

# PARTY OPERATIONS

## PART 2: SUPPORTING CANDIDATES



February 12, 2014  
9:00 a.m. – 10:30 a.m.  
Tab #4

## Objectives

- ▣ Identify some ways the party may support federal candidates
- ▣ Examine Coordinated vs. Independent Expenditures
- ▣ Discuss Joint Fundraising

**PART B: SPENDING PARTY FUNDS**

## Supporting Candidates

- ▶ Contributions
- ▶ Exempt Activities
- ▶ Phone Banks
- ▶ 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 #1

## Reporting Contributions to Federal Candidates

### **Reporting Scenario #1 - 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

<b>SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS</b>		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input type="checkbox"/> 21b <input type="checkbox"/> 22 <input checked="" type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b	PAGE   OF
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			Date of Disbursement 04 / 30 / 2014	
Mailing Address 84 Beacon Street				
City Boston	State MA	Zip Code 02108		
Purpose of Disbursement			Amount of Each Disbursement this Period	
Candidate Name Cliff Clavin			011 Category/ Type	\$2,000.00
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) ▼	2012 Debt Retirement		
State: MA	District: 9			

Information Division  
 2013-14 Election Cycle

Party Operations Part 2

### Scenario #1 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 non-Federal 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.

## Federal Candidate Phone Bank

- MUST use 100% federal funds
- 50% attributed to named candidate as:
  - An in-kind contribution subject to limits;
  - Coordinated party expenditure subject to limits; or
  - Independent expenditure (not subject to limitation).
- Remaining 50% not attributable to any candidate

**III. Phone Banks for Federal Candidates – 11 CFR 106.8** (*Guide*, p. 50)  
Party committees (national, state or local) may operate phone banks under specific allocation rules. When conducting phone banking activity that only mentions one federal candidate and no other federal or nonfederal candidates, and that only makes a generic reference to other candidates of the same political party (e.g., “Vote for John Smith and our great Freedom Party team!”), half of the cost of the phone bank may be attributed to the federal candidate and the other half may be attributed to the political party.

**A. Application of Phone Bank Rules**

1. Phone bank that refers to federal candidate **must** be financed with federal funds only.
2. Half the cost **must** be attributed to the clearly identified federal candidate as:
  - An in-kind contribution subject to the contribution limits;
  - A coordinated party expenditure subject to the §441a(d) limits; or
  - An independent expenditure not subject to any amount limitation.Alternatively, the clearly identified federal candidate or his or her authorized committee may reimburse the party.
3. The remaining 50 percent of phone bank cost is not attributable to any federal or nonfederal candidate.

## Federal Candidate Phone Bank

### To Trigger FEC Rules:

MUST refer to a clearly identified federal candidate;

MUST include generic reference to other candidates of the same party without clearly identifying them;

MUST NOT refer to any other clearly identified federal or nonfederal candidate;

MUST NOT solicit a contribution, donation or any other funds from any person; and

MUST NOT be exempt from the definitions of "contribution" and "expenditure."

### B. When Phone Bank Rules Apply:

The communication **must**:

1. Refer to a clearly identified federal candidate;
2. **Not** refer to any other clearly identified federal or nonfederal candidate;
3. Include generic reference to other candidates of the federal candidate's party without clearly identifying them (e.g., "Vote for Senator Jones and the great Democratic team!");
4. **Not** solicit a contribution, donation or any other funds from any person; and
5. **Not** be an "exempt activity" under 11 CFR 100.89 and 100.149 (i.e., phone bank must **not** be an exempt Presidential voter registration or GOTV drive). 11 CFR 106.8.

## 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

### IV. **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

- 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 (\$1,467,100 in Florida).
  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:  $\leq 90$  days before primary or general election
2. Presidential candidates: 120 days before primary through date of general election
3. Political parties:
  - Midterm cycle,  $\leq 90$  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”

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= 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 non-Federal 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 non-Federal 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

## V. **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 #2

### Reporting Coordinated Party Expenditures

#### **Reporting Scenario #2: 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 4<sup>th</sup> 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)) (To be used only by Political Committees in the General Election)

PAGE 1 OF 1  
FOR LINE 25 OF FORM 3X

NAME OF COMMITTEE (In Full) <b>The Freedom Party Committee</b>			
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 <b>The Milwaukee Journal Sentinel</b>		Purpose of Expenditure <b>Newspaper Ad</b>	
Mailing Address <b>135 Morrissey Blvd.</b>		Date <b>10 / 12 / 2014</b>	
City <b>Milwaukee</b>		State <b>WI</b>	
Zip Code <b>53201</b>		Amount <b>\$6,000.00</b>	
Name of Federal Candidate Supported <b>Robert "Rocky" Balboa, Sr.</b>		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> Presidential State: <b>WI</b> District: <b>4</b>	
Aggregate General Election Expenditure for this Candidate ▶		<b>\$6,000.00</b>	

