

ALASKA LEGISLATURE COMMITTEE FILES 1985-1988 80/2

3641 HSTA STATES INFORMATION--CAMPAIGN FINANCE 51

CHAPTER 7. POLITICAL COMMITTEES NOT IN THIS STATE.

§7.01. Introduction. Texas candidates, office-holders and political committees may receive and accept contributions from federal and out-of-state political groups. Chapter 14 categorizes such groups as "political committees not in this state" and allows them the option of filing as a political committee in Texas. When not filed here, these political committees have no filing responsibilities, but recipient Texas candidates, office-holders and political committees thereby incur additional disclosure reporting duties regarding these non-Texas political committees.

§7.02. Definition.

- (a) Article 14.07(G) defines "political committee not in this state" as

Any political committee expending 80 percent or more of its expenditures in any combination of elections outside of this state and federal offices not voted on in this state within the immediately preceding twelve-month period.

- (b) To determine if a political committee is a "political committee not in this state", as defined in Chapter 14, use the following procedure:

- (1) Separate total expenditures of the political committee for this immediately preceding twelve-month period into two categories:

- i. in-state expenditures
- ii. out-of-state expenditures

- (2) In-state expenditures include:

- i. expenditures made in all Texas elections
- ii. expenditures in federal elections voted on in Texas

- (3) Out-of-state expenditures include:

- i. expenditures made in non-Texas elections
- ii. expenditures made in federal elections not voted on in Texas
- iii. expenditures made in presidential elections\*

\* S.O.S. Elec. Law Interpretation No. GWS-3 (1980).

- (4) If out-of-state expenditures are 80% or more of the political committee's total expenditures, it

qualifies as a "political committee not in this state."

§7.03. Disclosure Reporting.

(a) In reporting a contribution received from a "political committee not in this state", the following information must be included in the Chapter 14 report of the accepting Texas candidate, office-holder or political committee:

- (1) name and address of the contributing out-of-state political committee;
- (2) name, business or residence street address, and telephone number of that political committee's campaign treasurer; name of each corporation, labor organization, or other legal entity that directly establishes, administers, or controls the political committee, if applicable; or the name of each person that determines to whom that political committee makes contributions or for what purpose the political committee makes expenditures.

NOTE: A certified copy of the contributing out-of-state political committee's statement of organization filed as required by law with the Federal Election Commission may be included in the recipient's Chapter 14 report in lieu of the information listed in (2) above. [article 14.07(D)(3)]

(b) If the aggregate of contributions from such committee exceeds \$500 during a reporting period, the full name and complete address of each contributor who contributed more than \$100 to such a committee during the preceding 12 months must also be included. The list of contributions must be certified by an officer of the contributing out-of-state political committee.

NOTE: A certified copy of the contributing out-of-state political committee's statement of organization filed as required by law with the Federal Election Commission may be included in the recipient's Chapter 14 report in lieu of the information listed in (b) above. [article 14.07(G)]

CHAPTER 8. CORPORATIONS AND LABOR ORGANIZATIONS.

§8.01. Introduction. Chapter 14 places certain restrictions on corporations and labor organizations. ~~They may not donate organizational funds, services, or any other thing of value to the benefit of any candidate or office-holder. They may, however, use organization money to establish a political committee whose fund is made up of the individual contributions of members or employees.~~ Corporations and labor organizations are not prohibited from supporting or opposing measures on the ballot. Organizational funds may be contributed to political committees involved exclusively with measures or paid directly for campaign-related services in measure elections such as political advertising.

§8.02. Definitions

- (a) Labor Organization. [article 14.06(B)] "Labor organization" is defined as:

Any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

- (b) Corporation. [article 14.01(C)] "Corporation" is defined as:

Any organization organized or operating under the authority of: the Texas Business Corporation Act; the Texas Non-profit Corporation Act; or Federal law or the laws of any other state or nation.

(1) Corporations Include But Are Not Limited To:

- (A) abstract and title insurance companies
- (B) banks: national, state or private unincorporated
- (C) building and loan associations or companies
- (D) cemetery companies
- (E) cooperatives
- (F) insurance companies
- (G) railroad companies
- (H) reciprocal or interinsurance exchanges
- (I) stock companies
- (J) trust companies

- (2) Political Committee Exception. Any political committee whose only principal purpose is to accept contributions and to make expenditures is not considered to be a corporation for Chapter 14 purposes if such a committee is incorporated for

liability purposes only. See Title 1, Texas Administrative Code, Section 81.164.

- (3) Professional Corporation Exception. Organizations organized pursuant to the Texas Profession Corporation Act [TEX. REV. CIV. STAT. ANN. art. 1528e (Vernon 1980)] are not "corporations" for Chapter 14 purposes. Tex. Att'y. Gen. Op. No. MW-178 (1980).
- (4) Professional Association Exception. Organizations organized pursuant to the Texas Professional Association Act [TEX. REV. CIV. STAT. ANN. art. 1528f (Vernon 1980)] are not "corporations" for Chapter 14 purposes. Tex. Att'y. Gen. Op. No. MW-178 (1980).

§8.03. Corporate and Labor Organization Activities. Corporations and labor organizations may not directly or indirectly contribute or expend funds to support or oppose any candidate or office-holder. As an example of a prohibited indirect contribution, a contributor may not be reimbursed for his or her contribution through a bonus, expense account, or other forms of indirect compensation. It is also unlawful for any person including a candidate, office-holder or political committee to knowingly accept a prohibited corporate or labor union contribution. A corporation or labor organization, however, is not prohibited from making a contribution for the purpose of aiding or defeating a measure. [articles 14.06(A), 14.03(E)]

- (a) Loans Made in the Due Course of Business. Texas law does not prohibit corporate loans to candidates, office-holders, or political committees by any corporation that has been legally engaged in the business of lending money and which has conducted such business continuously for more than one year prior to the making of such loan provided such loan is in the due course of business. [article 14.06(C)] See §3.04(d).
- (b) Use of Corporate Facilities. Any person using the personnel, facilities, or services of a corporation or labor organization in connection with an election must reimburse the corporation or labor organization within a commercially reasonable time for the commercial value of the personnel, facilities, or services.
- (c) Exceptions. In specified cases, corporations, associations, or labor organizations may expend funds for purposes relating to an election. [article 14.06(C)]
  - (1) Communications to Stockholders or Members and Families. A corporation, association, or labor organization may communicate on any subject with its stockholders and their families, or with its

members and their families. Communications on any subject may include, but are not limited to, the distribution of printed materials. The materials must constitute a communication of the views of the corporation or labor organization and may not be a republication or reproduction in whole or in part of campaign materials prepared by or on behalf of any candidate.

(2) Nonpartisan Voter Registration and Get-Out-The-Vote Campaigns.

(A) Voter Registration: A corporation, association or labor organization may urge employees or members to register, vote, or otherwise participate in the political process if:

(i) the communication mentions no political affiliation and is restricted to urging acts such as contribution, voting, and registering as well as describing the hours and places of registration and voting; and,

(ii) information about particular candidates or political parties is not included in the communication, except that the corporation or labor organization may reprint the entire list of names and political affiliations of candidates appearing on the official ballot.

(B) Voter Information: A corporation, association or labor organization may distribute official voter registration-by-mail forms to the general public. The registration forms must be distributed in a nonpartisan manner, and the corporation, association or labor organization may not, in connection with the distribution, endorse, support, or otherwise promote affiliation with a particular party.

A corporation, association or labor organization may distribute or reprint in whole any registration or voting information, such as instructional materials, which have been produced by the official election administrators (excluding political parties) for distribution to the general public. A corporation or labor organization may distribute voter guides or other types of brochures describing the candidates and their positions if:

- (i) the materials do not favor one candidate or political party over another; and,
    - (ii) the materials are obtained from a civic or other nonprofit organization which does not endorse or support any candidate or political party.
  - (C) Get-Out-The-Vote Campaigns: A corporation may support nonpartisan registration and get-out-the-vote campaigns which are not restricted to its stockholders and their families, and labor organizations may support such campaigns which are not restricted to its members and their families if:
    - (i) the corporation or labor organization jointly sponsors the campaign with a civic or other nonprofit organization which does not support or endorse candidates or political parties and if the activities are conducted by the other organization; and
    - (ii) these services are made available without regard to the voter's political preference.
  - (D) Corporate Donations: A corporation or labor organization may donate funds to be used for nonpartisan registration and get-out-the-vote campaigns to civic and other nonprofit organizations which do not endorse candidates or political parties. The civic or nonprofit organization, in conducting the nonpartisan registration and get-out-the-vote activities, may utilize the employees and facilities of a corporation or the employees or members and facilities of a labor organization.
- (3) Solicitation of Contributions. [article 14.06(C)]
- (A) Separate Segregated Fund. It is lawful for a corporation or labor organization to establish, administer, and solicit contributions from its:
    - (i) stockholders,
    - (ii) members,
    - (iii) employees, and/or
    - (iv) their families
- for a separate segregated fund or other general purpose political committee whose funds

are to be utilized for political purposes by one or more corporations or labor organizations.

NOTE: By establishment, administration, and solicitation is meant the costs of office space, phones, salaries, utilities, supplies, accounting fees, and other expenses incurred in setting up and maintaining a separate segregated fund or political committee.

- (B) Coercion Prohibited. It is unlawful for such fund to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination or financial reprisals, or by threats thereof, or by charging dues, fees or other moneys required as a condition of employment or as a condition of membership, or by moneys obtained in a commercial transaction.
- (C) Disclosure of Purpose. Any persons soliciting an employee or member for a contribution to a separate fund or other general purpose political committee should inform such employee or member of the political purposes of the fund at the time of the solicitation. In addition, any persons soliciting an employee or member for a contribution should inform the employee or member at the time of the solicitation of his or her right to refuse to contribute without fear of reprisal.

CHAPTER 9. POLITICAL ADVERTISING AND CAMPAIGN COMMUNICATIONS.

§9.01. Misrepresentation of Identity or Source. [article 14.10]

- (a) It is unlawful for an individual to misrepresent his or her identity, or the identity of the person for whom he or she is acting, in any written or oral communication relating to a campaign with intent to injure any candidate or to influence the vote on a measure.
- (b) It is also unlawful to misrepresent the source of the communication.
- (c) These prohibitions in Chapter 14 are designed to prevent "dirty tricks" in a campaign, such as false news releases that injure candidates or measures.

§9.02. Political Advertising. [articles 14.01(R), 14.09]

- (a) Definition: "Political advertising" is defined as:

Anything in favor of or in opposition to any candidate for public office or office of a political party, or in favor of or in opposition to any political party, or in favor of or in opposition to the success of any public officer, or in favor of or in opposition to any measure submitted to a vote of the people, which is communicated in any of the following forms:

- (1) anything published in a newspaper, magazine, or journal or broadcast over a radio or television station in consideration of money or other thing of value; or
  - (2) any handbill, pamphlet, circular, flier, commercial billboard sign, bumper sticker, or similar printed material.
- (b) Statutory Exclusions. Specifically excluded from the term political advertising are nonpolitical letterheads, ordinary printed invitations to and tickets for fund-raising events or other affairs, campaign pins, buttons, finger-nail files, matchbooks, emblems, hats, pencils, and similar materials.
  - (c) Other. Many items produced for use in campaigns are neither specifically included nor excluded from the definition of political advertising in Chapter 14. Further, the lists of items specifically included and excluded are not entirely consistent. However, by application of the doctrine of ejusdem generis, the Secretary of State has determined which of the items listed below do or do not fall within the definition of political advertising.

(1) Specific Items Included. The following items are included within the term political advertising:

- o imprinted felt stickers
- o children's preprinted comic books
- o vinyl covered memo pads
- o scratch pads
- o litter bags
- o candidate cards
- o T-shirts
- o door knob hangers
- o pocket calendars
- o coasters
- o napkins (5" beverage)
- o pocket protectors

(2) Specific Items Excluded. The following items are excluded from the term political advertising:

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|-------------------------|-----------------------------|
| o balloons              | o pot holders               |
| o wooden nickels        | o spinning tops             |
| o plastic tokens        | o frisbees                  |
| o fly swatters          | o whistles                  |
| o metal coins           | o bottle pop caps           |
| o campaign badges       | o letter openers            |
| o key tags              | o emblems used as name tags |
| o emery boards          | o drink stirers             |
| o rain bonnet cases     | o styrofoam cups or glasses |
| o pins                  | o combs                     |
| o cloth caps            | o paper caps                |
| o lollipop handles      | o sun visors                |
| o vinyl wallets         | o card cases                |
| o ash trays (non-paper) | o rulers (6" or smaller)    |

§9.03. Disclosure Statement Required. It is unlawful for any person knowingly to enter into a contract or transaction to print, publish, or broadcast any political advertising which does not disclose thereon that it is political advertising and which does not state thereon the name of the person who personally entered into the contract or transaction with the printer, publisher, or broadcaster, or the person represented by such agent and, in the case of advertising that is printed or published, the address of the agent or the person represented by the agent. [article 14.09(A)]

§9.04. Use of Title. Unless a candidate is the holder of the office at the time a representation is made, it is unlawful for the candidate to use the title of an office in his political advertising when the use of such title could reasonably be construed to lead the voters to believe that the candidate is the

holder of the office at the time the representation is made.  
[article 14.10(B)]

§9.05. Expenditure of Public Funds Prohibited. It is unlawful for any officer or employee of a political subdivision to spend or authorize the expenditure of any funds of the political subdivision for the purpose of political advertising. This provision does not apply to advertising which describes the factual reasons for a measure and does not advocate the passage or defeat of the measure. [article 14.09(C)]

CHAPTER 10. ENFORCEMENT.

§10.01. Introduction. Persons subject to Chapter 14 who fail to comply with its provisions are liable to criminal and civil penalties. Criminal sanctions range from Class C Misdemeanor to Felony of the Third Degree. Civil penalties range from \$100 fine to double and triple damages.

§10.02. Civil Remedy. [article 14.04] Any person who knowingly makes or knowingly accepts an unlawful campaign contribution or who knowingly makes an unlawful expenditure in support of or in opposition to a candidate shall be civilly liable to each opposing candidate whose name appeared on the ballot for double the amount or value of the unlawful contribution or expenditure and reasonable attorneys fees. In addition to any other penalties, the person shall be civilly liable to the State of Texas for an amount equal to triple the amount or value of such unlawful contribution or expenditure.

§10.03. Criminal Penalty. [article 14.05] Any person who knowingly makes or knowingly accepts an unlawful contribution or who knowingly makes an expenditure in violation of Chapter 14 shall be guilty of a Class A Misdemeanor unless otherwise provided by law.

§10.04. Enumerated Penalties. The following provisions in Chapter 14 prescribe specific penalties:

Article 14.03d(d)  
Article 14.04  
Article 14.05  
Article 14.06(D), (E), (F), (G)  
Article 14.07(C) (5)  
Article 14.07(D) (2)  
Article 14.07(H) (3)  
Article 14.07(I) (1), (2)  
Article 14.07(J), (K)  
Article 14.07a(c)  
Article 14.07c(b), (d)  
Article 14.09(A), (B), (D)  
Article 14.10(C)  
Article 14.13(E)

§10.05. Enumerated Criminal Punishments. The punishments for criminal sanctions contained in Chapter 14 are enumerated in Chapter 12 of the Texas Penal Code as follows:

- (a) Class C Misdemeanor (\$200 fine).
- (b) Class B Misdemeanor (6 months confinement and/or \$1,000 fine).
- (c) Class A Misdemeanor (1 year confinement and/or \$2,000 fine).

(d) Felony of the Third Degree (2-10 years confinement and \$5,000 fine).

§10.06. Venue for Offenses. [article 14.15] Venue for any offense resulting from a violation of Chapter 14 shall lie exclusively in the county of residence of the accused, except when the accused is a nonresident of Texas, in which case venue shall lie in Travis County.

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R E S E A R C H   M O N O G R A P H

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MONITORING CAMPAIGN PRACTICES



**legislative research**

s-420 state capital/salem, oregon 97310  
phone (503) 378-8871

PREPARED BY:

Carla D. Thompson  
Research Associate

April 21, 1981

81:206

## MONITORING CAMPAIGN PRACTICES

81:206

Legislative Research was asked to provide background information on the Federal Election Campaign Act; determine whether any states have commissions that monitor campaign and election practices; and, if so, what powers of adjudication are granted.

### Background Information

Since 1973, most states have either enacted or amended laws concerning campaign practices.<sup>1</sup> At the federal level, Congress has legislated election reform through the Federal Election Campaign Act Amendments of 1974 and 1976.<sup>2</sup> The state laws cover many facets of the election process, including individual contributions, limits on campaign expenditures, disclosure of campaign finances and, in many states, enforcement mechanisms to police the election process. The federal legislation also sets contribution limits, requires full and complete disclosure of all campaign financial dealings, provides public funding for presidential elections, and establishes an independent system of enforcement.

### The Federal Election Campaign Act

The Federal Election Campaign Act (FEC Act) of 1971, which took effect on April 7, 1972, was the first major election

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<sup>1</sup>Herbert E. Alexander, Financing Politics; Money, Elections and Political Reform, (Washington, D. C., Congressional Quarterly Press, 1976).

<sup>2</sup>Public Law 93-443.

campaign legislation since the Federal Corrupt Practices Act of 1925. With the enactment of the FEC Act of 1971, federal regulatory control of the election process was expanded to cover not only general and special elections, but to encompass primaries, caucuses, and conventions. After the 1972 elections, Congress amended the election campaign law. The 1974 amendments include: public financing for presidential elections; contribution limitations for individuals, organizations, and candidates in all federal elections; financial reporting and disclosure requirements for campaigns; and creation of a supervisory board with civil enforcement powers responsible for overseeing the laws. The Federal Election Campaign Act Amendments of 1976 revised the law to comply with the United States Supreme Court decision in Buckley v. Valeo.<sup>3</sup> In this decision the court ruled that statutory limitations on campaign expenditures violate the First Amendment, but that reasonable limits on the amounts that an individual can contribute to a campaign are acceptable.

#### Other States' Laws on Campaign Finance

Almost all states and the District of Columbia now require reporting of campaign receipts, campaign expenditures, or both; only North Dakota is without such a statute. These state statutes, requiring disclosure of campaign receipts and expenditures, often contain penalty provisions for candidates' failure to file. Ohio law, for example, provides that:

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<sup>3</sup>Buckley v. Valeo, 96 S Ct. 612, 424, U. S. 1, (1976).

Failure of any candidate to file a statement within the time prescribed by section 3517.10 of the Ohio Revised Code shall disqualify said person from becoming a candidate in any future election for a period of five years, except candidates for an elected office having a six-year term who shall be disqualified from being a candidate for a period of seven years.<sup>4</sup>

The Ohio provision is quite similar to that contained in the Federal Election Campaign Act Amendments of 1974. Table I details state laws on public finance and reporting requirements. Table II provides information about state laws relating to limitations on campaign contributions.

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<sup>4</sup>Ohio Revised Code, §3517.11.

TABLE I

Campaign Spending:  
Public Finance and Reporting Regulations

State	Tax Provisions	Public Funding	Reporting Requirements
Alabama			E:30A
Alaska	Credit up to \$50		E:30B,7B,10A;ann:Dec.31.
Arizona			P:15B,10A;G:15B,30A
Arkansas	Ded. up to \$25		E:25B,7B,30A
California	Ded. up to \$100		E:40B,12B,65A
Colorado			E:11B,30A,PostElection Report by Jan. 15
Connecticut			Quarterly plus P:7B,30A G:30B,7B,45A; No report until committee raises \$500
Delaware	Ded. up to \$100		E:20B; ann:Dec. 31
District of Columbia	Credit of 1/2 up to \$25		Quarterly plus E:15B, 5B; Jan. 31
Florida			Quarterly plus st. wide: E:36B,29B,22B,15B,8B,1B, 45A;Other: E:15B,1B,45A
Georgia			P:45B,15B,10A; G:15B; ann:Dec. 31
Hawaii	Ded. up to \$100 if to party		E:10B,20A
Idaho	\$100 ded. or credit of 1/2 up to \$5	\$1 check-off, Formula allocation to parties	E:40B,14B,30A
Illinois			E:15B,90A ann:July 31
Indiana			E:8B,47A; ann:March 31
Iowa	Ded. up to \$100	\$1 check-off to specified party	Quarterly
Kansas	Ded. up to \$100		P:7B,10A; G:7B; ann:Dec. 3
Kentucky	Ded. up to \$100	\$1 check-off to specified party	E:32B,12B,30A
Louisiana			P:15B;G:15B,40A No rpt. til st. wide comm'n raises \$1,000; dist. - \$500
Maine	Ded. up to \$100	\$1 check-off to specified party	Gov.:E:10B,45A Others:E:7B,45A
Maryland	Ded. up to \$100	\$2 surcharge, mtch'g funds to state office cand.	E:7B,30A; No rpt. if total under \$100
Massachusetts		\$1 surcharge, mtch'g funds/state wide candidate	E:8B; ann:Jan. 10
Michigan	Ded. up to \$50	\$2 Check-off; 2/1 mtch'g - primaries 1/1 gen. elections to parties	E:10B,30A; Special report within 48 hrs. receipt of \$200+ within 15 days of elec.

TABLE I (Cont.)

State	Tax Provisions	Public Funding	Reporting Requirements
Minnesota	Credit of 1/2 up to \$12.50; ded. up to \$100	\$ check-off to parties & candidates	E:10B; ann:Jan. 31
Mississippi			Monthly plus E:3B,60A
Missouri	Ded. up to \$100		E:10B,7B,30A
Montana	Ded. up to \$50	\$1 check-off, div. by parties for gubernatorial campaigns	Semiannually plus E:50B,15B,20A
Nebraska	Ded. up to \$100		E:35B,15B,40A
Nevada			P:15A; G:30A
New Hampshire			E:6B,10A
New Jersey	Ded. up to \$100	Direct appropriations as mtch'g funds in gub. campaigns	E:25B,7B,15A
New Mexico	Ded. up to \$100		E:10A
New York	Ded. up to \$100		E:25B,10B,10A
North Carolina		\$1 check-off to specified party	E:10B,10A
North Dakota	Ded. up to \$100		None required
Oklahoma	Ded. up to \$100		P:10B; G:10B,40A
Oregon	Credit of 1/2 up to \$12.50		E:30B,12B,30A
Pennsylvania			E:30A
Puerto Rico		Direct appropriations to parties	Quarterly
Rhode Island		\$1 check-off to parties by formula	E:30B,30A
South Carolina			E:30A, open to public inspection 4B
South Dakota			E:7B; ann:Jan. 31
Tennessee			E:8B,30A
Texas			E:40B,7B,30A ann:Jan. 15
Utah	Ded. of 1/2 up	\$1 check-off to specified party	Monthly June-Oct., Dec.; E:5B
Vermont	Same as federal		E:40B,10B,10A
Virginia	Ded. up to \$100		30B,30A but +\$1,000 reportable within 72 hours
Washington			E:19B,5B,20A; plus 10th of ea. mo.; no other report
West Virginia	Ded. up to \$100		E:10B; ann:Feb. 15
Wisconsin	Ded. up to \$100		E:14B,30A
Wyoming			E:10A
United States	\$100 ded. or 1/2 cr. up to \$25	\$1 check-off formula mtch'g funds	Quarterly plus E:10B,30A

TABLE I (Cont.)

Explanation of Chart

E = Election (Primary and General), e.g., E:30B,7B,10A means reports due 30 days before election, 7 days before election, 10 days after election.

P = Primary

G = General Election

B = Before

A = After

Sources of Data

Analysis of Federal and State Campaign Finance Law Quick-Reference Charts, Library of Congress, January 1, 1980.

Analysis of Federal and State Campaign Finance Law-- Summaries, Library of Congress, January 1, 1980.

Federal-State Election Law Survey: An Analysis of State Legislation, Federal Legislation and Judicial Decisions, Library of Congress, January 1, 1980.

Contribution Limitations

State/ Basic Statute	Contribution Limits		
	Individual	Corporate	Labor
Alabama ALA. CODE tit 17, sec. 274		Prohibited	
Alaska ALASKA STAT. sec. 15.13.010	\$1,000		
Arizona ARIZ. REV. STAT. ANN. sec. 16-423		Prohibited	Prohibited
Arkansas ARK. STAT. ANN. sec. 3-1109	\$1,000	\$1,000	\$1,000
California CAL. GOV'T CODE sec. 84200			
Colorado COLO. REV. STAT ANN. sec. 1-45-104			
Connecticut CONN. GEN. STAT. ANN. sec. 9-335	Gov.-\$2,500; other state offi- cers-\$1,500; Gen. Assembly-\$500 Total aggregate- \$15,000	Special Commit- tees allowed	Special Commit- tees allowed
Delaware DEL. CODE ANN. sec. 8003	\$1,000 to state- wide candidates, \$500 to others	\$1,000 to state- wide candidates, \$500 to others	\$1,000 to state- wide candidates, \$500 to others
District of Columbia D.C. CODE ANN. sec. 1131	\$1,000 to Mayor \$750 to others \$2,000 aggregate	\$1,000 to Mayor \$750 to others \$2,000 aggregate	\$1,000 to Mayor \$750 to others \$2,000 aggregate
Florida FLA. STAT. sec. 106.03	\$3,000 to state- wide candidates, \$1,000 to others	\$3,000 to state- wide candidates, \$1,000 to others	\$3,000 to state- wide candidates, \$1,000 to others
Georgia GA. CODE ANN. sec. 40-3802			
Hawaii HAWAII REV. LAWS sec. 11-207			
Idaho IDAHO CODE ANN. sec. 67-6607			
Illinois ILL. REV. STAT. ch. 9 sec. 2			
Indiana IND. STAT. ANN. sec. 3-1-30-3		\$3,000 to state- wide candidates, \$1,000 other	\$3,000 to state- wide candidates, \$1,000 other

TABLE II (Cont.)

State/ Basic Statute	Contribution Limits		
	Individual	Corporate	Labor
Iowa IOWA CODE ANN. sec. 56.61		Prohibited	
Kansas KAN. STAT. ANN. sec. 25-4108	\$2,500 to state- wide, \$500 other	Prohibited by utilities; other Corps. \$2,500	\$2,500 to state- wide, \$500 other
Kentucky KY. REV. STAT. sec. 121.180	\$3,000	Prohibited	
Louisiana LA. REV. STAT. sec. 18:1481		Must be specific- ally authorized by Board of Directors	
Maine ME. REV. STAT. ANN. sec. 1397.1	\$1,000 per candi- date, \$25,000 aggregate	\$5,000 aggregate	\$5,000 aggregate
Maryland MD. ANN. CODE art. 26 sec. 6	\$1,000 per candi- date, \$2,500 ag- gregate	\$1,000 per candi- date, \$2,500 ag- gregate	\$1,000 per candi- date, \$2,500 ag- gregate
Massachusetts MASS. GEN. LAWS ch. 55 sec. 18	\$1,000 per candi- date (minors lim- ited to \$25)	Prohibited except in corporate tax- ation referenda	\$1,000 per candi- date
Michigan MICH. COMP. LAWS ANN. sec. 169.201	\$1,700 statewide \$450 state Senate \$250 state repre- sentative	Prohibited	\$1,700 statewide \$450 state Senate \$250 state repre- sentative
Minnesota MINN. STAT. ANN. secs. 10A.01, 210A.01		Prohibited	
Mississippi MISS. CODE ANN. sec. 23-3-3			
Missouri MO. REV. STAT. sec. 130.010	\$10,000 per can- didate, \$50,000 aggregate	Prohibited	Prohibited
Montana MONT. REV. CODES sec. 23-4778	Gov. \$1500; other state \$750; legis- lative \$250	Prohibited	Gov. \$8000; other state \$2000; legislative \$250
Nebraska NEB. REV. STAT. sec. 32-1134		Allowed until 6 days before elec- tion; none allowed by corps. with liquor licenses	
Nevada LAWS 1975, ch 406			
New Hampshire N.H. REV. STAT. ANN. sec. 70-2	\$5,000 limit	Prohibited	Prohibited
New Jersey N.J. REV. STAT. sec. 19:44A-3	\$600 to gubernatorial campaigns	Prohibited by insurance companies	

State/ Basic Statute	Contribution Limits		
	Individual	Corporate	Labor
New Mexico N.M. STAT. ANN. sec. 3-19-2			
New York ELECTION CODE sec. 473	Formula, maximum up to \$50,000 and \$150,000 aggregate	\$5,000	
North Carolina N.C. GEN. STAT. sec. 163-278.1	\$3,000	Prohibited	Prohibited
North Dakota N.D. CENT. CODE sec. 16-20-01.1		Prohibited	
Ohio OHIO REV. CODE ANN. sec. 3517.10		Prohibited	
Oklahoma OKLA. STAT. sec. 424.3	\$5,000 to state, \$1,000 to local	Prohibited	
Oregon ORE. REV. STAT. sec. 260.035		Prohibited by some corps.	
Pennsylvania PA. STAT. tit. 25 sec. 3223		Prohibited	Prohibited
Puerto Rico P.R. LAWS ANN. Tit. 16 sec. 1126	\$600 to party	Prohibited	
Rhode Island R.I. GEN. LAWS . ANN. sec. 17-25-3			
South Carolina S.C. CODE ANN. secs. 23-265, 1-360.61			
South Dakota S.D. CODE sec. 12-25-13	\$1,000 statewide \$250 other \$3,000 party	Prohibited	Prohibited
Tennessee TENN. CODE ANN. sec. 2-1002		Prohibited	
Texas TEX. ELECTION CODE ANN. sec. 14.03		Prohibited	Prohibited
Utah UTAH CODE ANN. sec. 20-14-3			
Vermont VT. STAT. ANN. tit. 17 sec. 2002	\$1,000	\$1,000	\$1,000

State/ Basic Statute	Contribution Limits		
	Individual	Corporate	Labor
Virginia VA. CODE ANN. sec. 24.1-255			
Washington WASH. REV. CODE sec. 42.17.080			
West Virginia W.VA. CODE ANN. sec. 3-8-2		Prohibited	
Wisconsin WIS. STAT. sec. 11.01	Statewide \$10,000 State Senate \$1,000 House \$500; Aggre- gate \$10,000	Prohibited	Prohibited
Wyoming WYO. STAT. ANN. sec. 22-1.392	Formula based on population	Prohibited	Prohibited
United States 2 U.S.C. sec. 431	\$1,000 to candi- date; \$25,000 aggregate	Prohibited	Prohibited

SOURCES OF DATA

Analysis of Federal and State Campaign Finance Law Quick-Reference Charts, Library of Congress, January 1, 1980.

