



Campaign Operations Part 3: Use of Campaign Funds


February 26, 2020
9:15 – 10:45 a.m.

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2019-20 Election Cycle

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Objectives – Part 3

- ▣ **Explore Use of Campaign Funds**
 - Reporting disbursements – operating expenses
 - Campaign travel
 - Use of corporate / organization facilities
 - Reimbursement of staff advances
 - Personal use / irrespective test
- ▣ **Examine restrictions on candidate involvement outside federal elections**

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USE OF CAMPAIGN FUNDS

I. Reporting Disbursements – Operating Expenditures - (11 CFR 104.3(b))

Reporting Disbursements


How to itemize disbursements


Always itemize:

- ✓ **Transfers to affiliated committees**
- ✓ **Loan repayments**
- ✓ **Loans made**
- ✓ **Contributions to other federal candidates**
- ✓ **Refunds of contributions to political committees**

Itemize all other disbursements when:

- ✓ **Aggregate > \$200 to the same payee in an election cycle**






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- A. How to itemize** (*Guide*, pp. 102-103)
- 1. Itemize regardless of amount:**
 - a) Transfers to affiliated committees;
 - b) Loan repayments;
 - c) Loans made; and
 - d) Contributions made to other federal candidates.
 - 2. All other disbursements:**
Itemize once payments to the same payee exceed \$200 when aggregated with other payments to same source during an election cycle
 - 3. Itemization information**
Include following information for each payee:
 - a) Name and mailing address;
 - b) Purpose of disbursement (a brief description of why the disbursement was made);
 - c) Date of disbursement; and
 - d) Amount of disbursement.

Purpose of Disbursement




Rule of thumb:

Could a reader discern why a payment was made by reading the description?

Non-exhaustive list available online at:

<https://www.fec.gov/help-candidates-and-committees/purposes-disbursement/>

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- B. Purpose of disbursement** (11 CFR 104.3(b)(3) and (4)); (*Guide*, p. 103)
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.
 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. **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. List is updated periodically and made available online:
<https://www.fec.gov/help-candidates-and-committees/purposes-disbursement/>

**SCENARIO #7: *Reporting Disbursements – Operating Expenditures* (Guide, pp. 103-106);
Credit Card Transactions (Guide, p. 105)**

Treasurer Ben Wyatt uses a campaign credit card to pay committee expenses. During the period covered by the April Quarterly Report, the campaign's Citibank VISA card has been used to pay the following expenses:

- 1. \$150 paid to JJ's Diner for food brought in for the January 15, 2020 monthly fundraising strategy breakfast. (This is the first payment to JJ's Diner in the current election cycle.)*
- 2. \$3,000 paid to Skyway Airlines for a flight Candidate Knope took on February 13, 2020.*

By not paying the credit card bill for a few months, the campaign incurred an additional \$24.50 in finance charges. On April 29, 2020, the campaign paid off the entire \$3,174.50.

1. How should the committee disclose credit card debt?

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

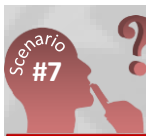
SCENARIO #7 – ANSWERS:

1. How should the committee disclose credit card debt?

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

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

Schedule D (outstanding debt): The debt to the credit card company should be disclosed on Schedule D in the same way as any other debts. List the credit card company as the debtor; be sure to reflect the outstanding debt amount at the close of the reporting period. Please note: no memo entries for specific credit card transactions should be listed on Schedule D.



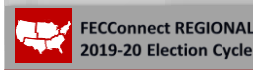
Part 1 of 3: Report Debt (April Q)

Credit Card
Debt

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

Schedule D, Line 10

SCHEDULE D (FEC Form 3) DEBTS AND OBLIGATIONS Excluding Loans				<small>(Use separate schedule(s) for each numbered line)</small>	<small>PAGE</small> <small>OF</small> <small>FOR LINE NUMBER: (check only one)</small> <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
NAME OF COMMITTEE (In Full) Leslie Knope for Congress					
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor Citibank VISA				Nature of Debt (Purpose): Credit card debt	
Mailing Address 301 10th Street, Suite 4500					
City New York	State NY	Zip Code 10001			
Outstanding Balance Beginning This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">0.00</div>					
Amount Incurred This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">3,150.00</div>		Payment This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">0.00</div>		Outstanding Balance at Close of This Period <div style="border: 1px solid black; padding: 2px; text-align: center;">3,150.00</div>	



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

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

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

Report debt payoff on Schedule D for Line 10. Campaign should disclose the service charge on the Citibank VISA debt as “Amount Incurred This Period” so that the payment amount includes outstanding debt and additional credit card service charge.

Scenario #7 **Part 2 of 3:**
Report Debt Payoff (July Q)

Credit Card Debt

Schedule D, Line 10

SCHEDULE D (FEC Form 3)		(Use separate schedule(s) for each numbered line)		PAGE 9 OF 10
DEBTS AND OBLIGATIONS				FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 9 <input type="checkbox"/> 10
Excluding Loans				
NAME OF COMMITTEE (In Full) Leslie Knope for Congress				
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor Citibank VISA		Nature of Debt (Purpose): Credit card debt		
Mailing Address 301 10th Street, Suite 4500				
City New York	State NY	Zip Code 10001		
Outstanding Balance Beginning This Period 3,150.00				
Amount Incurred This Period 24.50		Payment This Period 3,174.50		Outstanding Balance at Close of This Period 0.00

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Report credit card payment on Schedule B for Line 17. Disclose total payment to the credit card with the Date of Disbursement as the date the committee pays credit card bill.

- **Report itemization of vendor (Skyway Airlines)** as a MEMO entry (check the “Memo Item” box). The Date of Disbursement is the date of the flight; in the Amount of Each Disbursement this Period box, include notation, “Citibank VISA” as a cross-reference to the credit card payment.
- **Report itemization of service charge (Citibank VISA)** as a MEMO entry (check the “Memo Item” box). In the Amount of Each Disbursement this Period box, include notation, “Citibank VISA” as a cross-reference to the credit card payment.

NOTE: The \$150 payment to JJ’s Diner does not require itemization, as the committee’s payments to this vendor did not aggregate over \$200 in the election cycle.

Note for electronic filers: Certain types of electronic filing software may not allow you to include a portion of memo entries underlying each partial payment on a credit card debt on each report where your committee is showing a repayment. For example, some software only allow you to include all memo entries on the first report where you show a partial payment, but may not allow you to include any memo entries on the next report(s) where you show subsequent repayment(s). In this case, please add a note saying so using Memo Text on each report where this applies to avoid RFAs from your Campaign Finance Analyst.

Scenario #7

**SCHEDULE B (FEC Form 3)
ITEMIZED DISBURSEMENTS**

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

FOR LINE NUMBER: (check one) ☒ 17 ☐ 18 ☐ 19a ☐ 19b ☐ 20a ☐ 20b ☐ 21

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

NAME OF COMMITTEE (In Full)
Leslie Knope for Congress

Full Name (Last, First, Middle Initial)

A. Citibank VISA
Mailing Address: **301 10th Street, Suite 4500**
City: **New York** State: **NY** Zip Code: **10001**
Purpose of Disbursement: **Credit card payment**
Candidate Name: _____
Office Sought: ☐ House ☐ Senate ☐ President
Disbursement For: ☒ Primary ☐ General ☐ Other (specify) _____
State: _____ District: _____
Full Name (Last, First, Middle Initial)

Date of Disbursement: **04 / 29 / 2020**
FEC Identification Number: **C**
Amount of Each Disbursement this Period: **3,174.50**
☐ Memo Item

B. Skyway Airlines
Mailing Address: **301 Airport Way**
City: **Pawnee** State: **IN** Zip Code: **47998**
Purpose of Disbursement: **Travel expense – Feb fundraiser**
Candidate Name: _____
Office Sought: ☐ House ☐ Senate ☐ President
Disbursement For: ☒ Primary ☐ General ☐ Other (specify) _____
State: _____ District: _____
Full Name (Last, First, Middle Initial)

Date of Disbursement: **02 / 13 / 2020**
FEC Identification Number: **C**
Amount of Each Disbursement this Period: **3,000.00**
☒ Memo Item **Citibank VISA**

C. Citibank VISA
Mailing Address: **301 10th Street, Suite 4500**
City: **New York** State: **NY** Zip Code: **10001**
Purpose of Disbursement: **Credit card finance charge payment**
Candidate Name: _____
Office Sought: ☐ House ☐ Senate ☐ President
Disbursement For: ☒ Primary ☐ General ☐ Other (specify) _____
State: _____ District: _____
Full Name (Last, First, Middle Initial)

Date of Disbursement: **04 / 10 / 2020**
FEC Identification Number: **C**
Amount of Each Disbursement this Period: **24.50**
☒ Memo Item **Citibank VISA**

Credit Card Debt

**Part 3 of 3:
Report
Payment
(July Q)**

**Schedule B,
Line 17**

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Key issues:

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

II. Campaign Travel – (11 CFR 100.93) (*Guide*, pp. 67-71)

Travel: Use of Private Aircraft

Campaign use of non-commercial aircraft:

House candidates (+ House leadership PACs)	• Prohibited *
Presidential/VP & Senate candidates	• Only if charter rate paid
Other leadership PACs	• 1 st class/coach/charter (based on origin/destination cities)

**** Exception for use of candidate/family-owned aircraft ****

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A. General guidelines

1. The rules governing the use of non-commercial aircraft by campaign travelers differ depending on whether an individual is traveling on behalf of:
 - a) House candidate or the leadership PAC of a House candidate;
 - b) Senate / Presidential / Vice Presidential candidate; or
 - c) Any other political committee (i.e., party committee, separate segregated fund, nonconnected PAC, or leadership PAC of a Senate or Presidential candidate).
2. **Exceptions / separate rules for:**
 - a) Government operated aircraft; and
 - b) Candidate or immediate family member owns or leases aircraft.
3. **Commercial travel**
When usual and normal charge available (i.e., specified fee by route, mileage or date and time of use) travel is generally considered “commercial travel.”
4. **Non-commercial travel**
Travel aboard any conveyance that is not “commercial” as defined above.

