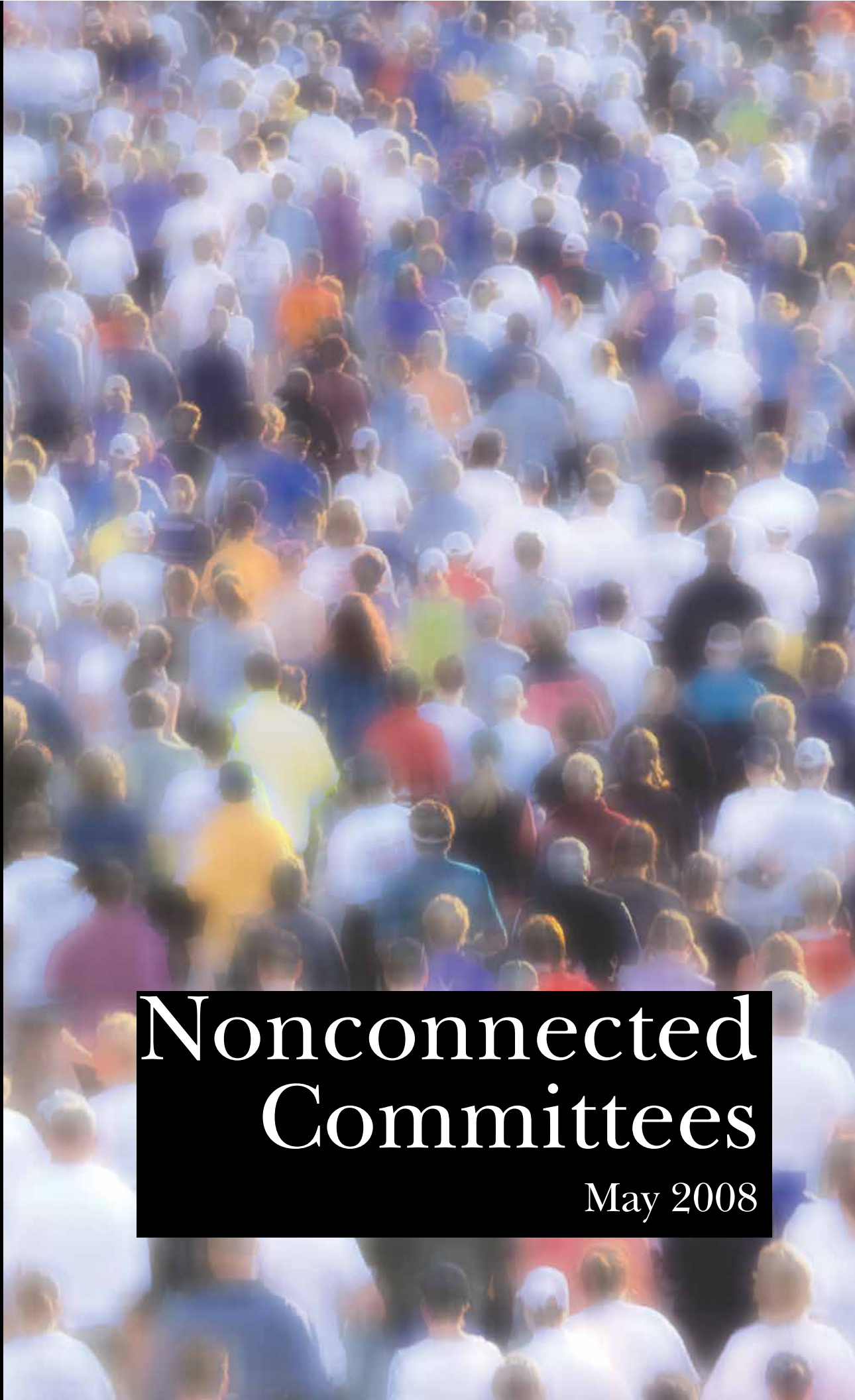




Federal Election Commission Campaign Guide

Nonconnected Committees

May 2008



About this Guide

This *Campaign Guide for Nonconnected Committees* replaces the October 2005 edition. It summarizes the federal campaign finance laws applicable to non-connected committees as of May 2008. For updated information, please consult the monthly *Record* supplements to this *Guide* at www.fec.gov/info/publications.shtml#guides.

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Introduction

Using This Guide

This *Guide* was written to help nonconnected political committees comply with the Federal Election Campaign Act and FEC regulations. This publication provides guidance on certain aspects of the federal campaign finance law. It is not intended to replace the law or to change its meaning, nor does this publication create or confer any rights for or on any person or bind the Federal Election Commission (Commission) or the public. The reader is encouraged also to consult the Federal Election Campaign Act of 1971, as amended (52 U.S.C. §30101 et seq.), Commission regulations (Title 11 of the Code of Federal Regulations), Commission advisory opinions and applicable court decisions.

Citations

Authorities primarily cited in this *Guide* include the Federal Election Campaign Act, FEC regulations and FEC Advisory Opinions (AOs). All regulatory citations are to Title 11 of the Code of Federal Regulations (CFR), Parts 100–116, 300, 400 and 9001–9039 (2008). Statutory citations are to Titles 26 and 52 of the United States Code (U.S.C.). Copies of AOs may be obtained from the FEC's Public Records Office (800/424-9530 or 202/694-1120), the FEC web site (<https://www.fec.gov/data/legal/advisory-opinions/>); in addition, each AO is summarized in the Commission's monthly newsletter, the *Record*.

Getting More Help

Advisory Opinions

Any person or group requiring a clarification of the election law with regard to an activity that they plan to undertake may request an advisory opinion from the FEC. Individuals and organizations involved in the activity specifically addressed in an AO (or in an activity that is materially indistinguishable) may rely on the opinion for legal guidance.

Advisory opinion requests may be addressed to the Office of General Counsel at:

Federal Election Commission
1050 First Street, NE
Washington, DC 20463

Toll-Free Line

Many questions about federal campaign finance law do not require formal advisory opinions. Such questions may be addressed to trained FEC staff members by calling the FEC's 800 number below. Persons in the Washington, DC, area may call locally. The numbers are:

- 800/424-9530
- 202/694-1100
- 202/219-3336 (for the hearing-impaired)

Hearing-impaired persons may reverse the charges when calling long distance.

Questions may also be submitted by electronic mail to info@fec.gov.

Free Publications

In addition to this *Guide*, the FEC publishes a series of brochures and other publications on several aspects of campaign financing and election law. Subscriptions to the Commission's newsletter, the *Record*, are available free of charge. Write or call the FEC for a list of publications currently available, or visit the FEC's web site.

Please note that nonconnected committees have to comply with other laws outside the FEC's jurisdiction; see Appendix E.

World Wide Web

Visit the FEC's home page on the World Wide Web at <http://www.fec.gov>. Information on the site includes campaign finance statistical data; committee reports for candidates, parties and PACs; FEC news releases; reporting dates; forms; the *Record* newsletter; brochures and Campaign Guides.

The FEC web site also offers the capability to search the Commission's campaign finance database online. The web site also offers full text searches of Commission Advisory Opinions (AOs) issued since 1977. Searches can be made using the name of a requestor or other information about AOs. In addition, the FEC's Enforcement Query System allows

users to search closed enforcement cases by such search criteria as respondent name or case number.

Compliance with Small Business Regulatory Enforcement Fairness Act of 1996

This *Guide* serves as the small entity compliance guide for Congressional candidates and committees, as required by section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, Title II, Stat. 857 (1996).

Contents

| | | | |
|---|-----------|---|-----------|
| CHAPTER 1 Defining Nonconnected Committees | 1 | 2. Limits on Contributions Made to Candidates | 26 |
| 1. What is a Nonconnected Committee | 1 | 3. Designation | 27 |
| 2. Leadership PACs | 1 | 4. Contributions Made to Party Committees and PACs | 29 |
| CHAPTER 2 Getting Started | 3 | CHAPTER 6 Communications | 31 |
| 1. Registering with the FEC | 3 | 1. Coordinated Communications | 31 |
| 2. Treasurer | 3 | 2. Independent Expenditures | 35 |
| 3. Naming the Committee | 4 | 3. Disclaimer Notices | 36 |
| 4. Filling Out the Statement of Organization | 5 | 4. Electioneering Communications | 38 |
| 5. Filing the Form | 6 | CHAPTER 7 Keeping Records | 41 |
| 6. Updating Registration Information | 7 | 1. Three-Year Retention of Records | 41 |
| 7. Notification of Multicandidate Committee Status | 7 | 2. Receipts | 41 |
| 8. Affiliation | 8 | 3. Recording Contributions | 41 |
| 9. Incorporating the Committee | 9 | 4. Recording Other Receipts | 42 |
| CHAPTER 3 Nonconnected Committee Operations | 11 | 5. Recording Disbursements | 42 |
| 1. Solicitation Methods | 11 | 6. Treasurer's Best Efforts | 43 |
| 2. Disclaimer Notices on Solicitations | 11 | CHAPTER 8 Filing FEC Reports | 47 |
| 3. Mentioning Candidates in Fundraising Communications | 12 | 1. Treasurer's Duties | 47 |
| 4. Transmittal and Deposit of Funds | 12 | 2. Reporting Deadlines | 47 |
| 5. Affiliation and Contribution Limits | 12 | 3. Administrative Fines for Late Filers and Nonfilers | 48 |
| 6. Handling Illegal Contributions | 12 | 4. Election Year Reporting | 49 |
| 7. Use of Candidate's Name | 14 | 5. Nonelection Year Reporting | 51 |
| CHAPTER 4 Contributions and Other Sources of Support | 15 | 6. Special Elections | 51 |
| 1. Types of Contributions | 15 | 7. Electronic Filing | 51 |
| 2. Limits On Contributions Received by the Committee | 16 | 8. Where to File | 54 |
| 3. Prohibited Contributions | 18 | 9. Public Review of Reports | 54 |
| 4. Bank Loans | 20 | CHAPTER 9 Completing FEC Form 3X | 55 |
| 5. Interest and Dividends | 21 | 1. Reporting Forms | 55 |
| 6. Other Receipts | 21 | 2. Itemized Receipts: Schedule A | 56 |
| 7. Volunteer Activity on Behalf of a Nonconnected Committee | 22 | 3. Reporting Receipts: The Detailed Summary Page | 62 |
| 8. Use of Corporate/Labor Facilities and Resources | 23 | 4. Itemized Disbursements: Schedule B | 64 |
| CHAPTER 5 Contributions to Candidates and Other Committees | 25 | 5. Reporting Disbursements: The Detailed Summary Page | 68 |
| 1. Types of Contributions | 25 | 6. Investments | 70 |
| | | 7. Independent Expenditures | 72 |
| | | 8. Reporting Loans | 74 |
| | | 9. Reporting Debts Other Than Loans | 76 |