Analysis of Federal and State Campaign Finance Law-- Summaries, Library of Congress, January 1, 1980.

Federal-State Election Law Survey: An Analysis of State Legislation, Federal Legislation and Judicial Decisions, Library of Congress, January 1, 1980.

## Enforcement of Campaign Finance Laws

According to data compiled by the Federal Election Commission, 25 states and the District of Columbia have agencies that are responsible for enforcing disclosure laws.<sup>5</sup> Most states' agencies are modeled after the Federal Election Commission, which was established by the 1974 amendments to the Federal Election Campaign Act.

In addition to enforcement powers like those of the federal commission, California, New Jersey, and New York commissions are also able to assess penalties. The Fair Political Practices Commission, established by California initiative proposition 9, is empowered to issue cease and desist orders, to demand the filing or completion of missing or inadequate reports, and to levy fines, of up to \$2,000, upon confirmation of violations. The New Jersey Law Enforcement Commission can impose fines of up to \$1,000 for a first offense, and \$2,000 for a second offense. In addition, a victorious candidate who is found to be delinquent in filing reports can have his or her election or nomination voided. The New York State Board of Elections can impose fines of up to \$1,000 in addition to investigative functions.<sup>6</sup>

There have been problems in the implementation and interpretation of the state laws which establish this enforcement authority. In Georgia, the state Campaign Disclosure Act was

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<sup>5</sup>Library of Congress, Analysis of Federal and State Campaign Laws--Summaries, May, 1979.

<sup>6</sup>Ibid.

challenged on many points as being unconstitutional. The Georgia Supreme Court upheld most of the law, but ruled that the State Campaign Ethics Commission established by the act was unconstitutional.<sup>7</sup>

Legislation to establish supervisory commissions has also encountered difficulties regarding appointed board members. Of the 25 states having commissions to oversee campaign finance laws, only four (Iowa, New Jersey, South Carolina, and Washington) allow the governor complete independence in choosing members of the commissions. In nine other states (Florida, Hawaii, Illinois, Kentucky, Minnesota, Missouri, New York, North Carolina, and Rhode Island), the governor must make appointments for each vacancy from lists submitted by party officials, the legislature, or judges. In eight states there exists a "mixed system," with the governor choosing some members and other state officials choosing the rest. That system is followed in California, Connecticut, Georgia, Kansas, Maryland, Nebraska, South Dakota, and Vermont. In Louisiana, Maine, Ohio, and Tennessee, none of the appointments are made by the governor.

#### Attorney General's Role

Legislative Research was asked to provide information about the attorney general's role in the enforcement of campaign finance laws. Table III shows the attorney general's responsibility in each state.

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<sup>7</sup>Fortson v. Weeks, 232 Ga. 472, 208 SE 2d 68, (1974).

TABLE III

## Attorney General's Role in Campaign Spending

State	Attorney General's Role
Alabama	Enforces Corrupt Practices; legal advisor to State Ethics Commission
Alaska	None*
Arizona	Prepares report forms; can request information from candidates; can prosecute
Arkansas	None
California	Criminal enforcement
Colorado	N.R. ***
Connecticut	N.R.
Delaware	Deputy Attorney General assigned to Dep't of Elections
District of Columbia	N.R.
Florida	Evaluates cases referred by Election Commission for probable cause prior to referral to state's attorney
Georgia	Legal counsel to State Utilities Commission
Hawaii	None
Idaho	None
Illinois	None
Indiana	May bring civil actions to enforce finance law on request of state board of elections
Iowa	Assists Campaign Finance Disclosure Commission
Kansas	None
Kentucky	None
Louisiana	May initiate prosecutions
Maine	None
Maryland	Represents State Board of Election laws in civil actions
Massachusetts	Prosecutes violations of campaign finance law
Michigan	None
Minnesota	Counsel to Secretary of State and Ethical Practices Board
Mississippi	N.R.
Missouri	None
Montana	None
Nebraska	None**
Nevada	None
New Hampshire	May prosecute violations
New Jersey	None**
New Mexico	None
New York	None
North Carolina	None
North Dakota	Prepares forms, rules & regulations; can initiate prosecutions
Oklahoma	Criminal prosecution powers
Oregon	Prosecutes at request of Secretary of State
Pennsylvania	None**
Puerto Rico	None**
Rhode Island	None*
South Carolina	None
South Dakota	None
Tennessee	Investigates violation; enforces Campaign Finance Disclosure Act

TABLE III (Cont.)

State	Attorney General's Role
Texas	Can seek civil and injunctive relief
Utah	Civil enforcement authority
Vermont	None*
Virginia	None
Washington	Counsel to Public Disclosure Commission
West Virginia	None
Wisconsin	None
Wyoming	None

\*Attorney General has primary prosecution power in state.

\*\*Attorney General may initiate criminal prosecutions.

\*\*\*N.R. indicates no requirement.

Source of Data

"Questionnaire on Powers, Duties and Operations of the Attorneys General's Offices," Committee on the Office of Attorney General.

### Discounts

If a corporation or labor organization sells an item below the usual and normal charge to a political committee, a prohibited contribution is made in the amount of the discount (i.e., the difference between the usual charge and the amount charged the committee). 100.7(a)(1)(iii). (Corporate vendors may, within certain limits, allow discounts on food and beverage sold to candidate and party committees. See page 22.)

### Commingling of Funds

Corporate or labor treasury funds may not be commingled with contributions to the SSF. For example, if a corporation or labor organization deposits treasury money into the campaign account of its SSF, a prohibited contribution results. The corporation or labor organization may, however, deposit treasury money into an administrative account used solely for the payment of the SSF's establishment, administration and solicitation expenses.

### Compensation for Services

#### 1. General Rule

If a corporation or labor organization pays for services rendered on behalf of a political committee, a prohibited contribution results. 100.7(a)(3).

#### 2. Exceptions

- A corporation or labor organization may pay for the establishment, administration and solicitation expenses of its SSF (see page 4).
- A corporation or labor organization may provide legal and accounting services for certain purposes on behalf of political committees (see page 22).

### Reimbursement of Contributions

If a corporation or labor organization makes a prohibited contribution and is later reimbursed for the amount by its SSF, the contribution is still considered unlawful. (See also "Contributions in the Name of Another," below.)

### Government Contractors

Contributions from Federal government contractors are prohibited. The prohibition applies to contributions from the assets of a partnership and to contributions from the personal or business funds of individuals or sole proprietors that have entered into a contract with the Federal government. It does not apply, however, to personal contributions by employees, partners, shareholders or

officers of businesses with government contracts. Part 115.

### Foreign Nationals

Contributions from foreign nationals who do not have permanent residence in the United States (i.e., those without green cards) are prohibited. Foreign nationals may not make contributions in connection with any election — local, State or Federal. 110.4(a).

### Cash Contributions

Contributions of cash (currency) which in the aggregate exceed \$100 from one person are prohibited. If a committee receives a cash contribution exceeding \$100, it must promptly return the excess amount to the contributor. If an anonymous cash contribution of over \$50 is received, the amount in excess of \$50 must be disposed of (i.e., used for some purpose unrelated to Federal elections). 110.4(c).

### Contributions in Name of Another

Contributions made by one person in the name of another are prohibited. 110.4(b). For example, a connected organization may not reimburse employees for their SSF contributions by giving them bonuses. 114.5(b)(1).

## Fundraising

### 1. General Rules for Soliciting Contributions

An SSF, its *connected organization*\* and other *collecting agents*\* may solicit contributions for the separate segregated fund (SSF). They may not, however, solicit SSF contributions from the general public and must observe the following rules when soliciting or accepting contributions.

#### Voluntary Contributions Only

Contributions to an SSF must be voluntary, that is, they must meet the conditions listed below.

#### Use of Force or Threats Prohibited

Contributions may not be secured by the use or threat of physical force, job discrimination or financial reprisal. 114.5(a)(1).

#### No Fees, Dues or Commercial Payments

SSFs are not permitted to use dues or fees obtained as a condition of membership or employment even if the dues or fees are refundable upon request (as in a reverse checkoff payroll deduction plan — see page 10). Money obtained as a result of a commercial transaction is also prohibited as a source of funds for the SSF. 114.5(a)(1).

#### Information to Solicitee

Individuals being solicited for contributions to an SSF must be informed of:

- The political purpose of the SSF, and
- Their right to refuse to contribute without reprisal. 114.5(a)(3), (4) and (5).

#### Contribution Guidelines

If the solicitation includes a guideline as to how much individuals might give to the SSF, solicitees must be informed that:

- The guidelines are merely suggestions;
- Individuals are free to contribute more or less than the guideline suggests — no

\* See Definitions in Appendix A.

limits apply to any type of contribution, including money, goods and services, loans, endorsements of loans, and so on.

### Limits on Contributions Made by SSF

#### To Candidate Committees

An SSF may contribute only \$1,000 per candidate, per *election*,<sup>4</sup> unless it qualifies as a multicandidate committee. A *multicandidate committee* may contribute up to \$5,000 per candidate, per election. 110.1(a) and 110.2(a)(1). To qualify as a multicandidate committee, an SSF must have received contributions from more than 50 persons, have been registered at least 6 months and have contributed to at least 5 Federal candidates. 100.5(e)(3).

#### To National Party Committees

An SSF that qualifies as a multicandidate committee (see above) may contribute \$15,000 per year to a national party committee. If an SSF is not a multicandidate committee, it may contribute \$20,000 per year. These limits apply separately to a party's national committee, Senate campaign committee and House campaign committee. 110.1(b) and 110.2(a)(2).

#### To Other Committees

Any SSF, regardless of whether it has qualified as a multicandidate committee, may contribute up to \$5,000 per year to political committees other than candidate committees and national party committees (such as State party committees). 110.1(c) and 110.2(a)(3).

### Limits on Contributions Received by an SSF

Any SSF may receive up to \$5,000 per year from any one contributor. 110.1(c).

### Affiliated SSFs Share One Limit

#### General Rule

*Affiliated SSFs*<sup>5</sup> are considered one political committee for purposes of contribution limits. This means that all contributions received by several affiliated SSFs from the same donor count against one limit, and all contributions made by several affiliated SSFs to the same committee count against one limit. 110.3(a)(1).

#### Multicandidate Committee Status

If one SSF qualifies as a multicandidate committee, then all the affiliates may contribute a combined total of \$5,000 to a Federal candidate, per election.<sup>6</sup> Similarly, affiliated SSFs share the

same limit for contributions received: Together, affiliated SSFs may receive up to \$5,000 a year from the same contributor.

#### Monitoring Limits

To avoid exceeding contribution limits, affiliated SSFs should set up a centralized monitoring system to ensure that all contributions made and received by all affiliates are within permissible limits.

## 4. Prohibited Contributions

The Act prohibits the use of certain kinds of contributions made in connection with or for the purpose of influencing Federal elections. The prohibitions listed below apply to contributions both received and made by SSFs. Note also that the prohibitions apply to all contributions, regardless of:

- What type of contribution it is (gift of money, in-kind contribution, loan and so on);
- Whether or not it is solicited; and
- How it is ultimately used (such as for advertising, office supplies or *independent expenditures*<sup>7</sup>).

### Corporations, Labor Organizations and National Banks

#### General Rule

Contributions made from the general treasury funds of corporations, labor organizations and national banks are prohibited. National banks and Federally chartered corporations may not make contributions in connection with any

election — local, State or Federal. 114.2. However, as previously explained, corporate/labor treasury money may be used to sponsor SSFs and for certain other activities related to Federal elections (see Part Two).

#### Examples of Prohibited Corporate/Labor Contributions

##### Corporate Credit

If a political committee fails to pay a debt owed to a corporation in a timely fashion consistent with normal business or trade practice, the debt in effect becomes a contribution from the corporation and is therefore prohibited. 100.7(a)(4). A corporate creditor may not forgive a political committee's debts for less than the amount owed unless the corporation and debtor treat the debt in a commercially reasonable manner and file a Statement of Settlement with the FEC (see below).

##### 1. Commercially Reasonable Manner

A debt treated in a commercially reasonable manner means that:

- Credit is extended in the ordinary course of business with terms substantially similar to those granted to nonpolitical debtors of a similar credit risk;
- The debtor makes all reasonable efforts to retire the debt; and
- The creditor pursues remedies in a manner similar to those used to seek payment from nonpolitical debtors. 114.10.

##### 2. Statement of Settlement

If a debt owed to a corporation is settled for less than the amount owed, the corporate creditor and/or debtor must file a Statement of Settlement with the FEC. The Statement must be filed prior to a committee's termination and is subject to Commission review and approval. The Statement of Settlement must include:

- The initial terms of credit;
- The steps the debtor took to extinguish the debt;
- The remedies pursued by the creditor; and
- Their terms of settlement. 114.10.

<sup>4</sup> See Definitions in Appendix A.

<sup>5</sup> In AO 1980-41, the Commission determined that two affiliated SSFs could collectively satisfy the requirements for multicandidate committee status (i.e., length of existence, number of contributors and number of candidates to whom contributions are made).

the Act's dollar limits. Nevertheless, in most cases these receipts are reportable by the SSF. They are described below.

#### Reportable Receipts

##### *Transfers From Affiliated SSFs*

An SSF may receive unlimited *transfers*<sup>\*</sup> from *affiliated SSFs*<sup>\*</sup> and the funds received do not count against contribution limits.<sup>1</sup> This is because affiliated SSFs are treated as one political committee for purposes of contribution limits (see page 7). 102.6(a).

##### *Bank Loans to the SSF*

A *bank*<sup>\*</sup> loan is not a contribution by the bank if it is made according to applicable banking laws in the ordinary course of business, i.e., if it:

- Bears the bank's usual and customary interest rate for the category of loan involved;
- Is made on a basis which assures repayment;
- Is evidenced by a written instrument; and
- Is subject to a due date or amortization schedule. 100.7(b)(11).

##### *Loan Repayments*

A repayment of a loan owed to an SSF is not considered a contribution. 100.7(a)(1)(i)(D).

##### *Interest Income*

Income earned on invested funds is not a contribution. See also page 12.

##### **Nonreportable Receipts — Support From Connected Organization**

*Connected organizations*<sup>\*</sup> may use treasury funds to pay for the establishment, administration and solicitation expenses of their SSFs. A connected organization may directly pay for such expenses, or it may set up a separate administrative account containing treasury funds which the SSF uses solely for payment of its administration and solicitation expenses. Note that the administrative account may not be commingled with the SSF's campaign account from which it makes contributions (See also page 4.)

None of these payments from treasury funds count as contributions to the SSF and none are reportable under the Act. However, if an SSF uses its own funds to pay for operating or solicitation expenses, the payment is considered a disbursement and must be reported by the SSF. Normally, such administrative costs paid by the SSF may not be reimbursed by the connected organization. 114.1(a)(2)(iii), (b) and 114.5(b).

## 2. Contributions Made by SSF

### What Is a Contribution from the SSF

Listed below are different kinds of contributions an SSF might make to candidate committees and other political committees to influence Federal elections. All contributions made by an SSF are subject to the Act's monetary limits and must be reported as disbursements.

#### Monetary and In-Kind Contributions

An SSF may make monetary and in-kind contributions to political committees. 100.7(a)(1)(ii) and (iii). For details, see page 12.

#### Loans to Others

A loan made by an SSF to a political committee is a contribution subject to the Act's contribution limits to the extent of the outstanding balance of the loan. Repayments made on the loan reduce the amount of the SSF's contribution; once repaid in full, the loan no longer counts against contribution limits. A loan exceeding the contribution limits is unlawful even if repaid in full. 100.7(a)(1)(i).

#### Endorsements and Guarantees of Loans to Others

An SSF's endorsement or guarantee of a loan to a political committee is a contribution subject to the Act's contribution limits to the extent of the outstanding balance of the loan. Repayments made on the loan reduce the amount of the SSF's contribution; once the loan is repaid in full, the endorsement or guarantee no longer counts against contribution limits. 100.7(a)(1)(i)(C).

### What Is Not a Contribution from the SSF

SSFs may also make certain disbursements that are not considered contributions and, therefore, do not count against contribution limits. All such transactions, however, must be reported as disbursements by the SSF. They are described below.<sup>2</sup>

#### Loan Repayments

A repayment of a loan owed to an individual or a *bank*<sup>\*</sup> is not a contribution. 100.7(a)(1)(i)(D).

#### Transfers To Affiliated SSFs

An SSF may make unlimited *transfers*<sup>\*</sup>

to *affiliated SSFs*<sup>\*</sup> and the outgoing funds do not count as contributions. 102.6(a).

#### Donations to Office Accounts<sup>3</sup>

Funds donated to an office account to support the activities of a Federal or State officeholder who is a candidate for Federal office are not contributions as long as the donations are not made for the purpose of influencing a Federal election. 113.3(b) and 113.4(a).

#### Donations to Delegates

A donation to an individual to promote his/her selection as a *delegate*<sup>\*</sup> is not a contribution. However, funds contributed to a *delegate committee*<sup>\*</sup> (by definition, a *political committee*<sup>\*</sup>) are considered contributions and are subject to the Act's limits. 110.14(c) and (e).

#### Donations to Non-Federal Candidates

A donation to a State or local candidate or to an organization that is not a *political committee*<sup>\*</sup> is not a contribution but may be subject to State law.

#### Independent Expenditures

An *independent expenditure*<sup>\*</sup> made by an SSF on behalf of or in opposition to a candidate is not considered a contribution. See page 13.

## 3. Contribution Limits<sup>4</sup>

Monetary limits on contributions apply to both the contributions an SSF receives and the contributions it makes to Federal candidate committees and other political committees. Moreover, contribution

<sup>\*</sup> See Definitions in Appendix A.

<sup>1</sup> A transfer of funds (containing money permissible under the Act) from a non-Federal account to an SSF may trigger registration for the non-Federal account. See "Two Accounts for Federal/Non-Federal Activity," page 5.

<sup>2</sup> This list does not apply to disbursements made from corporate or labor treasury funds. See "Use of Treasury Funds," pages 20-23, for categories of exempted expenditures that a corporation of labor organization may pay for from general treasury funds.

<sup>3</sup> House and Senate rules should also be consulted.

<sup>4</sup> Independent expenditures made by an SSF are not subject to contribution limits. However, contributions made to an independent expenditure committee are subject to limits. See page 13.

### One SSF for Federal/Non-Federal Activity

A connected organization may establish an SSF that engages in both Federal and non-Federal financial activity. All contributions solicited and received by the SSF are subject to the prohibitions and solicitation requirements of the Act — regardless of whether the funds are ultimately used for Federal or non-Federal elections. All receipts and disbursements must be reported, including those that pertain to non-Federal activity. Moreover, contributors must be informed that their contributions count against the individual's contribution limit (see Appendix B), even if made in support of a non-Federal candidate. Note that contributions used in connection with non-Federal elections are subject to applicable State law. 102.5(a)(1)(ii) and (2).

### Two Accounts for Federal/Non-Federal Activity

Alternatively, a connected organization may establish an SSF exclusively involved in Federal election activity and a second fund, with a separate bank account, for non-Federal activity.

#### Federal Account

The Federal account alone is considered an SSF with registration and reporting obligations under the Act. The Federal account (i.e., the SSF) may receive only contributions designated or expressly solicited for Federal campaigns and must observe the Act's solicitation requirements. 102.5(a)(1)(i) and (2). In addition, all of the Federal account's receipts and disbursements must be reported.

#### Non-Federal Account

On the other hand, the non-Federal account is not subject to the Act's registration and reporting requirements; nor is it subject to the Act's solicitation and contribution restrictions. (It is subject to State law.) However, if the non-Federal account makes contributions or expenditures (from funds permissible under the Act) in any amount in connection with Federal elections, it automatically becomes a *political committee*\* subject to the Act's requirements. 102.5(a)(1)(i). In one specific situation, for example, the Commission said if a non-Federal account transferred or loaned money to the Federal account (i.e., the SSF), the non-Federal account would have to register as a political committee and divest itself of all funds prohibited under the Act. AO 1981-6.

A non-Federal account may, however, act as a *collecting agent*\* for contributions to the Federal account (SSF) without having to register. (See "Fundraising by Agents," page 11.)

## Understanding Contributions

Although corporations and labor organizations may not make contributions in connection with Federal elections,\* their separate segregated funds (SSFs) may do so. 114.1(a)(2)(x) and 114.2. It is essential, therefore, for SSFs to understand the term "contribution" in order to comply with the prohibitions and limitations on contributions.

A contribution is one way individuals, groups and political committees provide support to Federal candidates. A contribution usually involves the giving of money to candidate committees, the purchase of goods and services on their behalf (in-kind contributions) or the giving of money to another political committee, such as a party committee, which in turn supports specific Federal candidates.

Note that an SSF must view contributions from two different perspectives. SSFs receive contributions and make contributions (to candidate committees and other political committees). The distinction is important for purposes of reporting and contribution limits. Contributions received are reported as "receipts," while contributions made are reported as "disbursements" by the donor committee. Both contributions received and contributions made by a political committee are subject to the monetary limitations and prohibitions of the Act. Full reporting is required for contributions, both received and made, as well as for other types of receipts and disbursements. (Reporting is discussed in a later chapter.)

## 1. Contributions Received by SSF

### What Is a Contribution to the SSF

A contribution is anything of value given to an SSF to influence a *Federal election*.\* 100.7(a)(1). Listed below are different kinds of contributions, all of which are subject to the Act's prohibitions, monetary limitations and reporting requirements.

#### Gifts of Money

A contribution of money may be made

by check or cash (currency), although cash contributions are limited to \$100. 100.7(a)(1)(ii) and 110.4(c).

#### In-Kind Contributions

Services or goods offered free or at less than the usual charge are considered in-kind contributions subject to the same limits as any other type of contribution. 100.7(a)(1)(iii).

#### Loans From Individuals

A loan from an individual is considered a contribution to the extent of the outstanding balance of the loan. (Bank loans, however, are not considered contributions. See page 6.) Repayments made on the loan reduce the amount of the contribution; once repaid in full, a loan no longer counts against the lender's contribution limit. Thus, an unpaid loan, when added to other contributions from the same lender, may not exceed the contribution limit. A loan exceeding the contribution limit is unlawful even if repaid in full. 100.7(a)(1)(i).

#### Endorsements and Guarantees of Loans

If an individual endorses or guarantees a loan, the endorsement or guarantee counts as a contribution to the borrower to the extent of the outstanding balance of the loan. Repayments made on the loan reduce the amount of the contribution; once the loan is repaid in full, the endorsement or guarantee no longer counts against the endorser's or guarantor's contribution limit. If a written loan agreement does not stipulate the portion for which each endorser or guarantor is liable, then individual contributions are calculated by dividing the amount of the loan by the number of individuals who have endorsed or guaranteed it. 100.7(a)(1)(i)(C).

#### Proceeds From Sales

The entire amount paid to attend a fundraiser or other political event is a contribution. Similarly, the entire amount paid for any item sold for fundraising purposes is a contribution. 100.7(a)(2). For example, if a contributor pays \$100 to attend an SSF's fundraising dinner or to purchase a fundraising item, he or she has made a \$100 contribution to the SSF.

### What Is Not a Contribution to the SSF

SSFs may receive goods, services and monies that are not considered contributions and, therefore, are not subject to

\* See Definitions in Appendix A.

or local or regional unit within the same organization are affiliated. 100.5(g)(2). For example:

- SSFs established by a parent corporation and its subsidiaries are affiliated.
- SSFs established by a national or international union and its local unions are affiliated.
- SSFs established by a federation of national or international unions and the federation's State and local central bodies are affiliated.
- SSFs established by a membership organization and its related State and local entities are affiliated. 100.5(g)(2)(i).

#### *When One Connected Organization Controls Another*

When one organization exercises control over another, their respective SSFs are affiliated. 100.5(g)(2)(ii).

#### *When SSFs Have Mutual Financial Relationship*

Affiliation may exist if SSFs show a similar pattern of contributions or if one SSF transfers a substantial portion of its funds to another SSF. 100.5(g)(2)(ii).

#### *Identifying Affiliated SSFs on the Statement of Organization*

An SSF established by a parent organization must list, on its Statement of Organization, all SSFs affiliated with it. An SSF of a subordinate organization, however, need only identify the SSF established by the parent organization (if any), even though it may be affiliated with other SSFs as well (such as those of other subordinate organizations). 102.2(b)(1)(ii).

### **Treasurer**

#### *Treasurer — Required*

An SSF must designate on its Statement of Organization the individual who serves as treasurer. An SSF must have a treasurer before it may accept contributions or make expenditures. 102.7(a) and (b). The treasurer has the following responsibilities:

#### *Deposit Receipts*

He or she must see that all receipts are deposited within 10 days. 103.3(a).

#### *Authorize Expenditures*

The treasurer must authorize expenditures or appoint an agent (either orally or in writing) to authorize expenditures. 102.7(c).

#### *Keep Records*

He or she must see that all recordkeeping duties are fulfilled. 102.9 and 104.14(b).

#### *Sign Reports*

The treasurer must sign all reports and statements, including the Statement of Organization. 102.2(a), 104.1(a) and 104.14(a).

#### *File Reports on Time*

He or she must see that accurate reports and statements are filed on time. 104.1(a) and 104.14(d).

#### *Assistant Treasurer — Recommended*

An SSF may name an assistant treasurer who acts as treasurer when the treasurer is unavailable or when there is a vacancy in that office. Note that, in the absence of the treasurer, only a designated assistant treasurer may sign reports and statements and assume other responsibilities of the treasurer. 102.7(a).

### **Campaign Depository**

An SSF must designate on its Statement of Organization at least one campaign depository where all contributions are deposited and from which all disbursements are made by check. (Cash disbursements of \$100 or less may be made from a petty cash fund. 102.11.) The following institutions may be designated as campaign depositories: State banks, national banks and depository institutions insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or the National Credit Union Administration. 103.1, 103.2 and 103.3.

### **Identification Number**

The Federal Election Commission assigns an identification number to each SSF after it has filed its Statement of Organization. Thereafter, the SSF must enter the number on all subsequent statements and reports filed by the SSF. 102.2(c).

### **Changes and Corrections**

SSFs must report any change or correction in their Statement of Organization (such as a change in treasurer, address or bank depositories) by writing a letter or by filing an amended Statement of Organization. Any such change must be reported within 10 days. 102.2(a)(2).

## **4. SSF Operation**

### **Financial Support from Connected Organization**

#### *Use of Treasury Funds*

An organization may use its treasury money to pay for costs incurred in setting up and running its SSF. For example,

treasury money may be used to pay for office space, phones, salaries, utilities, supplies, bank charges, and legal and accounting fees. A connected organization may also use its treasury funds to pay for the costs of soliciting contributions to the SSF and for certain costs of other fundraising activities (see "Promotional Items and Entertainment," page 10). 114.1(a)(2)(iii), (b) and 114.5(b).

#### *Payment*

#### *Direct Payment*

A connected organization may directly pay for the SSF's establishment, administration and solicitation expenses. Normally, the connected organization may not reimburse its SSF for expenses paid from the SSF's own account.

#### *Administrative Account*

Alternatively, the connected organization may set up a separate administrative account containing treasury funds that the SSF uses solely for its administration and solicitation expenses. Note that the administrative account may not be commingled with the SSF's account from which it makes contributions. AOs 1980-89 and 1981-19.

### **Incorporation of SSF**

An SSF may incorporate for liability purposes only and not be subject to the prohibition on corporate contributions and expenditures. The treasurer of an incorporated SSF nevertheless remains personally responsible for his/her duties under the Act (see above). 114.12(a).

### **Federal/Non-Federal Activity**

If a connected organization plans to support both Federal and local candidates, it may organize an SSF that is active in both Federal and non-Federal elections. Alternatively, it may establish an SSF solely for *Federal election*\* activity and a second fund for State and local activity.<sup>4</sup>

\* See Definitions in Appendix A.

<sup>4</sup> Subject to State law, a corporation or labor organization may use its general treasury funds to support non-Federal candidates. However, national banks and Federally chartered corporations are prohibited from using their treasury funds in connection with non-Federal as well as Federal elections. 114.2(a). If they wish to support State and local candidates, they must follow the above procedures concerning non-Federal activity. 114.2(a)(1).

# ONE

## SEPARATE SEGREGATED FUNDS

**T**he Act prohibits corporations and labor organizations from using their treasury money to make contributions or expenditures in connection with *Federal elections*.<sup>\*</sup> (Treasury funds include money obtained from commercial transactions, dues monies and membership fees.) 114.2 and 114.5(b). Corporations and labor organizations may, however, use their treasury funds to establish and administer a *political committee*<sup>\*</sup> which itself may collect contributions from a limited class of individuals and use this money, in turn, to make contributions and expenditures to influence Federal elections. 100.5(b) and 114.5(b).

The Act and Commission Regulations refer to such a committee as a *separate segregated fund (SSF)* because the committee's funds, containing lawful contributions, are kept separate and segregated from prohibited treasury funds. Commingling of the two kinds of funds is prohibited.

