FEC CONNECT LIVE

INTERACTIVE ONLINE TRAINING PROGRAM

2016 October PAC/Party Reporting

September 22, 2016
1:00 – 2:30 p.m.

Objectives

- Review filing deadlines and application of "best efforts" for timely filing
- Learn about the Reports Analysis Division (RAD) review process and how best to respond to a Request for Additional Information (RFAI)
- Evaluate reporting scenarios & discuss common reporting errors

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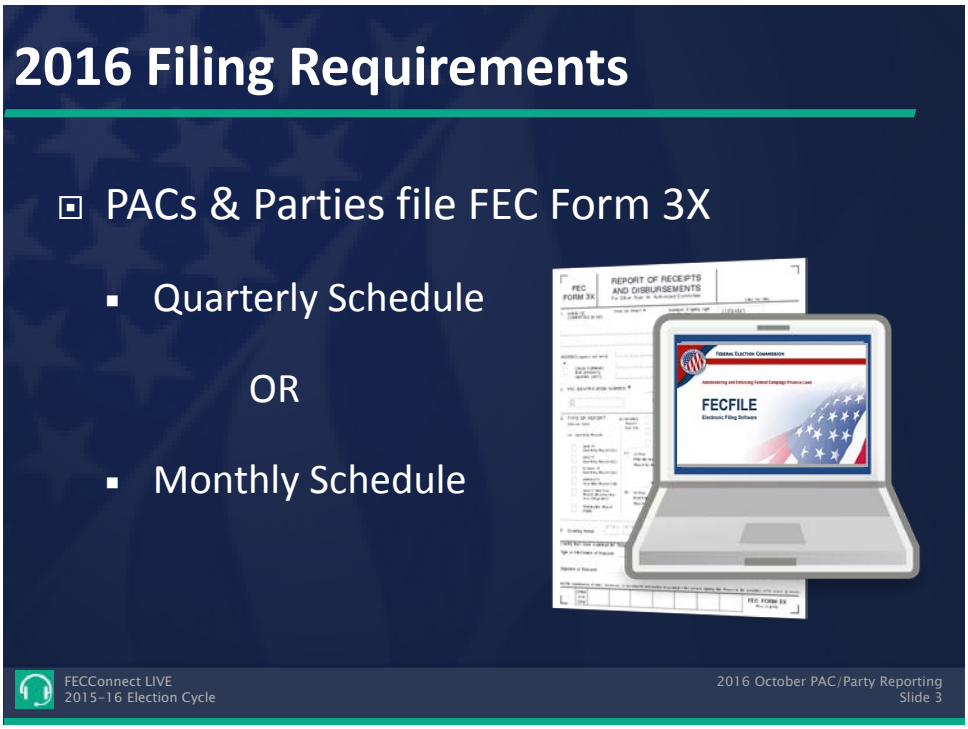
2016 October PAC/Party Reporting
Slide 2

I. Reporting - Timely Filing Schedule and Reporting Dates



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

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

a) Quarterly reports due April 15, July 15 and October 15 and January 31; Pre-Primary, Pre-General, Post-General.

b) Monthly filers must file report on 20th of each month, except Pre-General and Post-General in lieu of November and December monthly reports. Monthly filers must file a Year-End Report on January 31 of each year.

c) Reporting period always begins the day after close of books of last report filed.

d) Monthly is mandatory for national party committees or party committees with reportable FEA. 11 CFR 300.36(c). If a party committee that files quarterly engages in reportable FEA, it must switch to monthly.

e) See *Reports Due in 2016* in the January 2016 *Record* online. http://www.fec.gov/info/report_dates_2016.shtml

Quarterly Filers - 2016

Report Type	Coverage and Due Dates
April Quarterly	Covers 1/1 - 3/31; Due 4/15/16
July Quarterly	Covers 4/1 - 6/30; Due 7/15/16
October Quarterly	Covers 7/1 - 9/30; Due 10/15/16
Pre-Election	Covers 1st day of current period to 20 days before election; Due 12 days before election (10/1 – 10/19; Due 10/27/16)
Post-General	Covers 10/20 - 11/28; Due 12/8/16
Year-End	Covers 11/29 - 12/31; Due 1/31/17

Quarterly Filers - 2016

Pre-General Report – Due October 27

- Required for any committee that makes contributions or expenditures in connection with the general election between October 1-19
- Required for campaign committees in connection with candidate's general election

Monthly Filers – 2016

Reporting Period	Due Date
January 1-31	February 20
February 1-29	March 20
March 1-31	April 20
April 1-30	May 20
May 1-31	June 20
July 1-31	August 20
August 1-31	September 20
September 1-30	October 20
October 1-19 (Pre-General)	October 27
October 20-November 28 (Post-General)	December 8
November 29-December 31 (Year-End)	January 31, 2017

NO PRE-PRIMARY REPORTS

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2016 October PAC/Party Reporting
Slide 6

Choosing a Filing Schedule

Committees active in a number of different states may benefit from filing monthly.

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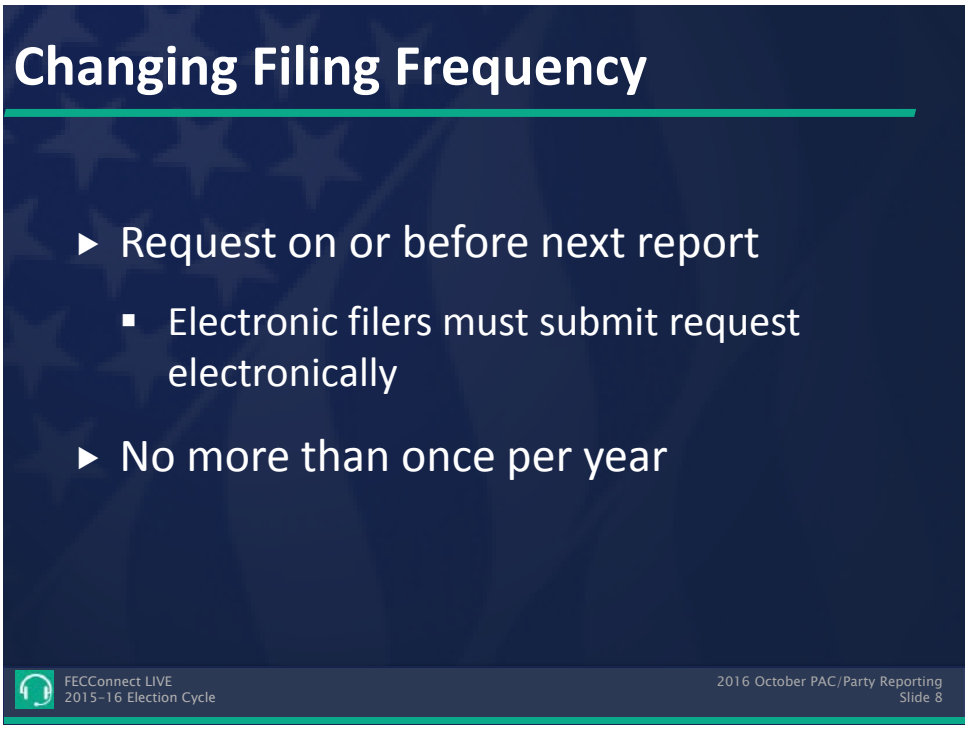
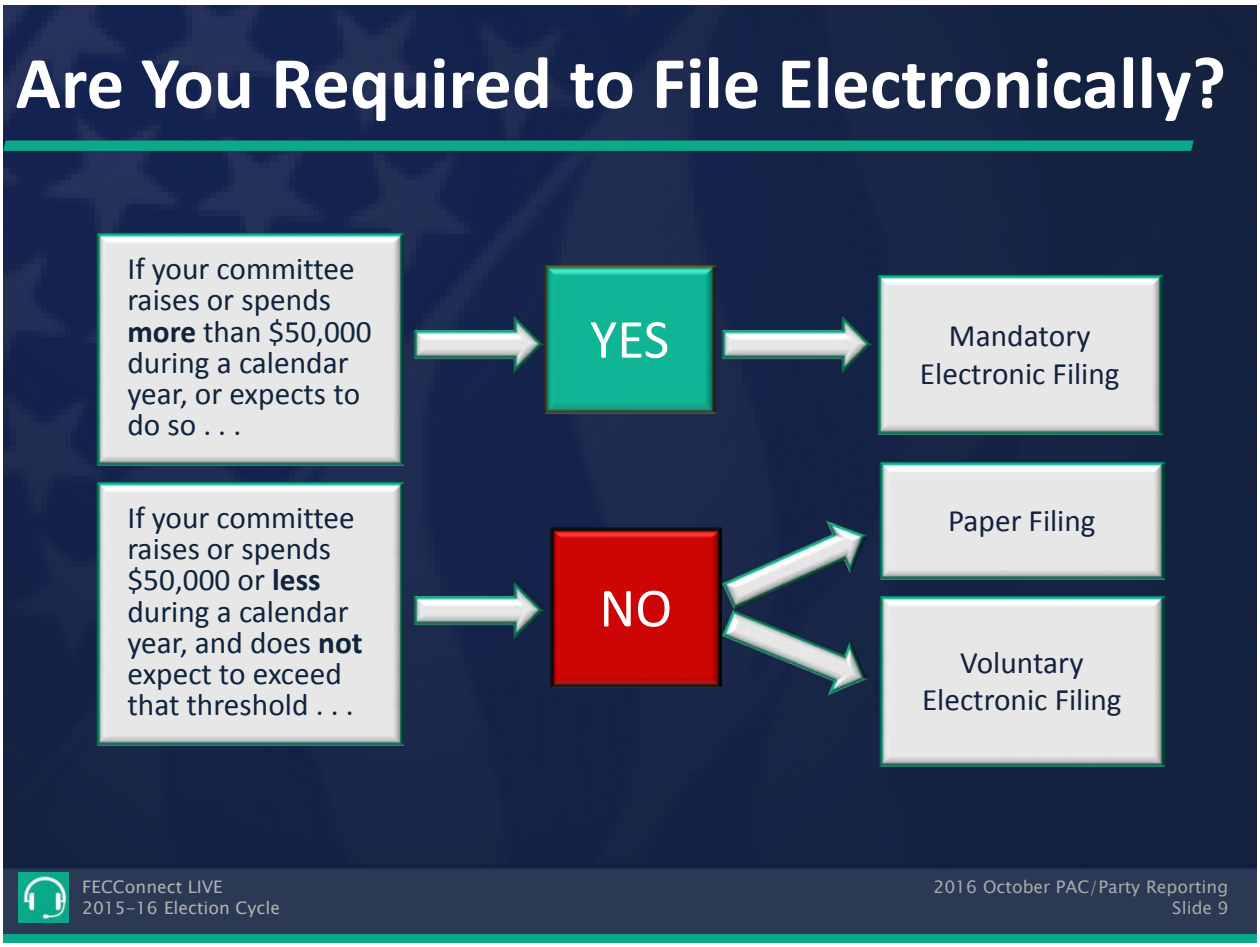
Slide 7



B. Changing Filing Schedule

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


Are You Required to File Electronically?
If your committee raises or spends **more** than $50,000 during a calendar year, or expects to do so . . .
YES
Mandatory Electronic Filing
If your committee raises or spends $50,000 or **less** during a calendar year, and does **not** expect to exceed that threshold . . .
NO
Paper Filing
Voluntary Electronic Filing
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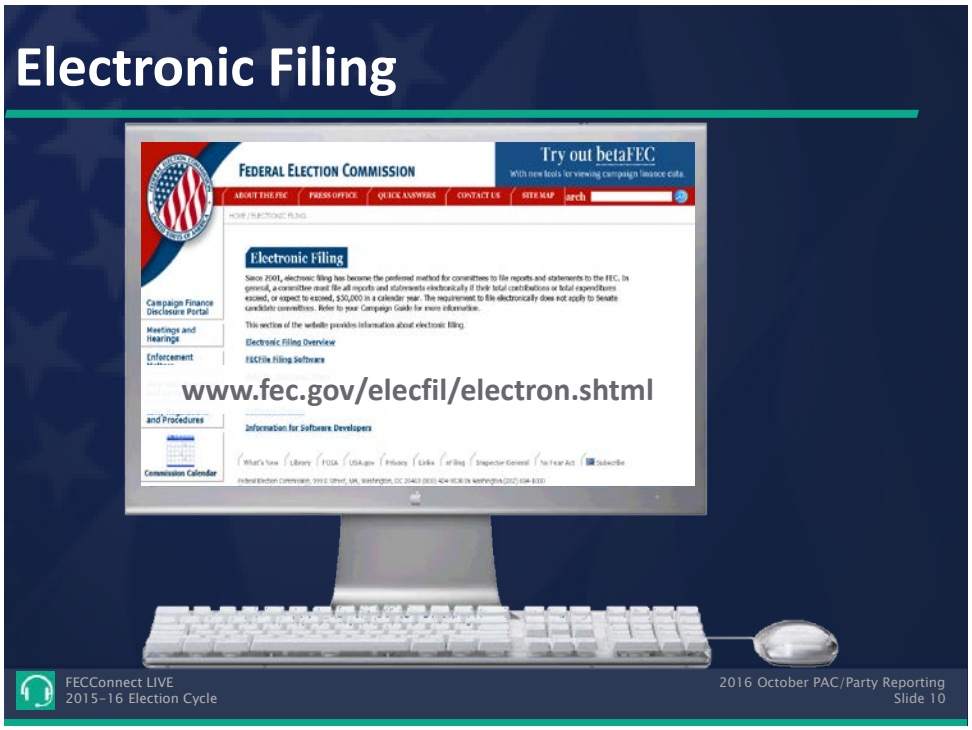
2015-16 Election Cycle
2016 October PAC/Party Reporting
Slide 9


Electronic Filing
FEDERAL ELECTION COMMISSION
Try out betaFEC
Electronic Filing
www.fec.gov/elecfil/electron.shtml
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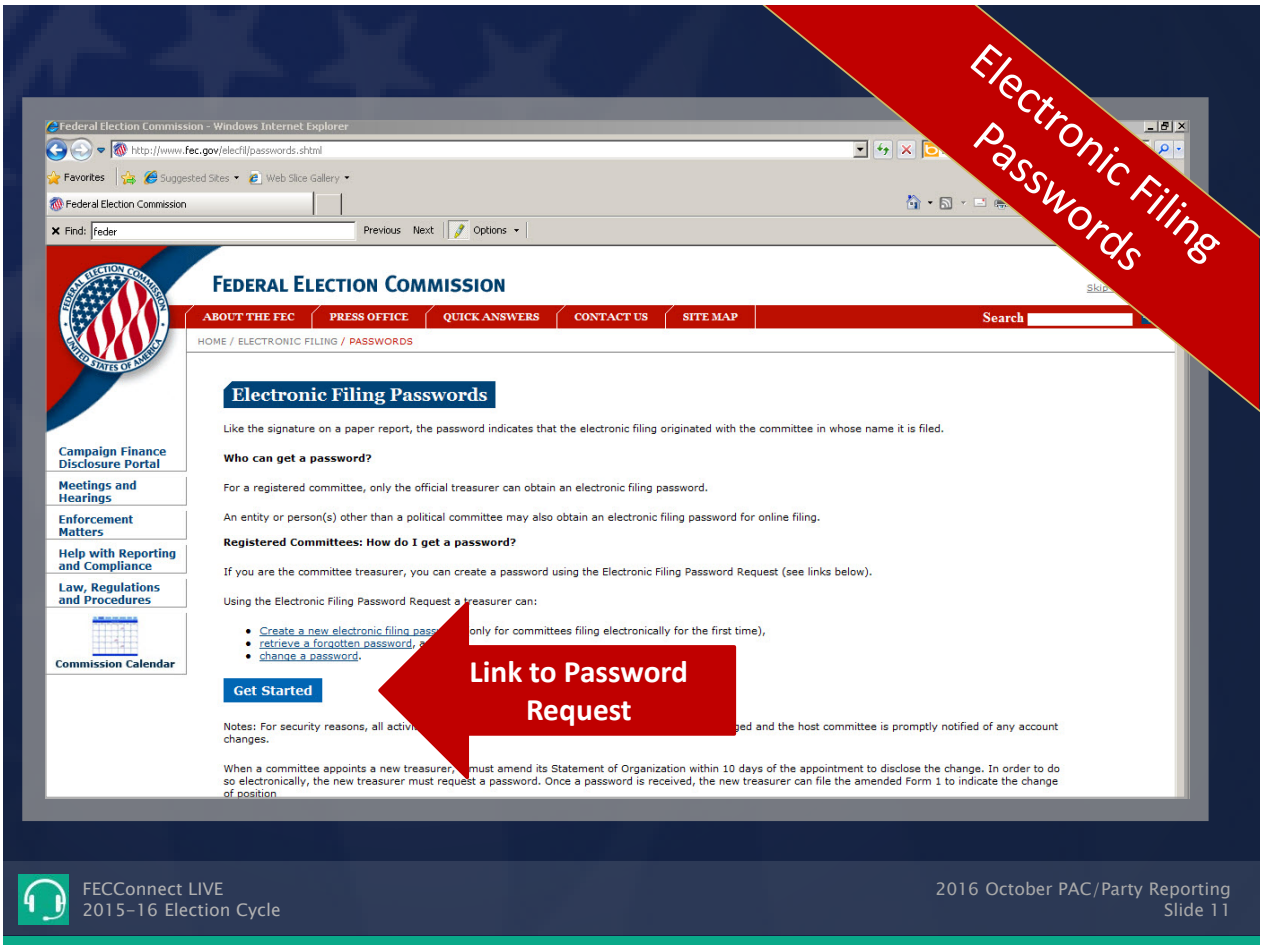
2015-16 Election Cycle
2016 October PAC/Party Reporting
Slide 10



C. Electronic Filing (11 CFR 104.18)

1. **Mandatory for:** PACs, House campaigns and party committees that raise or spend more than $50,000 in calendar year or have reason to expect to do so.
2. **Voluntary for:** All other filers
3. **Password Required**