Travel: Use of Private Aircraft

House candidates

▣ Travel on non-commercial aircraft

PROHIBITED

- Even if 3rd party pays as in-kind contribution

▣ Can pay for air travel only if the aircraft is operated by:

- A commercial air carrier
- Federal/state government entity



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B. House candidates/leadership PACs of House Members (*Guide*, p. 68)

1. Use of non-commercial aircraft prohibited

Campaign travelers traveling on behalf of House candidate, their authorized committees and leadership PACs **are prohibited from using non-commercial aircraft**.

- a) The campaign traveler may travel only on aircraft operated by a:
 - (1) Commercial air carrier; or
 - (2) Federal or state government entity.
- b) Prohibition cannot be avoided by candidate personal funds payment to the service provider or third-party payments treated as an “in-kind” contribution. (e.g., individual may not pay for House candidate to take campaign-related flight on private aircraft).
- c) House candidates **may** travel on non-commercial aircraft when traveling on behalf of another committee (i.e., Presidential, Senate, party committees, etc.) but **may NOT** travel on non-commercial aircraft when traveling on behalf of their own campaigns or leadership PACs.

2. Use of government conveyance (*Guide*, p. 69)

Campaign travelers traveling on behalf of a candidate, their authorized committee or House leadership PAC must reimburse a government entity for travel on any government-operated aircraft at either the “per candidate campaign traveler” or “private traveler reimbursement” rates.

(For more information, *see* *FEC Record*:

<https://www.fec.gov/resources/record/2010/jan10.pdf>.

Travel: Use of Private Aircraft

Presidential/Senate candidates

- ▣ Reimburse non-commercial provider
 - At the usual charter rate for comparable aircraft
 - At the pro rata share per campaign traveler
 - Attribution reflects benefit derived by each candidate
- ▣ Travel with non-campaign traveler: campaign(s) must pay entire charter fare (except media/security)
- ▣ Payment must be made no later than 7 days after flight began



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C. Use of non-commercial aircraft (*Guide*, p. 67)

1. Basic rule

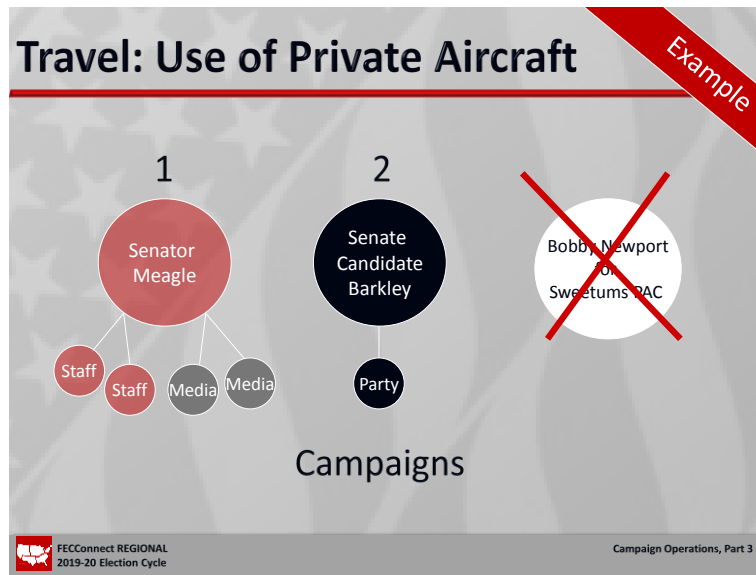
- a) No contribution results if political committee on whose behalf the travel is conducted pays the provider the full value of the travel by all campaign travelers who travel on behalf of that committee.
- b) Reimbursement must be provided **no later than seven (7) calendar days after the date the flight began** at one of the following rates to avoid the receipt of an in-kind contribution from service provider.

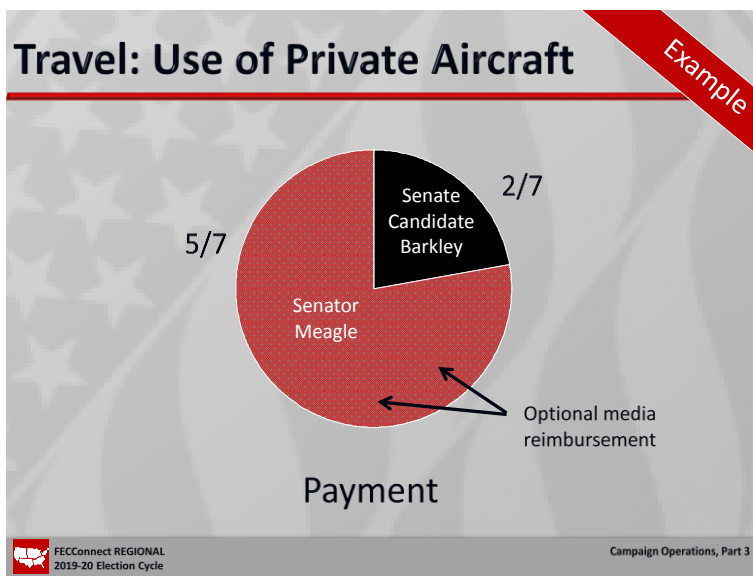
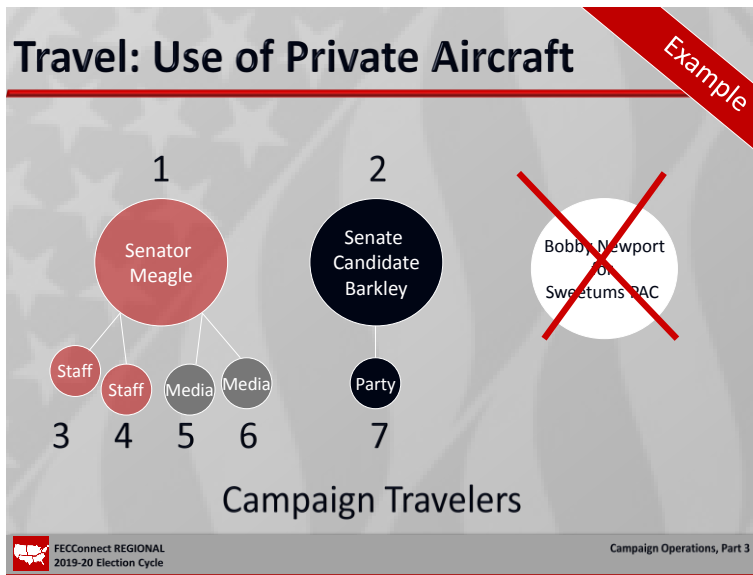
2. Presidential/senate candidates (*Guide*, pp. 67-68)

Campaign travelers using non-commercial aircraft to travel on behalf of Presidential and Senate candidates and their authorized committees (including the candidate) must reimburse the provider of the aircraft at the *pro rata share* of normal and usual charter fare for comparable aircraft of comparable size.

- a) **“Comparable aircraft of comparable size”:** An aircraft of similar make and model with similar amenities to the plane actually used.
- b) ***Pro rata share*:** Determine *pro rata share* by dividing the normal and usual charter rate by the number of campaign travelers who represent candidates or authorized committees.
 - (1) Includes all campaign travelers (including candidate and security).

- (2) Candidate need not be on flight.
- (3) If more than one campaign represented on flight, determine how many are traveling on behalf of each.
- c) **Attribution** reflects proportion of benefit derived by each candidate (not necessarily equal).
- d) **Travel with non-candidate campaign traveler:**
 - (1) Generally, candidate(s) must pay the cost of the entire charter fare. Non-candidate campaign travelers – such as PAC or party committee representatives – may not relieve any of the candidate’s payment obligation.
 - (2) **News media or government-provided security personnel** may pay, but not more than their *pro rata share* of the travel cost. Reimbursement may be made to service provider or campaign committee and does not result in an in-kind contribution.
- e) **Note:** these rules do not apply to Presidential/Senate leadership PACs (*see* section on “Other political committees” below).