## Setting Up the SSF

### 1. Who Must Register

An SSF established by a corporation or labor organization must register as a *political committee*.<sup>\*</sup> However, a fund established solely for financing State and local political activity is **not** considered a political committee under the Act and has no registration or reporting obligations under Federal election law. (See "Federal/Non-Federal Activity," page 4.)

### 2. When to Register

An SSF must register within 10 days after the date of its establishment by a corporation or labor organization. Examples of

an SSF's establishment include (but are not limited to) the following events:

- The board of directors (or comparable governing body of the organization) votes to create an SSF; or
- Officers are selected to administer the SSF; or
- The SSF's initial operating expenses are paid. 102.1(c).

If establishment events take place over a period of time, the date of the earliest event is the date of the SSF's establishment.

### 3. How to Register

Within 10 days after its establishment, an SSF must register by filing a *Statement of Organization* (FEC Form 1), obtainable from the Commission. 102.2. On the Statement, the SSF discloses the basic information listed below. (For details on where to file a Statement of Organization, see page 15.)

#### Title of the SSF

The official title of an SSF must include the full name of the sponsoring corporation or labor organization, such as Amalgamated Acme Industries, Inc. Political Action Committee. In addition, an SSF may use a shortened form of its official title on checks and letterheads. The short title must include a clearly recognizable abbreviated form or acronym of the sponsoring organization's name, such as Acme Industries PAC. However, both the full, official title and the abbreviated title (if used) of the SSF are required on the Statement of Organization, on other FEC statements and reports and on public advertising notices (see "Advertising," page 14). 102.14(c).

#### Connected Organization

On the Statement of Organization, an SSF must list the name and address of its *connected organization*.<sup>\*</sup>

#### Definition of Connected Organization

An organization that directly or indirectly establishes, administers or financially supports<sup>1</sup> an SSF is called the

connected organization of the SSF. A connected organization may be a *corporation*<sup>\*</sup> or *labor organization*<sup>\*</sup> – either the parent organization or one of the subordinate units under the parent, such as a corporate subsidiary, a union local or a regional unit of a membership organization. 100.6.

#### Control of SSF

In addition to financially supporting an SSF, a connected organization may exercise control over its SSF. For example, a connected organization may have authority over the organization of the SSF through the adoption of bylaws<sup>2</sup> and the appointment of SSF officials. Moreover, a connected organization may determine which candidates receive contributions from the SSF. 114.5(d).

#### Affiliation

On the Statement of Organization, an SSF must identify other SSFs that are affiliated with it.

#### When SSFs Are Affiliated

Affiliation between SSFs is an important relationship to understand because affiliated SSFs share one common contribution limit.<sup>3</sup> The following guidelines describe some of the circumstances under which SSFs are affiliated.

#### When SSFs Are Established Within One Organization

All SSFs established, financed, maintained or controlled by different parts of one organization are affiliated. This means that SSFs established by a parent, subsidiary, branch, division, department

<sup>\*</sup> See Definitions in Appendix A.

<sup>1</sup> "Financially supports" means that the organization pays for the SSF's establishment, administration and solicitation costs; it does not mean making contributions to an SSF. 100.6(c). See also page 4.

<sup>2</sup> Neither the Act nor Commission Regulations require an SSF to establish bylaws or have a charter. SSFs should not file such documents with the FEC.

<sup>3</sup> For an explanation of how affiliation affects contribution limits, see page 7.

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# Introduction

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This Guide has been written for the following organizations:

- Corporations With Capital Stock
- National Banks
- Incorporated Membership Organizations
- Corporations Without Capital Stock
- Incorporated Trade Associations
- Incorporated Cooperatives
- Labor Organizations

Under the Federal Election Campaign Act (the Act), the organizations listed above are prohibited from using their general treasury funds to make contributions or expenditures in connection with Federal elections.<sup>1</sup> In spite of this broad restriction, the Act and Commission Regulations permit such organizations to participate on a limited basis in Federal elections. To help corporations and labor organizations comply with the law, the Federal Election Commission (FEC) has prepared this Guide based on the Act and FEC Regulations.<sup>2</sup>

[Editor's Note: The rules governing corporate activity apply to a broad range of incorporated organizations, including national banks, corporations with capital stock and incorporated membership organizations (including corporations without capital stock, incorporated trade associations and incorporated cooperatives). For this reason, unless otherwise noted, the word "corporation" refers to all these organizations. Note, however, that solicitation requirements for incorporated membership organizations differ from those affecting other corporations and are therefore discussed separately. See page 10.]

Part One of the Guide explains how a corporation or labor organization may establish and operate a political committee that supports candidates for Federal Office. The Act and Commission Regulations refer to such committees as *separate segregated funds* (SSFs). SSFs must register as political committees, file reports disclosing their financial activity, abide by monetary limits on contribu-

tions and observe certain rules concerning the solicitation of contributions. These requirements are outlined in detail in Part One.

[Editor's Note: Part One uses the term SSF rather than PAC (political action committee) because the discussion focuses exclusively on political committees sponsored by corporations and labor organizations (i.e., SSFs). The term PAC differs from the term SSF in that PAC refers to all noncandidate, nonparty political committees, including those that have no sponsoring organization.]

Part Two discusses other Federal election activities in which a corporation or labor organization may engage and explains the restrictions placed on such activities. The first chapter deals with communications, both partisan and nonpartisan; the second chapter describes other uses of treasury funds; the third chapter explains the various ways corporate and labor facilities may be used in connection with Federal elections.

Part Three shows how to fill out FEC reporting forms. It includes samples of completed forms as well as the line-by-line instructions published on the backs of FEC forms.

Before reading this Guide, please note the following suggestions:

- Review the Guide carefully. Note the definitions in Appendix A that give special meaning to key words. Terms included in this Appendix are italicized and marked with an asterisk as they appear in the text.
- When seeking more information, consult the Federal Election Campaign Act (2 U.S.C. §§431-455) and Commission Regulations (11 CFR Parts 100-115). Part 114 is devoted solely to corporate/labor activity.
- For those doing legal research, there is an extensive body of material relating to corporate/labor activity, including *advisory opinions*,<sup>3</sup> closed compliance cases (MURs) and court cases.
- If in doubt as to what the law means or how it applies to a specific situation, seek help from the FEC. Call toll free 800/424-9530 or, in Washington, 523-4068. Phone calls from Alaska and Hawaii may be made collect (202/523-4068). See also Appendix G.

NOTE: This Guide covers only Federal election law requirements; readers should also consult State and local election laws as well as Federal tax laws.<sup>3</sup>

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\* See Definitions in Appendix A.

<sup>1</sup> National banks and Federally chartered corporations are prohibited from making contributions or expenditures in connection with any election — local, State or Federal. 114.2(a).

<sup>2</sup> Citations appearing in this Guide refer to sections of the FEC Regulations and, where prefaced by 2 U.S.C., to the Act. Selected advisory opinions are also cited. (See Appendix A for a definition of advisory opinions.)

<sup>3</sup> For information on Federal tax laws, consult the Internal Revenue Service, 1201 E Street, N.W., Washington, D.C. 20226; telephone: 202/488-3100. Each State IRS office has a toll free number; call your local operator for the number.

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# **CAMPAIGN GUIDE**

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**FOR CORPORATIONS  
AND LABOR  
ORGANIZATIONS**

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### Reimbursement to Connected Organization

The SSF may have to reimburse the connected organization for part of the cost of the fundraising activity, depending on the amount of contributions collected. Commission Regulations set forth a reasonable standard for determining when reimbursement is necessary: The SSF must reimburse the corporation or labor organization for costs which exceed one-third of the contributions collected. 114.5(b)(2).

**EXAMPLE:** A corporation spends \$300 in treasury funds to purchase a raffle prize. The SSF raises \$600 at the raffle. Since one-third of the amount raised (\$200) is less than the cost of the prize (\$300), then the SSF must reimburse the difference, which equals \$100. On the other hand, if the SSF collects \$900 in contributions, then one-third of the amount raised (\$300) equals the amount of treasury funds spent on the prize, and no reimbursement is necessary.

### No Reimbursement Required for Usual Solicitation Costs

In two specific situations (AOs 1979-72 and 1981-7), the Commission said that only the costs of the entertainment, raffle prize or item were subject to the reimbursement formula. By contrast, the connected organization could pay the entire cost of any solicitation expenses normally associated with the fundraising activity, such as the expense of producing and distributing invitations to a dance or the expenses involved in soliciting individuals to purchase a fundraising item or raffle ticket. 114.5(b).

## 6. Corporate Methods Used by Labor Organizations<sup>4</sup>

### General Rule

Any lawful solicitation method used by a corporation or its SSF may also be used by a labor organization. 114.5(l). Moreover, if requested, a corporation and its subsidiaries must provide a labor organization (representing employees working for the corporation or its subsidiaries) with the same method the corporation uses for soliciting or collecting contributions. If the labor organization wants to use the corporation's method, it must make a request in writing and must reimburse the corporation for the cost of providing the method. 114.5(k). Note that the labor organization's reimburse-

ment may not be waived since, if a corporation did pay for the solicitation costs of a labor organization's SSF, a prohibited contributions would result. 114.5(b). In two specific situations, the Commission discussed alternative ways of defraying payroll deduction costs for a union's SSF. See AOs 1979-21 and 1981-39.

### Example

If a corporate subsidiary uses a payroll deduction plan to collect contributions, it must make the plan available, if requested, to a labor organization for collecting contributions from members who are employed by the parent and any of its subsidiaries. The labor organization must reimburse the corporation for actual expenses incurred in making the payroll deduction plan available.

### Exception

If neither a parent nor its subsidiaries use any method to solicit or collect SSF contributions, they are not required to make any method available to a labor organization, although the corporation may agree to make a method available at cost. 114.5(k)(4).

## 7. Fundraising by Agents

### General Rule

#### Agent Collects Contributions

A *collecting agent* (or an individual representing a collecting agent) may collect contributions for the SSF. A collecting agent may be the SSF's connected organization or an organization that is not registered as a *political committee*<sup>\*</sup> but one that is related to the SSF's connected organization. For example, a union local may collect contributions for the national union's SSF, or a regional branch of a membership organization may collect contributions for the national organization's SSF.

**REMINDER:** A collecting agent may solicit only those persons eligible for solicitation under the law and must comply with the other requirements for soliciting voluntary contributions. See "General Rules for Soliciting Contributions," page 8.

#### Agent Forwards Contributions

A collecting agent must forward contributions to the SSF using one of the methods described below. Note that the agent may not commingle personal funds

with SSF contributions, such as by depositing them in a personal bank account. 102.15.

### Contributions Forwarded Without Being Deposited

A collecting agent may forward contributions directly to the SSF treasurer in the form of the original contributor's check or, in the case of small cash contributions, via a money order, cashier's check or similar instrument. 102.6(b)(2).

### Contributions Deposited in Transmittal Account

A collecting agent may establish a transmittal or clearing account used for SSF contributions. The agent deposits contributions in this account and forwards them to the SSF treasurer by writing a check drawn on the transmittal account. 102.6(b)(1).

### Contributions Deposited in Non-Federal Account

A collecting agent may deposit SSF contributions in an account established by the connected organization for State and local election activity (See "Two Accounts for Federal/Non-Federal Activity," page 5.) Note that a non-Federal account may transfer contributions collected for the SSF by a check drawn on the account without having to register as a political committee. It must, however, keep separate records of all the Federal contributions it collects and transfers. 102.6(b)(3). Furthermore, the SSF must report contributions transferred from the non-Federal account as described on page 12.

### Agent Transmits Records

A collecting agent must forward contributions to the SSF treasurer within a specified period of time. In addition, the agent must transmit the recordkeeping information described below:

### Contributions of \$50 or Less

Within 30 days after receiving a contribution of \$50 or less, the collecting agent must forward the contribution to the SSF treasurer. 102.8(b)(1). The Commission suggests that the agent also forward records that:

- Identify the name and address of the contributor, the amount of the contribution and the date it was received; or

<sup>\*</sup> See *Definitions in Appendix A.*

<sup>4</sup> See also *Twice-Yearly Solicitations, Appendix C.*

• In the case of small cash contributions received at a mass collection, identify the name and date of the fundraising event and the total amount of contributions received on each day for the event. 102.6(b)(3) and AO 1980-99.

#### **Contributions Exceeding \$50**

Within 10 days after receiving a contribution exceeding \$50, the collecting agent must forward to the SSF treasurer the contribution and a record indicating the amount, the date of receipt and the contributor's name and address. 102.8(b)(2).

#### **Contributions Exceeding \$200**

Within 10 days after receiving a contribution exceeding \$200, the collecting agent must forward to the SSF treasurer the contribution and a record indicating the amount, the date of receipt, and the contributor's name, address, occupation and the name of his or her employer. 102.8(b)(2).

#### **SSF Deposits Contributions**

Within 10 days after receiving a contribution, regardless of amount, the SSF treasurer must deposit it in a checking account at the designated campaign depository. 103.3(a).

#### **SSF Reports**

##### **Transmitted Contributions**

The recipient SSF reports funds transmitted by collecting agents as contributions from the original donors, not as a lump sum transfer from the collecting agent. When itemizing such contributions, the treasurer must report, as the date of receipt, the day the collecting agent received the contribution rather than the date the treasurer received it.

## **Contributions Contained in Combined Payments**

#### **Receiving Payments**

Sometimes SSF contributions are combined in one check along with other, miscellaneous payments to the connected organization. For example, a labor union may collect both union dues and SSF contributions through a payroll deduction plan administered by the members' employer. The employer transmits to the union one check that contains members' dues and their contributions to the union's SSF. As another example, a membership organization may receive an individual member's check that contains both a membership fee and an SSF contribution.<sup>5</sup>

#### **Depositing and Forwarding Payments**

With regard to several specific situations,

the Commission suggested that a collecting agent could use a transmittal (clearing) account or its own treasury account for depositing combined-payment checks. SSF contributions would be forwarded to the SSF treasurer by a check drawn on the transmittal or treasury account. The Commission pointed out the need for keeping separate records of all deposits and transmittals that represented SSF contributions and for transmitting contributions to the SSF treasurer within the time periods specified under "Agent Transmits Records," above. The records had to be made available to the Commission upon request. AOs 1978-42, 1978-98, 1979-19 and 1981-4.

Note that this type of situation is the only circumstance in which the Commission has permitted SSF contributions to be commingled in a treasury fund account.

#### **Other Procedures**

In addition to SSF contributions, the agent transmits the recordkeeping information as described above ("Agent Transmits Records"). In turn, the SSF treasurer deposits and reports the contributions according to the rules outlined above.

## **8. Interest Earned on Investments**

### **Types of Investments**

In addition to collecting contributions, an SSF may raise money by earning interest on invested funds. An SSF may invest contributions it has received, for example, in a savings account, money market fund or certificate of deposit. Special reporting requirements on invested funds and interest income are outlined on page 18.

### **Taxes on Interest**

In a specific situation, the Commission said an SSF would have to use its own account to pay for taxes on interest income. Such taxes would not be considered administrative expenses payable by the connected organization. AO 1977-19.

<sup>5</sup> In two specific situations, the Commission said that an individual's combined payment had to be drawn on his or her personal bank account or on a nonrepayable corporate drawing account. An individual's check drawn on any other type of corporate account would be prohibited. AOs 1979-19 and 1981-4.

# **Supporting Candidates**

This section describes the various ways a separate segregated fund (SSF) may support *candidates*,<sup>\*</sup> along with any restrictions the Act places on such activity.

## **1. Contributions to Candidates<sup>1</sup>**

### **Contributions of Money**

SSFs may make contributions of money to candidates and to the committees that support them. SSFs must be sure, however, their contributions do not violate the Act's prohibitions and dollar limits on contributions (see pages 6 and 7).

### **In-Kind Contributions**

SSFs may also make in-kind contributions to candidates and their committees. In-kind contributions are services or goods offered free or at less than the usual charge. The value of an in-kind contribution counts against the same dollar limits as a monetary contribution and is subject to the same prohibitions. 100.7(a)(1)(iii).

#### **Examples of In-Kind Contributions**

##### **Services**

If offered free or at less than the usual charge, the following services would be in-kind contributions to a candidate: consultant services (such as preparation of advertising or analysis of past election behavior), polling services, printing services.

##### **Goods**

If offered free or at less than the usual charge, the following items would be in-kind contributions: office facilities, equipment and supplies, mailing lists.<sup>2</sup>

\* See Definitions in Appendix A.

<sup>1</sup> Note that an SSF may contribute to committees other than a candidate committee, such as a party committee.

<sup>2</sup> Note that an SSF may contribute goods only if it has purchased them with its own funds or if an individual has contributed the goods to the SSF. Goods purchased or owned by an SSF's connected organization may not be contributed since connected organizations are prohibited from making contributions, directly or indirectly.

### Value of In-Kind Contributions

The amount or value of an in-kind contribution is the difference between the usual or normal price of a service or item and the amount the candidate committee pays for it (if any). 100.7(a)(1)(iii)(A). The SSF should inform the recipient committee of the value of an in-kind contribution.

Services are valued at the hourly or piecework rate normally charged for such services. (Services provided by a volunteer do not count as contributions.)

Goods are valued at the ordinary or market price. 100.7(a)(1)(iii)(B).

### Allocation Between Candidates

If an SSF supports more than one candidate through an in-kind contribution (e.g., if it pays for a newspaper ad supporting two candidates), the contribution must be allocated between the candidates supported. The value attributed to each candidate must be in proportion to the benefit received by the candidate. The portion attributed to a candidate must be reported as an in-kind contribution and, when combined with other contributions to the same candidate, must not exceed the contribution limit for that candidate. 106.1(a).

### Earmarked Contributions

An SSF may act as a conduit for an earmarked contribution, i.e., a contribution that the individual contributor directs, either orally or in writing, to a specific candidate. An earmarked contribution does not count against the SSF's contribution limit for a candidate unless the SSF or its connected organization exercises direction or control over the contributor's choice of the recipient candidate. 110.6(b) and (d). For further details, including reporting requirements, see Appendix F on Earmarked Contributions.

## 2. Independent Expenditures

In addition to contributing to candidates, an SSF may support candidates by making independent expenditures on their behalf. Independent expenditures may be made without limit since they do not count against contribution limits. (However, contributions made to an independent expenditure committee are subject to monetary limits. See below.)

### What Is an Independent Expenditure

An independent expenditure is an expenditure for a communication *expressly advocating*\* the election or defeat of a *clearly identified candidate*\* that is NOT made with the cooperation or prior consent of, or in consultation with, or at the request or suggestion of, any candidate or his/her *authorized committees*\* or *agents*.\* 100.16 and 109.1(a).

### What Is Not an Independent Expenditure

When an expenditure is made under the circumstances described below, it results in an in-kind contribution rather than an independent expenditure and therefore counts against the SSF's contribution limit for a candidate. 109.1(c).

#### Contact With the Candidate's Campaign

Any expenditure made in cooperation, consultation or in concert with the candidate (or agent) or as a result of his/her request or suggestion is considered an in-kind contribution, not an independent expenditure. 109.1(b)(4).

#### Candidate-Prepared Material

Any expenditure to finance the dissemination or republication of a broadcast or other campaign material prepared by a candidate (or his/her campaign) is considered an in-kind contribution, not an independent expenditure. 109.1(d).

#### Expenditure by Committee Employee

An expenditure made on behalf of a candidate but directed by a current or former officer or employee of that candidate's committee or by a person who has received compensation or reimbursement from the campaign is presumed not to be independent. 109.1(b)(4)(i)(B).

### Examples

An SSF purchases a newspaper advertisement supporting Candidate Smith without ever contacting him or any of his campaign staff. The purchase is considered an independent expenditure. If, however, before purchasing the ad, the SSF asks Candidate Smith or his campaign staff how the SSF can help the campaign or when Smith wants a newspaper ad to appear, the SSF makes an in-kind contribution on behalf of Candidate Smith. Or, if the SSF buys a campaign advertisement using text actually prepared by the Smith campaign, the SSF makes an in-kind contribution.

### Public Notice Required

An independent expenditure must display a notice that identifies the SSF as the sponsor of the communication. For details, see "Advertising," page 14.

### Contributions to Independent Expenditure Committees

If an SSF contributes to a political committee that makes independent expenditures exclusively in support of, or in opposition to, a single candidate, that contribution is subject to the per candidate, per election limit. 110.1(h). For example, an SSF that is a *multicandidate committee*\* contributes \$2,500 to an independent committee established to make independent expenditures exclusively on behalf of Candidate Jones. The SSF (and any *affiliated SSFs*\*) may contribute only \$2,500 more to Candidate Jones for the same election since the SSF's total contributions benefiting Jones would then reach the \$5,000 per candidate, per election limit for multicandidate committees.

### Allocation Among Candidates

When an independent expenditure is made on behalf of more than one clearly identified candidate, the SSF must allocate the expenditure among the candidates in proportion to the benefit they are expected to receive. 106.1(a).

### Reporting Requirements

An SSF must report all independent expenditures. For details on reporting requirements, see page 18.

\* See Definitions in Appendix A.



### 3. Advertising<sup>3</sup>

#### General Rule

An SSF may purchase *public political advertising*<sup>\*</sup> that names specific candidates. The ads may support or oppose a candidate (as in an independent expenditure or in-kind contribution), and they may also solicit funds for a candidate. An SSF may not, however, use a public communication to solicit contributions to the SSF itself (nor may the connected organization). 114.5(i).

When public political advertising is used to expressly advocate the election or defeat of a clearly identified candidate or to solicit contributions for a candidate, the communication must clearly and conspicuously display one of the authorization notices listed below.<sup>4</sup> These notices are not, however, required on small items, such as bumper stickers, pins or buttons. 110.11(a)(1) and (2).

#### Authorization Notices

##### Authorized by Candidate

If a communication is authorized by a candidate or his/her campaign (i.e., the candidate's authorized committees or agents), the communication must identify the SSF that has paid for it and state that it has been authorized by the candidate or the candidate's committee. 2 U.S.C. §441d(a)(2).

Example: *Paid for by the National Organization Political Action Committee and authorized by the John Doe for Congress Committee.*

##### Not Authorized by Candidate

If a communication is not authorized by a candidate or his/her campaign, the communication must identify the SSF that has paid for it and state that it has not been authorized by any candidate or candidate's committee. 2 U.S.C. §441d(a)(3).

Example: *Paid for by the National Organization Political Action Committee and not authorized by any candidate or candidate's committee.*

<sup>\*</sup> See Definitions in Appendix A.

<sup>3</sup> If broadcast media are used, SSFs should also consult the Communications Act and the regulations and policies issued by the Federal Communications Commission.

<sup>4</sup> An authorization notice is not required on solicitations to an SSF's restricted class. (See Appendix A for the definition of restricted class.)

## Keeping Records

Treasurers of separate segregated funds (SSFs) are responsible for keeping copies of each statement and report, together with pertinent back-up records, for 3 years after the report or statement is filed. 102.9(c) and 104.14(b). Listed below are records required for an SSF's *receipts*<sup>\*</sup> and *disbursements*<sup>\*</sup>.

### 1. Recording Receipts

Concerning receipts, the Act requires records only for *contributions*<sup>\*</sup>. Nevertheless, the SSF should keep records for other types of receipts as well in order to comply with reporting requirements. Note, however, that the Act does not require records for establishment, administration and solicitation expenses paid by an SSF's *connected organization*<sup>\*</sup>.

#### Total Contributions

Records must show figures for total contributions received. 102.9(a).

#### Identifying Contributions

##### Contributions of \$50 or Less

The Commission recommends two possible accounting methods:

- An SSF may use the same method that is required for identifying contributions that exceed \$50 (i.e., by amount, date received and the donor's name and address); or
- In the case of small cash contributions collected at a fundraiser, an SSF may keep records of the name of the event, the date and the total amount of contributions received on each day of the event. However, individual contributions exceeding \$50 must be recorded as below. AO 1980-99.

##### Contributions Exceeding \$50

Records must identify each contribution of more than \$50 by amount, date received and the donor's name and address. 102.9(a)(1).

##### Contributions Aggregating Over \$200

Records must identify each contribution

aggregating more than \$200 per calendar year from the same person by amount, date received and the donor's name and address plus the donor's occupation and the name of his/her employer. In the case of a person who has already contributed an aggregate of more than \$200 per year, each subsequent contribution, regardless of amount, must be identified in the same way. 102.9(a)(2).

##### Contributions From Political Committees

Although SSFs may not solicit political committees, if they receive an unsolicited contribution, records must identify the contribution, regardless of amount, by amount, date received and the name and address of the contributing committee. 102.9(a)(3).

#### Identifying Transfers

Records must identify each transfer of funds received from an *affiliated SSF*<sup>\*</sup>, regardless of amount, by amount, date received and the name and address of the transferring SSF. 104.3(a)(4)(iii)(B).

### 2. Recording Disbursements

#### Total Disbursements

Records must show figures for total disbursements by the SSF. All disbursements (except from a petty cash fund) must be drawn by check or similar draft on the campaign depository. 102.10 and 103.3(a).

#### Petty Cash Disbursements

A written record of petty cash disbursements must be kept if a petty cash fund is maintained. Payments from petty cash to one person for any one purchase or transaction may not exceed \$100. 102.11.

#### Identifying Disbursements

##### All Disbursements

Each disbursement must be identified by date and amount, name and address of payee and purpose (i.e., a brief description of why the disbursement was made, such as dinner expenses or postage). 102.9(b)(1).

##### Disbursements Exceeding \$200

In addition, for each single disbursement that exceeds \$200, the committee must also keep a receipt, invoice or canceled check. 102.9(b)(2).

<sup>\*</sup> See Definitions in Appendix A.

### Disbursements for Federal Candidates

If a disbursement, regardless of amount, is made for a Federal candidate or his/her authorized committee, records must include not only the date and amount of the disbursement, but also the office sought by the candidate, including the State and Congressional district, if applicable. 102.9(b)(1)(iii). To facilitate reporting, the SSF should also keep records on the kind of *election*\* (e.g., primary, general) for which the contribution was made.

### Credit Card Transactions

For all credit card transactions, a monthly billing statement or customer receipt for each transaction must be retained as well as the canceled check used to pay the account. 102.9(b)(2)(ii).

### Credit Union or Share Drafts

Carbon copies of share drafts or checks drawn on credit union accounts may be used as records, provided the monthly account statement (showing that the draft or check was paid by the credit union) is also retained. 102.9(b)(2)(iii).

## 3. Treasurer's Best Efforts

In performing recordkeeping duties, a treasurer (or authorized custodian of records) must exercise "best efforts" to obtain required records.

### Best Efforts for Obtaining Contributor Information

If a contributor fails to include required information with his or her contribution, the treasurer must be able to show he/she made "best efforts" to obtain the information. "Best efforts" consist of a written record showing the committee informed the contributor that the reporting of such information is required by law. For example, the treasurer could show "best efforts" by retaining a copy of the original written solicitation for the contribution, or a written record documenting a follow-up phone request for the information. 104.7.

### Best Efforts for Obtaining Documentation for Disbursements

If a treasurer fails to receive a receipt, invoice or canceled check (required for disbursements exceeding \$200), he or she must make at least one written effort per transaction to obtain a duplicate copy of the documentation. 102.9(d).

# Reporting

## 1. Who Reports

### Treasurer

Each treasurer of a separate segregated fund (SSF) must file periodic reports on financial activity until the SSF has filed a Termination Report. 104.1(a). (See also "Terminating the SSF," page 19.)

### Reporting Liability

The treasurer is personally responsible for the timely, complete and accurate filing of reports and statements. 104.14(d). Treasurers will be considered in compliance with the recordkeeping and reporting requirements of the Act when they have made their "best efforts" to obtain and report required information (see above).

## 2. Where to File Reports

SSFs must file all reports and statements simultaneously with the appropriate Federal and State officials.

### Filing with the Federal Government

An SSF must file all reports and statements with the Clerk of the House, the Secretary of the Senate or the Federal Election Commission, as indicated below.

- SSFs supporting only House candidates file with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515. 105.1.
- SSFs supporting only Senate candidates file with the Secretary of the Senate, Senate Public Records, 119 D Street, N.E., Washington, D.C. 20510. 105.2.
- All other SSFs file with the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. 105.4.

### Filing with the State Government

In addition to filing with the Federal government, SSFs must simultaneously file with the Secretary of State (or other designated State officer) a copy of the

portion of the report<sup>1</sup> that applies to candidates seeking election in that State.<sup>2</sup>

- SSFs making contributions or expenditures in connection with House or Senate candidates file in the State in which the candidate seeks election. 2 U.S.C. §439(a)(2)(B).
- SSFs making contributions or expenditures in connection with Presidential candidates file in the State(s) in which the recipient committee and SSF have their headquarters. 108.4.
- SSFs making contributions or expenditures in connection with both Presidential and Congressional candidates file in all the appropriate States listed immediately above.

## 3. When to Report

### During an Election Year

#### Quarterly Reports

During an election year, quarterly reports must be filed by April 15, July 15 and October 15; the fourth quarterly report (year-end report) must be filed by January 31 of the following year. 104.5(c)(1)(i).

#### Pre-Election Reports

Pre-election reports (both for primary and general elections) must be filed 12 days before any election if the committee has made contributions or expenditures, not previously reported, in connection with that election. If sent by registered or certified mail, the report must be post-marked no later than the 15th day before the election. The report must be complete as of the 20th day before the election. 104.5(c)(1)(ii) and (e).

#### Post-Election Reports

Post-primary reports are not required. However, SSFs must file a post-general election report 30 days after the general election. The report must be complete as of the 20th day after the general election. 104.5(c)(1)(iii).

\* See Definitions in Appendix A.

<sup>1</sup> Such as the Summary Page and any Schedule Bs disclosing contributions to or expenditures on behalf of the candidate.