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

   a) **Who Can Get a Password?**

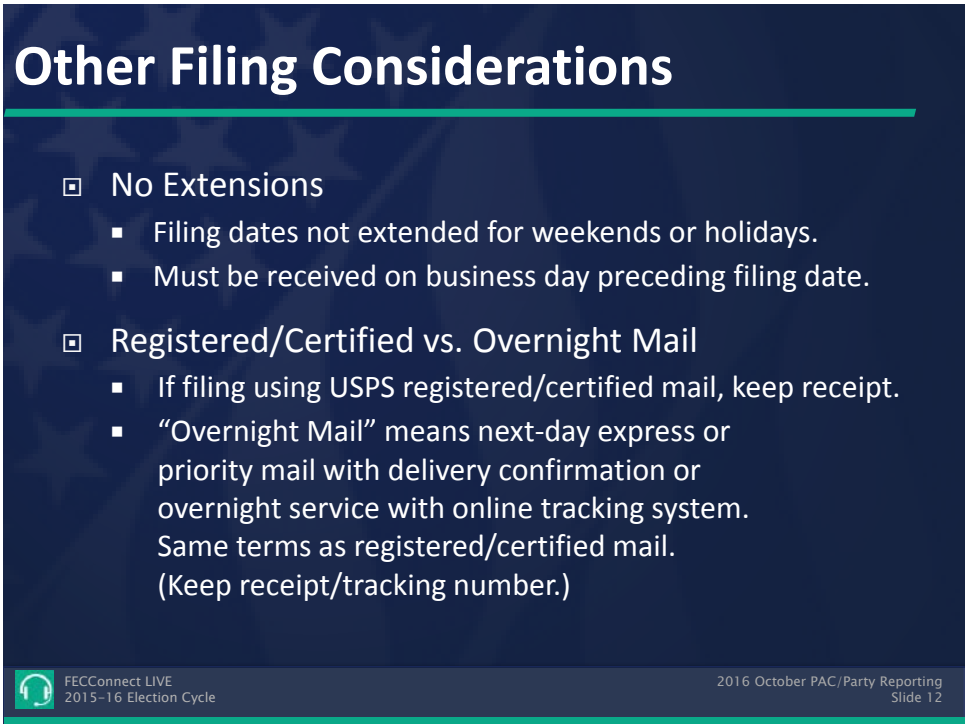
   Only the treasurer and assistant treasurer(s) listed on the committee's Form 1 can get a password. Assistant treasurer's password request must be signed by both assistant and treasurer.

   b) **How Do You Get a Password?**

   (1) Most committees may obtain or change their password on-line at http://www.fec.gov/elecfil/passwords.shtml

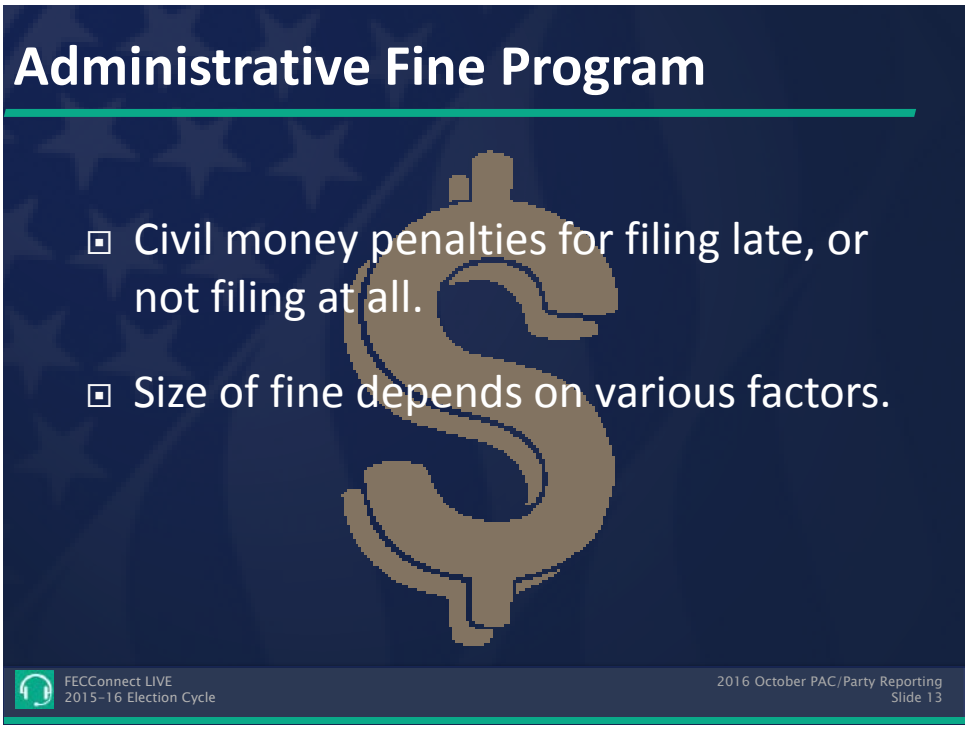
   (2) Existing committees that have not previously used the online system should contact the Electronic Filing Office for assistance at 202-694-1307.

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



D. Other Filing Considerations

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



E. Administrative Fine Program (AFP)

1. Background

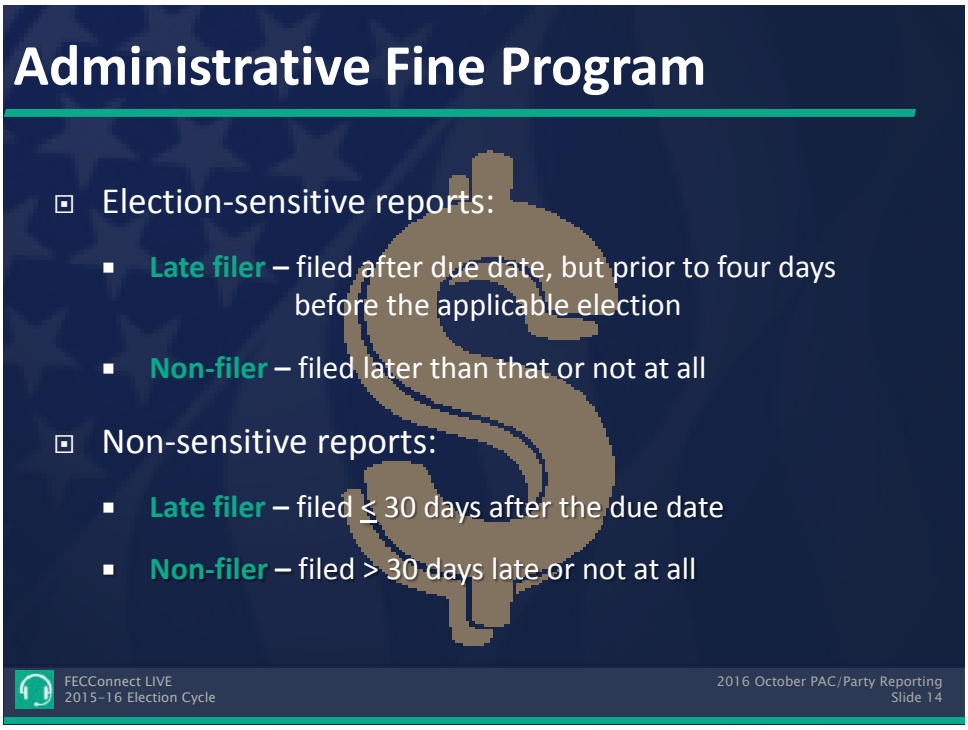
Program for assessing civil money penalties for violations for failure to file reports on time and/or at all.

2. Applies to:

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

3. Civil Money Penalties -- Factors in determining:

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



a) Election Sensitivity

(1) Election sensitive reports include:

- October Quarterly of election year,
- October Monthly of election year, and
- Pre-election reports for primary, general and special elections.

(2) All other reports are considered nonsensitive.

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

(1) <u>For Sensitive Reports</u>

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

(2) <u>For Nonsensitive Reports</u>

- Late filer – when report is filed within 30 days after the due date.
- (b) Non-filer – when report is filed 31 or more days after due date, or not at all.

(3) Can still be considered a "nonfiler" even if report is eventually filed.

c) Prior civil money penalties for reporting violations under the AFP.

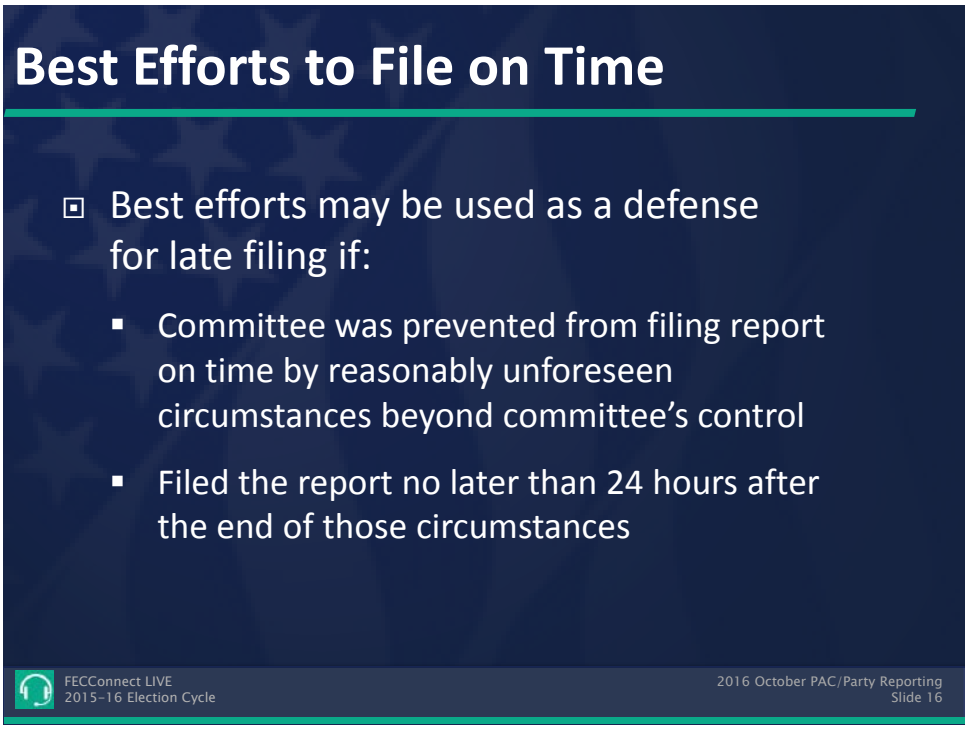
d) Financial Activity

(1) Amount of financial activity in the report – total amount of receipts and disbursements.

(2) Committees with less than $50,000 in financial activity during the reporting period in question are subject to reduced penalties under the AFP pursuant to April 2003 revisions to the regulations.

(3) August 2016 revisions to the AFP regulations adjusted penalties for inflation.

(4) Campaign Finance Analysts will not be able to tell you if you will be fined or how much. You can use the Administrative Fine calculator (http://www.fec.gov/af/af_calc.shtml) to estimate your fine. Your committee will be notified in writing if the FEC assesses a civil penalty against your committee under the AFP.

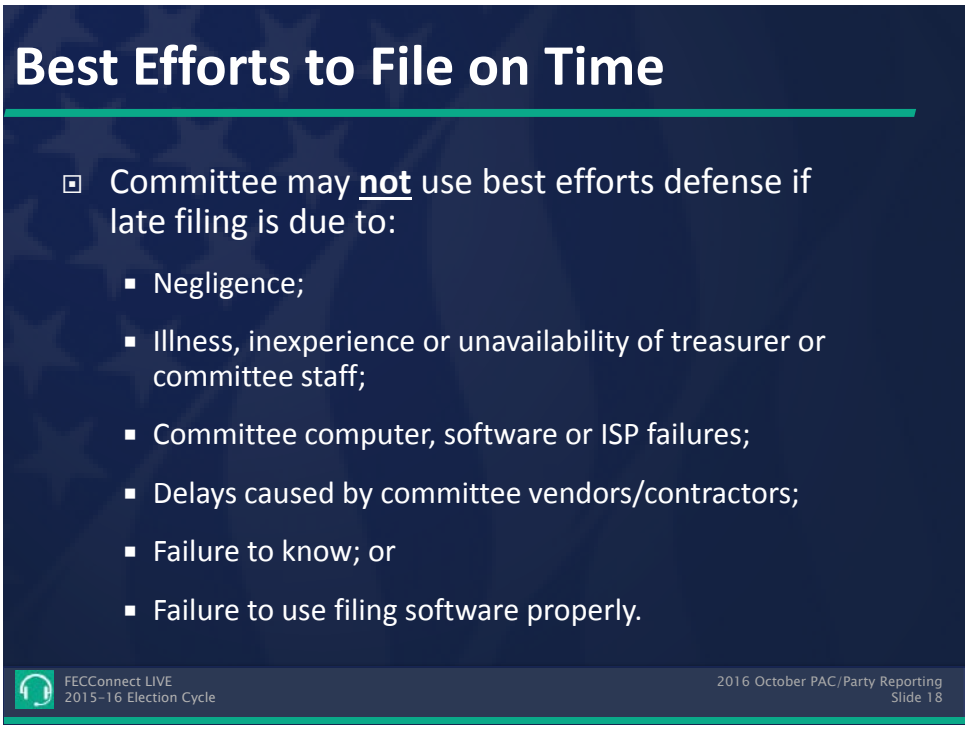


F. Timely Filing/Using Best Efforts (not the same as "best efforts" for obtaining contributor information)

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 <u>circumstances beyond committee's control</u> and the late report was filed within 24 hours after those circumstances ended (pursuant to April 2007 revisions to AFP regulations).

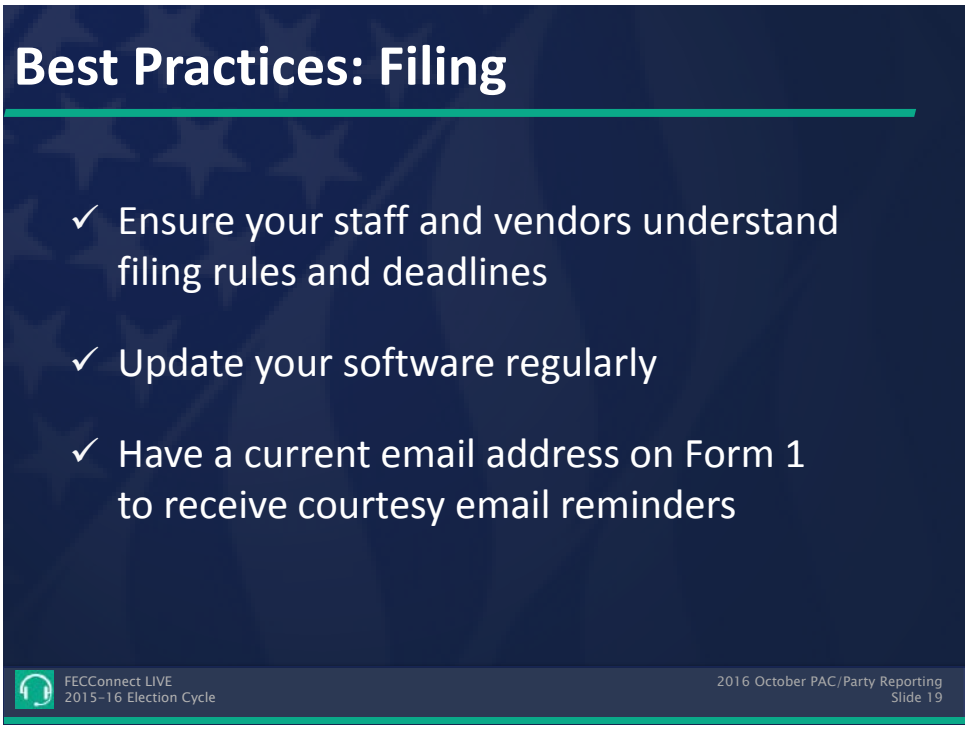
3. When can best efforts defense be used:

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.



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

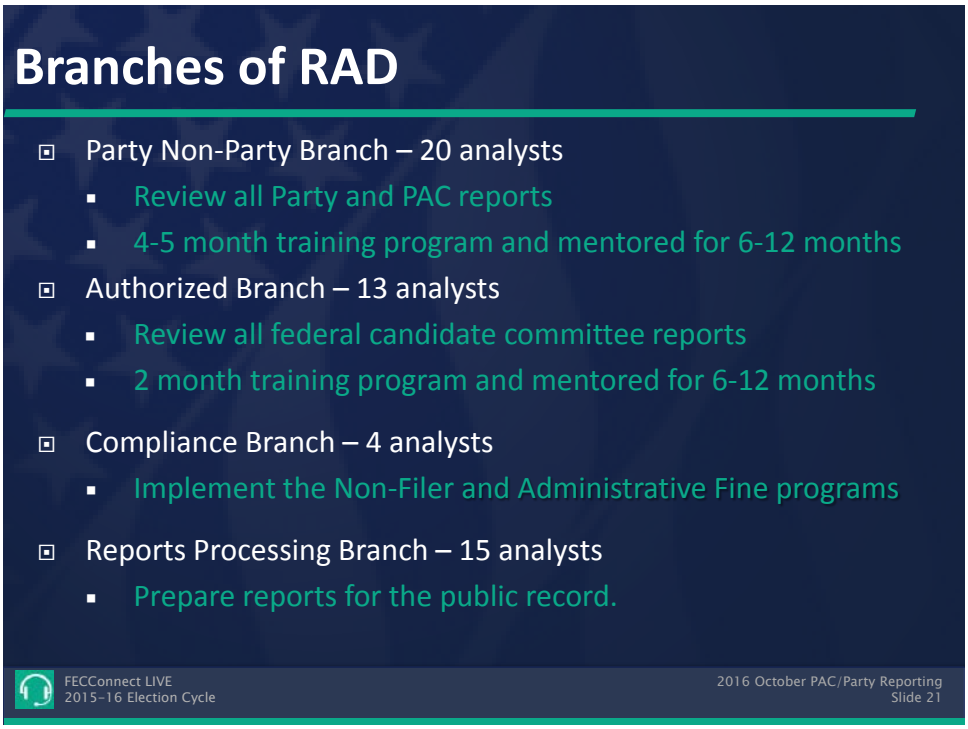
4. For more information, review:
http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-7.pdf (rules) and http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-13.pdf (policy statement) and the May and July 2007 *Record* issues.



Best Practices:

- Ensure your staff, vendors and counsel understand reporting and filing rules and deadlines.
- Update your software regularly.
- To keep up with filing deadlines, make sure your committee has a current email address on its Form 1 (for receiving courtesy reminders). (To do this, submit a complete electronic Form 1 with a new email address.) Deadlines are also posted online at http://www.fec.gov/info/report_dates.shtml and in the January *Record* each year.

