

CANDIDATE 101: PREPARING FOR THE NEXT ELECTION CYCLE

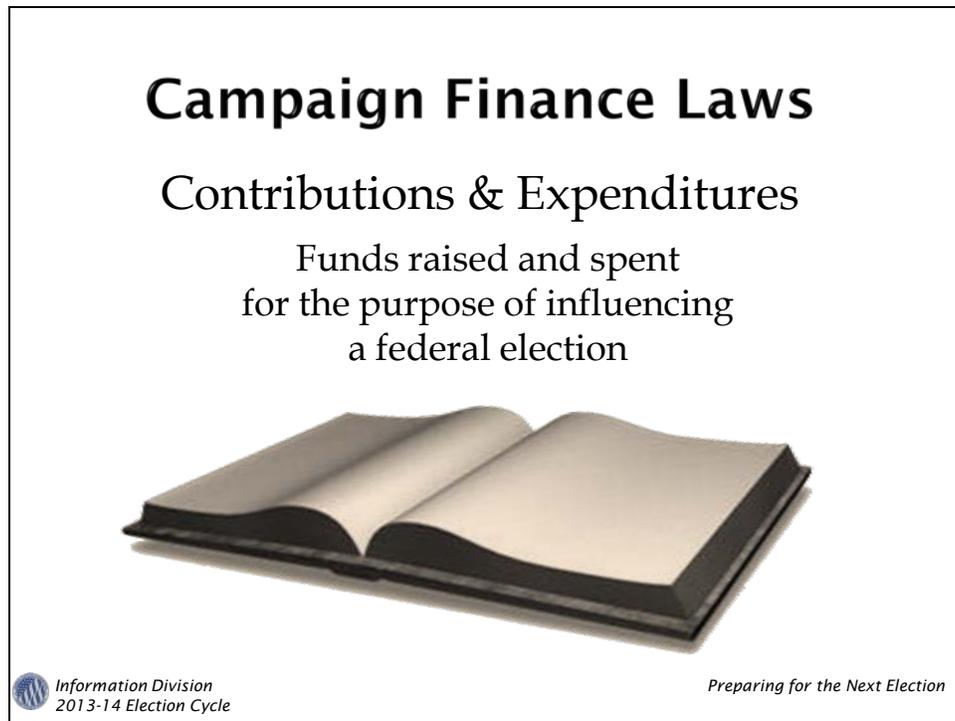


February 13, 2013
1:00 p.m.

Objectives

- ▣ Explain basic rules regarding candidacy and registration
- ▣ Review contribution limits and prohibitions
- ▣ Outline reporting requirements

Basic Provisions of Candidacy and Registration



- I. **Definition of Candidate** (*Campaign Guide for Congressional Candidates and Committees* ("Guide"), p. 5)

Definition of Candidate

Raise or spend in excess of \$5,000:

- ▣ FEC Form 2 (Statement of Candidacy)
 - Filed by candidate within 15 days of reaching threshold
- ▣ FEC Form 1 (Statement of Organization)
 - Filed by campaign committee within 10 days of filing Form 2

- A. Individual who seeks nomination for election to federal office (U.S. House, U.S. Senate or U.S. President).
- B. **Registration threshold:** \$5,000 in contributions raised or expenditures made.

Testing the Waters Exemption

Registration and reporting exemption
for individuals who are exploring a
potential candidacy, but have not
decided whether to run

Testing Waters v. Campaigning

- ▣ Testing the Waters
 - Polling, traveling, and phone calls, etc. to determine feasibility of candidacy
 - Does not trigger registration and reporting
 - Keep records



- C. **Testing the Waters v. Campaigning** (*Guide*, pp. 1-3)
1. **Testing the Waters**
 - a) Activity to determine the viability of candidacy.
 - b) Records of all activity must be kept. If/when individual triggers registration as a candidate, he/she will be responsible to report all “Testing the Waters” activity on first report.

Testing Waters v. Campaigning



▣ Campaigning

- Activities that indicate you have decided to run for office (i.e., making statements referring to self as candidate, taking action to qualify for ballot)
- Triggers registration and reporting

2. Campaigning

Certain activities indicate that the individual is campaigning and not merely “Testing the Waters.” For example, if an individual is:

- a) Making or authorizing statements referring to himself/herself as a candidate;
- b) Using general public political advertising to advertise intention to campaign; or
- c) Taking action to qualify for the ballot.