<sup>2</sup> A list of State filing offices and addresses is available from the Commission. Call the Public Communications Office (see Appendix G).

## During a Nonelection Year

Two semiannual reports are required during a *nonelection year*.<sup>\*</sup> The first report, covering January through June, must be filed by July 31. The second report, covering July through December, must be filed by January 31 of the following year. 104.5(c)(2).

## Special Election Reports

Only SSFs making contributions or expenditures in connection with a *special election*<sup>\*</sup> must file special election reports. Filing dates are established and published by the Commission. 104.5(h)(1).

## Monthly Reports—Optional

Since primary elections occur throughout the country on different dates, an SSF filing on a quarterly basis may be required to file several pre-primary reports during an election year. For this reason, SSFs contributing to candidates in several States may find it easier to file monthly rather than quarterly reports because monthly filers are not required to file pre-primary reports. Monthly reports must be filed 20 days after the last day of the month. In an election year, the pre- and post-general election reports are filed in lieu of monthly reports covering October and November activity. December activity is covered in the year-end report, due January 31 of the following year. 104.5(c)(3). A committee may change its filing frequency once a year by notifying the Commission in writing at the time it files a required report. 104.5(c).

## Reporting Waivers

### Quarterly Report

A quarterly report may be waived by the Commission if a pre-election report is due during the period beginning on the 5th day and ending on the 15th day after the close of the calendar quarter. 104.5(c)(1)(i)(C).

### Regularly Scheduled Report — Special Election

If a regularly scheduled report is due within 10 days after the date a special election report is due, the regular report is waived. 104.5(h)(2).

## Filing by Mail

For purposes of meeting filing deadlines, please note the following:

- If sent by registered or certified mail, a statement or report is considered filed

on the date of the U.S. Postmark (except in the case of pre-election reports — see page 15).

- If sent by first class mail, the statement or report is considered filed on the date received. 104.5(e).

## 4. Reporting Forms<sup>3</sup>

### Form 3X

FEC Form 3X is the form used by SSFs each reporting period to disclose all receipts and disbursements. SSFs may also use this form as a Termination Report by checking the appropriate box on the Summary Page. 102.3(a) and 104.2(e)(3).

### Schedules

SSFs may be required to file the following schedules as attachments to Form 3X, as appropriate:

- Schedule A — Itemized Receipts
- Schedule B — Itemized Disbursements
- Schedule C — Loans
- Schedule D — Debts and Obligations
- Schedule E — Itemized Independent Expenditures

### Line-by-Line Instructions

Detailed line-by-line instructions are printed on the back of each form.

### Computer-Produced Schedules

For reporting itemized receipts and disbursements, a committee may use computer-produced Schedules A and B reduced to the size of FEC forms. The committee must first request the Commission's approval by submitting the proposed format to the attention of Reports Analysis Division. 104.2(d). (See also FEC Directive 37, October 6, 1980, available from the Public Records Office.)

## 5. How to Report

### Cash-on-Hand

An SSF must report the amount of cash-on-hand it possessed at three times: the beginning of the calendar year, the beginning of the reporting period and the end of the reporting period. These cash balances are entered on the Form 3X Summary Page.

### Definition

Cash-on-hand includes petty cash, funds

held in checking and savings accounts, traveler's checks, certificates of deposit, treasury bills and other investments valued at cost. 104.3(a)(1). (See also "Interest on Investments," page 12.)

### Cash-on-Hand/First Report

#### Cash-on-Hand/January 1

On a first report, an SSF records the amount of cash-on-hand (if any) it possessed on the day the SSF registered (regardless of the date). In its first report, an SSF must also disclose the source of its cash-on-hand. 104.12.

#### Cash-on-Hand/ Beginning of Reporting Period

An SSF records the amount (if any) as of the day the SSF registered. Thus, on a first report, this entry is the same as the amount recorded for January 1 cash-on-hand (i.e., the date of registration).

#### Cash-on-Hand/ Close of Reporting Period

The amount of cash-on-hand at the close of the reporting period is recorded.

### Cash-on-Hand/Subsequent Reports

#### Cash-on-Hand/January 1

The same figure that was entered on the first report is recorded on every subsequent report filed during the year.

#### Cash-on-Hand/ Beginning of Reporting Period

An SSF records the closing cash-on-hand figure from the previous report.

#### Cash-on-Hand/ Close of Reporting Period

The closing balance for the reporting period must equal the year-to-date closing balance.

## Receipts

SSFs must report receipts under the different categories listed on the Form 3X Detailed Summary Page. In addition to reporting the total amount received under each category, the SSF must, in certain cases, itemize additional information on Schedule A. The SSF fills out a separate schedule for each category of receipts that must be itemized and enters the total of itemized plus unitemized receipts on the corresponding line of the

<sup>\*</sup> See Definitions in Appendix A.

Detailed Summary Page. 104.3(a)(2) and (4).

#### Categories of Receipts

Listed below are the categories of receipts found on the Form 3X Detailed Summary Page and an explanation of when receipts must be itemized.

#### Contributions Received<sup>4</sup>

An SSF must report the total amount of contributions received, both monetary and in-kind. A contribution from an individual must be itemized if it exceeds \$200 or aggregates over \$200 a year (see "Aggregation," below). Contributions from political committees must be itemized regardless of amount.

**Transfers from Affiliated SSFs**  
*Transfers*<sup>\*</sup> received from *affiliated SSFs*<sup>\*</sup> must be itemized regardless of amount.

#### Loans Received

Loans received by the SSF must be itemized regardless of amount.<sup>5</sup>

#### Loan Repayments Received

Repayments received on loans owed to the SSF must be itemized regardless of amount.<sup>5</sup>

#### Offsets to Operating Expenditures

Offsets are reportable only if the SSF paid for the original expenditure with funds contributed to it. In that case, refunds, rebates and returns of deposits (such as the return of a telephone deposit) are reported as offsets to operating expenditures. Besides reporting the total amount of refunds or rebates received, the SSF must itemize those exceeding \$200 or aggregating over \$200 per year from the same person.

If the SSF's connected organization paid for the operating expenditure, then the refund must be returned to the connected organization, and the rebate is not reportable.

#### Contribution Refunds Received

Special rules for reporting contribution refunds received by an SSF are described on page 18.

#### Other Receipts

"Other receipts" include interest and dividends earned on investments. The SSF must report the total amount received under this category and must itemize "other receipts" exceeding \$200 or aggregating over \$200 per year from the same person. See also "Reporting Investment Income," page 19.

#### Itemizing Receipts

##### General Rule

The SSF must use a separate Schedule A for each category of receipts that must be itemized. Itemized information includes the date and amount of the receipt, the donor's name<sup>6</sup> and address and, in the case of an individual, the donor's occupation and employer. The aggregate year-to-date total of receipts from the same donor must be entered as well, 104.3(a)(4) and 104.8.

##### Aggregation

Under two categories of receipts, "contributions received from individuals" and "other receipts," the SSF must itemize a receipt only if it exceeds \$200 or if the receipt, when added to previous receipts from the same source, exceeds \$200 per year.

For example, an individual contributes \$100 to an SSF in each quarter of an election year. In this situation, the SSF's reporting obligation would be as follows:

**First Quarter:** Because the amount contributed to the SSF (\$100) is less than \$200, the contribution is included in the subtotal line for unitemized contributions on the Form 3X Detailed Summary Page.

**Second Quarter:** The donor contributes another \$100, but the total amount contributed to the SSF (\$200) is not in excess of \$200, so again the contribution is included under total unitemized contributions.

**Third Quarter:** Again, the donor contributes \$100. The total amount contributed (\$300) now aggregates in excess of \$200. Schedule A must now be used to itemize the \$100 contribution and to report the donor's aggregate year-to-date contributions (\$300 total).

**Fourth Quarter:** Because the donor's total contributions to the SSF have now exceeded \$200, all subsequent contributions from the same donor in the same year must be itemized, regardless of amount.

NOTE: The total of contributions received from individuals that is recorded on the Detailed Summary Page includes both itemized and unitemized contributions.

#### Contributions Made Through a Payroll Deduction Plan

When an individual's contributions made

through a payroll deduction plan aggregate over \$200 in a calendar year, the SSF is not required to separately itemize each additional contribution received from the same contributor. Instead, the SSF may simply disclose on Schedule A the total amount of contributions deducted from each individual's paychecks during the reporting period and note the amount deducted per pay period, 104.8 (b). (See also the example given on page 35.)

#### Disbursements

Like receipts, disbursements are divided into several categories listed on the Form 3X Detailed Summary Page. In addition to reporting the total amount disbursed under each category, the SSF must, in some cases, itemize additional information on Schedule B. The SSF fills out a separate schedule for each category of disbursements that must be itemized and enters the total of itemized plus unitemized receipts on the corresponding line of the Detailed Summary Page. 104.3(b)(1) and (3).

#### Categories of Disbursements

Listed below are the categories of disbursements found on the Form 3X Detailed Summary Page and an explanation of when disbursements must be itemized.

#### Operating Expenditures

Operating expenditures are reportable only if the SSF paid for them with its own funds. In that case, disbursements made for administrative expenses, such as staff salaries, rent, travel or fundraising, are reported as operating expenditures. Besides reporting the total amount, the SSF must itemize operating expenditures that exceed \$200 or aggregate over \$200 per year to the same person.

If the connected organization's treasury funds were used to pay for the

<sup>\*</sup> See Definitions in Appendix A.

<sup>4</sup> Appendix F provides information on reporting requirements for earmarked contributions.

<sup>5</sup> For information on how to report loans, consult the instructions on the back of Schedule C.

<sup>6</sup> To determine whether reported contributor names are being used for unlawful solicitation purposes (e.g., if another committee uses reported names to compile a contributor list), SSFs may use pseudonyms when itemizing contributions. Such use, however, is limited; committees must follow the specific procedures described in section 104.3(u) of the Regulations.

expenditures, then no reporting is required under the Act.

#### *Transfers to Affiliated SSFs*

*Transfers*<sup>6</sup> made to *affiliated SSFs*<sup>6</sup> must be itemized regardless of amount.

#### *Contributions Made by the SSF*

Monetary and in-kind contributions made to candidate committees and other political committees must be itemized regardless of amount. (For an example of how to report an outgoing in-kind contribution, see page 41.)

#### *Independent Expenditures*

Unlike other categories of disbursements, *independent expenditures*<sup>7</sup> are itemized on Schedule E. Special reporting requirements are outlined below.

#### *Loan Repayments Made*

Payments on loans owed by an SSF are itemized regardless of amount.<sup>7</sup>

#### *Contribution Refunds Made*

Special rules for reporting contribution refunds made by an SSF are described below.

#### *Other Disbursements*

"Other disbursements" include donations made to non-Federal candidates and committees. The SSF must report the total amount of other disbursements and itemize those exceeding \$200 or aggregating over \$200 a year to the same person.

#### **Itemizing Disbursements**

##### *General Rule*

An SSF must use a separate Schedule B for each category of disbursements that must be itemized. (Independent expenditures, however, are itemized on Schedule E.) Itemized information includes the name and address of the payee as well as the date, amount and purpose of the disbursement. "Purpose" means a brief description of why the disbursement was made.<sup>8</sup> Moreover, in the case of contributions to a candidate committee, the SSF must indicate the office sought by the candidate and the election for which the disbursement was made. 104.3(b)(3) and 104.9.

##### *Aggregation*

Under two categories of disbursements, "operating expenditures" and "other disbursements," itemized information is required only if the disbursement exceeds \$200 or if the disbursement, when added to previous disbursements to the same payee, exceeds \$200 per year.

## **Independent Expenditures**

### **Itemization**

An SSF must itemize each *independent expenditure*<sup>7</sup> that exceeds \$200 or that, when added to previous independent expenditures made on behalf of (or in opposition to) the same candidate, aggregates over \$200 per year. (Independent expenditures of \$200 or less must be subtotaled and reported as unitemized expenditures on Schedule E.) 104.3(b)(3)(vii)(C) and 104.4(a).

### **Certification**

The treasurer of an SSF must sign the statement printed on Schedule E which certifies, under penalty of perjury, that the expenditure meets the standards of "independence." Schedule E must also be notarized. 104.3(b)(3)(vii)(B).

### **Last Minute Independent Expenditures**

Any independent expenditures aggregating \$1,000 or more and made between 2 and 20 days before an election must be reported within 24 hours after the expenditure is made. The report must include all the information required on Schedule E and must be filed with the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate. An SSF must disclose a last minute independent expenditure a second time on a Schedule E filed with the next scheduled report. 104.5(g). The SSF may, if it wishes, note on Schedule E that the expenditure was previously reported.



## **Contribution Refunds**

### **Refunds Received by the SSF**

If an SSF receives a refund of a contribution it has made, it must report the refund in one of two ways.

#### *Original Check Returned Uncashed*

If the SSF's check is returned uncashed (or if an unreturned check is never deposited), the SSF must report the refund as a negative entry on a separate Schedule B for contributions to candidate committees and other committees. The amount of the refund is subtracted from the total amount of contributions itemized on that Schedule. (An example of a negative entry is given on page 41.)

#### *Refunded by Recipient's Check*

If the contribution was passed through the recipient committee's account and the committee refunds the contribution by writing a check to the SSF, the refund, regardless of amount, must be itemized as a receipt on a separate Schedule A for contribution refunds.

### **Refunds Made by the SSF**

If an SSF refunds a contribution to the donor, it must report the refund as a disbursement on the appropriate line of the Detailed Summary Page. If the SSF previously itemized the incoming contribution on Schedule A, then the refund must be itemized on a separate Schedule B for contributions refunded. However, if the SSF did not itemize the incoming contribution, it is not required to itemize the refund.

## **Investments**

An SSF that has invested money in a savings account, money market fund or certificate of deposit must include the invested funds in its cash-on-hand total. It should not report any investment as a disbursement, since the money is still an asset of the SSF. 104.3(a)(1). However, the SSF may have to disclose the investment account on FEC Form 1, and it must report interest earned on invested funds as well as any income tax paid on interest. Reporting procedures are described below.

<sup>6</sup> See Definitions in Appendix A.

<sup>7</sup> For information on how to report loans, consult the instructions on the back of Schedule C.

<sup>8</sup> The "purpose" must be specific enough to meet reporting requirements. For additional information on how to describe the purpose of a disbursement, consult the instructions on the back of Schedule B.

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## Reporting Additional Depository

### *Required for Savings Accounts and Certificates of Deposit*

If an SSF establishes an investment account (such as a savings account or a certificate of deposit) in a new campaign depository (i.e., one listed under the definition of *bank*\*), the SSF must file an amended Statement of Organization (FEC Form 1) identifying the new depository. (If the investment account is opened in a depository previously reported on Form 1, an amended Statement is not required.)

### *Not Required for Money Market Funds*

If money is invested in a fund operated by an institution not included in the definition of bank (such as a money market fund operated by a brokerage firm), no amendment is required. AO 1980-39.

### *Reporting Investment Income*

An SSF must report interest income each reporting period in the "other receipts" category of the Form 3X Detailed Summary Page. If income earned on an investment aggregates over \$200 per year, the SSF must also itemize the interest on a Schedule A for "other receipts." 104.3(a)(3)(x) and (4)(vi).

### *Reporting Income Tax*

An SSF must report income tax paid on interest income as a disbursement under the category "operating expenditures." Income tax must be itemized on Schedule B only if the taxes exceed \$200 or aggregate over \$200 per year to the same payee (i.e., the State or Federal government). With regard to a specific situation, the Commission said that an SSF would have to use its own account to pay income tax; such taxes would not be considered administrative expenses payable by the connected organization's treasury funds. AO 1977-19.

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## 6. Public Inspection of Reports

All reports filed by SSFs and (other political committees) are available for public inspection and copying in the FEC's Public Records Office. Copies of reports may also be purchased by mail; for more information, call the Public Records Office (202/523-4181 or toll free 800/424-9530).

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# Terminating the SSF

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## 1. Termination by SSF

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### Who Is Eligible to Terminate

An SSF may terminate its registration and reporting obligations if:

- It no longer intends to receive any contributions or make any disbursements; and
- It has no outstanding debts or obligations. 2 U.S.C. §433(d).

### How to Terminate

An SSF eligible to terminate may do so at any time by filing a Termination Report. It may be filed on FEC Form 3X by checking the "Termination Report" box on the Summary Page, or an SSF may file a written statement containing the same information. The Termination Report must include:

- The disclosure of all receipts and disbursements not previously reported, including an accounting of debt retirement; and
- A statement as to the disposition of any residual funds. 102.3.

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## 2. Administrative Termination by FEC

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The Commission, upon its own initiative or at the request of the SSF, may administratively terminate the SSF's registration and reporting status. For details on administrative termination, consult section 102.4 of the Regulations.

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\* See Definitions in Appendix A.

# TWO

## OTHER ACTIVITIES

**A**part from establishing a separate segregated fund (SSF), a corporation or labor organization may involve itself in Federal elections in several other ways. Corporate/labor treasury funds may be used to pay for certain election-related activities that are specifically permitted by the Act\* and Commission Regulations. Corporations and labor organizations are not required to report payments for these activities,<sup>1</sup> with one exception — partisan communication costs that exceed \$2,000. Part II describes these various activities indicating their scope and limits under Federal election law.

[Editor's Note: The rules governing corporate activity apply to a broad range of incorporated organizations, including national banks, corporations with capital stock and incorporated membership organizations (including corporations without capital stock, incorporated trade associations and incorporated cooperatives). For this reason, the word "corporation" refers to all these organizations, unless otherwise noted; see definition of *restricted class* in Appendix A.]

## Use of Treasury Funds for Communications

A corporation or labor organization may participate in the Federal election process by using its treasury funds to make communications, both partisan and nonpartisan. Partisan communications may be made only to the organization's *restricted class*\* of individuals, while nonpartisan communications may be made to all employees and, in some cases, to the general public as well. In the descriptions of communications listed

below, the rules vary according to the type of audience addressed.

### 1. Printed Materials

#### Partisan—To Restricted Class Only

A corporation or labor organization may produce and distribute printed materials of a partisan nature only to its *restricted class*.\* The material must convey the views of the organization and may not simply be a republication of candidate-prepared material. For example, a corporation or labor organization may distribute a letter stating that it supports a candidate and then enclose a copy of the candidate's speech on those issues. 114.3(c)(1).

Note that partisan materials do not have to include a public advertising notice described under "Advertising" (Part One, page 14) since the materials may not be directed to the general public.

#### Nonpartisan

##### To All Employees

Using posters, newsletters or other internal communications, a corporation or labor organization may encourage its employees to participate in the political process. Such nonpartisan printed communications are limited to:

- Encouraging employees to register, to vote and to make political contributions to the candidates and party of their choice;
- Describing the locations and hours for registration and voting; and
- Reprinting the entire list of candidates and their political affiliations on the official ballot. In no other circumstance may the communication include information on candidates and political parties. 114.4(c)(1).

##### To the Public

##### Voter Guides

A corporation or labor organization may distribute to the general public voter guides or brochures describing candidates and their positions on issues, provided the

material does not favor a particular candidate or party. To ensure this, the corporation or labor organization must obtain the material from a civic or *nonprofit organization*\* that is not affiliated with and that does not endorse or support a candidate or party. 114.4(c)(3).

##### Voter Materials Prepared by Elections Officials

A corporation or labor organization may publicly distribute (or reprint in whole and then distribute) registration and voter information prepared by elections officials. The information may include, for example, instructional material or registration-by-mail forms. The organization must distribute the information in a nonpartisan manner (i.e., without directing the information to a specific group) and may not endorse or support a candidate or party in connection with the distribution. 114.4(c)(2).

In a specific situation (AO 1980-55), the Commission ruled that a corporation could include its logo or otherwise identify itself on official voter materials that it reprints. The AO also permitted the corporation to use its facilities to distribute the material, subject to State law.

##### Voter Ads Sponsored by Organization

In two specific situations (AOs 1980-20 and 1980-33), the Commission said that a corporation could make public communications urging voter registration and voting. In the advertisement, the organization could identify itself as the ad's sponsor and as a distribution center for informational material prepared by elections officials (see above). In order to ensure that an advertisement was strictly nonpartisan, it had to meet the following conditions set out in the advisory opinions:

- The communication could not suggest that voters register with a particular party or vote for a particular candidate;

\* See Definitions in Appendix A.

<sup>1</sup> However, if an SSF pays for such activities, the disbursements must be reported.

- The communication had to be disseminated to the general public rather than being targeted to a specific segment of the public;
- The communication could not appeal for political participation on the part of any identifiable group; and
- The sponsor could not engage in any personal services in conjunction with the ad, such as driving voters to the polls, which would require cosponsorship with a civic or nonprofit organization (see below).

## 2. Candidate and Party Appearances

### Partisan—To Restricted Class Only

A corporation or labor organization may allow candidates, their representatives or representatives of a political party to appear at regularly scheduled events attended by the organization's *restricted class*.<sup>\*</sup> Such events must, however, be held primarily for nonpolitical purposes, such as an annual convention, a stockholders' meeting or a meeting of the organization's members. The candidate or representative may request direct or earmarked contributions to their committees. 114.3(c)(2).

### Nonpartisan—To All Employees

A corporation or labor organization may permit candidates, their representatives and party representatives to address the organization's employees on corporate/labor premises. The organization must, however, follow certain rules respecting the nonpartisan nature of this activity.

#### Opportunity for Others

If a candidate or his/her representative addresses employees, the corporation or labor organization must give the same opportunity to all candidates for the same office, if they request it. Similarly, if a party representative makes an appearance, the organization must give the same opportunity, if requested, to all parties that had a candidate on the ballot in the previous general election or that anticipate having a candidate on the ballot in the next general election.

#### No Endorsement or Solicitation

The corporation or labor organization may not, in conjunction with an appearance, either endorse a candidate or party

or solicit contributions on their behalf. 114.4(b).

## 3. Voter Drives

### Partisan—To Restricted Class Only

A corporation or labor organization may conduct partisan voter registration and get-out-the-vote drives aimed only at its *restricted class*.<sup>\*</sup> The drive may be partisan in that individuals may be urged to register with a particular party or to vote for a particular candidate. The organization may set up a phone bank for this purpose or may transport voters to the polls. However, voter assistance may not be withheld on a partisan basis. 114.3(c)(3) and (4).

### Nonpartisan—To the General Public

In cooperation with a civic or nonprofit organization,<sup>1</sup> a corporation or labor organization may jointly sponsor a voter registration and get-out-the-vote drive. The drive may include personal services, such as transporting voters to the polls, but they must be made available to the general public without regard to a voter's political preference. Moreover, the civic or nonprofit organization must conduct all activities; the cosponsor may, however, donate funds for the drive to the civic/nonprofit organization and may make its facilities and employees or individual members available for drive activities. 114.4(d).



## 4. Nonpartisan Candidate Debates

A corporation or labor organization may donate treasury funds to a nonprofit organization to stage nonpartisan, public debates between candidates, in accordance with 110.13. Moreover, a bona fide broadcaster, newspaper, magazine or other periodical publication, including a corporation, may use its own funds to stage nonpartisan candidate debates. 114.4(e).

## 5. Reporting Communication Costs<sup>2</sup>

### What Costs Must Be Reported

A corporation or labor organization must report the costs of communications made to its restricted class which *expressly advocate*<sup>\*</sup> the election or defeat of a *clearly identified candidate*<sup>\*</sup> if the costs aggregate over \$2,000 per election. Communications primarily devoted to subjects other than candidate advocacy are not reportable. 100.8(b)(4) and 104.6.

### \$2,000 Threshold

Reporting is triggered when the partisan communication costs aggregate over \$2,000 per election. This means that a separate \$2,000 threshold applies to:

- Costs for communications advocating candidates in primary elections;
- Costs for communications advocating candidates in the general election; and
- Costs for communications advocating candidates in a *special election*.<sup>\*</sup> 104.6(a).

Note that the \$2,000 aggregate threshold applies separately to the parent organization and to each subordinate organization under the parent. 100.8(b)(4).

<sup>\*</sup> See Definitions in Appendix A.

<sup>1</sup> In AO 1980-45, the Commission concluded that an incorporated nonprofit organization could conduct a nonpartisan voter drive on its own, without a cosponsor.

<sup>2</sup> The rules described below do not apply to SSFs.

## Allocation

If a communication advocates the election of more than one candidate, the corporation or labor organization should allocate the cost between the candidates according to the benefit derived. Note, however, that the entire cost of the communication, rather than the allocated costs per candidate, applies to the \$2,000 reporting threshold. A communication costing more than \$2,000 must be reported regardless of the number of candidates advocated.

## Filing Reports

### Form 7

Communication costs are reported to the FEC on Form 7 or in a letter containing the same information. 104.6(a). (Form 7 is included on page 47.)

### When to Report

#### Quarterly Reports

A corporation or labor organization must file quarterly reports on communication costs during an election year. The organization must file the first report at the end of the quarterly reporting period during which the aggregate costs for advocacy communications exceed \$2,000 for an election. The organization must continue to file quarterly reports if it makes additional advocacy communications, whatever the costs, in connection with the same election. 104.6(b). For details on reporting dates, see page 15.

#### Pre-Election Reports

In addition, an organization must file a pre-election report for activity in connection with a general election. 104.6(b). See page 15 for reporting dates.



## Other Uses of Treasury Funds

In addition to the communications described above, a corporation or labor organization may use its treasury funds for other activities that may impact (directly or indirectly) on the political process at the Federal level. These activities are not considered contributions, and they are not reportable by the organization that conducts them. Listed below are descriptions of these activities along with pertinent guidelines.

### 1. Legal and Accounting Services<sup>1</sup>

A corporation or labor organization may offer free legal and accounting services to candidate committees and other *political committees*\* provided:

- The individual who performs the service is a regular employee of the organization;
- The organization does not hire additional employees to enable the regular employees to provide the services;
- The services to candidate committees and other nonparty political committees are provided only for the purpose of helping them comply with the Federal election campaign laws; and
- The services provided to party political committees do not directly further the election of candidates for Federal office. 114.1(a)(2)(vi) and (vii).

Because recipient committees must report the value of donated legal and accounting services, the corporation or labor organization should notify committees of the cost incurred in providing the services. 104.3(h).

### 2. Honoraria<sup>2</sup>

An organization may pay an honorarium, not exceeding \$2,000, to a Federal officeholder<sup>3</sup> (whether or not he/she is also a candidate) for a speech, appearance or article. In addition, travel and subsis-

tence costs and any agent's fees related to the speech, appearance or article may be paid. 110.12 and 114.1(a)(2)(iv).

### 3. Donations to Non-Federal Candidates and Committees

A corporation or labor organization may make donations to non-Federal candidates and to organizations not involved in Federal elections, if permitted by State law. National banks and Federally chartered corporations, however, are prohibited from making contributions or expenditures in connection with State and local, as well as Federal elections. 114.2(a).

### 4. Donations for Party Office Building

A corporation or labor organization may donate money or anything of value to a national or State party committee specifically for the purpose of constructing a party office facility (but not for influencing any particular Federal election). 114.1(a)(2)(ix).

Because recipient political committees must report the receipt of such donations, the corporation or labor organization should notify them of the value. 104.3(g).

### 5. Corporate Vendor Discounts

A corporate vendor may sell food and beverage, at cost, to a candidate's campaign or to a party political committee. The cumulative value of such discounts (i.e., the difference between the normal charge and the amount paid by the committee) must not exceed \$1,000 per candidate, per election, or \$2,000 an-

\* See Definitions in Appendix A.

<sup>1</sup> This section does not apply to unrestricted legal and accounting services an organization may provide to its SSF.

<sup>2</sup> House and Senate rules should also be consulted.

<sup>3</sup> This section does not apply to non-Federal officeholders.

nually on behalf of all political committees of the same party. 114.1(a)(2)(v).

## 6. Employee Participation Plans

A corporation or labor organization may set up a political giving program for its employees. Such a program is often called an employee participation plan or trustee plan.

### What the Plan Involves

The corporation or labor organization pays for the costs of establishing and administering employee bank accounts and for operating a payroll deduction or checkoff plan. Any individual employee who wishes to participate diverts part of his/her payroll funds into a separate account in his/her name, from which he/she makes political contributions.

### Guidelines for Establishing Plan

An employee participation plan must conform to the following guidelines:

- The corporation or labor organization must make the plan available to all its employees. Although the organization may make communications about employee participation in the plan, it may not exert pressure on employees to participate.
- The employee must exercise complete control and discretion over his/her funds with no direction from the organization.
- The organization may not be identified when contributions are transmitted to candidates or political committees.
- The administrator of the plan (e.g., the bank or trustee) may provide the organization with periodic reports on the plan's activity. However, reported information is limited to the following: the total number of participants, the combined total of funds in the accounts and the total amount of contributions made. 114.11.

## 7. Donations for National Nominating Conventions

Local businesses (including corporations) and labor organizations may make donations to promote and support a

national Presidential nominating convention held in their city. Local business may also provide discounts and promotional items for the convention. Rules for making convention donations are described below.

### Donations to Host Committee<sup>4</sup>

Local businesses (excluding banks) and labor organizations may donate funds, goods and services to a convention *host committee*<sup>4</sup> for the following purposes:

- To promote the suitability of the city as a convention site;
- To welcome convention attendees (e.g., by providing information booths, receptions, tours or the promotional items described below);
- To facilitate commerce (e.g., by providing convention attendees with shopping or entertainment guides); and
- To defray the host committee's administrative expenses (e.g., salaries, rent, travel or liability insurance).

The donor may restrict its donation, for example, by earmarking it for a specific purpose or by having the donation publicly acknowledged (e.g., courtesy of the XYZ Company). 9008.7(d)(2).