3. **Other political committees (i.e., Presidential/Senate leadership PACs)**
(Guide, p. 68)
 - a) No payment is required if campaign travelers are traveling on behalf of a Presidential or Senate candidate's leadership PAC, party committee, separate segregated fund or nonconnected PAC if a Presidential or Senate campaign committee pays for flight on non-commercial aircraft. (See section above)
 - b) Otherwise, campaign traveler must pay the service provider no less than the following (formulae determined by travel cities):
 - (1) **Travel between cities with regularly scheduled first-class air service:** Lowest unrestricted and non-discounted first-class air fare.


- (2) **Travel between cities served by regularly schedule coach service but *not* regularly scheduled first-class airline service:** Lowest unrestricted and non-discounted coach airfare.
 - (3) **Travel between cities not served by regularly scheduled commercial airline service:** Usual charter rate for comparable commercial aircraft of sufficient size to accommodate campaign travelers, and security personnel if applicable.
 - c) **Date of public availability**
Payment must be the rate available to the general public for the dates traveled or within seven (7) calendar days.
- D. **Exception for aircraft owned by candidate or candidate's immediate family**
Prohibitions on expenditures for use of non-commercial aircraft do not apply if candidate or "immediate family member" owns/leases aircraft and candidate's use is equal to or less than proportionate ownership share.
 - 1. **Terms defined**
 - a) **"Immediate family member"** = husband, wife, father, mother, son, daughter, brother, sister, father-in-law, mother-in-law of the candidate.
 - b) **"Proportional ownership share"** = amount of use to which candidate/family is entitled under ownership/lease agreement.
 - 2. **Reimbursement rate -- wholly owned by candidate/family**
Reimburse the *pro rata share* of the costs associated with the trip (or report as in-kind, to extent within individual's limit).
 - 3. **Reimbursement rate – shared ownership aircraft**
 - a) **If travel use is within candidate/family share:** Reimburse at hourly, mileage or other applicable rate charged to the candidate for the costs of the travel.
 - b) **If travel use is in excess of candidate/family share:**
 - (1) **Senate/Presidential candidates:** Excess flight time reimbursed at the *pro rata share* of the charter rate for the flight (like any other non-commercial flight).
 - (2) **House candidates:** Prohibited.
- E. **Recordkeeping**
 - 1. **Travel on non-commercial aircraft**
The political committee on whose behalf the travel is conducted shall maintain documentation of:
 - a) Service provider and size, model and tail number (or other unique identifier) for military aircraft of aircraft used;
 - b) Itinerary showing departure and arrival cities, list of all passengers on trip, including designation of campaign travelers and security personnel; and
 - c) **Reimbursement rate**
 - (1) Rate for comparable charter aircraft, including the airline, charter or air taxi operator and travel service, if any, offering that fare to the public on dates on which the rates are based; or

- (2) Private traveler rate available and the dates on which the rates are based.
2. **Travel on aircraft owned by candidate/family**
Campaign should also maintain documentation of the:
 - a) **Ownership/lease agreement.** Documentation of the amount of aircraft use corresponding to the candidate/family's ownership interest in the aircraft.
 - b) **Pre-flight certification.** Prior to each flight, campaign committee must obtain certification from service provider that the candidate's planned use of aircraft will not exceed candidate/family's proportional share under ownership/lease agreement.

Travel: Other than Aircraft

- ▣ Pay the usual & normal charge
- ▣ Due within 30 days of invoice receipt
- ▣ Pay no later than 60 days after travel began



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- F. Other means of transportation** (*Guide*, p. 69)
1. Campaign travelers' use of transportation other than aircraft (i.e., limo, train, boat, bus).
 2. Reimbursement rate at usual and normal rental charge for a comparable conveyance of sufficient size to accommodate all campaign travelers, including members of the news media traveling with a candidate, and security personnel, if applicable.
 3. Payment must be made within 30 calendar days after the date of receipt of the invoice for the travel, but not later than 60 calendar days after date travel began.

III. Campaign Use of Corporation, Labor/Membership Organization, or Trade Association Facilities and Resources

A. Use of facilities/resources for campaign event

A candidate event to which the general public is invited may take place at the corporation/organization/association's facilities, provided that a permissible source (such as an individual, campaign, or the organization SSF) pays for the event.

Campaign Use of Corp/Org Facility

- ▣ **Advance payment required for:**
 - Staff time
 - Mailing list
 - Food service
 - Everything, if SSF pays
- ▣ **Reimbursement for other resources:**
 - Office space
 - Equipment/supplies


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1. **Advance payment** (payment before the services are provided) is required for the use of the following expenses.
 - a) **Staff.** Services of corp/org personnel directed to carry out candidate fundraising activities as part of their job. Value of services includes salary, benefits and overhead.
 - b) **Mailing list.** Lists of clients, customers or vendors used for soliciting contributions or distributing fundraiser invitations.
 - c) **Food services.** Catering or other food services arranged for or provided by the corp/org.
 - d) **If SSF (PAC sponsored by corporation, member/labor organization or trade association) is paying.** Advance payment is required for use of the above plus all other facilities (e.g., meeting rooms).

2. **Reimbursement** (payment after the fact)
Campaign may use other corp/org facilities and reimburse at the usual and normal charge within a commercially reasonable time (i.e., meeting rooms, office furniture and equipment).

Campaign Use of Corp/Org Facility

- ▣ **Payment issues**
 - Funds must be from federally permissible source
 - Paid by campaign = operating expenditure
 - Paid by PAC or individual = in-kind contribution

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3. **Payment issues**
- a) **Source of payment**
Payment must be made by one of following sources: candidate, corp/org's SSF, party, individual or some other permissible source.
 - b) **Result of payment**
 - 1) Payment by campaign is reported as an operating expenditure.
 - 2) Payment by others is considered an in-kind contribution to candidate.

Employee Volunteer Activity

- ▣ **Incidental use**
 - Activity that doesn't prevent normal work
 - Safe harbor: 1 hour/week or 4 hours/month
- ▣ **Reimbursement**
 - For increased overhead, or
 - If more than incidental use, reimburse entire cost of using corp/org facilities
- ▣ **Employee "asked" to volunteer – incidental use exceptions do **NOT** apply!**



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4. **Employee/member use of workplace for volunteer activity**

Employees of corp/org (and members and officials of organization) may make "incidental use" of facilities for their own individual volunteer activity in connection with federal elections.

a) **What is "Incidental Use?"**

- 1) "Incidental use" means use that does not prevent employee or organization from completing normal work that would be completed during that period.
- 2) **Safe Harbor:** 1 hour per week or 4 hours per month.

b) **Reimbursement**

- 1) Individual must reimburse organization for any increased overhead.
- 2) If more than incidental use - individual must reimburse organization the entire cost of using the facilities within commercially reasonable time.

B. **Candidate appearances at corporation/organization/association facility**

Although corporations (including incorporated trade associations and membership organizations) and labor organizations are prohibited from using treasury funds to make contributions in connection with federal elections, they are permitted to sponsor:

- Certain election-related communications to other employees and/or the general public as long as they are not coordinated with a candidate.
- Communications to the restricted class (see definition below) that contain express advocacy and may be coordinated with a candidate.

1. **Candidate appearance before the “restricted class”**
 - a) **Restricted class defined**
 - 1) **Corporations:** Stockholders, executive and administrative personnel, and families of both groups.
 - 2) **Labor organizations:** Members, executive and administrative personnel of organization, and family of both groups.
 - 3) **Membership organizations:** Noncorporate members, representatives of corporate members, executive and administrative personnel, and family of all three groups.
 - 4) **Trade associations:** Executive and administrative personnel and noncorporate members, representatives of corporate members with whom association normally conducts business.
 - b) **At the event**
 - 1) Candidate and corporation/union/organization can expressly advocate for candidate.
 - 2) Candidate and corporation/union/organization can solicit contributions.
 - 3) Candidate may collect contributions at event.
 - 4) Corporation/union/organization prohibited from collecting funds.
 - 5) SSF may act as conduit for earmarked contributions (special rules apply). See 11 CFR 110.6 and 114.2(f).
2. **Candidate appearance to all employees/members**
 - a) **Open to individuals beyond the “restricted class”**

Rank and file employees/full membership but NOT the general public
 - b) **At the event**
 - 1) Candidate and corporation/union/organization can expressly advocate.
 - 2) Candidate can solicit contributions.
 - 3) NO funds may be collected at the event; the candidate may leave envelopes and campaign materials for the audience.
 - 4) Corporation/union/organization may not coordinate communication with campaign, except regarding structure, timing and format of event.
 - 5) “Coordination” on other issues (i.e., candidate’s projects, plans, needs) would result in prohibited in-kind contribution

IV. Reimbursements for Advances of Personal Funds (*Guide*, p. 15)

Advances of personal funds by candidate, staff or volunteers is an in-kind contribution until reimbursed.

Reimbursing Staff Advances

- ▣ **Non-travel advance**
Counts as contribution until reimbursed
- ▣ **Travel advance**
Exempt if repaid on time
 - Cash/check: w/in 30 days;
 - Credit card: w/in 60 days of statement closing date)
- ▣ **Application to official staff**
Prohibition on making contributions to employing Member

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A. Exception for reimbursed travel (*Guide*, p. 41)

Exempt if reimbursed within specific time limit. If paid by:

1. Cash - reimburse within 30 days.
2. Personal credit card - reimburse w/in 60 day of closing date on billing statement.

