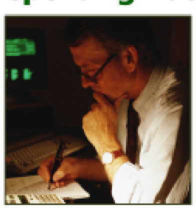
FECConnect LIVE

Reporting for PACs and Party Committees

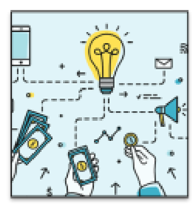
January 15, 2025
12:00pm Eastern

OBJECTIVES

Reporting Basics

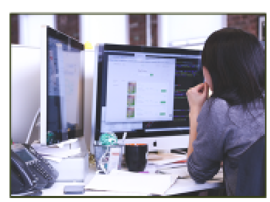


Reporting Scenarios



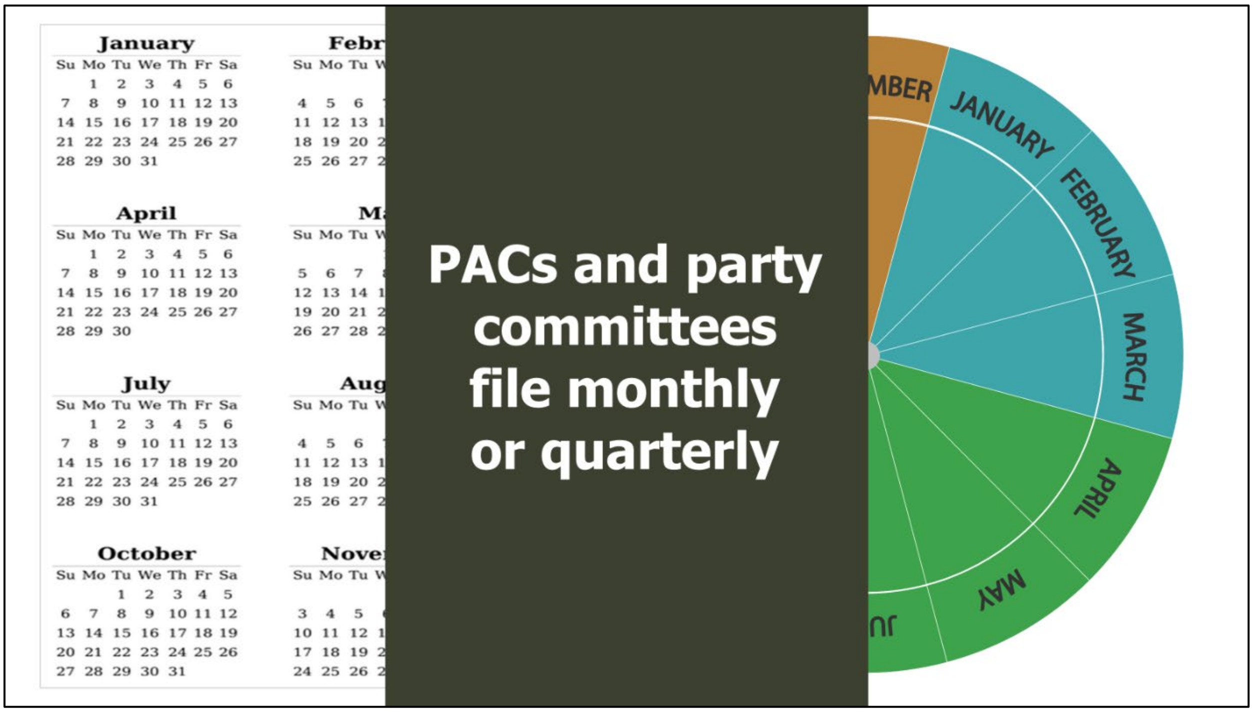
Forms & Schedules

RAD Review & RFAIs



FILING DEADLINES AND TIPS FOR TIMELY FILING

I. Filing Schedule and Report Deadlines



A. **Filing schedule ([11 CFR 104.5(c)](11 CFR 104.5(c)))**

1. **Election year (even-numbered year)**

Quarterly Filers

2024 Filing Schedule

Report Type	Coverage and Due Dates
April Quarterly	Covers 1/1 - 3/31/24; Due 4/15/24
Pre-Primary and Pre-Runoff reports - see next slide	
July Quarterly	Covers 4/1 - 6/30/24; Due 7/15/24
October Quarterly	Covers 7/1 - 9/30/24; Due 10/15/24
Pre-General (12G)	Due 12 days before election 12G covers 10/1 - 10/16/24; Due 10/24/24
Post-General (30G)	Due 30 days after election 30G covers 10/17 - 11/25/24; Due 12/5/24
Year-End	Covers 11/26 - 12/31/24; Due 1/31/25

a) **Quarterly filers:** reports due April 15, July 15, October 15 and January 31; Post-General; Pre-Primary/Pre-General (if triggered).

2024 Monthly Filing Schedule

Report	Coverage and Due Dates
February Monthly	Covers 1/1 - 1/31/2024; Due 2/20/2024
March Monthly	Covers 2/1 - 2/29/2024; Due 3/20/2024
April Monthly	Covers 3/1 - 3/31/2024; Due 4/20/2024
May Monthly	Covers 4/1 - 4/30/2024; Due 5/20/2024
June Monthly	Covers 5/1 - 5/31/2024; Due 6/20/2024
July Monthly	Covers 6/1 - 6/30/2024; Due 7/20/2024
August Monthly	Covers 7/1 - 7/31/2024; Due 8/20/2024
September Monthly	Covers 8/1 - 8/31/2022; Due 9/20/2024
October Monthly	Covers 9/1 - 9/30/2022; Due 10/20/2024
Pre-General	Covers 10/1 - 10/16/2024; Due 10/24/2024
Post-General	Covers 10/17 - 11/25/2024; Due 12/5/2024
Year-End	Covers 11/26 - 12/31/2024; Due 1/31/2025

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

2. Non-election year (odd-numbered year)

2025 Semi-Annual Reports*

Report	Coverage and Due Dates
Mid-Year	Covers 1/1 - 6/30/2025; Due 7/31/2025
Year-End	Covers 7/1 - 12/31/2025; Due 1/31/2026

*Quarterly-filing PACs and party committees file semi-annually in non-election years

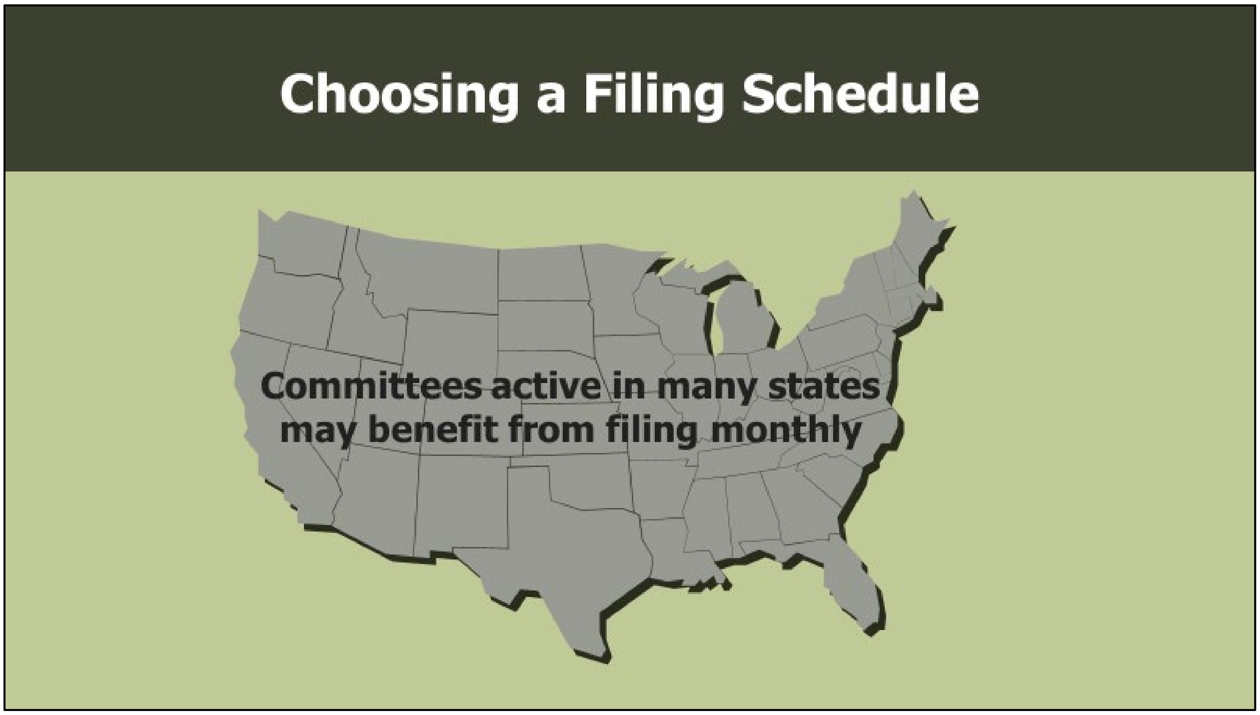
a) **Quarterly filers:** file reports on a **semi-annual basis;** reports due July 31 and January 31.

2025 Monthly Filing Schedule

Report	Coverage and Due Dates
February Monthly	Covers 1/1 - 1/31/2025; Due 2/20/2025
March Monthly	Covers 2/1 - 2/28/2025; Due 3/20/2025
April Monthly	Covers 3/1 - 3/31/2025; Due 4/20/2025
May Monthly	Covers 4/1 - 4/30/2025; Due 5/20/2025
June Monthly	Covers 5/1 - 5/31/2025; Due 6/20/2025
July Monthly	Covers 6/1 - 6/30/2025; Due 7/20/2025
August Monthly	Covers 7/1 - 7/31/2025; Due 8/20/2025
September Monthly	Covers 8/1 - 8/31/2025; Due 9/20/2025
October Monthly	Covers 9/1 - 9/30/2025; Due 10/20/2025
November Monthly	Covers 10/1 - 10/31/2025; Due 11/20/2025
December Monthly	Covers 11/1 - 11/30/2025; Due 12/20/2025
Year-End	Covers 12/1 - 12/31/2025; Due 1/31/2026

b) **Monthly filers:** file reports on the 20th of each month, except for Year-End due on January 31.

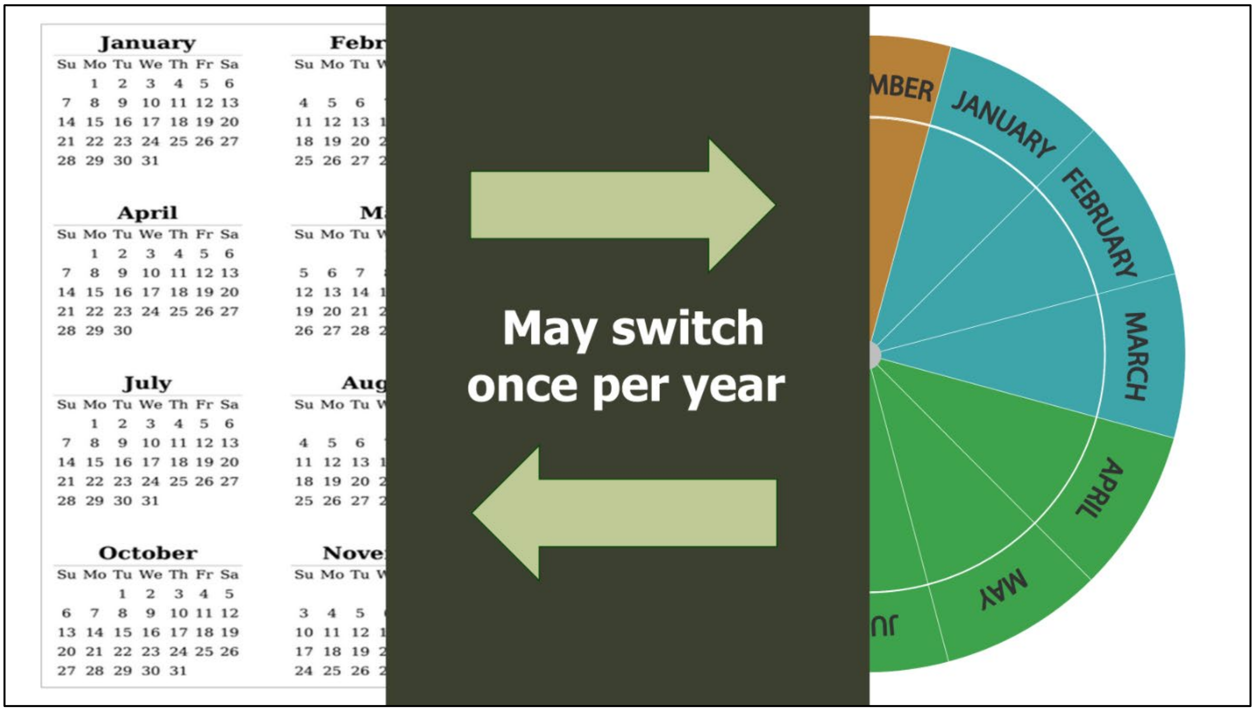
3. **Reporting period** begins the day after close of books of last report filed.
4. **Monthly reporting is mandatory for national party committees or party committees with reportable federal election activity (FEA)**. 11 CFR 300.36(c). If a party committee that files quarterly engages in reportable FEA, it must switch to monthly.



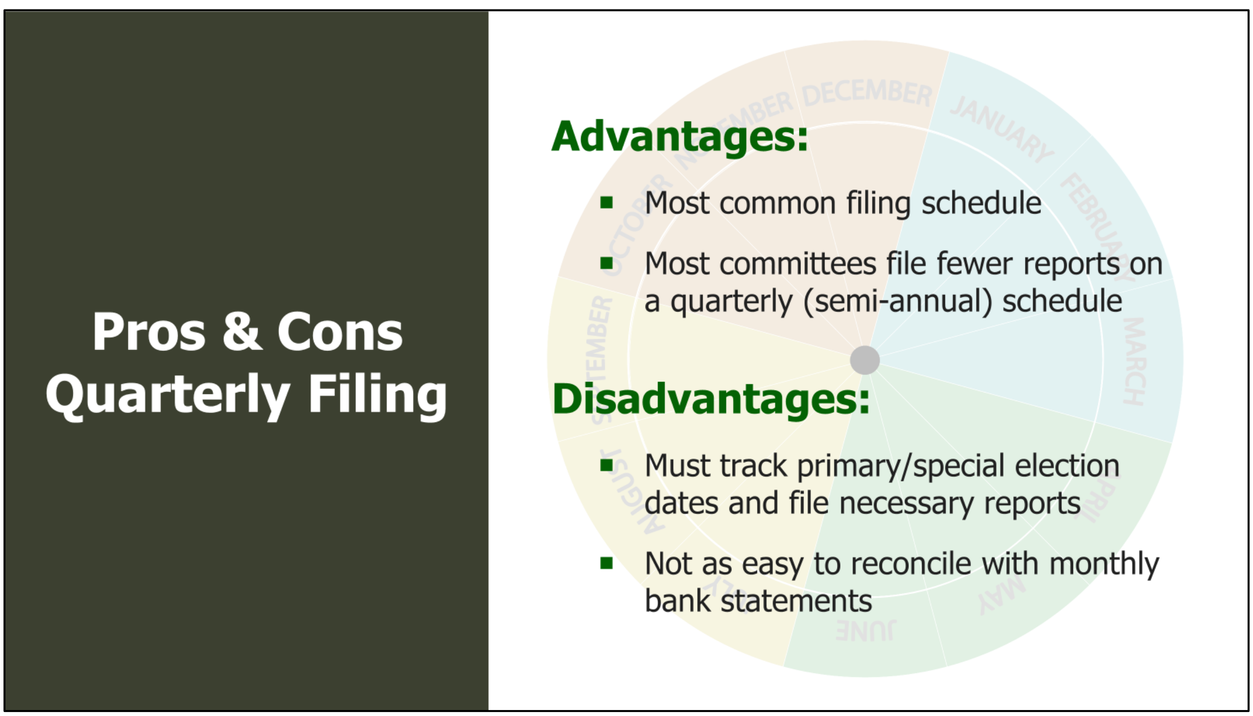
2025 report deadlines available on the FEC website: *www.fec.gov/help-candidates-and-committees/dates-and-deadlines/*

B. Changing filing schedule

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



3. May only change filing schedule once per calendar year.



Pros & Cons Monthly Filing

Advantages:

- No need to track primary/special election dates or file reports
- Easier to reconcile with monthly bank statements

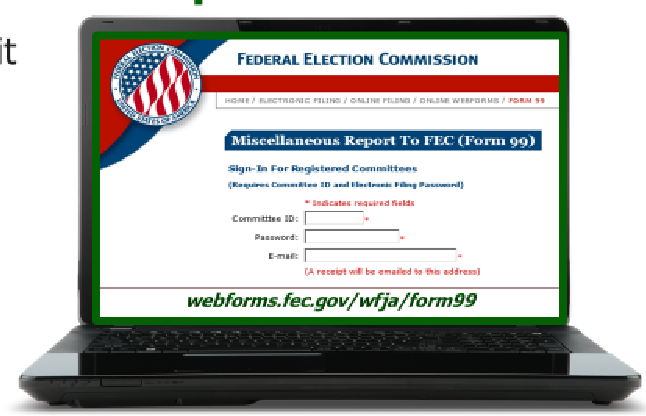
Disadvantages:

- Most committees file more reports on monthly schedule

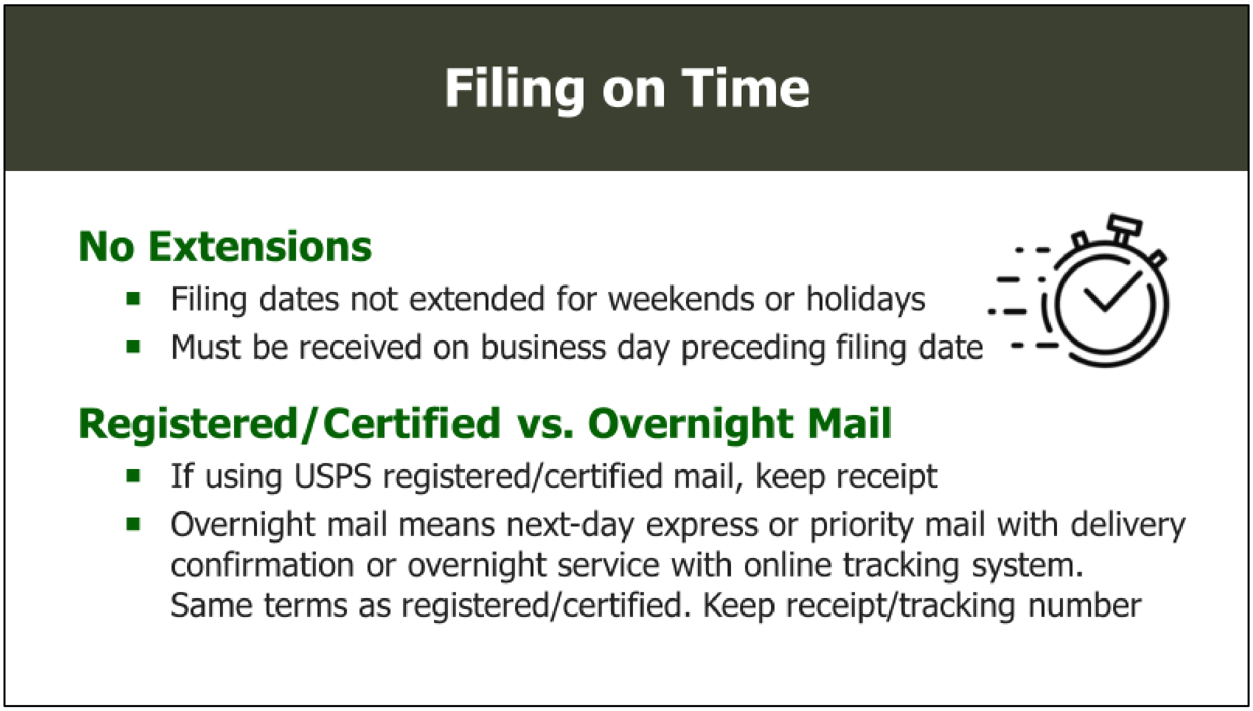
Changing Filing Frequency

Request on or before next report

- Electronic filers must submit request electronically (Form 99)
- No more than once per year



webforms.fec.gov/wfja/form99



C. Filing on time

1. Paper filers – other reporting considerations

a) Statute prohibits extensions (applicable to all filers).

b) Weekends and holidays

Filing dates not extended for weekends or holidays. Must be filed on or before business day preceding filing date.

c) Registered/certified vs. first class mail

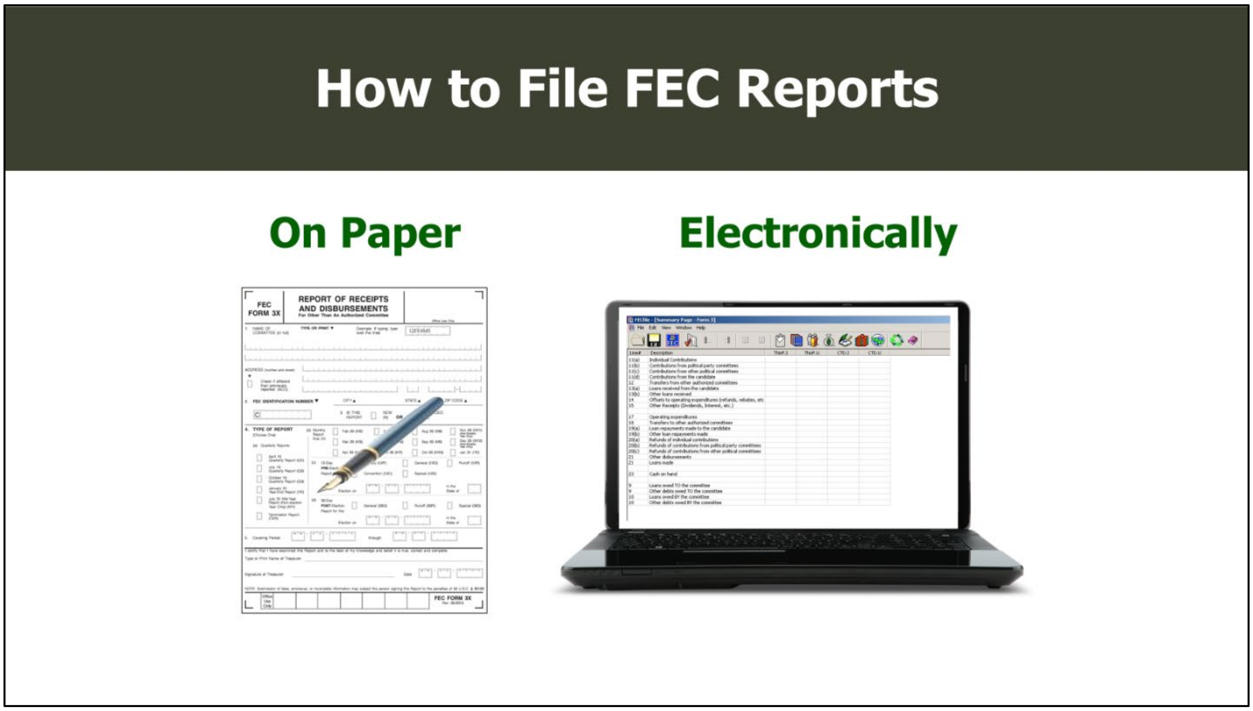
(1) If filing using USPS registered/certified mail, report is considered filed on the date of the U.S. postmark; keep your receipt in the event of a delivery failure.