II. RAD Review Process



A. Organization of RAD

1. Three Branches

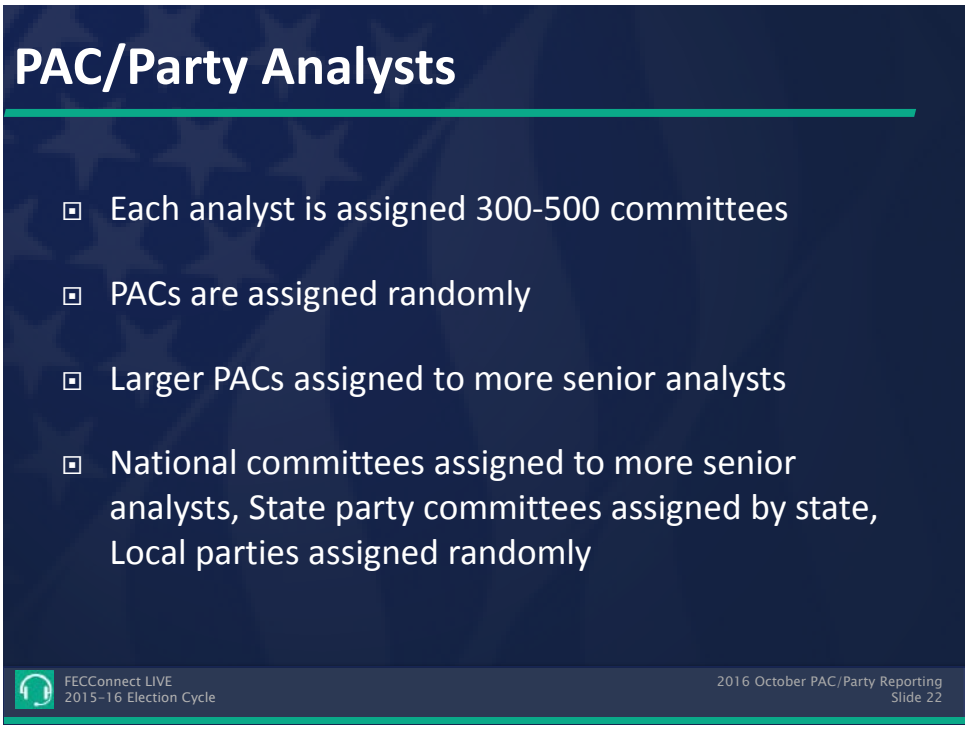
a) **Party/Non-Party Branch – reviews all party committee and PAC reports – about 20 analysts. New analysts undergo a 4-5 month training process and are then mentored by a more senior analyst for 6 to 12 months.**

b) Authorized Branch – reviews federal candidate committee reports – about 13 analysts. New analysts undergo a 2 month training process and are then mentored by a more senior analyst for 6 to 12 months.

c) Compliance Branch – serves a quality control function for the review branches and implements the Non-filer and Administrative Fine Programs – about 4 analysts.

d) Reports Processing Branch – prepares reports for the public record – 15 analysts

e) Recently began cross training analysts to review reports filed by all committee/entity types.



2. Committee Assignments – Party/Non-Party Branch

a) Party/Non-Party Branch analysts are assigned anywhere from 300 to 500 committees (parties and PACs).

b) PACs are assigned randomly with the larger ones being assigned to more senior analysts.

c) National party committees are assigned to the more senior analysts. State party committees are assigned by state, so that the assigned analyst reviews both the Democratic and Republican state parties. Local party committees are assigned randomly.

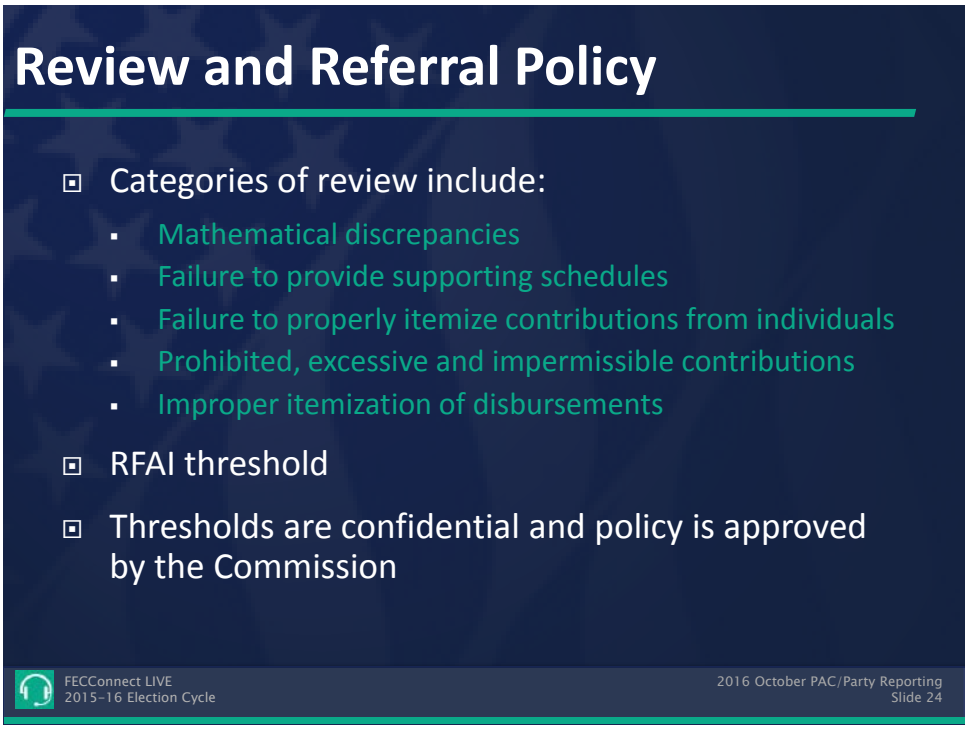
3. Analyst Responsibilities

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 Webinars.

d) Special Projects.



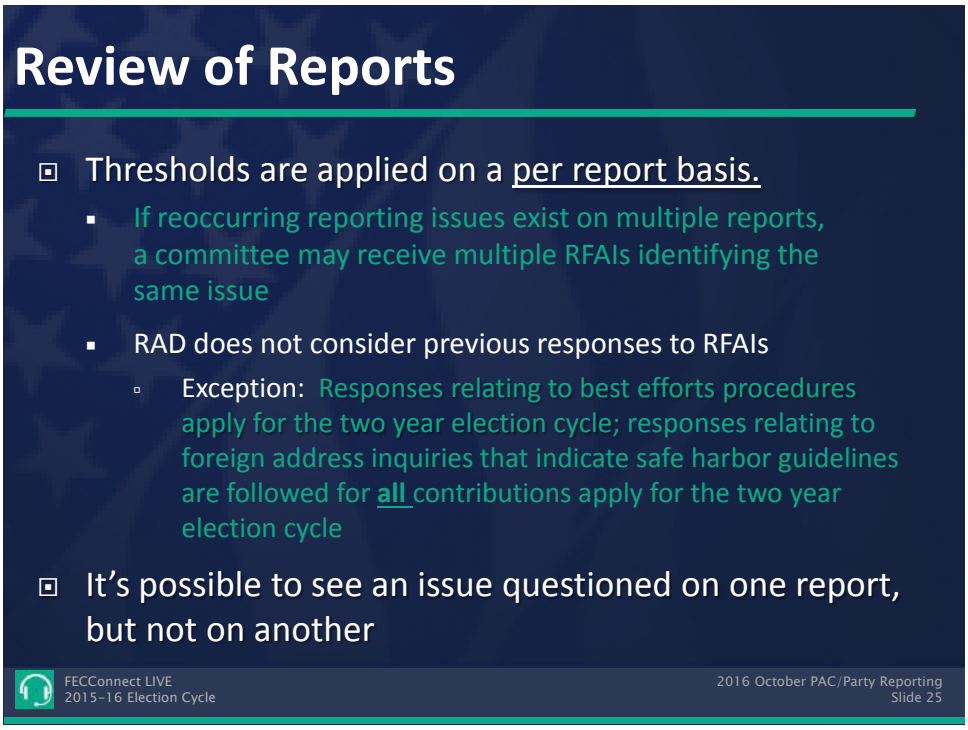
B. RAD Review of Reports

1. RAD Review and Referral Policy

a) Internal policy contains categories of review the analyst checks, such as: prohibited, excessive and impermissible contributions, mathematical discrepancies, failure to provide supporting schedules and failure to properly itemize contributions from individuals and disbursements, to name a few.

b) Policy has established thresholds for making determinations on whether to send a Request for Additional Information (RFAI).

c) Thresholds are confidential and policy is approved by the Commission. A redacted version of the RAD Review and Referral Policy can be found on the RAD web page.



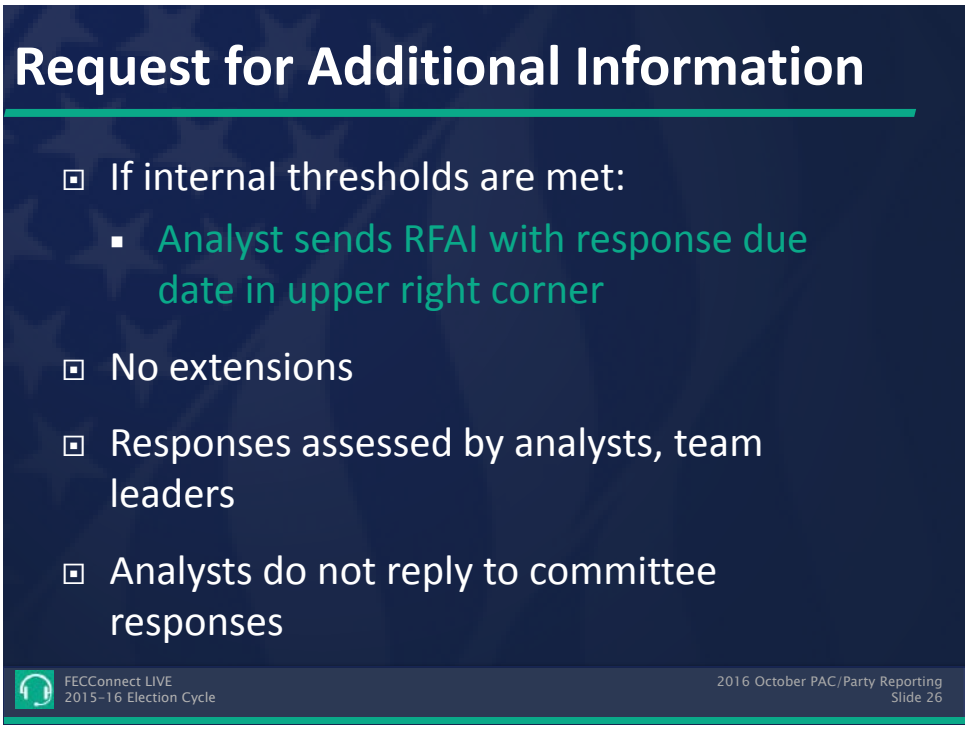
d) Review is conducted on a per report basis, meaning the thresholds are applied to each report reviewed.

(1) This means a committee may receive a RFAI which includes the same issue already addressed in response to a RFAI referencing a different report.

- Exceptions include outlining Best Efforts procedures which would apply to the two-year cycle and responses relating to foreign address inquiries that indicate safe harbor guidelines are followed for all contributions apply for the two-year election cycle.

(2) There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on for another report**.**

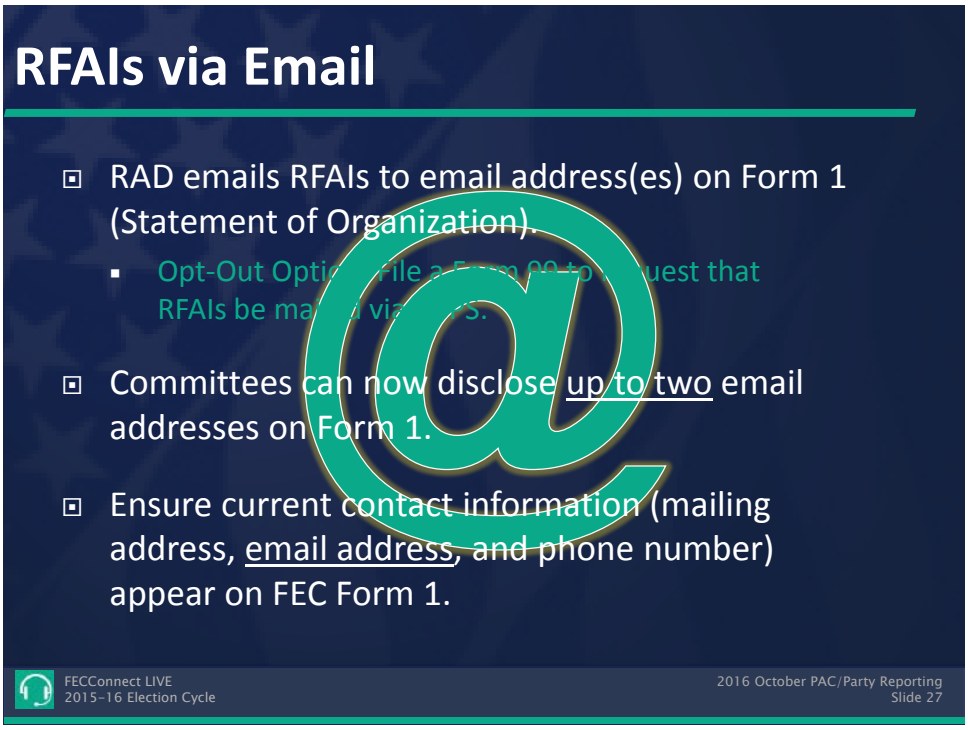
e) Policy is reassessed every election cycle and revisions/changes made based on input from RAD and other offices (such as OGC), and Commissioners.



C. Request for Additional Information (RFAI)

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

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

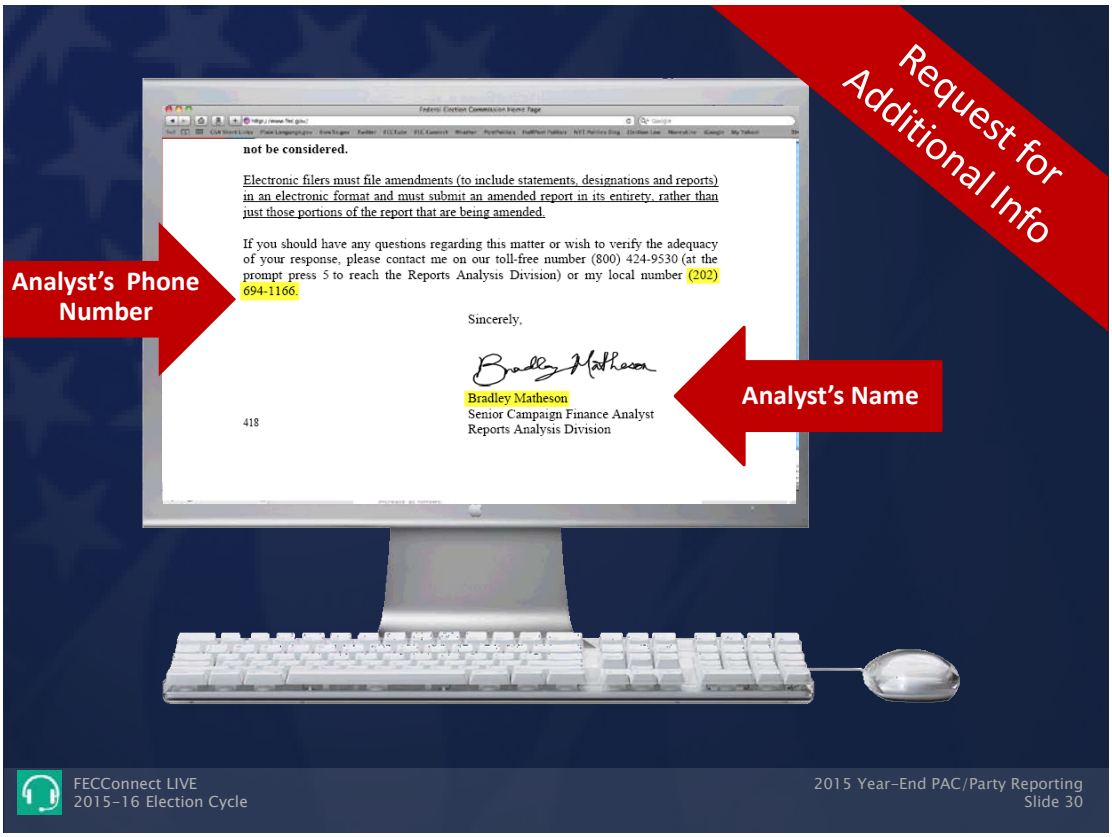


2. Committees should ensure that they have provided the most current mailing address, email address and phone numbers on their Statement of Organization (FEC Form 1). Often RFAIs are returned by the Post Office due to an incorrect mailing address.

3. RAD's process for sending RFAIs has changed. Most RFAIs are now sent via email to the Committee's official email address, as disclosed on the Statement of Organization (FEC Form 1). Up to two email addresses can now be provided (both will be used for emailing RFAIs). Committees will have the option to continue to receive RFAIs on paper through the mail.