B. Application to official staff (*Guide*, p. 15)

1. Prohibits member of a Representative's or Senator's official staff from making contributions to his employing Member. 18 U.S.C. §603 (criminal statute under jurisdiction of the Department of Justice).
2. Official staff should not advance personal funds (unless for travel per rules above) even if intending to be reimbursed later.

SCENARIO #8: *Staff Advances for Travel Expenses (Guide, pp. 100-101)*
 Staff Advances for Non-Travel Expenses (Guide, pp. 98-99)
 Unreimbursed Expense Paid by Candidate

SCENARIO #8A: *Staff Advances for Travel Expenses (Guide, pp. 100-101)*

Tom Haverford, the Communications Manager for Leslie Knope's campaign, used his personal credit card on April 3, 2020, to purchase a \$550 airline ticket to represent the committee at a campaign event. The committee will reimburse him, but not for at least 6 months, until more contributions are received.

- 1. How should the committee disclose the first transaction (airline ticket)? Since the committee has not yet made the reimbursement, what issues must they consider when deciding how to disclose it?**

- 2. Is any additional disclosure necessary?**

SCENARIO #8A – ANSWERS:

- How should the committee disclose the first transaction (airline ticket)? Since the committee has not yet made the reimbursement, what issues must they consider when deciding how to disclose it?**

When a staff member advances funds in connection with travel expenses, no contribution results as long as the committee makes the reimbursement either within 30 days of when expenses were incurred (for advances by cash or check); or within 60 days of the closing date on the credit card billing statement (for advances by credit card). This is unlike a non-travel advance which is considered an in-kind contribution at the moment the individual advances the funds and counts towards the individual's limit until it is reimbursed.

Tom used a personal credit card for his travel, and since the campaign is not reimbursing him within the 60 day period of the credit card statement closing date, a contribution from Tom results.

Report the advance as a contribution: show reporting on Schedule A for Line 11(a)(i) and, since no money went into the campaign account, disclose as a MEMO entry (check the “Memo Item” box). The Date of Receipt is the date the funds are advanced (the date Tom uses his credit card to purchase the ticket); also, include a notation indicating, “Travel advance to be reimbursed.”

Scenario #8A

Part 1 of 4: Report Advance as Contribution (Pre-Primary)

Staff Advance: Travel

☒ **Used for travel advances not reimbursed within 30 or 60 days**

Schedule A, Line 11(a)(i)

SCHEDULE A (FEC Form 3)

ITEMIZED RECEIPTS

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

FOR LINE NUMBER: (check only one)

<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c	<input type="checkbox"/> 11d	<input type="checkbox"/> 15
<input type="checkbox"/> 12	<input type="checkbox"/> 13a	<input type="checkbox"/> 13b	<input type="checkbox"/> 14	

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NAME OF COMMITTEE (In Full)

Leslie Knope for Congress

Full Name (Last, First, Middle Initial)

A. Tom Haverford

Mailing Address

701 Elm Street

City **Pawnee** State **IN** Zip Code **47998**

FEC ID number of contributing federal political committee. C

Name of Employer **Leslie Knope Campaign** Occupation **Communications Manager**

Receipt For: ☒ Primary ☐ General ☐ Other (specify) ▼

Election Cycle-to-Date 0.00

Date of Receipt

04 / 03 / 2020

Amount of Each Receipt this Period

550.00

☒ **Memo Item**

Travel advance to be reimbursed


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2. Is any additional disclosure necessary?

Yes. Until the campaign reimburses Tom, it must disclose the outstanding advance as a debt. When the committee eventually pays off the advance/debt to the staff member, the payment should be reflected on Schedule D and as an operating expense on Schedule B for Line 17.

Report initial debt: show reporting on Schedule D for Line 10. Include a notation indicating, “travel advance – to be reimbursed.”

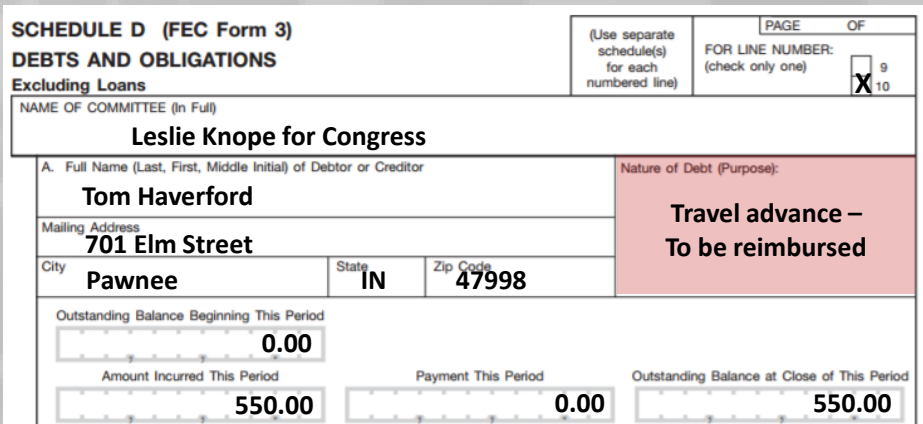


Part 2 of 4:
Report Advance as Debt (Pre-Primary)


**Staff Advance:
Travel**

☒ **Used for:**

- **Reporting as debt until reimbursed if > \$500 or outstanding > 60 days**
- **Advances not made and reimbursed within same reporting period**



**Schedule D,
Line 10**



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Report advance/debt payment: On Schedule B for Line 17 (Operating Expenditures), the payment should also be disclosed. On Schedule D for Line 10, show the payment amount in the field for “Payment this Period.”

NOTE: If the total amount of the travel advance reimbursed to the staff member exceeded \$500 and payments to any one vendor used for the expenses totaled over \$200 for the election cycle, the payment to the vendor would need to be itemized as a MEMO entry (check the “Memo Item” box) linked to the staff member who was reimbursed.

See reporting examples on next page

Scenario #8A **Part 3 of 4:**
Report Reimbursement (Pre-General)

Staff Advance: Travel

Schedule B, Line 17

SCHEDULE B (FEC Form 3)
ITEMIZED DISBURSEMENTS

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

FOR LINE NUMBER: (check only one) ☒ 17 ☐ 18 ☐ 19a ☐ 19b ☐ 20a ☐ 20b ☐ 20c ☐ 21

PAGE OF

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NAME OF COMMITTEE (In Full)
Leslie Knope for Congress

A. Tom Haverford

Full Name (Last, First, Middle Initial)
701 Elm Street

Mailing Address
Pawnee State **IN** Zip Code **47998**

Purpose of Disbursement
Reimbursement for airline ticket

Candidate Name

Office Sought: ☐ House ☐ Senate ☐ President

Disbursement For: ☒ Primary ☐ General ☐ Other (specify) _____

State: District: _____

Date of Disbursement
10 / 03 / 2020

FEC Identification Number
C

Amount of Each Disbursement this Period
550.00

☐ Memo Item

B. Skyway Airlines

Full Name (Last, First, Middle Initial)
301 Airport Way

Mailing Address
Pawnee State **IN** Zip Code **47998**

Purpose of Disbursement
Airline ticket

Candidate Name

Office Sought: ☐ House ☐ Senate ☐ President

Disbursement For: ☒ Primary ☐ General ☐ Other (specify) _____

State: District: _____

Date of Disbursement
04 / 03 / 2020

FEC Identification Number
C

Amount of Each Disbursement this Period
550.00

☒ Memo Item

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Scenario #8A **Part 4 of 4:**
Report Debt Payoff (Pre-General)

Staff Advance: Travel

Schedule D, Line 10

SCHEDULE D (FEC Form 3)
DEBTS AND OBLIGATIONS

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

PAGE OF

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

Excluding Loans

NAME OF COMMITTEE (In Full)
Leslie Knope for Congress

A. Full Name (Last, First, Middle Initial) of Debtor or Creditor
Tom Haverford

Nature of Debt (Purpose):
Travel advance – reimbursed

Mailing Address
701 Elm Street

City
Pawnee State **IN** Zip Code **47998**

Outstanding Balance Beginning This Period
550.00

Amount Incurred This Period
0.00

Payment This Period
550.00

Outstanding Balance at Close of This Period
0.00

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SCENARIO #8B: *Staff Advances for Non-Travel Expenses (Guide, pp. 98-99)*

On April 20, 2020, campaign volunteer Ron Swanson writes a \$750 personal check to pay for office supplies. He submits the receipt to Treasurer Ben Wyatt that same day and is reimbursed on April 30, 2020.

- 3. How should the committee disclose the second transaction (office supplies)? Since it has been reimbursed by the end of the reporting period, do they need to disclose the advance and/or the reimbursement?**

- 4. Does the advance result in a contribution from Ron Swanson? If so, does the resulting contribution need to be disclosed?**

SCENARIO #8B – ANSWERS:

3. How should the committee disclose the second transaction (office supplies)? Since it was reimbursed by the end of the reporting period, do they need to disclose the advance and/or the reimbursement?

