

2013 October Quarterly Reporting Webinar



October 2, 2013

1:00 P.M.

[http://www.fec.gov/info/
roundtable_materials/workshopmaterials.shtml](http://www.fec.gov/info/roundtable_materials/workshopmaterials.shtml)

 Information Division
2013-14 Election Cycle

2013 October Quarterly Candidate Reporting Webinar

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Objectives

- ❑ **Describe Reports Analysis Division (RAD) review process; how to respond to Requests for Additional Information**
- ❑ Review registration and reporting requirements
- ❑ Explain how to report financial activity
- ❑ Discuss common reporting errors and disclosure scenarios

I. RAD Review Process

Organization of RAD

- ▣ **Authorized Branch – 13 analysts**
 - Review all federal candidate committee reports
 - 2 month training program and mentored for 6-12 months
- ▣ **Party Non-Party Branch – 15 analysts**
 - Review all Party and PAC reports
 - 4-5 month training program and mentored for 6-12 months
- ▣ **Compliance Branch – 4 analysts**
 - Implement the Non-Filer and Administrative Fines programs

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A. Organization of RAD

1. Three Branches

- a) **Authorized Branch** – reviews federal candidate committee reports – 13 analysts. New analysts undergo a 2 month training process and are then mentored by a more senior analyst for 6 to 12 months.
- b) **Party/Non-Party Branch** – reviews all party committee and PAC reports – 15 analysts. New analysts undergo a 4-5 month training process and are then mentored by a more senior analyst for 6 to 12 months.
- c) **Compliance Branch** – serves a quality control function for the review branches and implements the Non-Filer and Administrative Fine Programs – 4 analysts.
- d) Recently began cross training analysts to review reports filed by all committee/entity types.

Authorized Branch Analysts

- ▣ Each analyst is assigned 200-350 committees
- ▣ House and Senate campaigns assigned by state
- ▣ Presidential and Delegate committees are assigned to senior analysts
- ▣ Review electioneering communication and independent expenditure filings

2. Committee Assignments

- a) Authorized Branch analysts are assigned anywhere from 200 to 350 committees and filing entities (House, Senate, Presidential, Delegate, Joint Fundraising, Independent Expenditures and Electioneering Communications).
- b) House and Senate campaign committees are assigned by state.
- c) Presidential and Delegate committees are assigned to more senior analysts.
- d) All others are assigned randomly.

Analyst Responsibilities

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

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

RAD Review and Referral Policy

- ▣ RAD reviews according to a policy with confidential thresholds that is approved by the Commission.
- ▣ The Commission reassesses the policy every election cycle with input from RAD and other offices (i.e., OGC).

B. RAD Review of Reports

1. RAD Review and Referral Policy

- a) Policy is reassessed every election cycle and revisions/changes made based on input from RAD and other offices (such as OGC), and Commissioners. A redacted version of the RAD Review and Referral Policy can be found on the RAD web page.

Review and Referral Policy

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

2. Categories of Review

- a) Internal policy contains categories of review the analyst checks, such as: Prohibited, Excessive and Impermissible Contributions, Mathematical Discrepancies, Failure to Provide Supporting Schedules and Failure to Properly Itemize Contributions from Individuals and Disbursements, to name a few.
- b) Policy has established thresholds for making determinations on whether to send a Request for Additional Information (RFAI).
- c) Thresholds are confidential.

Review of Reports

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

3. **Review is conducted and thresholds are applied on a per report basis, meaning the thresholds are applied to each report reviewed.**
 - a) This means a committee may receive a RFAI identifying the same issue already addressed in response to a RFAI referencing a different report.
 - b) Exceptions include outlining Best Efforts procedures which would apply to the two-year cycle, and responses relating to foreign address inquiries that indicate safe harbor guidelines are followed for all contributions apply for the two-year election cycle.
 - c) There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on for another report.

Request for Additional Info

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

C. Request for Additional Information

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

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

RFAIs via Email

- ▣ RAD is now emailing RFAIs.
 - Opt-Out Option: File a Form 99 to request that RFAIs be mailed via USPS.
- ▣ Committees can now disclose up to two email addresses on Form 1.



Request for Additional Info

Link to RFAI

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Request for Additional Info

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 18, 2012

Jane Doe, Treasurer
XYZ Membership PAC
Normal, IL 00000

Response Due Date
11/23/2012

IDENTIFICATION NUMBER: C0000000

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

Dear Treasurer:

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

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Request for Additional Info

not be considered.

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

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

Sincerely,

Bradley Matheson
Bradley Matheson
Senior Campaign Finance Analyst
Reports Analysis Division

418

Analyst's Phone Number

Analyst's Name

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Responding to RFAs

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

2. Responses are assessed by the analysts and in some cases, team leaders.

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

Responding to RFAs

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

3. **Best way to respond to RFAs depends on type of information that needs to be provided.**
 - a) File an **amendment to a report** when changing information that affects entries on a report. This would include additions, changes or deletions.
 - b) File a **Miscellaneous Text Submission (Form 99)** for narrative responses that do not affect actual entries within a report. (For example, when outlining procedures for “Best Efforts” in obtaining contributor information.)

OGC & ADRO Referrals

- ▣ Policy includes thresholds for further Commission action.
- ▣ Adequate and timely responses may be considered.
- ▣ RAD calls committee before referring to OGC or ADRO to explain RFAI and request response.

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

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

Audit Consideration Factors

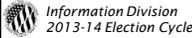
- ▣ Level of financial activity
- ▣ Responses to RFAIs
 - ✓ Late or no response
 - ✓ Inadequate response
- ▣ Election results (Authorized Committees only)
- ▣ Number of amendments filed is NOT a factor
- ▣ Number of RFAIs received is NOT a factor if responses were adequate and timely

E. Referrals to the Audit Division

1. Factors for making referrals to the Audit Division
 - a) Level of financial activity
 - b) Responses to RFAIs
 - i. Late or no response
 - ii. Inadequate responses
 - c) **For Authorized Committees only** - Election Results
2. The number of amendments filed is not a factor.
3. The number of RFAIs is not a factor if responded to adequately and on time.
4. Committees should ensure that they have provided the most current mailing address, email address and phone numbers on their Statement of Organization (FEC Form 1). Often RFAIs are returned by the Post Office due to an incorrect mailing address. In addition, RAD began sending RFAIs via email in October 2011, so it's important to ensure a valid email address is provided on FEC Form 1. Committees have the option to instead receive RFAIs on paper through the mail and can indicate this preference by filing Form 99.

II. Reporting - Timely Filing Schedule and Reporting Dates

Reports	Coverage Dates	Due Date
April Quarterly	01/01/2013 – 03/31/2013	04/15/2013
July Quarterly	04/01/2013 – 06/30/2013	07/15/2013
October Quarterly	07/01/2013 – 09/30/2013	10/15/2013
Year End	10/01/2013 – 12/31/2013	01/31/2014

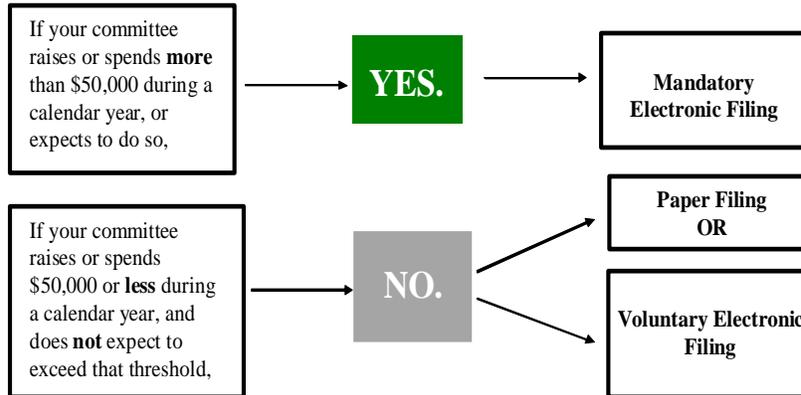
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- A. Quarterly Filing:** Quarterly filing is mandatory for campaigns (House, Senate, Presidential). Presidential committees are required to file monthly during election years.
1. Authorized committees file quarterly reports in all years, with quarterly reports due April 15, July 15, **October 15** and January 31.
 2. File pre-election reports in election years.
 - a) File pre-primary (or pre-Convention or pre-runoff if applicable) report due 12 days before election.
 - b) If in general election, file Pre-General report due 12 days before general (i.e., reg./cert. & overnight mailing deadline is 10/20/14 and filing deadline is 10/23/14).
 - c) File Post-General Report, due 30 days after general (i.e., 12/04/14).
 - d) Reporting period always begins the day after close of books of last report filed.