First Steps

1. Call FEC Information Division
(800) 424-9530 (press 6)
2. Contact IRS to get Tax ID number
(800) 829-3676 (IRS Form SS4)
3. Open a separate bank account

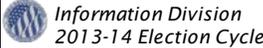
II. Candidate Registration – FEC Form 2 (Guide, pp. 6-9)

Statement of Candidacy

FEC FORM 2
STATEMENT OF CANDIDACY

1. (a) Name of Candidate (in full)

(b) Address (number and street) <input type="checkbox"/> Check if address changed	2. Identification Number To be assigned	
(c) City, State, and ZIP Code	3. Is This Statement <input checked="" type="checkbox"/> New (N) OR <input type="checkbox"/> Amended (A)	
4. Party Affiliation	5. Office Sought	6. State & District of Candidate



Preparing for the Next Election

A. When to File: File within 15 days of crossing \$5,000 threshold.

B. Required Information:

1. Candidate Name and Address
2. FEC Identification Number
3. Is this Statement New or Amended
4. Party Affiliation
5. Office Sought
6. State and District

C. Additional notes on Required Information:

1. **Line 1: Candidate Address**
Mailing address where FEC correspondence may be sent to candidate -- P.O. Box is OK.
2. **Line 2: FEC ID #**
If this is the first time filing the form, leave this BLANK.
FEC ID# is assigned once FEC Form 2 is filed and processed.

Statement of Candidacy

DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

7. I hereby designate the following named political committee as my Principal Campaign Committee for the _____ election(s).
(year of election)

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 _____

REQUIRED

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) _____

(b) Address (number and street) _____

(c) City, State, and ZIP Code _____

OPTIONAL



3. **Line 7: Designation of Principal Campaign Committee (PCC)**
Registration of designated PCC will be done using FEC Form 1 (see Section II below).
4. **Line 8: Additional Authorized Committee**
Not required. All authorized committees for the same candidate are generally treated as one committee so far as contribution limits are concerned.

II. Committee Registration – FEC Form 1 (*Guide*, pp. 9-11)

A. When to File: within 10 days of designating PCC on Form 2

Setting Up the Committee

- ▼ Name of Committee
 - Must include candidate's name
 - Unauthorized committees cannot use candidate's name

Setting Up the Committee

The image shows a screenshot of the 'STATEMENT OF ORGANIZATION' section of the FEC Form 1. A red arrow points to the first line, '1. NAME OF COMMITTEE (in full)'. To the right of this line is a checkbox labeled '(Check if name is changed)' and an example instruction: 'Example: If typing, type over the lines.' Below the example is a small box containing the text '12FE4M5'. The rest of the form includes fields for 'ADDRESS (number and street)', 'CITY', 'STATE', 'ZIP CODE', 'COMMITTEE'S E-MAIL ADDRESS', and 'COMMITTEE'S WEB PAGE ADDRESS (URL)', each with a corresponding checkbox for 'is changed'.

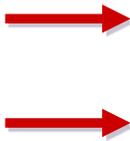
- B. Additional notes on required information:**
- 1. Line 1: Name of Committee**
 - a) Authorized committees must include candidate's name
 - b) Name must be identical to name the candidate provided on Statement of Candidacy.

Setting Up the Committee

FEC FORM 1	STATEMENT OF ORGANIZATION		Office Use Only
1. NAME OF COMMITTEE (in full)	<input type="checkbox"/> (Check if name is changed)	Example: If typing, type over the lines.	12FE4M5

ADDRESS (number and street)			

<input type="checkbox"/> (Check if address is changed)			
CITY STATE ZIP CODE			
COMMITTEE'S E-MAIL ADDRESS (Please provide only one e-mail address)			
<input type="checkbox"/> (Check if address is changed)			
COMMITTEE'S WEB PAGE ADDRESS (URL)			
<input type="checkbox"/> (Check if address is changed)			



2. **Line 1 (cont.): Committee email and website address**
 - a) FEC uses email address on Form 1 for correspondence, including reporting reminders and other helpful compliance information.
 - b) May disclose up to two email addresses.

Setting Up the Committee

The image shows a screenshot of the FEC Form 1 setup page. Four red arrows point to the following fields:

- Line 2: DATE (MM / DD / YYYY)
- Line 3: FEC IDENTIFICATION NUMBER (C To be assigned)
- Line 4: IS THIS STATEMENT NEW (N) OR AMENDED (A)
- A certification statement: *I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.*

Other fields on the form include: Type or Print Name of Treasurer, Signature of Treasurer, Date (MM / DD / YYYY), and a note: *NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g. ANY CHANGE IN INFORMATION SHOULD BE REPORTED WITHIN 10 DAYS.*

At the bottom, there is a box for "Office Use Only" and contact information for the Federal Election Commission: **FEC FORM 1** (Revised 02/2003). Contact info: Toll Free 800-424-9530, Local 202-694-1100.