Request for Additional Info
Federal Election Commission
May 14, 2013
Dear Treasurer/Filer,
Link to RFAI
FECConnect LIVE
2015-16 Election Cycle
2015 Year-End PAC/Party Reporting
Slide 28

Request for Additional Info
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463
RQ-2
October 18, 2015
DEBBIE SEASE, TREASURER
SIERRA CLUB POLITICAL COMMITTEE
85 SECOND STREET, 2ND FLR.
SAN FRANCISCO, CA 94105
Response Due Date
11/23/2015
IDENTIFICATION NUMBER: C00135368
REFERENCE: SEPTEMBER MONTHLY REPORT (9/1/15-9/30/15)
Dear Treasurer:
This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. Failure to adequately respond by the
Response Due Date
FECConnect LIVE
2015-16 Election Cycle
2015 Year-End PAC/Party Reporting
Slide 29


Request for Additional Info
Analyst's Phone Number
Analyst's Name
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
Senior Campaign Finance Analyst
Reports Analysis Division
418
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2015-16 Election Cycle
2015 Year-End PAC/Party Reporting
Slide 30

RAD FAQs Web Page
Click here
FEDERAL ELECTION COMMISSION
Try out betaFEC
With new tools for viewing campaign finance data.
ABOUT THE FEC
PRESS OFFICE
QUICK ANSWERS
CONTACT US
SITE MAP
FEC Search
Reports Analysis Division
Click Here to Find Your Campaign Finance Analyst
Meetings and Hearings
Enforcement Matters
Help with Reporting and Compliance
Law, Regulations and Procedures
Commission Calendar
REPORTS ANALYSIS DIVISION MISSION STATEMENT
The ultimate mission of the Reports Analysis Division (RAD) is to ensure that campaigns and political committees file timely and accurate reports that fully disclose their financial activities. RAD is responsible for reviewing statements and financial reports filed by political committees participating in Federal elections, providing assistance and guidance to the committees to properly file their reports, and for taking appropriate action to ensure compliance with the FECA. By enforcing the rules in a fair and objective manner, RAD fosters the electorate's faith in the ultimate integrity of the nation's political process.
http://www.fec.gov/rad/index.shtml
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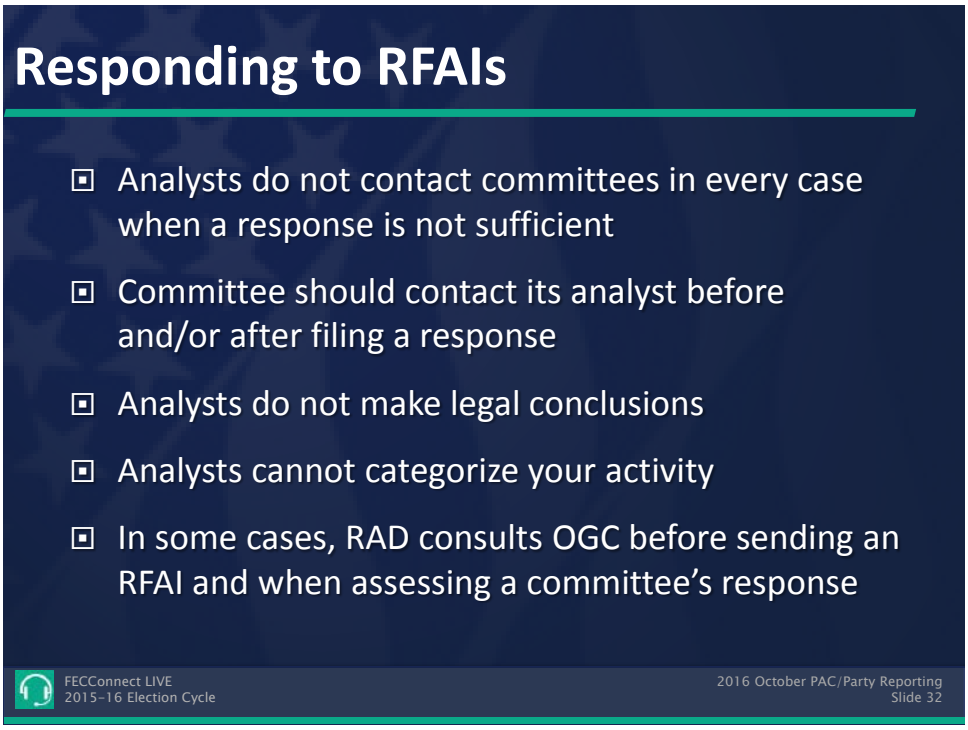
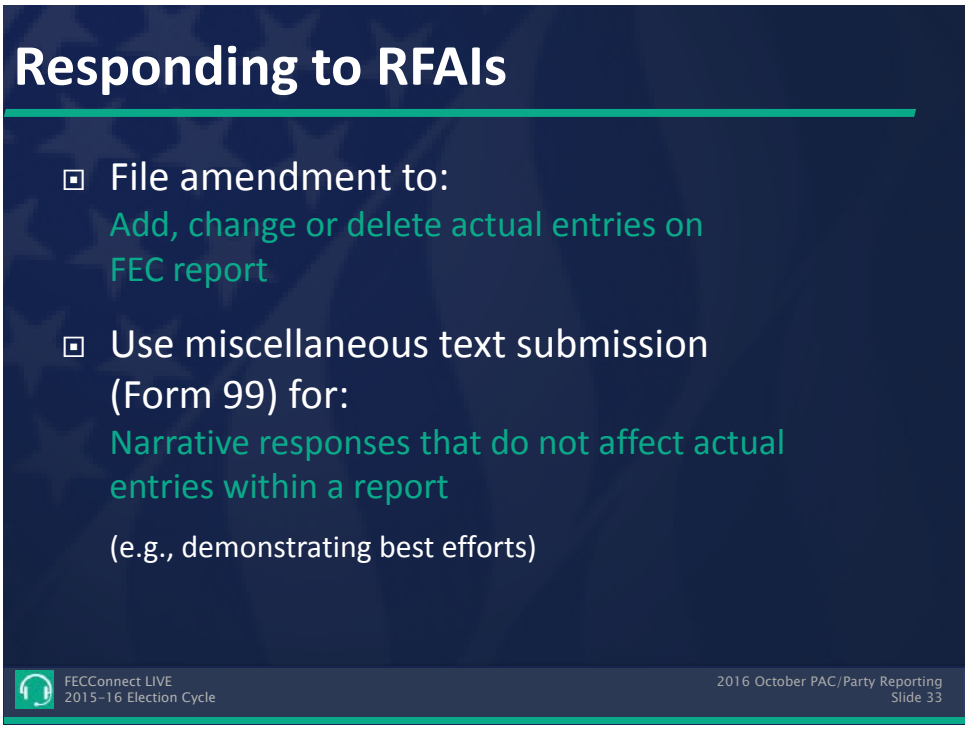
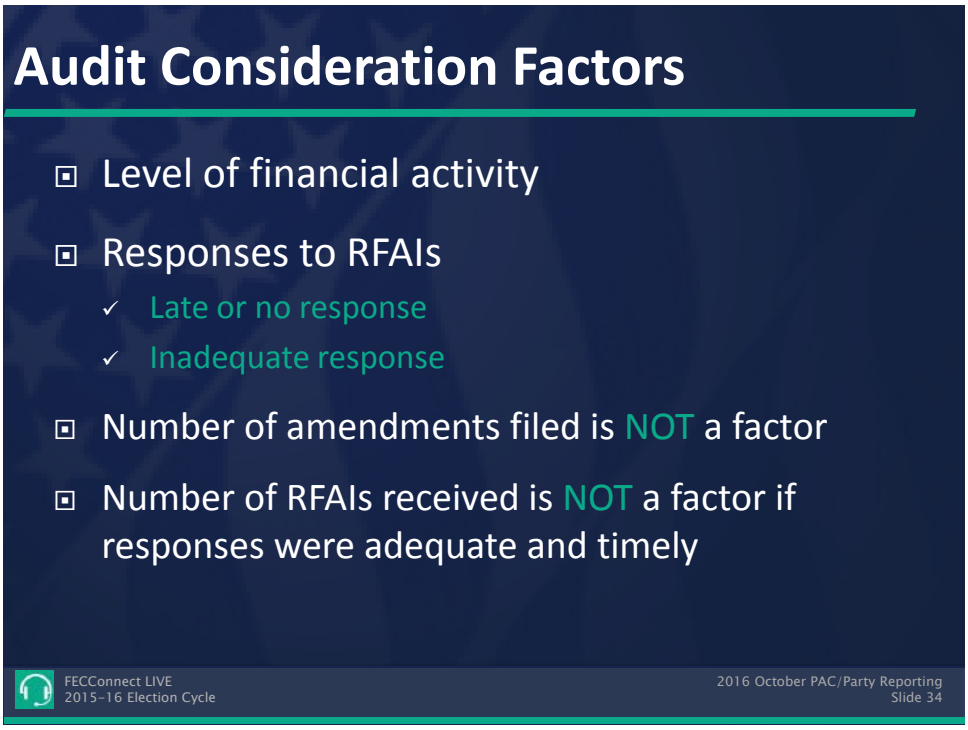
2015-16 Election Cycle
2016 October PAC/Party Reporting
Slide 31



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



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



D. Referrals to the Audit Division

1. Factors for making referrals to the Audit Division

a) Level of financial activity;

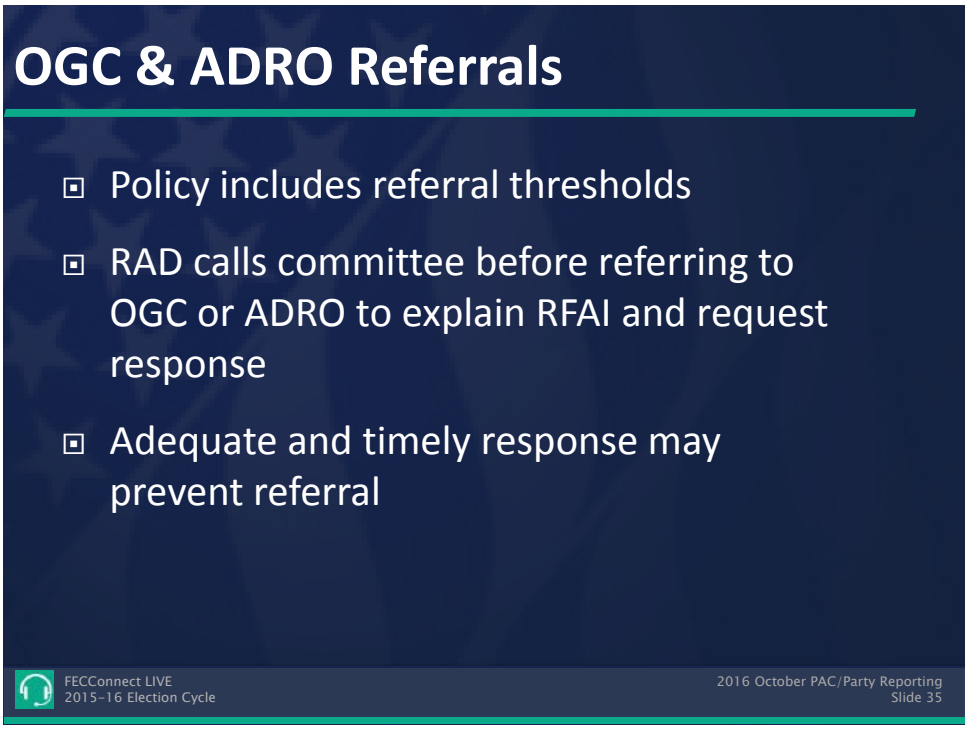
b) Responses to RFAIs:

(1) Late or no response,

(2) Inadequate response.

2. The number of amendments filed is not a factor.

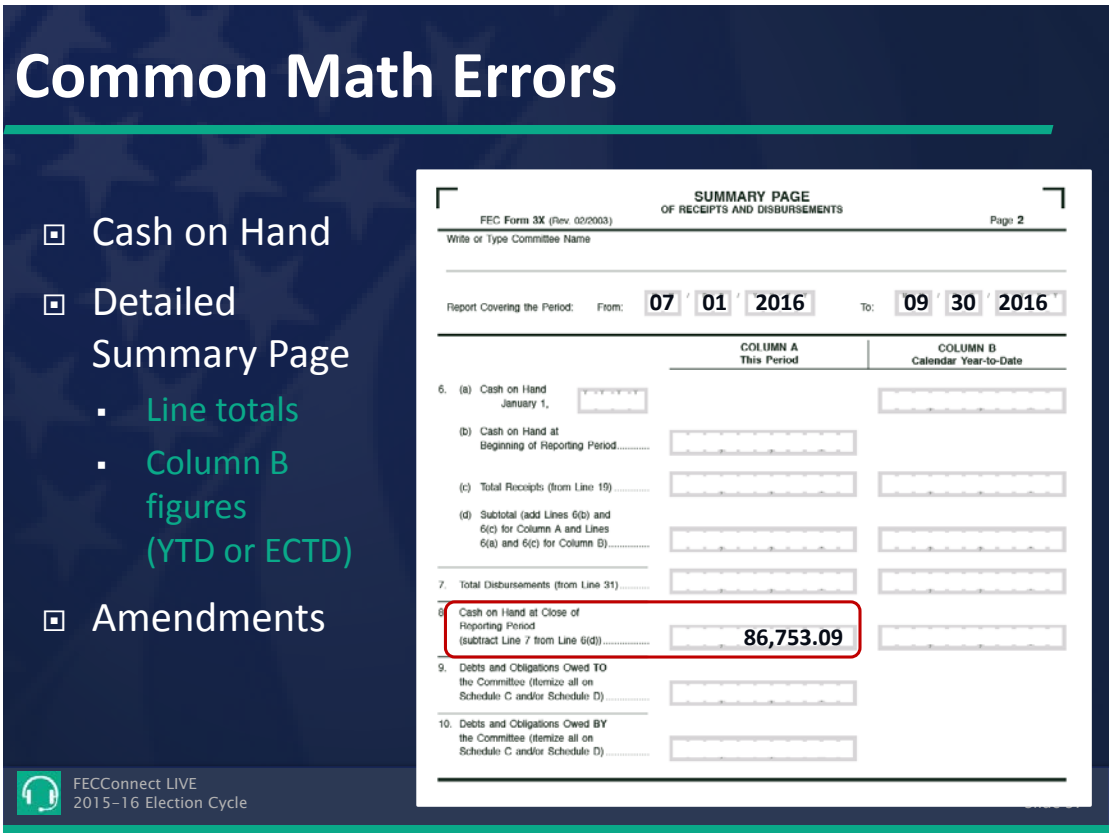
3. The number of RFAIs is not a factor if responded to adequately and on time.



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

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

III. Common Reporting Errors



A. Common Math Errors

1. Cash on Hand

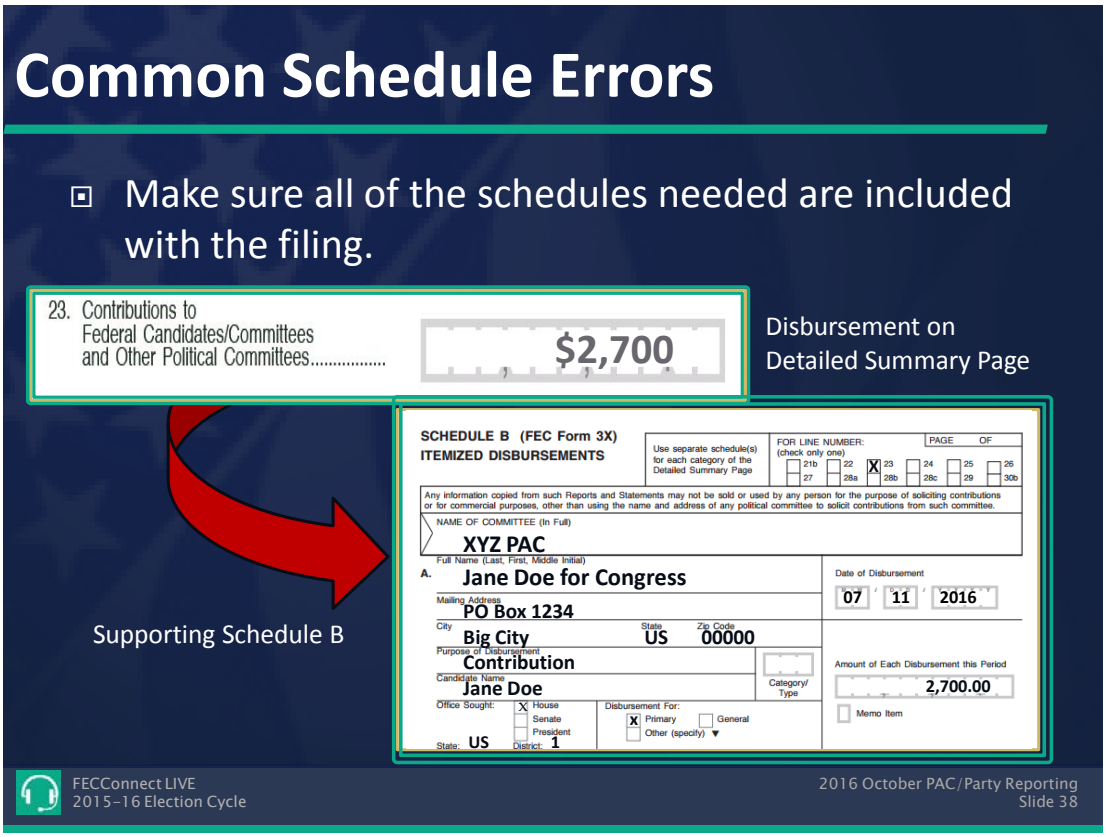
The ending balance of the last report should match the opening balance of the current report.

