytime during a calendar year up to and including the 20th day before an election.
- Committees must file a 24-hour report for independent expenditures that aggregate \$1,000 or more, per election, per office, and is made less than 20 days but more than 24 hours before the day of an election, the committee must file a 24-hour report on Schedule E disclosing the independent expenditure.
- Must disclose again, on Schedule E, on the next regular FEC report.
- Committees must report both the date of dissemination and the date of payment (and debt, if these take place during different reporting periods). In January 2014, the Commission updated its Schedule E to account for instances where the date of dissemination and the date of payment may differ, for instance where an IE may be disseminated in a different reporting period than when the bill is paid. Let's look at some different examples using our scenario.

Initial Reporting – 48-hour Schedule E

**48-Hour
 IE Report**

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

PAGE 1
 FOR LINE 24 OF F

NAME OF COMMITTEE (In Full) Freedom Party Committee		FEC IDENTIFICATION NUMBER C 00000004	
Check if <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 Milwaukee Journal		Date of Public Distribution/Dissemination M 10 / D 12 / Y Y 2014	
Mailing Address 135 Morrissey Blvd.		Amount \$6,000.00	
City Milwaukee	State WI	Zip Code 53201	Date of Disbursement or Obligation M M / D D / Y Y Y Y
Purpose of Expenditure Newspaper Ad		Category/ Type	
Name of Federal Candidate Robert "Rocky" Balboa, Sr.		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: 4 <input type="checkbox"/> President <input type="checkbox"/> Senate State: WI
Calendar Year-To-Date Per Election for Office Sought		\$6,000.00	
		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	

Initial Reporting – 48-hour Schedule E

48-Hour
IE Report

PAGE 1
FOR LINE 24 OF

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

NAME OF COMMITTEE (In Full) Freedom Party Committee		FEC IDENTIFICATION NUMBER C 00000004	
Check if <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 Milwaukee Journal		Date of Public Distribution/Dissemination 10 / 14 / 2014	
Mailing Address 135 Morrissey Blvd.		Amount \$4,200.00	
City Milwaukee	State WI	Zip Code 53201	
Purpose of Expenditure Newspaper Ad		Date of Disbursement or Obligation M M / D D / Y Y Y Y	
Name of Federal Candidate Apollo Creed		Office Sought: <input checked="" type="checkbox"/> House District: 4 <input type="checkbox"/> President <input type="checkbox"/> Senate State: WI	
Calendar Year-To-Date Per Election for Office Sought \$10,200.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	

Information Division
2013-14 Election Cycle

Party Operations Part 1

3. How would you report these three ads if you had not coordinated them, assuming payment was again made on November 24?

October 12 - \$6,000 newspaper ad
 October 14 - \$4,200 newspaper ad
 November 2 - \$7,500 radio ad

Answer: The first two ads aggregated more than \$10,000 for the calendar year for the Wisconsin House general election and were made more than 20 days before election. This triggers the requirement to file 48-hour reports on a stand-alone Schedule E *solely to indicate the date the communications were disseminated*. In this case, the requirement was triggered on October 14, so the 48-Hour reports are due October 16.

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

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

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

Answer: On our next scheduled report (the 12 Day Pre-General in this example, covering October 1-15, 2014, and due October 23, 2014), using Schedule E again. They are itemized as memo entries on Schedule E, however, because we will not have paid the newspaper by the time the report is due.

Disclosure on Next Regular Report		Schedule E (Pre-General)	
SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF _____ FOR LINE 24 OF FORM _____	
NAME OF COMMITTEE (In Full) Freedom Party Committee		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 Milwaukee Journal		Date of Public Distribution/Dissemination 10 / 12 / 2014	
Mailing Address 135 Morrissey Blvd.		Amount MEMO	
City State Zip Code Milwaukee WI 53201		\$6,000.00	
Purpose of Expenditure Newspaper Ad		Date of Disbursement or Obligation M M / D D / Y Y Y Y	
Name of Federal Candidate Robert "Rocky" Balboa, Sr.		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	
Calendar Year-To-Date Per Election for Office Sought \$6,000.00		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> President <input type="checkbox"/> Senate District: 4 State: WI	
		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	
		Party Operations Part 1	

Schedule E
(Pre-General)