- 3. Line 2: Date**
Provide the date on which the candidate designated the committee as a PCC.
- 4. Line 3: FEC Identification Number**
If this is the first time filing the form, leave this BLANK.
FEC ID# is assigned once FEC Form 2 is filed and processed
- 5. Line 4: New or Amended?**
Note whether the statement is new or for the purpose of submitting changes (amended).

Setting Up the Committee

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 _____

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2013-14 Election Cycle* *Preparing for the Next Election*

6. **Line 5: Type of Committee**
- a) Check Box (a) for **Principal Campaign Committee**.
 - b) **Also provide information about the candidate.** Must be identical to what was disclosed on Statement of Candidacy.

Setting Up the Committee

▶ Authorized Committee

FEC Form 1 (Revised 02/2009) Page 3

Write or Type Committee Name

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

Affiliated Authorized Committee

Mailing Address

OPTIONAL

CITY STATE ZIP CODE

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

7. **Line 6: Name of Affiliated Committee**
 - a) **Separate committee authorized to raise funds for the candidate. Not required.**
 - b) Note that all authorized committees for the same candidate are generally treated as one committee so far as contribution limits are concerned. Similarly, all committees established, financed, maintained, or controlled by the same person, organization, or group are affiliated.

Setting Up the Committee

▶ Custodian of Records

7. **Custodian of Records:** Identify by name, address (phone number -- optional) and position of the person in possession of committee books and records.

Full Name _____

Mailing Address _____

_____ - _____

Title or Position ▼ CITY ▲ STATE ▲ ZIP CODE ▲

Telephone number _____ - _____ - _____

8. Line 7: Custodian of Records

The person who is in possession of the committee's books and records. May be the same person as the Treasurer.

Setting Up the Committee

► Treasurer / Assistant Treasurer

8. Treasurer: List the name and address (phone number – optional) of the treasurer of the committee, and the name and address of any designated agent (e.g., assistant treasurer).

Full Name of Treasurer			
Mailing Address	REQUIRED		
Title or Position ▼	CITY ▲	STATE ▲	ZIP CODE ▲
		Telephone number	
Full Name of Designated Agent			
Mailing Address	RECOMMENDED		
Title or Position ▼	CITY ▲	STATE ▲	ZIP CODE ▲
		Telephone number	

9. **Line 8: Treasurer / Assistant Treasurer**
 - a) **Committee must have a Treasurer.** Committee may not raise or spend funds when there is a vacancy in the office of Treasurer.
 - b) Appointing an Assistant Treasurer (“Designated Agent”) as well is recommended, in case something arises and the Treasurer is unable to perform his/her duties.
 - c) Candidate may serve as his/her own Treasurer and/or Custodian of Records.

Setting Up the Committee

- ▣ Treasurer/ Assistant Treasurer
 - Deposits receipts
 - Authorizes all expenditures
 - Monitors contributions
 - Keeps all required records
 - Signs reports
 - Files accurate reports on time

d) **Treasurer duties** (*Guide*, pp. 7-8)

Treasurer's Liability

- ▶ Treasurer generally named as enforcement respondent in official capacity
- ▶ Personal liability possible if:
 - Knowingly & willfully violated the Act;
 - Recklessly failed to fulfill duties; or
 - Intentionally ignored information that led to the violation

- e) **Treasurer Liability** (*Guide*, pp. 7-8)
 - 1) **The personally responsible for carrying out these duties** and should understand these responsibilities before taking them on.
 - 2) **FEC Treasurer Personal Liability Policy** (online at <http://www.fec.gov/law/policy/2004/notice2004-20.pdf>)
 - 3) **FEC Embezzlement Policy** (online at <http://www.fec.gov/law/policy/embezzlepolicy.pdf>)

Recordkeeping

- ▣ Contributions over \$50:
 - Amount
 - Date received
 - Donor's name and address
 - Full-size photocopy or digital image of check
- ▣ Contributions aggregate over \$200:
 - Above info, plus occupation/employer if from an individual

- f) **Recordkeeping** (*Guide*, pp. 73-76)
 - 1) **For Receipts**
For any amount, need date received and amount.
 - 2) **For Disbursements**
 - (a) For any amount, need name of payee, address, purpose, date made.
 - (b) For contributions made, also need name of candidate, state, district, and election designation.
 - 3) **Record Retention**
Retain each record for three years from the date of the report on which it was last disclosed.

Making Best Efforts

- ▣ Request contributor info when soliciting contribution
- ▣ If info missing, make follow-up request within 30 days
- ▣ Amend report to disclose missing information once received

- g) **Best Efforts** (*Guide*, pp. 76-77)
 - 1) Required to make “best efforts” to obtain, maintain and report required information.
 - 2) Keep written documentation of follow-up request (with no additional solicitation made).