### Discounts to National Committee

Retail businesses (excluding banks) may provide discounts to a *national committee*<sup>4</sup> for the convention. A business may offer to reduce the price of its products, materials, services or space, but the discount must be made in the ordinary course of business (i.e., the discount must be comparable to discounts provided for other kinds of conventions of similar size and duration). 9008.7(c)(1).

### Samples and Promotional Items

Local businesses (including banks) may donate or sell promotional items to convention attendees. (Promotional items include samples, discount coupons or items such as maps, pens or tote bags, with the business' name on the item.) These products or services must be of nominal value and must be provided in the ordinary course of business solely for advertising or promotional purposes. The business, the national committee or the host committee may distribute the items. 9008.7(c)(2).

<sup>4</sup> Note that host committees register and file financial reports with the FEC.

## Use of Facilities

A corporation or labor organization may allow its facilities to be used by individuals for volunteer work in connection with a Federal election or by candidates and committees for campaign activities. Described below are rules that apply to the use of facilities; note particularly when the user must reimburse the organization. Note also that this section does not apply to the unrestricted use of an organization's facilities by its SSF.

### 1. Use by Employees, Members and Stockholders

#### Reduced Charge

##### General Rule

Employees, stockholders and noncorporate members of a corporation or labor organization may make "incidental use" of corporate/labor facilities for individual volunteer activities in connection with Federal elections. For example, an employee may use his or her office phone to make calls that pertain to political volunteer work. When use of facilities is "incidental," the individual is only required to reimburse the organization for any increased overhead or operating expenses relating to the activity.

##### Definition of Incidental Use

"Incidental use" of facilities means that the use does not interfere with the organization's normal activity. Activity that does not exceed 1 hour a week or 4 hours a month is considered incidental use. 114.9(a) and (b).

#### Normal Charge

If "incidental use" is exceeded, the individual must reimburse the corporation or labor organization for the cost of using the facility. The usual or normal rental fee must be paid within a commercially reasonable time. 114.9(a) and (b).

<sup>4</sup> See Definitions in Appendix A.

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## 2. Use by Others

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If a *person*\* other than an employee, stockholder or member of a corporation or labor organization uses its facilities, the person must reimburse the organization within a commercially reasonable time and at the usual and normal rental charge for the use of the facilities. Use of facilities may include the use of telephones, typewriters and office furniture. For example, a candidate who rents office furniture from an organization must pay the organization the usual rental charge and within a commercially reasonable time. 114.9(d).

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## 3. Production of Materials

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Any person (including an employee, member or stockholder) who uses corporate/labor facilities to produce materials used in connection with a Federal election must reimburse the corporation

or labor organization the usual and normal charge for producing the materials and within a commercially reasonable time. For example, if an employee uses an organization's copying machine to produce campaign materials for a candidate, he or she must reimburse the organization the usual charge in a commercially reasonable time. 114.9(c).

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## 4. Meeting Rooms

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If a corporation or labor organization customarily makes its meeting rooms available to civic, community or other groups, it may also offer its meeting rooms to political committees. The rooms must be made available on a nonpartisan basis and on the same terms given to other groups. 114.12(b).

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## 5. Airplanes

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A candidate (or someone traveling on his/her behalf) may use an airplane owned or leased by a corporation or labor

organization that is not licensed to offer commercial services (i.e., that is not an "air carrier" under Federal Aviation Administration rules). The user must reimburse the organization in advance of the trip according to the following rules:

- In the case of travel to a city served by commercial air service, the candidate's campaign must reimburse the organization at the first class airfare rates.
- In the case of travel to a city not served by regular commercial service, the campaign must reimburse the organization at the usual charter rate. 114.9(e)(1).

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## 6. Other Transportation

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If a candidate's campaign uses other means of transportation owned or leased by a corporation or labor organization, the campaign must reimburse the organization within a commercially reasonable time and at the usual rental charge. 114.9(e)(2).

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\* See *Definitions in Appendix A.*

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# THREE

## SAMPLES OF COMPLETED FEC FORMS

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**T**his appendix presents samples of completed FEC forms to show how separate segregated funds (SSFs) fulfill their registration and reporting obligations. Also included in this appendix is a sample of a completed communication costs report, which must be filed by corporations and labor organizations whose express advocacy communications exceed \$2,000 per election.

Line-by-line instructions (that normally are printed on the back of FEC forms) appear on the facing page of each completed form. Certain lines of the instructions are sometimes shaded to draw attention to a specific type of entry on the form. The marginal notes refer to pages of the Guide where a term or procedure is explained or to where a transaction is disclosed a second time on another schedule in the report.

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2. Amended Statement of Organization	29
3. Monthly Report	31
• Summary Page (Form 3X)	31
• Detailed Summary Page (Form 3X)	33
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• Schedule A – Other Receipts (line 17)	39
• Schedule B – Contributions to Federal Candidates (line 21)	41
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• Schedule E – Independent Expenditures (line 22)	45
4. Communication Costs Report (Form 7)	47

## INSTRUCTIONS FOR PREPARING FEC FORM 1

### LINE 1 Print or type full name and mailing address of the committee.

The name of a principal campaign committee or other authorized committee must include the name of the candidate who authorized the committee. A political committee which is not an authorized committee can not include the name of any candidate in its name, except that a delegate committee must include the word "delegate(s)" in its name and may also include the name of the presidential candidate which it supports. A political committee established solely to draft an individual or to encourage an individual to become a candidate may include the name of the individual in the name of the committee, provided the committee's name clearly indicates that it is a draft committee. The name of a separate segregated fund must include the full name of its connected organization. Any abbreviation or acronym used by the fund must also be reported.

**LINE 2** State the date the group or organization became a political committee. If this filing is an amendment, note the date of the change in information.

**LINE 3** Only committees which have previously filed a Statement of Organization should fill in this block with the number which was originally assigned to the committee. All new committees will be assigned identification numbers when the completed statement has been received.

**LINE 4** All political committees registering for the first time check "NO". Committees which have previously filed FEC FORM 1 and are now submitting changes or corrections check "YES". If "YES" is checked, complete Lines 1 through 4. With respect to Lines 5-9 include only the change(s) in information previously submitted.

**LINE 5** Check and fill out ONE of the six sections as follows:

(a) All principal campaign committees check (a) and fill in the corresponding information for the candidate under (b).

(b) All other authorized committees check (b) and fill in the corresponding information for the candidate.

(c) A committee supporting/opposing a single Federal candidate which is not authorized by a candidate checks (c), and includes the candidate's name on the line provided. Delegate and draft committees must check (c), and provide the name of the candidate supported.

(d) All national, State and subordinate committees of a political party check (d) and fill in the corresponding information.

(e) All separate segregated funds check (e). A separate segregated fund is a political committee established, financed, maintained, or controlled by a corporation, labor organization, membership organization, cooperative or trade association.

(f) A committee supporting/opposing more than one Federal candidate and which is not a separate segregated fund nor a political party committee checks box (f).

**LINE 6** Political committees must list all affiliated committees and connected organizations (defined below) as follows:

- Principal campaign committees list all other committees authorized by the same candidate.

Under "Relationship," write "affiliated."

- Political committees authorized by the same candidate (other than the principal campaign committee) list the principal campaign committee authorized by the same candidate.

Under "Relationship," write "affiliated."

- Political committees which have been established, financed, maintained, or controlled by the highest level parent organization (i.e., the corporation, labor organization, membership organization, cooperative or trade association) list:

(a) The name of the parent organization.

Under "Relationship," write "connected."

AND

(b) The name of any other political committee(s) established, financed, maintained, or controlled by the same parent organization or by a subsidiary, branch, or State, local, or other subordinate unit of the same parent organization.

Under "Relationship," write "affiliated."

- Political committees which have been established, financed, maintained, or controlled by a subsidiary, branch, or State, local, or other subordinate unit of an organization list:

(a) The name of the subsidiary, branch, or State, local or other subordinate unit and the name of the parent organization of which it is a part.

Under "Relationship," write "connected."

AND

(b) The name of the highest level political committee sponsored by the parent organization.

Under "Relationship," write "affiliated."

- State party committees list any subordinate committees (i.e., any county, district or local committee) under the control or direction of the State committee.

Under "Relationship," write "affiliated."

- Subordinate State party committees list the State party committee. Under "Relationship," write "affiliated."

Separate segregated funds must check the most appropriate box for the type of "connected organization."

**NOTE:** The term "connected organization" means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee. A connected organization may be a corporation (including a corporation without capital stock), a labor organization, a membership organization, a cooperative, or a trade association. The definition of "affiliated committee" is contained at 11 CFR 100.5 (g) of the Commission's regulations.

**LINE 7** The name, address, and committee position or title of the custodian of the committee's books and records must be entered on Line 7. The telephone number is optional, but is helpful in expeditiously resolving potential filing problems. If the treasurer is the custodian of records, the term "treasurer" is sufficient for Line 7.

**LINE 8** The name and address of the committee's treasurer must be entered on Line 8. The name and address of any designated agent (e.g., assistant treasurer) must also be included on Line 8. Every political committee must have a treasurer and may designate an assistant treasurer who shall assume the duties and responsibilities of the treasurer, in the event the treasurer is unavailable. The Commission recommends that each political committee designate an assistant treasurer because no contribution or expenditure may be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of the treasurer. No expenditure may be made for or on behalf of a political committee without the authorization of its treasurer or another agent authorized orally or in writing by the treasurer.

**LINE 9** The committee must provide the name and mailing address of any bank, repository, or depository where the committee holds funds. Each political committee must have a checking account or transaction account at one of its depositories. All receipts of a political committee must be deposited into a designated campaign depository. All disbursements must be made by check or similar drafts drawn on an account at a designated campaign depository, except for expenditures of \$100 or less made from a petty cash fund.

### TREASURER'S RESPONSIBILITIES

The treasurer of the political committee must preserve a copy of the Statement of Organization and each amendment for a period of not less than 3 years after the date of filing. The treasurer of the political committee is personally responsible for the timely and complete filing of this Statement and for the accuracy of any information contained in it.

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section when information is continued on separate page(s).

### WHERE TO FILE

The original Statement of Organization (FEC FORM 1) and all amendments must be filed with the appropriate office as follows:

- The principal campaign committee of a candidate for the House of Representatives and political committees which support or oppose only candidates for the House file with the Clerk of the House, 1036 Longworth House Office Building, Washington, D.C. 20515.

- The principal campaign committee of a candidate for the Senate and political committees which support or oppose only candidates for the Senate file with the Secretary of the Senate, 119 D Street, N.E., Washington, D.C. 20510.

- An authorized committee which is not the principal campaign committee of a candidate files with the principal campaign committee which must forward a copy to the appropriate office listed herein.

- All other committees, including the principal campaign committee of a candidate for the office of President or Vice President, file with the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

Authorized committees of candidates for the House of Representatives and for the Senate must also file a copy of this Statement with the Secretary of State (or the appropriate State officer) of the State in which nomination or election is sought. Authorized committees of candidates for the office of President or Vice President must also file a copy of this Statement in each State in which the committee makes expenditures. Political committees other than authorized committees must also file a copy of this Statement in the State in which the committee has its head quarters.

The Treasurer must sign the Statement of Organization.

Statement of Organization, p. 3.

Identification Number, p. 4.

Connected, p. 3.  
Affiliated, p. 3.

Treasurer, p. 4.

Bank or Depository, p. 4.

STATEMENT OF ORGANIZATION										
(see reverse side for instructions)										
1. (a) Name of Committee (In Full) <input type="checkbox"/> Check if name or address is changed. <i>National Organization Political Action Committee</i>		2. Date <i>December 9, 1981</i>								
(b) Address (Number and Street) <i>1825 Grant Street</i>		3. FEC Identification Number <i>To be assigned</i>								
(c) City, State and ZIP Code <i>City, State 00000</i>		4. Is this an amended Statement? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO								
5. TYPE OF COMMITTEE (check one):										
<input type="checkbox"/> (a) This committee is a principal campaign committee. (Complete the candidate information below.)										
<input type="checkbox"/> (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)										
<table border="1"> <tr> <td>Name of Candidate</td> <td>Candidate Party Affiliation</td> <td>Office Sought</td> <td>State/District</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>			Name of Candidate	Candidate Party Affiliation	Office Sought	State/District				
Name of Candidate	Candidate Party Affiliation	Office Sought	State/District							
<input type="checkbox"/> (c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.										
<input type="checkbox"/> (d) This committee is a _____ committee of the _____ Party.										
<input checked="" type="checkbox"/> (e) This committee is a separate segregated fund.										
<input type="checkbox"/> (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.										
6.										
Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship								
<i>National Organization -- 888 Liberty Ave., City, State 00000</i>	<i>888 Liberty Ave., City, State 00000</i>	<i>Connected</i>								
<i>Subordinate Organization A PAC -- 933 Atwood Street, City, State 00000</i>	<i>933 Atwood Street, City, State 00000</i>	<i>Affiliated</i>								
<i>Subordinate Organization B PAC -- 1920 Forbes Ave., City, State 00000</i>	<i>1920 Forbes Ave., City, State 00000</i>	<i>Affiliated</i>								
<i>Subordinate Organization C PAC -- 2476 Highland Ave., City, State 00000</i>	<i>2476 Highland Ave., City, State 00000</i>	<i>Affiliated</i>								
If the registering political committee has identified a "connected organization" above, please indicate type of organization:										
<input type="checkbox"/> Corporation <input type="checkbox"/> Corporation w/o Capital Stock <input type="checkbox"/> Labor Organization <input type="checkbox"/> Membership Organization <input type="checkbox"/> Trade Association <input type="checkbox"/> Cooperative										
7. Custodian of Records: Identify by name, address (phone number - optional) and position, the person in possession of committee books and records.										
Full Name	Mailing Address and ZIP Code	Title or Position								
<i>Philip Brown</i>	<i>1524 Shady Avenue, City, State 00000</i>	<i>Bookkeeper</i>								
8. Treasurer: List the name and address (phone number - optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).										
Full Name	Mailing Address and ZIP Code	Title or Position								
<i>Elizabeth Smith</i>	<i>3233 Beechwood Boulevard, City, State 00000</i>	<i>Treasurer</i>								
<i>Michael Wilson</i>	<i>4257 Centre Avenue, City, State 00000</i>	<i>Assistant Treasurer</i>								
9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.										
Name of Bank, Depository, etc.	Mailing Address and ZIP Code									
<i>Second State Bank</i>	<i>2500 Smithfield Street City, State 00000</i>									
I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.										
<i>Elizabeth Smith</i>	<i>Elizabeth Smith</i>	<i>December 9, 1981</i>								
Type or Print Name of Treasurer	SIGNATURE OF TREASURER	Date								
NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §4374.										
For further information contact: Federal Election Commission, Toll Free 800-424-3330, Local 202-523-4088										
FEC FORM 1 (3/80)										

## INSTRUCTIONS FOR PREPARING FEC FORM 1

### LINE 1 Print or type full name and mailing address of the committee.

The name of a principal campaign committee or other authorized committee must include the name of the candidate who authorized the committee. A political committee which is not an authorized committee can not include the name of any candidate in its name, except that a delegate committee must include the word "delegate(s)" in its name and may also include the name of the presidential candidate which it supports. A political committee established solely to draft an individual or to encourage an individual to become a candidate may include the name of the individual in the name of the committee, provided the committee's name clearly indicates that it is a draft committee. The name of a separate segregated fund must include the full name of its connected organization. Any abbreviation or acronym used by the fund must also be reported.

**LINE 2** State the date the group or organization became a political committee. If this filing is an amendment, note the date of the change in information.

**LINE 3** Only committees which have previously filed a Statement of Organization should fill in this block with the number which was originally assigned to the committee. All new committees will be assigned identification numbers when the completed statement has been received.

**LINE 4** All political committees registering for the first time check "NO". Committees which have previously filed FEC FORM 1 and are now submitting changes or corrections check "YES". If "YES" is checked, complete Lines 1 through 4. With respect to Lines 5-9 include only the change(s) in information previously submitted.

**LINE 5** Check and fill out ONE of the six sections as follows:

(a) All principal campaign committees check (a) and fill in the corresponding information for the candidate under (b).

(b) All other authorized committees check (b) and fill in the corresponding information for the candidate.

(c) A committee supporting/opposing a single Federal candidate which is not authorized by a candidate checks (c), and includes the candidate's name on the line provided. Delegate and draft committees must check (c), and provide the name of the candidate supported.

(d) All national, State and subordinate committees of a political party check (d) and fill in the corresponding information.

(e) All separate segregated funds check (e). A separate segregated fund is a political committee established, financed, maintained, or controlled by a corporation, labor organization, membership organization, cooperative or trade association.

(f) A committee supporting/opposing more than one Federal candidate and which is not a separate segregated fund nor a political party committee checks box (f).

**LINE 6** Political committees must list all affiliated committees and connected organizations (defined below) as follows:

- Principal campaign committees list all other committees authorized by the same candidate.

Under "Relationship," write "affiliated."

- Political committees authorized by the same candidate (other than the principal campaign committee) list the principal campaign committee authorized by the same candidate.

Under "Relationship," write "affiliated."

- Political committees which have been established, financed, maintained, or controlled by the highest level parent organization (i.e., the corporation, labor organization, membership organization, cooperative or trade association) list:

(a) The name of the parent organization.  
Under "Relationship," write "connected."

AND

(b) The name of any other political committee(s) established, financed, maintained, or controlled by the same parent organization or by a subsidiary, branch, or State, local, or other subordinate unit of the same parent organization.  
Under "Relationship," write "affiliated."

- Political committees which have been established, financed, maintained, or controlled by a subsidiary, branch, or State, local, or other subordinate unit of an organization list:

(a) The name of the subsidiary, branch, or State, local or other subordinate unit and the name of the parent organization of which it is a part.  
Under "Relationship," write "connected."

AND

(b) The name of the highest level political committee sponsored by the parent organization.  
Under "Relationship," write "affiliated."

- State party committees list any subordinate committees (i.e., any county, district or local committee) under the control or direction of the State committee.

Under "Relationship," write "affiliated."

- Subordinate State party committees list the State party committee. Under "Relationship," write "affiliated."

Separate segregated funds must check the most appropriate box for the type of "connected organization."

**NOTE:** The term "connected organization" means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee. A connected organization may be a corporation (including a corporation without capital stock), a labor organization, a membership organization, a cooperative, or a trade association. The definition of "affiliated committee" is contained at 11 CFR 100.5 (g) of the Commission's regulations.

**LINE 7** The name, address, and committee position or title of the custodian of the committee's books and records must be entered on Line 7. The telephone number is optional, but is helpful in expeditiously resolving potential filing problems. If the treasurer is the custodian of records, the term "treasurer" is sufficient for Line 7.

**LINE 8** The name and address of the committee's treasurer must be entered on Line 8. The name and address of any designated agent (e.g., assistant treasurer) must also be included on Line 8. Every political committee must have a treasurer and may designate an assistant treasurer who shall assume the duties and responsibilities of the treasurer, in the event the treasurer is unavailable. The Commission recommends that each political committee designate an assistant treasurer because no contribution or expenditure may be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of the treasurer. No expenditure may be made for or on behalf of a political committee without the authorization of its treasurer or another agent authorized orally or in writing by the treasurer.

**LINE 9** The committee must provide the name and mailing address of any bank, repository, or depository where the committee holds funds. Each political committee must have a checking account or transaction account at one of its depositories. All receipts of a political committee must be deposited into a designated campaign depository. All disbursements must be made by check or similar drafts drawn on an account at a designated campaign depository, except for expenditures of \$100 or less made from a petty cash fund.

### TREASURER'S RESPONSIBILITIES

The treasurer of the political committee must preserve a copy of the Statement of Organization and each amendment for a period of not less than 3 years after the date of filing. The treasurer of the political committee is personally responsible for the timely and complete filing of this Statement and for the accuracy of any information contained in it.

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section when information is continued on separate page(s).

### WHERE TO FILE

The original Statement of Organization (FEC FORM 1) and all amendments must be filed with the appropriate office as follows:

- The principal campaign committee of a candidate for the House of Representatives and political committees which support or oppose only candidates for the House file with the Clerk of the House, 1036 Longworth House Office Building, Washington, D.C. 20515.

- The principal campaign committee of a candidate for the Senate and political committees which support or oppose only candidates for the Senate file with the Secretary of the Senate, 119 D Street, N.E., Washington, D.C. 20510.

- An authorized committee which is not the principal campaign committee of a candidate files with the principal campaign committee which must forward a copy to the appropriate office as indicated herein.

- All other committees, including the principal campaign committee of a candidate for the office of President or Vice President, file with the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

Authorized committees of candidates for the House of Representatives and for the Senate must also file a copy of this Statement with the Secretary of State (or the appropriate State officer) of the State in which nomination or election is sought. Authorized committees of candidates for the office of President or Vice President must also file a copy of this Statement in each State in which the committee makes expenditures. Political committees other than authorized committees must also file a copy of this Statement in the State in which the committee has its headquarters.

The Treasurer must sign the Statement of Organization.

**AMENDED  
STATEMENT OF ORGANIZATION**  
(see reverse side for instructions)

<p>1. (a) Name of Committee (in Full) <input type="checkbox"/> Check if name or address is changed. <i>National Organization Political Action Committee</i></p> <p>(b) Address (Number and Street) <i>1825 Grant Street</i></p> <p>(c) City, State and ZIP Code <i>City, State 00000</i></p>	<p>2. Date <i>March 3, 1982</i></p> <p>3. FEC Identification Number <i>C00000001</i></p> <p>4. Is this an amended Statement? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>
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5. TYPE OF COMMITTEE (check one)

(a) This committee is a principal campaign committee. (Complete the candidate information below.)

(b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate	Candidate Party Affiliation	Office Sought	State/District
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(c) This committee supports/opposes only one candidate \_\_\_\_\_ and is NOT an authorized committee.  
(name of candidate)

(d) This committee is a \_\_\_\_\_ committee of the \_\_\_\_\_ Party.  
(National, State or subordinate) (Democratic, Republican, etc.)

(e) This committee is a separate segregated fund.

(f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship

If the registering political committee has identified a "connected organization" above, please indicate type of organization:

Corporation  Corporation w/o Capital Stock  Labor Organization  Membership Organization  Trade Association  Cooperative

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

Full Name	Mailing Address and ZIP Code	Title or Position

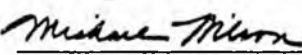
8. Treasurer: List the name and address (phone number - optional) of the treasurer of the committee, and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address and ZIP Code	Title or Position

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

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
<i>ADDITIONAL DEPOSITORY City Trust</i>	<i>9201 Seventh Street City, State 00000</i>

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

<i>Michael Wilson</i> Assistant Treasurer		<i>March 3, 1982</i>
Type or Print Name of Treasurer	SIGNATURE OF TREASURER	Date

**NOTE:** Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.

For further information contact: Federal Election Commission, Toll Free 800-424-9530, Local 202-523-4068

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FEC FORM 1 (3/80)

## INSTRUCTIONS FOR PREPARING FEC FORM 3X

### WHO MUST FILE

Any political committee which is not an authorized committee is required to file periodic Reports of Receipts and Disbursements on FEC FORM 3X.

ALL POLITICAL COMMITTEES AUTHORIZED IN WRITING BY A CANDIDATE FOR THE OFFICE OF PRESIDENT OR VICE PRESIDENT MUST FILE ON FEC FORM 3P.

ALL POLITICAL COMMITTEES AUTHORIZED BY A CANDIDATE FOR THE HOUSE OF REPRESENTATIVES OR SENATE MUST FILE ON FEC FORM 3.

### WHEN TO FILE

All political committees required to file on FEC FORM 3X must file either: election and non-election year reports as specified in (A) below; or monthly reports as specified in (B) below.

#### (A) Election Year and Non-Election Year Reports

In any calendar year in which there is a "Regular" November General Election, the following reports are required:

— Quarterly reports must be filed no later than April 15, July 15, October 15 and January 31 of the following calendar year. Each such report must disclose all transactions from the last report filed through the last day of the calendar quarter. A quarterly report is not required to be filed if a pre-election report is required to be filed during the period beginning on the 5th day and ending on the 15th day after the close of the calendar quarter.

— Pre-election reports must be filed no later than the 12th day before any primary or general election in which the committee supports (i.e., makes contributions to or expenditures on behalf of) or opposes a candidate and must include all transactions from the closing date of the last report filed through the 20th day before the election. A 12 Day Pre-election Report sent by certified or registered mail must be mailed no later than the 15th day before the election. A pre-primary election report is not required where the contribution(s) or expenditure(s) has been disclosed on a previous report. All committees must file a 12 Day Pre-general Election Report.

— A 30 Day Post-general Election Report must be filed no later than 30 days after the general election and include all transactions from the closing date of the last report filed through the 20th day after the general election.

In any other calendar year, the following reports are required:

— A Mid Year Report must be filed no later than July 31 and include transactions beginning January 1 and ending June 30.

— A Year End Report must be filed no later than January 31 of the following calendar year and include transactions beginning July 1 and ending December 31.

#### (B) Monthly Reports

Monthly reports must be filed no later than 20 days after the last day of the month and must disclose all transactions from the last report filed through the last day of the month. In lieu of the monthly reports due in November and December for a year in which there is a "Regular" November General Election, a 12 Day Pre-general Election Report must be filed including all transactions from the closing date of the last report filed through the 20th day before the election and a 30 Day Post-general Election Report must be filed including all transactions from the closing date of the pre-election report through the 20th day after the general

election. A Year End Report must be filed no later than January 31 of the following calendar year including transactions from the closing date of the Post-general Election Report through the last day of the calendar year.

A political committee may elect to change the frequency of its reporting from quarterly and semi-annually under (A) to monthly under (B) or vice versa. A committee may change its filing frequency only after notifying the Commission in writing of its intention at the time it files a required report under its current filing frequency. The committee will then be required to file the next required report under its new filing frequency. A committee may change its filing frequency no more than once per calendar year.

A document is timely filed upon delivery to the appropriate office (see "Where To File") by the close of the prescribed filing date or upon deposit as registered or certified mail in an established U.S. Post Office and postmarked no later than midnight of the day the report is due, except that Pre-election Reports so mailed must be postmarked no later than midnight of the 15th day before the date of the election. Reports and statements sent by first class mail must be received by the appropriate office by the close of business of the prescribed filing date to be timely filed.

### WHERE TO FILE

An original and any amendments to an original report must be filed as follows:

— Committees which support or oppose only a candidate(s) for the House of Representatives must file with the Clerk of the House, 1036 Longworth House Office Building, Washington, D.C. 20515.

— Committees which support or oppose only a candidate(s) for the Senate must file with the Secretary of the Senate, 119 D Street, N.E., Washington, D.C. 20510.

— All other committees must file with the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

— Political committees filing FEC FORM 3X must file with the Secretary of State (or appropriate State officer) of each State a copy of that portion of the report applicable to candidates seeking election in that State.

### OVERVIEW OF RECORDKEEPING & REPORTING REQUIREMENTS

A political committee may use any recordkeeping or accounting system which will enable it to comply with the Act. The Commission recommends that the recordkeeping or accounting system of a political committee keep a separate accounting for each of the various categories of receipts and disbursements on the Detailed Summary Page. This separate accounting will assist the political committee in filling out the reporting forms, since separate reporting schedules are required for each category. The reporting schedules should be filled out so that totals can be derived for each category. The total figures should be carried forward to the Detailed Summary Page and then (where appropriate) from the Detailed Summary Page to the Summary Page.

### TREASURER'S RESPONSIBILITIES

A copy of this Report must be preserved by the treasurer of the political committee for a period of not less than three years from the date of filing. The treasurer of the political committee is personally responsible for the timely and complete filing of the report and for the accuracy of any information contained in it.

## LINE BY LINE INSTRUCTIONS

It is recommended that you complete the Detailed Summary Page before completing the Summary Page.

**LINE 1** Print or type the complete name and mailing address of the political committee.

**LINE 2** Enter the FEC Identification Number assigned to the committee.

**LINE 3** If the political committee qualified as a "multicandidate committee" during the reporting period, check this box. "Multicandidate Committee" means a political committee which: (i) has been registered with the Commission, Clerk of the House of Representatives or Secretary of the Senate for at least six months; (ii) has received contributions for Federal elections from more than 50 persons; and (iii) (except for any State political party organization) has made contributions to five or more Federal candidates. Include the date the committee met the above criteria on the line provided.

**LINE 4(a)** Check the appropriate box for "Type of Report". If the report is a 12 Day Pre-election or 30 Day Post-general Election Report, supply the type of election (primary, general, convention, special or run-off), the date of the election, and the State in which the election is held.

**LINE 4(b)** If this is an original report, check the "NO" box. If this is an amendment to a previous report, check the "YES" box.

**LINE 5** Enter the coverage dates for this report. All activity from the ending coverage date of the last report filed must be included.

**LINE 6(a)** Enter the total amount of cash on hand at the beginning of the calendar year. The term "cash on hand" includes: currency; balance on deposit in banks, savings and loan institutions, and other depository institutions; traveler's checks owned by the committee; certificates of deposit, treasury bills and other committee investments valued at cost.

**LINE 6(b)** Enter the total amount of cash on hand at the beginning of the reporting period.

**LINE 6(c)** Transfer the amounts from Column A and Column B of Line 18 to the corresponding Columns on Line 6(c).

**LINE 6(d)** Add Lines 6(b) and 6(c) to derive the figure for Column A, and add Lines 6(a) and 6(c) to derive the figure for Column B.

**LINE 7** Transfer the amounts from Column A and Column B of Line 28 to the corresponding Columns on Line 7.

**LINE 8** For both Column A and Column B subtract Line 7 from Line 6(d) to derive the figure (which should be the same for both columns) for cash on hand at the close of the reporting period for Line 8.