Tip: You can find information on reporting deadlines by visiting http://www.fec.gov/info/report_dates.shtml

Are you required to file electronically?



Electronic Filing



- B. Electronic vs. Paper Reporting** (Campaign Guide for Congressional Candidates and Committees (“Guide”), pp. 83-88)
- 1. Who Must E-File?**
House campaign committees that raise or spend more than \$50,000 in a calendar year, or that have reason to expect to do so.
 - 2. Who is Exempt from Mandatory E-Filing?**
 - a) Senate campaigns
 - b) All House campaign committees that do not meet the \$50,000 threshold above.
 - 3. Exceeding Threshold for E-Filing**
 - a) Once committee exceeds threshold, it begins filing electronically with the next regular report.
 - b) Committee must continue to file electronically for the next two calendar years (January through December), unless it is a House campaign committee that has \$50,000 or less in net debts outstanding on January 1 following the general election, and that anticipates terminating prior to January 1 of the next election year.
 - 4. Voluntary Filing**
 - a) House campaign committees that aren’t required to e-file, but choose to anyway, must continue to do so for the remainder of the calendar year.
 - b) Senate campaigns must still file paper copy.
 - c) New committees with no prior data on which to base calculations have reason to expect to exceed threshold if they either:
 - i. Receive contributions or make expenditures that exceed \$12,500 in first quarter of calendar year, or
 - ii. Receive contributions or make expenditures that exceed \$25,000 in first half of the calendar year.
 - iii. Threshold calculated on a per-committee basis; affiliated committees calculate their own contributions and expenditures separately for purposes of determining if they have met mandatory e-filing threshold.
 - 5. Paper Filing by E-Filer**
House campaign committees that submit a report on paper that should have been filing electronically will be treated as non-filers and may be subject to enforcement actions (including Administrative Fines).
 - 6. To meet the filing deadline, electronically filed reports must be received and validated by the Commission’s computer system on or before 11:59 p.m. (Eastern Time) on the filing date.**

Electronic Filing Passwords

Like the signature on a paper report, the password indicates that the electronic filing originated with the committee in whose name it is filed.

Who can get a password?

For a registered committee, only the official treasurer can obtain an electronic filing password.

An entity or person(s) other than a political committee may also obtain an electronic filing password for online filing.

Registered Committees: How do I get a password?

If you are the committee treasurer, you can create a password using the Electronic Filing Password Request (see links below).

Using the Electronic Filing Password Request a treasurer can:

- [Create a new electronic filing password](#) (only for committees filing electronically for the first time),
- [retrieve a forgotten password](#), and
- [change a password](#).

[Click here to get started!](#)

Notes: For security reasons, all activity while engaging the Electronic Filing Password Request is logged and the host computer changes.

When a committee appoints a new treasurer, it must amend its Statement of Organization within 10 days of the appointment to reflect the change. In order to do so electronically, the new treasurer must request a password. Once a password is received, the new treasurer can file the amended Form 1 to indicate the change of position.

For assistance, call the Electronic Filing Office at (202)-694-1642, option 3.

Entity or person(s) other than a political committee: How do I get a password?

An entity or person(s) other than a political committee can obtain a password by faxing (or mailing) a [Password Request Letter For Entity or Person\(s\) Other Than a Political Committee](#) to the Electronic Filing Office (202-310-6474). Use letterhead if available and be sure to include the entity name, a valid FEC ID number (e.g.

Link to Password Request

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C. Electronic Filing (Guide, pp. 83-85)

1. **Passwords Required** - Before you can electronically file, you will have to obtain a password. You cannot file without one.
2. **Who Can Get a Password?**
Only the official treasurer can obtain an electronic filing password. It is important that the committee has provided a valid email address on its Statement of Organization, as a validation email will be sent out the Committee.
3. **How Do You Get a Password?**
 - a) Most committees may obtain or change their password online at <http://www.fec.gov/electfil/passwords.shtml>.
 - b) Existing committees that have not previously used the online system should contact the Electronic Filing Office for assistance at 202-694-1307.
4. **How Long Does it Take?**
 - a) Passwords can now be obtained in just a few minutes online.
 - b) We recommend you request your password as early in the process as possible, in case any issues arise.
5. **The Password is Case-Sensitive.**
6. **Remember your Password** – If your forget it, you will have to request a new one.
7. For more information, visit <http://www.fec.gov/electfil/electron.shtml>

Filing on Time

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

D. Paper Filers

1. Other Reporting Considerations for Paper Filers

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

Administrative Fine Program

- ❑ Civil money penalties for filing late, or not filing at all.
- ❑ Size of fine depends on various factors (including level of financial activity and prior Administrative Fines assessed).
- ❑ Penalty calculator on FEC website at http://www.fec.gov/af/af_calc.shtml

E. Administrative Fines Program (AFP) (Guide, pp. 82-83)

1. Background

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

2. Applies to:

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

3. Civil Money Penalties -- Factors in determining:

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

Best Efforts to File on Time

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

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

*Not the same as best efforts for obtaining contributor information

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

Best Efforts to File on Time

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

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

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

Best Efforts to File on Time

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

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

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

4. For more information, review:

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

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

Candidate Registration

- ❑ Candidates are required to register and report when they raise/spend more than \$5,000.
- ❑ Money raised/spent to “test the waters,” or explore if it is feasible to run for office, does not count toward the \$5,000 threshold until a candidate decides to run or begins actively campaigning.

Reporting Exploratory Activity

- ❑ Once an individual becomes a candidate, funds raised or spent to test the waters apply to the \$5,000 threshold.
- ❑ All money raised and spent in the exploratory period has to be reported on the first FEC report (beginning coverage date should be the date of first financial activity).

G. Candidate Registration

1. Testing the Waters

- a) Individuals can “test the waters,” or explore if it is feasible to run for office, by conducting activities such as polling, making phone calls, or traveling around the district, and raising money to pay for this activity under the federal contribution limits.
- b) Individuals conducting solely “testing the waters” activity are not required to register and report, even if they raise/spend more than \$5,000.
- c) Examples of campaigning:
 - i. Making or authorizing statements referring to yourself as a candidate (“Smith in 2014” or “Smith for Senate”).
 - ii. Using general public political advertising to publicize your intention to campaign.
 - iii. Raising more money than what is reasonably needed to test the waters or amass funds (seed money) to be used after candidacy is established.
 - iv. Conducting activities over a protracted period of time or shortly before the election.
 - v. Taking action to qualify for the ballot.
- d) Once an individual becomes a candidate, funds raised or spent to test the waters apply to the \$5,000 threshold. All money raised and spent in the exploratory period has to be reported on the first FEC report (beginning coverage date of the report should be the date of first financial activity).