| | | | |
|--|------------|---|------------|
| 10. The Summary Page | 78 | APPENDIX C: Partnership Contributions | 109 |
| 11. Filing Amendments | 79 | 1. Contribution Limits | 109 |
| CHAPTER 10 Allocated Federal and Nonfederal Activities | 81 | 2. Attribution Among Partners | 109 |
| 1. Using One Account | 81 | 3. Prohibited Partnership Contributions | 110 |
| 2. Using Two Accounts | 81 | 4. Reporting Partnership Contributions | 110 |
| 3. Allocation Between Accounts | 82 | 5. Partnership Contribution Plans | 111 |
| 4. Allocation Ratios | 84 | APPENDIX D: Earmarked and Bundled Contributions | 113 |
| 5. Allocating Administrative, Generic Voter Drive Expenses and Generic Public Communications | 85 | 1. Earmarked Contributions | 113 |
| 6. Allocating Committee Fundraising Expenses | 86 | 2. Effect on Contribution Limits | 113 |
| 7. Allocating Costs of Fundraising for Candidates | 88 | 3. Forwarding Earmarked Contributions | 114 |
| 8. Allocating Costs of Public Communications and Voter Drives for Candidates | 91 | 4. Transmittal Report | 114 |
| CHAPTER 11 Termination and Debt Settlement | 93 | 5. Reporting Conduit Activity on Form 3X | 114 |
| 1. Committees with No Outstanding Debts | 93 | 6. Contributions Bundled by Lobbyists/Registrants and Lobbyist PACs | 115 |
| 2. Committees with Outstanding Debts: Debt Settlement | 93 | APPENDIX E: Compliance with other laws | 117 |
| 3. Committees with Outstanding Debts: Administrative Termination | 96 | 1. Tax Laws | 117 |
| APPENDIX A: Support From Sponsoring Organization | 99 | 2. Communications Act | 117 |
| 1. Contributions | 99 | 3. Hatch Act | 117 |
| 2. Sponsors Affiliated with Corporations | 99 | APPENDIX F: Definitions | 119 |
| 3. Legal and Accounting Services | 100 | | |
| 4. Corporate Personnel and Nonconnected PACs | 100 | | |
| APPENDIX B: Joint Fundraising | 103 | | |
| 1. Introduction | 103 | | |
| 2. Joint Fundraising Representative | 103 | | |
| 3. Written Agreement | 104 | | |
| 4. Separate Depository | 104 | | |
| 5. Statements of Organization | 104 | | |
| 6. Start-Up Costs | 105 | | |
| 7. Joint Fundraising Notice | 105 | | |
| 8. Screening Contributions | 105 | | |
| 9. Recordkeeping | 106 | | |
| 10. Paying Expenses: Step 1— Allocating Gross Proceeds | 106 | | |
| 11. Paying Expenses: Step 2— Allocating Expenses | 107 | | |
| 12. Paying Expenses: Step 3— Calculating Net Proceeds | 107 | | |
| 13. Reporting | 108 | | |
| 14. Exception for Political Parties | 108 | | |

CHAPTER I

Defining Nonconnected Committees

I. What is a Nonconnected Committee

A nonconnected committee is a political committee that is not a party committee, an authorized committee of a candidate or a separate segregated fund established by a corporation or labor organization. 100.5(a) and 106.6(a).

Although nonconnected committees and corporate or labor separate segregated funds (SSFs) are both commonly called “political action committees” or “PACs,” a nonconnected committee is distinguishable from an SSF by the following basic features:

No Connected Organization

A nonconnected committee does not have a “connected organization”—that is, no corporation or labor organization establishes, administers or raises money for a nonconnected committee. (An SSF, by definition, always has a sponsoring corporation or labor organization.)

However, a nonconnected committee may nonetheless receive limited financial and administrative support from a sponsoring organization that is not a corporation or a labor organization, such as a partnership or an unincorporated association. See “Contributions” in Appendix A for more information.

Limited Sponsorship

All forms of support including money and other things of value received by a nonconnected committee from a sponsoring organization are considered contributions, which are subject to annual limits, prohibitions and disclosure requirements under the Federal Election Campaign Act (the Act).

By contrast, an SSF may generally receive unlimited administrative support from its connected organization, and such support is usually not subject to fed-

eral disclosure requirements. See page 99, “Support from Sponsoring Organization.”

Unrestricted Solicitations

Unlike an SSF, a nonconnected committee may solicit contributions from anyone in the general public who may lawfully make a contribution in connection with a federal election.

An SSF, by contrast, may solicit only a limited class of individuals who have specific relationships with the connected organization (i.e., stockholders or members and certain employees of the connected organization and their families). For more information on SSFs see the FEC’s *Campaign Guide for Corporations and Labor Organizations*.

2. Leadership PACs

Members of Congress and other political leaders often establish nonconnected committees, generally known as “leadership PACs,” to support candidates for various federal and nonfederal offices. A leadership PAC is defined as a political committee that is directly or indirectly established, financed, maintained or controlled by a candidate or an individual holding federal office, but is not an authorized committee of the candidate or officeholder and is not affiliated with an authorized committee of a candidate or officeholder. Leadership PACs do not include political party committees. See 52 U.S.C. § 30104(i)(8)(B).

While these PACs may be associated with a candidate for federal office, they remain legally unaffiliated with the candidate’s principal campaign committee (also known as the candidate’s authorized committee) and operate under the same rules as other nonconnected committees. Any financial support to the leadership PAC from a candidate’s authorized committee is a contribution to the leadership PAC. Likewise, any support from the leader-

ship PAC that could be paid by the candidate's authorized committee is a contribution from the leadership PAC to the candidate. 100.5(g)(5). See Advisory Opinions 2000-12, 1986-06, 1985-40 and 1978-12 and the Explanation & Justification for final rules regarding Leadership PACs, 68 Fed. Reg. 67013 (December 1, 2003).

Additional requirements apply to leadership PACs that do not apply to other nonconnected committees. Due to restrictions on the types of funds that federal candidates may raise and spend, any PAC that is directly or indirectly established, financed, maintained or controlled by a federal candidate may not solicit, receive, direct, transfer, spend or disburse funds in connection with an election for federal office, including federal election activity as defined in 11 CFR 100.24, outside the limits and prohibitions of the Act. 300.60(d) and 300.61. Such a PAC may solicit, receive, direct, transfer, spend or disburse funds in connection with a nonfederal election, but only if the amounts and sources are consistent with state law, and the Act's contribution limits and source prohibitions are observed. 300.62. See Chapter 2, section 1 for more information.

CHAPTER 2

Getting Started

I. Registering with the FEC

\$1,000 Registration Threshold

The Act requires political committees to register with the FEC. A nonconnected committee becomes a political committee once its contributions or expenditures exceed \$1,000 in a calendar year. 100.5(a).

After the committee crosses that threshold, it must register within 10 days and periodically report all financial activities. 102.1(d). However, a nonconnected committee may register and begin reporting before it exceeds the \$1,000 threshold. 104.1(b).

Registration Form

The registration form is FEC Form 1, the Statement of Organization. 102.2. See Section 4, below, for more information. Blank forms and instructions can be obtained from the FEC or from the Commission's web site at www.fec.gov/info/forms.shtml.

Establishing Federal and Nonfederal Bank Accounts

All political committees must register an official committee depository. 103.2. A committee engaging in both federal and nonfederal election activity has two options:

- Set up one federal account (accepting only contributions subject to the limits and prohibitions of the Act) to support both federal and nonfederal candidates and report all activity to the FEC; or
- Set up two accounts—one for federal elections and another for state and local elections. 102.5(a)(1).

The second option permits the committee to maintain a separate nonfederal account that has no federal registration or reporting obligations. When conducting an activity that relates to both federal

and nonfederal elections however, the committee must allocate the costs between the two accounts. 106.6. For further information regarding allocation, see Chapter 10. Also, please note that any activity (including reporting requirements) by nonfederal accounts is governed by relevant state law. A nonfederal account generally has no reporting obligations with the FEC.

Note: Because PACs established, financed, maintained or controlled by a federal candidate may not accept federally impermissible funds, even those funds in the nonfederal account of a leadership PAC must comply with federal limits and prohibitions. In fact, the total contributions from individuals to the PAC's federal and nonfederal accounts may not exceed \$5,000 per calendar year. 110.1(d).

2. Treasurer

Treasurer Required

The committee must have a treasurer before it accepts contributions or makes expenditures. 102.7(a) and (b). Also, only a treasurer or designated assistant treasurer may sign FEC reports and statements (see "Vacancy in Office," below). 102.2(a), 104.1(a) and 104.14(a).

Treasurer's Duties

The treasurer (or registered assistant treasurer) is responsible for:

- Filing complete and accurate reports and statements on time. 104.14(d).
- Signing all reports and statements. 102.2(a), 104.1(a) and 104.14(a).
- Depositing receipts in the committee's designated bank within 10 days of receipt. 103.3(a).
- Authorizing expenditures or appointing an agent (either orally or in writing) to authorize expenditures. 102.7(c).

- Monitoring contributions to ensure compliance with the Act's limits and prohibitions. 103.3(b); 110.1(k)(3).
- Keeping the required records of receipts and disbursements. 102.9, 104.7 and 104.14(b).

Treasurer's Liability

A committee's treasurer is personally responsible for carrying out the duties listed above and should understand these responsibilities (as well as his or her personal liability for fulfilling them) before taking them on.

When the Commission brings an enforcement action against a political committee, the treasurer is usually named as a respondent along with the committee itself. The treasurer can be named and found liable in his or her official capacity as a representative of the committee. Also, the treasurer can be named and found liable in his or her personal capacity if he or she knowingly and willfully violates the Act or intentionally deprives himself or herself of the operative facts giving rise to the violation.

Even when an enforcement action alleges violations that occurred during the term of a previous treasurer, the Commission usually names the current treasurer as a respondent in the action. See the Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings 70 Fed. Reg. 3 (January 3, 2005).

Vacancy in Office

A committee cannot raise or spend funds when there is a vacancy in the office of treasurer. 102.7(a) and (b). For that reason, the Commission urges every committee to name an assistant treasurer who may assume the treasurer's duties when the treasurer's office becomes temporarily vacant or when the treasurer is unavailable. The assistant treasurer should be apprised of any filing requirements and, if the committee files electronically, should obtain an electronic filing password as well. For further information on vacancies in office and

STATEMENT OF ORGANIZATION (FORM 1)

electronic filing, see page 47. The committee must report any change in the treasurer's status within 10 days. 102.2(a)(1)(iv) and 102.2(a)(2).

3. Naming the Committee

No Names of Candidates

The name of a nonconnected committee (including a leadership PAC) may not include the name of any candidate for federal office. (Only a candidate's authorized committees may register with his or her name.) 102.14(a).

Further, a nonconnected committee may not use a candidate's name in any name under which the committee makes solicitations or other communications to the general public, unless the name clearly shows opposition to the candidate. 102.14(a) and (b)(3). See page 12 for more information.