Disclosure on Next Regular Report

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

PAGE 1
FOR LINE 24 OF

NAME OF COMMITTEE (In Full) Freedom Party Committee		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		
Full Name of Payee Milwaukee Journal	Date of Public Distribution/Dissemination 10 / 14 / 2014	
Mailing Address 135 Morrissey Blvd.	Amount MEMO	
City Milwaukee	State WI	Zip Code 53201
Purpose of Expenditure Newspaper Ad	Category/Type	Date of Disbursement or Obligation
Name of Federal Candidate Apollo Creed	<input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: 4 <input type="checkbox"/> President <input type="checkbox"/> Senate State: WI
Calendar Year-To-Date Per Election for Office Sought	\$10,200.00	Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)

Information Division 2013-14 Election Cycle Party Operations Part 1

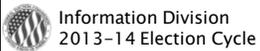
5. So the money has not actually left our account. What else do we have to disclose in addition to the date of the independent expenditures, as disclosed on Schedule E?

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

Report IE - Debt Owed

Other Reporting - Debt

SCHEDULE D (FEC Form 3X) DEBTS AND OBLIGATIONS Excluding Loans		(Use separate schedule(s) for each numbered line)	PAGE 1 OF 1 FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
NAME OF COMMITTEE (In Full) <div style="border: 1px solid black; padding: 2px; text-align: center;">Freedom Party Committee</div>			
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor <div style="border: 1px solid black; padding: 2px;">Milwaukee Journal</div>		Nature of Debt (Purpose): <div style="border: 1px solid black; padding: 2px;">Newspaper Ads/IEs 10/12/14 and 10/14/14</div>	
Mailing Address <div style="border: 1px solid black; padding: 2px;">135 Morrissey Blvd.</div>			
City State Zip Code <div style="border: 1px solid black; padding: 2px;">Milwaukee WI 53201</div>			
Outstanding Balance Beginning This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">\$0.00</div>			
Amount Incurred This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">\$10,200.00</div>		Payment This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">\$0.00</div>	
Outstanding Balance at Close of This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">\$10,200.00</div>			



Party Operations Part 1

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

7. Do we have anything left to report?

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

Answer: Disclose the payments on Schedules E in the next scheduled report (30-Day Post General, covering October 16 – November 24, 2014, and due December 4, 2014).

Subsequent Payment		Schedule E (Post-General)	
SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) Freedom Party Committee		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 Milwaukee Journal		Date of Public Distribution/Dissemination 10 / 12 / 2014	
Mailing Address 135 Morrissey Blvd.		Amount \$6,000.00	
City Milwaukee	State WI	Zip Code 53201	Date of Disbursement or Obligation 11 / 24 / 2014
Purpose of Expenditure Newspaper Ad – 10/12/14		Category/Type	
Name of Federal Candidate Robert "Rocky" Balboa, Sr.		Office Sought: <input checked="" type="checkbox"/> House District: 4 <input type="checkbox"/> President <input type="checkbox"/> Senate State: WI	
Support <input checked="" type="checkbox"/> Oppose <input type="checkbox"/>		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	
Calendar Year-To-Date Per Election for Office Sought		\$17,700.00	
 Information Division 2013-14 Election Cycle		Party Operations Part 1	

Schedule E
(Post-General)

Subsequent Payment

SCHEDULE E (FEC Form 3X)
 ITEMIZED INDEPENDENT EXPENDITURES

PAGE 1 OF _____
 FOR LINE 24 OF FORM _____

NAME OF COMMITTEE (In Full) Freedom Party Committee		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 Milwaukee Journal		Date of Public Distribution/Dissemination M M / D D / Y Y Y Y 10 / 14 / 2014	
Mailing Address 135 Morrissey Blvd.		Amount \$4,200.00	
City Milwaukee	State WI	Zip Code 53201	Date of Disbursement or Obligation M M / D D / Y Y Y Y 11 / 24 / 2014
Purpose of Expenditure Newspaper Ad – 10/14/14		Category/Type	
Name of Federal Candidate Apollo Creed		<input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: 4 <input type="checkbox"/> President <input type="checkbox"/> Senate State: WI
Calendar Year-To-Date Per Election for Office Sought \$17,700.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	

 Information Division
 2013-14 Election Cycle Party Operations Part 1

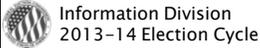
7. Do we have anything left to report?