Candidate Registration

The image shows a sample of the FEC Form 2, Statement of Candidacy. Two red arrows point to the top section (1-6) and the middle section (7). The form is titled "FEC FORM 2 STATEMENT OF CANDIDACY".

1. (a) Name of Candidate (in full)
(b) Address (number and street) Check if address changed
(c) City, State, and ZIP Code

2. Candidate's FEC Identification Number

3. Is This Statement New OR Amended (A)

4. Party Affiliation **5.** Office Sought **6.** State & District of Candidate

7. I hereby designate the following named political committee as my Principal Campaign Committee for the _____, (year of election) election(s).
NOTE: This designation should be filed with the appropriate office listed in the instructions.

(a) Name of Committee (in full)
(b) Address (number and street)
(c) City, State, and ZIP Code

DESIGNATION OF OTHER AUTHORIZED COMMITTEES
(Including Joint Fundraising Representatives)

8. I hereby authorize the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.
NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (in full)

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- FEC Form 2**
File Statement of Candidacy (FEC Form 2) within 15 days after candidate raises/spends \$5,000.
- Requirements**
Candidates must remember to fill out their name, mailing address, if the statement is new or an amendment, party affiliation, office sought, state and district, the designation of their principal campaign committee and the election year.

Committee Registration

FEC FORM 1 **STATEMENT OF ORGANIZATION**

1. **NAME OF COMMITTEE (in full)** _____
Include candidate's name in PCC's name

ADDRESS (number and street) _____
 (Check if address is changed)

CITY _____ STATE _____ ZIP CODE _____

COMMITTEE'S E-MAIL ADDRESS (Please provide only one e-mail address) _____
Email required for all committees
 (Check if address is changed)

COMMITTEE'S WEB PAGE ADDRESS (URL) _____
 (Check if address is changed)

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H. Committee Registration

1. **FEC Form 1**

File Statement of Organization (FEC Form 1) within 10 days of establishment.

2. **Requirements**

Committees must include their e-mail address. It is important to have a current email address on Form 1 to receive courtesy reporting reminders.

3. **Amendments**

Amend Statement of Organization when necessary within 10 days of change. Remember to notify the FEC of address and treasurer changes by filing an amended Form 1.

4. **Name and Address of Committee**

- a) Use Committee's Official Name on:
 - i. FEC reports and statements.
 - ii. Disclaimer notices for public advertising.
- b) Street Address, Email, Website
 - i. Email required for electronic filers; necessary to receive RFAIs, FEC report notices, and other courtesy materials.
 - ii. URL required if committee has web page.

Committee Registration

FEC Form 1 (Revised 02/2009) Page 2

5. TYPE OF COMMITTEE

Candidate Committee:

(a) This committee is a principal campaign committee. (Complete the candidate information below.)

(b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate _____

Candidate Party Affiliation _____

Office Sought: House Senate President State _____

District _____

(c) This committee supports/opposes only one candidate, and is NOT an authorized committee.

Name of Candidate _____

Party Committee:

(d) This committee is a _____ (National, State or subordinate) committee of the _____ (Democratic, Republican, etc.) Party.

Political Action Committee (PAC):

(e) This committee is a separate segregated fund. (Identify connected organization on line 6.) Its connected organization is a:

Corporation Corporation w/o Capital Stock Labor Organization

Membership Organization Trade Association Cooperative

In addition, this committee is a Lobbyist/Registrant PAC.

5. **Type of Committee**
 Fill in name of candidate, party affiliation and state and district information.
6. **List all Joint Fundraising Representatives**

Committee Registration

List any Joint Fundraising Representatives

6. Name of Any Connected Organization, Affiliated Committee, Joint Fundraising Representative, or Leadership PAC Sponsor

Mailing Address _____

CITY STATE ZIP CODE

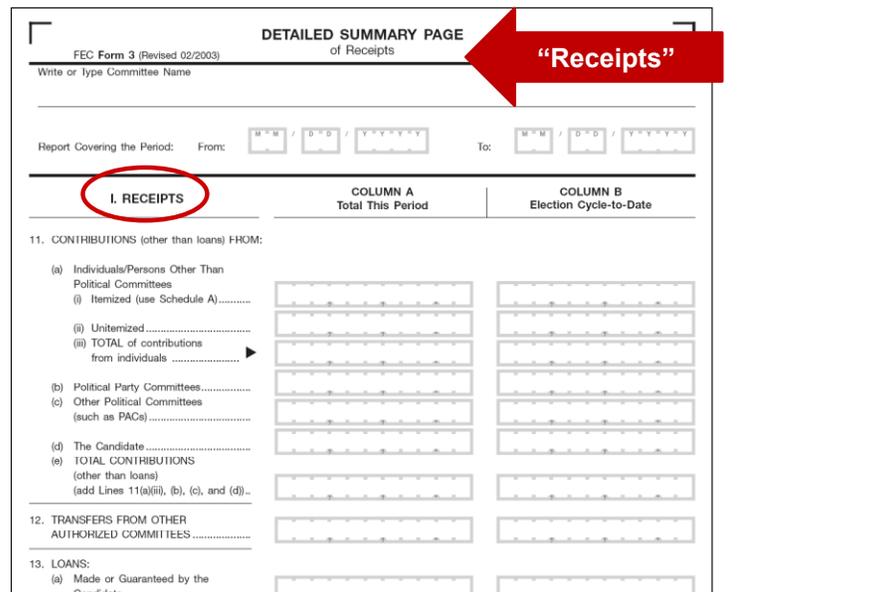
Relationship: Connected Organization Affiliated Committee Joint Fundraising Representative Leadership PAC Sponsor

III. Financial Reports – FEC Form 3 (Guide, pp. 87-116)

FEC Form 3

- ▣ Used by House and Senate filers
- ▣ Cover Page – shows report type/coverage dates
- ▣ Summary Page – overview of receipts and disbursements
- ▣ Detailed Summary Pages – overview of receipts and disbursements by category
- ▣ Schedules – show detailed info by line number

Detailed Summary Page Receipts



DETAILED SUMMARY PAGE
of Receipts

FEC Form 3 (Revised 02/2003)

Write or type Committee Name

Report Covering the Period: From: M-M / D-D / Y-Y-Y-Y To: M-M / D-D / Y-Y-Y-Y

I. RECEIPTS	COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees		
(i) Itemized (use Schedule A)		
(ii) Unitemized		
(iii) TOTAL of contributions from individuals		
(b) Political Party Committees		
(c) Other Political Committees (such as PACs)		
(d) The Candidate		
(e) TOTAL CONTRIBUTIONS (other than loans) (add Lines 11(a)(ii), (b), (c), and (d))		
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES		
13. LOANS:		
(a) Made or Guaranteed by the Candidate		

Reporting Receipts

- ▣ Itemize regardless of amount:
 - Contributions from party committees/organizations
 - Contributions from other political committees
 - Transfers
 - Loans
- ▣ All other receipts:
 - Itemize once they exceed \$200 when aggregated with other receipts from that same source during an election cycle

- A. Report Receipts on the Appropriate Line Number**
- 1. Itemize Regardless of Amount:**
 - a) Contributions from political committees - Line 11b or 11c
 - b) Transfers from affiliated authorized committees - Line 12
 - c) Loans received – Line 13a or 13b
 - 2. Threshold for Other Categories**

Itemize all other receipts once they exceed \$200 when aggregated with other receipts from that same source during the election cycle.

Detailed Summary Page: Disbursements

FEC Form 3 (Revised 02/2003)

DETAILED SUMMARY PAGE
of Disbursements

“Disbursements”

II. DISBURSEMENTS	COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
17. OPERATING EXPENDITURES.....		
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES		
19. LOAN REPAYMENTS:		
(a) Of Loans Made or Guaranteed by the Candidate.....		
(b) Of All Other Loans		
(c) TOTAL LOAN REPAYMENTS (add Lines 19(a) and (b)).....		
20. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees		
(b) Political Party Committees.....		
(c) Other Political Committees (such as PACs).....		
(d) TOTAL CONTRIBUTION REFUNDS (add Lines 20(a), (b), and (c)).....		