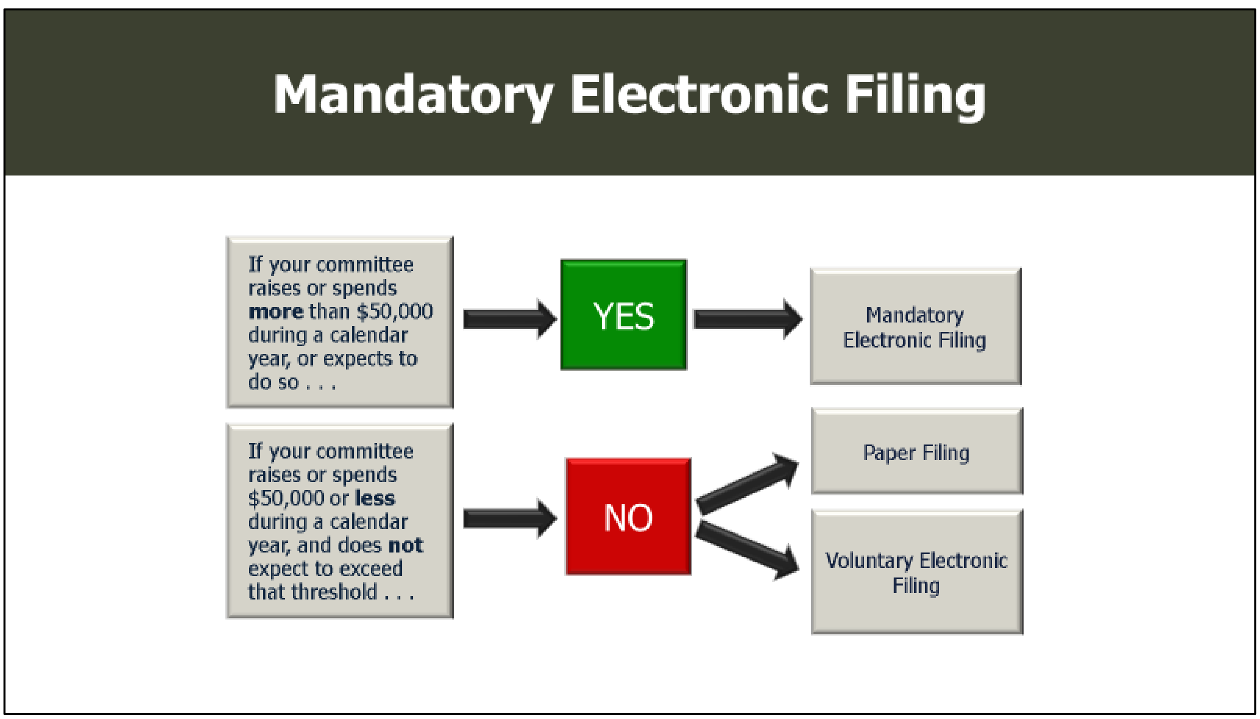
(2) Reports filed via priority or overnight mail with a delivery confirmation or an online tracking system will be considered timely filed if the report is postmarked on or before the mailing deadline.

(3) If using first class mail or hand delivery, report is considered timely filed when it is received by the Commission; risk of timely delivery is on the filer.

2. Electronic filers – filed when received/validated by Commission

Electronic report considered "filed" when it is received and validation by the Commission's computer system on or before 11:59 p.m. (Eastern Time) on the filing date.





D. **Electronic filing v. paper filing** ([11 CFR 104.18](11 CFR 104.18))

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

3. Exceeding threshold for electronic filing

a) Once committee exceeds threshold, it begins filing electronically with the next regular report.

b) Committee must continue to file electronically for the next two calendar years (January through December), unless it is a committee that has $50,000 or less in net debts outstanding on January 1 following the general election, and that anticipates terminating prior to January 1 of the next election year.

4. Voluntary electronic filing

a) Committees that aren't required to file electronically, but choose to anyway, must continue to do so for the remainder of the calendar year.

b) New committees with no prior data on which to base calculations have reason to expect to exceed threshold if they either:

(1) Receive contributions or make expenditures that exceed $12,500 in first quarter of calendar year, or

(2) Receive contributions or make expenditures that exceed $25,000 in first half of the calendar year.

(3) Threshold calculated on a per-committee basis; affiliated committees calculate their own contributions and expenditures separately for purposes of determining if they have met mandatory e-filing threshold.

5. Paper filing by e-filer

Committees that submit a report on paper that should have been filing electronically will be treated as non-filers and may be subject to enforcement actions (including Administrative Fines).

6. To meet the filing deadline, an electronically filed report must be received and validated by the Commission's computer system on or before 11:59 p.m. (Eastern Time) on the filing date.

E. Electronic filing password

1. Passwords required. You cannot file without one.

2. How do you get a password?

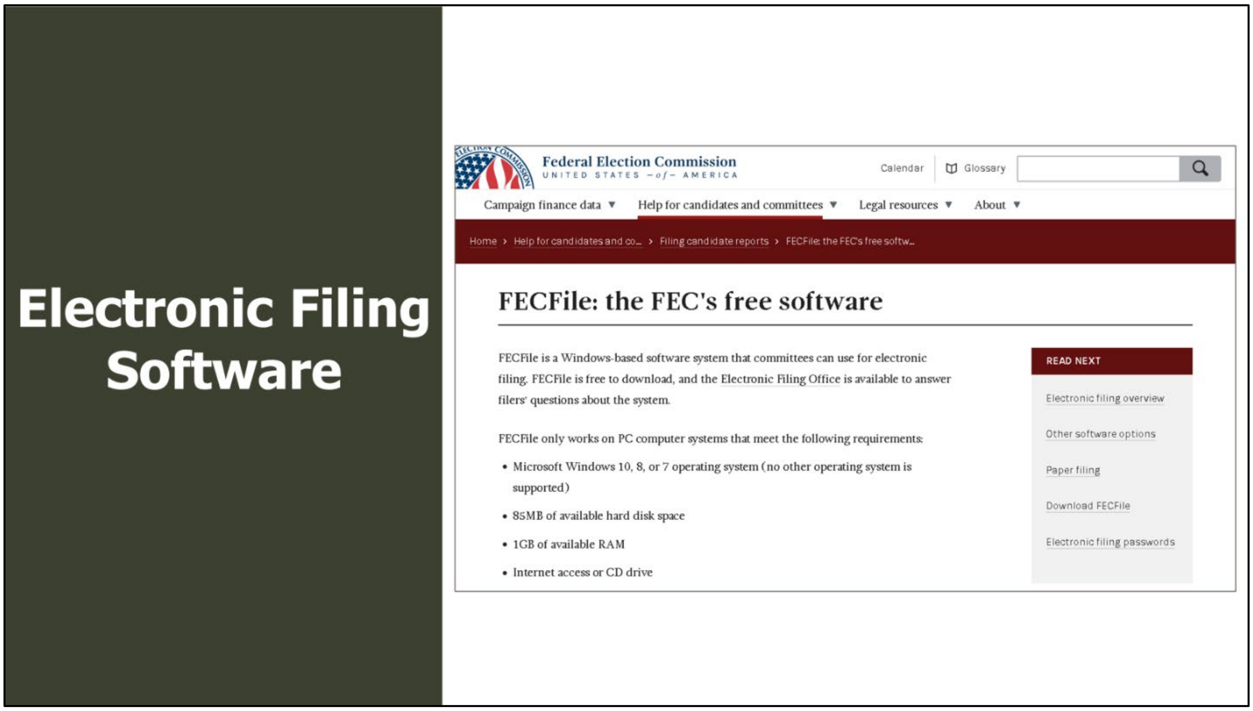
a) Most committees may obtain or change their password online at *webforms.fec.gov/psa/newrequest.htm*

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

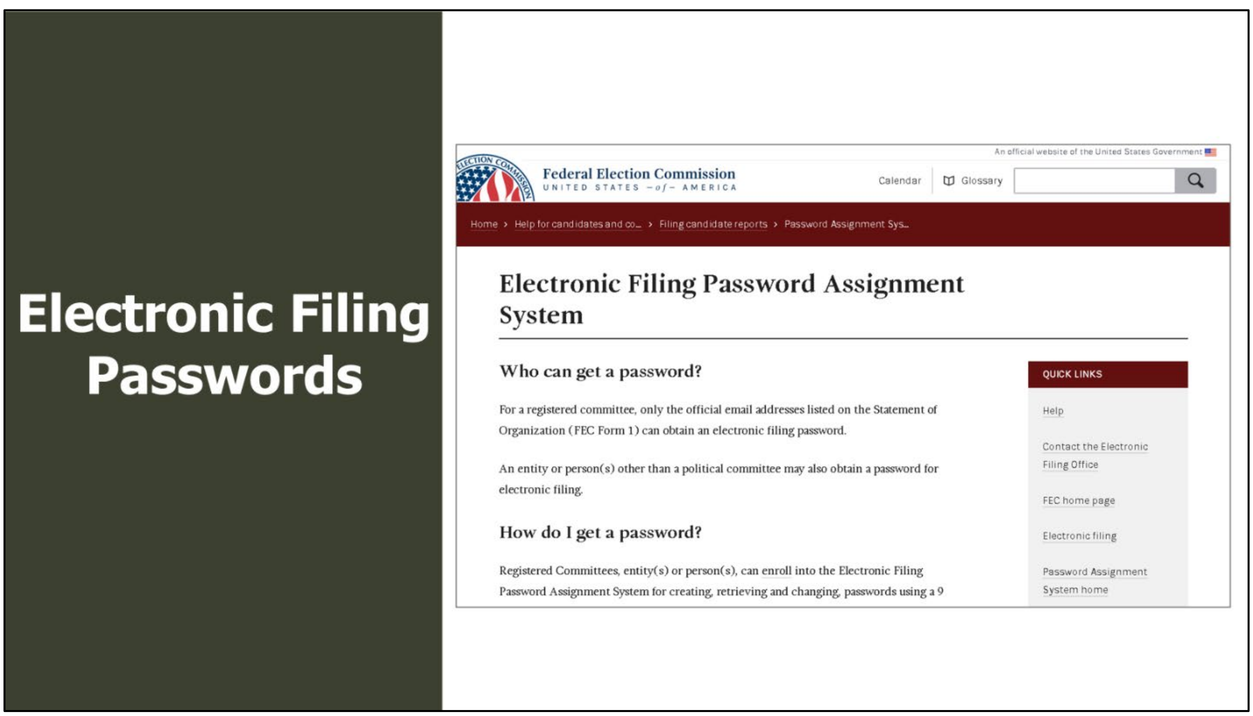
3. How long does it take?

a) Passwords can now be obtained in just a few minutes online.

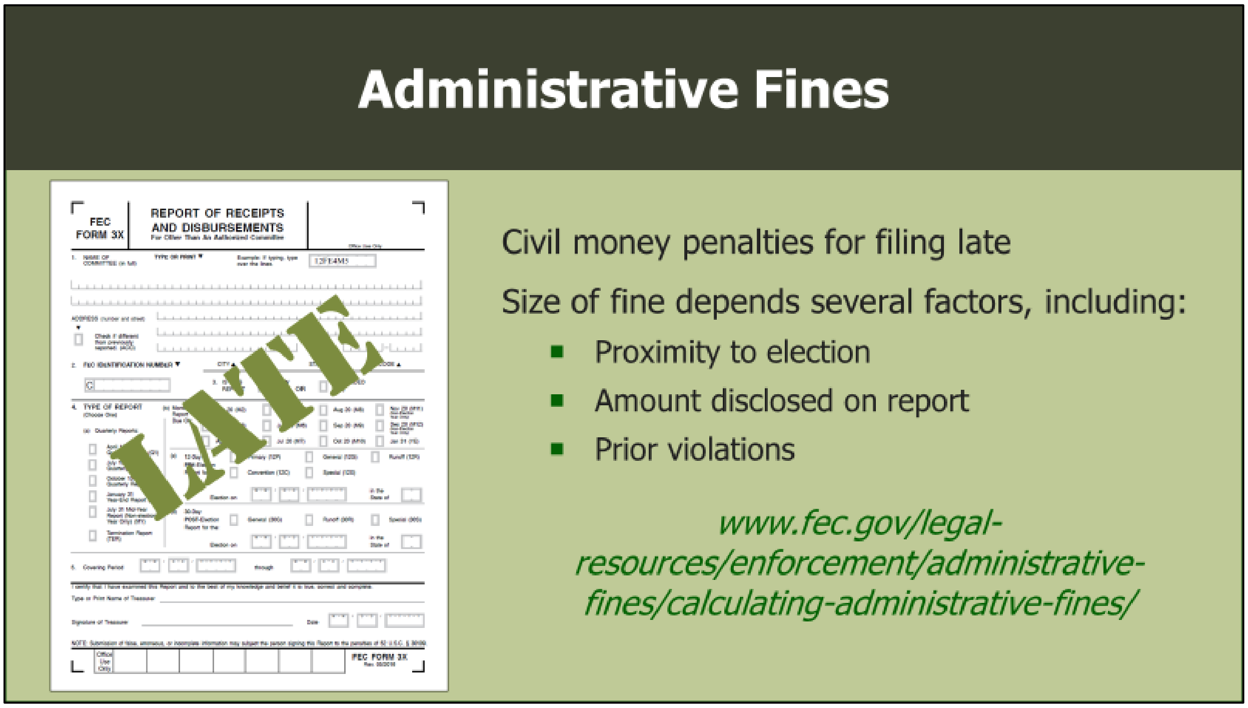
b) We recommend you request your password as early in the process as possible in case any issues arise.



www.fec.gov/help-candidates-and-committees/filing-reports/fecfile-software/



webforms.fec.gov/psa/getstarted.htm



F. Administrative Fine Program (AFP)

1. **Background**

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

2. **Applies to:**

   a) Late filers

   b) Non-filers

   c) Regulations found at [11 CFR 111.30-111.45]

3. **Civil money penalties – factors in determining**:

   The interaction of several factors will determine the size of the penalty. Penalty calculator - *www.fec.gov/legal-resources/enforcement/administrative-fines/calculating-administrative-fines/*

   a) **Election sensitivity**

      (1) Election sensitive reports include:

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

      (2) All other reports are considered nonsensitive.

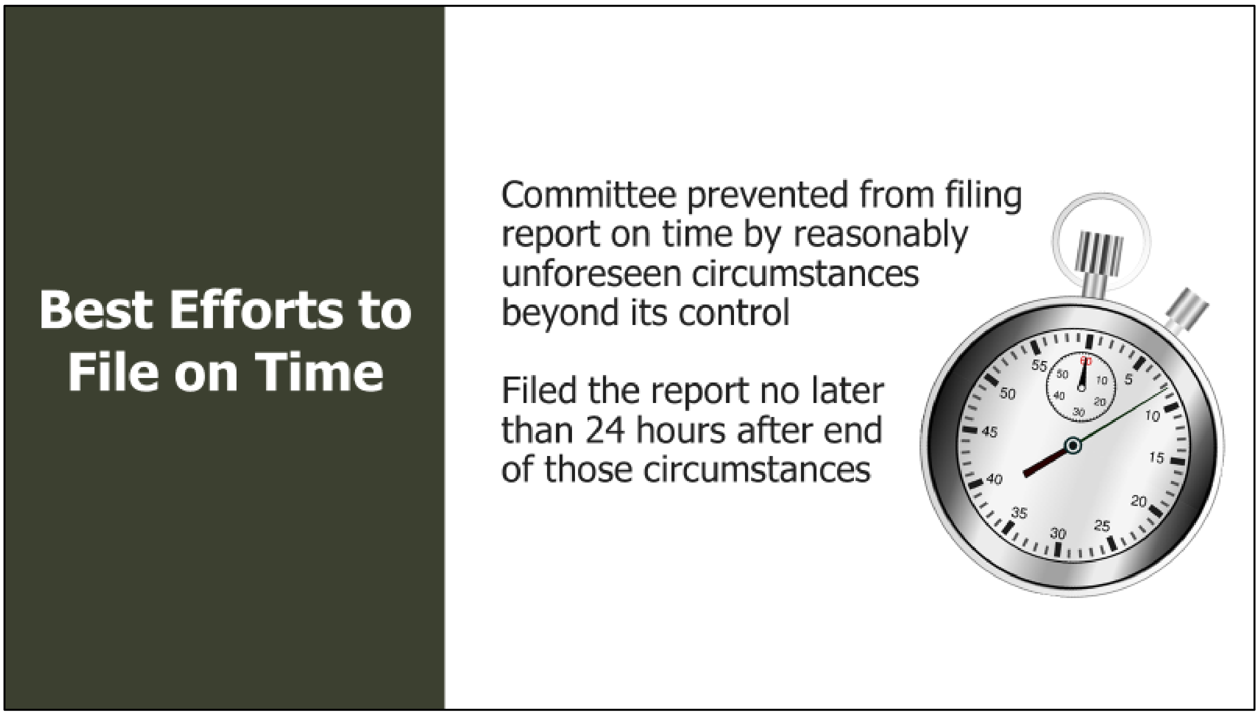
   b) **Whether committee is a late filer or a non-filer**

      (1) For sensitive reports

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

(2) <u>For nonsensitive reports</u>
- Late filer – when report is filed within 30 days after the due date.
- Non-filer – when report is filed 31 or more days after due date, or not at all.