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

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

3. Amendments:

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



B. Common Schedule Errors

1. Include correct schedules.

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

2. Fill out the schedule completely.

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

Common Schedule Errors

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

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2015-16 Election Cycle

2016 October PAC/Party Reporting
Slide 39

C. Best Efforts Statements

Best Efforts Statements

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

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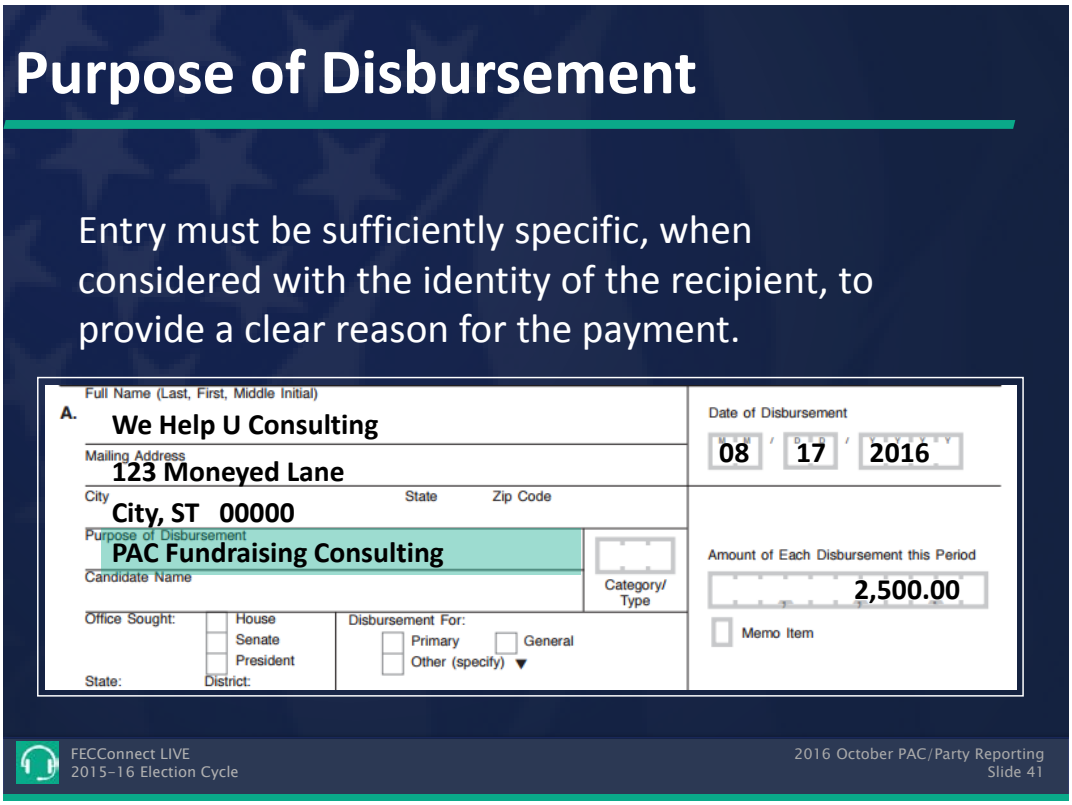
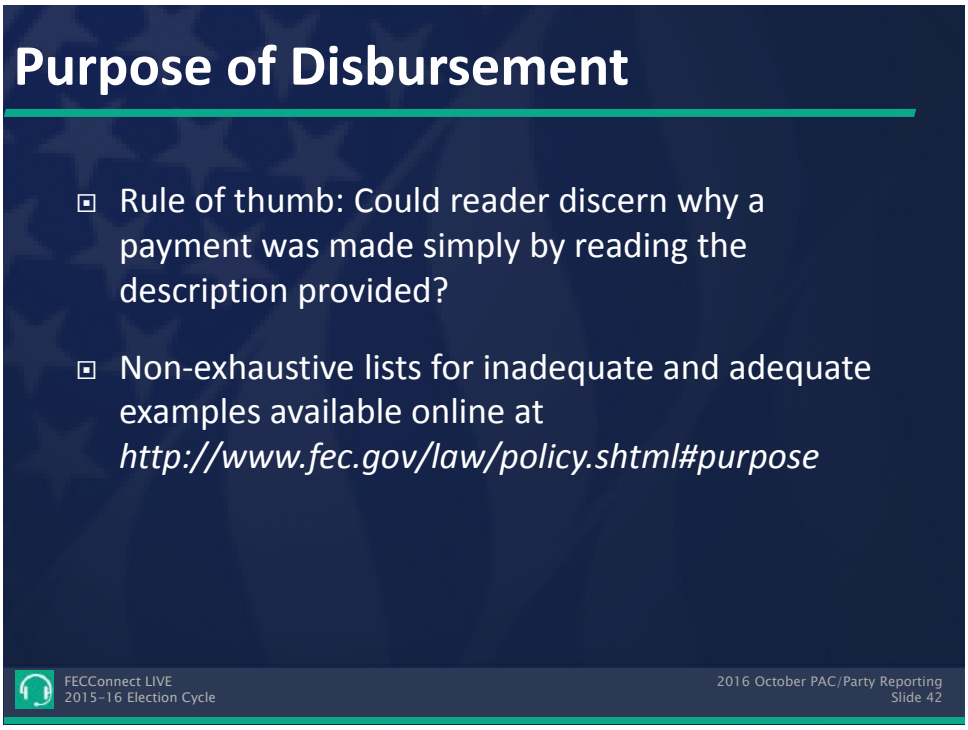
2015-16 Election Cycle

2016 October PAC/Party Reporting
Slide 40



D. Purpose of Disbursement

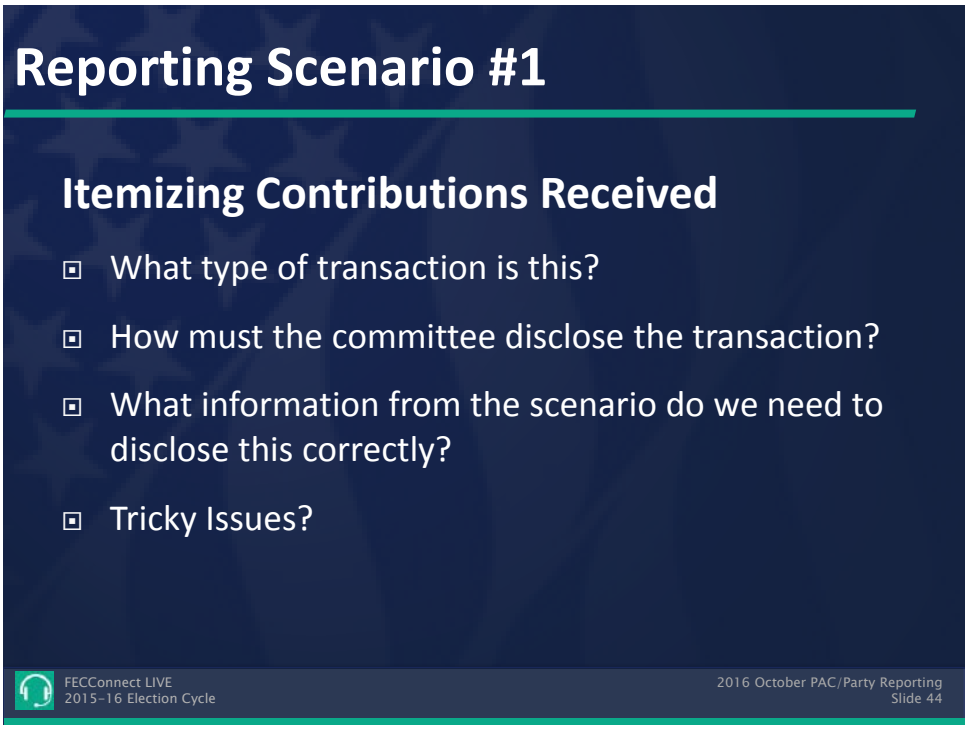
1. FEC regulations require that the "purpose of disbursement" entry for each disbursement be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment. 11 CFR 104.3(b)(3) and (4).



2. Policy statement includes non-exhaustive lists of acceptable and unacceptable "purpose of disbursement" descriptions intended to provide additional guidance to the regulated community and to foster consistency among filers.
3. As a rule of thumb, the statement suggests that filers consider whether a person unaffiliated with the campaign/committee could discern why a payment was made by reading the description they have provided.
4. Lists are updated periodically and made available online
   - Inadequate examples at http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf
   - Adequate examples at http://www.fec.gov/rad/pacs/documents/ExamplesofAdequatePurposes.pdf

REPORTING SCENARIOS

Reporting Scenario #1: Itemizing Individual Contributions Received



On October 2, 2016, Candy Bar manufacturers and partners Mike and Ike write a contribution check for $10,000 to the Citizens Who Love Candy PAC, a federal nonconnected PAC that makes contributions to federal candidates. The PAC receives their check on October 4. They used their personal joint account for this contribution, but were careful to both sign the check and note how much to attribute to each partner.

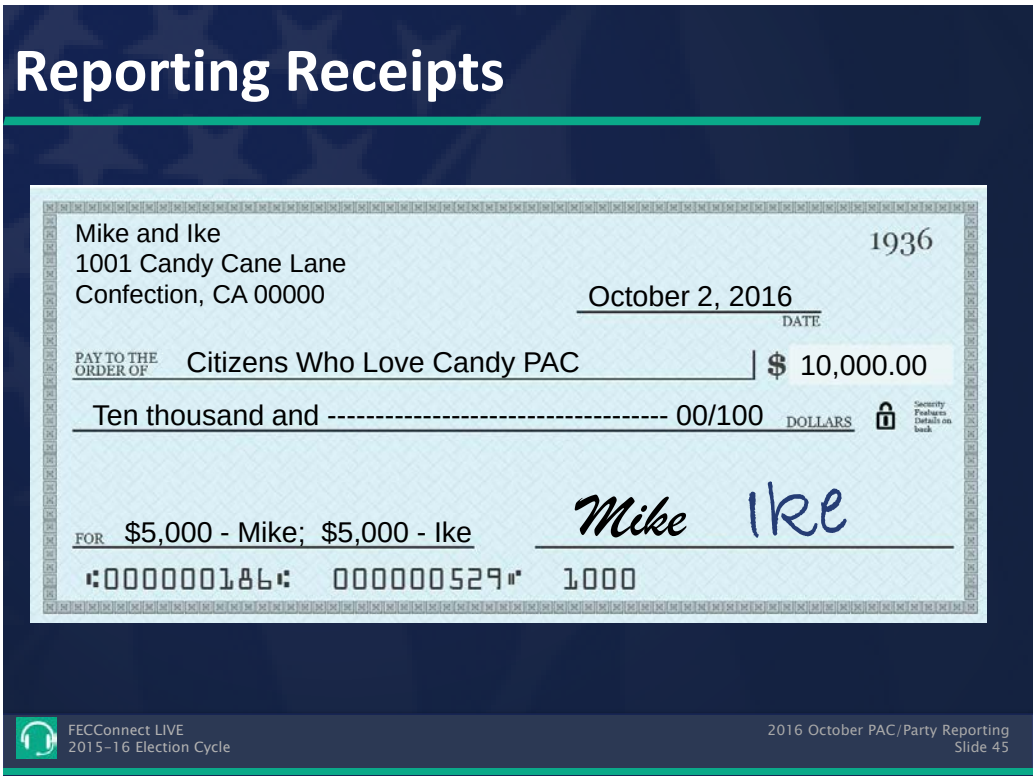
How should this contribution be reported by the PAC? (Assume that the PAC files on a monthly basis and that neither Mike nor Ike have contributed to the PAC this year.)

1. **What type of transaction is this?**

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

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

Answers - Reporting Scenario #1: Itemizing Individual Contributions Received



1. **What type of transaction is this?**

   Answer: Mike and Ike have each made a $5,000 contribution to the PAC.

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

   Answer: Since the PAC has now received aggregate contributions from Mike and Ike that exceed $200 in the calendar year, it must itemize each contribution on the Pre-General Report (covering Oct. 1-19) on Schedule A, Line 11a(i), along with each contributor's aggregate year-to-date total ($5,000) and contributor information.

See reporting example on next page

Reporting Receipts

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
[X] 11a [ ] 11b [ ] 11c [ ] 12 [ ] 13 [ ] 14 [ ] 15 [ ] 16 [ ] 17

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

NAME OF COMMITTEE (In Full): Citizens Who Love Candy PAC

A. Full Name (Last, First, Middle Initial): Mike
Mailing Address: 1001 Candy Cane Lane
City: Confection State: CA Zip Code: 00000
FEC ID number of contributing federal political committee: C
Name of Employer: Mike & Ike, Inc. Occupation: Candy Maker
Receipt For: [ ] Primary [ ] General [ ] Other (specify)
Aggregate Year-to-Date: 5,000.00
Date of Receipt: 10 / 04 / 2016
Amount of Each Receipt this Period: 5,000.00
[ ] Memo Item

B. Full Name (Last, First, Middle Initial): Ike
Mailing Address: 1001 Candy Cane Lane
City: Confection State: CA Zip Code: 00000
FEC ID number of contributing federal political committee: C
Name of Employer: Mike & Ike, Inc. Occupation: Candy Maker
Receipt For: [ ] Primary [ ] General [ ] Other (specify)
Aggregate Year-to-Date: 5,000.00
Date of Receipt: 10 / 04 / 2016
Amount of Each Receipt this Period: 5,000.00
[ ] Memo Item

FECConnect LIVE
2015–16 Election Cycle

2016 October PAC/Party Reporting
Slide 46

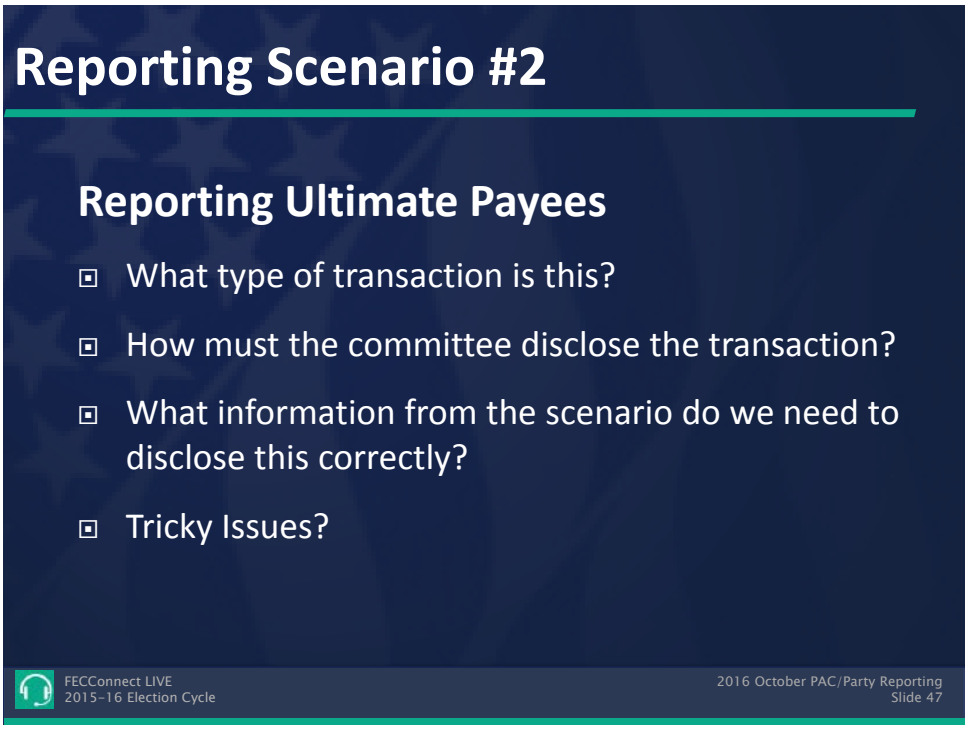
3. What information from the scenario do we need to disclose this correctly?

Answer: Remember, for contributions greater than $50, a committee must obtain the identity of the contributor and the date the contribution was received. The committee must also use "best efforts" to obtain, maintain and report the name of employer and occupation since their aggregate year-to-date contributions total to the PAC is greater than $200 each in the calendar year.

Points to Remember:

- Itemize contributions from an individual or other person/entity on Schedule A, Line 11(a)(i), once aggregate calendar year to date received exceeds $200.
- **Required Information in Itemizing Receipts:**
  - Full name and address of contributor or source
  - Occupation/employer – if contributor is an individual
  - Date of receipt
  - Amount
  - Aggregate year-to-date total of all receipts from the same source.
  - Optional, but encouraged: Committee ID# where applicable
- Date reported is the date of receipt, not the date of deposit, or the date on the check.
- Don't fill in election information on Schedule A for individual contributions.

Reporting Scenario #2: Reporting Ultimate Payees



On August 5, Joy Almond, the treasurer for Citizens who Love Candy PAC, realizes that the office is low on supplies. She runs out to the nearby Staples office supply store and uses her personal funds to purchase $750.00 worth of office supplies.

She is reimbursed by the PAC in full on August 15.

1. What type of transaction is this?

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

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

Answers – Reporting Scenario #2: Reporting Ultimate Payees

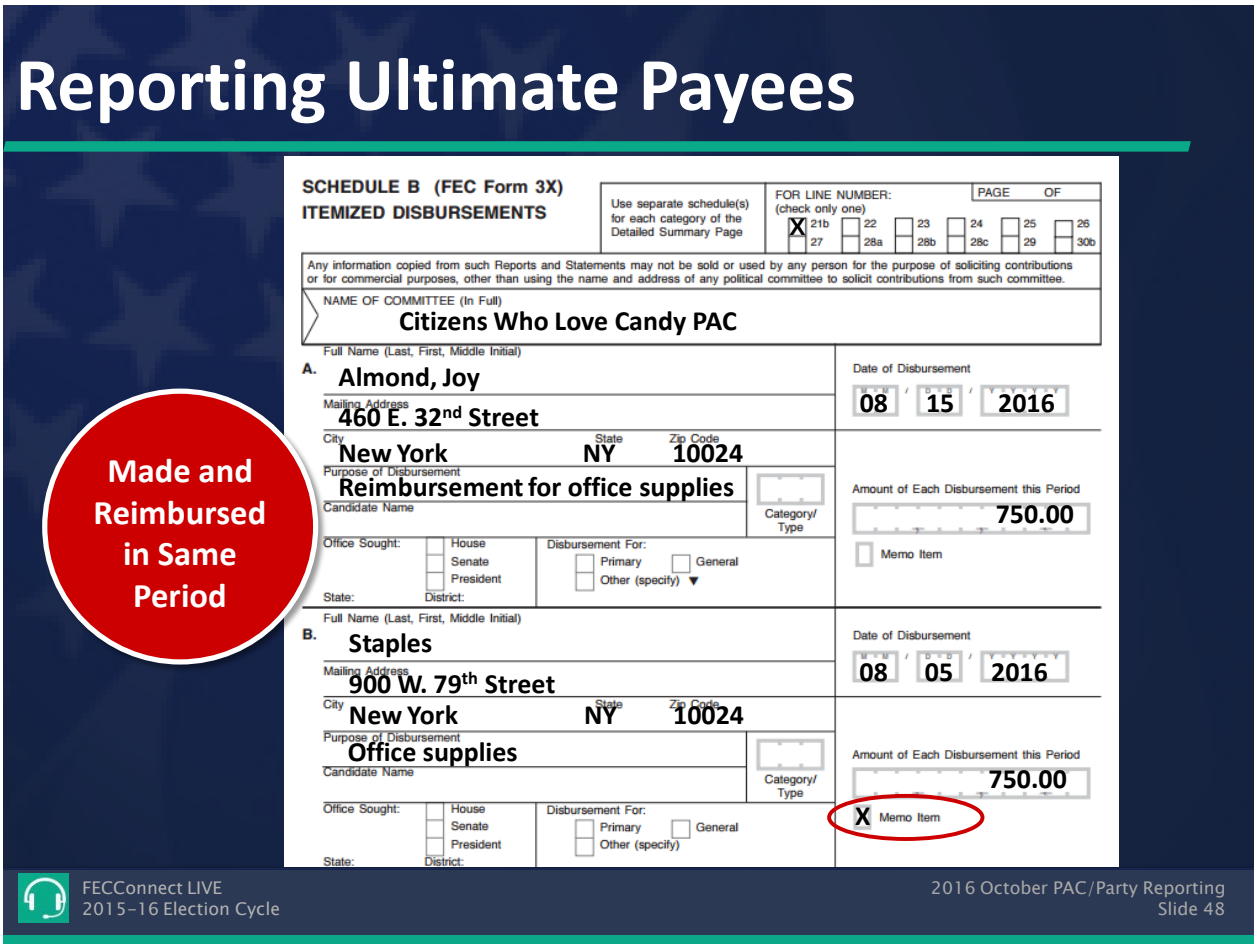
1. What type of transaction is this?

Answer: Joy's initial purchase is an advance of personal funds. When an individual who is not acting as a vendor advances personal funds to obtain goods or services that are used by a political committee, the committee must treat the individual's payment as a contribution and as an outstanding debt until reimbursed. 11 CFR 116.5.