Reporting Disbursements

Itemize regardless of amount:

- Transfers to affiliated committees
- Loan repayments
- Loans made
- Contributions made to other federal candidates
- Refunds to other political committees

All other disbursements:

- Itemize once they exceed \$200 in aggregate during an election cycle

B. Report Disbursements on the Appropriate Line Number

1. Itemize Regardless of Amount:

- a) Transfers to affiliated authorized committees – Line 18
- b) Loan repayments – Line 19
- c) Contributions made to other federal candidates/other political committees – Line 21

2. Threshold for Other Disbursement Categories

Itemize all other disbursements once they exceed \$200 when aggregated with other disbursements to the same payee during the election cycle.

Purpose of Disbursement

- ▣ Rule of thumb: Could reader discern why a payment was made simply by reading the description provided?
- ▣ Non-exhaustive lists available on RAD's FAQ's page on FEC.gov at:
<http://www.fec.gov/law/policy.shtml#purpose>

Purpose of Disbursement

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

Full Name (Last, First, Middle Initial) A. ABC Group		Date of Disbursement 9 / 15 / 2013	
Mailing Address 123 Money Lane		Amount of Each Disbursement this Period 10,000.00	
City City,	State ST	Zip Code 00000	Category/ Type
Purpose of Disbursement FEC Compliance Consulting		Candidate Name	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State:	District:		

C. Purpose of Disbursement

1. FEC regulations require that the “purpose of disbursement” entry for each disbursement be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment. 11 CFR 104.3(b)(3) and (4).
2. Policy statement includes non-exhaustive lists of acceptable and unacceptable “purpose of disbursement” descriptions intended to provide additional guidance to the regulated community and to foster consistency among filers.
3. As a general guideline, the statement suggests that filers consider whether a person unaffiliated with the campaign/committee could discern why a payment was made by reading the description they have provided.
4. List is updated periodically and made available online at <http://www.fec.gov/law/policy.shtml#purpose>.

IV. Common Reporting Errors and Reporting Scenarios

Avoid Common Mistakes

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

A. Avoiding Common Mistakes

1. Check for math errors.
2. Include all appropriate schedules.
3. Provide all information required by schedule. Consult form instructions available on our website at <http://www.fec.gov/info/forms.shtml>.
4. Designate all contributions. If not designated, contribution is applied towards next election and may result in excessive contribution. Also indicate year of election and check Primary or General. If Special, Runoff, Convention or Recount election, check “Other” and also include election type & year (e.g. “Special General 2013”).
5. Avoid accidentally entering contributors multiple times into the committee’s reporting software program. This causes aggregation problems as well as excessive contributions to be reported.
6. Ensure the correct committee name is disclosed for contributions received/made. Using an incorrect committee name creates data entry problems and errors on the public record. Disclosing the FEC ID # of the contributor/recipient committee will help avoid mistakes.

Best Practices: Reporting

- ❑ Respond completely to RFAs by deadline specified.
- ❑ Contact your analyst to clarify questions and issues! The analyst can assist prior to the report being amended or if you are unsure what is wrong.
- ❑ Consult most recent lists of inadequate/adequate purpose lists and use rule of thumb.

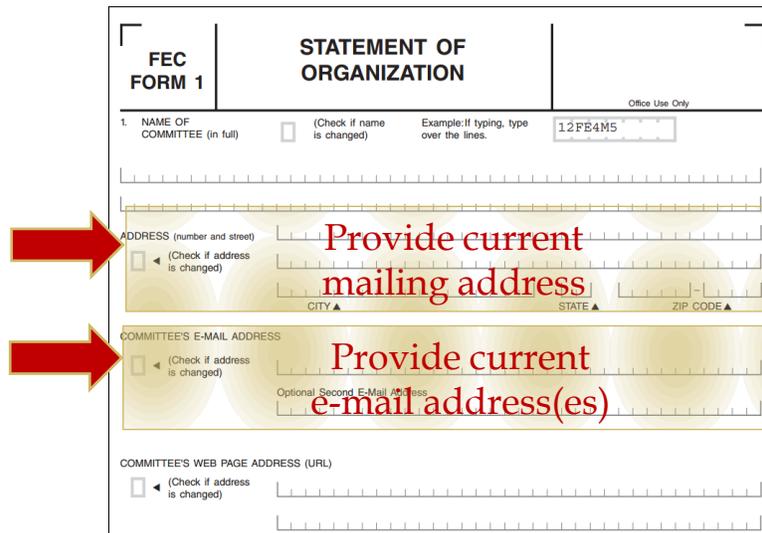
B. Best Practices

1. Respond completely to all RFAs by the deadline specified.
2. Contact your analyst to clarify questions and issues. Please contact the analyst if you are unsure of what is wrong. The analyst can assist prior to the report being amended.
3. Consult most recent copy of inadequate/adequate purpose lists and use rule of thumb. <http://www.fec.gov/law/policy.shtml#purpose>

Contact Information

- ❑ Ensure current contact information (mailing address, email address, and phone number) appear on Statement of Organization (FEC Form 1)
- ❑ List up to two email addresses

Statement of Organization



The image shows a portion of the FEC Form 1, 'STATEMENT OF ORGANIZATION'. The form is divided into sections. The top section is for the 'NAME OF COMMITTEE (in full)', with a checkbox for '(Check if name is changed)' and an 'Office Use Only' field containing '12FE4M5'. Below this is the 'ADDRESS (number and street)' section, which includes a checkbox for '(Check if address is changed)' and fields for 'CITY', 'STATE', and 'ZIP CODE'. A red arrow points to this section with the text 'Provide current mailing address'. Below the address section is the 'COMMITTEE'S E-MAIL ADDRESS' section, which includes a checkbox for '(Check if address is changed)' and an 'Optional Second E-Mail Address' field. A red arrow points to this section with the text 'Provide current e-mail address(es)'. At the bottom is the 'COMMITTEE'S WEB PAGE ADDRESS (URL)' section, which includes a checkbox for '(Check if address is changed)' and a long text field.

Statement of Organization

- Amendments
 - File within 10 days after change in information
 - E-filers submit a complete Form 1
 - Paper filers only complete portions requiring changes

C. Statement of Organization (11 CFR 102.1(d) and 102.2)

1. Name and Address of Committee

- a) Use Committee's Official Name on:
 - i. FEC reports and statements.
 - ii. Disclaimer notices for public advertising.
- b) Street Address, Email, Website
 - i. Email required for electronic filers; necessary to receive RFAIs, FEC report notices, and other courtesy materials. Up to two email addresses can now be provided (both will be used for emailing RFAIs).
 - ii. URL required if committee has web page.

Statement of Organization

FORM 1:

4. IS THIS STATEMENT NEW (N) OR AMENDED (A)

2. Amendments

Amend Statement of Organization when necessary within 10 days of change. Remember to notify the FEC of address and treasurer changes by filing an amended Form 1.

RAD FAQs Web Page

The screenshot shows the top of the Federal Election Commission website. The navigation bar includes links for 'ABOUT THE FEC', 'FEDERAL OFFICE', 'QUICK ANSWERS', 'CONTACT US', and 'SITE MAP'. Below the navigation bar, the 'Reports Analysis Division' is highlighted with a blue header. A red arrow points to a 'Click here' button next to the header. Below the header, there is a 'REPORTS ANALYSIS DIVISION MISSION STATEMENT' section, followed by a group photo of the division's staff. At the bottom of the screenshot, there is a small text block describing the division's mission and staff size.