**LINE 9** Transfer the total amount of debts and obligations owed TO the committee from Schedule C or D.

**LINE 10** Transfer the total amount of debts and obligations owed BY the committee from Schedule C or D.

**REPORT OF RECEIPTS AND DISBURSEMENTS**  
For a Political Committee Other Than an Authorized Committee

(Summary Page)

Type of Report, p. 15.

<p>1. Name of Committee (in Full) <i>National Organization Political Action Committee</i></p> <hr/> <p>Address (Number and Street) <i>1825 Grant Street</i></p> <hr/> <p>City, State and ZIP Code <i>City, State 00000</i></p> <hr/> <p><input type="checkbox"/> Check if address is different than previously reported.</p>	<p>4. TYPE OF REPORT (check appropriate boxes)</p> <p>(a) <input type="checkbox"/> April 15 Quarterly Report  <input type="checkbox"/> July 15 Quarterly Report  <input type="checkbox"/> October 15 Quarterly Report  <input type="checkbox"/> January 31 Year End Report  <input type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)  <input checked="" type="checkbox"/> Monthly Report for <u>September 1982</u>  <input type="checkbox"/> Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____  <input type="checkbox"/> Thirtieth day report following the General Election on _____ in the State of _____  <input type="checkbox"/> Termination Report</p> <p>(b) Is this Report an Amendment?  <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>
<p>2. FEC Identification Number <i>C0000001</i></p>	
<p>3. <input type="checkbox"/> This committee qualified as a multicandidate committee during this Reporting Period on _____ (date)</p>	

Multicandidate Committee, p. 7.

Termination Report, p. 19.

SUMMARY	Column A This Period	Column B Calendar Year-to-Date
5. Covering Period <u>August 1</u> Through <u>August 31, 1982</u>		
6. (a) Cash on Hand January 1, 19 <u>82</u> .....		\$ 87,820.25
(b) Cash on Hand at Beginning of Reporting Period .....	\$ 125,730.41	
(c) Total Receipts (from Line 18) .....	\$ 14,907.30	\$ 94,334.64
(d) Subtotal (add lines 6(b) and 6(c) for Column A and lines 6(a) and 6(c) for Column B) .....	\$ 140,637.71	\$182,154.89
7. Total Disbursements (from Line 28) .....	\$ 23,665.09	\$ 65,182.27
8. Cash on Hand at Close of Reporting Period (subtract line 7 from 6(d)) ..	\$ 116,972.62	\$116,972.62
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D) .....	\$ ---0---	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D) .....	\$ ---0---	

Cash on Hand, p. 16.

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:

Michael Wilson, Assistant Treasurer

Federal Election Commission  
Toll Free 800-424-9530  
Local 202-523-4068

Type or Print Name of Treasurer

*Michael Wilson*

September 20, 1982

SIGNATURE OF TREASURER

Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

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FEC FORM 3X (3/80)

## INSTRUCTIONS FOR DETAILED SUMMARY PAGE — FEC FORM 3X

A political committee must report the total amount of receipts and disbursements during the reporting period and during the calendar year for each category of receipts and disbursements on FEC FORM 3X. The committee's full name and the coverage dates of the report must be entered in the appropriate blocks. If there are no receipts or disbursements for a particular category for a reporting period or calendar year, enter "0".

To derive the "Calendar Year-to-Date" figure for each category, the political committee should add the "Calendar Year-to-Date" total from the previous report to the "Total This Period" from Column A for the current report. For the first report filed for a calendar year, the "Calendar Year-to-Date" figure is equal to the "Total This Period" figure.

**LINE 11(a)** Enter the total amount of contributions (other than loans) from individuals, partnerships, and other persons who are not political committees on Line 11(c). For each such person who has made one or more contributions during the calendar year aggregating in excess of \$200, the committee must provide on Schedule A the identification (full name, mailing address, occupation and name of employer) of the person, date and amount of each contribution aggregating in excess of \$200 and the aggregate year-to-date total. Each additional contribution from any such person must be separately itemized except that for contributions by payroll deduction (see 11 CFR 104.8(b) of the Commission's regulations). If a contribution is received from a business entity or is drawn on what is or appears to be a business account, the committee must determine that the contribution is not from a corporation, government contractor, or other prohibited source. A contribution from a partnership must be attributed to each partner in accordance with 11 CFR 110.1(e). The total amount of all contributions from individuals/persons other than political committees not itemized during the reporting period on Schedule A must be entered on the Memo Entry Line.

**LINE 11(b)** For political committees other than political party committees, enter the total amount of contributions (other than loans) from political party committees on Line 11(b). These contributions must be itemized on Schedule A, regardless of the amount. For each contribution, provide the identification (full name and address) of the committee, date and amount of the contribution and the aggregate year-to-date total. Political party committees should use Line 12.

**LINE 11(c)** Enter the total amount of contributions (other than loans) from other political committees on Line 11(c). These contributions must be itemized on Schedule A, regardless of the amount. For each contribution, provide the identification (full name and address) of the committee, date and amount of the contribution and the aggregate year-to-date total.

**LINE 11(d)** For both Column A and Column B add Lines 11(a), 11(b) and 11(c) to derive the figures for Line 11(d).

**LINE 12** Political party committees must enter the total amount of transfers from other political party committees on Line 12. All other political committees must enter the total amount of transfers from other affiliated committees on Line 12 (see also, 11 CFR 102.5 and 102.6 of the Commission's regulations). Loans and loan repayments received from other political party committees or affiliated committees (as appropriate) must be included on Line 12, and not on Line 13. These transfers must be itemized on Schedule A, regardless of the amount. For each transfer provide the identification (full name and mailing address) of the committee, date and amount of the transfer and the aggregate year-to-date total.

**LINE 13** Enter the total amount of loans received (other than loans from affiliated/other party committees) on Line 13. All loans received by the committee must be itemized on Schedule A, regardless of the amount. For each loan, provide the identification (full name, mailing address and, where applicable, occupation and name of employer) of the person making the loan, date and amount of the loan and the aggregate year-to-date total. The committee must also provide on Schedule C the identification of any endorser or guarantor and the amount of the endorsement or guarantee (see also instructions for Schedule C).

**LINE 14** Enter the total amount of loan repayments received (other than loan repayments from affiliated/other party committees) on Line 14. All loan repayments received by the committee must be itemized on Schedule A, regardless of the amount. For each loan repayment, provide the identification of the person making the loan repayment, date and amount of the loan repayment and the aggregate year-to-date total.

**LINE 15** Enter the total amount of offsets to operating expenditures (including refunds, rebates, and returns of deposits) on Line 15. For each person who provides rebates, refunds and other offsets to operating expenditures aggregating in excess of \$200 for the calendar year, the committee must provide on Schedule A the identification of the person, date and amount of each receipt aggregating in excess of \$200 and the aggregate year-to-date total.

**LINE 16** Enter the total amount of refunds of contributions made to Federal candidates and other political committees on Line 16. If the original check was passed through the account of the recipient committee and a check for the refund is written on the recipient committee's account, the refund must be itemized as a receipt on Schedule A, regardless of the amount, and the amount of the refund must be included in the total figure for Line 16. For each contribution refund received, provide the full name and address of the Federal candidate or political committee, date and amount of the refund and the aggregate year-to-date total. DO NOT use this line if the original check is returned uncashed. The return

must be reported as a negative entry on Schedule B and subtracted from the total amount for Line 21.

**LINE 17** Enter the total amount of other receipts (including dividends and interest) on Line 17. For each person who provides any dividends, interest or other receipts aggregating in excess of \$200 for the calendar year, the committee must provide on Schedule A the identification of the person, the date and amount of each receipt aggregating in excess of \$200 and the aggregate year-to-date total.

**LINE 18** For both Column A and Column B add the totals on Lines 11(d), 12, 13, 14, 15, 16 and 17 to derive the figures for Line 18.

**LINE 19** Enter the total amount of operating expenditures on Line 19. Examples of operating expenditures are: media advertising, newspaper advertising, salaries, travel, rent and telephones. Committees report only those operating expenditures paid for from committee funds. For each person who receives payments for operating expenditures aggregating in excess of \$200 for the calendar year, the committee must provide on Schedule B the full name and mailing address, date and amount of each operating expenditure aggregating in excess of \$200, and the purpose of the expenditure. (See also instructions for Schedule B.)

**LINE 20** Political party committees must enter the total amount of transfers to all other political party committees on Line 20. All other political committees must enter the total amount of transfers to other affiliated committees on Line 20. Loans and loan repayments made to other political party committees or affiliated committees (as appropriate) must be included on Line 20, and not on Line 24 or 25. These transfers must be itemized on Schedule B, regardless of the amount. For each transfer, provide the full name and mailing address of the recipient committee, date, amount and state that the purpose of the disbursement is a "transfer".

**LINE 21** Enter the total amount of contributions to Federal candidates and other political committees on Line 21. These contributions must be itemized on Schedule B, regardless of the amount. DO NOT include transfers reported on Line 20 on this line. Contributions made to non-Federal candidates should not be entered on this line, but on Line 27. For each contribution to a Federal candidate or political committee, provide the full name and address of the political committee or candidate, date and amount of the contribution and, in the case of a candidate or authorized committee provide under "Purpose" the office sought by the candidate (including State and congressional district, where applicable).

**LINE 22** Enter the total amount of independent expenditures on Line 22. Note: Political party committees may not make independent expenditures in connection with a general election. (See also instructions for Schedule E.)

**LINE 23** For political party committees, enter the total amount of coordinated expenditures made by the committee pursuant to 2 U.S.C. 441a(d) on Line 23. Note: Political committees which are not political party committees may not make coordinated expenditures. (See also instructions for Schedule F.)

**LINE 24** Enter the total amount of loan repayments made on Line 24. All loan repayments made must be itemized on Schedule B, regardless of the amount. For each person who receives a loan repayment, provide the full name, mailing address, date, amount, and state that the purpose of the disbursement is a "loan repayment".

**LINE 25** Enter the total amount of loans made (excluding transfers reported on Line 20) on Line 25. For each loan made by the committee provide the full name and mailing address of the person, date and amount of the loan, and state that the purpose of the disbursement is a "loan".

**LINE 26(a)** Enter the total amount of contribution refunds to individuals/persons other than political committees on Line 26(a). For each person who receives a refund of a contribution which was previously itemized on Schedule A, the committee must provide on Schedule B the full name, mailing address, date, amount and state that the purpose of the disbursement is a "contribution refund".

**LINE 26(b)** Enter the total amount of contribution refunds from political party committees on Line 26(b). All such refunds must be itemized on Schedule B, regardless of the amount. For each contribution refund, provide the full name, mailing address, date, amount and state that the purpose of the disbursement is a "contribution refund".

**LINE 26(c)** Enter the total amount of contribution refunds from other political committees on Line 26(c). (See instructions for Line 26(b) for other reporting requirements.)

**LINE 26(d)** For both Column A and Column B add the totals on Lines 26(a), 26(b) and 26(c) to derive the figures for Line 26(d).

**LINE 27** Enter the total amount of other disbursements (including contributions to non-Federal candidates) on Line 27. For each such person who receives any disbursement(s) not otherwise disclosed where the aggregate amount or value is in excess of \$200, the committee must provide the full name and address of each such person, together with the date, amount and purpose of any such disbursement.

**LINE 28** For Column A and Column B add the totals on Lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27 to derive the figures for Line 28.

**LINES 29-34** Enter the figures requested and complete the calculations as noted.

**DETAILED SUMMARY PAGE  
of Receipts and Disbursements  
(Page 2, FEC FORM 3X)**

Name of Committee (In Full)

*National Organization Political Action Committee*

Report Covering the Period:

From: *8/1* To: *8/31/82*

Receipts, p. 16.

Disbursement, p. 17.

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
<b>I. RECEIPTS</b>		
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees	\$10,562.57	\$77,852.59
(Memo Entry Unitized \$ <u>9,982.57</u> )		
(b) Political Party Committees	---0---	---0---
(c) Other Political Committees	---0---	---0---
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b and 11c)	\$10,562.57	\$77,852.59
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	3,745.00	13,215.00
13. ALL LOANS RECEIVED	---0---	---0---
14. LOAN REPAYMENTS RECEIVED	---0---	---0---
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	---0---	---0---
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	---0---	---0---
17. OTHER RECEIPTS (Dividends, Interest, etc.)	599.73	3,267.05
18. TOTAL RECEIPTS (Add 11d, 12, 13, 14, 15, 16 and 17)	\$14,907.30	\$94,334.64
<b>II. DISBURSEMENTS</b>		
19. OPERATING EXPENDITURES	---0---	---0---
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	---0---	---0---
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	\$18,000.00	\$49,375.00
22. INDEPENDENT EXPENDITURES (Use Schedule E)	4,440.09	10,322.27
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. §441a(d)) (Use Schedule F)	---0---	---0---
24. LOAN REPAYMENTS MADE	---0---	---0---
25. LOANS MADE	---0---	---0---
26. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees	---0---	---0---
(b) Political Party Committees	---0---	---0---
(c) Other Political Committees	---0---	---0---
(d) TOTAL CONTRIBUTION REFUNDS (add 26a, 26b and 26c)	---0---	---0---
27. OTHER DISBURSEMENTS	1,225.00	5,485.00
28. TOTAL DISBURSEMENTS (Add Lines 19, 20, 21, 22, 23, 24, 25, 26d and 27)	\$23,665.09	\$65,182.27
<b>III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES</b>		
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11d	\$10,562.27	\$77,852.59
30. TOTAL CONTRIBUTION REFUNDS from Line 26d	---0---	---0---
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from Line 29)	\$10,562.57	\$77,852.59
32. TOTAL OPERATING EXPENDITURES from Line 19	---0---	---0---
33. OFFSETS TO OPERATING EXPENDITURES from Line 15	---0---	---0---
34. NET OPERATING EXPENDITURES (subtract Line 33 from Line 32)	---0---	---0---

## INSTRUCTIONS FOR PREPARING SCHEDULE A

The Detailed Summary Page is broken down into various categories of receipts. Use Schedule A to list each receipt required to be itemized. DO NOT combine more than one category of receipts on the same Schedule A. Instead, use a separate Schedule A for each category of receipts. The line number of the Detailed Summary Page to which each Schedule A pertains should be identified in the upper right corner of each Schedule. In addition, the committee's full name must be entered in the appropriate block. For each receipt required to be itemized during the reporting period, the political committee must provide the identification, date and amount of the receipt, and the aggregate year-to-date total.

The term "identification" means, in the case of an individual, his or her full name, including: first name, middle name or initial, if available, and last name; mailing address; occupation; and the name of his or her employer; and, in the case of any other person, the person's full name and address.

The occupation and name of employer is only required to be provided for receipts from individuals. "Occupation" means the principal job title or position of an individual and whether or not self-employed. "Employer" means the organization or person by whom an individual is employed, and not the name of his or her supervisor.

Authorized committees must indicate the election for which the receipt was given. In the event the receipt was given for an election other than the current primary or general election, the "Other" block must be checked and the type of election specified (i.e., "General 1976", "Primary 1978").

The "receipt for" block does not apply to political committees which are not authorized committees. The "aggregate year-to-date" total must be given for each receipt and must equal the total amount that the person has given to the committee for that particular category of receipts for the calendar year. If a receipt is the only receipt from a person during the calendar year, the aggregate year-to-date total must still be entered.

The "Total This Period" amount (the last line on Schedule A) must be added to all other receipts for that category which are not itemized and carried forward to Column A of the corresponding line of the Detailed Summary Page.

If a contribution is received from a business entity or is drawn on what is or appears to be a business account, the political committee must determine that the contribution is not from a corporation, government contractor, or other prohibited source. If the contribution is from a prohibited source, it must be immediately refunded.

Absent evidence to the contrary, any contribution made by check, money order, or other written instruments must be reported as a contribution by the last person signing the instrument prior to delivery to the committee.

A contribution which represents contributions by more than one person must indicate on the written instrument, or on an accompanying written instrument signed by all contributors, the amount to be attributed to each contributor.

### MISCELLANEOUS

**Contributions In-Kind.** Contributions in-kind (i.e., goods and services provided to a political committee) are treated as any other contribution and must be reported and itemized under the appropriate category of receipts. For example, a contribution in-kind from an individual must be itemized on Schedule A and reported under the category for "Contributions From Individuals/Persons Other Than Political Committees". The value of each contribution in-kind must be entered in the "Amount of Each Receipt This Period" column. The amount or value of the contribution in-kind is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged the political committee. The "aggregate year-to-date" total must include the total amount of all contributions which the person has contributed to the committee during the calendar year. The item must be labeled "contribution in-kind" and include the nature of the contribution (e.g., consulting, polling, etc.). Each contribution in-kind must also be reported in the same manner as an operating expense on Schedule B and included in the total for "Operating Expenditures" (NOTE: A political committee which makes a contribution in-kind only reports it as a disbursement and itemizes the transaction on Schedule B with a notation "contribution in-kind"). The purpose of the expenditure (e.g., consulting, polling, etc.) and the aggregate year-to-date amount must also be provided. The committee receiving the contribution in-kind must report it as both a receipt and an expenditure.)

Contributions of stocks, bonds, art objects, and other similar items to be liquidated must be reported as follows:

(1) If the item has not been liquidated at the close of the reporting period, the committee must record as a memo entry (not as cash) on Schedule A the item's fair market value on the date received, including the name and mailing address (and when in excess of \$200, the occupation and name of the employer) of the contributor. The total amount of items to be liquidated must be entered under "Total This Period" on the last line of Schedule A. This amount must NOT be carried forward to the Detailed Summary Page.

(2) When the item is sold, the committee must report the proceeds and include them in the appropriate categories on the Detailed Summary Page. It must also report the (i) name and mailing address (and, where in excess of \$200, the occupation and name of employer) of the purchaser on Schedule A, if purchased directly from the committee (the purchaser is considered to have made a contribution to the committee); and (ii) the identification of the original contributor on Schedule A.

**Exempt Legal or Accounting Services.** Legal or accounting services rendered to or on behalf of an authorized committee of a candidate or any other political committee are not contributions or expenditures and are not, therefore, subject to the contribution limitations and prohibitions, if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely to ensure compliance with the Act.

Legal or accounting services rendered to or on behalf of any political committee of a political party are not contributions or expenditures and are not, therefore, subject to the contribution limitations and prohibitions, if the person paying for the services is the regular employer of the individual rendering the services and the services are not attributable to activities which directly further the election of any designated candidate for Federal office.

The political committee must itemize as a memo entry on a separate Schedule A each person who provides legal or accounting services to the political committee in an aggregate value or amount in excess of \$200 within the calendar year, together with the date of receipt and amount or value of the exempt legal or accounting services, and state that the receipt is for "exempt legal or accounting service". The total amount of exempt legal or accounting services must be entered on the line for "Total This Period" on the bottom of Schedule A, but the total amount may not be

carried forward to any category or line number on the Detailed Summary Page.

**Earmarked Contributions.** For each earmarked contribution received (regardless of the amount), the political committee must report on Schedule A the name and address of the original contributor, the date of receipt and the amount of the contribution and, if the original contributor makes contributions aggregating in excess of \$200 to the political committee during the calendar year, the occupation and name of employer. If the contribution passes through the political committee's account and is forwarded to another political committee or Federal candidate, the conduit committee must disclose each contribution, regardless of the amount, on both Schedule A and Schedule B and include the amount under the appropriate category of receipts and disbursements. If the contribution was passed on in the form of the contributor's check, the conduit must disclose each contribution on a separate Schedule A attached to the conduit's (intermediary) next report and the amounts of such contributions are not required to be included in the totals for the appropriate categories of receipts and disbursements. If a political committee is not a conduit, but is the intended recipient, the political committee must report each conduit through which the earmarked contribution passed, including the name and address of the conduit, and whether the contribution was passed on in cash, by the contributor's check, or by the conduit's check. If the conduit exercises direction and control over the contribution, the earmarked contribution must also be attributed to the contribution limitations of the conduit.

**Checks Returned Due to Insufficient Funds.** If a contributor's check is returned to the political committee due to insufficient funds and the receipt of the check was previously reported, the political committee must report the return under the appropriate category of receipts as a negative entry and net out the amount of the check from the total for that category. If the original receipt of the check was itemized on Schedule A, the return of the check must also be itemized as a negative entry on Schedule A. If the receipt of the check was never reported, the return of the check should not be reported.

**Check Refunded to the Committee.** A contribution may be refunded to the committee in one of two ways:

(1) The original check is returned uncashed. If the contribution was reported, the refund should be reported as a negative entry on Schedule B, and the amount of the contribution refund subtracted from the disbursement totals on the line of the Detailed Summary Page that it was reported on.

(2) The original check is not returned and the refund is made by a check from the recipient of the contribution. Such a transaction should be reported as a receipt on Schedule A for the appropriate line of the Detailed Summary Page. This procedure is applicable regardless of whether the amount refunded is the full or only a partial refund of the contribution or whether the contribution was previously reported.

**Best Efforts.** When the treasurer of a political committee shows that best efforts have been used to obtain, maintain and submit the information required, the committee shall be considered in compliance with the Act.

With regard to reporting the identification of each person whose contribution(s) to the committee and its affiliated committees aggregate in excess of \$200 in a calendar year, the treasurer will not be deemed to have exercised best efforts to obtain the required information unless he or she has made at least one effort per solicitation either by written request or by an oral request documented in writing to obtain the information from the contributor. The effort shall consist of a clear request for the information (i.e., name, mailing address, occupation, name of employer) which informs the contributor that the reporting of the information is required by law.

Line 11a, p. 33.  
Contributions, p. 17.

Payroll Deduction,  
p. 17.

Earmarking, pp. 41 and  
55.

Page 1 of 1 for  
LINE NUMBER 11a  
(Use separate schedule(s) for each  
category of the Detailed  
Summary Page)

**SCHEDULE A**  
**ITEMIZED RECEIPTS**  
(Contributions From Individuals)

Any information copied from such Reports or 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)  
*National Organization Political Action Committee C00000001*

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
<i>Mary Summers 9594 Bartlett Street City, State 00000</i>	<i>National Organization</i>	<i>twice-monthly payroll deduction</i>	<i>\$60.00 (\$30.00 per pay period)</i>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation <i>Accountant</i>	Aggregate Year-to-Date - <i>\$480.00</i>	
<b>B. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<i>Paul Church 4953 Cathedral Street City, State 00000</i>	<i>National Organization</i>	<i>twice-monthly payroll deduction</i>	<i>\$30.00 (\$15.00 per pay period)</i>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation <i>Programmer</i>	Aggregate Year-to-Date - <i>\$240.00</i>	
<b>C. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<i>James E. Porter 2340 Ellsworth Avenue City, State 00000</i>	<i>National Organization</i>	<i>8/10/82</i>	<i>\$15.00</i>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation <i>Attorney</i>	Aggregate Year-to-Date - <i>\$ 210.00</i>	
<b>D. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<i>Martha King 637 Wightman Street City, State 00000</i>	<i>National Organization</i>	<i>8/14/82</i>	<i>\$225.00</i>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation <i>Economist</i>	Aggregate Year-to-Date - <i>\$ 225.00</i>	
<b>E. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<i>Joe Winters 2103 Monitor Street City, State 00000</i>	<i>National Organization</i>	<i>8/18/82</i>	<i>\$250.00 (Earmarked for John Appleby Committee)</i>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation <i>Vice President</i>	Aggregate Year-to-Date - <i>\$</i>	
<b>F. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date - <i>\$</i>	
<b>G. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date - <i>\$</i>	
<b>SUBTOTAL of Receipts This Page (optional)</b> .....			
<b>TOTAL This Period (last page this line number only)</b> .....			<b>\$580.00</b>

## INSTRUCTIONS FOR PREPARING SCHEDULE A

The Detailed Summary Page is broken down into various categories of receipts. Use Schedule A to list each receipt required to be itemized. DO NOT combine more than one category of receipts on the same Schedule A. Instead, use a separate Schedule A for each category of receipts. The line number of the Detailed Summary Page to which each Schedule A pertains should be identified in the upper right corner of each Schedule. In addition, the committee's full name must be entered in the appropriate block. For each receipt required to be itemized during the reporting period, the political committee must provide the identification, date and amount of the receipt, and the aggregate year-to-date total.

The term "identification" means, in the case of an individual, his or her full name, including: first name, middle name or initial, if available, and last name; mailing address; occupation; and the name of his or her employer; and, in the case of any other person, the person's full name and address.

The occupation and name of employer is only required to be provided for receipts from individuals. "Occupation" means the principal job title or position of an individual and whether or not self-employed. "Employer" means the organization or person by whom an individual is employed, and not the name of his or her supervisor.

Authorized committees must indicate the election for which the receipt was given. In the event the receipt was given for an election other than the current primary or general election, the "Other" block must be checked and the type of election specified (i.e., "General 1976", "Primary 1978").

The "receipt for" block does not apply to political committees which are not authorized committees. The "aggregate year-to-date" total must be given for each receipt and must equal the total amount that the person has given to the committee for that particular category of receipts for the calendar year. If a receipt is the only receipt from a person during the calendar year, the aggregate year-to-date total must still be entered.

The "Total This Period" amount (the last line on Schedule A) must be added to all other receipts for that category which are not itemized and carried forward to Column A of the corresponding line of the Detailed Summary Page.

If a contribution is received from a business entity or is drawn on what is or appears to be a business account, the political committee must determine that the contribution is not from a corporation, government contractor, or other prohibited source. If the contribution is from a prohibited source, it must be immediately refunded.

Absent evidence to the contrary, any contribution made by check, money order, or other written instruments must be reported as a contribution by the last person signing the instrument prior to delivery to the committee.

A contribution which represents contributions by more than one person must indicate on the written instrument, or on an accompanying written instrument signed by all contributors, the amount to be attributed to each contributor.

### MISCELLANEOUS

**Contributions In-Kind.** Contributions in-kind (i.e., goods and services provided to a political committee) are treated as any other contribution and must be reported and itemized under the appropriate category of receipts. For example, a contribution in-kind from an individual must be itemized on Schedule A and reported under the category for "Contributions From Individuals/Persons Other Than Political Committees". The value of each contribution in-kind must be entered in the "Amount of Each Receipt This Period" column. The amount or value of the contribution in-kind is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged the political committee. The "aggregate year-to-date" total must include the total amount of all contributions which the person has contributed to the committee during the calendar year. The item must be labeled "contribution in-kind" and include the nature of the contribution (e.g., consulting, polling, etc.). Each contribution in-kind must also be reported in the same manner as an operating expense on Schedule B and included in the total for "Operating Expenditures" (NOTE: A political committee which makes a contribution in-kind only reports it as a disbursement and itemizes the transaction on Schedule B with a notation "contribution in-kind"). The purpose of the expenditure (e.g., consulting, polling, etc.) and the aggregate year-to-date amount must also be provided. The committee receiving the contribution in-kind must report it as both a receipt and an expenditure.)

Contributions of stocks, bonds, art objects, and other similar items to be liquidated must be reported as follows:

(1) If the item has not been liquidated at the close of the reporting period, the committee must record as a memo entry (not as cash) on Schedule A the item's fair market value on the date received, including the name and mailing address (and when in excess of \$200, the occupation and name of the employer) of the contributor. The total amount of items to be liquidated must be entered under "Total This Period" on the last line of Schedule A. This amount must NOT be carried forward to the Detailed Summary Page.

(2) When the item is sold, the committee must report the proceeds and include them in the appropriate categories on the Detailed Summary Page. It must also report the (i) name and mailing address (and, where in excess of \$200, the occupation and name of employer) of the purchaser on Schedule A, if purchased directly from the committee (the purchaser is considered to have made a contribution to the committee); and (ii) the identification of the original contributor on Schedule A.

**Exempt Legal or Accounting Services.** Legal or accounting services rendered to or on behalf of an authorized committee of a candidate or any other political committee are not contributions or expenditures and are not, therefore, subject to the contribution limitations and prohibitions, if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely to ensure compliance with the Act.

Legal or accounting services rendered to or on behalf of any political committee of a political party are not contributions or expenditures and are not, therefore, subject to the contribution limitations and prohibitions, if the person paying for the services is the regular employer of the individual rendering the services and the services are not attributable to activities which directly further the election of any designated candidate for Federal office.

The political committee must itemize as a memo entry on a separate Schedule A each person who provides legal or accounting services to the political committee in an aggregate value or amount in excess of \$200 within the calendar year, together with the date of receipt and amount or value of the exempt legal or accounting services, and state that the receipt is for "exempt legal or accounting service". The total amount of exempt legal or accounting services must be entered on the line for "Total This Period" on the bottom of Schedule A, but the total amount may not be

carried forward to any category or line number on the Detailed Summary Page.

**Earmarked Contributions.** For each earmarked contribution received (regardless of the amount), the political committee must report on Schedule A the name and address of the original contributor, the date of receipt and the amount of the contribution and, if the original contributor makes contributions aggregating in excess of \$200 to the political committee during the calendar year, the occupation and name of employer. If the contribution passes through the political committee's account and is forwarded to another political committee or Federal candidate, the conduit committee must disclose each contribution, regardless of the amount, on both Schedule A and Schedule B and include the amount under the appropriate category of receipts and disbursements. If the contribution was passed on in the form of the contributor's check, the conduit must disclose each contribution on a separate Schedule A attached to the conduit's (intermediary) next report and the amounts of such contributions are not required to be included in the totals for the appropriate categories of receipts and disbursements. If a political committee is not a conduit, but is the intended recipient, the political committee must report each conduit through which the earmarked contribution passed, including the name and address of the conduit, and whether the contribution was passed on in cash, by the contributor's check, or by the conduit's check. If the conduit exercises direction and control over the contribution, the earmarked contribution must also be attributed to the contribution limitations of the conduit.