When a member of the campaign staff advances their own money to pay for a non-travel expense on behalf of the campaign, the advance is considered a contribution and counts against the individual's limit until reimbursed.

When the reimbursement is made in the same reporting period and the payments to that person aggregate over \$200 for the election cycle, then the committee must:

- 1) Report the staff member as payee, and
- 2) Itemize any payment aggregating over \$200 to any one vendor

Report reimbursement to staff member: show reporting on Schedule B for Line 17. The Date of Disbursement is the date the campaign reimburses the staff member.

Report itemization to vendor: show reporting on Schedule B for Line 17 as MEMO entry (check the "Memo Item" box). The Date of Disbursement is the date the staff member pays the vendor (here, it is the date the check was written).

Scenario #8B

Part 1 of 1:

Report Reimbursement (July Q)

**Staff Advance:
Non-Travel**

SCHEDULE B (FEC Form 3)
ITEMIZED DISBURSEMENTS

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

FOR LINE NUMBER: (check only one) ☒ 17 ☐ 18 ☐ 19a ☐ 19b ☐ 20a ☐ 20b ☐ 20c ☐ 21

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NAME OF COMMITTEE (in Full)
Leslie Knope for Congress

Full Name (Last, First, Middle Initial)
A. Ron Swanson

Mailing Address
401 Maple Avenue

City
Pawnee State **IN** Zip Code **47998**

Purpose of Disbursement
Reimbursement for office supplies

Candidate Name

Office Sought: ☐ House ☐ Senate ☐ President

Disbursement For: ☒ Primary ☐ General ☐ Other (specify) ▼

State: District:

Date of Disbursement
04 / 30 / 2020

FEC Identification Number
C

Amount of Each Disbursement this Period
750.00

☐ Memo Item

Full Name (Last, First, Middle Initial)
B. Staples

Mailing Address
900 State Street

City
Pawnee State **IN** Zip Code **47998**

Purpose of Disbursement
Office supplies

Candidate Name

Office Sought: ☐ House ☐ Senate ☐ President

Disbursement For: ☒ Primary ☐ General ☐ Other (specify) ▼

State: District:

Date of Disbursement
04 / 20 / 2020

FEC Identification Number
C

Amount of Each Disbursement this Period
750.00

☒ Memo Item

**Schedule B,
Line 17**

**Made and
reimbursed
in same
period**

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4. Does the advance result in a contribution from Ron Swanson? If so, does the resulting contribution need to be disclosed?

Yes, until the advance is reimbursed. Any non-travel advance is considered an in-kind contribution at the time it is made – unlike a travel advance which only results in a contribution if it is not reimbursed within the appropriate timeframe. The advance affects contribution limits to the extent that the advance remains outstanding – any reimbursement made will reinstate the individual’s limit accordingly.

For example, if Ron had already contributed \$2,800 to the campaign for the primary, his \$750 payment for office supplies would have resulted in an excessive contribution the moment the funds were advanced, even if the campaign reimbursed him an hour later and thus remedied the excessive contribution. On the other hand, if the non-travel advance was the first time Ron provided any monetary support to the campaign, the payment to Staples would have resulted in a \$750 in-kind contribution – decreasing the amount he could then contribute to, or advance on behalf of, the campaign to \$2,050 (while his reimbursement was outstanding). Once Ron received his full \$750 reimbursement from the campaign, he could again contribute or advance up to the \$2,800 limit.

The original advance is reported as a contribution *only if* the total advanced from the individual, minus any reimbursements made as of the end of the reporting period, aggregate over \$200 for the election cycle (i.e., previous contributions + the advance – the reimbursement > \$200). Since the amount outstanding to Ron at the end of the reporting period is \$0, the advance is not disclosed as a contribution on Schedule A.

SCENARIO #8C: *Unreimbursed Expense Paid by Candidate*

Candidate Leslie Knope is hosting a fundraising breakfast on September 22, 2020. Instead of using the campaign credit card, Leslie writes a personal check for \$950 to JJ’s Diner to pay for waffles, coffee, tea and juice for the event. Leslie does not wish to be reimbursed.

5. How should the committee disclose the third transaction (unreimbursed expense paid by the candidate)?

SCENARIO #8C – ANSWERS:

5. How should the committee disclose the third transaction (unreimbursed expense paid by the candidate)?

Leslie Knope's campaign committee must disclose disbursements from personal funds made by Candidate Knope on behalf of her committee, just as it would disclose any other disbursement that it makes. Since Leslie is not seeking reimbursement, paying for the food for the fundraiser results in an in-kind contribution.

NOTE: In-kind contributions reported as a receipt (Schedule A) and also as disbursement (Schedule B as "Operating Expenditure") in order to avoid inflating the cash-on-hand.

Out of pocket spending by the candidate, as an agent of his/her committee, requires memo entry itemization of the ultimate payee if the aggregate amount of payments to a vendor exceeds \$200 for the election cycle. Each memo entry must include the name and address of the vendor to which payment was made and the date, amount and purpose of the payment. *Interpretive Rule on Reporting Ultimate Payees of Political Committee Disbursements* at https://transition.fec.gov/law/cfr/ej_compilation/2013/notice2013-09.pdf

Report candidate out-of-pocket expense: show reporting on Schedule A for Line 11(d) "Contributions from the Candidate." Include notation indicating the contribution is "IN-KIND."

Scenario #8C

Unreimbursed Candidate Advance

Part 1 of 2: Report Advance as In-Kind (October Q)

Schedule A, Line 11(d)

SCHEDULE A (FEC Form 3)
ITEMIZED RECEIPTS

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

FOR LINE NUMBER: (check only one)

<input type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c	<input checked="" type="checkbox"/> 11d	<input type="checkbox"/> 11e
<input type="checkbox"/> 12	<input type="checkbox"/> 13a	<input type="checkbox"/> 13b	<input type="checkbox"/> 14	<input type="checkbox"/> 15

NAME OF COMMITTEE (In Full)
Leslie Knope for Congress

Full Name (Last, First, Middle Initial)
Leslie Knope

A. Mailing Address
210 Park Street

City
Pawnee State
IN Zip Code
47998

FEC ID number of contributing federal political committee.
C

Name of Employer
Pawnee Dept of Parks & Rec Occupation
Deputy Director


Receipt For:
☐ Primary
☒ General
☐ Other (specify) ▼

Election Cycle-to-Date
56,950.00

Date of Receipt
09 / 22 / 2020

Amount of Each Receipt this Period
950.00


☐ Memo Item **IN-KIND**
Food for fundraising breakfast



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Report itemization to vendor: show reporting on Schedule B for Line 17. Itemize vendor as MEMO entry (check the “Memo Item” box). The Date of Disbursement is the date the candidate pays the vendor (here, it is the date the check was written). Itemize candidate as source of advance and in the Purpose of Disbursement box, include notation indicating the contribution is “in-kind.”



Part 2 of 2: Report Disbursement as In-Kind (October Q)

Unreimbursed
Candidate Advance

SCHEDULE B (FEC Form 3) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE OF
			<input checked="" type="checkbox"/> 17	<input type="checkbox"/> 18 <input type="checkbox"/> 19a <input type="checkbox"/> 19b <input type="checkbox"/> 20a <input type="checkbox"/> 20b <input type="checkbox"/> 20c <input type="checkbox"/> 21
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.				
NAME OF COMMITTEE (in Full) Leslie Knope for Congress				
A. Leslie Knope Full Name (Last, First, Middle Initial) Mailing Address 210 Park Street City Pawnee State IN Zip Code 47998			Date of Disbursement 09 / 22 / 2020 FEC Identification Number C Amount of Each Disbursement this Period 950.00 <input type="checkbox"/> Memo Item	
Purpose of Disbursement Food for fundraising breakfast 9/22/20: in-kind Candidate Name Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ State: _____ District: _____				
B. JJ's Diner Full Name (Last, First, Middle Initial) Mailing Address 122 Sunderland City Pawnee State IN Zip Code 47998			Date of Disbursement 09 / 22 / 2020 FEC Identification Number C Amount of Each Disbursement this Period 950.00 <input checked="" type="checkbox"/> Memo Item	
Purpose of Disbursement Food for fundraising breakfast 9/22/20 Candidate Name Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ State: _____ District: _____				



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Key issues:


- **Travel advances:**
 - A travel advance is not considered a contribution if repaid within the appropriate timeframe:
 - Within 30 days from when the expense was incurred (for advances of cash or check); or
 - Within 60 days of the closing date on the credit card billing statement (for advances by credit card).