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

RAD FAQs Web Page

The screenshot shows a section titled 'Helpful Links to General Questions:'. A red arrow points to the first link, 'Reporting and Filing Information'. Below this, there is a list of other links: 'Requests for Additional Information (RFAs)', 'Late Filing and Other Enforcement Penalties', 'Electronic Filing and Passwords', 'Images of Campaign Finance Reports', and 'Best Practices to Avoid Pitfalls'. Below the list, there is a section titled 'For more information about specific committee types and compliance topics use the links below:'. A red arrow points to the 'Candidate Committees' link in a row of six buttons: 'Candidate Committees', 'Party Committees', 'PACs', 'RAD Processes', 'Other Filers', and 'Training and Conferences'. Below this, there is a 'Contact Us:' section with contact information and a list of questions to ask.

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

SCENARIO #1

REDESIGNATIONS AND REATTRIBUTIONS

Reporting Receipts

Review

How to Itemize Receipts

Always Itemize:

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

Itemize all other receipts when:

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

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

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

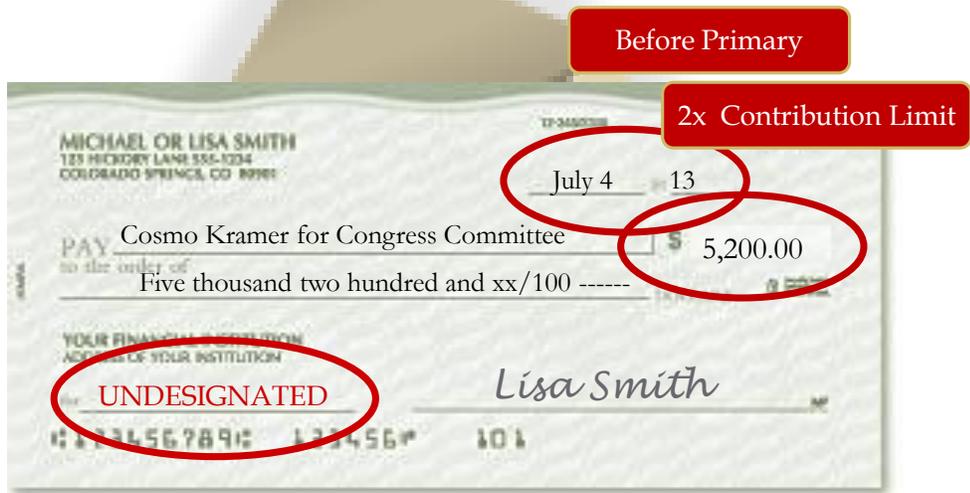
Curing Excessives

Options: The Three R's

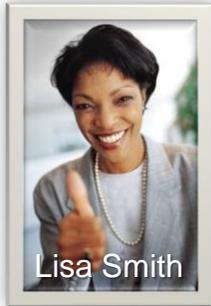
<div style="background-color: #444; color: white; padding: 5px; margin-bottom: 5px;">Refund</div> <div style="background-color: #ccc; padding: 5px; margin-bottom: 5px;">• To the contributor</div> <div style="font-size: 2em; color: #f0e68c;">1</div>	<div style="background-color: #6aa84f; color: white; padding: 5px; margin-bottom: 5px;">Redesignate</div> <div style="background-color: #d9ead3; padding: 5px; margin-bottom: 5px;">• To another election</div> <div style="font-size: 2em; color: #f0e68c;">2</div>	<div style="background-color: #c4a33b; color: white; padding: 5px; margin-bottom: 5px;">Reattribute</div> <div style="background-color: #f4cccc; padding: 5px; margin-bottom: 5px;">• To another contributor</div> <div style="font-size: 2em; color: #f0e68c;">3</div>
--	--	---

 Information Division
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Practical Application



Presumptive Redesignation



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

* Ensure that contributor does not exceed contribution limit

Presumptive Redesignation

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

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

Notification Requirement

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

Practical Application

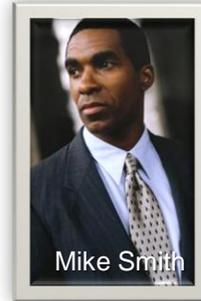


Presumptive Reattribution



Lisa Smith

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



Mike Smith

* Ensure that neither contributor exceeds contribution limit

Presumptive Reattribution

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

- Attribute permissible amount to the signer; and
- Presumptively reattribute excessive amount to other account holder, without obtaining his/her signature.

Notification Requirement

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

Avoid Excessives

- ▣ Encourage contributors to designate contributions
- ▣ Obtain signatures for joint contributions
- ▣ Designation required if:
 - Contributing to a future election (i.e., not next election)
 - Contributing to retire debt from a past election

SCENARIO #1 – ANSWERS:

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

Redesignation/Reattribution

Receipt – Schedule A, Line 11(a)



SCHEDULE A (FEC Form 3)	Use separate schedule(s) for each category of the Detailed Summary Page	FEC LINE NUMBER: (check only one)
ITEMIZED RECEIPTS		<input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 11d <input type="checkbox"/> 12 <input type="checkbox"/> 13a <input type="checkbox"/> 13b <input type="checkbox"/> 14 <input type="checkbox"/> 15
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		
NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee		
Full Name (Last, First, Middle Initial) A. Morty Seinfeld		Date of Receipt MM / DD / YYYY 07 / 04 / 2013
Mailing Address Phase 2 – Pines of Mar Gables		Amount of Each Receipt this Period <div style="border: 1px solid black; padding: 2px; text-align: center; width: 100px;">500.00</div>
City Del Boca Vista	State Zip Code FL 33433	
FEC ID number of contributing federal political committee. <div style="border: 1px solid black; padding: 2px; text-align: center;">C</div>		Election Cycle-to-Date <div style="border: 1px solid black; padding: 2px; text-align: center;">500.00</div>
Name of Employer Self	Occupation Retired	
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		


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- 2. Can we accept Helen’s contribution check as written? If not, what must the campaign do to remedy the situation?**
 No. Potentially, these could be joint contributions. However, since only Helen signed the \$5,200 check, Helen has made an excessive contribution for the primary. To remedy this, the campaign can reattribute and/or redesignate the excessive portion of her contribution.
- 3. How should the committee disclose the transaction(s) that remedy the excessive contribution?**

Reattribution:

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

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

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

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

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

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

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

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

FOR LINE NUMBER: 11a 11b 11c 11d 11e 11f

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

A. Helen Seinfeld
Mailing Address: Phase 2 – Pines of Mar Gables
City: Del Boca Vista, State: FL, Zip Code: 33433
Date of Receipt: 07 / 10 / 2013
Amount of Each Receipt this Period: 5,200.00
Name of Employer: Self, Occupation: Homemaker
Receipt For: Primary, General
Election Cycle-to-Date: 2,600.00

B. Helen Seinfeld
Mailing Address: Phase 2 – Pines of Mar Gables
City: Del Boca Vista, State: FL, Zip Code: 33433
Date of Receipt: 07 / 10 / 2013
Amount of Each Receipt this Period: - 2,600.00
Name of Employer: Self, Occupation: Homemaker
Receipt For: Primary, General
Election Cycle-to-Date: 2,600.00
**MEMO
Reattribution and
Redesignation below**

C. Morty Seinfeld
Mailing Address: Phase 2 – Pines of Mar Gables
City: Del Boca Vista, State: FL, Zip Code: 33433
Date of Receipt: 07 / 10 / 2013
Amount of Each Receipt this Period: 2,100.00
Name of Employer: Self, Occupation: Retired
Receipt For: Primary, General
Election Cycle-to-Date: 2,600.00
**MEMO
Reattribution**

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

Redesignation:

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

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

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

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

See Reporting Example on Next Page

Redesignation
& Reattribution

SCHEDULE A (FEC Form 3)
ITEMIZED RECEIPTS

FOR LINE NUMBER (check only one)
 11a 11b 11c 11d
 12 13a 13b 14 15

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

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

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

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

FEC ID number of contributing federal political committee. **C**

Name of Employer **Self** Occupation **Homemaker**

Receipt For:
 Primary General
 Other (specify)

Election Cycle-to-Date **5,200.00**

Date of Receipt **07 / 10 / 2013**

Amount of Each Receipt this Period **5,200.00**

See reattribution and redesignation below

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

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

FEC ID number of contributing federal political committee. **C**

Name of Employer **Self** Occupation **Homemaker**

Receipt For:
 Primary General
 Other (specify)

Election Cycle-to-Date **3,100.00**

Date of Receipt **07 / 10 / 2013**

Amount of Each Receipt this Period **500.00**

MEMO
Redesignation

Receipt For:
 Primary General
 Other (specify)

Election Cycle-to-Date **2,600.00**

MEMO
Reattribution



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4. Key issues:

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

SCENARIO #2

CANDIDATE LOANS FROM PERSONAL FUNDS

Candidate Loans from Personal Funds

- ▣ Acceptable sources
 - Assets
 - Income
 - Interest/Dividends
 - Bequests
- ▣ Unlimited amount
- ▣ Repayment and forgiveness options

Candidate Loans from Personal Funds

- ▣ On which schedules should personal funds loans be reported?
 - Schedule A: Receipt of a loan.
 - Schedule B: Loan repayments.
 - Schedule C: Continuously reporting loans until they are fully paid or forgiven.

Scenario #2 – Candidate Loan from Personal Funds (Guide, pp. 91 and 103-106)

On August 10, 2013, Candidate Arthur Fonzarelli generously dips into his “rainy-day” savings account and contributes \$50,000 to his principal campaign committee to give him a head start in his 2014 campaign. He indicates, however, that once money from other contributors comes in, he wishes to be paid back in full by December 31, 2014. He indicates that he does not intend to charge the committee any interest.

1. **How should the committee disclose the transaction(s)? Since he treated it as a loan, does it need to be disclosed as a contribution as well?**
2. **How should the committee show a repayment on September 15th of \$5,000 towards a personal funds loan?**
3. **How should the committee show the forgiveness of a personal funds loan by the candidate?**

Scenario #2: Candidate Loan from Personal Funds

Loan Reporting - Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)		PAGE _____ OF _____
LOANS		Use separate schedule(s) for each category of the Detailed Summary Page
FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a		<input type="checkbox"/> 13b
NAME OF COMMITTEE (In Full) Arthur Fonzarelli for Congress		
LOAN SOURCE Full Name (Last, First, Middle Initial) Arthur Fonzarelli- [Personal Funds]	Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
Mailing Address 709 Main Street		
City Anytown	State US	ZIP Code 12345
Original Amount of Loan 50,000.00	Cumulative Payment To Date 0.00	Balance Outstanding at Close of This Period 50,000.00
TERMS		
Date Incurred MM / DD / YYYY 08 / 10 / 2013	Date Due MM / DD / YYYY 12 / 31 / 2014	Interest Rate 0 % (apr) <input type="checkbox"/> Yes <input type="checkbox"/> No

Report terms of the loan: Show reporting on Schedule C for Line 13(a). The Loan Source is the candidate. Also include notation indicating “personal funds.”

2. How should the committee show a repayment on September 15th of \$5,000 towards a personal funds loan?

Show the total amount repaid by the committee to the candidate in the “Cumulative Payment To Date” field. The “Balance Outstanding at Close of This Period” should show only the remaining portion of the outstanding loan (“Original Amount of Loan” – “Cumulative Payment to Date” = “Balance Outstanding at Close of This Period”).

- For candidate loans, repayments of the loan principal should be reported on Line 19(a) (“Repayments of Loans Made or Guaranteed by the Candidate”) of the Detailed Summary Page.
- If the candidate charges interest on a personal funds loan, interest payments should be reported on Schedule B supporting Line 17 (“Operating Expenditures”) of the Detailed Summary Page.
 - Interest incurred but not paid should be disclosed on Schedule D.
- Non-candidate loans made to the committee by a financial institution should be reported on Line 19(b) (“Repayments of All Other Loans”) of the Detailed Summary Page.

Scenario #2: Candidate Loan from Personal Funds

Loan Repayment - Schedule B, Line 19(a)

SCHEDULE B (FEC Form 3) ITEMIZED DISBURSEMENTS	Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input type="checkbox"/> 17 <input type="checkbox"/> 18 <input checked="" type="checkbox"/> 19a <input type="checkbox"/> 19b <input type="checkbox"/> 20a <input type="checkbox"/> 20b <input type="checkbox"/> 20c <input type="checkbox"/> 21																				
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.																						
NAME OF COMMITTEE (In Full) Arthur Fonzarelli for Congress																						
Full Name (Last, First, Middle Initial) Arthur Fonzarelli- [Personal Funds]		Date of Disbursement <table style="width: 100%; text-align: center; border: none;"> <tr> <td style="border: 1px solid black; padding: 2px;">M</td> <td style="border: 1px solid black; padding: 2px;">M</td> <td style="border: 1px solid black; padding: 2px;">/</td> <td style="border: 1px solid black; padding: 2px;">D</td> <td style="border: 1px solid black; padding: 2px;">D</td> <td style="border: 1px solid black; padding: 2px;">/</td> <td style="border: 1px solid black; padding: 2px;">Y</td> </tr> <tr> <td>09</td> <td>15</td> <td></td> <td>20</td> <td>13</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	M	M	/	D	D	/	Y	Y	Y	Y	09	15		20	13					
M	M	/	D	D	/	Y	Y	Y	Y													
09	15		20	13																		
Mailing Address 709 Main Street	City Anytown	State US																				
Zip Code 12345		Amount of Each Disbursement this Period 5,000.00																				
Purpose of Disbursement Candidate Loan Payment		Category/ Type																				
Candidate Name																						
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)																					
State:	District:	2014																				

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Scenario #2: Candidate Loan from Personal Funds

Loan Repayment - Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)		PAGE _____ OF _____
LOANS		Use separate schedule(s) for each category of the Detailed Summary Page
		FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b
NAME OF COMMITTEE (In Full) Arthur Fonzarelli for Congress		
LOAN SOURCE Full Name (Last, First, Middle Initial) Arthur Fonzarelli- [Personal Funds]		Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼
Mailing Address 709 Main Street		
City Anytown	State US	ZIP Code 12345
Original Amount of Loan 50,000.00	Cumulative Payment To Date 5,000.00	Balance Outstanding at Close of This Period 45,000.00
TERMS		
Date Incurred 08 / 10 / 2013	Date Due 12 / 31 / 2014	Interest Rate 0 % (apr) <input type="checkbox"/> Secured: <input type="checkbox"/> Yes <input type="checkbox"/> No

3. How should the committee show the forgiveness of a personal funds loan by the candidate?

Report candidate forgiveness of the loan: Show reporting on Schedule C for Line 13(a). The “Balance Outstanding at Close of This Period” should be \$0. (Do not include the forgiven loan balance into the total of “Cumulative Payment To Date,” since the money was not actually repaid.)

For electronic filers: Please include Memo Text with your report stating that the candidate forgave the loan.

For all filers: When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven. (Please note that this requirement applies to paper and electronic filers alike. Memo text at the end of an electronically filed report stating that the candidate forgave the loan will not be accepted in lieu of the letter.)