Setting Up the Committee

► Banks or Other Depositories

9. **Banks or Other Depositories:** List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.

Mailing Address _____

CITY ▲ STATE ▲ ZIP CODE ▲

Name of Bank, Depository, etc.

Mailing Address _____

CITY ▲ STATE ▲ ZIP CODE ▲

Setting Up the Committee

▼ Banks or Other Depositories

- Must have at least one account upon which checks can be drawn
- All disbursements must come from checking account
- May also invest funds
- To open an account, obtain Tax ID number from IRS: 1-800-TAX-FORM

10. **Line 9: Banks or Other Depositories** (*Guide*, pp. 10-11)
 - a) List the name and address (but **NOT** the account number) of any depositories used by a campaign for deposits and disbursements.
 - b) Committee may invest their funds however **each committee must maintain at least one checking account**, from which all committee disbursements must be made.

Committee Registration

- ▣ Amendments
 - File within 10 days after change in information
 - E-filers submit replacement file
 - Paper filers
 - ▣ Complete only portions requiring changes
 - ▣ May also submit a letter stating changes to registration information

- C. **Amendments** (*Guide*, p. 11)
Any changes in information found in your registration forms **must be reported within ten days of the change**. A change in treasurer, email address, etc. requires this action.

Where to File - House

Federal Election Commission
999 E Street, NW
Washington, DC 20463



Where to File - Senate

By Mail:

Secretary of the Senate
Office of Public Records
P.O. Box 77578
Washington, DC 20013

Hand Delivery:

Secretary of the Senate
Office of Public Records
232 Hart Senate Building
Washington, DC 20510



Contribution Limits and Prohibitions

I. Contributions (*Guide*, pp. 13-16)

Definition of Contribution

- ▣ Generally, anything of value given to influence a federal election
- ▣ Includes:
 - Gifts of money
 - In-kind contributions (goods/services offered free or at less than market value)
 - Loans
 - Extensions of credit

Contribution Limits

- ▣ Per Election Limits
 - Primary, runoff, general are all considered separate elections; separate contribution limits for each
 - Only entitled to a limit if candidate participates in the election
- ▣ Accounting Method
 - If candidate loses primary, must return general election \$\$ within 60 days
 - During primary: cash on hand \geq general election \$\$

II. Contribution Limits (*Guide*, pp. 17-30)

A. Per Election Basis

1. Limits are per election, per candidate.
2. The value of an in-kind contribution (usual and normal charge) counts against same contribution limit as gifts of money.

B. Candidates Who Lose in the Primary (*Guide*, pp. 20-21)

1. Entitled to limit only if candidate seeks office in that election.
2. Candidate who accepts contributions for general election before primary is held and loses the primary must refund, redesignate or reattribute general election contributions within 60 days of the primary or public withdrawal from the primary race.
3. Similar application for convention, runoff, etc.

C. Accounting Method (*Guide*, p. 74)

1. Campaign must adopt an accounting system to distinguish between contributions made for the primary and those for the general election.
2. During the primary, the campaign's cash on hand must at least equal the amount of general election contributions received.

2013-2014 Contribution Limits	Candidate per election	National Party per year	State, District & Local Party per year	Any PAC per year	Special Limits
Individual	\$2,600	\$32,400	\$10,000 (combined)	\$5,000	\$123,200 biennial limit
National Party	\$5,000	No Limit	No Limit	\$5,000	\$45,400 per Senate campaign
State, District & Local Party	\$5,000 (combined)	No Limit	No Limit	\$5,000 (combined)	None
PAC: multicandidate	\$5,000	\$15,000	\$5,000 (combined)	\$5,000	None
PAC: not multicandidate	\$2,600	\$32,400	\$10,000 (combined)	\$5,000	None

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2013-14 Election Cycle

Preparing for the Next Election

D. Contribution Limits for 2013-14 Election Cycle

http://www.fec.gov/ans/answers_general.shtml#How_much_can_I_contribute

1. Certain Limits indexed for inflation
 - a) Candidate and party limits increased and indexed; multicandidate PAC limits unchanged.
 - b) Indexing began in 2005 - odd-numbered years.
2. How Applied
 - a) Limits apply to contributions received and contributions made by committee.
 - b) If made by an individual, counts against the limit of the person signing the check or accompanying note.
3. Cash Contributions - \$100
4. Anonymous Contributions - \$50

Multicandidate PAC

- ▣ PAC must meet all to qualify:
 - Registered with FEC for at least 6 months;
 - Received \$ from >50 contributors; and
 - Made contributions to ≥ 5 federal candidates
- ▣ May give \$5,000 per election
- ▣ Limits are not indexed for inflation
- ▣ Must inform recipient committees of multicandidate status

- E. **Multicandidate Committees** (*Guide*, p. 17)
1. Determines whether PAC or party committee can give up to \$5,000 to candidate, per election (and whether candidate can accept it).
 2. Campaign can call FEC's Public Records Office, toll-free, at 800-424-9530 (press 2 when prompted) to verify status as qualified multicandidate committee.