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



G. Best efforts defense

Not the same as "best efforts" for obtaining contributor information

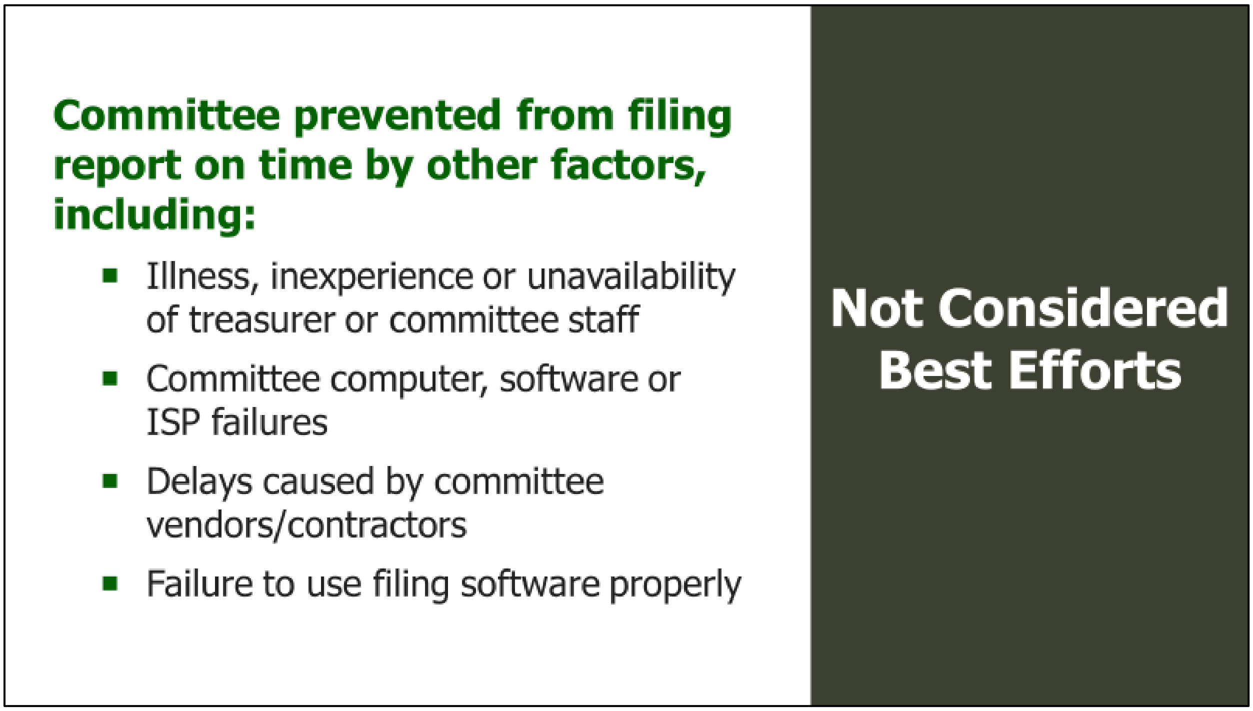
1. **Reports required on time**

   No extensions.

2. **If report not filed on time**

   Committees may use "best efforts" defense if committee took normal precautions and trained staff, but failure to report was due to <u>circumstances beyond committee's control</u> and the late report was filed within 24 hours after those circumstances ended (pursuant to April 2007 revisions to AFP regulations). 11 CFR 111.35(b)(3)

3. **Best efforts defense**
   a) Committee may use best efforts defense if failure to report is due to "reasonably unforeseen circumstances beyond the committee's control," such as the failure of Commission computers or software, despite receiving Commission technical assistance; widespread disruption of information transmissions over the internet; or severe weather or other disaster-related event. 11 CFR 111.35(c).



b) Committee may <u>not</u> use best efforts defense if failure to report is due to unavailability; inexperience or negligence of staff, counsel or organization; failure of committee's computer system; delays caused by vendors; failure to understand or know the law; or failure to use filing software properly. *See* 11 CFR 111.35(d).

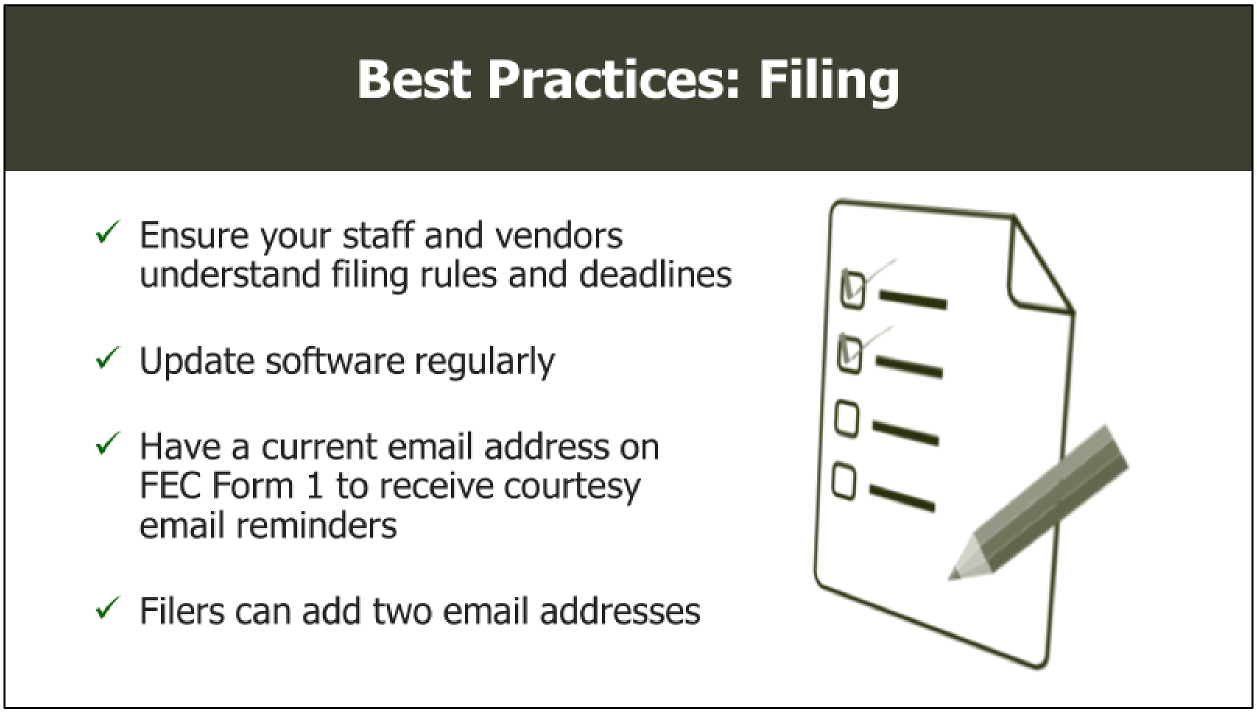
4. For more information, review:

Rule

- Explanation and Justification for the Regulations on Best Efforts in Administrative Fines Challenges - *sers.fec.gov/fosers/showpdf.htm?docid=5970*
- *Record* article - *www.fec.gov/updates/best-efforts-defense-replaces-the-extraordinary-circumstances-defense/*

Policy Statement

- Statement of Policy Regarding Treasurers' Best Efforts to Obtain, Maintain, and Submit Information as Required by the Federal Election Campaign Act - *www.fec.gov/resources/cms-content/documents/fedreg_notice_2007-13_EO13892.pdf*
- *Record* article - *www.fec.gov/updates/policy-statement-on-treasurers-best-efforts/*



H. Best practices for filing reports

- Ensure your staff and vendors understand filing rules and deadlines.
- Electronic filers: update your software regularly.
- Have a current email address on the FEC Form 1 to electronically receive Requests for Additional Information (RFAIs) and courtesy reminders about reports due. Up to two email addresses can be provided on a FEC Form 1 for receiving FEC communications.
- Notify the Commission of address, email and treasurer changes by filing an amended FEC Form 1.
- Provide timely and adequate responses to RFAIs.
- *FEC Record* article outlining dates and deadlines for year posted every January - www.fec.gov/updates/?update_type=fec-record

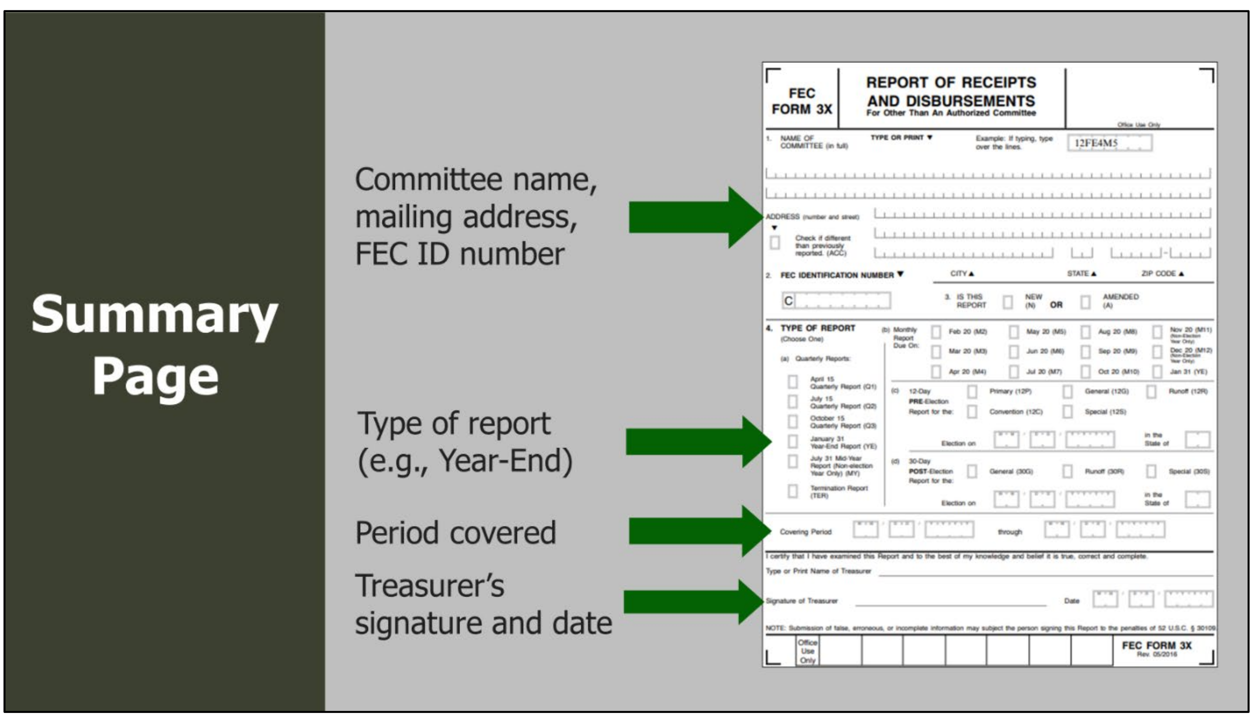
FORMS AND SCHEDULES

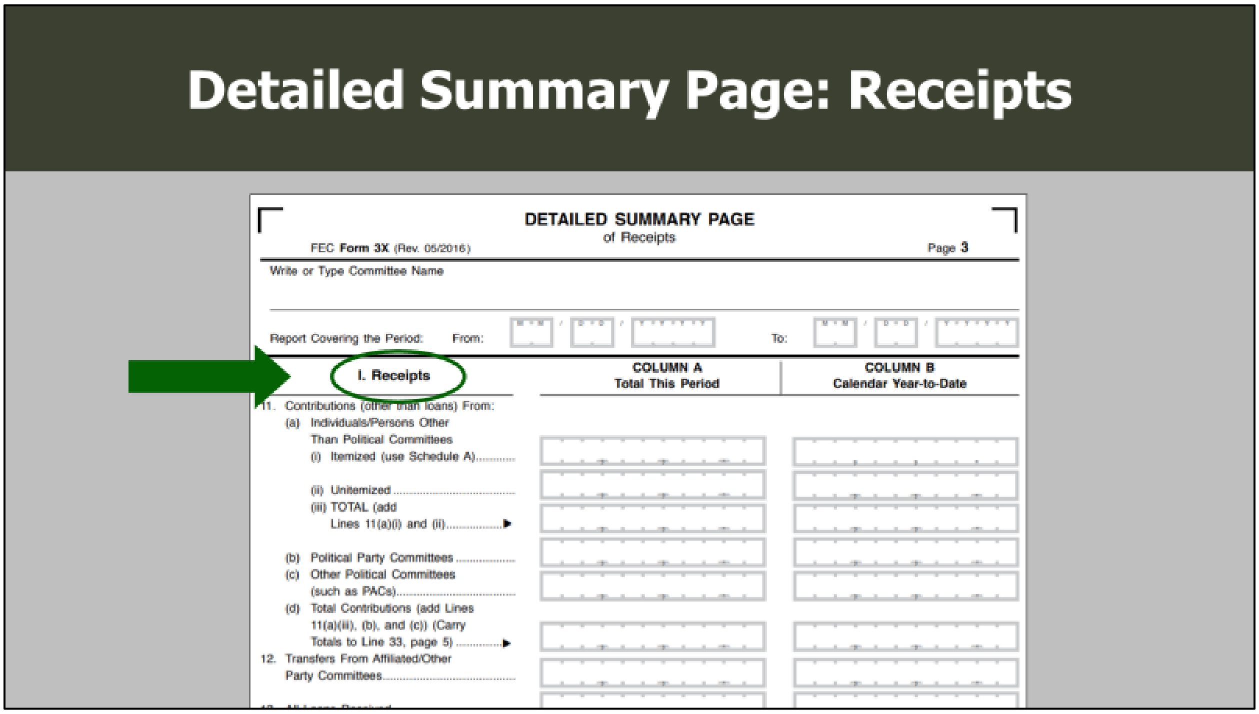
I. FEC Form 3X – Report of Receipts and Disbursements

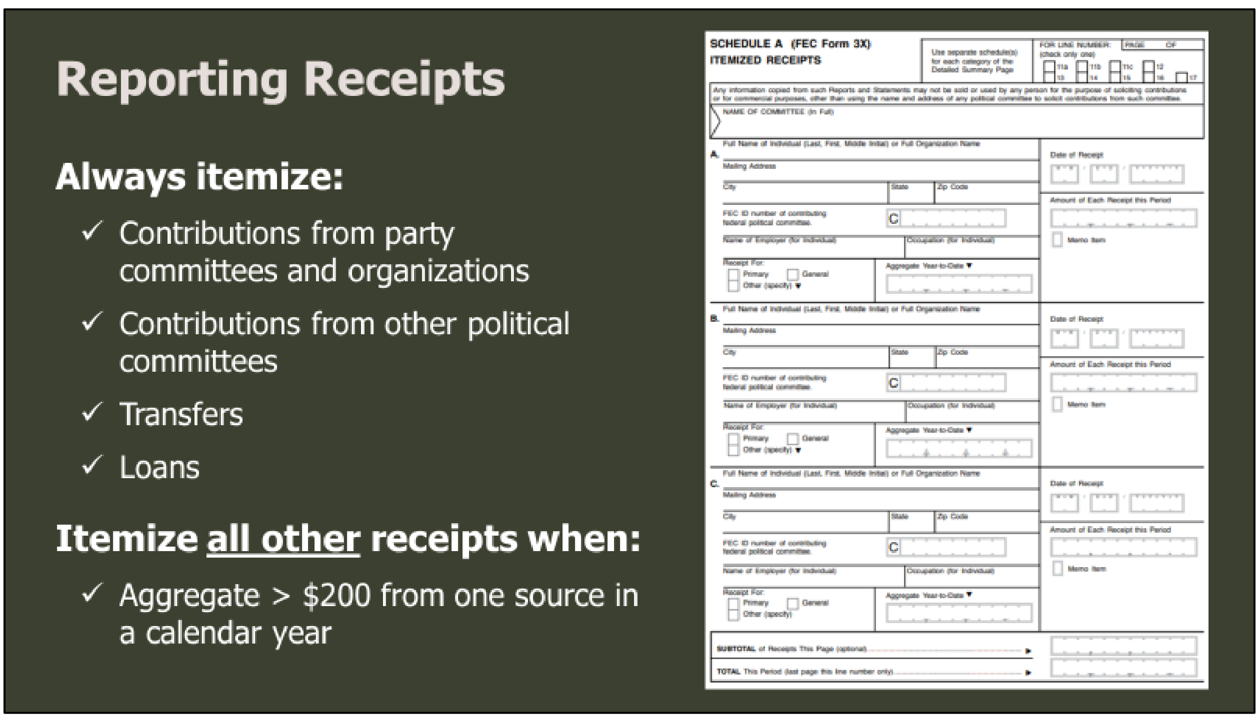
FEC Form 3X

Used by PACs and Party Committees Filers

- **Cover Page:** shows report type/coverage dates
- **Summary Page:** overview of receipts and disbursements
- **Detailed Summary Page:** overview of receipts and disbursements by category
- **Schedules:** show detailed info by line number







A. Report receipts on the appropriate line number

1. Itemize regardless of amount:

a) Contributions from political committees - Line 11b or 11c

b) Transfers from affiliated authorized committees - Line 12

c) Loans received – Line 13

2. **Threshold for other categories**
Itemize all other receipts once they exceed $200 when aggregated with other receipts from that same source during the calendar year.

Best Efforts Statements

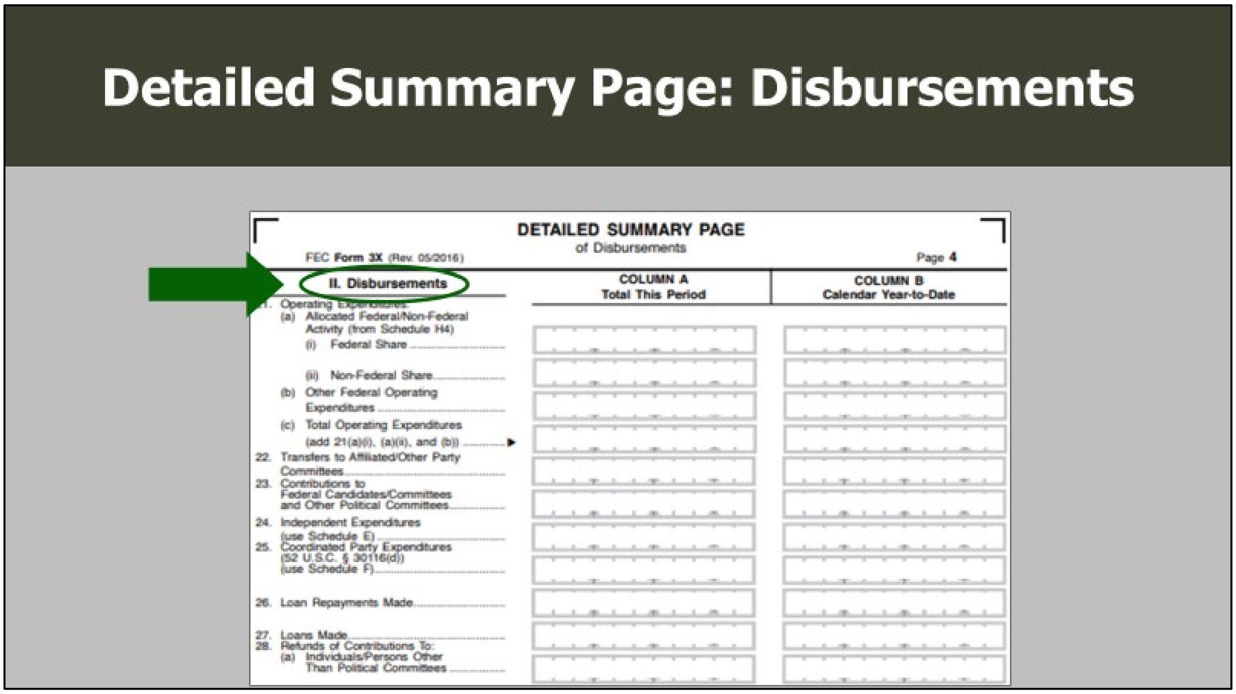
Can be filed "presumptively" at the beginning of the calendar year

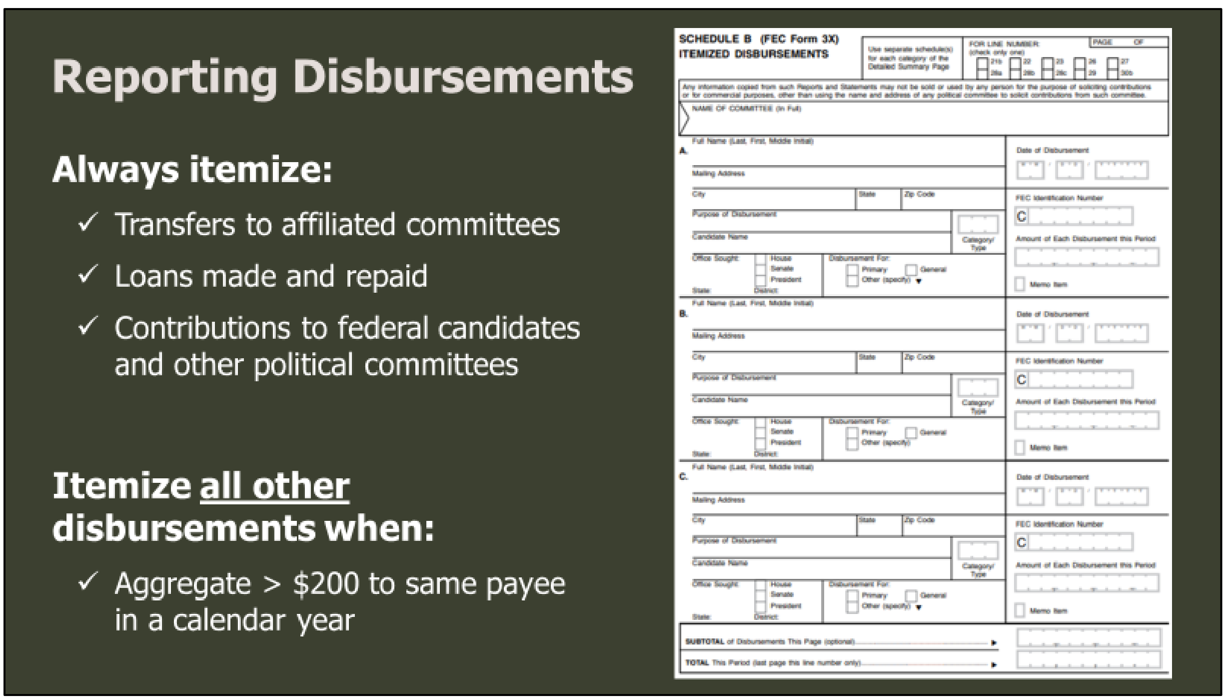
Be sure your statement:

- Outlines your committee's set procedure
- Includes each of the required steps outlined in the committee guide

Retain detailed records of your follow-up requests (copies of letters, emails, phone logs)

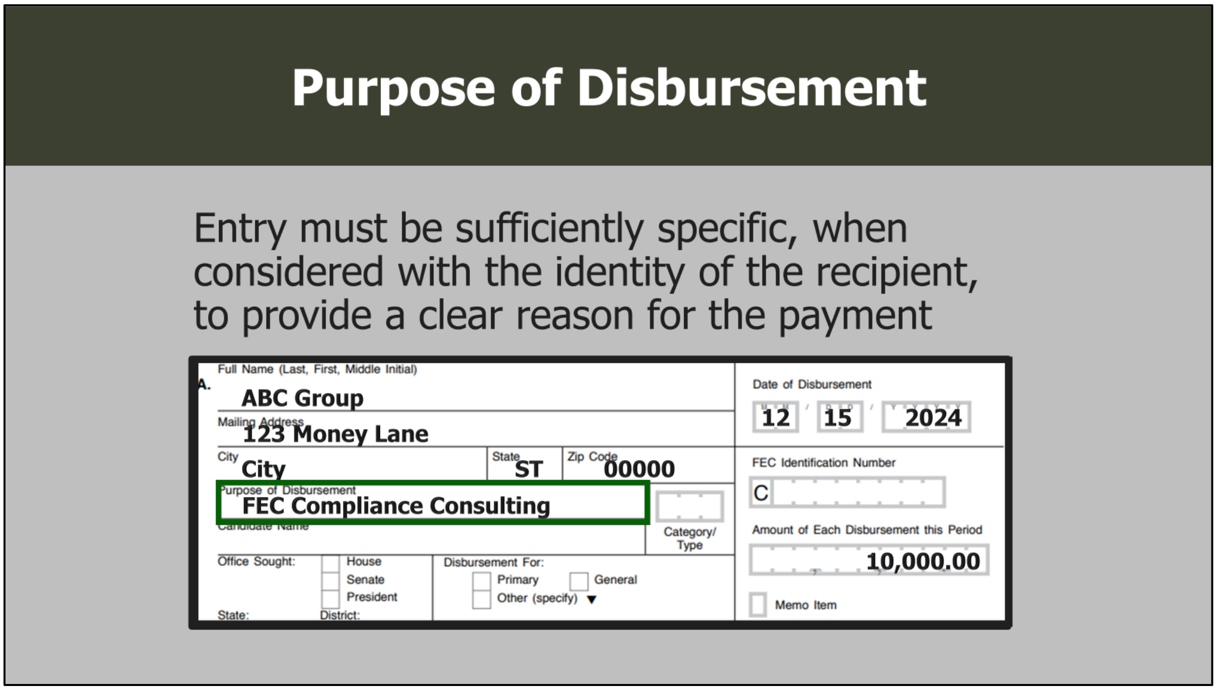
3. **Best efforts** (11 CFR 104.7)
Required to make "best efforts" to obtain, maintain and report required information.
   a) **To show "best efforts," committee must:**
      (1) Request information in solicitation, along with applicable disclaimer informing contributors that information is required under federal law; and
      (2) Make follow-up request within 30 days of receipt of contributions lacking required information, keep written documentation of follow-up request (with no additional solicitation made).
   b) **Amend reports** to disclose information received but not previously disclosed (or to include information in memo reports on the next report filed).





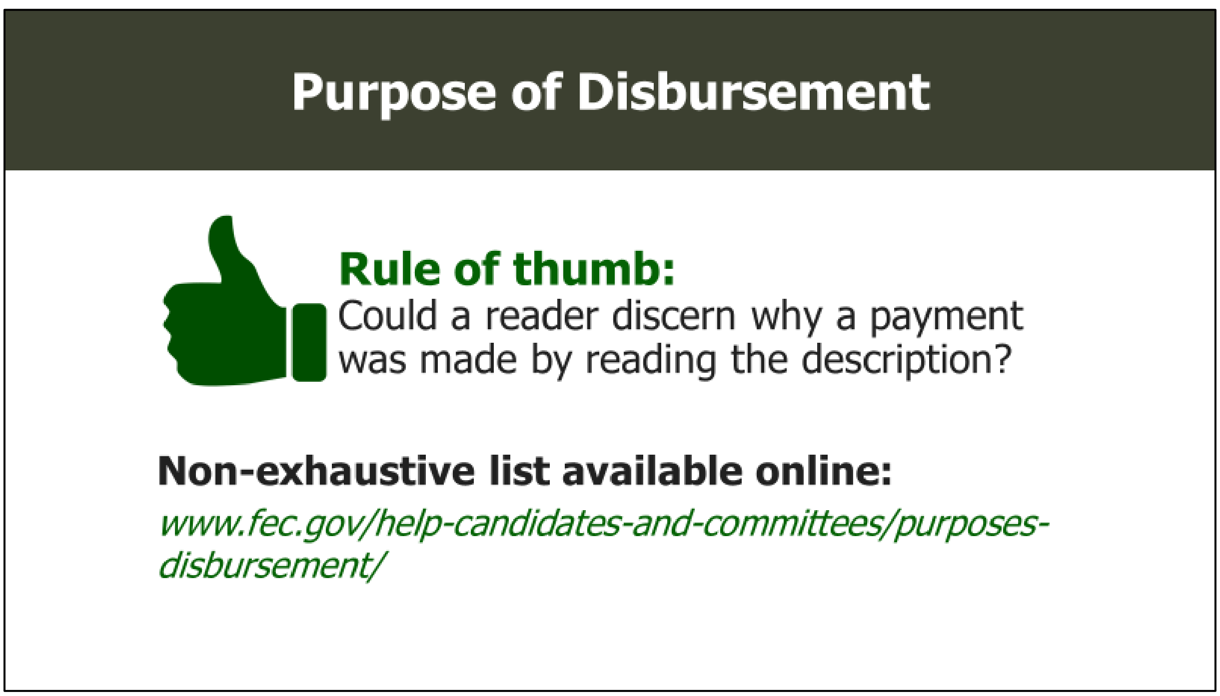
B. **Report disbursements on the appropriate line number**

1. **Itemize regardless of amount:**
    - a) Transfers to affiliated authorized committees – Line 22
    - b) Contributions made to candidates/other political committees – Line 23
    - c) Loan repayments – Line 27
2. **Threshold for other disbursement categories**
    Itemize all other disbursements once they exceed $200 when aggregated with other disbursements to the same payee during the calendar year.



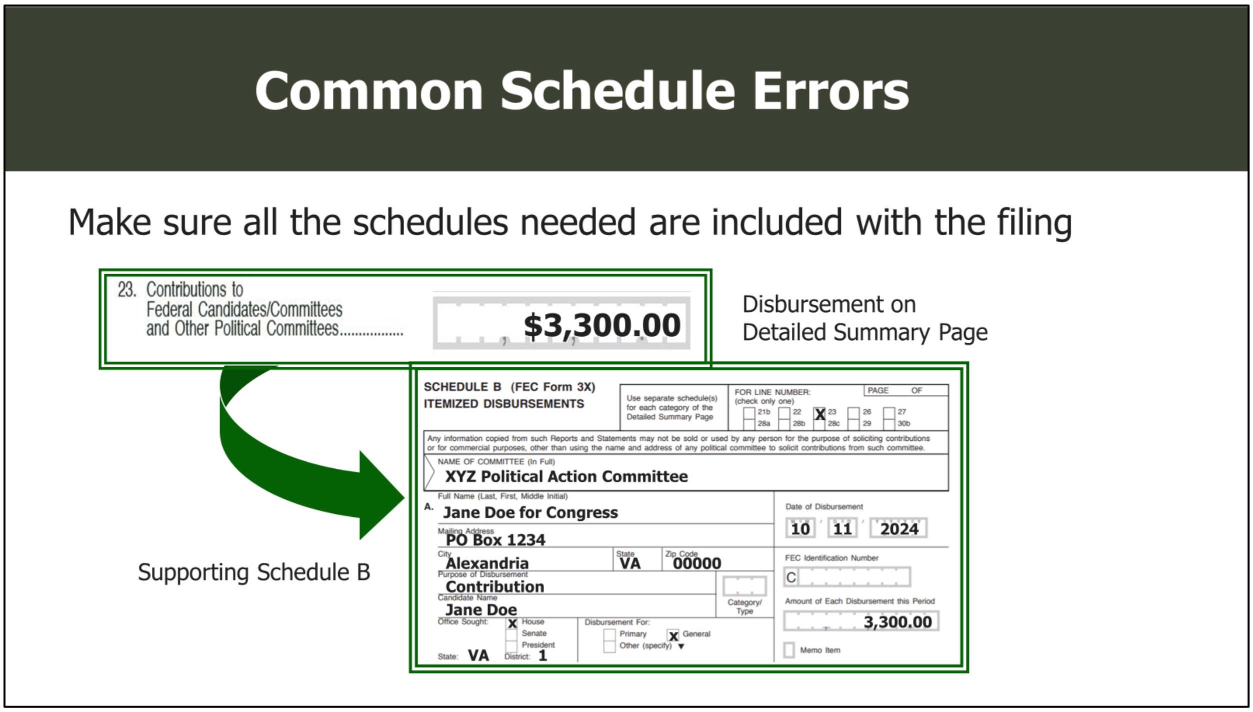
3. **Purpose of disbursement**

a) 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.



b) **Rule of thumb**: consider whether purpose would allow someone unaffiliated with committee to discern why a payment is made.

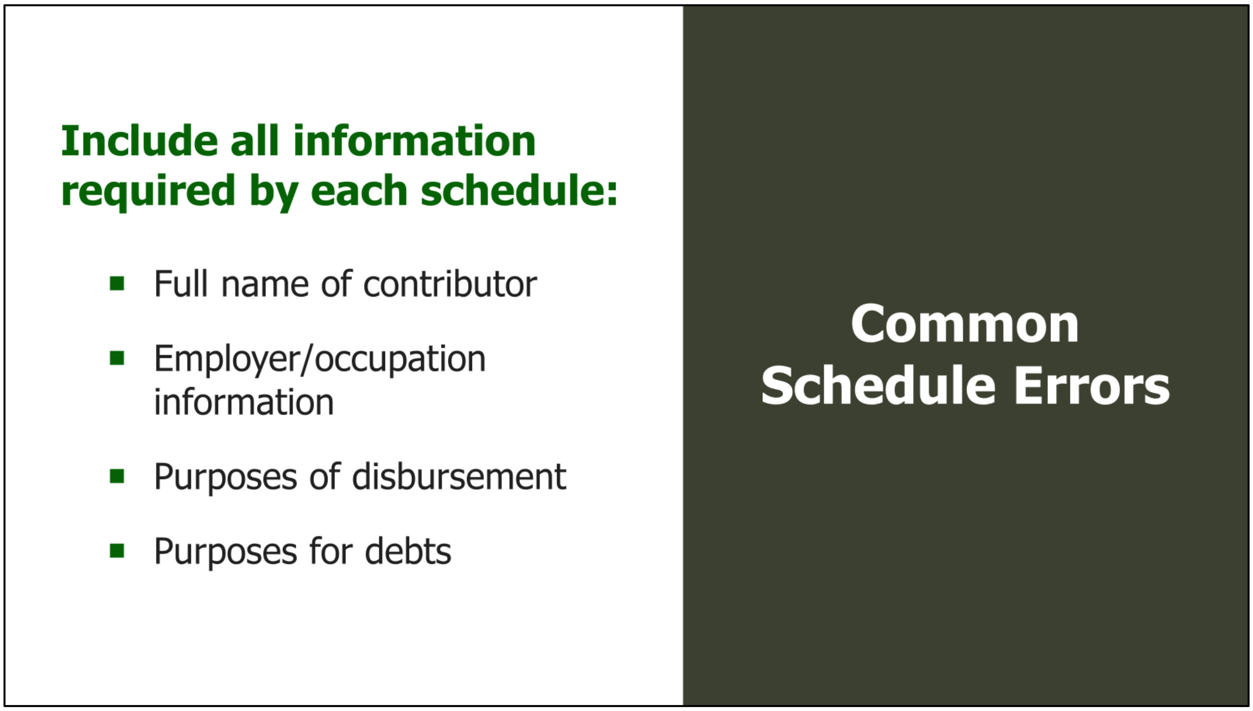
c) Lists are updated periodically and made available online www.fec.gov/help-candidates-and-committees/purposes-disbursement/



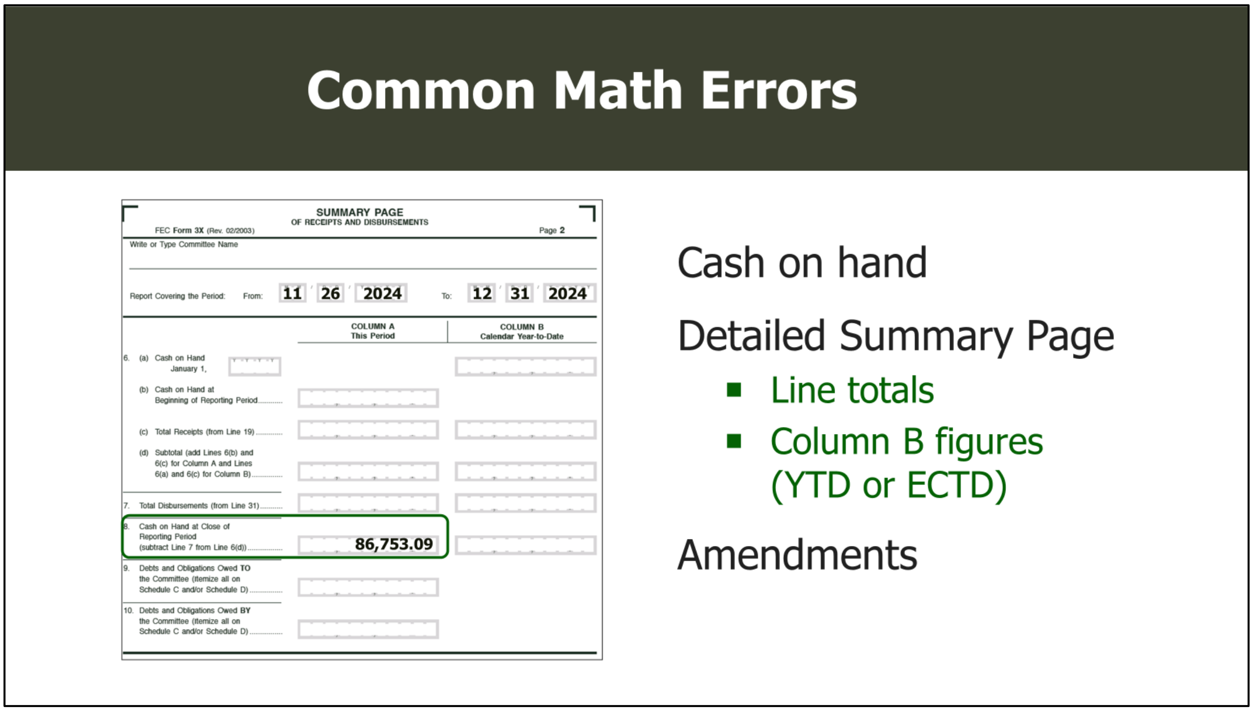
C. Common schedule errors

1. Include correct schedules

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



2. **Fill out the schedule completely**
If filing electronically, it is helpful to review the report as it appears filled in on the FEC Forms. Add any missing information, including purposes of disbursement or employer and occupation information.



D. Common math errors

1. Cash on hand

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

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

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

3. Amendments

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

Avoid Common Mistakes

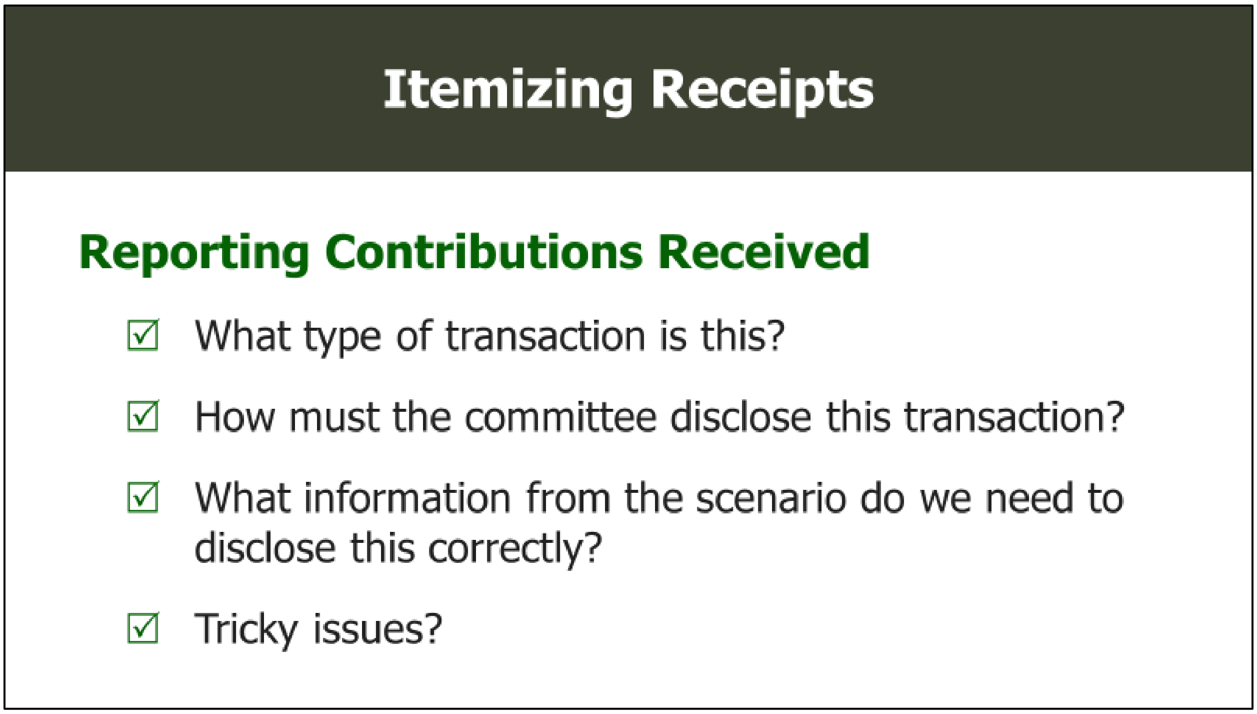
- ✓ Check for math errors
- ✓ Include all required schedules, provide all required information
- ✓ Consult form instructions available on FEC.gov
- ✓ Designate contributions
- ✓ Only enter contributors into reporting software once to avoid aggregation problems
- ✓ Ensure correct committee name disclosed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

Avoiding common errors

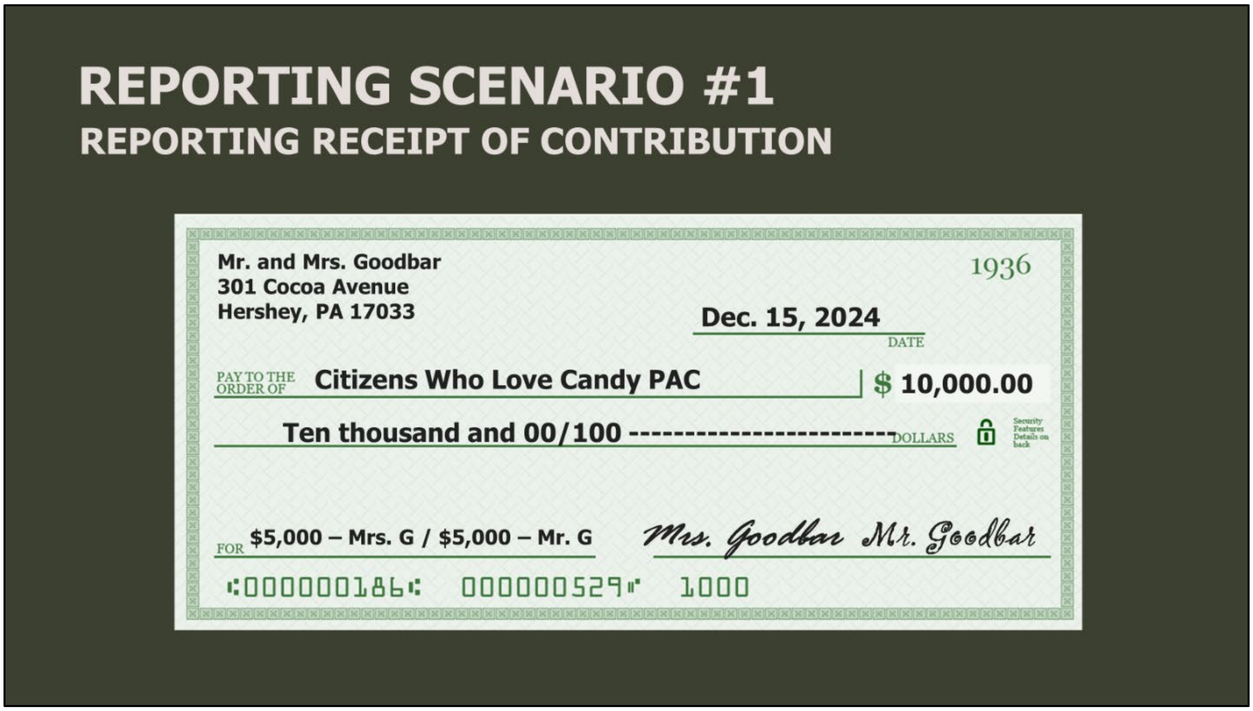
- Check for math errors.
- Include all appropriate schedules.
- Provide all information required by schedule. Form instructions are available on FEC website - *www.fec.gov/help-candidates-and-committees/forms/*
- Designate all contributions made to Federal candidate committees. If not designated, contribution is applied towards next election and may result in excessive contribution. Also indicate year of election and check primary or general. For special, runoff, convention or recount election, check "other" and also include election type and year (e.g., "Special General 2025").
- Avoid accidentally entering contributors multiple times into the committee's reporting software program. This causes aggregation problems as well as excessive contributions to be reported.
- Ensure the correct committee name is disclosed for contributions made. Using an incorrect committee name creates data entry problems and errors on the public record.