Information Division  
 2013-14 Election Cycle

Party Operations Part 2

**Scenario #2 Answer:**

- 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 #3

### Reporting Independent Expenditures

#### Reporting Scenario #3: 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 4<sup>th</sup> 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 #3 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 2

**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) <b>Freedom Party Committee</b>		FEC IDENTIFICATION NUMBER <b>C 00000004</b>	
Check if <input checked="" type="checkbox"/> 48-hour report		<input type="checkbox"/> New report <input type="checkbox"/> Amends report filed on	
Full Name of Payee <b>Milwaukee Journal</b>		Date of Public Distribution/Dissemination <b>10 / 12 / 2014</b>	
Mailing Address <b>135 Morrissey Blvd.</b>		Amount <b>\$6,000.00</b>	
City <b>Milwaukee</b>	State <b>WI</b>	Zip Code <b>53201</b>	
Purpose of Expenditure <b>Newspaper Ad</b>		Date of Disbursement or Obligation	
Name of Federal Candidate <b>Robert "Rocky" Balboa, Sr.</b>		Office Sought: <input checked="" type="checkbox"/> House District: <b>4</b>	
<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose		<input type="checkbox"/> President <input type="checkbox"/> Senate State: <b>WI</b>	
Calendar Year-To-Date Per Election for Office Sought		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	
<b>\$6,000.00</b>		<input type="checkbox"/> Other (specify) ▶	

**Initial Reporting – 48-hour Schedule E**

48-Hour  
IE Report

PAGE 1  
FOR LINE 24 OF 1

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

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

Information Division  
 2013-14 Election Cycle

Party Operations Part 2

**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.

Schedule E  
(Pre-General)

### Disclosure on Next Regular Report

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

PAGE 1 OF 1  
FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full) <b>Freedom Party Committee</b>		FEC IDENTIFICATION NUMBER <b>C 00000004</b>
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 <b>Milwaukee Journal</b>	Date of Public Distribution/Dissemination M M / D D / Y Y Y Y <b>10 / 12 / 2014</b>	
Mailing Address <b>135 Morrissey Blvd.</b>	Amount <b>MEMO</b>	
City State Zip Code <b>Milwaukee WI 53201</b>	<b>\$6,000.00</b>	
Purpose of Expenditure <b>Newspaper Ad</b>	Category/Type	Date of Disbursement or Obligation M M / D D / Y Y Y Y
Name of Federal Candidate <b>Robert "Rocky" Balboa, Sr.</b>	<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: <b>4</b> <input type="checkbox"/> President <input type="checkbox"/> Senate State: <b>WI</b>
Calendar Year-To-Date Per Election for Office Sought	<b>\$6,000.00</b>	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 2

**Disclosure on Next Regular Report**

Schedule E  
(Pre-General)

PAGE 1  
FOR LINE 24 OF

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

NAME OF COMMITTEE (In Full) <b>Freedom Party Committee</b>		FEC IDENTIFICATION NUMBER <b>C 00000004</b>	
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 <b>Milwaukee Journal</b>		Date of Public Distribution/Dissemination M M / D D / Y Y - Y Y <b>10 / 14 / 2014</b>	
Mailing Address <b>135 Morrissey Blvd.</b>		Amount <b>MEMO</b>	
City <b>Milwaukee</b>	State <b>WI</b>	Zip Code <b>53201</b>	<b>\$4,200.00</b>
Purpose of Expenditure <b>Newspaper Ad</b>		Category/Type	Date of Disbursement or Obligation M M / D D / Y Y - Y Y
Name of Federal Candidate <b>Apollo Creed</b>		<input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: <b>4</b> <input type="checkbox"/> President <input type="checkbox"/> Senate State: <b>WI</b>
Calendar Year-To-Date Per Election for Office Sought <b>\$10,200.00</b>		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 2