Limits from Candidates

- ▣ A federal candidate's campaign committee may contribute up to \$2,000 per election to another federal candidate's campaign
- ▣ A federal candidate's campaign may transfer unlimited funds to a party committee at any time

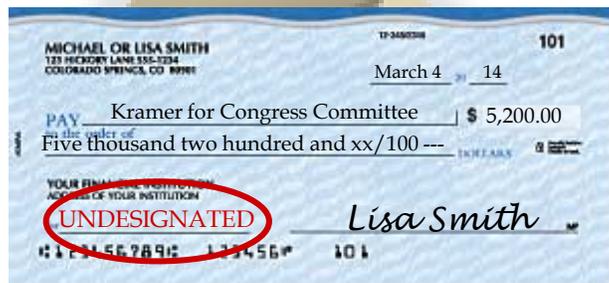
- F. **From Other Federal Campaigns** (*Guide*, p. 19)
1. **Limit: Still \$2,000/election.**
 2. NOT subject to inflation indexing.

III. Curing Excessive Contributions

Excessive Contributions

- ▣ Redesignate to another election
- ▣ Reattribute to another person
- ▣ Refund to contributor

Practical Application



Curing Excessive Contributions

▣ Redesignate to another election

Generally, campaigns may presumptively redesignate undesigned contributions from individuals or non-multicandidate committees to another election within the same election cycle

A. **Redesignate** (*Guide*, pp. 24-27)

1. **Presumptive Redesignation**

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

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

2. **Backward-looking provision:** An undesigned contribution made after primary, but before general, may be applied to primary debt if campaign's net debts are greater than the amount redesignated.

Presumptive Redesignation

Procedure:

1. Designate permissible amount to election;
 2. Redesignate excessive amount to another election within cycle;
 3. Notify donor – option of refund
- ▣ Must not cause contributor to exceed limits
 - ▣ Date undesignated contribution is made determines applicable election limit
 - ▣ Use postmark date for mailed contributions

3. Notification Requirement

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

4. Electronic Contributor Redesignations

The Commission has recently acknowledged that, in certain circumstances, an online process can provide a sufficient level of assurance as to the contributor's identity and intent such that it satisfies the written signature requirements. See Interpretive Rule Regarding Electronic Contributor Redesignations, 76 FR 16233 (March 23, 2011). Available on FEC website at:

http://www.fec.gov/law/cfr/ej_compilation/2011/notice_2011-02.pdf

Practical Application



Excessive Contributions

▣ Reattribute to another person

Presumptive procedure for joint contributions:

1. Attribute permissible amount to the signer;
2. Reattribute excessive amount to the other account holder;
3. Notify both donors – option of refund.

Must not cause contributors to exceed limits

- B. Reattribute** (*Guide*, p. 25)
- 1. Attribution of Contributions by Contributors**
 - a) Individual contributions attributed to person(s) who sign check.
 - b) Joint account – both must sign check or accompanying statement.
 - 2. Presumptive Reattribution**
 - a) If individual contribution exceeds limit and is made on joint account, but has only one signature:
 - 1) Attribute permissible amount to the signer; and
 - 2) Presumptively reattribute excessive amount to other account holder, without obtaining his/her signature.
 - b) Reattribution may not cause contributors to exceed any contribution limits.
 - c) Committee must notify contributor of reattribution by paper mail, email, fax or other written method within 60 days of treasurer's receipt of contribution; must notify contributor of right to receive refund instead.

Avoid Excessive Contributions

- ▣ Encourage donors to designate contributions
- ▣ Obtain signatures for joint contributions
- ▣ Designation Required:
 - If donor wants contribution to count toward future election, beyond upcoming election
 - If donor wants contribution to retire candidate's debt from a past election

C. Avoiding Excessive Contributions

IV. **Volunteer Exemptions** (*Guide*, pp. 39-41)

Volunteer Exemptions

- ▣ **Personal Services**
 - Individuals may provide uncompensated personal services to a campaign; not a contribution
- ▣ **Home Event**
 - Campaign fundraiser hosted in an individual's home, recreation room of a condo complex, etc.
 - May spend ≤ \$1,000 per election, per individual on food, beverages and invitations; not a contribution
 - Applies to resident host(s) only
- ▣ **Unreimbursed travel: ≤ \$1,000 per election**

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2013-14 Election Cycle

Preparing for the Next Election

A. Volunteer Services

1. **Uncompensated Time.** An individual may volunteer uncompensated personal services without contribution resulting. Volunteer activity is NOT reportable.
2. **Meals and Lodging.** Campaign volunteers may spend unlimited amounts for their own meals and lodging without making a contribution, as long as the expenses are incidental to volunteer activity.