STATEMENT OF ORGANIZATION (FORM 1) PAGE 2

FEC Form 1 (Revised 12/2007) Page 2

5. TYPE OF COMMITTEE

Candidate Committee:

(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: House Senate President State District _____

(c) This committee supports/opposes only one candidate, and is NOT an authorized committee.

Name of Candidate _____

Party Committee:

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

Political Action Committee (PAC):

(e) This committee is a separate segregated fund. (Identify connected organization on line 6.) Its connected organization is a:

Corporation Corporation w/o Capital Stock Labor Organization

Membership Organization Trade Association Cooperative

(f) This committee supports/opposes more than one Federal candidate, and is NOT a separate segregated fund or party committee. (i.e., nonconnected committee)

In addition, this committee is a Leadership PAC. (Identify sponsor on line 6.)

Please note that the Commission now sends courtesy materials (including reporting notices) to committees almost exclusively by e-mail. All committees registered with the FEC are strongly urged to provide an e-mail address on their Statement of Organization.

Line 2. Date

When registering for the first time, enter the date when the committee became a “political committee”—i.e., the date when the committee exceeded the \$1,000 threshold described above. 102.1(d). Do not enter the date on which the form was filled out. (If the committee begins filing before becoming a political committee, this space should be left blank.)

The one exception to this rule is the naming of a “draft committee.” A draft committee is a political committee that is established solely to draft an individual or to encourage him or her to become a candidate for federal office. A draft committee may use the name of an individual in its official name, but only if the committee name clearly indicates that it is a draft committee. 102.14(b)(2).

When filing an amended Statement of Organization, enter the date on which the new information took effect (e.g., the date when a new treasurer took office). See 102.2(a)(2).

Line 3. FEC Identification Number

The FEC assigns an ID number to a new committee after the Commission receives the first Statement of Organization. Leave this space blank if the committee is filing its first Statement of Organization.

Always include the ID number on reports, statements and other communications sent to the FEC after the initial registration. 102.2(c).

Line 4. Is This Statement an Amendment?

Check “NEW (N)” if the committee is registering for the first time. Check “AMENDED (A)” if the committee is updating information.

Line 5. Type of Committee

Check box (f) if the committee supports or opposes more than one federal candidate. Box (c) applies if the committee supports or opposes only one candidate. (These are the only boxes on Line 5 applicable to nonconnected committees.) If the committee is a leadership PAC, the committee checks the box that states, “In addition, this committee is a Leadership PAC,” and identifies the sponsor of the PAC (i.e. the candidate who is forming the PAC) on Line 6. See below.

4. Filling Out the Statement of Organization

Line-by-line instructions for filling out the Statement of Organization appear below. See Pages 4-7 for an example of a correctly completed FEC Form 1.

Line 1. Name and Address of the Committee

Enter the full, official name of the committee.

Electronic Address

In addition to providing the mailing address of the committee, all filers (whether electronic or paper) must include the URL for their committee’s web site, if the committee maintains one. Electronic filers must also include their e-mail address, if they have one. 102.2(a)(1)(vii). The committee may, but is not required to, provide a facsimile number as well.

STATEMENT OF ORGANIZATION (FORM 1) PAGE 3

FEC Form 1 (Revised 12/2007) Page 3

Write or Type Committee Name
Civil Republic PAC

6. Name of Any Connected Organization, Affiliated Committee, Leadership PAC Sponsor or Joint Fundraising Representative

NONE

Mailing Address

Relationship:
 Connected Organization Affiliated Committee Leadership PAC Sponsor Joint Fundraising Representative

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

Full Name Seymour Glass

Mailing Address 242 Carpenter Road

City CITY STATE ST ZIP CODE 00000

Title or Position
Treasurer Telephone number 555-555-5555

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 of Treasurer Seymour Glass

Mailing Address 242 Carpenter Road

City CITY STATE ST ZIP CODE 00000

Title or Position
Treasurer Telephone number 555-555-5555

Line 6. Affiliated Committees or Leadership PAC Sponsor

List the names and addresses of any committees affiliated with the registering committee or any sponsor of a leadership PAC. 102.2(b)(1)(ii). Do not leave this line blank. If there are no affiliated committees or sponsors, then enter “none” on this line. More information on affiliation is provided in Section 8 of this chapter.

Line 7. Custodian of Records

Each committee must keep records and accounts of its financial activities and retain them for at least three years beyond the date that it files any report to which those records relate. 102.9(a), (b) and (c) and 104.14(b).

On Line 7, enter the name and address of the person who has actual possession of those records. 102.2(a)(1)(iii). The committee’s treasurer, assistant treasurer or another person (such as an accountant or bookkeeper) may serve as the custodian of

records. The recordkeeping rules are discussed in detail in Chapter 7.

Line 8. Treasurer and Assistant

Provide the name and mailing address of the treasurer on Line 8. 102.2(a)(1)(iv). The Commission also urges all political committees to name an assistant treasurer (or “designated agent”) on Line 8. Only a registered assistant treasurer may sign FEC reports and statements in the treasurer’s absence. 102.7(a).

The treasurer’s responsibilities are discussed in detail on the previous page.

Line 9. Designated Depository

List the name and address of each bank, safe deposit box or other depository where the committee deposits funds. 102.2(a)(1)(vi). The committee must have at least one checking account. 103.2. Note that affiliated committees may not share the same bank account, though they may establish separate accounts at the same bank. AOs 1986-33 and 1979-53.

Signing and Dating the Form

The treasurer or designated assistant treasurer must sign and date the form on the bottom of page 1. 104.14(a). The signer’s name must also be typed or printed where indicated.

5. Filing the Form

A nonconnected committee files its Statement of Organization with the FEC. 52 U.S.C. §30102(g). (See “Where to File” Chapter 8, section 8.)

A nonconnected committee must also file a copy of the Statement of Organization with the appropriate state election officer in the state where the committee has its headquarters if that state has not received a waiver from the requirement to maintain copies of FEC statements and reports. 108.1. As of May 2008, only Guam and Puerto Rico had not received a waiver from the Commission. For more information, see page 54.

6. Updating Registration Information

Whenever any of the information disclosed on the Statement of Organization (Form 1) changes, the committee must report the change within 10 days by filing an amended Form 1 or, if the committee files on paper, it may file an amendment by letter instead. 102.2(a)(2).

A copy of the amendment must also be filed with the appropriate state officer if the committee is headquartered in a state that has not qualified for a waiver. 108.1. See page 54.

Amending Form 1 on Paper

When sending an amended Form 1, the committee needs to provide only:

- The full name and address of the committee;
- The FEC ID number;
- The changed information;
- The date the change took effect; and
- The treasurer's name and signature.

The rest of the form may be left blank. 102.2(a)(2).

A committee may also amend its Statement of Organization by sending the FEC a letter containing the information listed above. The treasurer or assistant treasurer must sign the letter.

Amending Form 1 Electronically

It is important to note that committees filing electronically must make amendments to Form 1 electronically. In that case, the entire form must be resubmitted. The committee may not leave the unchanged portion blank. 104.18(f).

STATEMENT OF ORGANIZATION (FORM 1) PAGE 4

The image shows the back of an FEC Form 1 (Revised 12/2007), Page 4. It contains the following information:

- Full Name of Designated Agent:** Buddy Glass
- Mailing Address:** 9 Story Street
- City:** [Blank]
- STATE:** ST
- ZIP CODE:** 00000
- Title or Position:** Assistant Treasurer
- Telephone number:** 555-555-0000
- 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.:** First National Bank
 - Mailing Address:** 967 Commerce Street
 - City:** [Blank]
 - STATE:** ST
 - ZIP CODE:** 00000

7. Notification of Multicandidate Committee Status

As Chapter 5 explains, a qualified multicandidate committee may give a candidate up to \$5,000 per election (rather than \$2,300). 110.2(b). A non-connected committee generally qualifies as a multicandidate committee once it has:

- Received contributions from at least 51 persons;
- Been registered with the FEC for at least six months; and
- Made contributions to at least five federal candidates. 100.5(e)(3).

A nonconnected committee that is affiliated with a committee that has met these criteria also qualifies as a multicandidate committee and shares that committee's \$5,000 per-candidate limit. AO 1990-16. See also AOs 1993-23 and 1991-13. See below for more information on affiliation.

Once a committee qualifies for multicandidate status, the treasurer must file FEC Form 1M, "Notification of Multicandidate Status."¹ 102.2(a)

¹ Committees that notified the Commission of their multicandidate status on Form 3X prior to January 1, 1994, do not have to file Form 1M.

(3). Form IM must be filed within 10 days of the date that the committee meets all criteria listed above. The treasurer must also indicate on the Summary Page of each report filed that the committee has qualified as a multicandidate committee (see page 79).

When making contributions to candidates, a multicandidate committee must give the recipient candidate or campaign committee a written notification that it has qualified as a multicandidate committee. 110.2(a)(2). For convenience, the statement may be pre-printed on the committee's checks, letterhead or other appropriate materials.

8. Affiliation

Per Se (Automatic) Affiliation

Under FEC rules, committees are affiliated per se when they are established, financed, maintained or controlled by a single entity or by the same person or group of persons. 100.5(g)(2) – (3) and 110.3(a)(1). See also AOs 1991-12 and 1990-16.

Circumstances Indicating Affiliation

When committees are not per se affiliated, the Commission may nevertheless look to the following factors to determine whether two or more committees are affiliated. These address whether the committee:

- Has the authority or ability to direct or participate in the governance of another committee or its sponsoring organization through provisions of formal documents, or formal or informal practices or procedures;
- Has the authority or ability to hire, appoint, demote or otherwise control the officers or other decision-making employees of another committee or its sponsoring organization;
- Has common or overlapping officers or employees with another committee or its spon-

soring organization, indicating a formal or ongoing relationship between them;

- Has officers or employees who were officers or employees of another committee or its sponsoring organization, indicating a formal or ongoing relationship or the creation of a successor;
- Provides or arranges for the provision of funds or goods in a significant amount or on an ongoing basis to another committee (or its sponsoring organization), such as through payments for fundraising and administrative costs;
- Has an active or significant role in the formation of another committee or its sponsoring organization; or
- Makes or receives contributions in a pattern similar to that of another committee or its sponsoring organization, indicating a formal or

FORM 1M (MULTICANDIDATE STATUS)

NOTIFICATION OF MULTICANDIDATE STATUS

(See reverse side for instructions)
This form should be filed after the Committee qualifies as a multicandidate committee.

| | | |
|--|--|---|
| 1. (a) NAME OF COMMITTEE IN FULL Civil Republic PAC | | 2. FEC IDENTIFICATION NUMBER C00000001 |
| (b) Number and Street Address 123 Main Street | | 3. TYPE OF COMMITTEE (check one) <input type="checkbox"/> STATE PARTY <input checked="" type="checkbox"/> OTHER |
| (c) City, State and ZIP Code City, ST 00000 | | |

I certify that **one** of the following situations is correct (complete line 4 or 5):

4. **STATUS BY AFFILIATION:** The committee submitted its Statement of Organization (FEC FORM 1) on _____ and simultaneously qualified as a multicandidate committee through its affiliation with:

Committee Name: _____
FEC Identification Number: _____

5. **STATUS BY QUALIFICATION:**

(a) **Candidates:** The committee has made contributions to the five (5) federal candidates listed below (ONLY State party committees may leave this blank.):

| | Name | Office Sought | State/District | Date |
|-------|-------------------|---------------|----------------|----------|
| (i) | David Greenstone | House | ST/23 | 02/02/08 |
| (ii) | Matt Brody | House | ST/03 | 02/09/08 |
| (iii) | Deanna Meyler | House | ST/01 | 04/02/08 |
| (iv) | Mary Ann McKibben | Senate | ST | 05/05/08 |
| (v) | Jack Dalton | Senate | ST | 06/04/08 |

(b) **Contributors:** The committee received a contribution from its 51st contributor on: 04/20/08

(c) **Registration:** The committee has been registered for at least 6 months. FEC FORM 1 was submitted on: 11/15/07

(d) **Qualification:** The committee met the above requirements on: 06/04/08

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.
TYPE OR PRINT NAME OF TREASURER: Seymour Glass SIGNATURE OF TREASURER: Seymour Glass DATE: 06/08/08

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 52 U.S.C. §30109. ANY CHANGE IN INFORMATION SHOULD BE REPORTED WITHIN 10 DAYS.