REPORTING SCENARIOS

SCENARIO #1: ITEMIZING CONTRIBUTIONS RECEIVED



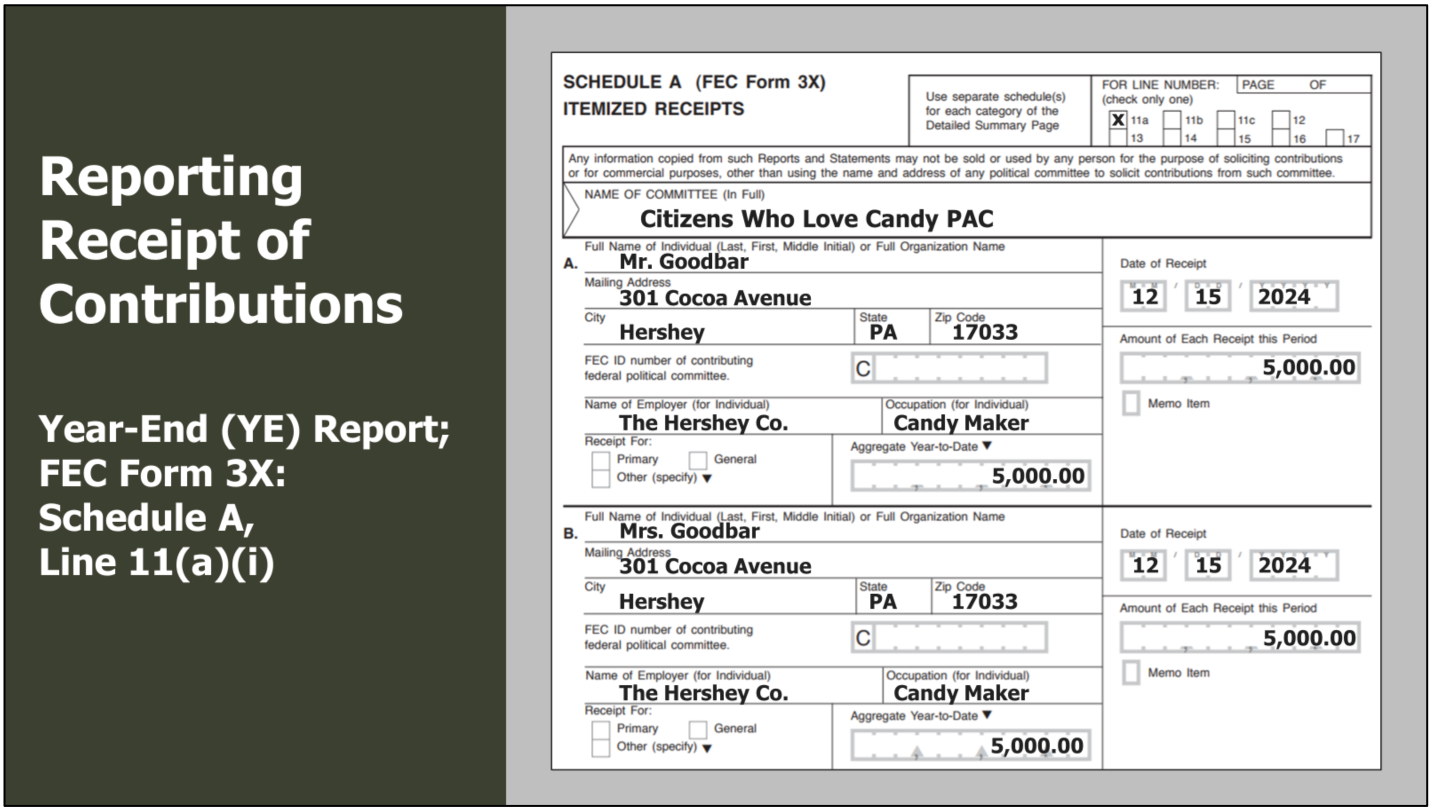
On December 15, 2024, Mr. and Mrs. Goodbar present a contribution check for $10,000 to the Citizens Who Love Candy PAC, a federal PAC. They used their personal joint account for this contribution, but were careful to both sign the check and note how much to attribute to each of them. (Neither Mr. nor Mrs. Goodbar have contributed to the PAC in 2024).



1. **What type of transaction is this?**
   Answer: Mr. and Mrs. Goodbar have each made a $5,000 contribution to the PAC.

2. **How must the committee disclose the transaction(s)?**
   Answer: Since the aggregate contributions from Mr. and Mrs. Goodbar exceed $200 in the calendar year, the PAC must disclose each contribution, itemizing them on the Year-End Report on Schedule A, Line 11a(i).

See reporting example on next page



3. **What information from the scenario do we need to disclose this correctly?**
Answer: Remember, for contributions greater than $50, a committee must obtain the identity of the contributor and the date the contribution was received. The committee must also use "best efforts" to obtain, maintain and report the name of employer and occupation since their aggregate year-to-date contributions total to the PAC is greater than $200 each in the calendar year.

Tricky Issues/Points to Remember:

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

SCENARIO #2: REPORTING ULTIMATE PAYEES

Itemizing Disbursements

Reporting Ultimate Payees

- ☑ What type of transaction is this?
- ☑ How must the committee disclose this transaction?
- ☑ What information from the scenario do we need to disclose this correctly?
- ☑ Tricky issues?

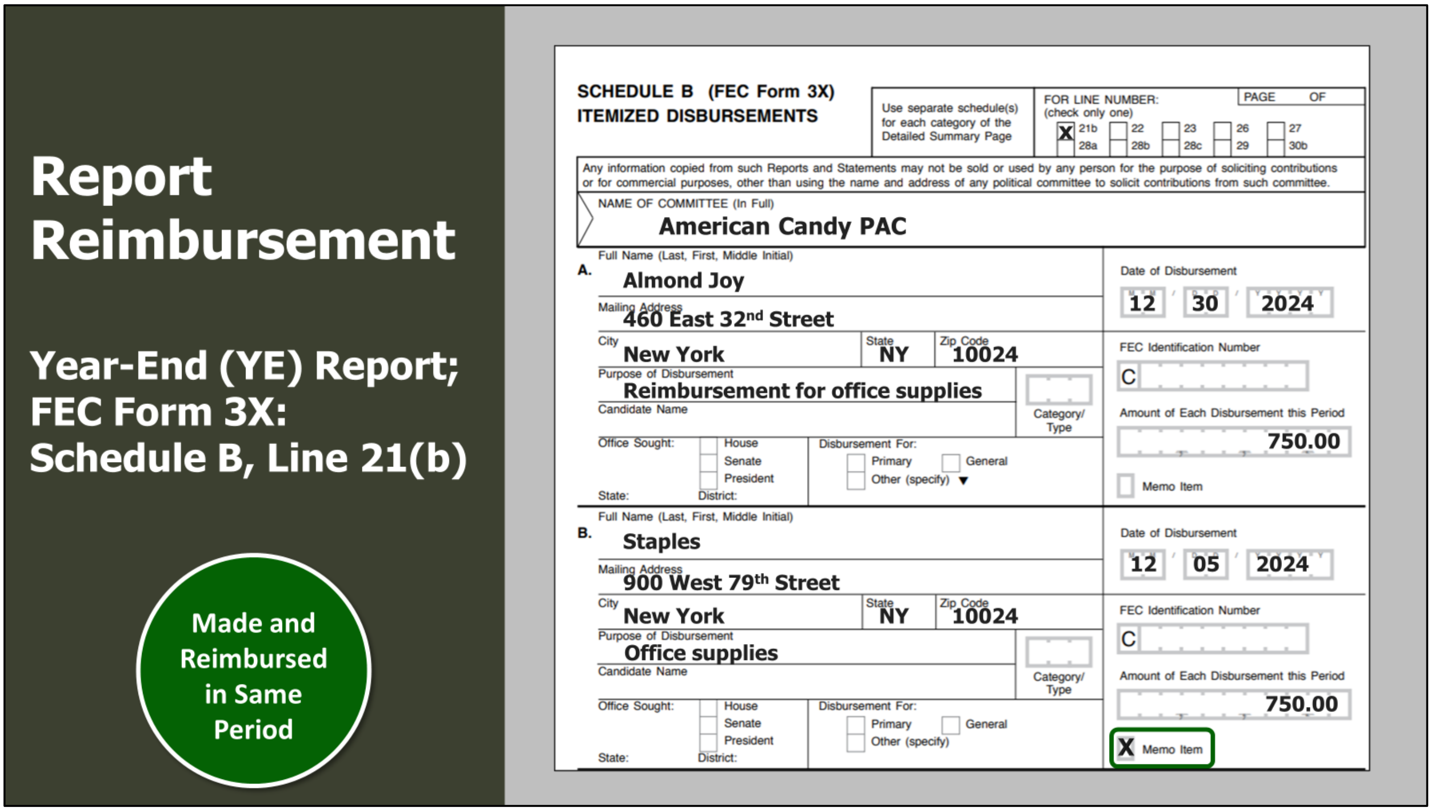
On December 5, 2024, Joy Almond, the treasurer for American Candy PAC, realizes that the office is low on supplies. She runs out to the nearby Staples office supply store and uses her personal funds to purchase $750 worth of office supplies. She is reimbursed by the PAC in full on December 30.

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

2. **How must the committee disclose the transaction(s)?**
   Answer: Joy advanced funds and was reimbursed in the same reporting period. Therefore, the reimbursement made to her is itemized on Schedule B for Line 21b (Other Federal Operating Expenses). Joy is listed as the payee, along with her mailing address, and the date, amount and purpose of the reimbursement.

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

See reporting example on next page

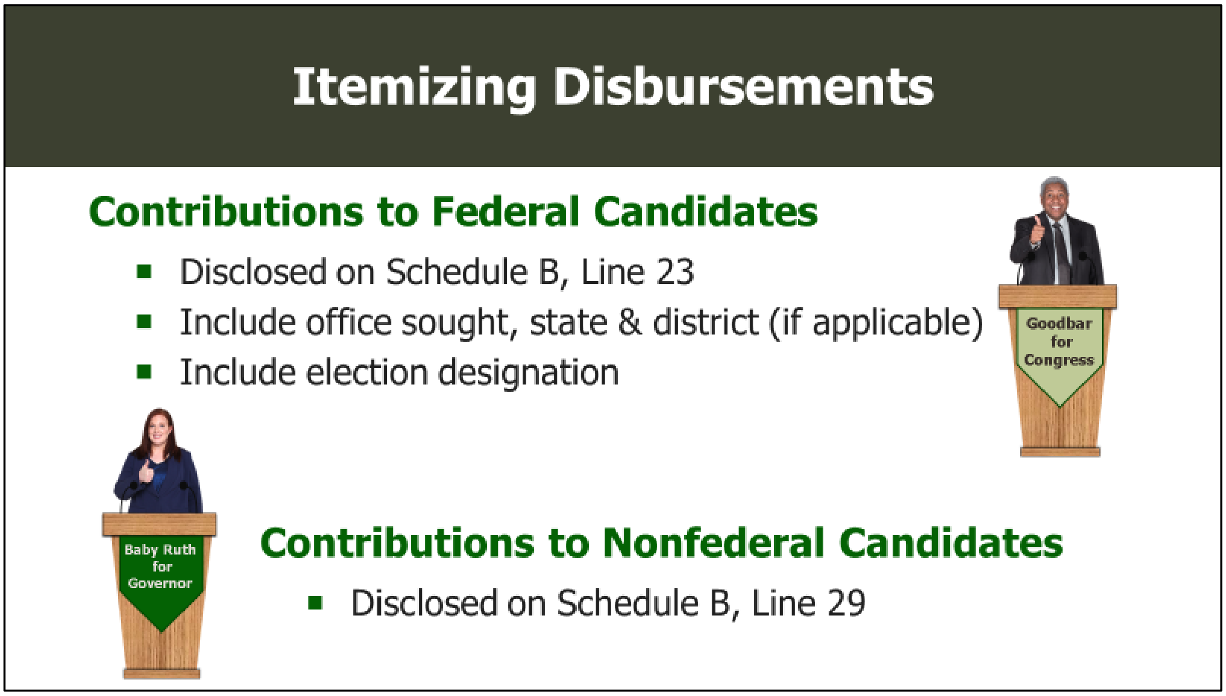


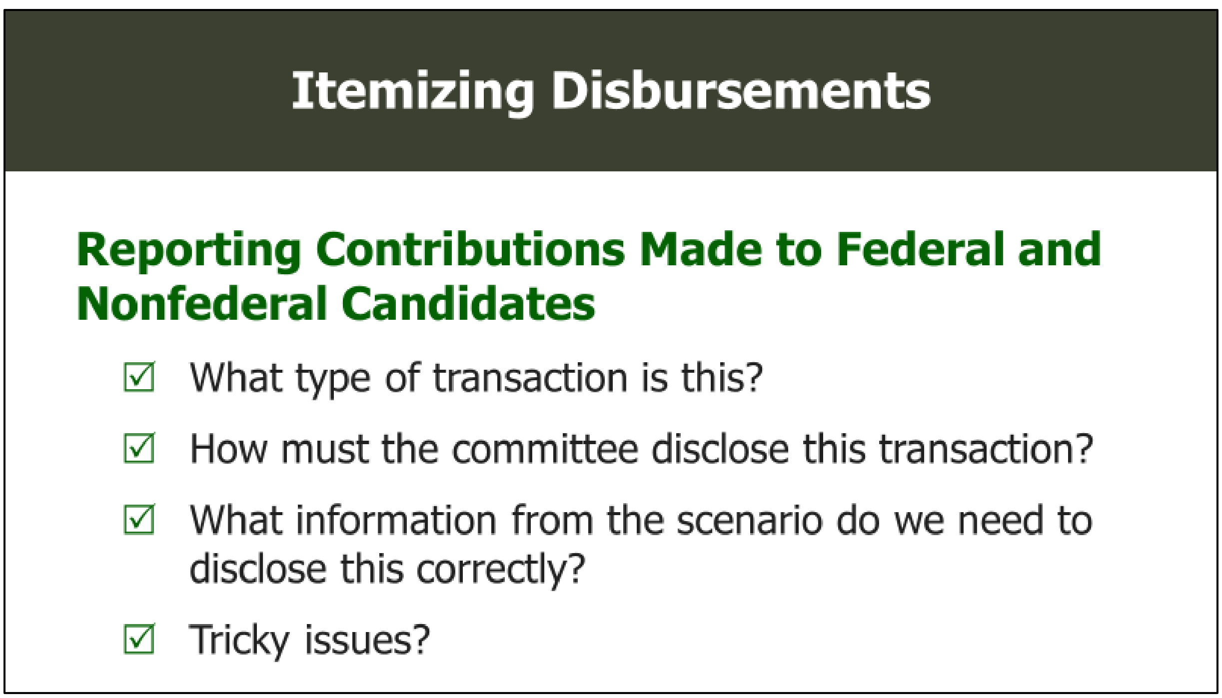
3. **What information from the scenario do we need to disclose this correctly?**
Answer: To itemize ultimate payees, the PAC needs not only Joy's name and address, but also the date she made the initial payment to the vendor, as well as the vendor's name and address. The specific purpose of the disbursement must be listed and must meet the qualifications to be considered an "adequate" purpose.

Tricky Issues/Points to Remember:

- Disbursements are itemized when payments made to a specific payee aggregate more than $200 in a calendar year.
- In these two situations, the political committee must provide additional information about a vendor who was the ultimate payee:
  - The committee reimburses an individual who used personal funds to pay committee expenses aggregating more than $200 to a single vendor.
  - The committee's payment of its credit card bill includes charges of more than $200 to a single vendor.
- Notice of Interpretive Rule (July 8, 2013) - *www.fec.gov/resources/cms-content/documents/fedreg_notice_2013-09_EO13892.pdf*
- More information on reporting ultimate payees - *www.fec.gov/updates/reporting-ultimate-payees-for-committee-disbursements-re-draft-interpretive-rules/*

SCENARIO #3: CONTRIBUTIONS MADE TO CANDIDATES (FEDERAL vs. NONFEDERAL)





Reporting Examples #3A – 3D

American Candy PAC (a multicandidate committee, quarterly filer) makes several contributions to both federal and nonfederal candidates. In the following four examples, let's evaluate the proper way for the PAC to disclose these contributions.

Example #3A: Contribution made to federal and nonfederal candidates

On November 1, 2024, the PAC makes a $5,000 contribution to Goodbar for Congress.

1. **What type of transaction is this?**
   Answer: Contribution from the PAC to a federal candidate.

2. **How must the committee disclose the transaction?**
   Answer: Report the contribution on Schedule B for Line 23.

3. **What information from the scenario do we need to disclose this correctly?**
   Answer: Itemization includes office sought, state & district of the candidate as well as election designation.