- When a travel advance remains unpaid by the campaign committee outside the prescribed 30 or 60 day timeframe, it must be reported as BOTH a contribution and as a debt. Report as debt if the amount of the advance exceeds \$500, or has been outstanding for more than 60 days.
- Remember since no money went into the campaign account as a result of the advance, use a MEMO entry (check the “Memo Item” box) for Schedule A.
- Include notations on both Schedules A & D to cross-reference the transactions.
- When the amount of the advance reimbursement exceeds \$500, and payment to any one vendor exceeds \$200 for the election cycle, report the staff member as the payee using a disbursement entry on Schedule B for Line 17. In addition, itemize any vendor using a MEMO entry (check the “Memo Item” box) on Schedule B once payments to that vendor aggregate in excess of \$200 for the election cycle. Include notations as cross-references.
(Note: if each vendor payment making up the advance aggregates to less than \$200 for the election cycle, make a notation on Schedule B to that effect to avoid a Request for Additional Information from the FEC Reports Analysis Division.)
- **Non-travel advances:**
 - A non-travel advance is considered a contribution at the moment the funds are advanced and counts against the contributor’s limits until reimbursed.
 - Only report the advance as a contribution, using a MEMO entry (check the “Memo Item” box) on Schedule A, if the amount of advanced funds outstanding (i.e., unreimbursed) for the staff member at the end of the reporting period > \$200 for the election cycle.

V. **Personal Use of Campaign Funds / Irrespective Test** (*Guide*, p. 51-52)

Use of Campaign Funds

- ▣ **Wide discretion allowed**
- ▣ **Personal use is prohibited**
- ▣ **Irrespective test**
 - **If . . .**
Expense would exist outside of candidacy or holding office
 - **Then . . .**
Personal use ban applies

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A. **The irrespective test**


If the expense would exist in the absence of the candidacy or if the office holder were not in office, then the personal use ban applies.

Use of Campaign Funds

Other permissible uses

- ▣ **Gifts of nominal value**
- ▣ **Charitable donations**
- ▣ **Security systems**
- ▣ **Certain childcare expenses**
- ▣ **Candidate salary**



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B. Permissible uses of campaign funds

1. Gifts of nominal value

Only if given to persons – other than members of the candidate's family – on special occasions.

2. Charitable donations

Not personal use as long as the candidate does not receive a personal benefit from the donation, or compensation from the organization before it has expended entire amount donated. *See* AO 2012-05.

3. Security costs

In Advisory Opinion (AO) 2017-07, the Commission determined that Members of Congress may use campaign funds to pay for costs associated with installing or upgrading residential security systems. Should be reported as “residential security expenses.”

See <https://www.fec.gov/files/legal/aos/83386.pdf>


4. Certain childcare expenses

Campaign funds may be used to pay certain childcare costs, *if* those expenses are incurred as a direct result of campaign or officeholder activity. In AO 2019-03, the Commission found a campaign committee may use campaign funds to pay for childcare expenses that are the direct result of campaign activity, and existed irrespective of the candidacy. The candidate is required to reimburse the committee for any daycare expenses incurred as a result of activity outside of the campaign.

See <https://www.fec.gov/files/legal/aos/2019-13/2019-13.pdf> and AO 2018-06 <https://www.fec.gov/files/legal/aos/2018-06/2018-06.pdf>

Candidate Salary

- ▣ Paid by the campaign committee
- ▣ Not to exceed the lesser of:
 - Minimum annual salary for the office sought **OR**
 - Candidate's previous year earned income (must be able to provide income tax records and proof of earnings)
- ▣ Payments made on *pro-rata* basis
- ▣ Not available to incumbents
- ▣ Payments cannot start before the filing deadline for primary ballot

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5. **Salary payments to the candidate** – (11 CFR 113.1(g)(1)(i)(I));
(*Guide*, pp. 53-54)
Candidate salary may be paid with campaign funds under certain conditions:
- a) Must be paid from the principal campaign committee
 - b) Must not exceed the lesser of either the minimum annual salary for federal office sought or candidate's income in previous year
 - c) Income earned during the campaign will count toward the salary limit
 - d) Incumbent, federal officeholders not eligible
 - e) First salary payment shall be made no earlier than the filing deadline for ballot access for the primary election or, for candidates who do not have a primary, January 1st of the even numbered year is the controlling date

Prohibited Personal Use

- ⊘ Household food and supplies
- ⊘ Clothing
- ⊘ Tuition (except relevant training)
- ⊘ Mortgage, rent & utility payments on residence
- ⊘ Entertainment
- ⊘ Expenses not meeting irrespective test
- ⊘ Dues, fees and gratuities
✓ Exception: payment for campaign event
- ⊘ Funeral expenses
✓ Exception: death in course of campaigning
- ⊘ Salary payments to candidate's family
✓ Exception: *bona fide* service at fair market rate

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- C. **Automatic (“*per se*”) personal use of campaign funds** – (11 CFR 113.1(g)(1)(i));
(*Guide*, pp. 54-55)
- 1. **Household food items and supplies**
 - 2. **Clothing**
Campaign may not pay for attire for political functions, but it may pay for clothing of *de minimis* value used in the campaign such as t-shirts or caps imprinted with campaign slogan.
 - 3. **Tuition payments**
Campaign funds may not be used to make tuition payments, other than those associated with training campaign staff. *See* AO 1997-11.

4. **Mortgage, rent and utility payments**
A candidate who owned office space that was part of a personal residence was permitted to lease it to campaign provided fair market value was paid. *See* AOs 2000-02 and 1995-08.
5. **Entertainment**
Campaign funds may not be used for admission to a sporting event, concert, theater or other form of entertainment, unless the costs are part of a specific campaign or officeholder activity.
6. **Dues, fees and gratuities**
 - a) **Examples:** Country club dues, health clubs, nonpolitical organizations.
 - b) **Exception:** Payments in connection with campaign fundraiser on premises.
7. **Funeral expenses**
Campaign funds may not be used to cover expenses related to deaths within candidate's family. However, they may be used to cover funeral, cremation or burial expenses for a candidate or campaign worker whose death arises out of, or in the course of, campaign activity.
8. **Salary payments to candidate's family**
 - a) Only if family member provides bona fide service and payment is fair market value. AO 2001-10.
 - b) Revised definition of family now includes an individual with whom the candidate shares a residence or domicile (nature of relationship immaterial). 11 CFR 113.1(g)(7)(iv).

Use of Campaign Funds

Case-by-case determination:

	Meal expenses
	Travel expenses
	Vehicle expenses
	Legal expenses

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- D. Case-by-case determination – applying irrespective test – (11 CFR 113.1(G)(1)(ii); (Guide, pp. 55-57)**
- 1. Meal expenses**
 - 2. Travel expenses**
Prohibition on use of campaign funds for personal expenses collateral to travel—either by candidate or officeholder—unless personal funds are used to reimburse the committee. *See* AOs 2002-05 and 2000-37.
 - 3. Vehicle expenses**
Campaign Funds may be used to pay for a vehicle that is used for campaign-related purposes, as long as costs related to personal use of the vehicle are *de minimis*. *See* AOs 2001-03, 1992-12.
 - 4. Mixed use for travel and vehicle expenses**
 - a) Travel or vehicle expenses that commingle personal and campaign/officeholder activity must be reimbursed to the campaign within 30 days for the entire amount associated with the personal activities.
 - b) Reimbursement for personal aspect of mixed use does not result in a contribution.
 - c) The campaign must keep a log or other record for any item used for both personal and campaign/officeholder use in order to document the dates and expenses related to the personal use of campaign funds. 11 CFR 113.1(g)(8).
 - 5. Legal expenses**
 - a) Campaign funds could be used for legal services needed to respond to press allegations of wrongdoing related to campaign or official duties.
 - b) AOs: 2011-01, 2009-20, 2009-12, 2009-10, 2008-07, 2006-35, 2005-11, 2003-17, 2001-11, 2000-40, 1998-01, 1997-27 and 1997-12.

Use of Campaign Funds

Non-campaign uses:

- ✓ **Officeholder expenses**
- ✓ **Charitable donations**
- ✓ **Political contributions**
- ✓ **Unlimited transfers to party**
- ✓ **“Any lawful purpose”**

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E. Permissible uses of campaign funds – non-campaign related expenses

(11 CFR 113.2); (*Guide*, pp. 52)

Campaign funds may be used for the following purposes that are not related to the candidate's campaign for federal office:

- 1. Officeholder expenses**
House and Senate rules may apply. *See* AOs 2010-26, 2007-18, 2001-09 and 2000-37.
- 2. Charitable donations**
Organizations defined in 2 U.S.C. §170(c) of the IRS Code. *See* 2005-06 (and those cited within).
- 3. Political contributions**
 - a) Subject to applicable federal or state limit.** *See* AOs 2007-26, 2004-29, 1993-10 and 1988-41.
 - b) Reporting tips** (*Guide*, p. 100)
 - (1) Report on Line 21, not Line 17**
Contributions to other committees reported on Line 21 ("Other Disbursement") not Line 17 ("Operating Expenditures") since the money is not being disbursed for the campaign's day-to-day expenses (i.e., rent, administration, equipment).
 - (2) Itemization information**
 - **Contribution to another federal candidate**
Include candidate information – Candidate Name, Office Sought, State, District (if applicable) and Disbursement for (primary, general, other).
 - **Contribution to nonfederal candidate/committee**
Only need to note purpose of disbursement (i.e., "Nonfederal Contribution"). Do not fill out candidate information.
- 4. Unlimited transfers to national, state or local party committee**
See AO 2004-22.
- 5. Any lawful purpose**