FEC FORM 1M (Revised 1/2001)
For further information contact:
Federal Election Commission, Washington, DC 20463
Toll-free 800-424-9530
Local 202-694-1100

ongoing relationship between them. 100.5(g)(4)(ii)(B)-(J) and 110.3(a)(3).

Why it is Important

Contribution Limits

When two or more committees are affiliated, they share a single limit on the contributions they make to candidates and other political committees. A single limit also applies to the aggregate contributions a person makes to committees affiliated with each other. 110.3(a)(1).

9. Incorporating the Committee

When a nonconnected committee incorporates for liability purposes only, its contributions to political committees are not subject to the Act's prohibition on corporate contributions and expenditures.

114.12(a).

Regardless of incorporation however, the treasurer remains liable for the committee's compliance with the Act. 114.12(a). Liability for debts is generally governed by state law. See AOs 1995-10, 1990-11, 1989-2 and 1975-102.

CHAPTER 3

Nonconnected Committee Operations

I. Solicitation Methods

The most common methods of soliciting contributions for a nonconnected committee are described below.

Oral Solicitations

Solicitations may be made orally— e.g., in a speech, a meeting or over the phone.

General Public Political Advertising

The committee may solicit contributions through general public political advertising, such as print or broadcast advertisements, telephone banks, mass mailings and communications placed for a fee on another person's web site.¹ 100.26.

When making solicitations through public political advertising, however, the committee must include an appropriate disclaimer/authorization notice, as discussed on page 36.

Mail

The committee may make solicitations using its own mailing lists.

Fundraising Events and Items

The committee may raise money by selling fundraising items or tickets to fundraising events. The full price of a fundraising item purchased (such as a t-shirt, a ticket to a fundraising event or a chance at a raffle) counts as the purchaser's contribution, even if part of the price paid is used to defray the costs of the fundraising program. 100.53.

2. Disclaimer Notices on Solicitations

Federal Election Purpose

In order to deposit undesignated contributions into its federal account, a committee must inform donors that their contributions will be used in connection with a federal election or that they are subject to the limitations and prohibitions of the Act. 102.5(a)(2)(ii) and (iii). The committee may satisfy this requirement by including that information in its solicitation materials.

Disclaimer/Authorization Notice

Nonconnected committee solicitations must also include a notice identifying who paid for the solicitation. 110.11(a)(1). See Chapter 6 for more information.

"Best Efforts" Rules

Nonconnected committees and their treasurers must make "best efforts" to obtain, maintain and report the name, address, occupation and employer of each contributor who gives more than \$200 in a calendar year. 102.9(d). In order to show that the committee has made "best efforts" to obtain and report the above information, solicitations must specifically request that information and inform contributors that the committee is required by law to undertake best efforts to report it. 104.7(a). For details, see "Treasurer's Best Efforts" on page 43.

IRS Notice Requirements

Section 6113 of the Internal Revenue Code requires political committees whose gross annual receipts normally exceed \$100,000 to include a special notice on solicitations informing solicitees that their contributions are not tax deductible. There are substantial penalties for failure to comply with this provision. Contact the IRS for more infor-

¹ For more information on the use of the Internet, see Chapter 4, "Volunteer Activity on Behalf of a Nonconnected Committee."

mation (see page 117 for the address and phone numbers).

3. Mentioning Candidates in Fundraising Communications

If a communication indicates that any portion of the funds received will be used to support or oppose the election or defeat of a clearly identified federal candidate, the funds received in response to that communication are contributions to the person making the communication. 100.57(a).

However, under certain circumstances, the funds received in response to a solicitation may be allocated as follows:

- If the solicitation refers to one or more clearly identified federal candidates and a political party, but does not refer to any clearly identified nonfederal candidates, then 100 percent of the total funds received are contributions. 100.57(b)(1).
- If the solicitation refers to one or more clearly identified federal candidates and also refers to one or more clearly identified nonfederal candidates, then at least 50 percent of the funds received are contributions, whether or not the communication mentions a political party. 100.57(b)(2).

4. Transmittal and Deposit of Funds

Forwarding Contributions

A person who collects contributions on behalf of a nonconnected committee must not commingle them with personal funds. 102.15. Instead, he or she must forward the contributions, together with the appropriate recordkeeping information about the contributors (see Chapter 7), to the committee treasurer within the following time periods:

- Contributions of \$50 or less—within 30 days after receiving the funds.

- Contributions of more than \$50—within 10 days after receiving the funds. 102.8(b).

Depositing Funds

All contributions, regardless of amount, must be deposited in a committee bank or credit union account within 10 days of the treasurer's receipt. 103.3(a).

5. Affiliation and Contribution Limits

Two or more affiliated committees are treated as a single committee for the purposes of the contribution limits. This means that all contributions made or received by affiliated committees count against the same limits. 110.3(a)(1).

Affiliation and Multicandidate Status

If a political committee has multicandidate committee status, then all of its affiliated committees share that status. Moreover, two or more affiliated committees may collectively satisfy the requirements for multicandidate committee status. AOs 1993-23, 1991-13, 1990-16, 1986-42 and 1980-40.

Monitoring Limits

To facilitate reporting and to avoid exceeding contribution limits, affiliated committees should set up a centralized recordkeeping system to ensure that contributions made and received by all the affiliates comply with the limits.

The treasurer of each affiliate is personally responsible for monitoring contribution limits. 103.3(b).

6. Handling Illegal Contributions

Depositing Questionable Contributions

If a committee receives a contribution that appears to be excessive or prohibited, the committee may have to refund it to the donor.

Within 10 days, the treasurer must either return the questionable check to the donor or deposit it. 103.3(a). Once the contribution is deposited, the treasurer must:

- Avoid spending the questionable funds by keeping enough money in the committee's account to cover all potential refunds;
- Keep a written record explaining why the contribution may be illegal and include this explanation on its report if the contribution has to be itemized before its legality is established;
- If a check appears to exceed a contributor's annual limit, seek a reattribution of the excessive portion, following the instructions below, or return it; and
- If a check appears to come from a prohibited source, confirm its legality, as explained below, or return it. 103.3(b)(4) and (5).

Excessive Contributions: Reattributions

In order to correct an excessive contribution, a treasurer may seek a reattribution of the excessive portion to another contributor, according to the steps described below. 110.1(k)(3).

Request Reattribution

When requesting a reattribution, the treasurer asks the contributor:

- Whether the contribution was intended to be a joint contribution from more than one person; or alternatively,
- Whether the amounts attributed to participants in a joint contribution should be adjusted. (The amount is split equally between the donors unless they indicate a different division in writing.)

In either case, the treasurer must inform the contributor that he or she may instead request a refund of the excessive portion. The treasurer should also inform donors that a reattribution must be signed by each participating contributor. 110.1(k)(3)(ii)(A).

Receive Reattribution or Make Refund

A contribution is properly reattributed if the treasurer receives a statement signed by all contributors indicating the amount attributable to each donor. 110.1(k)(2) and (3)(ii)(B). The treasurer must obtain the proper reattribution or refund the excessive portion within 60 days of the receipt of the original contribution. 103.3(b).

EXAMPLE: A nonconnected committee receives a \$6,000 check that is drawn on a joint account but signed by only one account holder. The treasurer deposits the contribution and seeks a reattribution by asking the account holders whether they intended the contribution to be a joint one, partially attributable to the second account holder, or whether the treasurer should refund the excessive \$1,000. Within 60 days of receiving the original contribution, the treasurer receives a statement, signed by both contributors, reattributing \$1,000 to the second account holder. The committee may now keep the full \$6,000.

Presumptive Reattribution

Under certain circumstances, a committee may reattribute a contribution without receiving prior, written authorization.

When an excessive contribution is made via a written instrument with more than one individual's name imprinted on it, but only has one signature, the permissible portion is attributed to the signer and the excessive portion may be reattributed among the individuals whose names are imprinted on the written instrument without obtaining a second signature, so long as the reattribution does not cause any contributor to exceed any other contribution limit ("presumptive attribution"). 110.1(k)(3)(ii)(B)(1).

Political committees making a "presumptive reattribution" must notify all contributors in writing or via e-mail within 60 days of the committee treasurer's receipt of the check. At the time of notification, the committee must offer the contributor who signed the check a refund of the excessive portion. 110.1(k)(3)(ii)(B)(2) and (3).

Example of Presumptive Reattribution

A nonconnected committee receives a \$6,000 check that is drawn on a joint account but signed by only one account holder. The treasurer deposits the check and attributes \$5,000 to the signer and \$1,000 to the other account holder. Within 60 days of receiving the original contribution, the treasurer sends a letter informing the contributors of the reattribution and of their right to a refund. Assuming neither contributor objects, the committee may now keep the full \$6,000.

If the written instrument does not have more than one name imprinted on it, the committee may not make a presumptive reattribution, but the treasurer may ask the contributor whether the contribution was intended to be a joint contribution from more than one person. The treasurer must inform the contributor that he or she may instead request a refund of the excessive portion. 110.1(k)(3)(ii)(A). The treasurer should also inform donors that a reattribution must be signed by each participating contributor.

Retain Records and Report

A committee must retain copies of reattributions for three years. 102.9(c) and (f); 110.1(l)(3) and (5). Rules for reporting reattributions are explained on page 61.