Candidate Loan Forgiveness

- Written, signed letter from candidate
- Schedules B and C do not show payments
- Make sure loan ending balance is correct

See Reporting Example on Next Page

Scenario #2: Candidate Loan from Personal Funds

Loan Forgiveness - Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)		PAGE _____ OF _____
LOANS		Use separate schedule(s) for each category of the Detailed Summary Page
		FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b
NAME OF COMMITTEE (In Full) Arthur Fonzarelli for Congress		
LOAN SOURCE Full Name (Last, First, Middle Initial) Arthur Fonzarelli- [Personal Funds]		Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼
Mailing Address 709 Main Street		
City Anytown	State US	ZIP Code 12345
Original Amount of Loan 50,000.00	Cumulative Payment To Date 5,000.00	Balance Outstanding at Close of This Period 0.00
TERMS		
Date Incurred 08 / 10 / 2013	Date Due 12 / 31 / 2014	Interest Rate 0 % (apr) <input type="checkbox"/> Secured: <input type="checkbox"/> Yes <input type="checkbox"/> No

4. Key issues:

- If the candidate wants to be paid back, be sure to report the receipt as a loan on both Schedule A, Line 13(a) and on Schedule C as an outstanding obligation when the loan is incurred. The loan should be continuously disclosed on Schedule C on subsequent reports until the loan is paid off or forgiven.
- Do not forget loan terms. Terms of a loan from the candidate's personal funds (no lending institution involved) may be more flexible. If there are no terms, do not leave boxes blank, enter "none" or "n/a."
- Include notations on both Schedules A & C indicating "personal funds." When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven – for both paper and electronic filers.

Candidate Loans >\$250K

Special rules for personal funds loans aggregating >\$250,000 for an election:

- ❑ The committee may use contributions made on/before election date to repay entire loan(s) amount: must do so within 20 days of the election.
- ❑ The committee may use contributions made after the election date to repay only up to \$250,000; the rest must be converted to a contribution from the candidate by the 21st day after the election.

Repaying Candidate Loans Aggregating Over \$250,000 after an Election:

There are special rules concerning the repayment of personal loans from the candidate (including advances or candidate endorsed bank loans) that aggregate more than \$250,000 with respect to a given election. The following rules apply:

- The committee may use contributions to repay the candidate for the entire amount of the loan or loans only if those contributions were made on or before the day of the applicable election; and
- The committee may use contributions to repay the candidate only up to \$250,000 from contributions made after the date of the applicable election.
- If the committee uses the amount of cash-on-hand as of the date of the election to repay the candidate for loans in excess of \$250,000, then it must do so within 20 days of the election. During that time, the committee must treat the portion of candidate loans that exceed \$250,000, minus the amount of cash-on-hand as of the day after the election as a contribution by the candidate (11 CFR 116.11(c), Advisory Opinion 2003-30).

SCENARIO #3

EARMARKED CONTRIBUTIONS

Conduit/Intermediary

Anyone who receives and forwards an earmarked contribution to a candidate

Except . . .

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

Earmarked Contributions

Procedures:

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

Effect on Contribution Limits

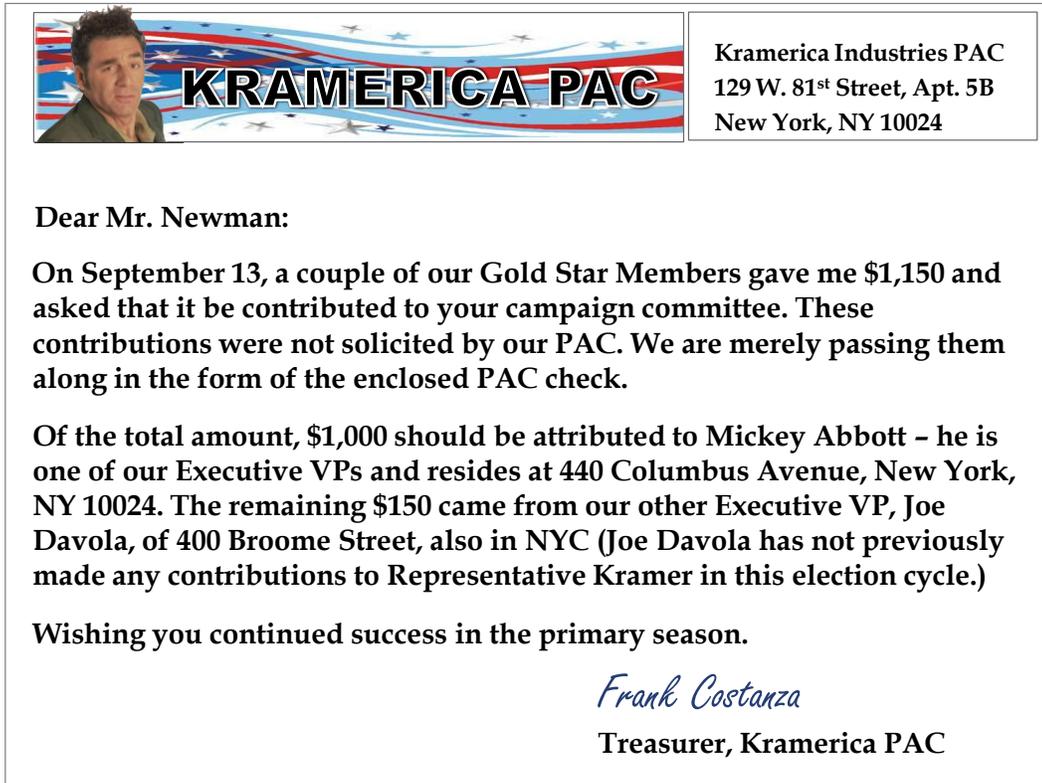
- An earmarked contribution counts against the contributor's limit for the recipient candidate.
- Conduit limit is affected when the conduit exercises direction or control over the contributor's choice of recipient candidate.

Transmittal to Campaign

- The conduit must forward an earmarked contribution to the recipient campaign committee within 10 days of receiving the contribution.
- Campaign should receive transmittal report from conduit containing the contributor information needed to disclose on FEC report.

Scenario #3: Earmarked Contributions (*Guide*, pp. 125 – 126)

The Kramer for Congress Committee receives a \$1,150 check from the Kramerica Industries PAC on September 15, 2013, along with the following note:



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

SCENARIO #3 – ANSWERS:

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

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

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

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

See Reporting Example on Next Page

Earmarked

SCHEDULE A (FEC Form 3) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE OF
			<input checked="" type="checkbox"/> 1	1
			<input type="checkbox"/> 11a	<input type="checkbox"/> 11b
			<input type="checkbox"/> 11c	<input type="checkbox"/> 11d
			<input type="checkbox"/> 12	<input type="checkbox"/> 13a
			<input type="checkbox"/> 13b	<input type="checkbox"/> 14
			<input type="checkbox"/> 15	<input type="checkbox"/> 15

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

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

<p>A. Full Name (Last, First, Middle Initial) Mickey Abbott</p> <p>Mailing Address 440 Columbus Avenue</p> <p>City New York State NY Zip Code 10024</p> <p>FEC ID number of contributing federal political committee. C</p> <p>Name of Employer KramERICA Industries Occupation Executive Assistant</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p> <p>Election Cycle-to-Date 1,000.00</p>	<p>Date of Receipt 09 13 2013</p> <p>Amount of Each Receipt this Period 1,000.00</p> <p style="text-align: center;">Earmarked through KramERICA PAC</p>
<p>B. Full Name (Last, First, Middle Initial) KramERICA Industries PAC</p> <p>Mailing Address 129 West 81st Street Apt. 5B</p> <p>City New York State NY Zip Code 10024</p> <p>FEC ID number of contributing federal political committee. C 00342972</p> <p>Name of Employer Occupation</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p> <p>Election Cycle-to-Date 1,150.00</p>	<p>Date of Receipt 09 15 2013</p> <p>Amount of Each Receipt this Period 1,150.00</p> <p style="text-align: center;">MEMO</p> <p style="text-align: center;">Total earmarked through conduit PAC limit not affected</p>