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

Answer: In this case, Joy made her advance and was reimbursed in the same reporting period. Therefore, the reimbursement made to her is itemized on Schedule B for Line 21b (Other Federal Operating Expenses). Joy is listed as the payee, along with her mailing address, and the date, amount and purpose of the reimbursement.

Because her payments to the vendor aggregated more than $200 in a calendar year, the PAC must also include a memo entry that includes the name and address of the vendor, as well as the date, amount and purpose of the repayment.



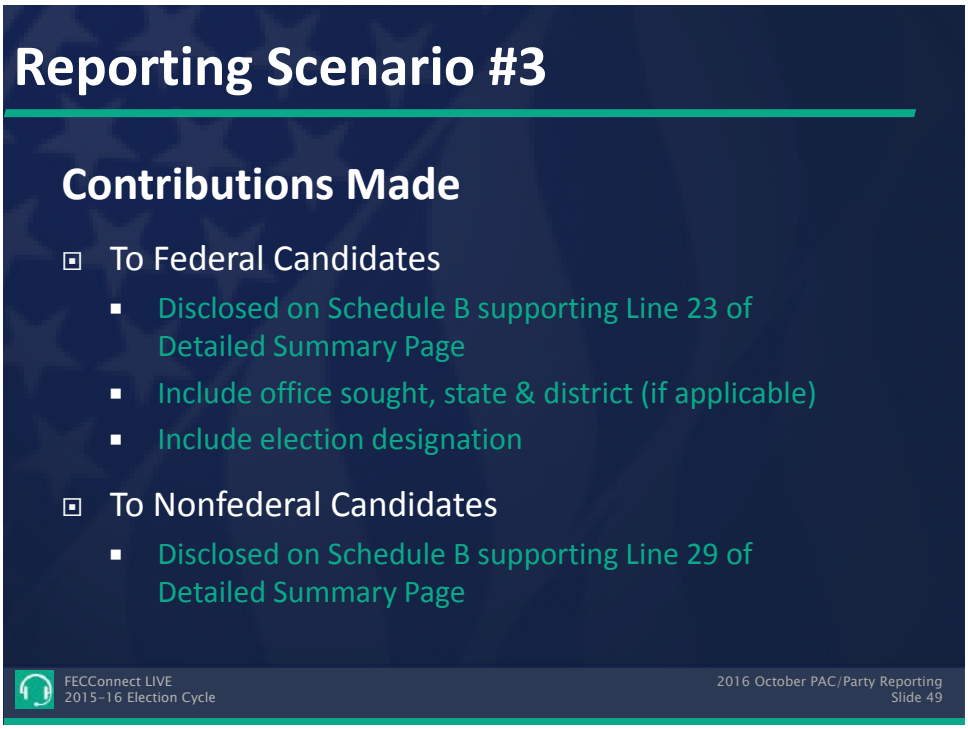
3. What information from the scenario do we need to disclose this correctly?

Answer: To itemize ultimate payees, the PAC needs not only Joy's name and address, but also the date she made the initial payment to the vendor, as well as the vendor's name and address. The specific purpose of the disbursement must be listed and must meet the qualifications to be considered an "adequate" purpose.

Points to Remember:

- Disbursements are itemized when payments made to a specific payee aggregate more than $200 in a calendar year.
- In these two situations, the political committee must provide additional information about a vendor who was the ultimate payee:
  - The committee reimburses an individual who used personal funds to pay committee expenses aggregating more than $200 to a single vendor;
  - The committee's payment of its credit card bill includes charges of more than $200 to a single vendor;
- See the Notice of Interpretive Rule at 78 FR 40625 (July 8, 2013) (online at http://www.fec.gov/law/cfr/ej_compilation/2013/notice2013-09.pdf) and http://www.fec.gov/pages/fecrecord/2013/august/ultimatepayeeinterpretiverule.shtml for more information on reporting ultimate payees.

Reporting Scenario #3: Contributions Made to Candidates (Federal vs. Nonfederal)



I. Contributions Made to Federal Candidates

- Disclosed on Schedule B supporting Line 23.
- Include office sought, state & district (if applicable).
- Include election designation.

II. Contributions Made to Nonfederal Candidates

- Disclosed on Schedule B supporting Line 29.

See reporting examples on next page

To a Federal Candidate

Schedule B, Line 23

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one)
21b 22 X 23 24 25 26
27 28a 28b 28c 29 30b

PAGE OF

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NAME OF COMMITTEE (In Full): Citizens Who Love Candy PAC

A. Full Name (Last, First, Middle Initial): Committee to Elect Baby Ruth
Mailing Address: 1776 Washington Street
City: Providence, RI 00001 State Zip Code
Purpose of Disbursement: Contribution
Candidate Name: Baby Ruth
Office Sought: X House, Senate, President
State: RI District: 02
Disbursement For: X Primary, General, Other (specify) 2016
Category/Type: 011
Date of Disbursement: 07 / 19 / 2016
Amount of Each Disbursement this Period: 5,000.00
Memo Item

To a Nonfederal Candidate

Schedule B, Line 29

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one)
21b 22 23 24 25 X 26
27 28a 28b 28c 29 30b

PAGE OF

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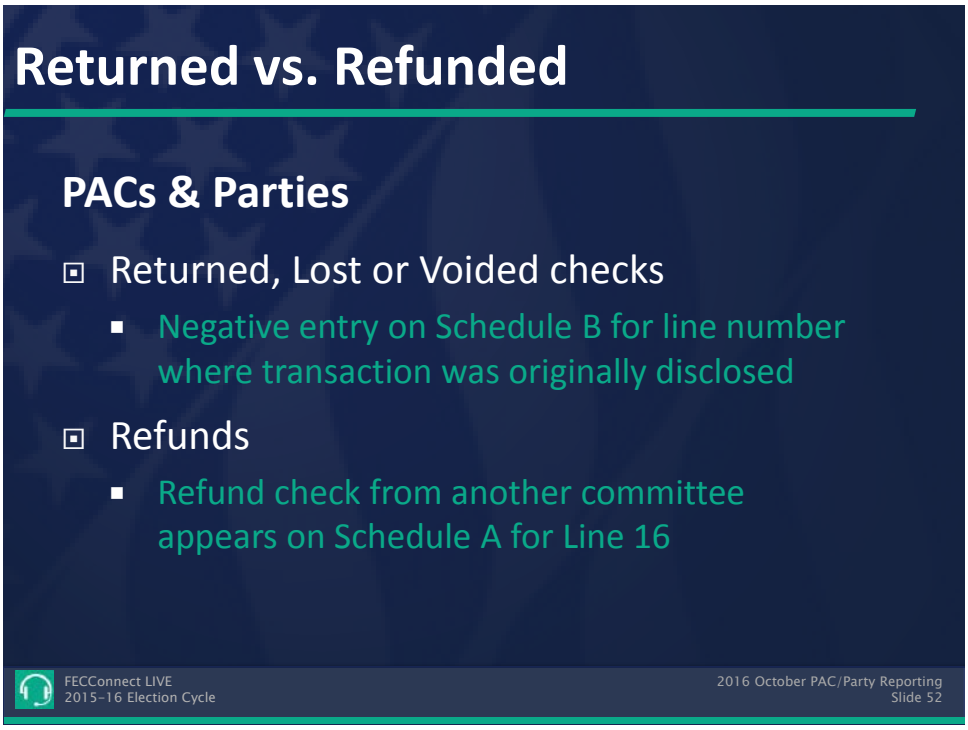
NAME OF COMMITTEE (In Full): Citizens Who Love Candy PAC

A. Full Name (Last, First, Middle Initial): Re-Elect Bazooka Bubble for Governor
Mailing Address: 873 Long Drive
City: Aberdeen, MD 21001 State Zip Code
Purpose of Disbursement: Nonfederal contribution
Candidate Name
Office Sought: House, Senate, President
State: District:
Disbursement For: Primary, General, Other (specify)
Category/Type: 011
Date of Disbursement: 09 / 30 / 2016
Amount of Each Disbursement this Period: 1,000.00
Memo Item

Not Applicable



III. **Voids or returned/uncashed checks** – should be disclosed as negative entries on the schedule supporting the Detailed Summary Page line number where the transaction was originally disclosed.

IV. **Refunds** – when a refund check is actually received from another committee and deposited into the federal account, it should be disclosed on Schedule A for Line 16 as a receipt.

See reporting examples on next page

Returned, Lost or Voided

Negative Entry, Schedule B, Line 23

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one) PAGE OF
☐ 21b ☐ 22 ☒ 23 ☐ 24 ☐ 25 ☐ 26
☐ 27 ☐ 28a ☐ 28b ☐ 28c ☐ 29 ☐ 30b

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NAME OF COMMITTEE (In Full): Citizens Who Love Candy PAC

A. Full Name (Last, First, Middle Initial): Committee to Elect Baby Ruth
Mailing Address: 1776 Washington St.
City: Providence, RI 00001 State Zip Code
Purpose of Disbursement: Check uncashed
Candidate Name: Baby Ruth
Office Sought: ☒ House ☐ Senate ☐ President
State: RI District: 02
Disbursement For: ☒ Primary ☐ General ☐ Other (specify) ▼2016
Category/Type: 011
Date of Disbursement: 12 / 02 / 2016
Amount of Each Disbursement this Period: - 5,000.00
☐ Memo Item Check uncashed
See August Monthly

Refund of Contribution

Schedule A, Line 16

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
☐ 11a ☐ 11b ☐ 11c ☐ 12
☐ 13 ☐ 14 ☐ 15 ☒ 16 ☐ 17

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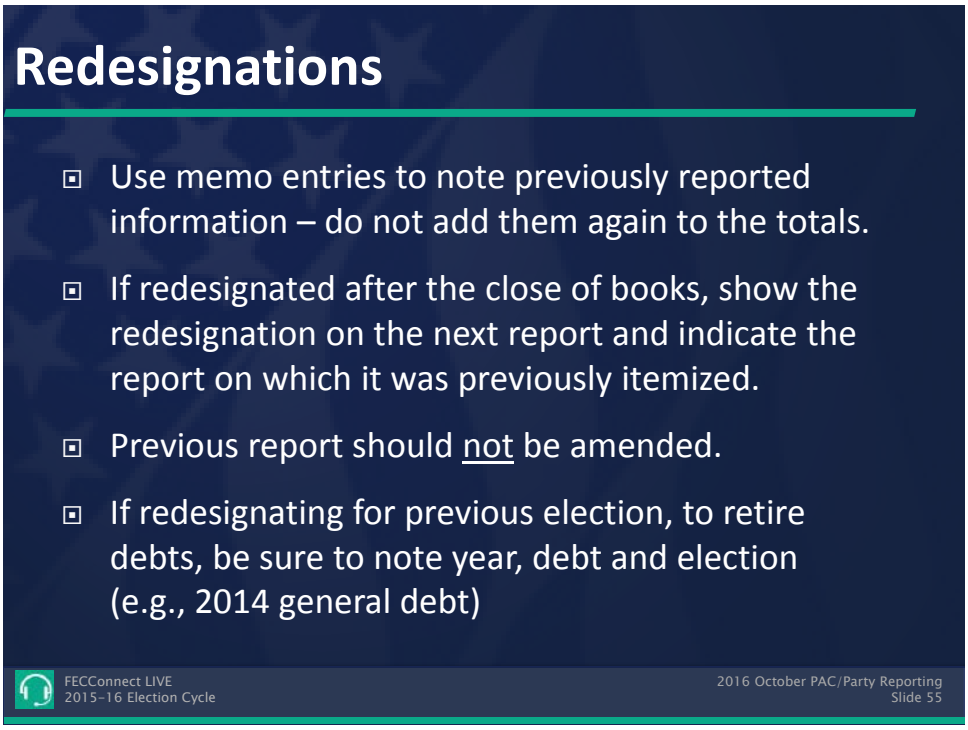
NAME OF COMMITTEE (In Full): Citizens Who Love Candy PAC

A. Full Name (Last, First, Middle Initial): Cracker Jack for Congress
Mailing Address: 777 Sunshine Lane
City: Tampa, FL 33614 State Zip Code
FEC ID number of contributing federal political committee: C 00000001
Name of Employer
Occupation
Receipt For: ☒ Primary ☐ General ☐ Other (specify) ▼
Aggregate Year-to-Date ▼ 500.00
Date of Receipt: 12 / 01 / 2016
Amount of Each Receipt this Period: 500.00
☐ Memo Item
Contribution itemized in July Monthly



V. Redesignations of Excessive Contributions

- Use memo entries to note previously reported information – do not add them again to the totals.
- If redesignated after the close of books, show the redesignation on the next report and indicate the report on which it was previously itemized.
- Previous report should not be amended.
- If redesignating for previous election, to retire debts, be sure to note year, debt and election (e.g., 2014 primary debt).

See reporting examples on next page

Redesignations

July Quarterly, Schedule B, Line 23

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one)
[ ] 21b [ ] 22 [X] 23 [ ] 24 [ ] 25 [ ] 26
[ ] 27 [ ] 28a [ ] 28b [ ] 28c [ ] 29 [ ] 30b

PAGE OF

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NAME OF COMMITTEE (In Full): Citizens Who Love Candy PAC

A. Full Name (Last, First, Middle Initial): Committee to Elect Kit Kat
Mailing Address: 1060 West Addison Street
City: Chicago, IL 60613 State Zip Code
Purpose of Disbursement: Contribution
Candidate Name: Kit Kat
Office Sought: [ ] House [X] Senate [ ] President
State: IL District:
Disbursement For: [X] Primary [ ] General [ ] Other (specify) ▼ 2016
Category/Type: 011
Date of Disbursement: 06 / 20 / 2016
Amount of Each Disbursement this Period: 6,000.00
[ ] Memo Item

Redesignations

October Quarterly

Schedule B, Line 23

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one)
[ ] 21b [ ] 22 [X] 23 [ ] 24 [ ] 25 [ ] 26
[ ] 27 [ ] 28a [ ] 28b [ ] 28c [ ] 29 [ ] 30b

PAGE OF

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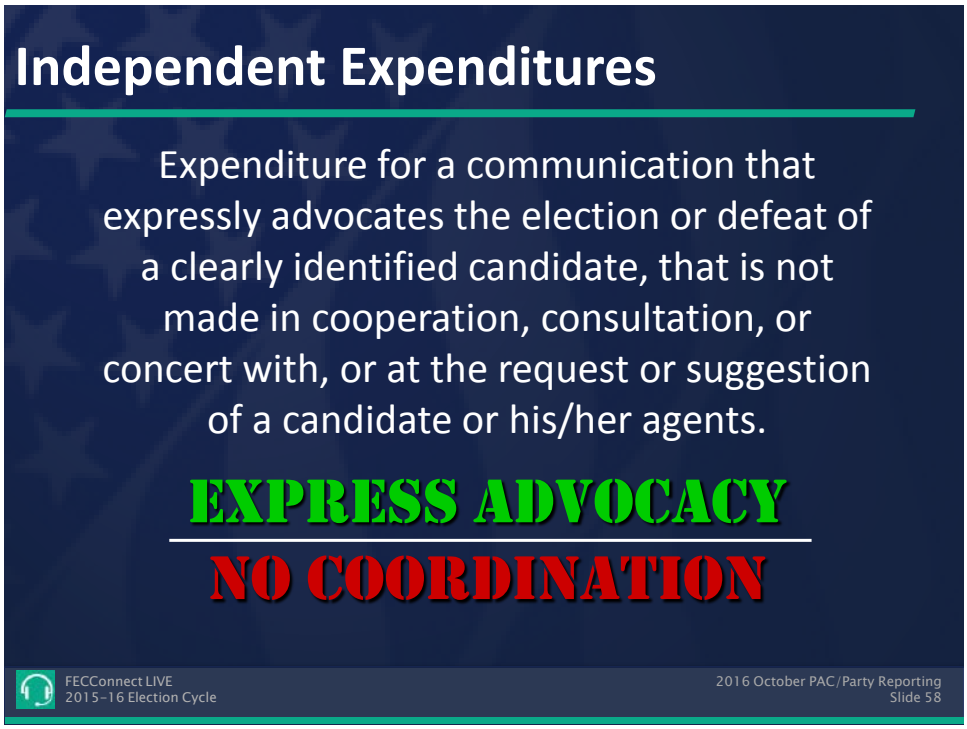
NAME OF COMMITTEE (In Full): Citizens Who Love Candy PAC

A. Full Name (Last, First, Middle Initial): Committee to Elect Kit Kat
Mailing Address: 1060 West Addison St.
City: Chicago, IL 60613 State Zip Code
Purpose of Disbursement: Contribution
Candidate Name: Kit Kat
Office Sought: [X] House [ ] Senate [ ] President
State: IL District:
Disbursement For: [X] Primary [ ] General [ ] Other (specify) ▼
Category/Type: 011
Date of Disbursement: 06 / 20 / 2016
Amount of Each Disbursement this Period: 6,000.00
[X] Memo Item
As disclosed on July Quarterly

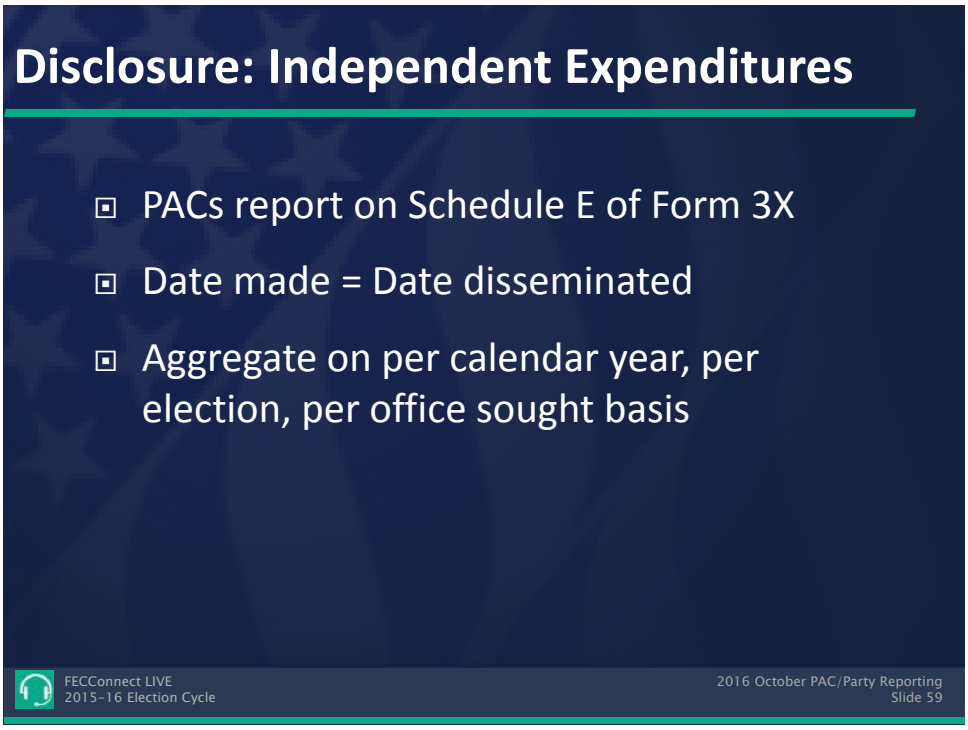
B. Full Name (Last, First, Middle Initial): Committee to Elect Kit Kat
Mailing Address: 1060 West Addison St.
City: Chicago, IL 60613 State Zip Code
Purpose of Disbursement: Contribution
Candidate Name: Kit Kat
Office Sought: [X] House [ ] Senate [ ] President
State: IL District:
Disbursement For: [ ] Primary [X] General [ ] Other (specify)
Category/Type: 011
Date of Disbursement: 07 / 02 / 2016
Amount of Each Disbursement this Period: 1,000.00
[X] Memo Item
Redesignation

Reporting Scenario #4: Large Last-Minute Independent Expenditures



I. Independent Expenditures – Definition

A. Expenditure for communication that "expressly advocates" the election or defeat of a clearly identified candidate and that is not made in cooperation with, or at the suggestion of, the candidate or his/her campaign or its agents, or a political party or its agents.