Prohibited Contributions

Questionable Source

If a committee treasurer deposits a contribution that appears to come from a prohibited source, he or she has 30 days to:

- Confirm the legality of the contribution; or
- Refund the contribution. 103.3(b)(1).

As evidence of legality, the treasurer should obtain a written statement from the contributor explaining why the contribution is legal. Alternatively, the treasurer may obtain an oral explanation by telephone and keep a record of the conversation. 103.3(b)(1).

Late Discovery of Prohibited Contribution

If the treasurer discovers that a previously deposited contribution came from a prohibited source, he or she must refund the contribution within 30 days

of making the discovery. This situation might arise, for example, if the treasurer learned that a past contribution was made by a foreign national. 110.20.

If the committee does not have sufficient funds to refund the contribution to the donor when the illegality is discovered, the treasurer must use the committee's next receipts. 103.3(b)(2).

7. Use of Candidate's Name

As explained on page 4, a nonconnected committee may not use the name of a candidate in its own name. 102.14(a). FEC rules also prohibit a nonconnected committee from using a candidate's name in the name of a special project, such as a fundraising or advertising project, unless the name clearly shows opposition to the identified candidate. 102.14(b)(3).

For example, if the Fund for a Better Government supported Candidate Jones, it could not, when soliciting contributions, identify the particular fundraising effort as "Citizens for Jones," even if the committee also included a disclaimer identifying itself by its real name. However, if the committee opposed Jones, it could name a fundraising project "Defeat Jones in '08," or something similar.

CHAPTER 4

Contributions and Other Sources of Support

I. Types of Contributions

A contribution is anything of value given to influence a federal election. 100.52(a).

The most common types of contributions are:

- Gifts of money;
- Gifts of goods and services (“in-kind contributions”); and
- Loans and guarantees or endorsements of loans.

Please note that cash contributions are limited to \$100 or less. Contributions exceeding \$100 must be made by check or other written instrument. 110.4(c).

In-Kind Contributions

Definition

In-kind contributions include:

- Goods and services offered free of charge (other than volunteer activity, see section 7 below).
- Goods and services offered at less than the usual and normal charge. 100.52(d). (Discounts are not contributions, however, if they are offered in the ordinary course of business to both political and nonpolitical clients. AOs 1989-14, 1987-24, 1986-22 and 1985-28; see also 116.3.)
- Payments by a third party for goods and services rendered to a candidate or political committee.
- Advances of personal funds. (See below.) 100.52(a).

Value

The dollar value of an in-kind contribution is subject to limits and must be reported. The value of a particular in-kind gift is determined as follows:

- Goods (such as equipment, supplies, facilities and mailing lists) are valued at their normal purchase or rental price.
- Services (such as advertising, printing or consulting) are valued at the prevailing commercial rate at the time the services are rendered (i.e., the amount that was paid or would have been paid for the services).
- Discounts are valued at the amount discounted (i.e., the difference between the usual or normal charge and the amount paid by the committee). 100.52(d).

Advances of Personal Funds

When an individual uses his or her personal funds (or personal credit) to pay for a committee expense, that payment is generally an in-kind contribution from that individual. 116.5(b) and 100.52(a). For example, an in-kind contribution results if a committee staff member or volunteer pays for postage, office supplies or campaign materials with his or her personal funds. Non-travel advances that are later reimbursed are considered contributions so long as they are outstanding.

However, an advance is not considered a contribution if the payment is for campaign travel expenses and is reimbursed within 30 days of the date the expense is incurred or, in the case of credit card purchases, within 60 days of the closing date of the billing statement on which the charges first appear. 116.5(b).

Special reporting rules apply when individuals pay for committee expenses and later receive reimbursement from the committee. See page 58.

Proceeds from Fundraisers and Sales

The entire amount paid to attend a political fundraiser or to purchase a fundraising item from a committee is a contribution. 100.53. The amount of the contribution is not affected if a portion of the

money was used to defray the expenses of the fundraising program.

Loans

A loan to a candidate or political committee is a contribution to the extent that it remains outstanding. 100.52(b)(2).

Repayments made on a loan reduce the amount charged against the lender's contribution limit. However, a loan that exceeds the lender's or endorser's personal limit is unlawful even if repaid in full. 100.52(b)(1).

Loans from banks are not contributions if they are made under certain conditions. 100.82. See page 20.

Endorsements and Guarantees of Loans

An endorsement or guarantee of a loan is a contribution. 100.52(b). The amount guaranteed counts against the endorser's or the guarantor's limit only to the extent that the loan remains outstanding. Repayments on the loan proportionally reduce the amount charged against the endorser's contribution limit.

If a loan has more than one guarantor, and if the loan agreement does not stipulate the portion of the loan for which each guarantor is liable, then the contribution of each guarantor is determined by dividing the amount of the loan by the number of guarantors. 100.52(b)(3).

Credit Cards

Individuals may contribute to a PAC using credit cards. AO 1978-68. Treasurers should note the recordkeeping requirements that apply to credit card receipts on page 41.

2. Limits On Contributions Received by the Committee

\$5,000 Limit

A nonconnected committee may receive up to \$5,000 per calendar year from any contributor. 110.1(d).

Candidate Limit May Apply

A contribution received by a nonconnected committee will count against the contributor's per-candidate, per-election limits for a candidate if:

- The recipient committee is an unauthorized single-candidate committee (i.e., a nonconnected committee that is registered with the FEC as supporting only one specific candidate);
- The contributor knows that a substantial portion of his or her contribution will be given to or spent on behalf of a particular candidate; or
- The contributor retains control over the funds after making the contribution (for example, the contributor could later direct the contributed amount to a particular candidate). 110.1(h); 110.2(h).

Contributions from Spouses

A husband and wife each have separate \$5,000 limits, even if only one spouse has an income. 110.1(i). A couple may make a joint contribution (part of which would be attributed to each), as explained below.

Joint Contributions

A joint contribution is a contribution that is made by more than one person using a single check or other written instrument. A joint contribution represents the personal funds of each donor, so each donor must sign either the check or an accompanying statement. 110.1(k)(1).

For the purposes of the contribution limits, a joint contribution is attributed equally to each donor, unless an accompanying statement indicates that the funds should be divided differently. 110.1(k)(2).

A committee may seek a reattribution of an excessive contribution. See page 13 for more information.

Contributions from Partnerships

Partnerships are permitted to make contributions according to special rules. 110.1(e) and (k)(1). For further details, see Appendix C.

Contributions and Other Sources of Support

CONTRIBUTION LIMITS for 2007 – 08

| Donors | Recipients | | | | Special Limits |
|---|--|--|--|---------------------------------------|---|
| | Candidate Committee | PAC ¹ | State, District and Local Party Committee ² | National Party Committee ³ | |
| Individual | \$2,300* per election ⁴ | \$5,000 per year | \$10,000 per year combined limit | \$28,500* per year | Biennial limit of \$108,200* (\$42,700 to all candidates and \$65,500⁵ to all PACs and parties) |
| State, District and Local Party Committee | \$5,000 per election combined limit | \$5,000 per year combined limit | Unlimited transfers to other party committees | | <none> |
| National Party Committee | \$5,000 per election | \$5,000 per year | | | \$39,900* to Senate candidate per campaign ⁶ |
| PAC Multicandidate ⁷ | \$5,000 per election | \$5,000 per year | \$5,000 per year combined limit | \$15,000 per year | <none> |
| PAC Not Multi-candidate | \$2,300* per election ⁸ | \$5,000 per year | \$10,000 per year combined limit | \$28,500* per year | <none> |

*These limits are indexed for inflation in odd-numbered years.

¹ These limits apply both to separate segregated funds (SSFs) and political action committees (PACs). Affiliated committees share the same set of limits on contributions made and received.

² A state party committee shares its limits with local and district party committees in that state unless a local or district committee's independence can be demonstrated. These limits apply to multicandidate committees only.

³ A party's national committee, Senate campaign committee and House campaign committee are each considered national party committees, and each have separate limits, except with respect to Senate candidates—see Special Limits column.

⁴ Each of the following is considered a separate election with a separate limit: primary election, caucus or convention with the authority to nominate, general election, runoff election and special election.

⁵ No more than \$42,700 of this amount may be contributed to state and local parties and PACs.

⁶ This limit is shared by the national committee and the Senate campaign committee.

⁷ A multicandidate committee is a political committee that has been registered for at least six months, has received contributions from more than 50 contributors and—with the exception of a state party committee—has made contributions to at least five federal candidates.

⁸ A federal candidate's authorized committee(s) may contribute no more than \$2,000 per election to another federal candidate's authorized committee(s). 52 U.S.C. §30102(e)(3)(B) and 11 CFR 102.12(c)(2) and 102.13(c)(2).

Contributions from Limited Liability Companies

For purposes of contribution limitations and prohibitions, a limited liability company (LLC) is treated as either a corporation or a partnership.

An LLC is considered a corporation if:

- It has chosen to file, under Internal Revenue Service (IRS) rules, as a corporation; or
- It has publicly traded shares.¹ 110.1(g)(3).

An LLC is considered a partnership if:

- It has chosen to file, under IRS rules, as a partnership; or
- It has made no choice, under IRS rules, as to whether it is a corporation or partnership. 110.1(g)(2).

If an LLC is considered a corporation, it is prohibited from making contributions to political committees or to candidates (See Section 3 of this chapter), although it is permitted to establish a separate segregated fund.² If it is considered a partnership, it is subject to the contribution limits for partnerships outlined in Appendix C. 110.1(g).

Single Member LLC

If a single member LLC does not elect corporate tax treatment, it may make contributions; the contributions will be attributed to the single member, not the LLC. 110.1(g)(4).

Notifying Recipient Committee

An LLC must, at the time it makes a contribution, notify the recipient committee:

- That it is eligible to make the contribution; and
- How the contribution should be attributed among members. See Appendix C, “Information on Partnership Contribution Attribution.”

¹ If an LLC has publicly traded shares, it is treated as a corporation for the purposes of the Act, no matter how it elects to file under IRS rules, and is subject to the Act’s prohibition on corporate contributions. 110.1(g)(3).

² For further information on the establishment of SSFs, see also the *Campaign Guide for Corporations and Labor Organizations*.

This requirement will prevent the recipient committee from inadvertently accepting an illegal contribution. 110.1(g)(5).

Cash Contributions and Anonymous Contributions

Contributions in cash are limited to \$100 or less. 110.4(c)(1). Anonymous contributions are limited to \$50 or less. 110.4(c)(3).

Earmarked Contributions

Special rules apply to earmarked contributions. See page 113.

3. Prohibited Contributions

Corporations and Labor Organizations

The Act prohibits corporations and labor organizations from making contributions and expenditures in connection with federal elections. 114.1(a)(2). This prohibition applies to all types of incorporated organizations, except political committees that incorporate only for liability purposes. 114.12(a).

The transactions described below result in prohibited corporate or labor contributions and therefore must be avoided.

Use of General Treasury Funds

Corporations and labor organizations may not use their general treasury funds to make contributions to political committees or candidates.