Information Division
2013-14 Election Cycle

2013 October Quarterly Candidate Reporting Webinar

Both entries
relate to a
single receipt

3. Key issues:

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

Scenario #4

Reporting Disbursements: Operating Expenditures

Reporting Disbursements

Review

Itemize regardless of amount:

- Transfers to affiliated committees
- Loan repayments
- Loans made
- Contributions made to other federal candidates
- Refunds to other political committees

All other disbursements:

- Itemize once they exceed \$200 in aggregate during an election cycle

Scenario #4: Reporting Disbursements – Operating Expenditures (*Guide*, pp. 99-100)
and **Credit Card Transactions** (*Guide*, pp. 100-101)

Mr. Newman, Candidate Cosmo Kramer's Treasurer, decided the smartest way for the campaign committee to pay its expenses was for the campaign to have its own credit card. During the period covered by the July Quarterly Report, the card (issued by Citibank VISA, 301 10th Street, Suite 4500, New York, NY 10001) was used to pay the following expenses:

1. \$150 paid to Poppy's Restaurant (located at Broadway and 112th Street, New York, NY 10025) for food brought in for the June 15, 2013 monthly fundraising strategy luncheon. (The campaign has not used this restaurant before in the current election cycle.)
2. \$3,000 paid to Skyway Airlines for a charter flight Candidate Kramer took on June 30, 2013. Skyway is based out of Newark Airport (address: 301 Airport Way, Newark, NJ 07114).

By not paying the credit card bill for a few months, the campaign has incurred an additional \$24.50 in finance charges. On September 29, 2013, the campaign paid off the entire \$3,174.50.

- 1. How should the committee disclose credit card debt?**
- 2. How should the committee properly disclose the credit card payment?**
- 3. Key issues:**

SCENARIO #4 – ANSWERS:

1. How should the committee disclose credit card debt?

Debts and obligations (other than loans) are reported on Schedule D according to the following rules:

- A debt of \$500 or less is reportable once it has been outstanding 60 days from the date incurred (date of transaction, not date bill is received). The debt is disclosed on the next regularly scheduled report.
- A debt exceeding \$500 must be reported in the report covering the date on which the debt was incurred.

Schedule D (outstanding debt): The debt to the credit card company should be disclosed on Schedule D in the same way as any other debts. List the credit card company as the debtor; be sure to reflect the outstanding debt amount at the close of the reporting period.

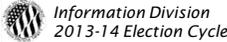
Please note: no memo entries for specific credit card transactions should be listed on Schedule D.

Credit Card Debt

Schedule D, Line 10:

- Report amount owed as debt until reimbursed if >\$500 or outstanding >60 days
- Do not use MEMO entries on Schedule D – vendors listed on Schedule B when disclosing payment

SCHEDULE D (FEC Form 3) DEBTS AND OBLIGATIONS		(Use separate schedule(s) for each numbered line)	PAGE OF FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
Excluding Loans NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee			
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor Citibank VISA		Nature of Debt (Purpose): Credit card debt	
Mailing Address 301 10th Street, Suite 4500			
City New York	State NY	Zip Code 10001	
Outstanding Balance Beginning This Period <input type="text" value="0.00"/>			
Amount Incurred This Period <input type="text" value="3,150.00"/>	Payment This Period <input type="text" value="0.00"/>	Outstanding Balance at Close of This Period <input type="text" value="3,150.00"/>	



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Schedule B (debt payments): As the committee pays off the debt, report partial or full payments on Schedule B – include MEMO entries to show original transactions making up the amount that is being repaid to the credit card company directly below the entry for payment to the credit card company (or, for electronic filers, link these). See reporting example above.

Note for Electronic Filers: Certain types of electronic filing software may not allow you to include a portion of memo entries underlying each partial payment on a credit card debt on each report where your committee is showing a repayment. For example, your software may only allow you to include all memo entries on the first report where you show a partial payment, but may not allow you to include any memo entries on the next report(s) where you show subsequent repayment(s). In this case, please note so using Memo Text on each report where this applies to avoid Requests for Additional Information from the Reports Analysis Division of the FEC.

2. How should the committee properly disclose the credit card payment?

The committee needs to disclose the payment of charges on the campaign credit card as an operating expenditure.

How to Report:

- **Report credit card payment** on Schedule B for Line 17. Campaign should disclose total payment to the credit card with the Date of Disbursement as the date the committee pays credit card bill.
- **Report itemization of vendor (Skyway Airlines)** on Schedule B for Line 17 as a MEMO entry. The Date of Disbursement is the date of the charter flight; in the Amount of Each Disbursement this Period box, include notation, “Citibank VISA” as a cross-reference to the credit card payment.
- The \$150 payment to Poppy’s Restaurant does not require itemization, as the committee’s payments to this vendor did not aggregate over \$200 in the election cycle.

See Reporting Example on Next Page

SCHEDULE B (FEC Form 3) ITEMIZED DISBURSEMENTS		FOR LINE NUMBER: (check only one)	PAGE OF
Use separate schedule(s) for each category of the Detailed Summary Page		<input checked="" type="checkbox"/> 17	18 19a 19b 20c 21
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee			
Full Name (Last, First, Middle Initial)		Date of Disbursement	
A. Citibank VISA		09 29 2013	
Mailing Address 301 10th Street, Suite 4500		Amount of Each Disbursement this Period	
City State Zip Code New York NY 10001		3,174.50	
Purpose of Disbursement Credit card payment		Category/Type	
Candidate Name			
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State District			
Full Name (Last, First, Middle Initial)		Date of Disbursement	
B. Skyway Airlines		06 30 2013	
Mailing Address 301 Airport Way		Amount of Each Disbursement this Period	
City State Zip Code Newark NJ 07114		3,000.00	
Purpose of Disbursement Travel Expense – May Fundraiser		002	
Candidate Name		MEMO Citibank VISA	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State District			
Full Name (Last, First, Middle Initial)		Date of Disbursement	
C. Citibank VISA		09 29 2013	
Mailing Address 301 10th Street, Suite 4500		Amount of Each Disbursement this Period	
City State Zip Code New York NY 10001		24.50	
Purpose of Disbursement Credit card finance charge payment		001	
Candidate Name		MEMO Citibank VISA	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State District			

Credit Card Payment

October Quarterly Report

October Quarterly Candidate Reporting Webinar

3. Key issues:

- Pay attention to the itemization threshold. Take into account previous disbursements to same vendor – keep good records.
- Use MEMO entry for any payee that exceeds the itemization threshold for operating expenses (in excess of \$200 for election cycle). Also include a notation that refers back to the credit card payment as cross-reference. The report should clearly show to which disbursement each memo entry relates.
- Debts owed to credit card company are reflected on Schedule D in the period in which the debt was incurred if amount owed is in excess of \$500; or once it has been outstanding for 60 days if \$500 or less. No MEMO entries on Schedule D.
- When paying credit card debt, disclose payment to credit card company on Schedule B for Line 17, including MEMO entry for any payees making up the amount being repaid to the credit card company.

FEC Resources

- ▣ Website: www.fec.gov--see Reports Analysis FAQs at <http://www.fec.gov/rad/index.shtml>
- ▣ Toll-free Information Line: (800) 424-9530
- ▣ Email questions to info@fec.gov
- ▣ Educational Outreach:
 - Conferences/Seminars (email: conferences@fec.gov)
 - Roundtable Workshops & Webinars
 - E-Learning at fec.gov/info/elearning.shtml

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