Report Contribution Made to Federal Candidate

Post-General (30G) Report; FEC Form 3X: Schedule B, Line 23

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

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

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

PAGE OF

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): **American Candy PAC**

A. Full Name (Last, First, Middle Initial): **Goodbar for Congress**
Mailing Address: **777 Sunshine Lane**
City: **Tampa** State: **FL** Zip Code: **33614**
Purpose of Disbursement: **Contribution**
Category/Type: **011**
Candidate Name: **James Goodbar**
Office Sought: [X] House [ ] Senate [ ] President
State: **FL** District: **14**
Disbursement For: [ ] Primary [X] General [ ] Other (specify)

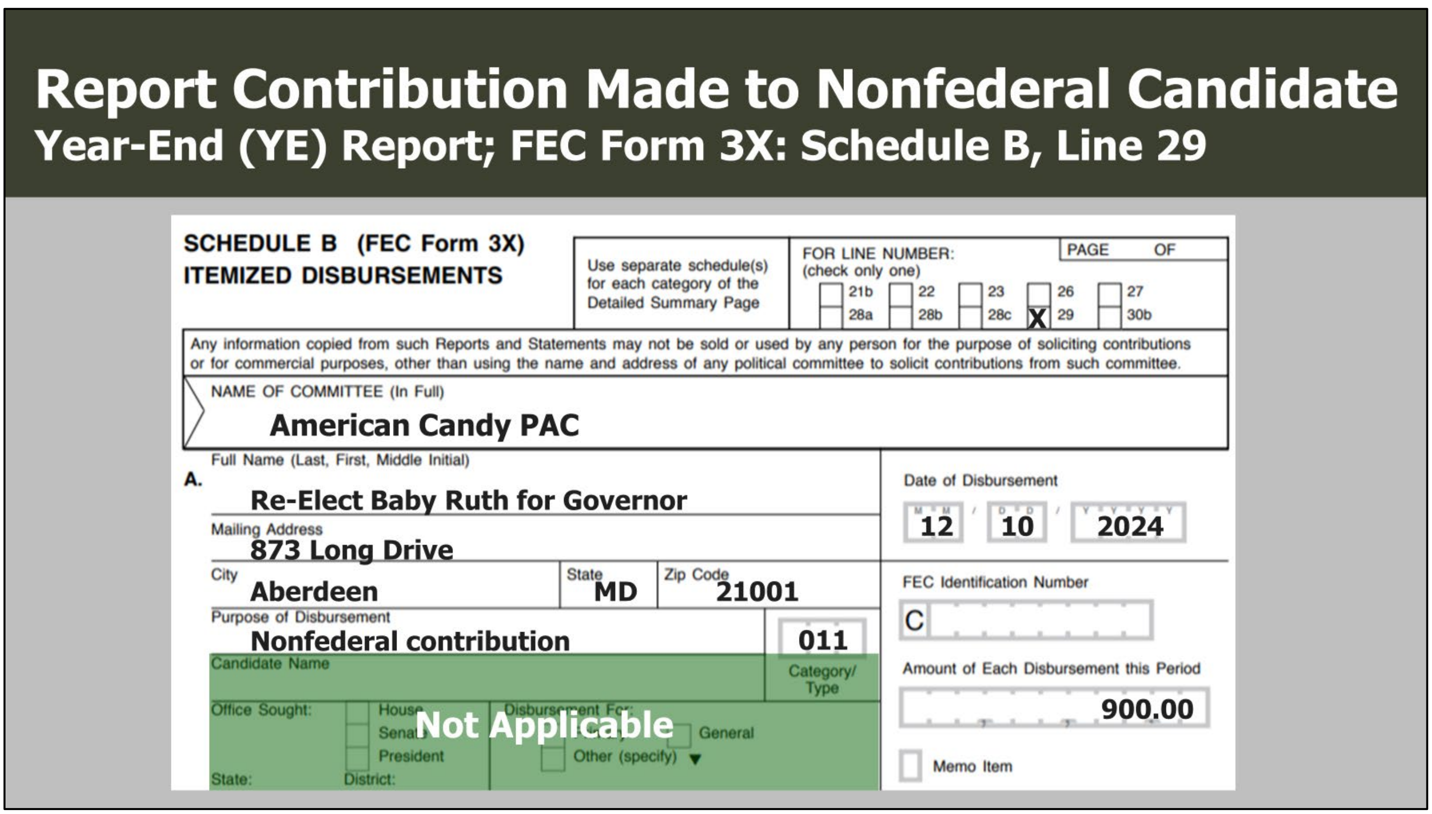
Date of Disbursement: **11 / 01 / 2024**
FEC Identification Number: C
Amount of Each Disbursement this Period: **5,000.00**
[ ] Memo Item

Example #3B: Contribution to nonfederal candidate
On December 10, the PAC makes a contribution to Re-Elect Baby Ruth for Governor, a nonfederal campaign.

1. **What type of transaction is this?**
Answer: Contribution made by the PAC to a nonfederal candidate.

2. **How must the committee disclose the transaction?**
Answer: Contributions made to nonfederal candidates are reported on Schedule B, Line 29.

3. **What information from the scenario do we need to disclose this correctly?**
Answer: Itemization includes purpose of disbursement "Nonfederal contribution," but candidate information is NOT needed.



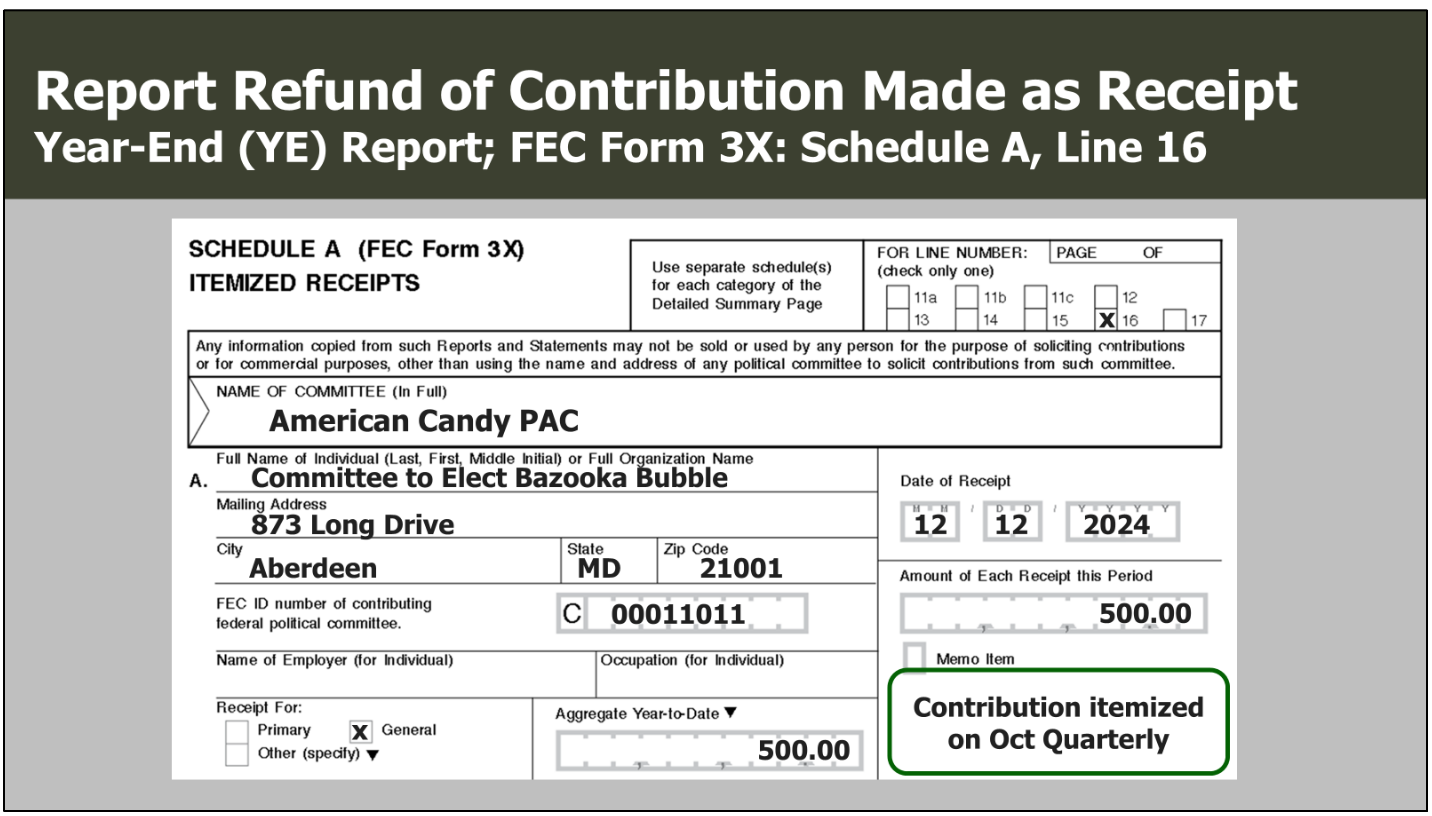
Example #3C: Refund of contribution made
On December 12, 2024, American Candy PAC receives a refund check from the Committee to Elect Bazooka Bubble.

The contribution was originally made on September 25, 2024, designated for the general election and disclosed by the PAC on their October Quarterly Report. After a successful campaign, the candidate Bazooka Bubble decided to use excess campaign funds to refund some contributors.

1. **What type of transaction is this?**
   Answer: The campaign is refunding a contribution made by the PAC.

2. **How must the committee disclose the transaction?**
   Answer: When a refund check is received from another committee and deposited into the PAC's account, it should be disclosed as a receipt on Schedule A, Line 16.

3. **What information from the scenario do we need to disclose this correctly?**
   Answer: Itemization includes FEC ID number of the campaign committee issuing the refund. Also include a notation indicating on which report the PAC originally reported/itemized the contribution, "Contribution itemized on Oct Quarterly."

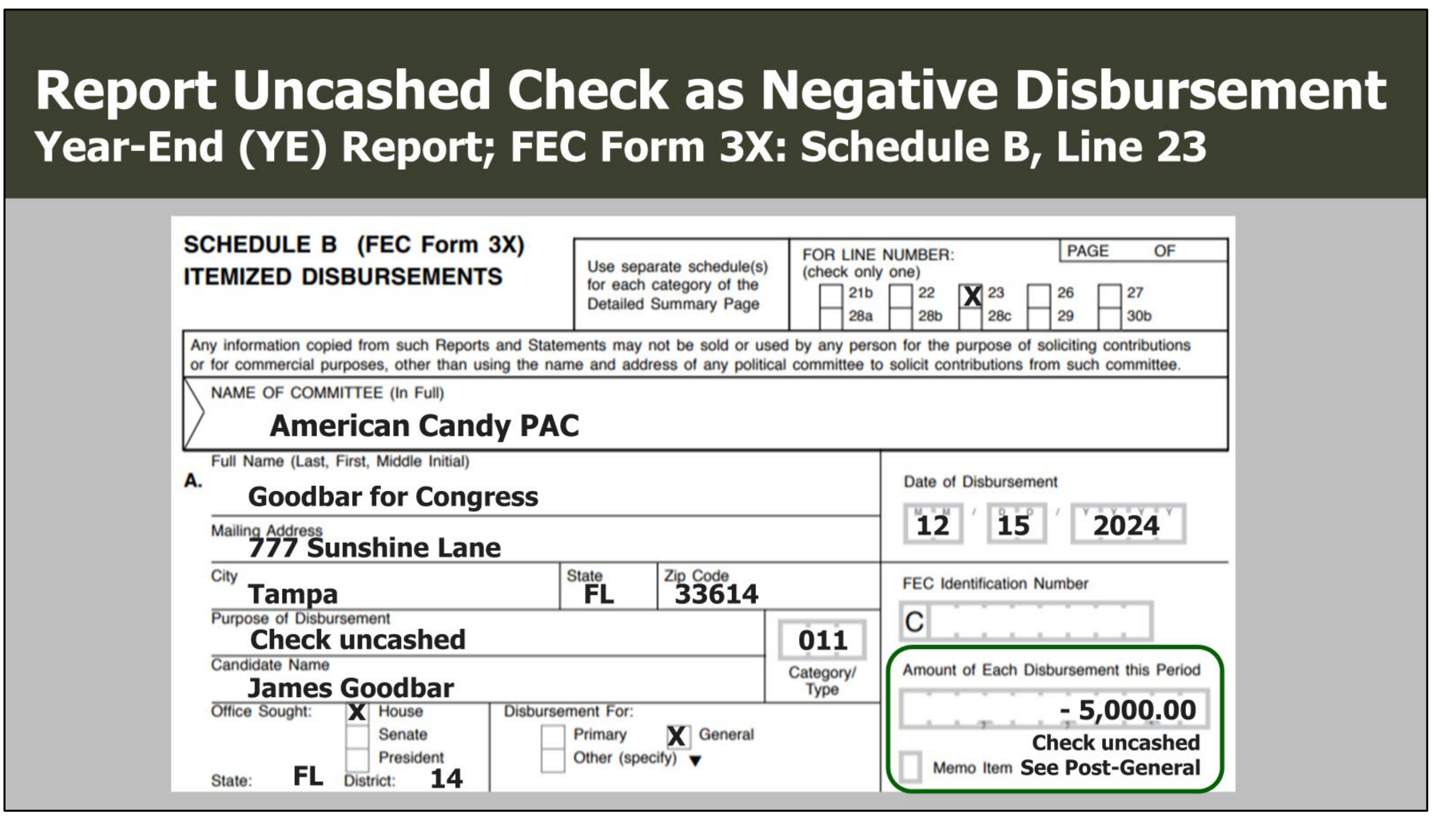


Example #3D: Uncashed check of contribution made
On December 15, 2024, the PAC Treasurer Joy Almond realizes the $5,000 contribution it made to Goodbar for Congress was never cashed, so she cancels the check.

1. **What type of transaction is this?**
   Answer: Contribution made by the PAC was never cashed, resulting in the PAC canceling the check.

2. **How must the committee disclose the transaction?**
   Answer: Voided or returned/uncashed checks are disclosed as negative disbursement entries on Schedule B, Line 23 – supporting the Detailed Summary Page line number where the transaction was originally disclosed.

3. **What information from the scenario do we need to disclose this correctly?**
   Answer: Itemization includes purpose of disbursement "Check uncashed" as well as the applicable candidate information (office sought, state & district, election designation). Also include a notation indicating on which report the PAC originally reported/itemized the contribution, "Check uncashed, see Post-General."


Report Uncashed Check as Negative Disbursement
Year-End (YE) Report; FEC Form 3X: Schedule B, Line 23

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS
Use separate schedule(s) for each category of the Detailed Summary Page
FOR LINE NUMBER: (check only one)
21b 28a | 22 28b | X 23 28c | 26 29 | 27 30b
PAGE OF
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)
American Candy PAC
A. Full Name (Last, First, Middle Initial)
Goodbar for Congress
Mailing Address
777 Sunshine Lane
City Tampa State FL Zip Code 33614
Purpose of Disbursement
Check uncashed
Category/Type 011
Candidate Name
James Goodbar
Office Sought: X House Senate President
State: FL District: 14
Disbursement For: Primary X General Other (specify)
Date of Disbursement
12 / 15 / 2024
FEC Identification Number
C
Amount of Each Disbursement this Period
- 5,000.00
Check uncashed
Memo Item See Post-General

Prepared by the Federal Election Commission

SCENARIO #4: CURING EXCESSIVE CONTRIBUTIONS – REDESIGNATIONS & REATTRIBUTIONS

Itemizing Disbursements

Redesignations

- Use memo entries to note previously reported information – do not add to the totals
- If redesignated after the close of books, show redesignation on next report and indicate the report on which it was previously itemized
- Previous report should **not** be amended
- If redesignating for previous election to retire debts, include year, debt and election (e.g., 2024 general debt)

Itemizing Disbursements

Reporting Redesignations

- ☑ What type of transaction is this?
- ☑ How must the committee disclose this transaction?
- ☑ What information from the scenario do we need to disclose this correctly?
- ☑ Tricky issues?

On October 28, 2024, the American Candy PAC (a multicandidate PAC) mails off a $6,000 general election contribution check to Committee to Elect Kit Kat. The campaign receives the contribution check and sees that the PAC made an excessive contribution.

The campaign treasurer sends an email thanking American Candy PAC for the contribution. In the email, the campaign informs the PAC that the contribution is in excess of the limit by $1,000 and asks if the PAC would be willing to redesignate the excessive portion to the next election, the 2026 primary, if not, the campaign will issue a refund for the excessive amount. The PAC knows they have 60 days to respond and waits until after the general election. On November 10, after learning Kit Kat won the election, the PAC responds to the email, agreeing to redesignate the excessive $1,000 to Kit Kat's 2026 primary.

1. **What type of transaction is this?**
Answer: There are two transactions for this example. First, disclosing a contribution made by the PAC to a federal candidate; and second, disclosing the redesignation of the excessive portion of the original contribution made to a different election, as agreed upon by the PAC.

2. **How must the committee disclose the transaction(s)?**
Answer: Disclosure consists of two transactions: first the $6,000 contribution made on October 28 is reported by the PAC on the Post-General Report; second, the redesignation is reported on the PAC's Year-End Report.
(**NOTE:** the redesignation isn't complete until the PAC agrees to redesignate the excessive portion). Both transactions are disclosed on Schedule B, Line 23.

3. **What information from the scenario do we need to disclose this correctly?**
Answer:
Report original contribution as disbursement: itemize the check as written – $6,000 for the general – include purpose of disbursement "Contribution" as well as the applicable candidate information (office sought, state & district, election designation).

   To completely disclose the redesignation, itemization consists of three separate entries on Schedule B.

   Report disbursement: show reporting using two separate entries:
   - Show original $6,000 contribution again as a MEMO entry (check "Memo Item" box); include notation indicating on which report the PAC originally reported/itemized the contribution and that the redesignation follows below, "As disclosed on Post-General, Redesignation below."
   - Subtract excessive amount of contribution – $1,000 removed from general contribution, as a MEMO entry.

   For both entries, include cross-reference notations: "redesignation below"

   Report redesignation: show reporting of $1,000 contribution from the PAC as a MEMO entry. Change designation to primary (include additional notation "2026 Primary" since for different election cycle) and include notation indicating "Redesignation."

See reporting examples on next page

Report Contribution Made as Disbursement

Post-General (30G) Report; FEC Form 3X: Schedule B, Line 23

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

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

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

PAGE OF

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NAME OF COMMITTEE (In Full): **American Candy PAC**

A. Full Name (Last, First, Middle Initial): **Committee to Elect Kit Kat**
Mailing Address: **1060 West Addison Street**
City: **Chicago** State: **IL** Zip Code: **60613**
Purpose of Disbursement: **Contribution**
Category/Type: **011**
Candidate Name: **Kit Kat**
Office Sought: X House / Senate / President
State: **IL** District: **9**
Disbursement For: Primary / X General / Other (specify)
Date of Disbursement: **10 / 28 / 2024**
FEC Identification Number: **C 00011011**
Amount of Each Disbursement this Period: **6,000.00**
Memo Item
Redesignation Pending

Report Redesignation of Contribution Made

Year-End (YE) Report; FEC Form 3X: Schedule B, Line 23

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

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

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

PAGE OF

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NAME OF COMMITTEE (In Full): **American Candy PAC**

A. Full Name (Last, First, Middle Initial): **Committee to Elect Kit Kat**
Mailing Address: **1060 West Addison Street**
City: **Chicago** State: **IL** Zip Code: **60613**
Purpose of Disbursement: **Contribution**
Category/Type: **011**
Candidate Name: **Kit Kat**
Office Sought: X House / Senate / President
State: **IL** District: **9**
Disbursement For: Primary / X General / Other (specify)
Date of Disbursement: **10 / 28 / 2024**
FEC Identification Number: C
Amount of Each Disbursement this Period: **6,000.00**
As disclosed on Oct Quarterly
X Memo Item **Redesignation below**

B. Full Name (Last, First, Middle Initial): **Committee to Elect Kit Kat**
Mailing Address: **1060 West Addison Street**
City: **Chicago** State: **IL** Zip Code: **60613**
Purpose of Disbursement: **Contribution**
Category/Type: **011**
Candidate Name: **Kit Kat**
Office Sought: X House / Senate / President
State: **IL** District: **9**
Disbursement For: Primary / X General / Other (specify)
Date of Disbursement: **12 / 05 / 2024**
FEC Identification Number: C
Amount of Each Disbursement this Period: **- 1,000.00**
X Memo Item **Redesignated below**

C. Full Name (Last, First, Middle Initial): **Committee to Elect Kit Kat**
Mailing Address: **1060 West Addison Street**
City: **Chicago** State: **IL** Zip Code: **60613**
Purpose of Disbursement: **Contribution**
Category/Type: **011**
Candidate Name: **Kit Kat**
Office Sought: X House / Senate / President
State: **IL** District: **9**
Disbursement For: X Primary / General / Other (specify) **2026 Primary**
Date of Disbursement: **12 / 05 / 2024**
FEC Identification Number: C
Amount of Each Disbursement this Period: **1,000.00**
X Memo Item **Redesignation**

LOOKING AHEAD:
REPORTING INDEPENDENT EXPENDITURES

Looking Ahead: Independent Expenditures

Communications that:

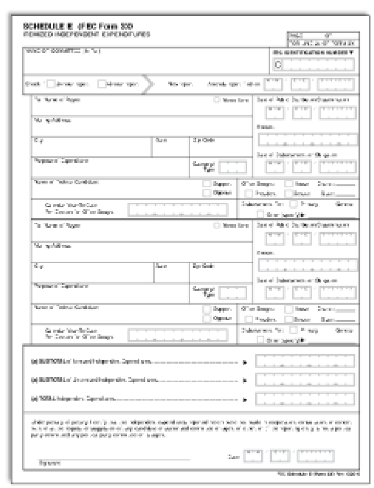
Expressly advocate the election or defeat of a clearly identified candidate; and

Are made without cooperation, consultation, request or suggestion of candidate or party committee

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

Independent Expenditures

- ☑ PACs and party committees report independent expenditures on Schedule E of FEC Form 3X
- ☑ Date made is date communication is disseminated
- ☑ Independent expenditures aggregated on a per calendar year, per election, per office sought basis