In addition, national banks and federally chartered corporations may not make contributions in connection with any U.S. election—federal, state or local.³ 114.2(a) and (b).

There is a narrow exception to the general prohibition on the use of general treasury funds for certain types of “qualified nonprofit corporations” (QNCs). Such QNCs are allowed to make independent expenditures and electioneering communications, provided that they meet certain criteria. For more

³ The prohibition does not apply to referendum-related activities. See *First National Bank of Boston v. Bellotti*, 435 U.S. 765 (1978).

information, see the *Campaign Guide for Corporations and Labor Organizations*, page 35 (“Independent Expenditures and Electioneering Communications by Qualified Nonprofit Corporations”).

Reimbursements of Contributions

A corporation or labor organization may not reimburse individuals who make contributions to a political committee. 114.2(b) and 110.4(b). See also AO 1986-41.

Extensions of Credit

A corporate vendor may not extend credit to a political committee for a longer period of time than is normally practiced in the creditor’s trade. (Credit is permissible only if it is extended in the ordinary course of business.)

When a political committee fails to pay a debt owed to a corporate vendor within the time specified by the vendor, a prohibited contribution by the vendor may result if:

- The vendor fails to make a commercially reasonable attempt to collect a debt from the committee; or
- The terms of the credit were not substantially similar to similar extensions of credit by the vendor to nonpolitical clients. 100.55 and 116.3(b).

Any settlement of a debt between a creditor and a political committee for less than the full amount owed must comply with the debt settlement procedures prescribed by FEC rules. See page 93.

Discounts

If a corporation or labor organization sells goods or services to a political committee at a price below the usual or normal charge, a prohibited contribution results in the amount of the discount. 100.52(d). A reduced price is not considered a contribution, however, if it is offered by the vendor in the ordinary course of business and at the same amount charged to nonpolitical clients. See AOs 2006-1 and 1989-14.

Compensation for Services

If a corporation or labor organization pays for services rendered to a nonconnected committee, a prohibited contribution results. 100.52(a). There is

an exception, however, for legal and accounting services. See “Legal and Accounting Services” on page 22.

Federal Government Contractors

Political committees and candidates may not accept contributions from federal government contractors. 115.2. The prohibition applies to contributions from:

- A partnership with a government contract;
- The personal or business funds of an individual under contract with the federal government; and
- Sole proprietors with government contracts.

Stockholders, officers, members or employees of an entity that is a federal contractor may, however, make contributions from their personal funds. 115.6.

Foreign Nationals

Foreign nationals are prohibited from making contributions, donations or expenditures in connection with any election—federal, state or local. Also, foreign nationals may not donate to any party committee building fund or fund electioneering communications. 110.20.

The Act prohibits knowingly soliciting, accepting or receiving contributions or donations from foreign nationals. In this context, “knowingly” means that a person:

- Has actual knowledge that the funds solicited, accepted or received are from a foreign national;
- Is aware of facts that would lead a reasonable person to conclude that there is a substantial probability that the funds solicited, accepted or received are likely to be from a foreign national; or
- Is aware of facts that would lead a reasonable person to inquire whether the source of the funds solicited, accepted or received is a foreign national, but the person failed to conduct a reasonable inquiry.

Examples of facts which may be pertinent include, but are not limited to, the use of a foreign passport

or passport number for identification purposes, the contributor providing a foreign address, the contributor making a contribution by means of a check or other written instrument drawn on a foreign bank (or by wire transfer from a foreign bank) or the contributor or donor residing abroad.

110.20(a)(4) (i), (ii), (iii) and (a)(5).

It is also unlawful to knowingly provide substantial assistance to foreign nationals making contributions or donations in connection with any U.S. election.

110.20(h). “Substantial assistance” refers to active involvement in the solicitation, making, receipt or acceptance of a foreign national contribution or donation with the intent of completing the transaction successfully. This prohibition includes, but is not limited to, individuals who act as conduits or intermediaries.

Definition of Foreign National

The following entities are considered foreign nationals and are therefore subject to the prohibition: foreign governments, foreign political parties, foreign corporations, foreign associations, foreign partnerships and individuals with foreign citizenship unless they have “green cards” indicating they have been lawfully admitted for permanent residence.

110.20(a).

Safe Harbor Provision

In some cases, a committee may have questions regarding whether or not a contribution is from a foreign national. For example, the contributor may have a foreign address or bank. In this case, a committee has made reasonable assurances that the individual is not a foreign national if the committee obtains current and valid U. S. passport papers for the contributor.

The safe harbor cannot be relied on if the committee has actual knowledge the contribution is from a foreign national. 110.20(a)(7).

Domestic Subsidiaries of Foreign Corporations

A political committee may accept contributions from the PAC (separate segregated fund) of a United States corporation that is a subsidiary of a foreign corporation as long as:

- The foreign parent does not finance the PAC’s activities through the subsidiary; and

- No individual foreign national participates in the operation of the PAC (including the selection of persons to run the PAC) or makes any decisions regarding PAC contributions or expenditures. 110.20(i). See also AOs 2000-17, 1990-8, 1989-29 and 1989-20.

Contributions in the Name of Another

Contributions by one person in the name of another person are prohibited. This means that no one may make or help someone to make a contribution in the name of another. Knowingly accepting a contribution in the name of another is also prohibited. 110.4(b).

4. Bank Loans

Unlike other loans, loans to nonconnected committees from banks are not considered contributions, provided that they satisfy the conditions set forth below. If a loan fails to meet any of these conditions, then a prohibited contribution from the lending institution results.

Conditions

A nonconnected committee may obtain a loan from a bank (including a line of credit), provided that the loan:

- Bears the bank’s usual and customary interest rate for the category of loan involved;
- Is evidenced by a written instrument;
- Is subject to a due date or amortization schedule; and
- Is made on a basis which assures repayment (see below). 100.82(a).

Methods of Assuring Repayment

A loan is made on a basis which assures repayment if it is obtained using one or more of the following authorized methods of securing the loan:

Traditional Methods

A nonconnected committee may use one of the following traditional methods of securing the loan, or a combination of the two:

Collateral. A loan may be secured using assets of the committee, such as real estate, personal property, negotiable instruments and stocks, among other things. The fair market value of the assets pledged must, on the date of the loan, equal or exceed the amount of the loan and any senior liens. 100.82(e)(1)(i).

The committee must ensure that the bank has established a “perfected security interest” in the collateral (that is, taken steps to legally protect its interest in the collateral in the event that the committee defaults on the loan). 100.82(e)(1)(i).

Guarantees or Endorsements. An endorsement or guarantee of a bank loan is considered a contribution by the endorser or guarantor and is thus subject to the law’s prohibitions and limits on contributions. 100.82(c).

Pledge of Future Receipts

If the committee pledges its future receipts as security for the loan, then the amount loaned by the bank may not exceed a reasonable estimate of anticipated receipts, based on documentation provided by the committee (such as cash flow charts or fundraising plans). 100.82(e)(2)(ii). Future receipts might include, for example, anticipated contributions or interest income.

The committee must also set up a separate account for the receipt of funds pledged for the repayment of the loan. The account may be established with either the lending institution or a different depository. If the account is established at a depository other than the lending institution, then the committee must execute an assignment of the account’s funds to the lending institution and notify the depository of the assignment. The loan agreement must require the committee to deposit the pledged funds into the account established for this purpose. 100.82(e)(2)(iii).

Other Methods of Assuring Repayment

The Commission may, on a case-by-case basis, approve methods of assuring repayment other than those described above. 100.82(e)(3). A committee should request an advisory opinion from the Commission before entering into an alternative repayment agreement.

5. Interest and Dividends

A nonconnected committee may raise money by earning interest and dividends on invested funds. 103.3(a). For example, a committee may invest contributions it has received in a savings account, a money market fund or a certificate of deposit. Interest and dividends are not contributions (and are therefore not subject to limits) but they must be reported. 104.3(a)(4)(vi).

Investments at Banks

Any bank where the committee deposits funds must be listed on Line 9 of the committee’s Statement of Organization (Form 1). See page 6.

Other Investments

Committee investments that are not held by banks (such as stocks, bonds, etc.) are not required to be listed as depositories on the committee’s Statement of Organization. Before disbursing the funds earned from such investments, the committee must first transfer them to a checking account maintained at one of the committee’s campaign depositories. 102.10 and 103.3(a). See also AOs 1986-18 and 1980-39.

Committee Must Pay Taxes

A nonconnected committee generally must pay taxes on interest and dividend income. Contact the Internal Revenue Service and state tax collection agencies for more information. See page 117.

6. Other Receipts

Transfers from Affiliated Committees

A committee may receive unlimited transfers of permissible funds from other affiliated committees. 110.3(c)(1) and 102.6(a)(1)(i).

Overdrafts

If a bank honors a check written by a political committee with insufficient funds in its checking or savings account, no contribution from the bank results as long as the overdraft:

- Is made on an account subject to automatic overdraft protection;
- Is subject to a definite interest rate which is the usual and customary rate; and
- Is subject to a definite repayment schedule. 100.82(d).

An overdraft that does not meet the above conditions is a prohibited contribution. 114.2. Note that if the overdraft protection is based on a line of credit extended by the bank, draws on that line of credit must be disclosed on Schedule C-1, as discussed above.

Offsets to Operating Expenditures

Offsets to operating expenditures, such as returns by vendors of deposits, refunds and rebates, are not considered contributions. Note, however, that rebates to campaigns must be offered in the ordinary course of business and on the same terms and conditions as those offered to nonpolitical entities. Otherwise, the rebate may be considered a contribution—a prohibited contribution if a corporation pays the rebate. See, for example, AOs 1996-02, 1987-24 and 1986-22.

Loan Repayments

Loan repayments made to a committee are not contributions. However, a borrower must use federally permissible funds when repaying a loan made by a committee.

Free Legal and Accounting Services

The value of legal and accounting services provided to a nonconnected committee solely to ensure compliance with the Act is not a contribution if the regular employer of the individual performing the services is the one who is paying for the services. 100.86. The value of the services, however, must be reported as a memo entry on Schedule A. 104.3(h). See page 100.

7. Volunteer Activity on Behalf of a Nonconnected Committee

Volunteer Activity

An individual may volunteer his or her own uncompensated personal services to a nonconnected committee without making a contribution. 100.74.

Uncompensated Internet Activity

If an individual or group of individuals, acting independently or in coordination with any candidate, authorized committee or political party committee, engages in Internet activities for the purpose of influencing a federal election, neither of the following is a contribution by that individual or group of individuals:

- The individual's uncompensated personal service related to such Internet activities; or
- The individual's use of equipment or services (including computers, software, Internet domain names and other equipment used to access the Internet) for uncompensated Internet activities, regardless of who owns the equipment and services. 100.94(a) and (c).