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

<b>SCHEDULE D (FEC Form 3X)</b> <b>DEBTS AND OBLIGATIONS</b> <b>Excluding Loans</b>		(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) <b>Freedom Party Committee</b>			
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor <b>Milwaukee Journal</b>		Nature of Debt (Purpose): <b>Newspaper Ads/IEs</b> <b>10/12/14 and 10/14/14</b>	
Mailing Address <b>135 Morrissey Blvd.</b>			
City <b>Milwaukee</b>	State <b>WI</b>	Zip Code <b>53201</b>	
Outstanding Balance Beginning This Period <div style="border: 1px solid black; padding: 2px; text-align: center; width: 100px; margin: 0 auto;"><b>\$0.00</b></div>			
Amount Incurred This Period <div style="border: 1px solid black; padding: 2px; text-align: center; width: 100px; margin: 0 auto;"><b>\$10,200.00</b></div>		Payment This Period <div style="border: 1px solid black; padding: 2px; text-align: center; width: 100px; margin: 0 auto;"><b>\$0.00</b></div>	
Outstanding Balance at Close of This Period <div style="border: 1px solid black; padding: 2px; text-align: center; width: 100px; margin: 0 auto;"><b>\$10,200.00</b></div>			



Information Division  
2013-14 Election Cycle

Party Operations Part 2

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).

<b>Subsequent Payment</b>		<b>Schedule E (Post-General)</b>	
<b>SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES</b>		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) <b>Freedom Party Committee</b>		FEC IDENTIFICATION NUMBER <b>C 00000004</b>	
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 <b>Milwaukee Journal</b>		Date of Public Distribution/Dissemination <b>10 / 12 / 2014</b>	
Mailing Address <b>135 Morrissey Blvd.</b>		Amount <b>\$6,000.00</b>	
City State Zip Code <b>Milwaukee WI 53201</b>		Date of Disbursement or Obligation <b>11 / 24 / 2014</b>	
Purpose of Expenditure <b>Newspaper Ad – 10/12/14</b>		Category/Type	
Name of Federal Candidate <b>Robert "Rocky" Balboa, Sr.</b>		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose Office Sought: <input checked="" type="checkbox"/> House District: <b>4</b> <input type="checkbox"/> President <input type="checkbox"/> Senate State: <b>WI</b>	
Calendar Year-To-Date Per Election for Office Sought <b>\$17,700.00</b>		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 2	

Schedule E  
(Post-General)

**Subsequent Payment**

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

PAGE 1 OF 1  
 FOR LINE 24 OF FORM 278E

NAME OF COMMITTEE (In Full) <b>Freedom Party Committee</b>		FEC IDENTIFICATION NUMBER <b>C 00000004</b>	
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 <b>Milwaukee Journal</b>		Date of Public Distribution/Dissemination M - M / D - D / Y - Y - Y - Y <b>10 / 14 / 2014</b>	
Mailing Address <b>135 Morrissey Blvd.</b>		Amount <b>\$4,200.00</b>	
City <b>Milwaukee</b>	State <b>WI</b>	Zip Code <b>53201</b>	Date of Disbursement or Obligation M - M / D - D / Y - Y - Y - Y <b>11 / 24 / 2014</b>
Purpose of Expenditure <b>Newspaper Ad – 10/14/14</b>		Category/Type	
Name of Federal Candidate <b>Apollo Creed</b>		<input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: <b>4</b> <input type="checkbox"/> President <input type="checkbox"/> Senate State: <b>WI</b>
Calendar Year-To-Date Per Election for Office Sought		<b>\$17,700.00</b>	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 2

7. Do we have anything left to report?

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



**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 FC

NAME OF COMMITTEE (In Full) <b>Freedom Party Committee</b>		FEC IDENTIFICATION NUMBER <b>C 00000004</b>	
<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 <b>WBQW-FM</b>		Date of Public Distribution/Dissemination <b>11 / 02 / 2014</b>	
Mailing Address <b>12100 West Howard Avenue</b>		Amount <b>\$7,500.00</b>	
City <b>Greenfield</b>	State <b>WI</b>	Zip Code <b>53228</b>	
Purpose of Expenditure <b>Radio Ad</b>		Date of Disbursement or Obligation <input type="text"/> / <input type="text"/> / <input type="text"/>	
Name of Federal Candidate <b>Robert "Rocky" Balboa, Sr.</b>		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose            Office Sought: <input checked="" type="checkbox"/> House            District: <b>4</b> <input type="checkbox"/> President <input type="checkbox"/> Senate            State: <b>WI</b>	
Calendar Year-To-Date Per Election for Office Sought <b>\$17,700.00</b>		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 2