II. Independent Expenditures - Disclosure

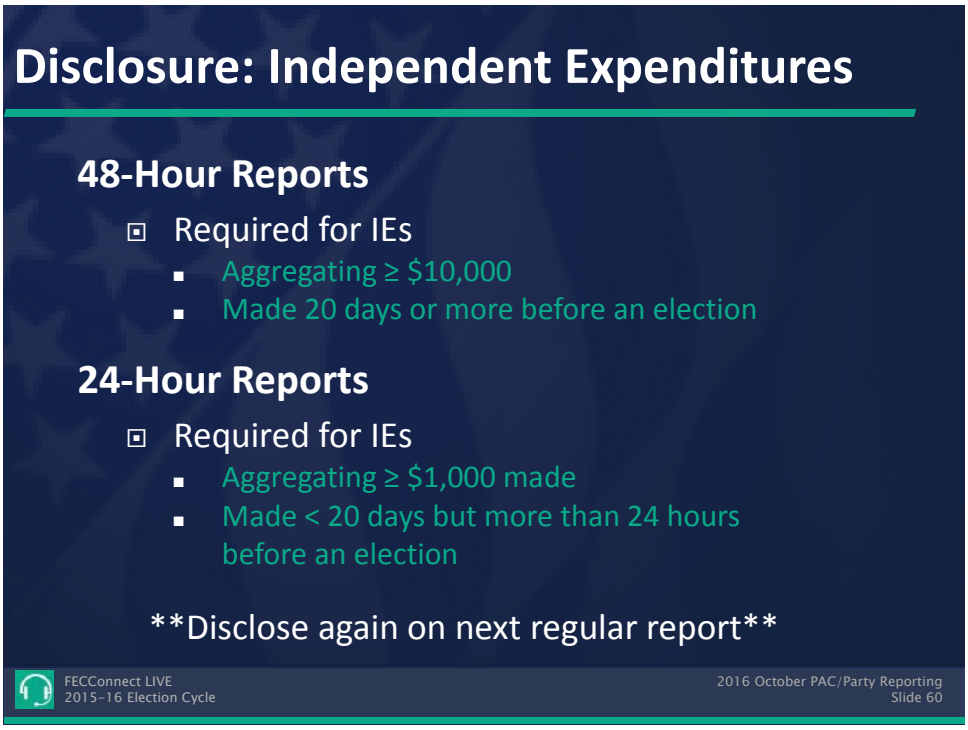
A. Report using Schedule E/FEC Form 3X during appropriate reporting period.

B. Date Made = Date Disseminated

1. An independent expenditure is considered made when it is publicly distributed or otherwise publicly disseminated.
2. See the FEC's interpretive rule at 76 FR 16233 (October 4, 2011) (online at http://www.fec.gov/law/cfr/ej_compilation/2011/notice_2011-13.pdf.

C. Aggregation

Done on a per calendar year, per election, per office sought (race) basis.



D. Additional reporting on 48- and 24-hour basis:

1. 48-Hour Reporting (11 CFR 104.5(g)(1))

a. 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.

b. A 48-Hour Report is required each time an additional $10,000 is aggregated in independent expenditures.

2. 24-Hour Reporting (11 CFR 104.5(g)(2))

a. Must file a **24-Hour Report** for independent expenditures aggregating $1,000 or more made less than 20 days but more than 24 hours before the day of an election.

b. A 24-Hour Report is required each time an additional $1,000 is aggregated in independent expenditures.

3. 48- and 24-Hour Report is filed using stand-alone Schedule E; check appropriate box to note type of report.

4. 2016 48- and 24-Hour Report time frames for each state are located on our website: http://www.fec.gov/info/charts_ie_dates_2016.shtml

The Union of Chocolate Melters PAC decides it wants to lend its support to Candidate Mint. Without any coordination with Candidate Mint or his campaign, on October 31, 2016, just before the November 8 general election, the Chocolate Melters Union PAC runs a $7,500 radio ad on WCHC-FM expressly advocating for the election of Candidate Mint. The bill for the ads was paid on November 30, 2016.

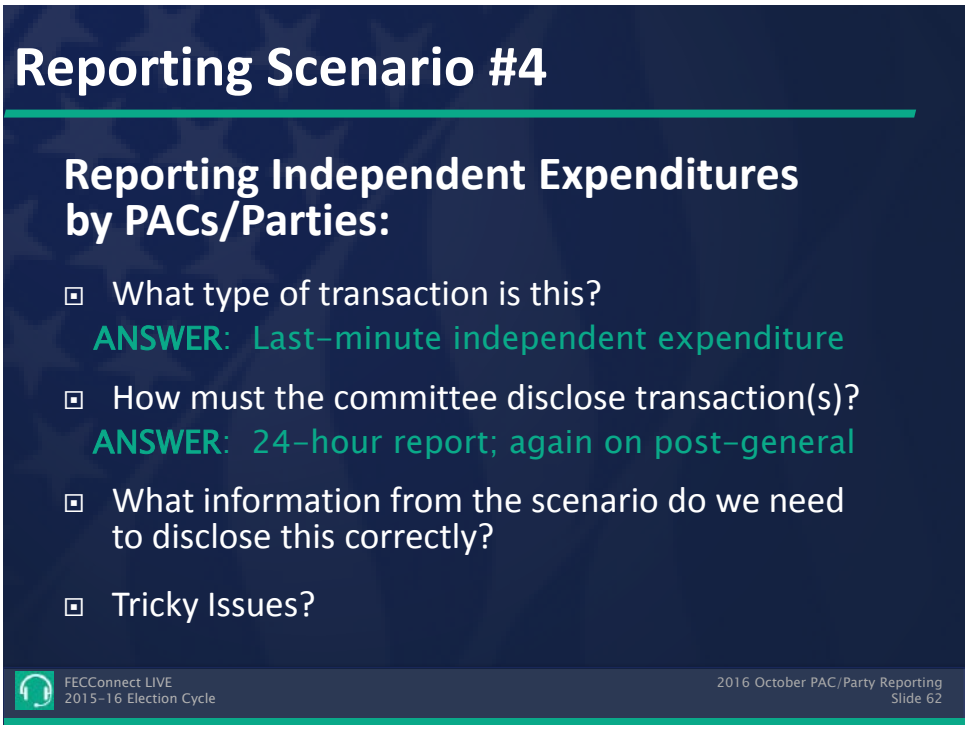
1. What type of transaction is this?

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

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

Answers - Reporting Example #4: Large Last-Minute Independent Expenditures

1. What type of transaction is this?

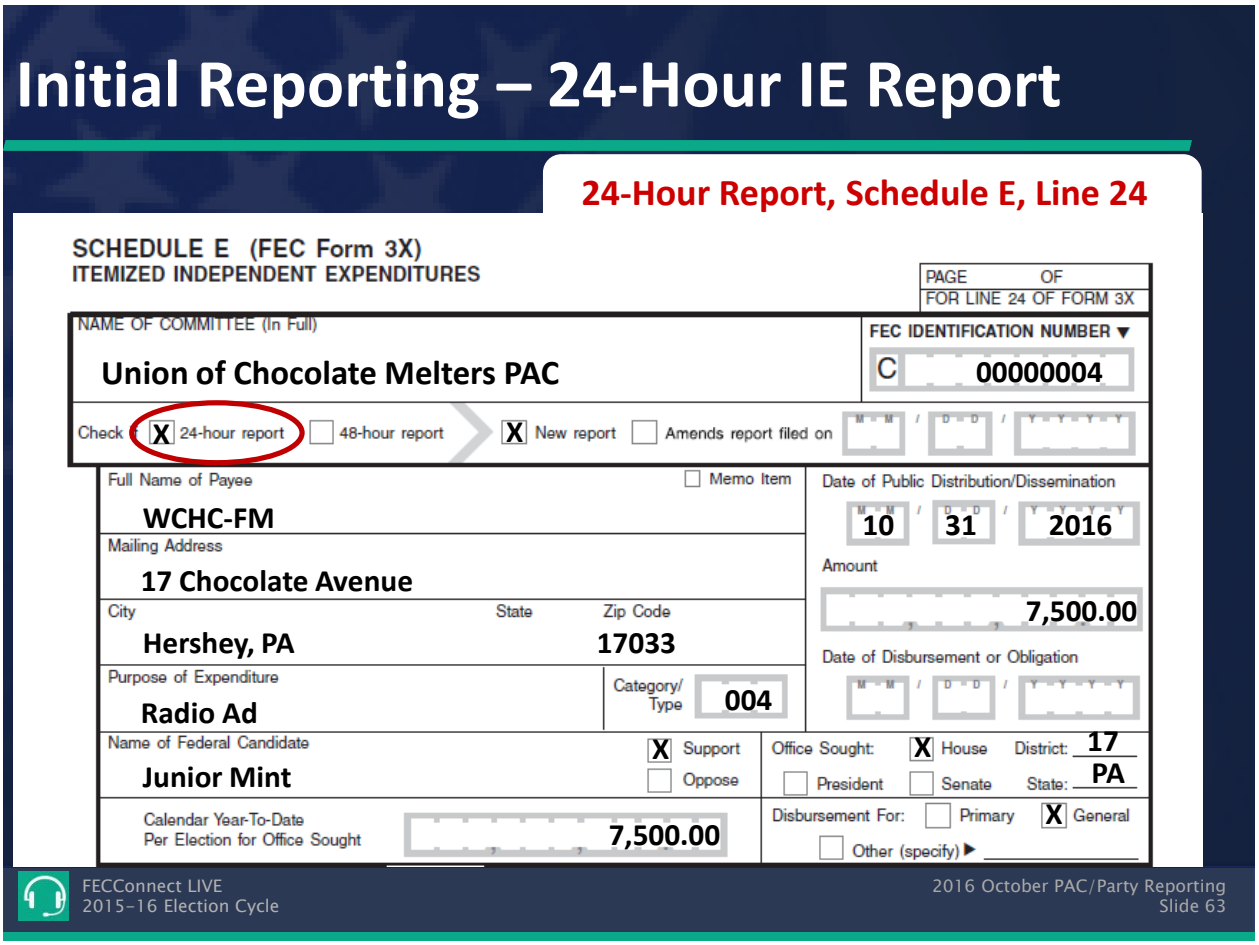


Answer: The PAC is making an independent expenditure, defined as an expenditure for a communication that "expressly advocates" the election or defeat of a clearly identified candidate and that is not made in cooperation with, or at the request or suggestion of, a candidate or his/her campaign or its agents, or a political party committee or its agents.

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

Answer: An independent expenditure is considered made when it is publicly distributed or otherwise publicly disseminated. If it aggregates $1,000 or more and is made less than 20 days but more than 24 hours before the day of an election, as this expenditure did, the PAC must file a 24-Hour Report on Schedule E disclosing the independent expenditure. The PAC must disclose the independent expenditure again, on Schedule E, for the next regular FEC report (30-Day Post General Report).

Reporting example continues on next page



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

Answer: Key facts in the scenario include the date of dissemination (10/31/16), the fact that it is an advertisement that contained express advocacy, and was not coordinated with the campaign. The PAC will also need to disclose the payee's name and address, the candidate information, the purpose of the expenditure, the amount and the calendar year-to-date per election for the office sought.

On the next report filed (30 Day Post-General covering 10/20/16-11/28/16, and due on 12/8/16), the PAC must report the same information disclosed on the 24-Hour Notice on Schedule E as a MEMO entry because the payment has not been made yet. Accordingly, the PAC must report a debt on Schedule D to "WCHC-FM" until it is settled.

Reporting example continues on next page

Disclosure on Next Regular Report

Post-General Report, Schedule E, Line 24

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

PAGE OF
FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full): Union of Chocolate Melters PAC

FEC IDENTIFICATION NUMBER ▼: C 00000004

Check if ☐ 24-hour report ☐ 48-hour report ☐ New report ☐ Amends report filed on M M / D D / Y Y Y Y

Full Name of Payee: WCHC-FM

X Memo Item

Date of Public Distribution/Dissemination: 10 / 31 / 2016

Mailing Address: 17 Chocolate Avenue

Amount: 7,500.00

City: Hershey, PA State: Zip Code: 17033

Purpose of Expenditure: Radio Ad

Category/Type: 004

Date of Disbursement or Obligation: M M / D D / Y Y Y Y

Name of Federal Candidate: Junior Mint

X Support ☐ Oppose

Office Sought: X House District: 17 ☐ President ☐ Senate State: PA

Calendar Year-To-Date Per Election for Office Sought: 7,500.00

Disbursement For: ☐ Primary X General ☐ Other (specify) ▶

FECConnect LIVE
2015-16 Election Cycle

2016 October PAC/Party Reporting
Slide 64

Other Reporting - Debt

Post-General Report, Schedule D, Line 10

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

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

PAGE OF

FOR LINE NUMBER: (check only one) ☐ 9 X 10

NAME OF COMMITTEE (In Full): Union of Chocolate Melters PAC

A. Full Name (Last, First, Middle Initial) of Debtor or Creditor: WCHC-FM

Mailing Address: 17 Chocolate Avenue

City: Hershey, PA State: Zip Code: 17033

Nature of Debt (Purpose): Radio Ad for Junior Mint

Outstanding Balance Beginning This Period: 0.00

Amount Incurred This Period: 7,500.00

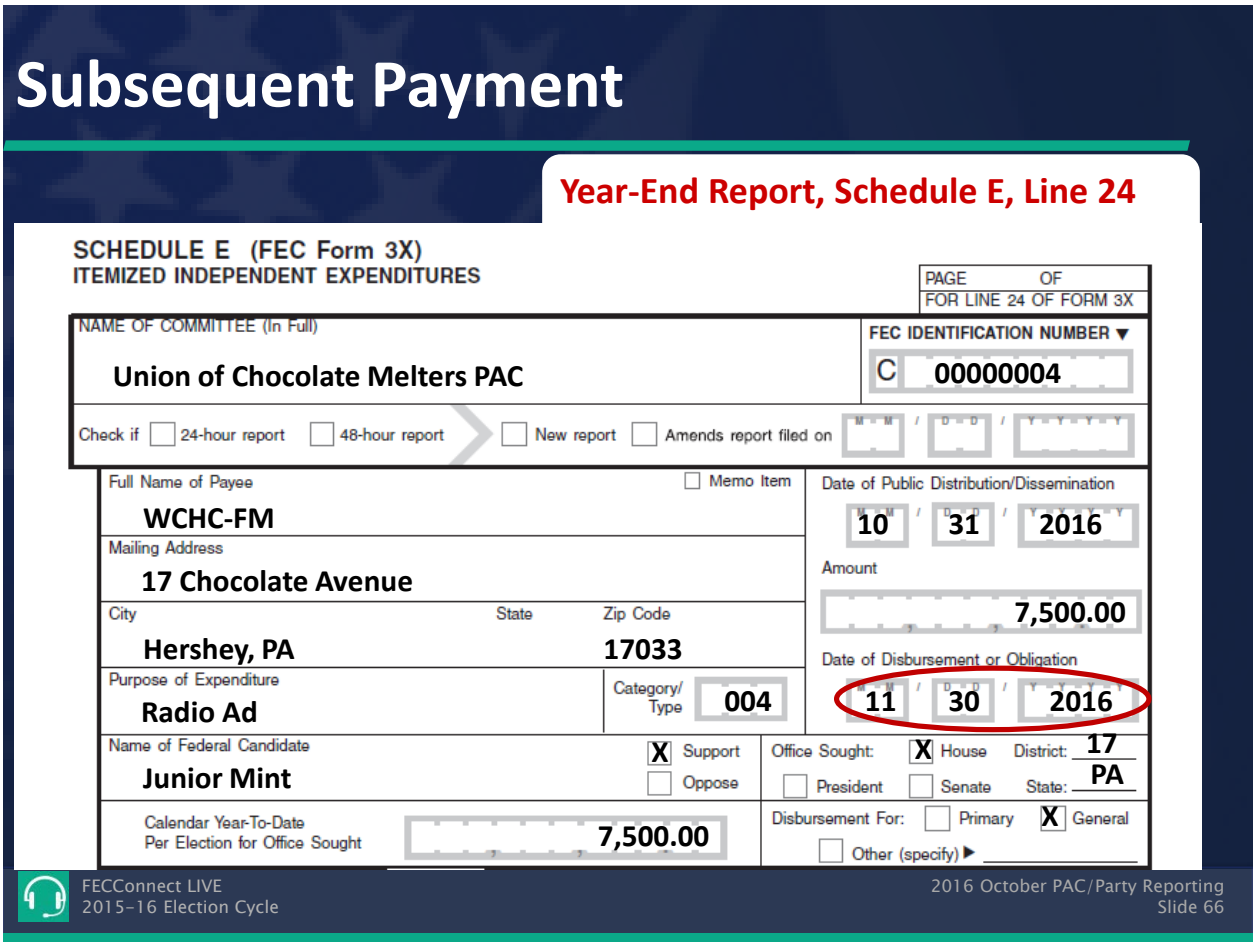
Payment This Period: 0.00

Outstanding Balance at Close of This Period: 7,500.00

FECConnect LIVE
2015-16 Election Cycle

2016 October PAC/Party Reporting
Slide 65

When full payment is made to the vendor on 11/30/16, it should be reflected on Schedule E supporting Line 24, as well as Schedule D supporting Line 10 of the Year End Report (coverage period: 11/29/16-12/31/16).