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

IE Debt Payment

Paying Off Debt

SCHEDULE D (FEC Form 3X)		PAGE 1 OF 1
DEBTS AND OBLIGATIONS		(Use separate schedule(s) for each numbered line)
Excluding Loans		FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
NAME OF COMMITTEE (In Full) <div style="border: 1px solid black; padding: 2px; text-align: center;">Freedom Party Committee</div>		
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor <div style="border: 1px solid black; padding: 2px;">Milwaukee Journal</div>		Nature of Debt (Purpose): <div style="border: 1px solid black; padding: 2px;">Newspaper Ads/IEs 10/12/14 and 10/14/14</div>
Mailing Address <div style="border: 1px solid black; padding: 2px;">135 Morrissey Blvd.</div>		
City <div style="border: 1px solid black; padding: 2px;">Milwaukee</div>	State <div style="border: 1px solid black; padding: 2px;">WI</div>	Zip Code <div style="border: 1px solid black; padding: 2px;">53201</div>
Outstanding Balance Beginning This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">\$10,200.00</div>		
Amount Incurred This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">\$0.00</div>	Payment This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">\$10,200.00</div>	Outstanding Balance at Close of This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">\$0.00</div>



Party Operations Part 1

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

Review: On November 2, two days before the November 4 general election, the party runs a \$7,500 radio ad on WCMY-FM supporting Rocky Balboa.

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

Answer: The third expenditure aggregates more than \$1,000 for the Wisconsin District 4 general election and was made in the last 20 days of the election; therefore, it has triggered the requirement to file a 24-hour report on Schedule E, *again just a notice to report the date of dissemination*. Since the requirement was triggered on November 2, the 24-hour report is due November 3.

24-Hour
IE Report

Last-minute Initial Report

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

PAGE 1 OF 1
FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full) Freedom Party Committee			FEC IDENTIFICATION NUMBER C 00000004		
<input checked="" type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report <input type="checkbox"/> New report <input type="checkbox"/> Amends report filed on			<input type="text"/> / <input type="text"/> / <input type="text"/>		
Full Name of Payee WBQW-FM		Date of Public Distribution/Dissemination <input type="text"/> / <input type="text"/> / <input type="text"/>			
Mailing Address 12100 West Howard Avenue		Amount <input type="text"/>			
City Greenfield		State WI		Zip Code 53228	
Purpose of Expenditure Radio Ad		Category/Type <input type="text"/>		Date of Disbursement or Obligation <input type="text"/> / <input type="text"/> / <input type="text"/>	
Name of Federal Candidate Robert "Rocky" Balboa, Sr.			<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose Office Sought: <input checked="" type="checkbox"/> House District: 4 <input type="checkbox"/> President <input type="checkbox"/> Senate State: WI		
Calendar Year-To-Date Per Election for Office Sought <input type="text"/>			Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶		
\$17,700.00			\$7,500.00		

Information Division
2013-14 Election Cycle
Party Operations Part 1

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

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

Answer: We report the payment on our next scheduled report, the 30-Day Post General (10/16/14 – 11/24/14), on Schedule E. There is no debt to report because we paid for the ad within the same reporting period in which the ad was run.

Schedule E
(Post-General)

Disclosure on Next Regular Report

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

PAGE 1 OF 1
FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full) Freedom Party Committee		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 / /	M M / D D / Y Y Y Y / /
Full Name of Payee WBQW-FM		Date of Public Distribution/Dissemination M M / D D / Y Y Y Y 11 / 02 / 2014	
Mailing Address 12100 West Howard Avenue		Amount \$7,500.00	
City Greenfield	State WI	Date of Disbursement or Obligation M M / D D / Y Y Y Y 11 / 24 / 2014	
Zip Code 53228		Purpose of Expenditure Radio Ad – 11/2/14	
Category/Type		Name of Federal Candidate Robert "Rocky" Balboa, Sr.	
<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose		Office Sought: <input checked="" type="checkbox"/> House District: 4 <input type="checkbox"/> President <input type="checkbox"/> Senate State: WI	
Calendar Year-To-Date Per Election for Office Sought \$17,700.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	

Information Division
2013-14 Election Cycle

Party Operations Part 1

Tricky Issues: Reporting Last-Minute Advertising

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

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

Workshop Evaluation

Help Us Help You!

Please complete an evaluation
of this workshop.