**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

<b>SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES</b>		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X
NAME OF COMMITTEE (In Full) <b>Freedom Party Committee</b>		FEC IDENTIFICATION NUMBER <b>C 00000004</b>
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 <b>WBQW-FM</b>		Date of Public Distribution/Dissemination <b>11 / 02 / 2014</b>
Mailing Address <b>12100 West Howard Avenue</b>		Amount <b>\$7,500.00</b>
City <b>Greenfield</b>	State <b>WI</b>	Zip Code <b>53228</b>
Purpose of Expenditure <b>Radio Ad – 11/2/14</b>	Category/Type	Date of Disbursement or Obligation <b>11 / 24 / 2014</b>
Name of Federal Candidate <b>Robert "Rocky" Balboa, Sr.</b>	<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: <b>4</b> <input type="checkbox"/> President <input type="checkbox"/> Senate State: <b>WI</b>
Calendar Year-To-Date Per Election for Office Sought	<b>\$17,700.00</b>	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 2

**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](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](http://www.fec.gov/info/report_dates.shtml#ie).

## Joint Fundraising

- Political committee raising funds with one or more other committees or organizations
  - Create or select a fundraising representative
  - Agree to an allocation formula
  - Sign a written agreement
  - Establish separate account
  - Notify public of allocation formula in solicitations

### VI. **Joint Fundraising (11 CFR 102.17)** (*Guide*, pp. 131-136)

#### A. **What Is Joint Fundraising?**

Joint fundraising is fundraising conducted jointly by a political committee and one or more other political committees or unregistered organizations.

#### B. **Who Must Observe Joint Fundraising Rules?**

The participants in joint fundraising activity may include:

1. Party committees
2. Party organizations not registered as political committees;
3. Federal and nonfederal candidate committees;
4. Nonparty political committees (e.g., federal PACs); and
5. Unregistered nonparty organizations (e.g., nonfederal PACs).  
11 CFR 102.17(a)(1)(i) and (a)(2).

#### C. **Overview of Rules**

All participants engaging in a joint fundraising effort as described in section 102.17 of the Commission regulations, including unregistered organizations, must

1. Create or select a political committee to act as the fundraising representative 11 CFR 102.17(a)(1)(i), (b)(1) and (b)(2);
2. Agree to a formula for allocating proceeds and expenses 11 CFR 102.17(c)(1);

3. Sign a written agreement naming the fundraising representative and stating the allocation formula 11 CFR 102.17(c)(1);
4. Establish a separate account for joint fundraising receipts and disbursements 11 CFR 102.17(c)(3); and
5. Notify the public of the allocation formula and certain other information when soliciting contributions 11 CFR 102.17(c)(2)(i).

## Scenario #4

### Joint Fundraising Activity

#### **Scenario #4: Joint Fundraising Activity**

**Background:** In April 2014, the New York Freedom Party Committee hosts a joint fundraiser called “Cosmo Kramer Victory 2014” to benefit the party and Senator Cosmo Kramer. The Senator and the Party agree to split the proceeds 50-50. To prepare for the event, the newly-created Victory 2014 joint fundraising committee contracts for \$20,000 worth of banquet services at Monk’s Café a week before the event. George Costanza, a sports executive, purchases two \$2,000 tickets to attend. George’s friend, Elaine Benes, decides to join him and buys two \$1,000 tickets. Overall, ticket sales bring in \$100,000 in individual contributions.

1. **What are the first steps both committees must take?**
2. **Is Costanza’s contribution permissible?**
3. **How would the joint fundraising participants report these receipts?**

**Scenario #4 Answers:**

**1. What are the first steps both committees must take?**

## Joint Fundraising

- ❑ Name joint fundraising representative and sign agreement
- ❑ Set up separate account for all receipts and expenditures for joint fundraiser
- ❑ File Form 1 (or amend); List all participating committees
- ❑ Participating committees amend Form 1 to list joint fundraising representative

 Information Division  
2013-14 Election Cycle Party Operations Part 2

**Answer:**

- Name and establish a joint fundraising representative
- Set up a separate account for both receipts and expenditures for the fundraiser, and
- As joint fundraising participants, the party and the candidate committee must amend their Statements of Organization (Form 1) to list the fundraising representative as such (“Joint Fundraising Representative”) on Line 6 and the bank used for the new account(s) as a depository (if necessary).
- The joint fundraising representative (Victory 2014 joint fundraising committee) must register (or amend its Form 1) and also include the names of all participating committees as such (“Joint Fundraising Participants”) on Line 5.

**2. Is Costanza’s contribution permissible? Why or why not?**

**Answer:** Conceivably, yes, provided the \$2,000 per committee he contributed by buying the tickets didn’t max him out to either participant.