Reporting example continues on next page

Paying Off Debt

Year-End Report, Schedule D, Line 10

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

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

PAGE OF

FOR LINE NUMBER: (check only one)
[ ] 9
[X] 10

NAME OF COMMITTEE (In Full)
Union of Chocolate Melters PAC

A. Full Name (Last, First, Middle Initial) of Debtor or Creditor
WCHC-FM

Mailing Address
17 Chocolate Avenue

City: Hershey, PA
State:
Zip Code: 17033

Nature of Debt (Purpose):
Radio Ad for Junior Mint

Outstanding Balance Beginning This Period: 7,500.00

Amount Incurred This Period: 0.00

Payment This Period: 7,500.00

Outstanding Balance at Close of This Period: 0.00

FECConnect LIVE
2015-16 Election Cycle

2016 October PAC/Party Reporting
Slide 67

Tricky Issues:

Debts

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

24-Hour Reporting

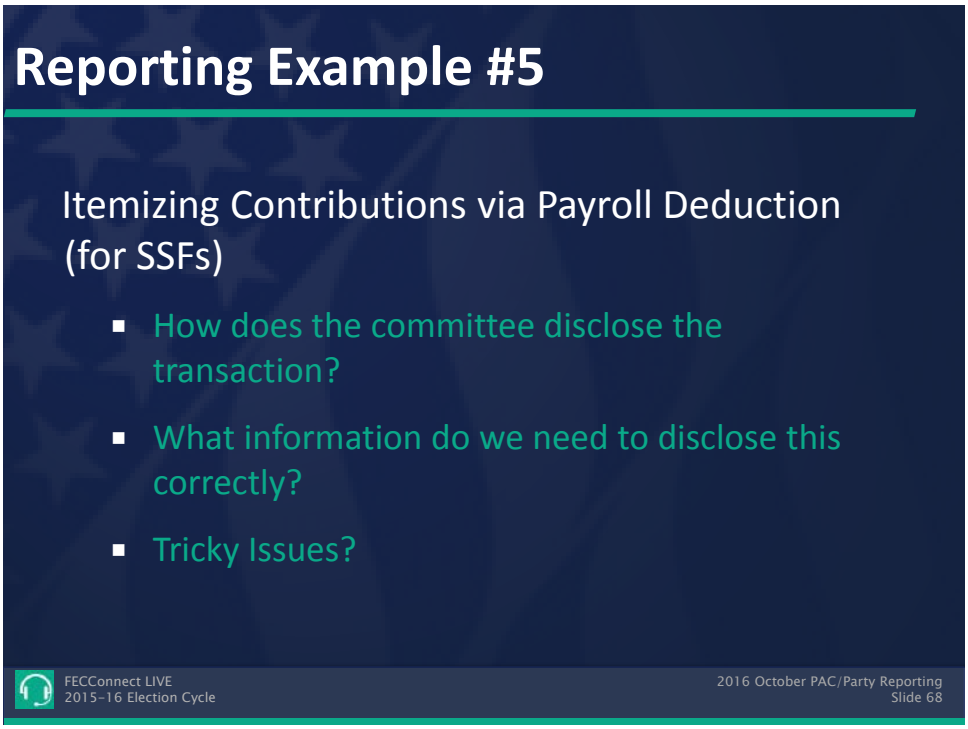
- Must file a **24-Hour Report** for independent expenditures aggregating (per calendar year, per election, per office) $1,000 or more made less than 20 days but more than 24 hours before the day of an election.
- Aggregation is done on per calendar year, per election, per office sought (race) basis.
- Use Schedule E on Form 3X – check “24-hour” box.
- Must be received by FEC within 24 hours after the independent expenditure is publicly distributed or otherwise publicly disseminated.
- Must be certified (signed) by treasurer (e-filers should type the treasurers name following the certification on the report).
- For paper filers, can use overnight delivery, hand-delivery or fax to 202-219-0174 (certified or registered mail date will not be considered filed date for these).

- Last-minute independent expenditures must be disclosed again on Schedule E of the next scheduled report that the committee files.
- A 24-Hour Report is required each time an additional $1,000 is aggregated in independent expenditures.
- The 24-Hour Report time frames for the 2016 elections are located on our web site at http://www.fec.gov/info/charts_ie_dates_2016.shtml.

48-Hour Reporting

- In addition, must file a **48-Hour Report** for independent expenditures that aggregate $10,000 or more, anytime during a calendar year up to and including the 20th day before an election.
- Use Schedule E on Form 3X – check "48-hour" box.
- Must be received by FEC within 48 hours after expenditure is publicly distributed or otherwise publicly disseminated.
- Must be certified (signed) by treasurer (e-filers should type the treasurer's name following the certification on the Report).
- For paper filers, can use overnight delivery, hand-delivery or fax to 202-219-0174 (certified or registered mail date will not be considered filed date for these).
- Last-minute independent expenditures must be disclosed again on Schedule E of the next scheduled report that the committee files.
- Aggregation is done on a per calendar year, per election, per office sought (race) basis.
- A 48-Hour Report is required each time an additional $10,000 is aggregated in independent expenditures.

Reporting Example #5: Itemizing Contributions via Payroll Deduction



The Dunder-Mifflin Paper Company PAC has received authorization from Michael Scott, a company Regional Manager, to deduct $20 from his biweekly paycheck as a contribution to the PAC. The first deduction was taken out of Michael's paycheck on May 6, 2016.

Michael reached an aggregate total of $200 exactly with the deduction from his September 9 paycheck. On September 23 (the second deduction of the month), he will reach $220.

Assume for this example that Dunder-Mifflin PAC files its FEC reports on a monthly schedule.

1. **How must the committee disclose the transaction(s)?**

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

Answers - Reporting Example #5: Itemizing Contributions via Payroll Deduction

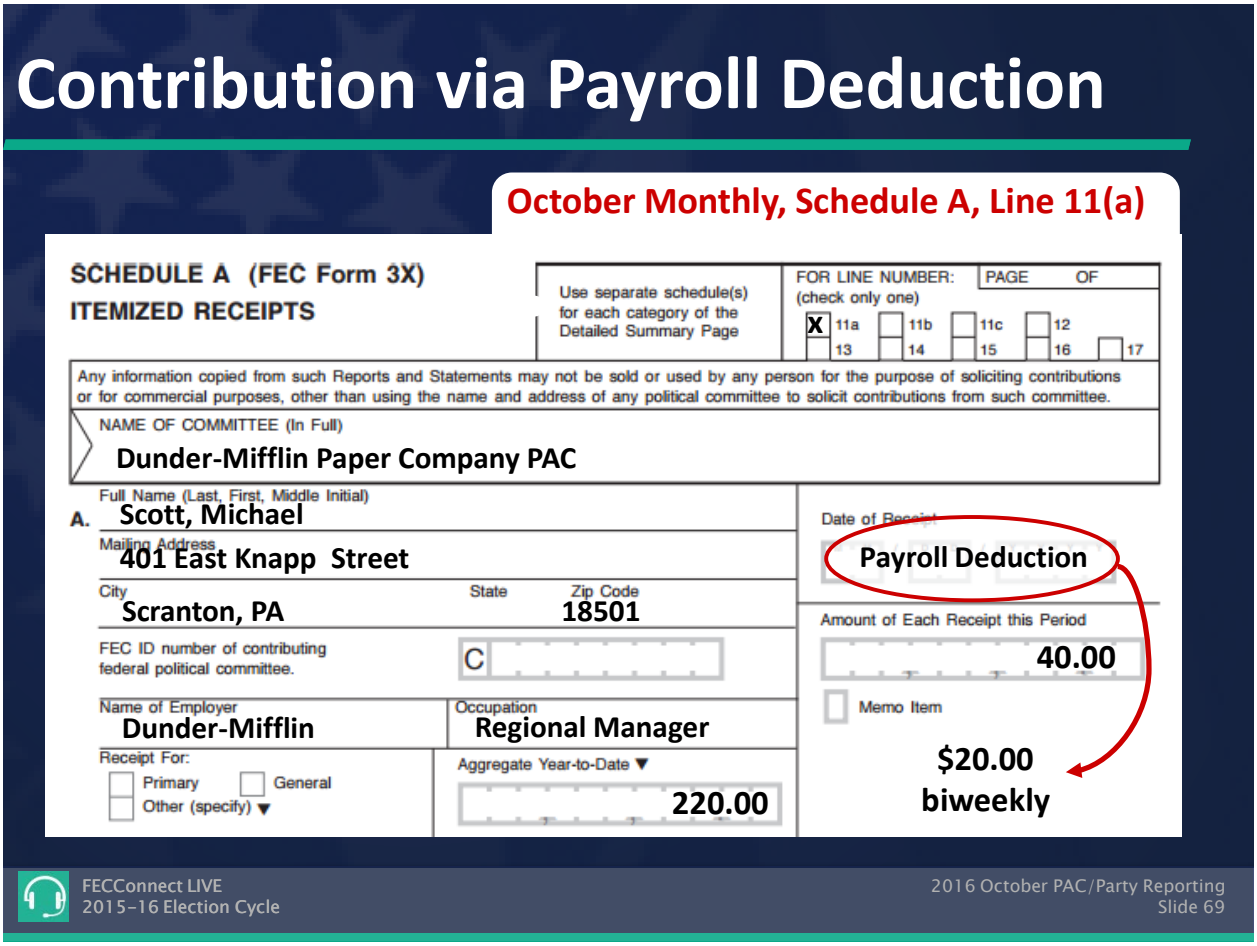
1. **How must the committee disclose the transaction(s)?**

   Answer: Itemize them on Schedule A for the appropriate Line (11(a)(i) for individuals) once the contributions from an individual aggregate more than $200 (including contributions received through payroll deduction) for the calendar year.

   Michael's initial contribution(s) in May did not require itemization as Michael had not yet contributed over $200 for the calendar year. Note that contributions with an aggregate calendar year to date amount ≤ $200 must be included on Line 11(a)(ii) *(unitemized contributions from individuals)* for the applicable reporting periods.

   On September 23, Michael reached $220 in contributions for the calendar year. Since the PAC files monthly, the October Monthly (covering September 1-30, due October 20) would be the first report on which the PAC would begin itemizing Michael's contributions.

   Here is an example of the payroll deduction itemization:



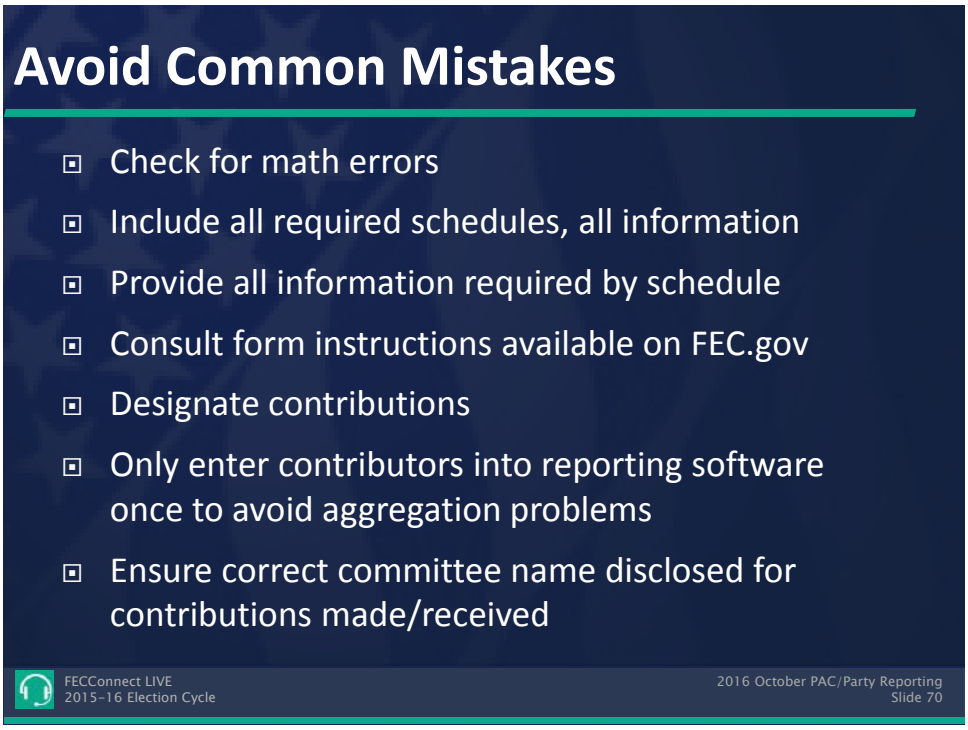
2. What information from the scenario do we need to disclose this correctly?

Answer:

- **Contributions that aggregate $200 and under** – need the amount of the contribution and the date that it was deducted from the individual's paycheck. (For recordkeeping, need the individual's name, address and payroll deduction authorization). See 11 CFR 104.8(b) and AOs 2000-11 and 1999-33.
- **Contributions that aggregate more than $200** – need name, address, occupation and employer information of contributor, total amount deducted during reporting period, frequency of deduction and amount per deduction.

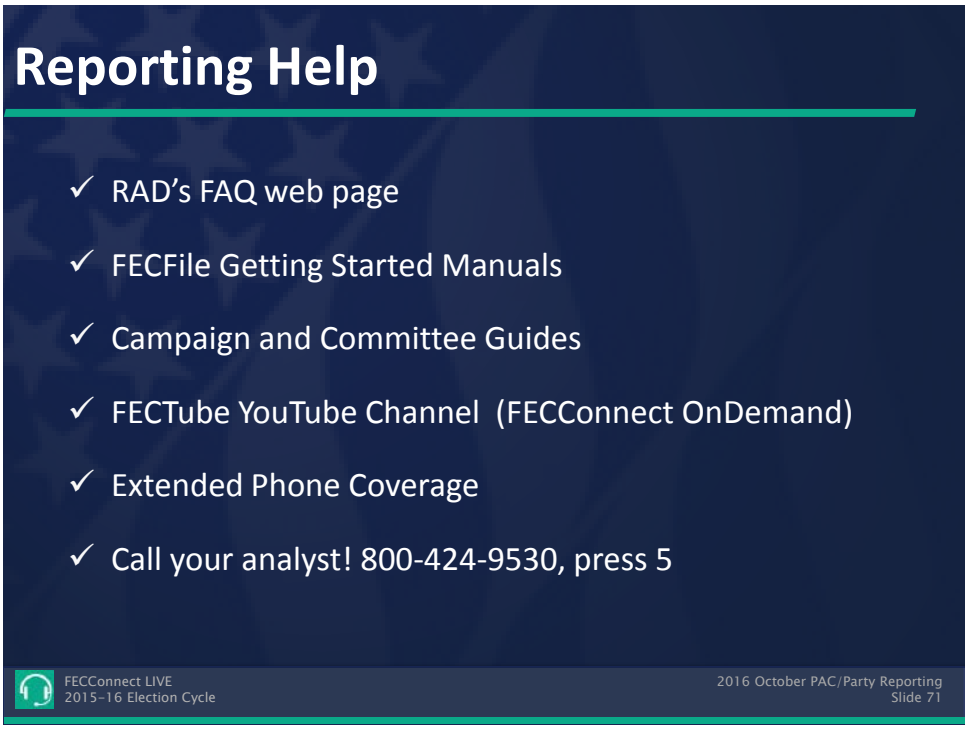
Points to Remember:

- Itemize contributions from an individual or other person/entity on Schedule A, Line 11(a)(i), once aggregate calendar year to date received exceeds $200.
- **Required Information in Itemizing Receipts:**
  - Full name and address of contributor or source
  - Occupation/employer – if contributor is an individual
  - Date of receipt
  - Amount
  - Aggregate year-to-date total of all receipts from the same source.
  - Optional, but encouraged: Committee ID# where applicable
- Itemization (including payroll deductions) required on Schedule A once an individual's aggregate year-to-date total exceeds $200.
- Date reported is the date of receipt, not the date of deposit, or the date on the check.
- Date reported for payroll deduction contribution is the date that the contribution was deducted from the contributor's paycheck. See 11 CFR 104.8(b) and AOs 2000-11 and 1999-33. The "date of receipt" under FEC rules at 102.8 is the date that the collecting agent obtains possession of the funds (in other words, deducts the contribution).
- Separately itemize payroll deduction contributions from those raised using other methods.
- If collecting agent writes a check/transmits funds to PAC, do not report as transfer from collecting agent. Instead, report as contributions from original individual contributors.
- Payroll department, as the collecting agent, must forward money **within collecting agent timeframes**. The PAC treasurer would then have 10 days to deposit the contribution. The PAC treasurer will need to work closely with the payroll department in order to make these timeframes work for FEC reporting, given that date of deduction is the date used for reporting.
- Itemize payroll deductions once they have aggregated more than $200 for the calendar year from a contributor.
- For paper filers, instead of stating each date of receipt, type "payroll deduction."
- FECFile users will need to itemize a date (recommended to use last day of reporting period) and enter "payroll deduction" in description field.
- Report the total amount deducted from paycheck during reporting period (regardless of when PAC receives funds) and indicate the amount that was deducted each pay period and the frequency of the deduction.



VI. Avoiding Common Errors

- Check for math errors.
- Include all appropriate schedules.
- Provide all information required by schedule. Consult form instructions available on our web site at http://www.fec.gov/info/forms.shtml.
- Designate all contributions made to Federal candidate committees. If not designated, contribution is applied towards next election and may result in excessive contribution. Also indicate year of election and check Primary or General. For Special, Runoff, Convention or Recount election, check "Other" and also include election type and year (e.g., "Special General 2015").
- 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.
- Ensure the correct committee name is disclosed for contributions made. Using an incorrect committee name creates data entry problems and errors on the public record.



Best Practices:

- Consult most recent copy of inadequate purpose list.
- Make sure all purposes of disbursements disclosed are on the "acceptable" list or would meet the rule of thumb.
- Respond completely to all RFAIs by the deadline specified.
- 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.

Objectives

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

FECConnect LIVE
2015-16 Election Cycle
2016 October PAC/Party Reporting
Slide 72

Workshop Evaluation

Help Us Help You!

Please complete an evaluation of this workshop.

https://www.surveymonkey.com/r/F72T825

FECConnect LIVE
2015-16 Election Cycle
2016 October PAC/Party Reporting
Slide 73

Evaluation Link: https://www.surveymonkey.com/r/F72T825