Such Internet activities include, but are not limited to, sending or forwarding e-mail, providing a hyperlink to another person's web site, blogging or creating, hosting or maintaining a web site. 100.94(b).

Please note that the following are not exempt from the definition of contribution:

- Any payment (other than a nominal fee) for a public communication⁴;
- Any payment for the purchase or rental of an e-mail address list made at the direction of any political committee; and
- Any payment for an e-mail address list that is transferred to a political committee. 100.94(e).

⁴ The definition of "public communication" includes communications placed for a fee on another person's web site. See Chapter 6 and 11 CFR 100.26.

8. Use of Corporate/Labor Facilities and Resources

Corporate/Labor Volunteers

An employee, stockholder or member of a corporation or labor organization may make occasional, isolated or incidental use of the organization's facilities for volunteer work on behalf of a nonconnected committee, subject to the rules and practices of the organization. However, the volunteer may have to reimburse the corporation or labor organization in certain cases. 114.9(a)(3) and (b)(3).

When making use of the facilities and resources of a corporation or labor organization, individuals acting on behalf of nonconnected committees must make required reimbursements and advance payments according to the following guidelines. Otherwise, the activity results in a prohibited in-kind contribution from the corporation or labor union to the nonconnected committee. Note also that when someone pays for a nonconnected committee's use of corporate/labor facilities, the payment is considered a reportable in-kind contribution to the committee. 100.52(a).

Use of Facilities by Employees, Stockholders and Members as Volunteers

When an employee, stockholder or member of a corporation or labor organization uses the organization's facilities for volunteer work in connection with federal elections—for example, by using office computers and printers for political work—the volunteer may need to reimburse the organization for the use of the facilities. Moreover, a corporation or labor organization may not condition the availability of its facilities on their being used for political activity in support of or in opposition to any particular candidate or political party. 114.9(a)(1) and (b)(1).

Limited Reimbursement Required for "Occasional, Isolated or Incidental" Use of Facilities

Employees, stockholders and members of the corporation or labor organization may, subject to the rules and practices of the corporation or labor organization, make occasional, isolated or incidental use of the organization's facilities for volunteer activity in connection with a federal election and will be required to reimburse the corporation or labor organization only to the extent that these activities increase the overhead or operating costs of the corporation or labor organization.

"Occasional, isolated or incidental use" generally means the following:

- When used by employees during working hours, an amount of activity which does not prevent the employee from completing the normal amount of work which that employee usually carries out during such work period; or
- When used by stockholders or members other than employees during the working period, such use does not interfere with the corporation or labor organization in carrying out its normal activities. 114.9(a)(1) and (b)(1). (Exception: see "Use of Facilities to Produce Materials," below).

Safe Harbor for Use of Corporate or Labor Organization Facilities

General Safe Harbor of One Hour Per Week/Four Hours Per Month

Commission regulations provide for a safe harbor that any individual volunteer activity in connection with a federal election that does not exceed one hour per week or four hours per month, regardless of whether the activity is undertaken during or after normal working hours, will be considered occasional, isolated or incidental. 114.9(a)(2)(i) and (b)(2)(i).

Additional Safe Harbor for Voluntary Internet Activities

A separate safe harbor exists for employees and stockholders who use the corporation or labor organization's computer and related equipment and facilities for voluntary Internet activity in connec-

tion with a federal election. The safe harbor for Internet activity does not include any specific restrictions on the number of hours used for this activity. The safe harbor applies to Internet activities conducted during or after normal working hours. Generally, individual Internet activity will fall within the safe harbor and be considered occasional, isolated or incidental provided that 1) the activity does not prevent the employee from completing the work the employee is expected to perform; 2) the activity does not increase the overhead or operating cost of the corporation or the labor organization; and 3) and the work is not performed under coercion. 114.9(a)(2)(ii) and (b)(2)(ii). The Internet activities covered by this safe harbor include, but are not limited to, sending or forwarding e-mail, providing hyperlinks or other direct access to another person's web site, blogging, creating or maintaining a web site, paying a nominal fee for the use of another person's web site or any other form of communication distributed over the Internet. 100.94(b).

Reimbursement Required

When use of the facilities exceeds occasional, isolated or "incidental use," the volunteer must reimburse the organization the usual and normal charge for the facilities used (rather than merely for the increase in overhead or operating costs) within a commercially reasonable time. 114.9(a)(3) and (b)(3).

Use of Facilities by Others

General Rule

If a person other than an employee, stockholder or member uses the facilities of a corporation or labor organization in connection with a federal election, the user must reimburse the organization within a commercially reasonable time and at the usual and normal charge. Facilities used for these purposes might include office space, telephones, computers and furniture. 114.9(d).

Meeting Rooms

Meeting rooms are treated the same as other facilities (e.g., reimbursement at the usual and normal charge within a commercially reasonable time) unless the corporation or labor organization cus-

tomarily makes its meeting rooms available to clubs, civic organizations or other groups. In that case, the organization may make the rooms available to political committees on the same terms given to other groups (including free use of the facilities). The rooms must also be made available to any other candidates or political committees, upon request, on the same terms. 114.13.

Use of Facilities to Produce Materials

If anyone—including an employee, stockholder or member—uses the facilities of a corporation or labor organization to produce materials in connection with a federal election, the individual must reimburse the organization within a commercially reasonable time at the usual and normal charge for producing such materials. 114.9(c).

CHAPTER 5

Contributions to Candidates and Other Committees

All contributions to federal candidates from non-connected committees during the 2007-2008 election cycle are subject to the following limits:

- \$5,000 per candidate, per election, from a non-connected committee that qualifies as a multi-candidate committee. 110.2(b).
- \$2,300 per candidate, per election, from any other PAC. 110.1(b).

I. Types of Contributions

Gifts of Money

Monetary contributions exceeding \$100 must be made by check or other written instrument drawn on the nonconnected committee's account. 102.10, 103.3(a) and 110.4(c).

In-Kind Contributions to Candidates

In addition to contributing money, a nonconnected committee may donate goods or services to candidates and their committees. Gifts of goods or services are called in-kind contributions. For example, a committee makes an in-kind contribution when it:

- Pays for consulting, polling or printing services provided to a candidate committee;
- Donates office supplies or mailing lists to a campaign;
- Sponsors a fundraising event benefiting a candidate; or
- Pays for a campaign advertisement on behalf of a candidate (if the advertisement does not qualify as an independent expenditure). 100.52(d)(1) and 100.113.

See page 15 for information on how to determine the value of an in-kind contribution.

Allocation Among Candidates¹

If a nonconnected committee supports more than one federal candidate through an in-kind contribution, the contribution must be allocated among the candidates so that a portion of it counts toward the committee's limit for each candidate. The value attributed to each candidate must be in proportion to the relative benefit each candidate is expected to receive. See AO 2004-36.

EXAMPLE: A committee sponsors a fundraising dance on behalf of several candidates. The portion of the costs attributed as a contribution to each candidate must be based on the ratio of funds received for each candidate to the total funds received for all the candidates. 104.10; 106.1(a) and (b).

Opinion Polls

Special FEC regulations pertain to the allocation of contributions of opinion poll results. See 106.4.

Earmarked Contributions

A nonconnected committee may act as a conduit or intermediary for an earmarked contribution, i.e., a contribution that the individual contributor directs to be given to or spent on behalf of a clearly identified candidate or candidate's committee. The direction may be made orally or in writing. 110.6(b). An earmarked contribution counts against the original contributor's contribution limits. An earmarked contribution does not count against the nonconnected committee's own contribution limits unless the committee exercises direction or control over the contributor's choice of the recipient candidate. 110.6(d). For more information on earmarked contributions, see Appendix D.

¹ See Chapter 10 for information about allocating expenses when supporting both federal and nonfederal candidates.

Purchase of Fundraising Items and Tickets

A nonconnected committee may purchase tickets to a fundraising event held by a candidate's committee, or it may purchase items sold for fundraising purposes by the committee. The entire amount paid for a ticket or item is considered a contribution. 100.53.

Loans and Loan Endorsements

A nonconnected committee may loan money to a candidate's committee, or it may endorse or guarantee a bank loan to the candidate's committee. The loan or the amount endorsed or guaranteed counts as a contribution to the extent that the loan remains outstanding. 100.52(b).

EXAMPLE: A multicandidate committee guarantees half the value of a \$10,000 loan from a bank to a candidate's committee, thereby making a \$5,000 contribution to the candidate toward the next election. The candidate's committee makes monthly repayments on the loan in amounts of \$1,000. Those payments reduce the committee's contribution by \$500 each month (i.e., half the repayment). As the outstanding balance is reduced, the committee may make new contributions to the candidate for the same election, as long as the committee does not exceed the overall \$5,000 limit.

Supporting Nonfederal Candidates

A nonconnected committee may use money raised for federal elections to make contributions to nonfederal candidates. Donations to nonfederal candidates are subject to state and local laws, however, not the Act. The committee must still disclose such contributions (as "Other Disbursements") in its FEC reports. Committees active in both federal and nonfederal elections should also consult Chapter 10.

2. Limits on Contributions Made to Candidates

The limit on contributions from a nonconnected committee to a candidate or candidate's committee

depends on whether the contributing committee qualifies as a multicandidate committee.

Contributions by Multicandidate Committee

A nonconnected committee that has met the qualifications for multicandidate committee status (see below) may contribute up to \$5,000 per candidate, per election. 110.2(b).

Qualification Criteria

To qualify as a multicandidate committee, a nonconnected committee must:

- Be registered with the FEC for at least six months;
- Receive contributions from at least 51 persons; and
- Contribute to at least five federal candidates. 100.5(e)(3).

As to the second and third qualification, there is no minimum amount that must be contributed to the PAC or to each of the five candidates. The five qualifying contributions to candidates may be made over more than one election cycle.

Qualification by Affiliation

A nonconnected committee that is affiliated with a multicandidate committee automatically shares that committee's \$5,000 per-candidate limit. AOs 1983-19 and 1980-40.

Notification to FEC

Multicandidate Status Notification: FEC Form 1M

Once a nonconnected committee qualifies as a multicandidate committee, it must certify its status by filing Form 1M within 10 days.² 102.2(a)(3).

Each affiliated committee must file its own Form 1M. See Chapter 2.

² Committees that notified the FEC of their multicandidate status on Form 3X prior to January 1, 1994, do not have to file Form 1M.

Written Notice to Recipient Candidates

When making any contribution to a candidate, a qualified multicandidate committee must provide a written notification to the recipient candidate or campaign committee that the committee has qualified as a multicandidate committee. 110.2(a)(2). For convenience the committee may pre-print the statement on its checks, letterhead or other appropriate materials.

Contributions by Non-Multicandidate Committees

During the 2007-2008 election cycle, a nonconnected committee that does not qualify as a multicandidate committee may contribute up to \$2,300 per candidate, per election. 110.1(b)(1).