**Schedule A, Line 12**

**Joint Fundraising:  
Transfer-In**

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)	PAGE OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input checked="" 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		
NAME OF COMMITTEE (In Full) <b>New York Freedom Party Committee</b>				
Full Name (Last, First, Middle Initial) <b>A. Cosmo Kramer Victory 2014</b>		Date of Receipt 04 / 30 / 2014		
Mailing Address <b>129 West 81<sup>st</sup> Street, #5B</b>		Amount of Each Receipt this Period <b>\$40,000.00</b>		
City State Zip Code <b>New York, NY 10024</b>				
FEC ID number of contributing federal political committee. <b>C</b>		Aggregate Year-to-Date <b>\$40,000.00</b>		
Name of Employer Occupation <b>Other (specify) ▼</b>				
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼				

Information Division 2013-14 Election Cycle Party Operations Part 2

**Schedule A, Line 12**

**Joint Fundraising:  
Itemized**

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)	PAGE OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input checked="" 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		
NAME OF COMMITTEE (In Full) <b>New York Freedom Party Committee</b>				
Full Name (Last, First, Middle Initial) <b>A. George Costanza</b>		Date of Receipt 04 / 10 / 2014		
Mailing Address <b>1344 Queens Boulevard</b>		Amount of Each Receipt this Period <b>\$2,000.00</b>		
City State Zip Code <b>New York, NY 11435</b>				
FEC ID number of contributing federal political committee. <b>C</b>		Aggregate Year-to-Date <b>\$2,000.00</b>		
Name of Employer Occupation <b>New York Yankees Asst to Travel Sec.</b>				
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		<b>MEMO- Cosmo Kramer Victory 2014</b>		
Full Name (Last, First, Middle Initial) <b>B. Elaine Benes</b>		Date of Receipt 04 / 10 / 2014		
Mailing Address <b>78 West 86<sup>th</sup> Street, Apt. 3-E</b>		Amount of Each Receipt this Period <b>\$1,000.00</b>		
City State Zip Code <b>New York, NY 10024</b>				
FEC ID number of contributing federal political committee. <b>C</b>		Aggregate Year-to-Date <b>\$1,000.00</b>		
Name of Employer Occupation <b>J. Peterman, Inc. President</b>				
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		<b>MEMO- Cosmo Kramer Victory 2014</b>		

Information Division 2013-14 Election Cycle Party Operations Part 2

3. **How would the joint fundraising participant committees report these receipts?**

**3. How would the joint fundraising participant committees report these receipts?**

**Answer:** Show itemized transfer in of net proceeds on Schedule A/Line 12 (\$40,000, for sake of argument). Then show itemized gross **memo** entries on Schedule A:

- Costanza: \$2,000
- Benes: \$1,000

Joint Fundraising:  
Unitemized

**Schedule A, Line 12**

<b>SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS</b>		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)
		<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input checked="" type="checkbox"/> 11d <input type="checkbox"/> 11e <input type="checkbox"/> 11f	<input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16
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) New York Freedom Party Committee			
Full Name (Last, First, Middle Initial) A. Cosmo Kramer Victory 2014		Date of Receipt 04 / 10 / 2014	
Mailing Address 129 West 81st Street, #5B		Amount of Each Receipt this Period \$39,000.00	
City New York		State NY	
Zip Code 10024		FEC ID number of contributing federal political committee. C	
Name of Employer		Occupation	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		Aggregate Year-to-Date ▼ \$39,000.00	
		MEMO Unitemized Receipts Cosmo Kramer Victory 2014	

Information Division  
 2013-14 Election Cycle

Party Operations Part 2

- Unitemized receipts of  $\leq$  \$200 each: \$39,000

**Tricky Issues: Joint Fundraising Activity**

- Joint fundraising representative must be registered with Commission (either as new committee or if existing committee, must set up a separate depository account) if the participants are establishing a joint fundraising effort as described in Commission regulations.
- Contributor may contribute an amount to the joint fundraising effort that represents the total amount the contributor could contribute to all participants under the applicable contribution limits.
- Joint fundraising representative must first pay costs of fundraiser before transferring net proceeds to participants.
- Memo entries itemizing contributors must clearly cross-reference the fundraising representative transfer.

- If memo entries are provided, make sure there is a corresponding transfer. Vice versa, if a transfer is provided, make sure there are corresponding memo entries. *(Please call your campaign finance analyst for further instructions or if you need assistance properly disclosing the required information in your reports.)*

## Workshop Evaluation

*Help Us Help You!*  
Please complete an evaluation  
of this workshop.

## Next Workshop:

**Party Operations, Part 3**  
**10:45 - 12:30**