FUNDRAISING ACTIVITIES OF THE CANDIDATE/OFFICEHOLDER OUTSIDE OF FEDERAL ELECTIONS

I. Participation by Federal Candidates and Officeholders at Nonfederal Fundraising Events (*Guide*, Appendix E, pp. 157-160)

Fundraising for Nonfederal Elections

- ▣ Federal candidates/officeholders may **NOT** solicit funds *outside* of federal limits or source prohibitions
- ▣ Exceptions if candidate/officeholder is:
 - Also a nonfederal candidate
 - OR**
 - Appearing as guest at state/local party or candidate fundraiser

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- A. **Fundraising for federal funds is permissible** (*Guide*, p. 157)
1. **For federal elections – 11 CFR 300.61**
Federal candidates and officeholders may solicit, receive, direct, transfer, spend or disburse only federal funds in connection with a federal election or Federal Election Activity (FEA).
 2. **For nonfederal elections – 11 CFR 300.62**
Federal candidates and officeholders may solicit, receive, direct, transfer, spend or disburse only federal funds for elections other than federal elections.
 3. **Application – 11 CFR 300.60**
The fundraising restrictions apply to the following:
 - a) Federal candidates;
 - b) Individuals holding federal office;

- c) Agents acting on behalf of federal candidate or individual holding federal office. AO 2003-10; and
- d) Entities directly or indirectly established, financed, maintained or controlled by, or acting on behalf of, one or more federal candidates or individuals holding federal office (e.g., a leadership PAC). AO 2003-12.

B. Fundraising for nonfederal funds is prohibited (*Guide*, p. 157)

- 1. Generally, federal candidates, officeholders, their agents and entities established, maintained, financed or controlled by them cannot solicit, receive, direct, transfer, spend or disburse nonfederal funds.
- 2. Prohibition includes not soliciting unlimited contributions from individuals, corporations or labor organizations on behalf of independent expenditure-only political committees (IEOPCs). *See* AO 2011-12.
- 3. Special considerations apply for fundraising for ballot measures depending on whether it is for pre-ballot qualification.
 - a) *See* AOs 2006-04 and 2003-12 (concluding that above prohibition applies to a ballot measure committee that was established by a federal candidate/officeholder).
 - b) But compare, AOs 2010-07 and 2007-28 (concluding the above prohibition does not apply for ballot measure during the period before the initiative qualifies for the ballot. During post-qualification period, solicitations of funds within the amount limitations and source prohibitions of the Act, as well as solicitations up to \$20,000 from individuals for ballot measure allowed).
- 4. **Exception: If federal candidate/officeholder is also a nonfederal candidate** (*Guide*, p. 158)
 - a) In connection with his or her nonfederal race, a federal candidate or officeholder may raise and spend nonfederal funds that comply with state law, so long as the solicitation, receipt and spending of funds refers only to the state or local candidate and/or another state or local candidate for that same state or local office. *See* AOs 2005-12 and 2005-02. *See also* 2009-06, 2007-01 (federal officeholder may raise nonfederal funds to retire debt of former nonfederal committee).
 - b) Individuals simultaneously running for federal and nonfederal office may raise and spend only federal funds for the federal election.



- C. **Attendance at nonfederal fundraising event** – (11 CFR 300.64(b)); (*Guide*, pp. 158-159)
1. Federal candidate or officeholder may attend, speak at, or be a featured guest at a nonfederal fundraising event (including fundraising for IEOPC).

Attending Nonfederal Fundraisers

- ▣ Candidate may **ONLY** solicit federal funds
- ▣ **MUST:**
 - Have clear and conspicuous written or oral notice limiting solicitation to federal funds
 - Not clear and conspicuous if:
 - ▣ Difficult to read or hear OR
 - ▣ If placement is easily overlooked

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2. Federal candidate or officeholder may solicit funds at a nonfederal fundraising event, provided that the solicitation is limited to funds that comply with the amount limitations and source prohibitions of the Act and that are consistent with State law.
 - a) A Federal candidate or officeholder may limit such a solicitation by displaying at the fundraising event a clear and conspicuous written notice, or making a clear and conspicuous oral statement, that the solicitation is not for Levin funds (when applicable), does not seek funds in excess of \$[federally permissible amount], and does not seek funds from corporations, labor organizations, national banks, federal government contractors, or foreign nationals.
 - b) A written notice or oral statement is not clear and conspicuous if it is difficult to read or hear or if its placement is easily overlooked.

II. Publicity for Nonfederal Fundraising Events (Permissible Activity) –

(11 CFR 300.64(c)); (*Guide*, p. 158)

Publicity for a nonfederal fundraising event (including fundraising for IEOPC) includes, but is not limited to, advertisements, announcements, or pre-event invitation materials, regardless of format or medium of communication.

Nonfederal Fundraiser Publicity

Candidate/officeholder's name or likeness in publicity:

OKAY	CONDITIONAL
<ul style="list-style-type: none">• No solicitation• Solicits only federal funds	<ul style="list-style-type: none">• Solicits nonfederal or Levin funds

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A. Publicity that does not contain a solicitation

A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that does not contain a solicitation.

B. Publicity containing solicitation limited to federal funds

A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that solicits only funds that comply with the amount limitations and source prohibitions of the Act.

The flyer is titled "Jamm for Councilman" and features a photo of Councilman Jeremy Jamm. The text reads: "Councilman Jeremy Jamm cordially invites you to a re-election fundraising event with EVENT CHAIR CONGRESSWOMAN LESLIE KNOPE. Saturday, October 20, 7pm. Pawnee Super Suites 380 Drexel Avenue, Pawnee. Please RSVP with your \$500 contribution (no corporations, labor organizations, national banks, federal contractors or foreign nationals, please) to (317) 555-1234. Make checks payable to Re-Elect Jamm for Councilman and mail to: 201 State Street, Pawnee, IN 47998. Paid for by the Re-Elect Jamm for Councilman and not authorized by any candidate or candidate's committee. www.jamm4councilman.com".

Callout boxes and arrows:

- 2. Federal candidate/officeholder may be identified in any role or manner**: Points to the photo of Councilman Jamm.
- 1. Solicitation within the federal amount limits / sources**: Points to the \$500 contribution requirement.
- 3. Solicitation for funds within the federal limits / prohibitions, no additional disclaimer is required**: Points to the disclaimer at the bottom.

A large green "OK" in a circle is in the top right corner.

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1. Soft money solicitation?

This publicity contains no solicitation or a solicitation within the federal amount limits and source prohibitions.

2. How is candidate/officeholder identified?


Federal candidates and officeholders may be identified in any role or manner on publicity that contains solicitation of funds within the federal amount limitations and prohibitions.

3. Disclaimer?

Because this example contains solicitation that complies with the federal limits and prohibitions, no additional disclaimer is required other than any existing applicable federal disclaimer. (This example does not address any other applicable requirement under State law.)

Nonfederal Fundraiser Publicity

- ▣ Can use name/likeness in publicity soliciting nonfederal funds **ONLY** if:
 - Candidate/officeholder is not identified in role related to fundraising, i.e.:
 - ▣ Featured, honored, or special guest
 - ▣ Featured or honored speaker
 - AND**
 - Includes disclaimer that solicitation is not being made by the candidate/officeholder

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C. Publicity containing solicitation of nonfederal funds –

(11 CFR 300.64(c)(3)); (*Guide*, pp. 158-159)

A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds only if:

1. The federal candidate or officeholder is identified as a featured guest, honored guest, special guest, featured speaker, or honored speaker, or in any other manner not specifically related to fundraising; **AND**
2. The publicity includes a clear and conspicuous disclaimer that the solicitation is not being made by the Federal candidate or officeholder.
11 CFR 300.64(c)(3)(i)(B).

D. Disclaimers on publicity – (11 CFR 300.64(c)(3)(ii), (iii) and (iv)); (*Guide*, p. 158)

Disclaimers must be “clear and conspicuous”

1. Written publicity

The clear and conspicuous disclaimer is required (i.e., contained in a box set apart from the rest of the communication) if the publicity is written.

2. Non-written publicity

Where publicity is disseminated by non-written means, the clear and conspicuous disclaimer is required only if the publicity is recorded, or follows any form of written script, or is part of a structured or organized fundraising program.

3. Examples

Examples of clear and conspicuous disclaimers include, but are not limited to:

- “[Name of federal candidate/officeholder] is appearing at this event only as a featured speaker. [federal candidate/officeholder] is not asking for funds or donations”; or
- “All funds solicited in connection with this event are by [name of nonfederal candidate or entity], and not by [federal candidate/officeholder].”

