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What are my responsibilities as a committee treasurer?

As a treasurer, you are responsible for:

Filing complete and accurate reports and statements on time (11 CFR § 104.14(d));

Signing all reports and statements (on paper or electronically, as applicable) (11 CFR §§ 102.2(a) and 104.14(a));

Depositing receipts in the committee's bank, designated on the Statement of Organization (FEC Form 1), within 10 days of receipt (11 CFR § 103.3(a));

Authorizing expenditures or appointing an agent to do so (11 CFR § 102.7(c));

Monitoring contributions to ensure compliance with the limits and prohibitions of FECA (11 CFR §§ 103.3(b), 110(k)(3)); and

Keeping the required records of receipts and disbursements for three years from the date of the report to which they relate.

If the Commission brings an enforcement action against a political committee, the treasurer is usually named as a respondent, along with the committee. See the "Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings," 70 Fed. Reg. 3 (January 3, 2005) [link].

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My committee discovered a cash-on-hand discrepancy (i.e., the cash balance on the disclosure reports does not match the committee's account balance). How can the committee correct this issue?

When a committee discovers a cash-on-hand (COH) discrepancy, it should research what caused the discrepancy to identify the unreported or misreported receipts and disbursements. The committee should then make a COH adjustment(s) on its report(s), as indicated below, detailing the source of the discrepancy and itemizing the relevant transactions. The committee should also file an explanatory Miscellaneous Document (Form 99) referencing the affected report(s).

If the committee identifies all of the unreported or misreported transactions comprising the COH discrepancy amount, and all of the activity occurred in the current election cycle: The committee should amend its reports going back to the beginning of the election cycle to disclose the corrected activity for each reporting period. A Form 99 explaining the adjustments should be filed at the same time, and should reference the amended reports and provide information on the circumstances of the original misreporting.

If the committee identifies all of the unreported or misreported transactions comprising the COH discrepancy amount, and some of the activity occurred in the current election cycle: The committee should (1) amend its reports going back to the beginning of the election cycle to disclose the corrected activity for each reporting period, and (2) make a COH adjustment for the part of the discrepancy dating back to the earlier election cycle(s) on the first report for the current election cycle. The adjustment entry should be itemized on Schedule A for Line 15 ("Other Receipts") of Form 3 (Line 21 of Form 3P/Line 17 of Form 3X) if the COH adjustment is positive, and on Schedule B for Line 21 ("Other Disbursements") of Form 3 (Line 29 of Forms 3P and 3X) if the COH adjustment is negative. An explanatory Form 99 itemizing all of the transactions making up the amount of this adjustment should be filed at the same time. The itemization in the Form 99 should include all of the information required on the report (e.g., for an unreported disbursement meeting the itemization threshold, the name and address of the payee, date and amount of the payment, and purpose should be disclosed). The Form 99 should reference the affected report(s) and provide information on the circumstances of the original misreporting.

If the committee identifies all of the unreported or misreported transactions comprising the COH discrepancy amount, and all of the activity occurred in prior election cycles: The committee should make a COH adjustment for the discrepancy amount on their next report or amend their last report. The adjustment entry should be itemized on Schedule A for Line 15 ("Other Receipts") of Form 3 (Line 21 of Form 3P/Line 17 of Form 3X) if the COH adjustment is positive, and on Schedule B for Line 21 ("Other Disbursements") of Form 3 (Line 29 of Forms 3P and 3X) if the COH adjustment is negative. An explanatory Form 99 itemizing all of the transactions making up the amount of the adjustment should be filed at the same time. The itemization should include all of the information required on the report (e.g., for an unreported disbursement meeting the itemization threshold, the name and address of the payee, date and amount of the payment, and purpose should be disclosed). The Form 99 should reference the affected report(s) and provide information on the circumstances of the original misreporting.

If the committee is unable to identify all or some of the transactions comprising the COH discrepancy: The committee should make a COH adjustment for that amount according to the guidelines above, and file a Form 99 explaining the circumstances of the matter, including the steps the committee took to investigate the discrepancy and any other pertinent information, such as estimated timeframes of when the unreported or misreported activity occurred. For more information, please contact your RAD analyst. Also see http://www.fec.gov/ans/answers_compliance.shtml#embezzlement2.

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What should I do if my committee's funds have been embezzled?

If you discover a misappropriation or embezzlement of committee funds, the Campaign Finance Analyst assigned to your committee can help you work through the resulting disclosure challenges. (Call toll-free at 1-800-424-9530, press #5, or 202-694-1130.) You may also want to consult with counsel to see whether filing a *sua sponte* submission or complaint may be appropriate. If you would like to discuss a *sua sponte* submission with the FEC, you may contact the Office of General Counsel (202-694-1650). You may also want to notify law enforcement.

Committees should still do their best to file accurate and complete reports by the established deadlines. As part of those reports, we encourage you to include Miscellaneous Documents (Form 99 for electronic filers) to provide as much detail as possible concerning the embezzlement, including whether the reported cash-on-hand (COH) balance accurately reflects the actual bank balance. If your committee's reported COH balance is inaccurate, make a one-time cash adjustment on your next report to reflect the actual balance, as indicated in the FAQ above. Note in the adjustment entry that the adjustment is being made "due to unauthorized receipts or disbursements."

For more resources on responding to embezzlement or misappropriation, click on the following [link](#). Please also see the [Internal Controls Checklist](#).

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