

FEDERAL ELECTION COMMISSION

Guidance Bulletin 2006-01

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“Purpose of Disbursement” Entries for Filings with the Commission

Summary:

This Bulletin provides guidance to political committees and others filing reports with the Commission regarding descriptions of their disbursements. It sets out a non-exhaustive list of “purpose of disbursement” entries that are generally acceptable, and a non-exhaustive list of terms that are generally not acceptable.

Contacts:

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Background and Guidance:

Political committees and other persons required to file campaign finance reports with the FEC must itemize certain disbursements and, for each itemized disbursement, must provide the full name and address of the recipient, the date the disbursement was made, and a brief statement or description of why the disbursement was made. *See* 2 U.S.C. 434(b); 11 CFR 104.3(b)(3) and (4), 104.10(b)(4), 104.17(b)(3) and 300.36(b)(2)(iii). The “purpose of disbursement” entry, when considered along with the identity of the disbursement recipient, must be sufficiently specific to make the purpose of the disbursement clear. 11 CFR 104.3(b)(3)(i)(B) and (4)(i)(A). The Commission’s regulation requiring a description of the purpose of each itemized disbursement includes examples of descriptions that are acceptable (*e.g.*, “dinner expenses,” “salary,” “travel expenses”) and examples that are unacceptable (*e.g.*, “advance,” “miscellaneous”). Neither list is exhaustive, and the latter list merely provides examples of descriptions that, in the Commission’s view, may not provide sufficient public disclosure regarding why a committee disbursed funds.

The Commission recognizes that the purpose of disbursement entries, when linked to information provided about the recipient of the payment, may provide sufficient disclosure. For example, a disbursement to an office supply vendor for the stated purpose of “Supplies” provides adequate and acceptable disclosure, while a disbursement to a committee staff member for the same purpose of “Supplies” would likely trigger a request for a more complete description of the purpose of the disbursement. In the former case, it is obvious to the reader what type of supplies were purchased, while in the latter case, it is not.

As a rule of thumb, filers should consider the following question: “Could a person not associated with the committee easily discern why the disbursement was made when reading the name of the recipient and the purpose?” For example, a person not associated with the committee could not easily discern the purpose of a disbursement made to a vendor for “Consulting” (unless the vendor’s name makes the purpose clear, *e.g.*, Smith Fundraising Consulting, Inc.). If the committee were to provide additional detail with respect to the type of consulting the vendor provided (*e.g.*, “Fundraising Consulting”), however, an unassociated person would have no difficulty discerning the purpose of the disbursement.

All campaign finance reports submitted to the FEC, including the entries for “purpose of disbursement,” are reviewed by analysts in the Reports Analysis Division (RAD). Some campaign finance reports, particularly those filed by presidential campaign committees accepting public funding, are also reviewed by auditors in the Audit Division. In practice, the RAD analysts and the Commission’s auditors often encounter “purpose of disbursement” entries that are not listed in the examples contained in 11 CFR 104.3(b)(3) and (4), and receive questions from filers regarding acceptable descriptions. Therefore, in order to provide further guidance to filers and to encourage consistency between filers, the Commission is publishing lists of additional generally acceptable and generally unacceptable descriptions. These lists are not binding and provide only general guidance. The ultimate decision regarding the adequacy of a purpose of disbursement entry rests with the Commission.

A committee’s use of a “description of purpose” listed as generally unacceptable might provide grounds for a RAD analyst to review a report more closely, but would not necessarily result in any particular Commission action. In most instances, the Commission will merely contact the reporting committee and the committee may then amend its report. In the rare circumstances in which the Commission deems it necessary to pursue the matter further, the Commission will conduct a separate review of the sufficiency of the description of purpose to determine whether it meets the requirements of 11 CFR 104.3(b).

Any future revisions to these lists will be posted on the Commission’s website at <http://www.fec.gov/law/policy.shtml#guidance>. Committees with questions can contact either their assigned RAD analyst (phone: (800) 424-9530 (press 5)) or the FEC Information Division (phone: (800) 424-9530 (press 6); e-mail: info@fec.gov).

Descriptions of purpose that provide sufficient detail:

- “Salary” for a disbursement to a staff member.
- “Media” for a disbursement to a television or radio communication company.
- “Polling” for a disbursement to a research/communications company.
- “Travel,” “Travel Expenses,” or “Travel Expense Reimbursement” for a disbursement to a staff member.
- “Printing” for a disbursement to a printing company.
- “Phone Banks” for a disbursement to vendor providing phone bank services.

- “Dinner Expense” for a disbursement to a restaurant.
- “Catering Cost” for a disbursement to a hotel or restaurant where a fundraiser was held.
- “Party Fees” or “Party Annual Dues” for a disbursement to a National Party Committee for their annual dues.
- “Exit Polling,” “Door-to-Door Get-Out-the-Vote,” “Get-Out-the-Vote PhoneCalls,” or “Driving Voters to the Polls” to individuals or vendors contracted for get-out-the-vote or voter registration activity.
- “Supplies” for a disbursement to an office supply vendor.

Purposes that generally lack sufficient detail:

Administrative Expenses
Admin.
Advance
Bonus
Bounty
Campaign Expense
Campaign Material
Charges
Collateral
Collateral Materials
Commission
Compensation (*other than committee staff*)
Consultant
Consulting
Consulting Non-FEA
Consulting Service
Contract
Contract Labor
Contractual Services
Convention Expenses
Convention Services
Costs
Delegate
Delegate Expenses
Design
Discount Fees
Election Day Expense
Entertainment
Event
Event Expense
Event Reimbursement
Event Supplies (*if to an individual*)
Expenses
Expense Reimbursement

Fees
Fundraising (*if to an individual*)
Fundraising Event
Fundraising Expense (*if to an individual*)
Fundraising Fees (*if to an individual*)
Fundraising Supplies (*if to an individual*)
General Advice
General Consulting
Generic Campaign Activity
Generic Consulting
Get-Out-The-Vote or GOTV
GOTV Expenses
GOTV Labor
Invoice
Labor
Literature
Meeting (*if to an individual*)
Meeting Expenses (*if to an individual*)
Meeting Supplies (*if to an individual*)
Miscellaneous or Misc.
Miscellaneous Expense
Office Expense (*if to an individual*)
Office Services
Outside Services
Operating Expenses
Other Expenses
Production
Professional Fees
Professional Fees – Consulting
Professional Services
Promotional Material
Publication
Push Card
Reimbursement
Rendered Service
Services
Services Rendered
State Convention
Supplies (*if to an individual*)
Voter Bounty
Voter Contact
Voter Drive
Voter Identification or Voter ID
Voter Registration
Worker

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