2. Candidate / officeholder must be identified in a non-fundraising role

1. Solicitation outside the federal limits & source prohibitions

3. Clear & conspicuous disclaimer that the solicitation is not being made by the federal candidate / officeholder required

Jamm for Councilman

Councilman Jeremy Jamm cordially invites you to a re-election fundraiser with:

**HONORED SPEAKER
CONGRESSWOMAN LESLIE KNOPE**

Saturday, October 20, 7pm
Pawnee Super Suites
380 Drexel Avenue, Pawnee

Please RSVP with your \$25,000 donation to (317) 555-1234.
Make checks payable to Re-Elect Jamm for Councilman
and mail to: 201 State Street, Pawnee, IN 47998

All solicitations of funds in connection with this event are by Re-Elect Jamm for Councilman not by Congresswoman Knope. Paid for by Re-Elect Jamm for Councilman and not authorized by any candidate or candidate's committee. www.jamm4councilman.com

OK

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1. **Soft money solicitation?**
Contains a solicitation outside the federal amount limits and source prohibitions
2. **How is candidate/officeholder identified?**
Federal officeholder must be identified in a non-fundraising role because this contains a solicitation outside the federal amount limitations
3. **Disclaimer?**
 - Because this contains a solicitation outside the federal limits and prohibitions, it requires a clear & conspicuous disclaimer that the solicitation is not being made by the federal officeholder.
 - The solicitation disclaimer may be placed in the same box as any other applicable federal disclaimer requirement. Any other applicable disclaimer requirement under state law, which this example does not address, should be placed outside of the federal box.

Nonfederal Fundraiser Publicity

- ▣ May **NOT** use name/likeness in publicity soliciting nonfederal funds if candidate or officeholder:
 - Serves in a position specifically related to fundraising
 - Is extending an invitation to the event **
- OR**
- Candidate/officeholder signs the communication **

**** Even if the communication contains a written disclaimer**

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E. Publicity for nonfederal fundraising events (prohibited activity) –
(11 CFR 300.64(c)(3)(v) and (vi)); (*Guide*, pp. 158-159)

1. A federal candidate or officeholder or an agent of either may not approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds if:
 - a) The federal candidate or officeholder is identified as serving in a position specifically related to fundraising, such as honorary chairperson or member of a host committee, or is identified in the publicity as extending an invitation to the event, even if the communication contains a written disclaimer; OR
 - b) The federal candidate or officeholder signs the communication, even if the communication contains written disclaimer.
2. A federal candidate, officeholder, or an agent of either, may not disseminate publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds by someone other than the federal candidate or officeholder.

Jamm for Councilman

Join Honorary Chair
Congresswoman Leslie Knope
at a fundraiser for Jeremy Jamm for Councilman

Saturday, October 20, 7pm
Pawnee Super Suites
380 Drexel Avenue, Pawnee

Please RSVP with your \$25,000 contribution to (317) 555-1234.
Make checks payable to Re-Elect Jamm for Councilman
and mail to: 201 State Street, Pawnee, IN 47998

All solicitations of funds in connection with this event are by
Re-Elect Jamm for Councilman and not by Congresswoman Knope.
Paid for by Re-Elect Jamm for Councilman and not authorized by any
candidate or candidate's committee. www.jamm4councilman.com

1. Solicitation outside the federal amount limits/sources

2. Federal officeholder is impermissibly identified in a role specifically related to fundraising

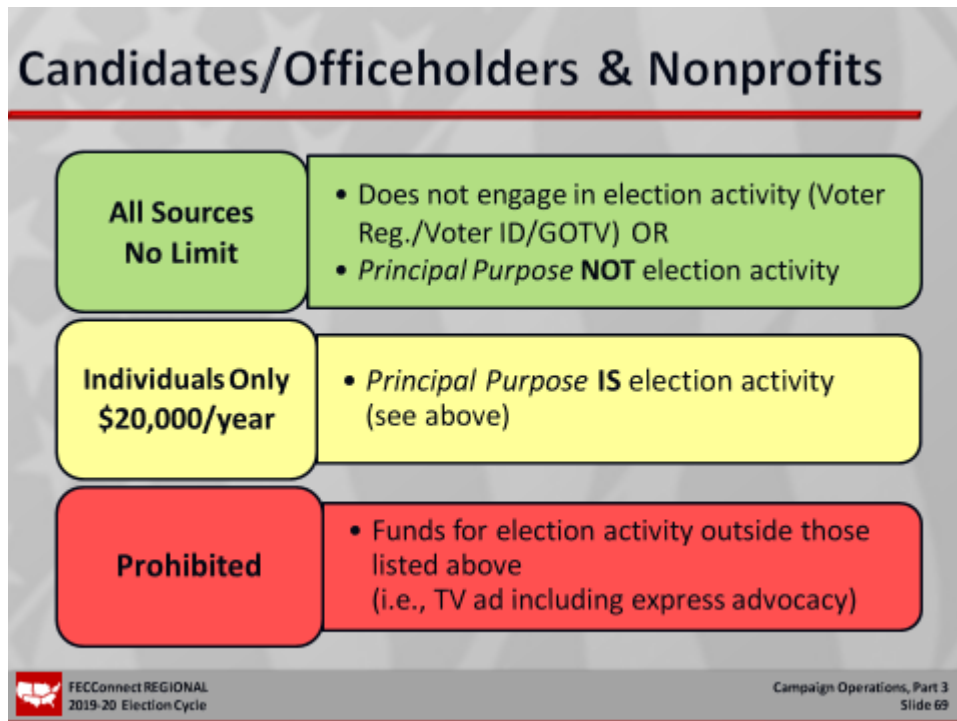
3. Cannot be "cured" by including a disclaimer

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1. **Soft money solicitation?**
Contains a solicitation outside the federal amount limits / source prohibitions
2. **How is candidate/officeholder identified?**
In this example, the federal officeholder is impermissibly identified in a role specifically related to fundraising on publicity containing a solicitation for funds outside the federal limits and prohibitions.
3. **Disclaimer?**
This problem cannot be "cured" by including a disclaimer that the impermissible solicitation is not being made by the federal officeholder.

III. Soliciting for Nonprofit Organizations – (11 CFR 300.65); (*Guide*, pp. 159-160)



A. General solicitations

1. A federal candidate or officeholder may make a general solicitation on behalf of a 501(c) tax-exempt organization if the organization does not make expenditures or disbursements in connection with federal elections.
2. If the nonprofit does engage in certain activities in connection with an election (listed below), a federal candidate or officeholder may still make a general solicitation if:
 - a) The organization's *principal purpose* is not to conduct election activities, including the federal election activities listed below; and
 - b) The solicitation is not to obtain funds for election activities in connection with a federal election, including federal election activities.
3. **No limit on the source or amount of funds.**
4. *See* AOs 2004-14, 2003-20.

B. Specific solicitations for federal election activity

1. A federal candidate or officeholder may make a specific solicitation explicitly for funds to pay for certain types of federal election activities conducted by a tax-exempt organization whose *principal purpose* is to undertake such activities.

2. The specific federal election activities for which such a specific solicitation may be made are:
 - a) Voter registration activity during the period that begins 120 days before the date of a regularly-scheduled federal election and ends on the day of that election; and
 - b) Voter identification, get-out-the vote or generic campaign activity conducted in connection with an election in which a federal candidate appears on the ballot (regardless of whether a state or local candidate also appears on the ballot).
3. **Limit on source and amount:**
Individuals only. \$20,000 per calendar year.

C. Safe harbor: determining *principal purpose*

A federal candidate or officeholder may determine a tax-exempt organization's *principal purpose* by obtaining a signed certification from an authorized representative of the organization stating that:

1. The organization's principal purpose is not to conduct election activities, including the federal election activities listed above; and
2. The organization does not intend to pay debts incurred from making federal election disbursements and expenditures (including debts for federal election activity) in a prior election cycle.

D. General prohibition

Federal candidates and officeholders may *not* make any solicitations on behalf of a 501(c) organization, or an organization that has applied for this tax status, for election activities other than those described above (B.2), such as public communications promoting or supporting federal candidates.

IV. Spending of Nonfederal Funds by State and Local Candidates

A State or local candidate or officeholder, or any agents acting on his/her behalf, is prohibited from spending nonfederal funds on a public communication that refers to a clearly-identified federal candidate (regardless of whether a state or local candidate is also identified) and that promotes, supports, attacks or opposes a federal candidate.

This prohibition applies whether or not the communication expressly advocates a vote for or against a federal candidate.

Workshop Evaluation



Workshop Evaluation

Session: Campaign Operations, Part 3
Date: February 26, 2020
Speakers: Tim Wolford, Jason Eilers & Jason Amick

For each item below, please circle the number in the right that best describes your assessment of this workshop.

	1	2	3	4	5
1. How would you rate the workshop overall?					
2. How would you rate the speakers' knowledge of the subject matter?					
3. How would you rate the speakers' delivery of the workshop content?					
4. How would you rate the speakers' responses to questions from the audience?					
5. How would you rate the speakers' and content of the workshop materials?					

What did you like best about this workshop? Please specify:

What did you like least about this workshop? Please specify:

Are there other topics you would like to see covered in future training events? Please specify:

Other Comments:

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*Help Us
Help You!*

Please complete
an evaluation
of this workshop.



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Next Workshop

Best Practices for FEC Compliance

11:00 a.m. – 12:00 p.m.



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