**Checks Returned Due to Insufficient Funds.** If a contributor's check is returned to the political committee due to insufficient funds and the receipt of the check was previously reported, the political committee must report the return under the appropriate category of receipts as a negative entry and net out the amount of the check from the total for that category. If the original receipt of the check was itemized on Schedule A, the return of the check must also be itemized as a negative entry on Schedule A. If the receipt of the check was never reported, the return of the check should not be reported.

**Check Refunded to the Committee.** A contribution may be refunded to the committee in one of two ways:

(1) The original check is returned uncashed. If the contribution was reported, the refund should be reported as a negative entry on Schedule B, and the amount of the contribution refund subtracted from the disbursement totals on the line of the Detailed Summary Page that it was reported on.

(2) The original check is not returned and the refund is made by a check from the recipient of the contribution. Such a transaction should be reported as a receipt on Schedule A for the appropriate line of the Detailed Summary Page. This procedure is applicable regardless of whether the amount refunded is the full or only a partial refund of the contribution or whether the contribution was previously reported.

**Best Efforts.** When the treasurer of a political committee shows that best efforts have been used to obtain, maintain and submit the information required, the committee shall be considered in compliance with the Act.

With regard to reporting the identification of each person whose contribution(s) to the committee and its affiliated committees aggregate in excess of \$200 in a calendar year, the treasurer will not be deemed to have exercised best efforts to obtain the required information unless he or she has made at least one effort per solicitation either by written request or by an oral request documented in writing to obtain the information from the contributor. The effort shall consist of a clear request for the information (i.e., name, mailing address, occupation, name of employer) which informs the contributor that the reporting of the information is required by law.

Line 12, p. 33.

Transfers, p. 6.

**SCHEDULE A**

**ITEMIZED RECEIPTS**

(Transfers From Affiliated Committees)

Page 1 of 1 for  
 LINE NUMBER 12  
 (Use separate schedule(s) for each  
 category of the Detailed  
 Summary Page)

Any information copied from such Reports or 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) National Organization Political Action Committee C00000001			
A. Full Name, Mailing Address and ZIP Code Subordinate Organization A PAC 933 Atwood Street City, State 00000	Name of Employer N/A	Date (month, day, year) 8/3/82	Amount of Each Receipt This Period \$2,620.00
	Occupation N/A		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Aggregate Year-to-Date-\$5,340.00	
B. Full Name, Mailing Address and ZIP Code Subordinate Organization B PAC 1920 Forbes Avenue City, State 00000	Name of Employer N/A	Date (month, day, year) 8/5/82	Amount of Each Receipt This Period \$1,000.00
	Occupation N/A		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Aggregate Year-to-Date-\$5,000.00	
C. Full Name, Mailing Address and ZIP Code Subordinate Organization C PAC 2476 Highland Avenue City, State 00000	Name of Employer N/A	Date (month, day, year) 8/15/82	Amount of Each Receipt This Period \$125.00
	Occupation N/A		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Aggregate Year-to-Date-\$2,875.00	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Aggregate Year-to-Date-\$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Aggregate Year-to-Date-\$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Aggregate Year-to-Date-\$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Aggregate Year-to-Date-\$	
SUBTOTAL of Receipts This Page (optional) .....			
TOTAL This Period (last page this line number only) .....			\$3,745.00

## INSTRUCTIONS FOR PREPARING SCHEDULE A

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The term "identification" means, in the case of an individual, his or her full name, including: first name, middle name or initial, if available, and last name; mailing address; occupation; and the name of his or her employer; and, in the case of any other person, the person's full name and address.

The occupation and name of employer is only required to be provided for receipts from individuals. "Occupation" means the principal job title or position of an individual and whether or not self-employed. "Employer" means the organization or person by whom an individual is employed, and not the name of his or her supervisor.

Authorized committees must indicate the election for which the receipt was given. In the event the receipt was given for an election other than the current primary or general election, the "Other" block must be checked and the type of election specified (i.e., "General 1976", "Primary 1978").

The "receipt for" block does not apply to political committees which are not authorized committees. The "aggregate year-to-date" total must be given for each receipt and must equal the total amount that the person has given to the committee for that particular category of receipts for the calendar year. If a receipt is the only receipt from a person during the calendar year, the aggregate year-to-date total must still be entered.

The "Total This Period" amount (the last line on Schedule A) must be added to all other receipts for that category which are not itemized and carried forward to Column A of the corresponding line of the Detailed Summary Page.

If a contribution is received from a business entity or is drawn on what is or appears to be a business account, the political committee must determine that the contribution is not from a corporation, government contractor, or other prohibited source. If the contribution is from a prohibited source, it must be immediately refunded.

Absent evidence to the contrary, any contribution made by check, money order, or other written instruments must be reported as a contribution by the last person signing the instrument prior to delivery to the committee.

A contribution which represents contributions by more than one person must indicate on the written instrument, or on an accompanying written instrument signed by all contributors, the amount to be attributed to each contributor.

### MISCELLANEOUS

**Contributions In-Kind.** Contributions in-kind (i.e., goods and services provided to a political committee) are treated as any other contribution and must be reported and itemized under the appropriate category of receipts. For example, a contribution in-kind from an individual must be itemized on Schedule A and reported under the category for "Contributions From Individuals/Persons Other Than Political Committees". The value of each contribution in-kind must be entered in the "Amount of Each Receipt This Period" column. The amount or value of the contribution in-kind is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged the political committee. The "aggregate year-to-date" total must include the total amount of all contributions which the person has contributed to the committee during the calendar year. The item must be labeled "contribution in-kind" and include the nature of the contribution (e.g., consulting, polling, etc.). Each contribution in-kind must also be reported in the same manner as an operating expense on Schedule B and included in the total for "Operating Expenditures" (NOTE: A political committee which makes a contribution in-kind only reports it as a disbursement and itemizes the transaction on Schedule B with a notation "contribution in-kind". The purpose of the expenditure (e.g., consulting, polling, etc.) and the aggregate year-to-date amount must also be provided. The committee receiving the contribution in-kind must report it as both a receipt and an expenditure.)

Contributions of stocks, bonds, art objects, and other similar items to be liquidated must be reported as follows:

(1) If the item has not been liquidated at the close of the reporting period, the committee must record as a memo entry (not as cash) on Schedule A the item's fair market value on the date received, including the name and mailing address (and when in excess of \$200, the occupation and name of the employer) of the contributor. The total amount of items to be liquidated must be entered under "Total This Period" on the last line of Schedule A. This amount must NOT be carried forward to the Detailed Summary Page.

(2) When the item is sold, the committee must report the proceeds and include them in the appropriate categories on the Detailed Summary Page. It must also report the (i) name and mailing address (and, where in excess of \$200, the occupation and name of employer) of the purchaser on Schedule A, if purchased directly from the committee (the purchaser is considered to have made a contribution to the committee); and (ii) the identification of the original contributor on Schedule A.

**Exempt Legal or Accounting Services.** Legal or accounting services rendered to or on behalf of an authorized committee of a candidate or any other political committee are not contributions or expenditures and are not, therefore, subject to the contribution limitations and prohibitions, if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely to ensure compliance with the Act.

Legal or accounting services rendered to or on behalf of any political committee of a political party are not contributions or expenditures and are not, therefore, subject to the contribution limitations and prohibitions, if the person paying for the services is the regular employer of the individual rendering the services and the services are not attributable to activities which directly further the election of any designated candidate for Federal office.

The political committee must itemize as a memo entry on a separate Schedule A each person who provides legal or accounting services to the political committee in an aggregate value or amount in excess of \$200 within the calendar year, together with the date of receipt and amount or value of the exempt legal or accounting services, and state that the receipt is for "exempt legal or accounting service". The total amount of exempt legal or accounting services must be entered on the line for "Total This Period" on the bottom of Schedule A, but the total amount may not be

carried forward to any category or line number on the Detailed Summary Page.

**Earmarked Contributions.** For each earmarked contribution received (regardless of the amount), the political committee must report on Schedule A the name and address of the original contributor, the date of receipt and the amount of the contribution and, if the original contributor makes contributions aggregating in excess of \$200 to the political committee during the calendar year, the occupation and name of employer. If the contribution passes through the political committee's account and is forwarded to another political committee or Federal candidate, the conduit committee must disclose each contribution, regardless of the amount, on both Schedule A and Schedule B and include the amount under the appropriate category of receipts and disbursements. If the contribution was passed on in the form of the contributor's check, the conduit must disclose each contribution on a separate Schedule A attached to the conduit's (intermediary) next report and the amounts of such contributions are not required to be included in the totals for the appropriate categories of receipts and disbursements. If a political committee is not a conduit, but is the intended recipient, the political committee must report each conduit through which the earmarked contribution passed, including the name and address of the conduit, and whether the contribution was passed on in cash, by the contributor's check, or by the conduit's check. If the conduit exercises direction and control over the contribution, the earmarked contribution must also be attributed to the contribution limitations of the conduit.

**Checks Returned Due to Insufficient Funds.** If a contributor's check is returned to the political committee due to insufficient funds and the receipt of the check was previously reported, the political committee must report the return under the appropriate category of receipts as a negative entry and net out the amount of the check from the total for that category. If the original receipt of the check was itemized on Schedule A, the return of the check must also be itemized as a negative entry on Schedule A. If the receipt of the check was never reported, the return of the check should not be reported.

**Check Refunded to the Committee.** A contribution may be refunded to the committee in one of two ways:

(1) The original check is returned uncashed. If the contribution was reported, the refund should be reported as a negative entry on Schedule B, and the amount of the contribution refund subtracted from the disbursement totals on the line of the Detailed Summary Page that it was reported on.

(2) The original check is not returned and the refund is made by a check from the recipient of the contribution. Such a transaction should be reported as a receipt on Schedule A for the appropriate line of the Detailed Summary Page. This procedure is applicable regardless of whether the amount refunded is the full or only a partial refund of the contribution or whether the contribution was previously reported.

**Best Efforts.** When the treasurer of a political committee shows that best efforts have been used to obtain, maintain and submit the information required, the committee shall be considered in compliance with the Act.

With regard to reporting the identification of each person whose contribution(s) to the committee and its affiliated committees aggregate in excess of \$200 in a calendar year, the treasurer will not be deemed to have exercised best efforts to obtain the required information unless he or she has made at least one effort per solicitation either by written request or by an oral request documented in writing to obtain the information from the contributor. The effort shall consist of a clear request for the information (i.e., name, mailing address, occupation, name of employer) which informs the contributor that the reporting of the information is required by law.

Line 17, p. 33.

Other Receipts, pp. 17 and 19.

**SCHEDULE A**

**ITEMIZED RECEIPTS**  
*(Other Receipts)*

Page 1 of 1 for  
LINE NUMBER 17  
(Use separate schedule(s) for each  
category of the Detailed  
Summary Page)

Any information copied from such Reports or 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)  
*National Organization Political Action Committee C000C0001*

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
<i>City Trust 9201 Seventh Street City, State 00000</i>	<i>Interest</i>	<i>8/3/82</i>	<i>\$201.71</i>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$ <i>1,244.56</i>	
<i>Money Market Fund 2814 Eighth Street City, State 00000</i>	<i>Interest</i>	<i>8/5/82</i>	<i>\$328.32</i>
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$ <i>1,682.94</i>	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
<b>SUBTOTAL</b> of Receipts This Page (optional) . . . . .			
<b>TOTAL</b> This Period (last page this line number only) . . . . .			<b>\$530.03</b>

## INSTRUCTIONS FOR PREPARING SCHEDULE B

The Detailed Summary Page is broken down into various categories of disbursements. Use Schedule B to list each disbursement required to be itemized. DO NOT combine more than one category of disbursements on the same Schedule B. Instead, use a separate Schedule B for each category of disbursements. The line number of the Detailed Summary Page to which each Schedule B pertains should be identified in the upper right corner of each Schedule. In addition, the committee's full name must be entered in the appropriate block.

For each disbursement required to be itemized during the reporting period, the political committee must provide the full name, mailing address, date, amount, and purpose of the disbursement.

The term "purpose" means a brief statement or description of why the disbursement was made. Examples of adequate descriptions include the following: dinner expenses, media, salary, polling, travel, party fees, phone banks, travel expenses, travel expense reimbursement, and catering costs. However, statements or descriptions such as "advance", "election day expenses", "other expenses", "expense reimbursement", "miscellaneous", "outside services", "get-out-the-vote", and "voter registration", would not meet the requirement for reporting the purpose of an expenditure. If the disbursement is a "loan repayment", "contribution refund", or other similar category of disbursement (other than an operating expenditure), the name of the category of disbursement (i.e., "loan repayment", etc.) is sufficient to meet the requirement for reporting the purpose of an expenditure.

For disbursements that are contributions to Federal candidates, or authorized committees, the committee must include under "Purpose of Disbursement" the name of the candidate and office sought (including State and congressional district, where applicable) and the aggregate year-to-date total of contributions made to that candidate or committee in the purpose of disbursement box.

For each contribution to a Federal candidate or authorized committee indicate in the election check-off box the election for which the contribution was made. In the event the contribution was made for an election prior to the current election cycle, the "Other" block must be checked and the type of election specified (e.g., "General 1976", "Primary 1978"). The election check-off boxes provided for each itemized entry on Schedule B should not be used when itemizing operating expenditures.

The "Total This Period" amount (the last line on Schedule B) must be added to all other disbursements for that category which are not itemized and carried forward to Column A of the corresponding line of the Detailed Summary Page.

### CONTRIBUTION IN-KIND RECEIVED

Contributions in-kind received by the committee which are itemized on Schedule A must also be itemized as an operating expenditure on Schedule B. In addition, in the "Purpose of Disbursement" box include the notation "Contribution In-Kind", and the nature of the expenditure (e.g., consulting, polling, etc.).

Line 21, p. 33.

Contributions, pp. 12 and 18.

Check Returned, p. 18.

In-kind Contribution, p. 12.

Page 1 of 1 for  
LINE NUMBER 21  
(Use separate schedules for each  
category of the Detailed  
Summary Page)

**SCHEDULE B** **ITEMIZED DISBURSEMENTS**  
(Contributions to Federal Candidates)

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)  
*National Organization Political Action Committee C0000001*

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
<i>White For Congress Committee 7224 Deniston Street City, State 00000</i>	<i>Contribution to Anna White, House candidate, 1st Dist., State</i> Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <i>'80 Genl. Debt</i>	<i>8/31/82</i>	<i>\$1,250.00</i>
<i>Anna White Reelection Committee 7224 Deniston Street City, State 00000</i>	<i>Same as above</i> Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): <i>1982</i>	<i>8/3/82</i>	<i>\$4,000.00</i>
<i>Friends For Frome Committee 53 Burgess Street City, State 00000</i>	<i>Contribution to Fred Frome, House candidate, 5th Dist., State</i> Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <i>'80 Genl. Debt</i>	<i>8/11/82</i>	<i>[-\$500.00 -- check returned; see June rpt.]</i>
<i>Citizens for Black Committee 1530 Cherry Way City, State 00000</i>	<i>Contribution to Thomas Black, Senate candidate, State</i> Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): <i>1982</i>	<i>8/14/82</i>	<i>\$5,000.00</i>
<i>Committee to Reelect Hamilton 837 Pier Street City, State 00000</i>	<i>Contribution to Alex Hamilton, Senate candidate, State</i> Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): <i>1982 Debt</i>	<i>8/19/82</i>	<i>\$3,000.00</i>
<i>ABC Advertising Inc. 900 Commercial Road City, State 00000</i>	<i>In-Kind advertising for Alex Hamilton, Senate candidate, State</i> Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify): <i>1982</i>	<i>8/24/82</i>	<i>\$2,000.00 In-Kind</i>
<i>ABC Advertising Inc. 900 Commercial Road City, State 00000</i>	<i>In-Kind advertising for Peter Morjart, House candidate, 3rd Dist., State</i> Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify): <i>1982</i>	<i>8/24/82</i>	<i>\$1,000.00 In-Kind</i>
<i>Stella Robers for House Committee 7340 Darlington Road City, State 00000</i>	<i>Contribution to Stella Robers, House candidate, 4th Dist., State</i> Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): <i>1982</i>	<i>8/26/82</i>	<i>\$2,000.00</i>
<i>John Appleby Committee 212 Chesterfield Road City, State 00000</i>	<i>Earmarked contribution to J. Appleby, Senate candidate, State</i> Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): <i>1982</i>	<i>8/27/82</i>	<i>\$250.00 Earmarked from J. Winters via comte. check</i>
<b>SUBTOTAL</b> of Disbursements This Page (optional) .....			
<b>TOTAL</b> This Period (last page this line number only) .....			<b>\$18,000</b>

## INSTRUCTIONS FOR PREPARING SCHEDULE B

The Detailed Summary Page is broken down into various categories of disbursements. Use Schedule B to list each disbursement required to be itemized. DO NOT combine more than one category of disbursements on the same Schedule B. Instead, use a separate Schedule B for each category of disbursements. The line number of the Detailed Summary Page to which each Schedule B pertains should be identified in the upper right corner of each Schedule. In addition, the committee's full name must be entered in the appropriate block.

For each disbursement required to be itemized during the reporting period, the political committee must provide the full name, mailing address, date, amount, and purpose of the disbursement.

The term "purpose" means a brief statement or description of why the disbursement was made. Examples of adequate descriptions include the following: dinner expenses, media, salary, polling, travel, party fees, phone banks, travel expenses, travel expense reimbursement, and catering costs. However, statements or descriptions such as "advance", "election day expenses", "other expenses", "expense reimbursement", "miscellaneous", "outside services", "get-out-the-vote", and "voter registration", would not meet the requirement for reporting the purpose of an expenditure. If the disbursement is a "loan repayment", "contribution refund", or other similar category of disbursement (other than an operating expenditure), the name of the category of disbursement (i.e., "loan repayment", etc.) is sufficient to meet the requirement for reporting the purpose of an expenditure.

For disbursements that are contributions to Federal candidates, or authorized committees, the committee must include under "Purpose of Disbursement" the name of the candidate and office sought (including State and congressional district, where applicable) and the aggregate year-to-date total of contributions made to that candidate or committee in the purpose of disbursement box.

For each contribution to a Federal candidate or authorized committee indicate in the election check-off box the election for which the contribution was made. In the event the contribution was made for an election prior to the current election cycle, the "Other" block must be checked and the type of election specified (e.g., "General 1976", "Primary 1978"). The election check-off boxes provided for each itemized entry on Schedule B should not be used when itemizing operating expenditures.

The "Total This Period" amount (the last line on Schedule B) must be added to all other disbursements for that category which are not itemized and carried forward to Column A of the corresponding line of the Detailed Summary Page.

### CONTRIBUTION IN-KIND RECEIVED

Contributions in-kind received by the committee which are itemized on Schedule A must also be itemized as an operating expenditure on Schedule B. In addition, in the "Purpose of Disbursement" box include the notation "Contribution In-Kind", and the nature of the expenditure (e.g., consulting, polling, etc.).

Line 27, p. 33.

Other Disbursements,  
p. 18.

**SCHEDULE B**

**ITEMIZED DISBURSEMENTS**

(Other Disbursements)

Page 1 of 1 for  
LINE NUMBER 27  
(Use separate schedules for each  
category of the Detailed  
Summary Page)

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)

*National Organization Political Action Committee - C00000001*

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
<i>Jack Fitzgerald for Governor 1036 Windermere Drive City, State 00000</i>	<i>Contribution to non-Federal candidate</i> Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<i>8/5/82</i>	<i>\$500.00</i>
<i>Andrw Adams 7921 Murray Avenue City, State 00000</i>	<i>Contribution to non-Federal candidate</i> Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<i>8/12/82</i>	<i>\$250.00</i>
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional) . . . . .			
TOTAL This Period (last page, this line number only) . . . . .			<i>\$750.00</i>

## INSTRUCTIONS FOR PREPARING SCHEDULE E

### GENERAL

#### DEFINITION

The term "independent expenditure" means: "an expenditure for a communication by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate."

#### WHO MUST FILE

Any political committee which makes independent expenditures must report these expenditures on Schedule E during the reporting period in which they were made.

Any independent expenditures aggregating \$1,000 or more made after the 20th day, but more than 24 hours, before 12:01 A.M. of the day of the election, must be reported within 24 hours after the independent expenditure is made. The report must include all of the information required on Schedule E and be filed with the appropriate office.

### LINE BY LINE INSTRUCTIONS

For Schedule E, the committee must enter the full name of the committee and the FEC Identification Number in the appropriate boxes at the top of the page. For each person who receives a payment or disbursement during the calendar year aggregating in excess of \$200 in connection with an independent expenditure, the reporting committee must provide on Schedule E the full name, mailing address and zip code of the payee receiving any disbursement, the date and amount of any independent expenditure aggregating in excess of \$200, and the purpose of the independent expenditure (e.g., radio, television, newspaper). In addition, the committee must provide the name of the candidate, the office sought by the candidate (including State and Congressional District, where applicable), and whether the independent expenditure was in support of, or in opposition to, the candidate. A subtotal of itemized expenditures must be disclosed on Line (a) of the last

Schedule E filed. A subtotal of independent expenditures not required to be itemized must also be disclosed on Line (b) of the last Schedule E filed.

The total of all independent expenditures (Line (c)) is carried forward to the appropriate line of the Detailed Summary Page.

#### CERTIFICATION AND NOTARIZATION

The treasurer of any political committee which makes an independent expenditure must sign Schedule E and certify under penalty of perjury that the expenditure was in fact an "independent expenditure."

Additionally, Schedule E must be notarized.

**NOTE:** Any other person (other than a political committee) who makes an independent expenditure must file on FEC FORM 5.

Independent Expenditures, pp. 13 and 18.

SCHEDULE E

ITEMIZED INDEPENDENT EXPENDITURES

Page 1 of 1 Pages

(See Reverse Side for Instructions)

Name of Committee (in Full)				ID No.
National Organization Political Action Committee				C00000001
Full Name, Mailing Address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
City Press Press Building City, State 00000	Newspaper Ad	8/27/82	\$1,750.43	James Richards, House candidate 4th District, State <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose
Outdoor Ad Company 1517 McPherson Street City, State 00000	Billboards	8/30/82	\$2,053.95	Sid Irving House Candidate, 2nd District, State <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
(a) SUBTOTAL of Itemized Independent Expenditures			\$ 3,804.38	
(b) SUBTOTAL of Unitemized Independent Expenditures			\$ 635.71	
(c) TOTAL Independent Expenditures			\$ 4,440.09	

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Michael Wilson September 19, 1982  
Signature Date  
Michael Wilson, Assistant Treasurer

Subscribed and sworn to before me this 19th day of September, 1982

My Commission expires March 3, 1984  
My Commission Expires March 3, 1984  
Michael H. Druce  
NOTARY PUBLIC  
Washington, DC

# INFORMATION CONCERNING FEC FORM 7

## GENERAL

2 U.S.C. 441b allows "communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and their families on any subject," including the express advocacy of the election or defeat of any Federal candidate. Further, 2 U.S.C. 431(9)(B)(iii) requires that the costs of such communications be reported to the Federal Election Commission under certain circumstances. This section states in pertinent part:

"... the costs incurred by a membership organization (including a labor organization) or by a corporation directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate), shall, if those costs exceed \$2,000 per election, be reported to the Commission."

For the purpose of interpreting these provisions of law, the Commission's regulations provide the following definitions:

(i) "Labor organization" means an organization of any kind (any local, national, or international union, or any local or State central body of a federation of unions is each considered a separate labor organization for purposes of this section) or any agency or employee representative committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(ii) "Stockholder" means a person who has a vested beneficial interest in stock, has the power to direct how that stock shall be voted, if it is voting stock, and has the right to receive dividends.

(iii) "Executive or administrative personnel" means individuals employed by a corporation who are paid on a salary rather than hourly basis and who have policy-making, managerial, professional, or supervisory responsibilities.

(iv) "Members" means all persons who are currently satisfying the requirements for membership in a membership organization, trade association, cooperative, or corporation without capital stock and in the case of a labor organization, persons who are currently satisfying the requirements for membership in a local, national, or international labor organization. Members of a local union are considered to be members of any national or international union of which the local union is a part and of any federation with which the local, national, or international union is affiliated. A person is not considered a member under this definition if the only requirement for membership is a contribution to a separate segregated fund.

(v) "Election" means two separate processes in a calendar year, to each of which the \$2,000 threshold described above applies separately. The first process is comprised of all primary elections for Federal office, wherever and whenever held; the second process is comprised of all general elections for Federal office, wherever and whenever held. The term "election" also includes each special election held to fill a vacancy in a Federal office or each runoff election.

(vi) "Corporation" means any separately incorporated entity, whether or not affiliated.

## WHO MUST FILE

Every membership organization (including a labor organization) or corporation which makes disbursements for communications pursuant to 11 CFR 100.8(b)(4) and 114.3 of the Commission's regulations shall report to the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463 on FEC FORM 7 such costs which are directly attributable to any communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the election or defeat of a clearly identified candidate), if such costs exceed \$2,000 for any election.

## WHAT MUST BE REPORTED

Each report filed under 11 CFR 104.6 of the Commission's regulations must include, for each communication:

- (1) The type of communication (such as direct mail, telephone or telegram);
- (2) The class or category communicated with (Executive/Administrative Personnel, Stockholders, Members);
- (3) The date(s) of the communication;
- (4) Whether the communication was in support of, or in opposition to, a particular candidate;
- (5) The name of the candidate, the office sought (and the district and state of the office, if applicable), and whether the communication was for the primary or general election; and
- (6) The cost of the communication.

Generally, the total cost of a communication which advocates the election or defeat of more than one candidate should be allocated to and reported for each candidate in equal proportions. If, however, one or more candidates are emphasized, the cost should be allocated and reported to reflect the benefit reasonably expected to be derived by each candidate.

## WHEN TO REPORT

Organizations required to report under 11 CFR 104.6(a) of the Commission's regulations must file such reports during a calendar year in which a regularly scheduled general election is held. Such reports must be filed quarterly and, with respect to any general election, a 12 Day Pre-General Election Report must also be filed. The organization is required to file reports beginning with the first reporting period during which the aggregate cost for such communications exceeds \$2,000 per election as defined in 11 CFR 104.6(a) (1) of the Commission's regulations, and for each period thereafter in which the organization makes additional disbursements in connection with the same election.

— Quarterly reports must be filed no later than April 15, July 15, October 15 and January 31 of the following calendar year. Each such report must disclose all transactions from the last report filed through the last day of the calendar quarter.

— A 12 Day Pre-General Election Report must be filed no later than the 12th day before the general election and must include all transactions from the closing date of the last report filed through the 20th day before the election. A 12 Day Pre-General Election Report sent by certified or registered mail must be mailed no later than the 15th day before the election.

A document is timely filed upon delivery to the Federal Election Commission by the close of the prescribed filing date or upon deposit as registered or certified mail in an established U.S. Post Office and postmarked no later than midnight of the day the report is due, except that the 12 Day Pre-General Election Report so mailed must be postmarked no later than midnight of the 15th day before the date of the election. Reports sent by first class mail must be received by the Federal Election Commission by the close of business of the prescribed filing date to be timely filed.

### REPORT OF COMMUNICATION COSTS BY CORPORATIONS AND MEMBERSHIP ORGANIZATIONS

(See reverse side for instructions.)

<b>1. (a) NAME OF ORGANIZATION</b> <i>National Organization</i>	<b>2. IDENTIFICATION NUMBER (Assigned by FEC)</b> <i>C00000000</i>
<b>(b) ADDRESS (Number and Street)</b> <i>1825 Grant Street</i>	<b>3. TYPE OF ORGANIZATION (Check Appropriate Box)</b> <input type="checkbox"/> Corporation <input type="checkbox"/> Trade Association <input type="checkbox"/> Labor Organization <input type="checkbox"/> Cooperative <input type="checkbox"/> Membership Organization <input type="checkbox"/> Corporation without capital stock
<b>(c) CITY, STATE AND ZIP CODE</b> <i>City, State 00000</i>	
<b>4. TYPE OF REPORT (Check One):</b> <input type="checkbox"/> April 15 Quarterly Report <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> October 15 Quarterly Report <input checked="" type="checkbox"/> 12 Day Pre-General Election Report held on <u>11/2/82</u> In the State of <u>-----</u> <span style="margin-left: 100px;">(date)</span> <input type="checkbox"/> January 31 Year End Report <b>(b) Is this Report an Amendment?</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
<b>5. THIS REPORT COVERS THE PERIOD</b> <i>Oct. 1</i> <b>THROUGH</b> <i>Oct. 13, 1982</i>	

#### SUMMARY OF COMMUNICATION COSTS

Type of Communication	Class or Category Communicated With	Date(s) of Communication	Check One		Identify Candidate, Office Sought, District and State, and Whether for Primary or General Election	Cost of Communication (Per Candidate)
			Support	Oppose		
<input checked="" type="checkbox"/> Direct Mail	<input type="checkbox"/> Executive/Administrative Personnel	<i>Oct. 10</i>		<input checked="" type="checkbox"/>	<i>James Richards, House candidate, 4th District, State; general election</i>	<i>\$3,284.19</i>
<input type="checkbox"/> Telephone	<input type="checkbox"/> Stockholders					
<input type="checkbox"/> Telegram	<input type="checkbox"/> Members	<i>Oct. 10</i>		<input checked="" type="checkbox"/>	<i>Joan Winter, Senate candidate, State; general election</i>	<i>\$3,284.19</i>
<input type="checkbox"/> Other: (Specify)						
<input type="checkbox"/> Direct Mail	<input type="checkbox"/> Executive/Administrative Personnel	<i>Oct. 1</i>	<input checked="" type="checkbox"/>		<i>Thomas Black, Senate candidate, State; general election</i>	<i>\$1,994.25</i>
<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Stockholders	<i>through</i>	<input checked="" type="checkbox"/>		<i>John Appleby, Senate candidate, State; general election</i>	<i>\$1,994.25</i>
<input type="checkbox"/> Telegram	<input type="checkbox"/> Members	<i>Oct. 10</i>	<input checked="" type="checkbox"/>		<i>Sid Irving, House candidate, 2nd District, State; general election</i>	<i>\$1,994.25</i>
<input type="checkbox"/> Other: (Specify)						

(NOTE: For additional communications, attach separate sheets containing the same information as above.)