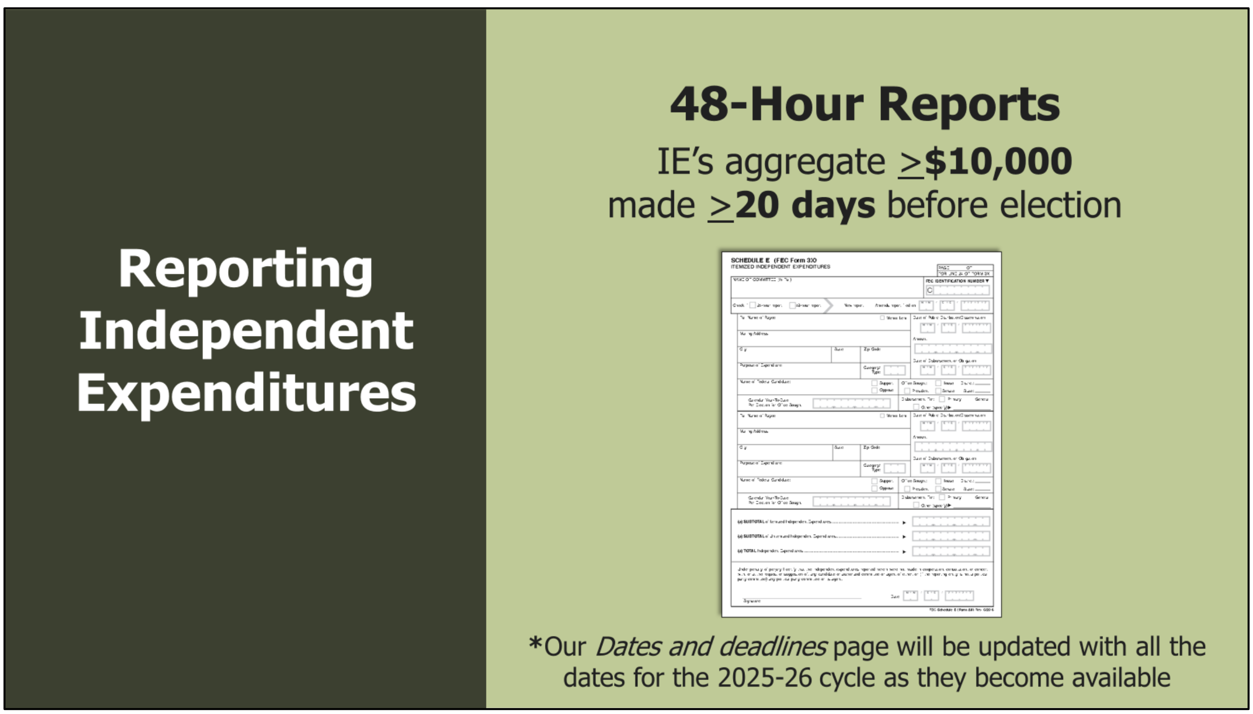


Independent expenditures – disclosure

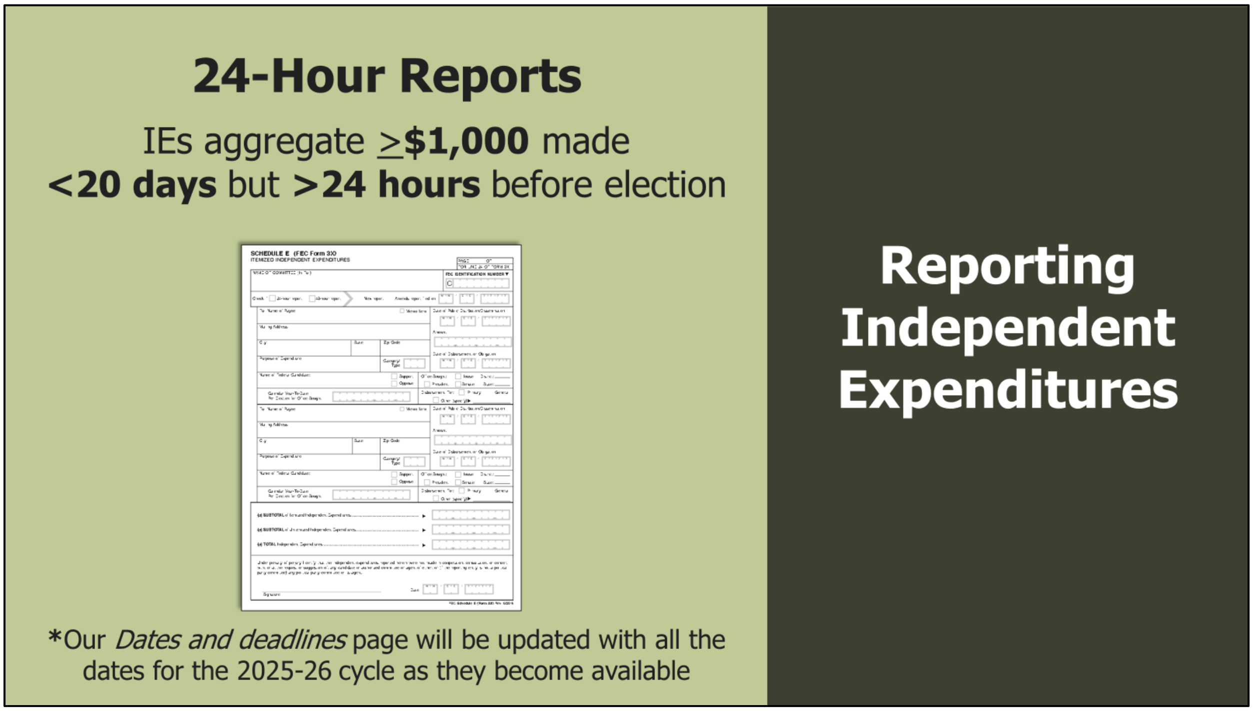
- **Report using FEC Form 3X, Schedule E during appropriate reporting period.**
- **Date made = date disseminated**
  - An independent expenditure is considered made when it is publicly distributed or otherwise publicly disseminated.
  - Interpretive rule (October 4, 2011) - *www.fec.gov/resources/cms-content/documents/fedreg_notice_2011-13_EO13892.pdf*
- **Aggregation** on per calendar year, per election, per office sought (race) basis.

Additional reporting of independent expenditures on 24- and 48-hour basis

- **24- and 48-Hour Report** is filed using stand-alone Schedule E; check appropriate box to note type of report.
- **Disclose last-minute expenditure again on next regularly scheduled report.**

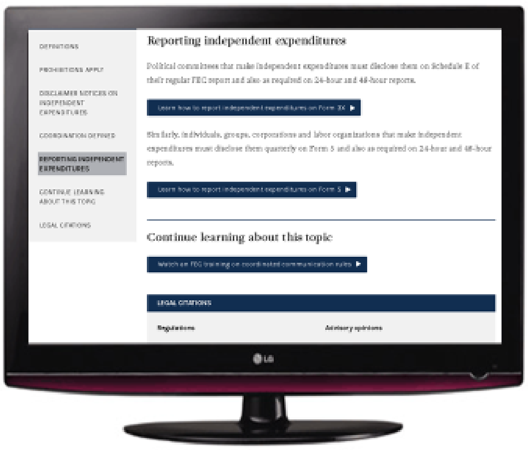


- **48-Hour reporting** (11 CFR 104.5(g)(1))
  - Must file **48-Hour Report** for independent expenditures that aggregate $10,000 or more, anytime during a calendar year up to and including the 20th day before an election.
  - 48-Hour Report is required each time an additional $10,000 is aggregated in independent expenditures.



- **24-Hour reporting** ([11 CFR 104.5(g)(2)](#))
    - Must file a **24-Hour Report** for independent expenditures aggregating $1,000 or more made less than 20 days but more than 24 hours before the day of an election.
    - 24-Hour Report is required each time an additional $1,000 is aggregated in independent expenditures.

Questions on IE Reporting?



More on making and reporting independent expenditures:
www.fec.gov/help-candidates-and-committees/making-independent-expenditures/

Contact RAD:
www.fec.gov/help-candidates-and-committees/question-rad/

More: Time frames for independent expenditures reporting for the current year - *www.fec.gov/help-candidates-and-committees/dates-and-deadlines/*

Making independent expenditures - *www.fec.gov/help-candidates-and-committees/making-independent-expenditures/*

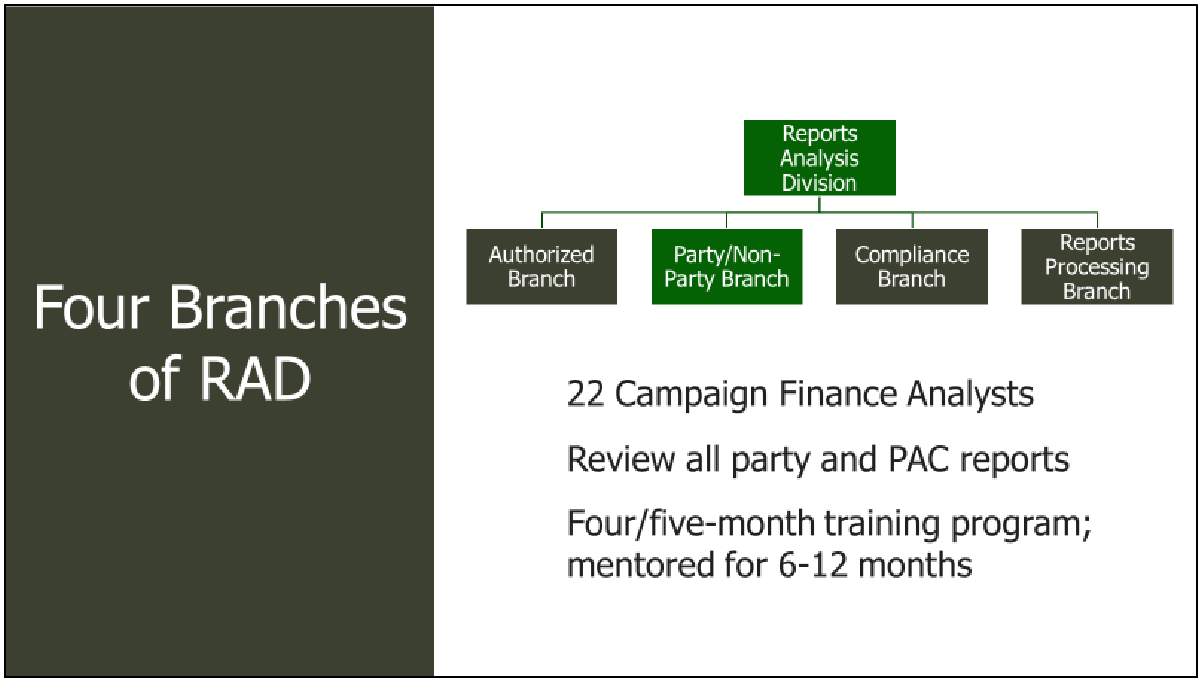
Reporting independent expenditures on FEC Form 3X - *www.fec.gov/help-candidates-and-committees/making-independent-expenditures/reporting-independent-expenditures-form-3x/*

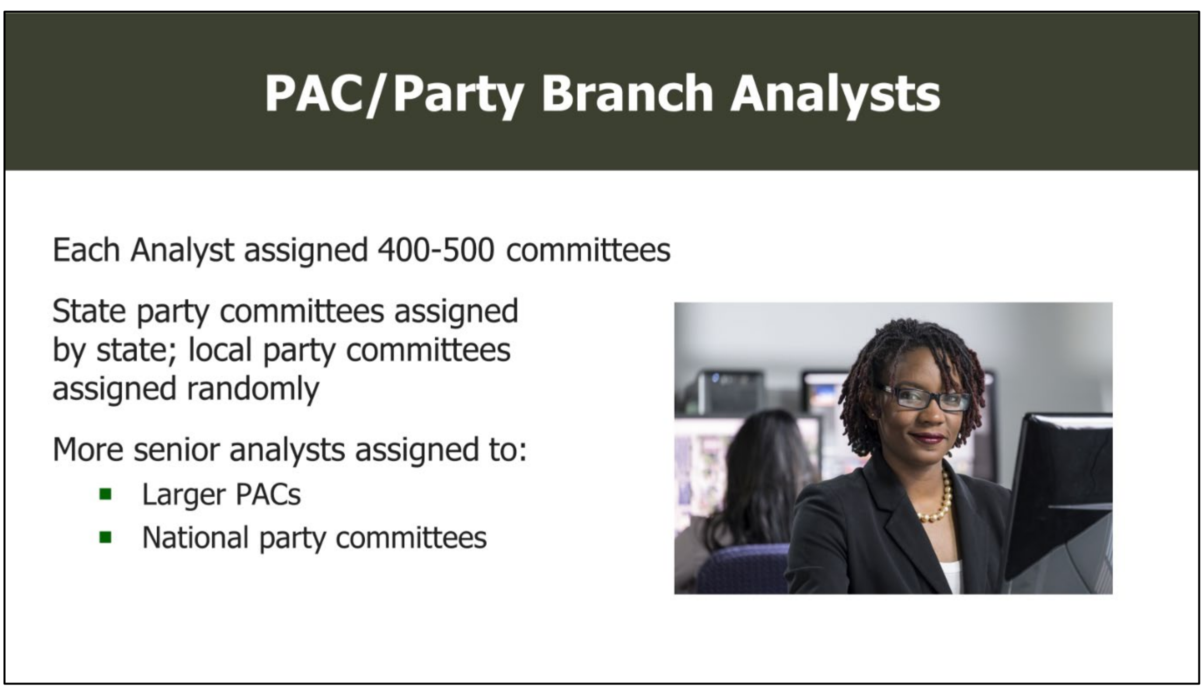
REPORTS ANALYSIS DIVISION REVIEW AND REFERRAL POLICY

I. Reports Analysis Division (RAD)

A. Organization of RAD – four branches

RAD is divided into four branches – Authorized, Party/Non-Party, Compliance and Reports Processing.

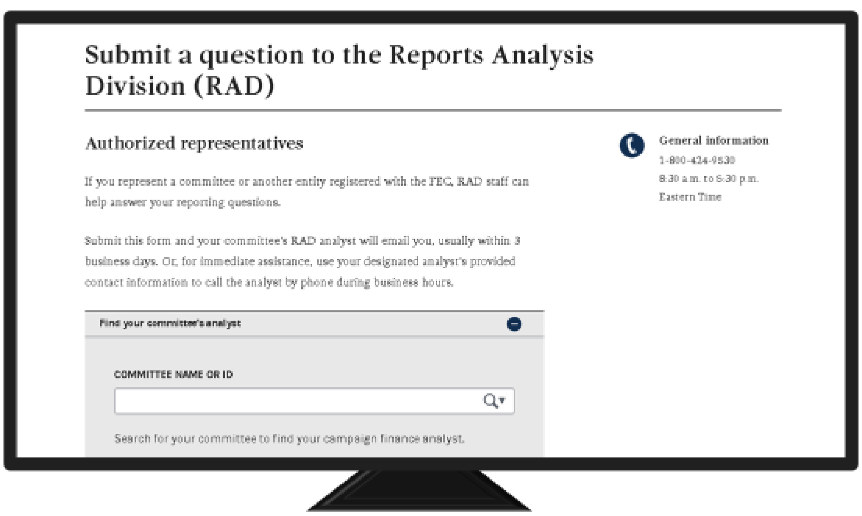




Analysts Responsibilities

- Review assigned committees' reports by established deadlines
- Assist committees by phone, log calls
- Respond to inquiries via email
- Meet with committees upon request
- Participate in FEC outreach programs
- Work on special projects

Find Your Campaign Finance Analyst



www.fec.gov/help-candidates-and-committees/question-rad/

II. RAD Review of Reports and Referral Policy

A. RAD policy

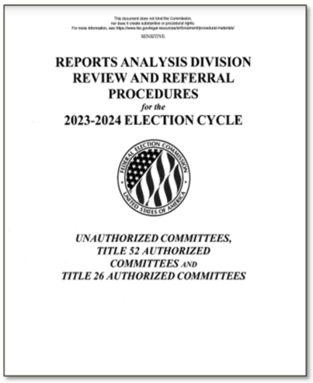
1. Policy is reassessed every election cycle and revisions/changes made based on input from RAD and other offices (such as Office of General Counsel (OGC)), and Commissioners.
2. A redacted version of the RAD review and referral policy can be found on the FEC website.

B. Categories of RAD review

1. Internal policy contains categories of review checked by the Analyst.
2. Policy has established thresholds for making determinations on whether to send a RFAI.
3. Thresholds are confidential.

RFAI Thresholds

Thresholds are confidential;
Policy is approved by Commission


REPORTS ANALYSIS DIVISION
REVIEW AND REFERRAL
PROCEDURES
for the
2023-2024 ELECTION CYCLE

UNAUTHORIZED COMMITTEES,
TITLE 52 AUTHORIZED
COMMITTEES AND
TITLE 26 AUTHORIZED COMMITTEES

Review and Referral Policy

www.fec.gov/resources/cms-content/documents/Final-Redacted-2023-2024-RAD-Review-Referral-Procedures.pdf

Review of Reports

Thresholds applied on per report basis

- If a reporting issue appears on multiple reports, committee may receive multiple RFAIs on same issue
- Analyst does not consider previous responses to RFAIs, except:
  - Best efforts procedures; and
  - Foreign address safe harbor guidelines

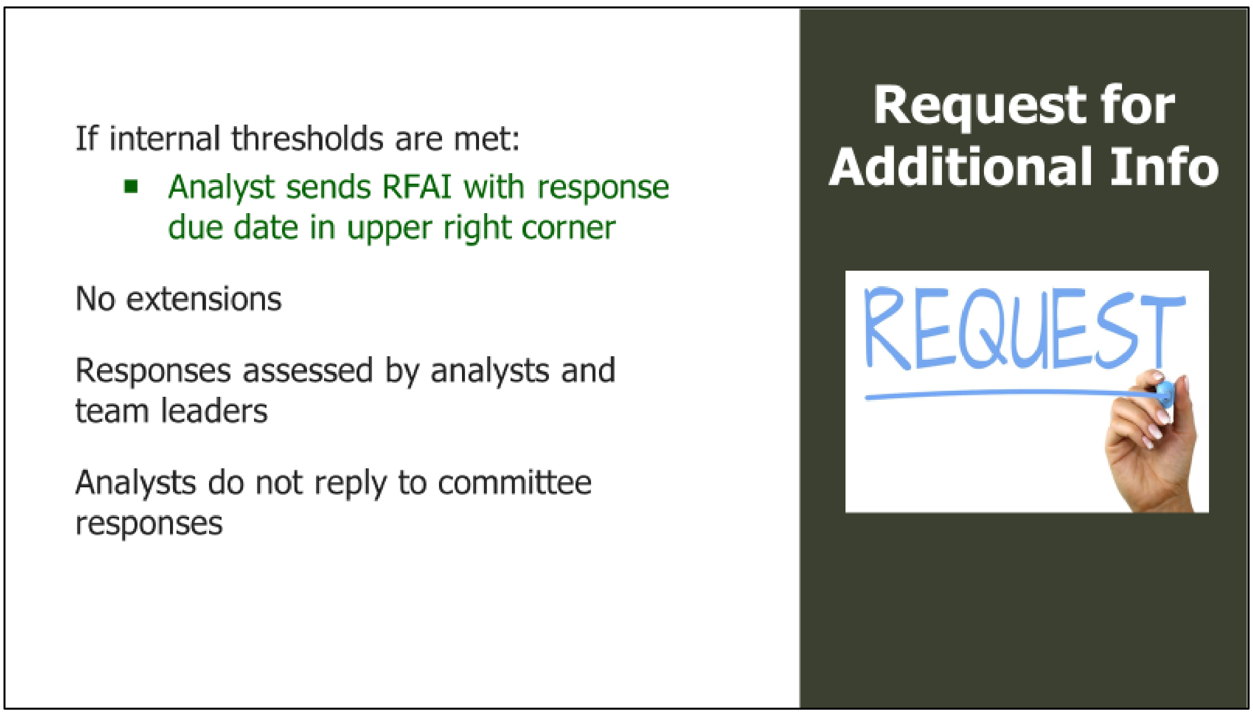
It's possible to see an issue questioned on one report, but not on another

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

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

(b) Exceptions include outlining best efforts procedures which would apply to the two-year cycle and responses relating to foreign address inquiries that indicate safe harbor guidelines are followed for <u>all</u> contributions apply for the two-year election cycle.

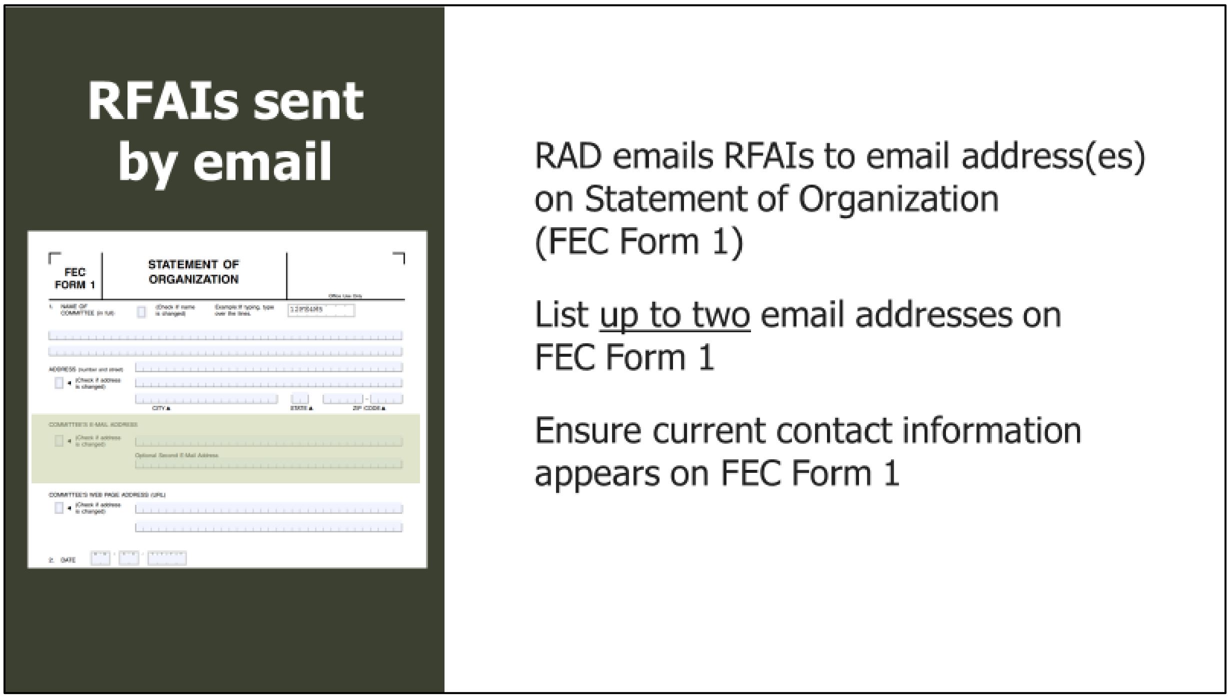
(c) There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on for another report.