B. Use of Personal Property

Individual may provide use of his/her real or personal property without contribution resulting (e.g., home or computer).

C. Home/Church/Community Room Event (*Guide*, p. 40)

1. Individual may spend up to \$1,000 per election for food, beverages and invitations for event held in residence, church or community room without contribution resulting.

2. Nominal fee paid to secure room exempt.
 3. Community room must be used on regular basis by community for noncommercial reasons; and available regardless of political affiliation.
- D. \$1,000 Unreimbursed Transportation Exemption** (*Guide*, p. 41)
1. Individuals (including the candidate, paid staff member or volunteer) may voluntarily spend up to \$1,000 for transportation expenses on behalf of campaign without making contribution.
 2. Payments exceeding \$1,000 are considered contributions, subject to limit.

Legal & Accounting Exemption

- Any entity may provide campaigns free legal & accounting assistance as long as:
 - Services are provided only for purpose of complying with the Act and FEC regulations
 - Entity paying for services is the regular employer
 - Employer doesn't hire a replacement
 - Campaign reports value of service
- If an individual volunteers legal or accounting services on his/her own time, it counts as volunteer activity (not reportable)

- E. **Free Legal and Accounting Services** (*Guide*, pp. 39)
1. **Exemption**
 - a) Available for any entity (e.g. committee, corporation, union, partnership) providing the campaign free legal and accounting services.
 - b) **Campaign reports:** value of the service (amount paid by the employer); the name of each person who performed the service; and the date the service was provided. See example in *Guide*, p. 94.
 2. **Use of Equipment**
 - a) Exemption only covers the services provided to ensure compliance with the Act.
 - b) Employer cannot donate equipment (i.e., computers) without making a contribution.
 - c) Use of employer's resources necessary to enable the employee to provide the service is not considered a contribution by the employer.
 3. **Not Volunteer Services**

If an individual personally volunteers legal or accounting services without compensation, the work is considered personal volunteer activity and the above restrictions do not apply. Not reportable.

Food and Beverage Exemption

- ▣ A vendor (even if incorporated) may sell at a discount
 - Discount limited to \$1,000 per election
 - Charge must be greater than cost to vendor
- ▣ Discounts given in the ordinary course of business not included in this exemption

F. Food/Beverage Vendors (*Guide*, p. 42)

Computer Activity Exemption

Volunteers may do the following for a campaign without making a contribution:

- ▣ Spend unlimited amount of their own time emailing and doing web activities (work time is limited)
- ▣ Use personal computer on an unlimited basis
- ▣ Use of work computer is limited
 - Must comply with company policy on computer use
 - Cannot be coerced
 - Cannot be conditioned on support of particular candidate
- ▣ Posting comments to a blog

G. Computer Services (*Guide*, pp. 39-41)

1. Permissible Uses

Individuals may use a computer for a wide variety of activities in connection with federal elections, including:

- a) Sending or forwarding unlimited emails on any political topic. Additionally, individuals do not have to identify themselves or state whether the messages have been authorized by any party or campaign committee.
- b) Creating, maintaining or hosting a website.
- c) Providing a hyperlink to a website.
- d) Posting comments to a blog, so long as they receive no compensation or, at most, a nominal fee. (Blogging also falls within certain exemptions for media activity.)
- e) Using a work computer for online political activity. This, however, is subject to an employer's rules for the personal use of computers and Internet access, and the employee must not be compensated for the activity.

2. Not Exhaustive

Additional activities may be possible.

3. Interaction with Campaigns/Parties

The contribution and expenditure exemptions apply regardless of whether individuals act with the knowledge or consent of a campaign or a political party committee.

V. **Prohibited Contributions** (Guide, pp. 31-34)

Prohibited Contributions

- ❑ Corporations & Labor Unions
- ❑ Federal Government Contractors
- ❑ Foreign Nationals
- ❑ Contributions in name of another
- ❑ Cash exceeding \$100

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2013-14 Election Cycle Preparing for the Next Election

- A. Corporations (including incorporated membership, trade and cooperative organizations or associations), labor organizations and national banks** are prohibited from making contributions in connection with federal elections. Therefore, they may not:
1. Act as conduit for earmarked contribution.
 2. Give discount to campaign or committee that is not in normal business practice.
 3. Allow use of facilities or resources without reimbursement, and, in some cases, advance payment.
- B. Federal Government Contractors**
- C. Foreign Nationals**
1. Ban does not apply to permanent resident aliens (green card holders).
 2. American subsidiary of foreign corporation may establish a PAC (known as a Separate Segregated Fund, or SSF) only if:

- a) Foreign nationals do not control or participate in decisions of SSF; and
- b) SSF is not administered or otherwise funded with foreign revenues.