**TOTAL COMMUNICATION COSTS FOR THIS PERIOD**    \$ 12,551.13

I certify that I have examined this report and, to the best of my knowledge and belief, it is true, correct and complete.

Kenneth Smith

Type or Print Name

*Kenneth Smith*  
Director, Government Relations

Signature and Title of Person Designated to Sign This Report

October 14, 1982

Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this report to penalties of 2 U.S.C. 437g.

**WHERE TO FILE:**

Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

**FOR FURTHER INFORMATION CONTACT:**

Federal Election Commission  
Toll Free: 800-424-9630  
Local: 202-823-4068

FEC FORM 7 (4/80)

# APPENDICES

## A. Definitions

The following terms used in this Guide have specific meanings:

**Act** — The Federal Election Campaign Act of 1971, as amended in 1974, 1976, 1977 and 1979. 100.18.

**Advisory Opinions (AOs)** — Commission responses to questions it has received relating to specific situations.

**Agent for Candidate** — A person who has actual oral or written authority (either express or implied) to make or to authorize expenditures on behalf of a candidate. Any person who has a position in the candidate's campaign organization where it would reasonably appear that he or she may authorize expenditures in the ordinary course of campaign activity is considered an agent. 109.1(b)(5).

**Affiliated SSFs** — All separate segregated funds established, financed, maintained or controlled by the same organization 100.5(g)(2). See also page 3.

**Authorized Committee** — Any political committee, including a principal campaign committee, authorized in writing by the candidate to receive contributions and make expenditures on his/her behalf. 100.5(f)(1).

**Bank** — A State bank, a Federally chartered depository institution (including a national bank) or a depository institution insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or the National Credit Union Administration. 100.7(b)(11), 100.8(b)(12) and 103.2.

**Candidate** — An individual who seeks nomination for election or election to Federal office. Candidate status is triggered only after the individual, or another agent acting on the individual's behalf, has raised contributions or made expenditures either of which aggregate in excess of \$5,000. 100.3.

**Clearly Identified Candidate** — A candidate whose name, photograph or drawing appears in communications or whose identity is apparent by unambiguous reference. 100.17, 106.1(d) and 109.1(b)(3).

**Collecting Agent** — An organization (other than a political committee) which collects and transmits contributions to an SSF. A collecting agent may be the SSF's connected organization or an organization related to the connected organization. See also page 11.

**Connected Organization** — An organization that establishes or administers an SSF or that financially supports an SSF by paying for its establishment, administrative and solicitation costs. 100.6. See also page 3.

**Contribution** — Anything of value given to (or provided on behalf of) a candidate or political committee to influence a Federal election. 100.7(a)(1). See also page 5.

**Corporation** — Any separately incorporated entity (other than a political committee that has incorporated for liability purposes). 100.8(b)(4)(vi) and 114.12(a). Unless otherwise noted, the term corporation refers to national banks, corporations with capital stock and incorporated membership organizations (including corporations without capital stock, incorporated cooperatives and incorporated trade associations).

**Delegate** — An individual who is, or seeks to become, a delegate (as defined by State law or party rule) to a national nominating convention; or an individual who is, or seeks to become, a delegate to a State or local convention, caucus or primary that is held to select delegates to a national nominating convention. 110.14(b)(1).

**Delegate Committee** — A political committee that receives contributions or makes expenditures for the purpose of influencing the selection of delegates to a national nominating convention. A delegate committee might be a group of delegates, a group of individuals seeking

selection as delegates or a group of individuals supporting delegates. 100.5(e)(5) and 110.14(b)(2).

**Disbursement** — Any purchase or payment made by a political committee.

**Earmarked Contribution** — A contribution that the contributor directs (either orally or in writing) to a candidate or authorized committee through an intermediary or conduit. 110.6. See also Appendix F.

**Election** — Any one of several processes by which an individual seeks nomination for election, or election, to Federal office. They include: a primary election, a runoff election, a party caucus or convention that has authority to select the nominee, a general election and a special election held to fill a vacant seat. 100.2.

**Executive and Administrative Personnel** — Employees of a corporation who are paid on a salary rather than hourly basis and who have policymaking, managerial, professional or supervisory responsibilities. 114.1(c). See also page 9.

**Expenditure** — A purchase or payment made to influence a Federal election. 100.8(a)(1).

**Express Advocacy** — A message advocating election or defeat of a clearly identified candidate that includes, but is not limited to, expressions such as "vote for," "elect," "support," "cast your ballot for" and "Smith for Congress" or, conversely, "vote against," "defeat" and "reject." 109.1(b)(2).

**Family** — In AO 1980-102, the Commission interpreted family to include the mother, father, sons and daughters who live in the same household.

**Federal Election** — An election (defined above) for Federal office.

**Federal Office** — The office of President or Vice President of the United States, Senator and Representative in, or Delegate or Resident Commissioner to, the United States Congress. 100.4.

**Host Committee** — A local nonprofit organization (such as a civic association, business league, chamber of commerce, real estate board, board of trade or convention bureau) whose net earnings do not accrue to the benefit of any individual. A host committee serves to encourage commerce in the convention city and to project a favorable image of the city. 9008.7(d)(1).

**Independent Expenditure** — An expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate that is not made with the cooperation or prior consent of, or in consultation with, or at the request or suggestion of, any candidate or his/her authorized committees or agents. 100.16 and 109.1(a). See also page 13.

**In-Kind Contribution** — Services, goods or property offered free or at less than the usual charge to a political committee. 100.7(a)(1)(iii). See also page 12.

**Labor Organization** — An organization, agency, or employee representative committee or plan in which employees participate and which deals with employees on grievances, labor disputes, wages, hours of employment or working conditions. 114.1(d).

**Local Business or Labor Organization** — A business, including a corporation, or a labor organization located within the Standard Metropolitan Statistical Area (SMSA) of the convention city. (This definition may be expanded by showing that the presence of the convention would affect the volume of business outside the SMSA.) 9008.7(c)(2)(iv) and (d)(2)(iv).

**Member** — A person who satisfies the requirements for membership in a membership organization, trade association, cooperative or corporation without capital stock. Members of a labor organization are persons who satisfy membership requirements in a local, national or international labor organization. Local union members are considered members of any national or international union of which the local union is a part and of any federation affiliated with the local, national or international union. 114.1(e).

**Memo Entry** — Supplemental data on a reporting schedule for which the dollar amount is not incorporated into the total figures for the cash balance, receipts or disbursements.

**Multicandidate Committee** — A political committee with more than 50 contributors that has been registered for at least 6 months and, with the exception of State party committees, has made contributions to 5 or more candidates for Federal office. 100.5(e)(3).

**National Committee** — An organization responsible for the day-to-day operation of a political party at the national level by virtue of the party's bylaws. 9008.2(e).

**Nonelection Year** — A year in which there is no regularly scheduled Federal election.

**Non-Federal Election** — An election for a State or local office.

**Nonprofit Organization** — An organization, exempt from Federal taxation under 26 U.S.C. §501(c)(3) or (4), which does not support, endorse or oppose candidates or political parties. 110.13(a)(1).

**Person** — An individual, partnership or any group of persons (such as a political committee, corporation or labor organization), not including the Federal government. 100.10.

**Political Committee** — A group that meets one of the following conditions:

1. Any separate segregated fund.
2. Any authorized committee, regardless of how much it receives or expends, once the individual who authorized the committee becomes a candidate.
3. Any State party committee or non-party committee, club, association, or other group of persons that receives contributions or makes expenditures aggregating in excess of \$1,000 during a calendar year.
4. Any local unit of a political party (excluding a State committee) if it:
  - Receives contributions aggregating over \$5,000 during a calendar year;
  - Makes contributions or expenditures aggregating over \$1,000 during a calendar year; or
  - Makes payments, aggregating over \$5,000 during a calendar year, for activities exempted from the definition of contribution (under 11 CFR 100.7(b)(9), (15) and (17)) and expenditure (under 11 CFR 100.8(b)(10), (16) and (18)).

**Principal Campaign Committee** — An authorized committee designated by a Federal candidate as the principal com-

mittee to raise contributions and make expenditures for his/her campaign. 100.5(e)(1).

**Public Political Advertising** — Advertising to the general public through a broadcasting station, newspaper, magazine, outdoor advertising facility (such as a billboard) or by direct mail (by a commercial vendor or by using commercial mailing lists). 100.7(b)(15)(i), 100.7(b)(17)(i) and 110.11(a)(1).

**Receipt** — Anything of value (money, goods, services or property) received by a political committee.

**Restricted Class** — Those individuals within an organization that may be solicited at any time for contributions to the organization's SSF and that may receive partisan communications from the organization. Restricted class is defined below for different kinds of organizations:

1. For a corporation with capital stock (including a national bank), its executive and administrative personnel, stockholders and the families of both groups. 114.3(a) and 114.5(g)(1).
2. For a labor organization, its members and their families. 114.3(a) and 114.5(g)(2).
3. For an incorporated membership organization (including a corporation without capital stock and an incorporated cooperative), its noncorporate members as well as its own executive and administrative personnel and their families. (If a membership organization has stockholders as well as members, its stockholders and their families are also considered part of its restricted class.) 114.5(g)(1), 114.7(a) and (h).
4. For an incorporated trade association, its noncorporate members, its own executive and administrative personnel, their families, and — if written solicitation approval is obtained — the restricted class of member corporations. However, when making partisan communications, a trade association may communicate only with an individual representative of a member corporation. 114.7(c), 114.8(c), (h) and (i).

**Separate Segregated Fund (SSF)** — A political committee established by a corporation, labor organization or incorporated membership organization. An SSF accepts voluntary contributions that are used to make contributions to or

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expenditures on behalf of Federal candidates and other political committees. 114.1(a)(2)(iii).

**Special Election** — An election held to fill a vacancy in the House of Representatives or the Senate. A special election may be a primary, general or runoff election. 100.2(f).

**SSF** — See Separate Segregated Fund.

**Stockholder** — A person who has a vested beneficial interest in stock, the power to direct how that stock is to be voted (if it is voting stock) and the right to receive dividends. 114.1(h).

**Trade Association** — A membership organization consisting of persons engaged in a similar or related line of commerce. A trade association is organized to promote and improve business

conditions and does not engage in regular business for profit; the net earnings of a trade association do not accrue to the benefit of any member. 114.8(a).

**Transfer** — The movement of funds between affiliated committees, committees and organizations within the same party, authorized committees of the same candidate or committees participating in joint fundraising activity. 102.6(a).

## B. Chart on Contribution Limits

Contributions from	To Candidate or His/Her Authorized Committee	To National Party Committee <sup>1</sup> Per Calendar Year <sup>2</sup>	To Any Other Committee Per Calendar Year	Total Contributions Per Calendar Year
Individual	\$1,000 Per Election <sup>3</sup>	\$20,000	\$5,000	\$25,000
Multicandidate Committee <sup>4</sup>	\$5,000 Per Election	\$15,000	\$5,000	No Limit
Party Committee	\$1,000 or \$5,000 <sup>5</sup> Per Election	No Limit	\$5,000	No Limit
Republican or Democratic Senatorial Campaign Committee, <sup>6</sup> or the National Party Committee, or a Combination of Both	\$17,500 to Senate candidate per calendar year in which candidate seeks election	Not Applicable	Not Applicable	Not Applicable
Any Other Committee or Group <sup>7</sup>	\$1,000 Per Election	\$20,000	\$5,000	No Limit

<sup>1</sup> For purposes of this limit, each of the following is considered a national party committee: a party's national committee, the Senate Campaign committees and the National Congressional committees, provided they are not authorized by any candidate.

<sup>2</sup> Calendar year extends from January 1 through December 31. Individual contributions made or earmarked to influence a specific election of a clearly identified candidate are counted as if made during the year in which the election is held.

<sup>3</sup> Each of the following elections is considered a separate election: primary election, general election, run-off election, special election, and party caucus or convention which has authority to select the nominee.

<sup>4</sup> A multicandidate committee is any committee with more than 50 contributors which has been registered for at least six months and, with the exception of State party committees, has made contributions to five or more Federal candidates. An SSF may qualify as a multicandidate committee.

<sup>5</sup> Limit depends on whether or not party committee is a multicandidate committee.

<sup>6</sup> Republican and Democratic Senatorial Campaign committees are subject to all other limits applicable to a multicandidate committee.

<sup>7</sup> Other Committee may include an SSF not qualified as a multicandidate committee; group includes an organization, partnership or group of persons.

# C. Twice-Yearly Solicitations

Twice a year, a corporation or labor organization and its separate segregated fund (SSF) may expand its solicitation to include certain individuals outside its *restricted class*.<sup>\*</sup> Outlined below are guidelines for conducting a twice-yearly solicitation.

## 1. Who May Be Solicited Twice Yearly

### By Corporations: Nonmanagerial Personnel

Twice a year, a corporation (or its SSF) may solicit all its employees, including those not considered *executive and administrative personnel*,<sup>\*</sup> and employees represented by labor organizations. The families of employees may also be included in a twice-yearly solicitation. 114.6(a).

### By Labor Organizations: Nonmembers

Twice a year, a labor organization (or its SSF) may solicit all employees of a corporation that employs members of the labor organization. The labor organization may solicit, for example, the executive and administrative personnel of the corporation and workers who are not represented by the labor organization. The labor organization may solicit the families of such employees and the corporation's stockholders and their families. Moreover, a labor organization may solicit its own nonmember employees and their families in a twice-yearly solicitation. 114.6(b) and AO 1979-50.

## 2. Custodial Arrangement

Before conducting a twice-yearly solicitation, the connected organization or SSF must appoint a custodian to receive contributions. The custodial arrangement preserves the anonymity of individuals who do not wish to contribute or who

contribute small amounts. Moreover, the custodian provides the SSF with the recordkeeping information needed for the SSF to meet its reporting obligations. 114.6(d).

### Appointment of Custodian

A custodian may not be a stockholder, officer, employee or member of the connected organization or its SSF. 114.6(d)(1). Exception: The SSF treasurer may be the custodian provided that he or she:

- Preserves the anonymity of contributors as required;
- Does not participate in the decision-making process whereby the SSF makes contributions and expenditures; and
- Continues to fulfill the regular duties of a political committee treasurer. 114.6(d)(5).

### Custodial Duties

The custodian of an SSF is responsible for collecting contributions and for the duties described below.

#### Transmittal of Contributions

The custodian must deposit all contributions within 10 days of receipt in a separate *bank*<sup>\*</sup> account. Periodically, the custodian must withdraw funds contained in the custodial account and forward them by check to the SSF's account. Contributions that appear to be illegal must be treated as described on page 9. 114.6(d)(2)(i), (iii) and (iv).

#### Recordkeeping

##### Information to the SSF

The custodian must provide the SSF with the name, address, occupation and employer of individuals who make single contributions of over \$50 or who contribute an aggregate of over \$200 in a calendar year. This information, which the SSF needs to maintain its records and

complete its reports, must be provided within a "reasonable time" before the date on which a report is due. Apart from this, the only information the custodian may provide to the SSF or connected organization is the total number of contributions received. The custodian may not reveal any information on noncontributors or small contributors (i.e., contributors of \$50 or less, or individuals whose contributions aggregate \$200 or less in a calendar year).<sup>1</sup> 114.6(d)(2)(ii) and (3).

##### Information to the Custodian

In order to accurately keep records on each donor's aggregate contributions, the custodian needs a list of previous contributors and the year-to-date total of each one's contributions to the SSF. 114.6(d)(4).

## 3. Written Solicitations

Twice-yearly solicitations must be made in writing and mailed to the individual's residence. All solicitations must inform the solicitee of the right to refuse to contribute without reprisal and of the political purpose of the SSF. Twice-yearly solicitations must, additionally, notify the recipients of the custodial arrangement (described above). The return address on the solicitation (or enclosed return envelope) must be the custodian's address. Furthermore, the written solicitation must note that the organization will preserve the anonymity of:<sup>2</sup>

- Those who do not contribute;
- Those who make a single contribution of \$50 or less; and
- Those who make multiple contributions aggregating \$200 or less. 114.6(a)(5) and 114.6(c).

<sup>\*</sup> See Definitions in Appendix A.

<sup>1</sup> However, information on contributions may be made available to the FEC, the Clerk of the House, the Secretary of the Senate, law enforcement officials and judicial bodies. 114.6(d)(3)(i).

<sup>2</sup> A connected organization or SSF may not use a payroll deduction plan for collecting twice-yearly contributions since the required anonymity would not be maintained. 114.6(a)(1).



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## 4. Requirements for Corporations

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### Notification to Labor Organizations

A corporation must notify the labor organization of its intention to conduct a twice-yearly solicitation. This must be done within a "reasonable time" before the solicitation in order to give the labor organization the same opportunity to make a twice-yearly solicitation of the corporation's employees and stockholders. 114.6(e)(4).

### Availability of Method to Labor Organizations

A corporation must make available to the labor organization the method it uses for soliciting contributions in the twice-yearly solicitation. However, if the corporation does not wish to disclose the names and addresses of its employees and stockholders, it may give a mailing list to an independent mailing service to be used by both the labor organization and itself. 114.6(e)(3).

NOTE: If the corporation does not use the twice-yearly provision, it is not required to provide the labor organization with a solicitation method or with any names and addresses. 114.6(e)(3)(iii).

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## 5. Requirements for Labor Organizations

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If more than one labor organization represents members employed in a corporation or in its subsidiaries or other subordinate units, the combined total of solicitations by all the labor organizations may not exceed two a year. The labor organizations may conduct independent solicitations, or they may solicit jointly through a combined mailing. In the latter case, the solicitation may request contributions for the SSF of each participating labor organization. 114.6(e)(5).

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## D. Solicitation of Corporate Members by Trade Associations

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In addition to soliciting its noncorporate members and its own personnel (see page 10), a *trade association*\* may solicit a member corporation's *executive and administrative personnel*,\* stockholders and the families of both groups. Before conducting such a solicitation, however, the trade association must receive written approval from the corporation. The approval is effective for one calendar year, during which time the member corporation may not grant solicitation approval to any other trade association. Procedures for solicitation of a corporate member's eligible groups are described below. 114.8(c) and (d)(4).

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### 1. Request for Corporate Member's Approval

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#### Required Information

A trade association must make a written request to the member corporation for permission to conduct the solicitation. The request for approval must inform the member corporation that:

- Corporate approval is necessary before the trade association (or its SSF) may conduct the solicitation; and
- The corporation may grant approval to only one trade association in a calendar year. 114.8(d)(3).

#### Optional Information

Because a corporation may wish to see the solicitation materials the trade association plans to use, the trade association may enclose a copy of proposed solicitation materials in its request for approval. Moreover, the trade association may note that it intends to limit the scope of the solicitation. For example, the trade association may decide to solicit only executive and administrative personnel and exclude the corporation's stockholders from the solicitation. 114.8(d)(3) and (5).

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## 2. Approval by Corporate Member

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### Approval

The member corporation must approve the proposed solicitation in writing; the trade association must retain a copy of the written approval for three years. 114.8(d)(2).

### Scope

The approval may, if the corporation specifies, limit the scope of the solicitation (for example, limit the solicitation to only a certain class of executive and administrative personnel). 114.8(d)(5).

### Frequency

The corporate approval may also limit the number of times solicitations may take place during the calendar year. 114.8(e)(1).

NOTE: Corporate approval of solicitations by a trade association in no way limits a member corporation's right to solicit contributions for its own SSF. 114.8(e)(2).

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## 3. Solicitations

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### Parent vs. Subsidiary Members

If a parent corporation is a member of the trade association but its subsidiaries are not, then the trade association may solicit only the eligible individuals of the parent (e.g., executive/administrative personnel, stockholders). Likewise, if an incorporated subsidiary is a member but the parent is not, then the trade association may solicit only the eligible personnel and stockholders of the subsidiary; the parent's personnel and stockholders would not be solicited. 114.8(f).

### Participation by Corporate Member

A corporate member may not provide a payroll deduction or checkoff plan for collecting contributions to a trade association's SSF. 114.8(e)(3). However, in two specific situations, the Commission said a corporate member could provide incidental services for the solicitation or give the trade association money designated for the SSF's administration and solicitation expenses. AOs 1979-8 and 1980-59.

### Frequency

Unless otherwise specified by the corporate member (in its annual approval), the trade association may conduct as many solicitations as it wishes. 114.8(e)(1).

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\* See Definitions in Appendix A.

## E. Chart on Who May Be Solicited

Who May be Solicited	By Corporation	By Labor Organization	By Incorporated Membership Organization <sup>1</sup>	By Incorporated Trade Association
<b>Anytime</b>	<ul style="list-style-type: none"> <li>● Executive and Administrative Personnel and Families</li> <li>● Stockholders and Families</li> </ul>	<ul style="list-style-type: none"> <li>● Members and Families</li> </ul>	<ul style="list-style-type: none"> <li>● Noncorporate Members<sup>2</sup></li> <li>● Executive and Administrative Personnel and Families</li> </ul>	<ul style="list-style-type: none"> <li>● Noncorporate Members</li> <li>● Executive and Administrative Personnel and Families</li> <li>● With Prior Approval, Corporate Members' Executive and Administrative Personnel, Stockholders and the Families of Both</li> </ul>
<b>Twice Yearly<sup>3</sup></b>	<ul style="list-style-type: none"> <li>● Nonexecutive and Nonadministrative Personnel and Families</li> </ul>	<ul style="list-style-type: none"> <li>● Nonmember Employees and Families</li> <li>● In Corporations That Employ Members of the Labor Organization, Corporate Nonmember Employees, Stockholders and the Families of Both</li> </ul>		<ul style="list-style-type: none"> <li>● Nonexecutive and Nonadministrative Personnel and Families</li> </ul>

<sup>1</sup> These rules apply, as appropriate, to corporations without capital stock and incorporated cooperatives.

<sup>2</sup> If a membership organization has stockholders as well as members, it may also solicit its stockholders and their families.

<sup>3</sup> Individuals who may be solicited at any time may also be included in a twice-yearly solicitation.

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## F. Earmarked Contributions

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### 1. Definition

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An earmarked contribution is one which the contributor directs (either orally or in writing) to a candidate (or his/her authorized committee) through an intermediary or conduit. The intermediary can be a nonregistered entity, such as an individual or a group, or a registered political committee with regular reporting obligations. 110.6(b).

### 2. Earmarking and Contribution Limits

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An earmarked contribution is considered to have been made by the original contributor, thus counting against his/her contribution limits for that candidate. The contribution limitations of the conduit or intermediary are not affected unless the conduit exercises direction or control over the choice of the intended recipient of the contribution. In that case, the contribution is considered to have been made by both the original contributor and the intermediary or conduit and counts against both of their respective contribution limits. 110.6(d).

### 3. Forwarding Earmarked Contributions

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The intermediary or conduit must forward an earmarked contribution to the recipient committee within 10 days. The report to the recipient (described below) must be forwarded along with the contribution. 102.8(a), (c) and 110.6(c)(2).

### 4. Reporting Earmarked Contributions

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The reporting of earmarked contributions is required<sup>1</sup> by all intermediaries including registered political committees and

nonregistered entities (such as individuals, partnerships and groups of people) and by the recipients. 110.6(c).

### Reports by Political Committee Serving as Intermediary

#### Two Reports Required

A political committee which is an intermediary or conduit of an earmarked contribution must disclose the earmarked contribution, regardless of amount, on two separate reports: the next regularly scheduled report, and a special report to the recipient. 110.6(c).

#### Next Regular Report

The conduit's next regularly scheduled report must indicate whether the earmarked contribution was:

- Passed through the conduit's account, in which case each contribution must be reported on the regular reporting schedules of itemized receipts and disbursements (Schedules A and B of the appropriate reporting form);<sup>2</sup> or
- Passed on in the form of the original contributor's check, in which case each earmarked contribution must be reported on a separate Schedule A, filed as a *memo entry*.<sup>\*</sup> 110.6(c)(1)(i) and (ii).

#### Report to Recipient

A report to the intended recipient must also be made at the time the conduit or intermediary passes the contribution on to the recipient. 110.6(c)(2).

#### Contents of Reports on Earmarked Contributions

The above reports by the intermediary or conduit must contain all of the following information:

- The name and mailing address of the original contributor and, if the contribution is from an individual and exceeds \$200 per year when combined with other contributions from the same donor, the contributor's occupation and the name of his/her employer;
- The amount of the earmarked contribution;
- The date the contribution was received by the conduit;
- The intended recipient as designated by the contributor;
- The date the contribution was passed on to the intended recipient; and
- Whether the contribution was passed on in cash, by the contributor's check or by the conduit's check. 110.6(c)(4).

### Report by Intermediary Which Is Not a Registered Committee

If the intermediary or conduit is not a registered committee (that is, the intermediary is an individual, a partnership or a group of individuals), the above reports must be filed by letter with the Federal Election Commission (not the Clerk of the House or the Secretary of the Senate) and with the intended recipient. 110.6(c)(1).

### Report by Recipient

The recipient of an earmarked contribution also has a reporting obligation. The authorized committee must identify each conduit through which an earmarked contribution has passed. Additionally, the recipient committee must fully itemize any earmarked contribution that, when combined with other contributions from the same donor, exceeds \$200 per year. 110.6(c)(3).

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<sup>\*</sup> See Definitions in Appendix A

<sup>1</sup> However, the reporting rules for earmarked contributions do not apply when a person merely physically transfers to a candidate checks (or other written instruments) which, in the aggregate, do not exceed \$1,000 in a calendar year. 110.6(c)(5). Also, the rules do not apply to authorized agents of a committee.

<sup>2</sup> See page 35 for an example of how to report an earmarked contribution that passes through the SSF's account.

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## G. Assistance from the FEC

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### 1. Additional Materials Available

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- *The Federal Election Campaign Act*
- *FEC Regulations*
- Registration Forms
- Reporting Forms
- Calendar of Reporting Dates
- *Campaign Guide for Party Committees*
- *Campaign Guide for Congressional Candidates and Committees*
- *House and Senate Bookkeeping Manual*
- *The Annual Report* (available through the Government Printing Office)
- *The FEC Record*, a monthly newsletter
- *The FEC and the Federal Campaign Finance Law*, an informational brochure for the general public

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### 2. Clarification of the Law

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#### General Assistance

General information is available from the FEC's Office of Public Communications. Contact the Commission in Washington, D.C. at 523-4068 or call toll free 800/424-9530. Phone calls from Alaska or Hawaii may be made collect to the Commission (202/523-4068).

#### Advisory Opinions

For more complicated questions relating to the application of the law to a specific, factual situation, any person affected by the Act may request an advisory opinion in writing. Requests for opinions and the opinions themselves are made public. A requesting person who in good faith acts in accordance with the advisory opinion will not be subject to any penalties with regard to the activity in question, 112.2 and 112.5.

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### 3. Public Records

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The Public Records Office makes documents available for public inspection and copying. They include microfilm and paper copies of reports and statements filed by Federal candidates and committees (1972-present).<sup>1</sup>

Other documents available for public inspection in the Public Records Office include: advisory opinions, completed (closed) compliance cases, FEC press releases, audit reports, statistical summaries of campaign finance reports and computer indexes and cross indexes to locate documents. A list of prices charged for reproducing Commission information is available upon request. For information on ordering documents, phone Public Records (523-4181 or toll free, 800/424-9530).

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<sup>1</sup> *Anyone using such documents is reminded, however, of the Act's requirement that any information copied from reports and statements "may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes," except that political committees may be solicited. 2 U.S.C. §438(a)(4).*



ALASKA PUBLIC OFFICES COMMISSION

POLICY DECISION

AS 15.13.040(b) and AS 15.13.070(a) in  
Relation to:

Reporting by Chapters of Political  
Action Committees or Groups

No. 15.13-80-6

January 28 - 30, 1980

Question: Should individual chapters of a Political Action Committee or a political group (including the Libertarian Party) be looked upon as separate entities from the parent organization for the purposes of registering and reporting under AS 15.13?

Decision: Uncontrolled groups with a statewide charter may have regional groups which are considered as separate, independent groups for the purposes of the reporting requirements of AS 15.13 if they can demonstrate sufficient proof of their independence and in doing so, demonstrate that the major purpose of the existence of the regional groups is other than to circumvent the \$1,000 contribution limitation as set out in AS 15.13.070(a).

In demonstrating sufficient proof of independence, the following criteria will be considered: the regional groups must demonstrate executive and fiscal independence from each other and from the statewide group.

The Commission reserves the right to review uncontrolled groups organized in such a manner, at any time, to assure that the criteria noted above are being met. Should the Commission determine that the criteria are not being met, the parent group and its regional groups will be viewed as a single entity for the purposes of AS 15.13.

Rationale: At its October, 1979 meeting, the Commission moved to consider subsidiary corporations and labor affiliates as single and separate entities as regards the \$1,000 contribution limitation, with the provision that these entities are required to disclose their relationship to any controlling corporation or organization when they register and/or disclose their contributions. The request from the Libertarian Party that its regional chapters be allowed to register separately is an analogous situation.

In taking this action, the Commission acknowledges that certain kinds of statewide organizations have sincere and valid reasons for dividing their activities into separate, more manageable, regional or local units. The requirement that individual chapters prove their organizational autonomy (separate executive committees, sizeable membership, separate charters, or separate checking accounts, etc.) from other related groups would demonstrate to the Commission that the individual chapters were not acting as controlled groups of a particular candidate.

Specifically, with regard to the Libertarian Party, the Commission does not wish to inhibit any group from attempting to attain political party