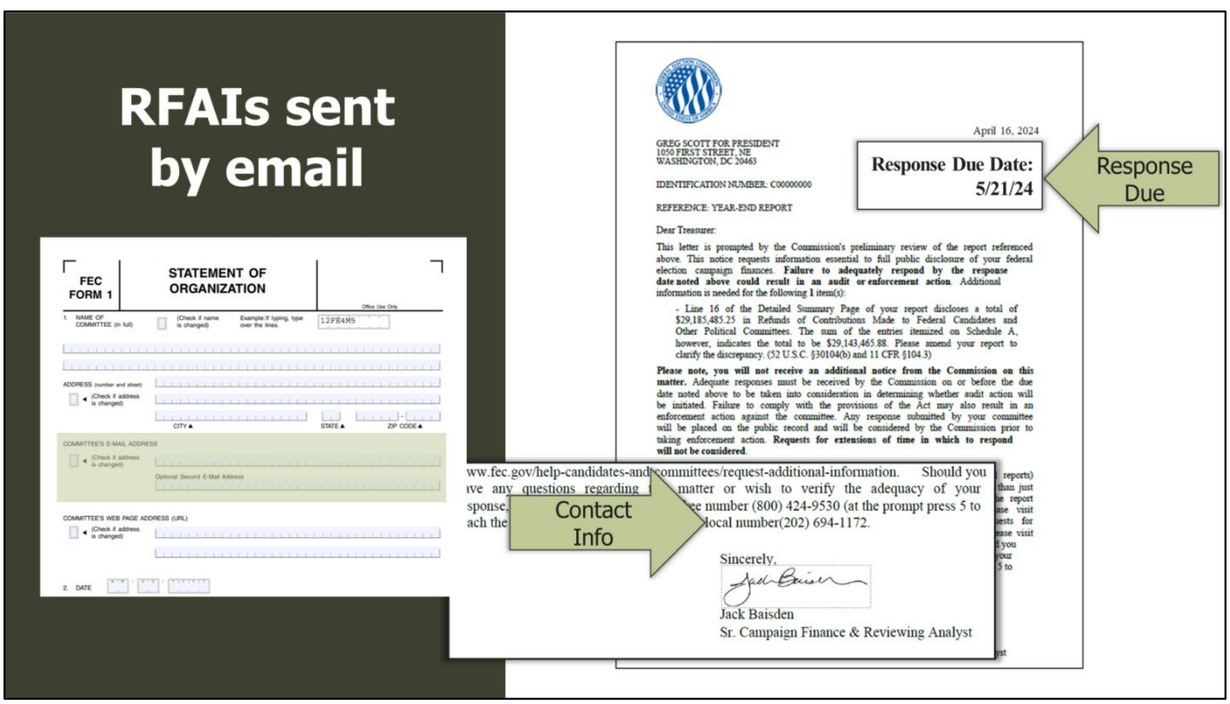
C. Request for Additional Information (RFAI)

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

Tip: ***You can find out who your analyst is by visiting:*** *www.fec.gov/help-candidates-and-committees/question-rad/*

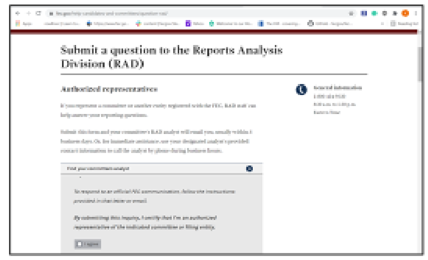


2. Committees should ensure they provide the most current mailing/email addresses on their Statement of Organization (FEC Form 1). Often RFAIs are returned by the Post Office due to an incorrect mailing address.
3. RAD sends RFAIs via email to the committee's official email address, as disclosed on the FEC Form 1. Up to two email addresses can be provided (both will be used for emailing RFAIs). Committees will have the option to continue to receive RFAIs on paper through the mail.



Responding to RFAIs

Analysts do not always contact committees when a response is insufficient



Committee should contact its analyst before and/or after filing a response

Responding to RFAIs

Analysts do not make legal conclusions

Analysts cannot categorize your activity

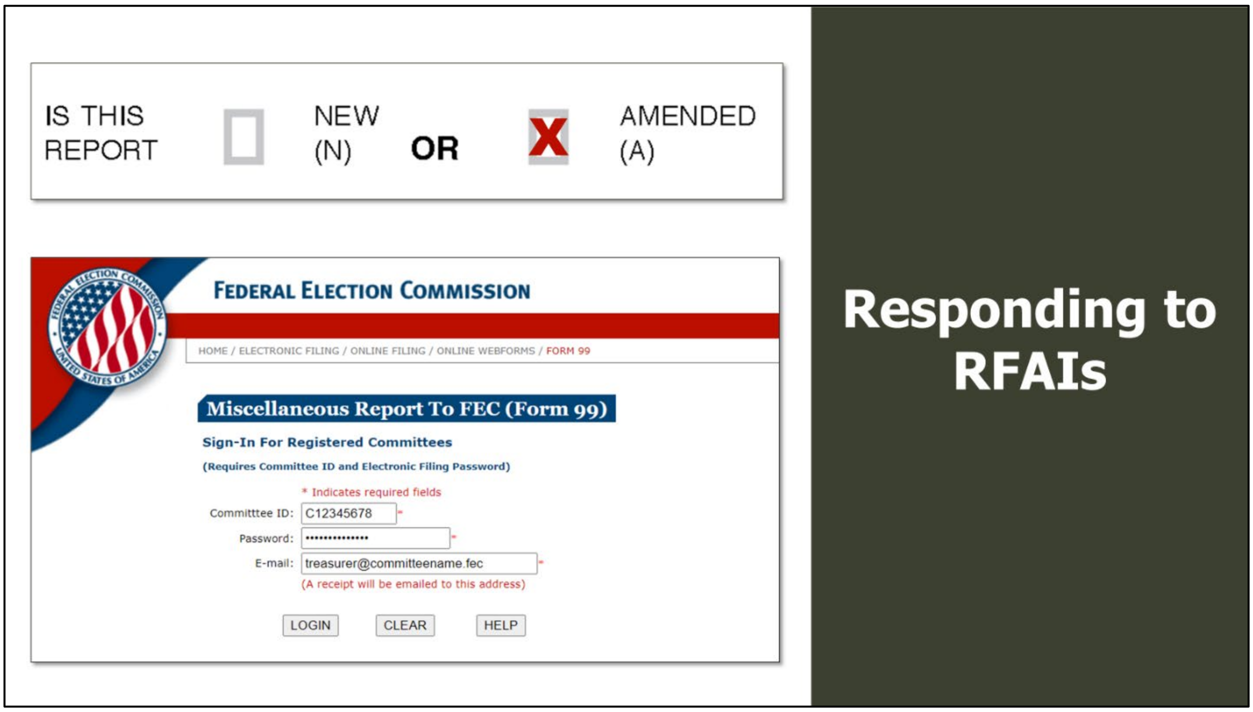
In some cases, RAD consults OGC before sending an RFAI and when assessing a committee's response

4. **Responses are assessed by the analysts and in some cases, team leaders.**
   a) Analysts do not reply to responses.
   b) Contact is not made with committees in every case when a response is not sufficient. Further explanation below.

c) Committees are encouraged to contact their assigned analyst prior to responding if unsure about how to respond or after a response is filed to ensure an adequate response is received.

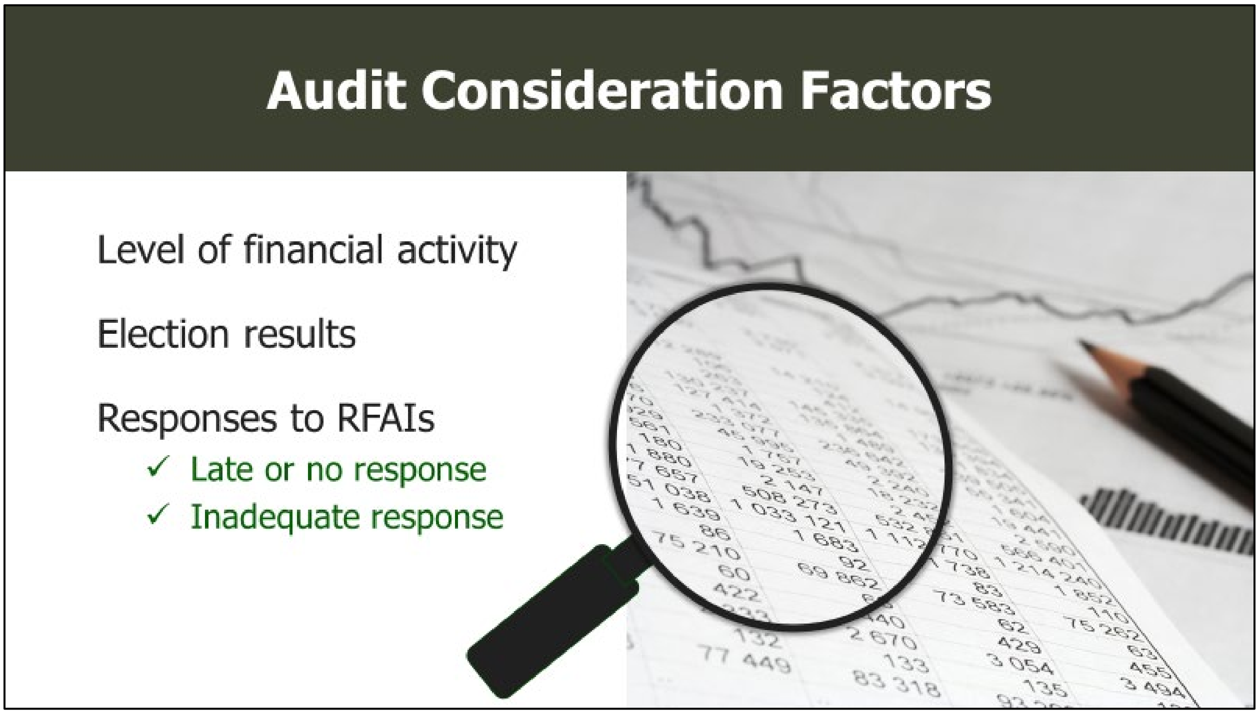
d) Keep in mind that analysts can't make legal conclusions or give guidance on a legal conclusion being made by a committee. In addition, they cannot determine what category your activity falls under (i.e., independent expenditures or coordinated party expenditures).

e) In some cases, RAD consults with OGC before sending a RFAI and when making a response assessment.



5. **Must amend report when changing information that affects entries on a report.** This would include additions, changes or deletions.

6. **Miscellaneous text submission (FEC Form 99)**
Used for narrative responses that do not affect actual entries within a report. (For example, when outlining procedures for "best efforts" in obtaining contributor information.)



D. **Referrals to the Audit Division**

1. **Factors for making referrals to the Audit Division**
   a) Level of financial activity
   b) Responses to RFAIs:
      (1) Late or no response,
      (2) Inadequate response.
2. **The number of amendments filed is not a factor.**
3. **The number of RFAIs is not a factor** if responded to adequately and on time.

OGC & ADRO Referrals

Policy includes referral thresholds

RAD calls committee before referring matter to explain RFAI and request response

Committee's adequate and timely response may prevent referral

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

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

Enforcement

Action initiated by:

- FEC Audit and review
- Sworn and notarized complaint
- Referral from another office

Agency actions:

- Administrative Fines
- Alternative Dispute Resolution
- Matters Under Review (MURs)

Internal Controls

A process designed to ensure:

- Effective and efficient operations
- Reliable financial reporting
- Compliance with laws and regulations
- Protection of the organization's assets

Formalize in writing

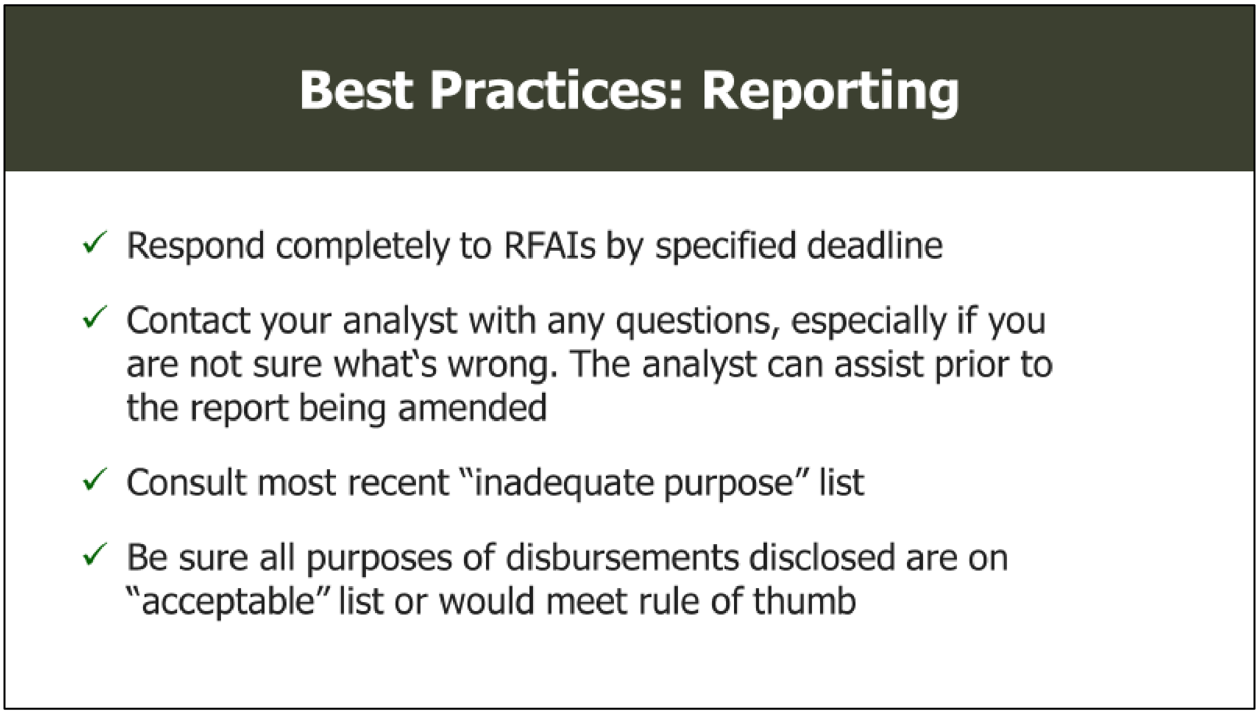
Educate committee staff

Verify that professional compliance firms use internal controls and best practices

F. Fraud controls

1. Most banks offer services to prevent check and ACH fraud.
2. Fraud prevention programs (often referred to as Positive Pay systems) allow your bank to work more closely with your committee to verify that:
   a) The checks presented to the bank for payment on your account are authorized; and
   b) The ACH debits made against your committee's account are approved committee expenses.
3. Some banks may charge a fee for these services, but others offer them for free. Contact your financial institution for more information.

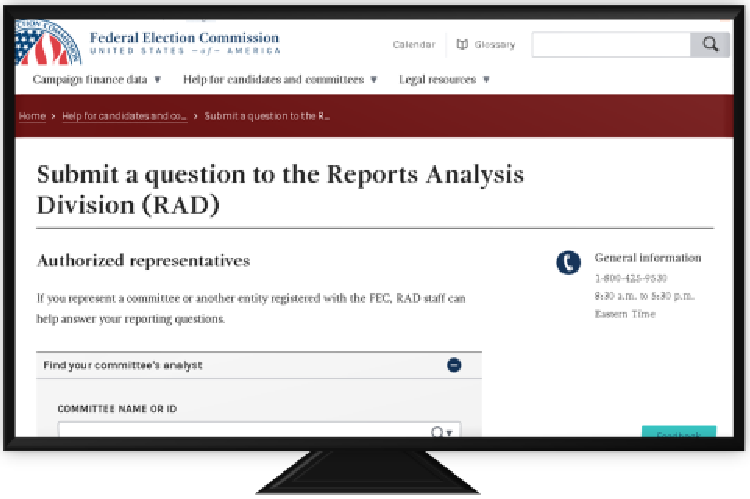
More: Internal controls resources - *www.fec.gov/help-candidates-and-committees/keeping-records/misappropriated-funds/*



Best practices:

- Consult most recent copy of inadequate purpose list.
- Make sure all purposes of disbursements disclosed are on the "acceptable" list or would meet the rule of thumb.
- Respond completely to all RFAIs by the deadline specified.
- Contact your analyst to clarify questions and issues. Please contact the analyst if you are unsure of what is wrong. The analyst can assist prior to the report being amended.

Compliance Help



Reports Analysis Division information:
www.fec.gov/help-candidates-and-committees/question-rad/

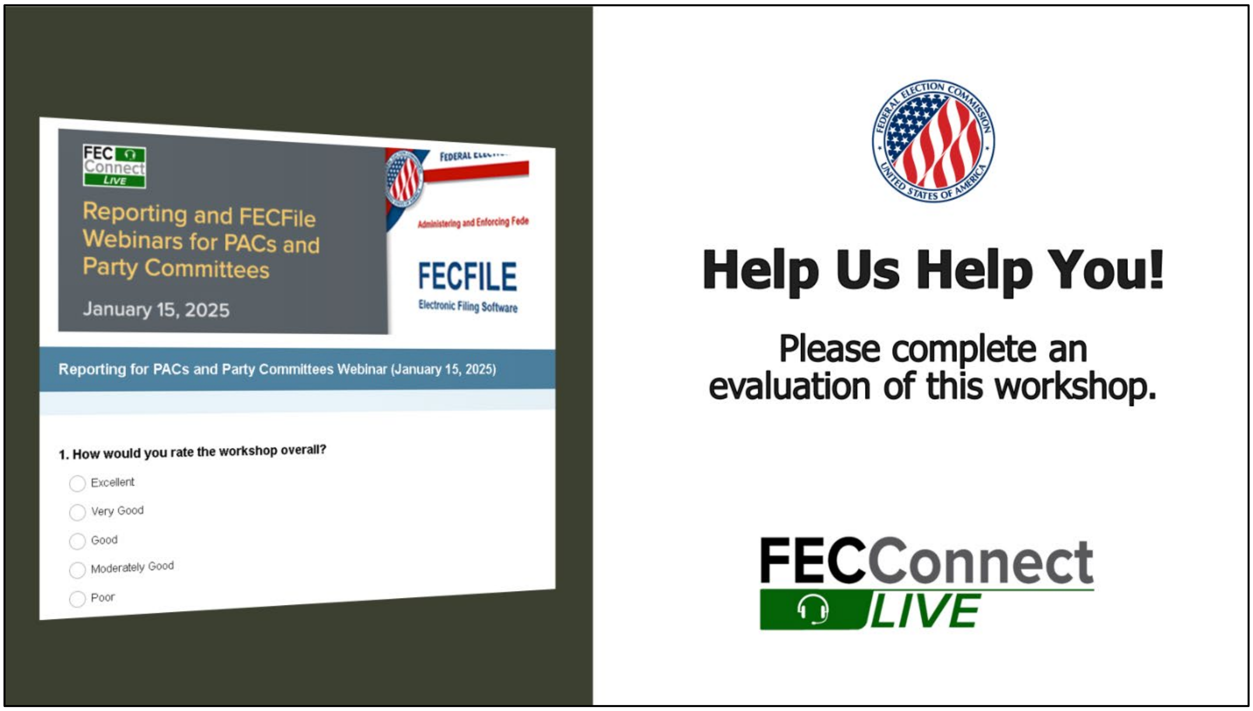
More Reporting Help

Guides for campaigns and committees
www.fec.gov/help-candidates-and-committees/guides/

FECTube YouTube channel (including "Help with FECFile")
www.youtube.com/user/FECTube

Extended phone coverage

Call your analyst! 800-424-9530, press 5



Evaluation Link: https://www.surveymonkey.com/r/6BDGPSW