3. Individuals who are foreign nationals may:

- a) Volunteer for Congressional campaign and participate in decision-making, (Note: because volunteer is engaged to candidate.) AO 2004-26.
- b) Attend campaign fundraising events (Note: because attendee is engaged to candidate). AO 2004-26.
- c) They may not, however, participate in decision-making regarding election activities for a corporation or a political committee. AO 2004-32.

D. Contributions in Name of Another

- 1. Cannot reimburse or be reimbursed for contributions.
- 2. Parents cannot give in names of children.
- 3. BCRA increased penalties for violations of this ban.

Prohibited in All Elections

- ▣ Foreign Nationals
- ▣ National Banks
- ▣ Federally Chartered Corporations

E. Certain Prohibitions Apply to All Elections

Citizens United v. FEC

As a result of the Supreme Court's decision in *Citizens United v. FEC*, corporations and labor organizations are no longer prohibited from making *expenditures* in connection with federal elections

Corporate and union *contributions* remain prohibited

F. Citizens United v. FEC

For more information see FEC website at

<http://www.fec.gov/law/recentdevelopments.shtml#CorpLaborExpenditures>

Questionable Contributions

- ▣ Deposit or return ≤ 10 days of receipt
- ▣ Determine legality ≤ 30 days
- ▣ Seek oral or written evidence for files
- ▣ Retain or refund, as appropriate

- G. Handling Questionable Contributions to Federal Account** (*Guide*, pp. 33-34)
- 1. Deposit While Checking**
If unsure whether contribution is from a permissible source, party may deposit it while confirming permissibility.
 - 2. Refund After 30 Days If Unable to Verify Legality**
Within 30 days of receipt, must refund if unable to determine if contribution is permissible.

Questionable Contributions



Campaign Reporting Basics

I. Filing Dates (*Guide*, pp. 79-86)

Reporting Basics

- ▣ File on FEC Form 3
- ▣ Reports due quarterly
- ▣ House campaigns file with the FEC
 - Over \$50,000, file electronically
- ▣ Senate campaigns file with the Secretary of the Senate

 Information Division
2013-14 Election Cycle

Preparing for the Next Election

2013 Non-Election Year Quarterly Reporting Schedule

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

- A. **During Non-election Year (odd-numbered year)**
 - 1. **Congressional Candidates File Quarterly**
 - 2. Quarterly reports due April 15, July 15 and October 15 and January 31

2014 Election Year Quarterly Reporting Schedule

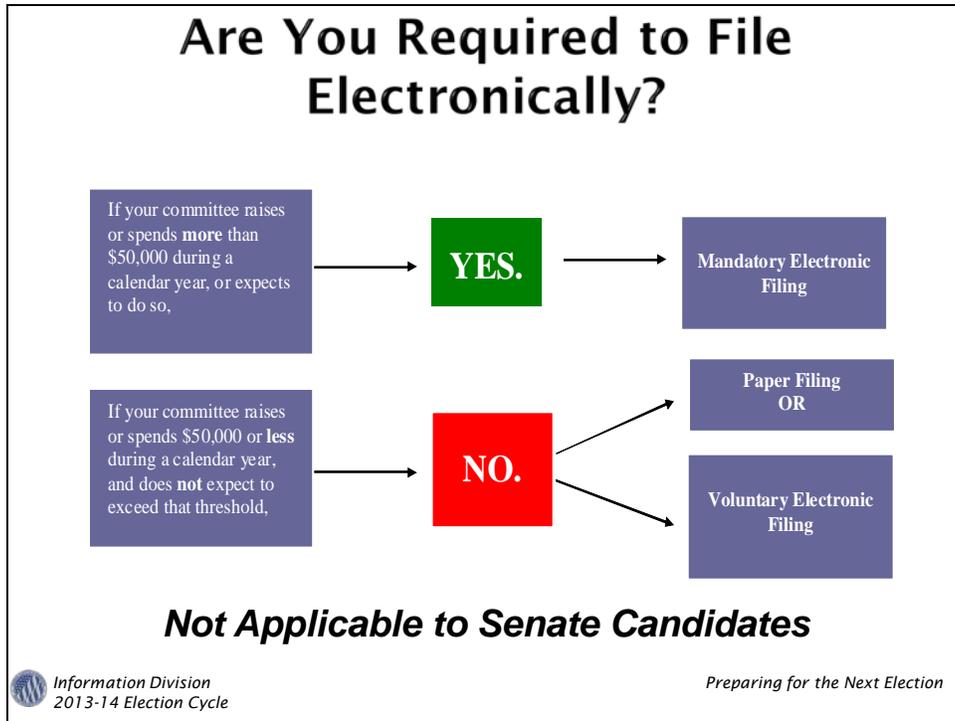
Reports	Coverage Dates	Due Date
April Quarterly	01/01/2014 - 03/31/2014	04/15/2014
July Quarterly	04/01/2014 - 06/30/2014	07/15/2014
October Quarterly	07/01/2014 - 09/30/2014	10/15/2014
Pre-General	10/01/2014 - 10/15/2014	10/23/2014
Post-General	10/16/2014 - 11/24/2014	12/04/2014
Year End (General Election candidates)	11/25/2014 - 12/31/2014	01/31/2015
Year End (non-General Election candidates)	10/01/2014 - 12/31/2014	01/31/2015

- B. During Election Year (even-numbered year)**
- 1. Congressional Candidates File Quarterly, plus Pre- and Post-Election Reports**
 2. Quarterly reports due April 15, July 15 and October 15 and January 31; Pre-Primary, Pre-General, Post-General.

2014 Election Year Quarterly Reporting Schedule

*For more info, visit
http://www.fec.gov/info/report_dates.shtml*

II. **Electronic Filing** (Guide, pp. 83-86)



- A. **Mandatory for:** Campaign committees of House and Presidential candidates must file all reports and statements electronically if their total contributions or expenditures exceed \$50,000 in a calendar year.
- B. **Voluntary for All Other Filers (including Senate Campaigns).** Must file paper copy of report with Secretary of Senate (statutory requirement).

Electronic Filing

- ▣ Campaign required to file electronically, but files on paper, is considered nonfiler
- ▣ “Reason to Expect”: Once campaign exceeds the threshold, it has reason to expect to exceed the threshold for the next two calendar years, and must continue filing electronically for the next two calendar years

C. Reason to Expect

1. **Once you exceed the threshold, you have reason to expect to exceed the threshold for the next two calendar years**, and must continue filing electronically for the next two calendar years (January through December).
2. **Exception:** A committee that met or exceeded the threshold and began filing electronically is not required to continue with electronic filing if it meets **all three** of the following requirements.
 - a) **\$50,000 or less** in net debts outstanding on January 1 of the year following an election
 - b) **Anticipates termination** prior to the next election year;
AND
 - c) Supports a candidate who has not qualified for the next election and does not intend to become a candidate in the next election.
3. Such committees **must continue to file electronically** for the calendar year in which they exceeded the threshold.

Sample Password Letter

This document serves as an official password request for the purpose of filing electronic reports for [ENTER YOUR COMMITTEE NAME]. The FEC-assigned, 9-digit Committee ID for this Committee is [ENTER YOUR COMMITTEE ID (e.g., C00123456)].

You may contact me at [ENTER YOUR VOICE PHONE HERE].

I represent that I am the duly appointed treasurer and have authority as such to sign FEC reports for the above committee.

Sincerely,

[PRINT TREASURER'S NAME] [TREASURER'S SIGNATURE]

D. Password Required

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

1. 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.

2. How Do You Get a Password?

- a) Send a password request letter (sample available online at <http://www.fec.gov/electfil/passwords.shtml>) by fax to 202-219-0674.
- b) If you can, use committee letterhead.
- c) Items to include in the request: committee name, 9 digit FEC ID number (e.g., C00123456), treasurer's name, phone number and signature.
- d) You will get your password over the phone.

3. How Long Does it Take?

- a) You can usually get one the same day. However, around the filing deadline, it can take longer since it is a busier period.
- b) We recommend you request your password as early in the process as possible. Try to avoid waiting until the report filing deadline to request one because you may not be able to get one in time to file before the deadline.

Sample Password Letter

For more info, visit
<http://www.fec.gov/elecfile/electron.shtml>

Outside FEC Jurisdiction

- ▣ Ballot Access :
Secretary of State's Office in candidate's home state
- ▣ Tax ID number :
IRS at 800/TAX-FORM (Form SS-4)
- ▣ Other Tax issues :
IRS Exempt Organizations Technical Division
- ▣ Candidate personal financial disclosure:
House/Senate ethics committee
- ▣ Broadcast rates/equal access rules:
FCC Media Bureau, Policy Division

How to Reach the FEC

FEC.gov, FECTube & Twitter

FECMail and info@fec.gov

FAXLINE: (202) 501-3413

Toll free information line:
(800) 424-9530

Objectives

- ✓ Explain basic rules regarding candidacy and registration
- ✓ Review contribution limits and prohibitions
- ✓ Outline reporting requirements