How the Candidate Limits Work

House and Senate Candidates

The limits on contributions to House and Senate candidates apply separately to each election in which a candidate participates. In House and Senate races, each primary election, general election and runoff is considered a separate election with a separate limit. A special election—which may be a primary, general or runoff—also counts as a separate election for the purposes of the contribution limits. 100.2; 110.1(j)(1); 110.2(i)(1).

Party Caucus or Convention

A party caucus or convention constitutes a separate election only if it has the authority under state law to select a nominee for federal office. Otherwise, there is no separate limit for a caucus or convention; it is considered part of the primary election. 100.2(c)(1) and (e); AOs 2004-20, 1992-25, 1986-21 and 1986-17.

Candidates Not Running in an Election

A candidate is entitled to receive contributions for a particular election only if he or she seeks office in that election. Thus, a candidate who loses the primary (or otherwise does not participate in the general election) does not have a separate limit for the general. Candidates must refund contributions accepted for a future election if they do not partici-

pate in that election. 102.9(e); 110.1(b)(3)(i); 110.2(b)(3)(i).

Unopposed Candidates

A candidate has a separate contribution limit for an election in which he or she is running even if:

- The candidate is unopposed;
- A primary or general election for a particular office is not held because the candidate is unopposed; or
- The general election is not held because the candidate received a majority of votes in the previous election. (The date on which the election would have been held is considered the date of the election.) 110.1(j)(2) and (3); 110.2(i)(2) and (3).

Presidential Elections

All Presidential primary elections held during an election year are considered one election for the purposes of the contribution limits for individual candidates. 110.1(j)(1); 110.2(i)(1). A multicandidate committee, therefore, may give only \$5,000 to a Presidential candidate's primary campaign, regardless of the number of separate state Presidential primaries in which the candidate participates. In the general election, contributions to major party (Republican and Democratic) Presidential campaigns are not permitted if the candidates receive public funding. While publicly funded general election Presidential nominees may not accept contributions for the general election, they may accept contributions to their General Election Legal and Compliance Fund (GELAC fund). A GELAC fund is used solely for legal and accounting expenses incurred in complying with the election law. Gifts to compliance funds are considered contributions and are subject to the usual per-candidate, per-election limits. 9003.3(a).

3. Designation

Designated Contributions

The Commission encourages nonconnected committees, when contributing to candidates, to designate their contributions in writing for a particular

election (for example, primary or general). The designation may be made either on the contribution check or in a signed statement accompanying the contribution. Only the contributor—not the recipient candidate committee—may designate a contribution for a particular election. I 10.1(b)(2)(i) and (b)(4); I 10.2(b)(2)(i) and (b)(4).

Undesignated Contributions

An undesignated contribution automatically counts against the limits for the next scheduled election. I 10.1(b)(2)(ii) and I 10.2(b)(2)(ii). Therefore, if a nonconnected committee wishes to make a contribution for any election other than the next one, the contribution must be designated in writing, as explained below.

When Designation Is Required

Future Elections

A written designation is required when a nonconnected committee wants a contribution to apply toward a future election other than the next one. For example, a committee may make a contribution to a candidate's general election campaign before the primary election has taken place, but the committee's check (or an accompanying statement) must say "General" in order to count toward the general election limit.

Past Elections (Debt Retirement)

When making a contribution to retire a candidate's debts from a past election campaign, a nonconnected committee must designate the contribution for the appropriate election. The nonconnected committee must also be certain that the contribution, when aggregated with other contributions from the committee for that same election, does not exceed the committee's per-election limit.

The candidate committee may accept the contribution only if the campaign has net debts outstanding from the designated election on the day it receives the contribution. I 10.1(b)(3)(i) and (iii); I 10.2(b)(3)(i) and (ii).

Effect of Date Made

Designated Contributions

A candidate may always accept a designated contribution if it is made before the designated election, regardless of whether the candidate has outstanding debts from that election. However, a designated contribution is subject to the net debts outstanding rule, described above, if it is made after the election for which it is designated. I 10.1(b)(3)(i) and (iii); I 10.2(b)(3)(i) and (ii).

Undesignated Contributions

A nonconnected committee may make an undesignated contribution on or before the day of the election regardless of whether the candidate has debts, even if the candidate does not receive the check until after the election has passed. See "Determining the Date Made" below. An undesignated contribution made after the election has passed, however, must be applied to the donor's limit for the next election. I 10.1(b)(2)(ii); I 10.2(b)(2)(ii).

For the purposes of the per-election limits, then, it is important to distinguish the date a contribution is made by the contributor from the date it is received by a candidate.

Determining the Date Made

The date a contribution is made is the date when the contributing nonconnected committee relinquishes control of the funds. In practice this means that:

- An in-kind contribution is made on the date that the goods or services are provided to the recipient committee.
- A mailed contribution is made on the date of the postmark.
- A hand-delivered contribution is considered made on the date it is delivered to the campaign committee or to an agent of the campaign (such as the candidate).

I 10.1(b)(6); I 10.2(b)(6).

Redesignation

A candidate committee may ask a nonconnected committee to redesignate a contribution (or a portion of it) for a different election. Redesignation permits the donor to remedy an excessive contribution so that the excessive portion counts against a different election limit. 110.1(b)(5).

A nonconnected committee may comply with a request for redesignation by returning a signed statement redesignating the contribution. The candidate committee must receive the redesignation within 60 days of its receipt of the original contribution. Otherwise, the candidate must refund the excessive portion to the committee.

In some cases, a campaign may “presumptively redesignate” an excessive primary contribution to the general election if the redesignation would not result in another excessive contribution. Campaigns may presumptively redesignate a contribution from non-multicandidate PACs, but not from multicandidate PACs.

The committee may always request a refund from the candidate instead of providing the redesignation. 103.3(b)(3); 110.1(b)(5)(ii); 110.2(b)(5)(ii).

4. Contributions Made to Party Committees and PACs

In addition to contributing directly to candidate committees, a nonconnected committee may support other committees that contribute to candidates, such as party committees and other PACs. A contribution to another political committee may take any of the forms described in Section I.

Unlike contributions to candidates, which are subject to per-election limits, contributions to party committees and PACs are subject to calendar-year limits.

Contributions to National Party Committees

A nonconnected committee that qualifies as a multicandidate committee may contribute up to \$15,000 per year to a national party committee. If a nonconnected committee is not a multicandidate

committee, it may contribute up to \$28,500 per year to a national party committee during the 2007-2008 election cycle.

The Republican and Democratic parties each have three national party committees subject to these limits. Thus, there is a separate \$15,000 or \$28,500 limit for each national committee, House campaign committee and Senate campaign committee. 110.1(c) and 110.2(c).

Contributions to State and Local Party Committees

Multicandidate committees may contribute \$5,000 combined per year to all affiliated state and local party committees in one state. Non-multicandidate committees may contribute \$10,000 combined per year to affiliated state and local party committees. 110.1(c)(5) and 110.2(d).

Contributions to Delegates and Delegate Committees

A nonconnected committee may make unlimited contributions to a delegate (or an individual seeking to become a delegate) attending a national party convention or a state, district or local convention held to select delegates to a national convention, as long as the individual is not a member of a delegate committee. Contributions by the nonconnected committee to a delegate committee are limited to \$5,000 per calendar year. 110.1(m); 110.2(j); 110.14(d)(1) and (g).

Contributions to Other Political Committees

Any nonconnected committee, regardless of whether it has qualified as a multicandidate committee, may make contributions of up to \$5,000 per year to any other type of political committee. 110.1(d) and 110.2(d).

Candidate Limits May Apply

A contribution to a committee that is not a candidate’s authorized committee may nevertheless count against the contributor’s limit with respect to that candidate if:

Campaign Guide for Nonconnected Committees

- The recipient committee is an unauthorized single-candidate committee (i.e., a political committee that supports only one candidate);
- The contributor knows that a substantial portion of its contribution will be given to or spent on behalf of a particular candidate; or
- The contributor retains control over the contribution. 110.1(h) and 110.2(h).

CHAPTER 6

Communications

In addition to contributions and other financial assistance, political committees may also distribute communications that support candidates and parties. This chapter discusses the various types of communications, how they must be paid for and the disclaimer requirements that apply.

I. Coordinated Communications

When a nonconnected committee pays for a communication that is coordinated with a candidate or party committee, the communication is an in-kind contribution to that candidate or party committee.

Coordination Defined

“Coordinated” means made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate’s authorized committee, or their agents, or a political party committee or its agents.¹ 109.20.

Determining Coordination

Commission regulations provide for a three-pronged test to determine whether a communication is coordinated. A communication must satisfy all three prongs of the test to be considered a coordinated communication (and, as a result, count against the contribution limits). 109.21(a). Non-connected committees and organizations are subject to the same coordination test that is applied to communications paid for by other persons. 109.21(a)(1) and 109.22.

The three prongs of the test consider:

- The source of payment (payment prong);
- The subject matter of the communication (content prong); and
- The interaction between the person paying for the communication and the candidate or political party committee (conduct prong).

Payment Prong

A coordinated communication is paid for, in whole or in part, by a person (or committee) other than the candidate, the candidate’s authorized committee or the political party committee with whom the communication is coordinated. 109.21(a)(1).

Content Prong

A communication that meets any one of these four standards meets the content prong:

- A communication that qualifies as an electioneering communication (see page 38);
- A public communication that republishes, disseminates or distributes candidate campaign materials, unless the activity meets one of the exceptions in 109.23(b) discussed below;
- A public communication that expressly advocates the election or defeat of a clearly identified candidate for federal office; or
- A public communication that:²
 - Refers to a clearly identified House or Senate candidate and is publicly distributed in the identified candidate’s jurisdiction within 90 days of the candidate’s primary or general election;
 - Refers to a clearly identified Presidential candidate and is publicly distributed during the period starting 120 days before the pri-

¹ For the purposes of 11 CFR part 109 only, “agent” is defined at 11 CFR 109.3.

² At the time of this *Guide*’s publication, this provision was being challenged in the U.S. District Court for the District of Columbia. The rule remains in effect. See *Shays v. FEC* 508 F.Supp.2d 10 (2007).

mary election and ending on the date of the general election;

- Refers to a political party in a midterm election cycle, is coordinated with a party committee and is publicly distributed within 90 days of a primary or general election;
- Refers to a political party in a Presidential election cycle, is coordinated with a party committee and is publicly distributed during the period starting 120 days before the primary and ending on the date of the general election;
- Refers to a political party, is coordinated with a House or Senate candidate and is publicly distributed in that candidate's jurisdiction within 90 days of the primary or general election; or
- Refers to a political party, is coordinated with a Presidential candidate and is publicly distributed during the period starting 120 days before the primary until the date of the general election.

For communications that refer to both a party and a clearly identified federal candidate, see 109.21(c)(4)(iv). 109.21(c)(1)-(4).

Conduct Prong

The purpose of the conduct prong is to determine when interaction between the campaign and the person paying for the communication might constitute coordination. When the one of the five conduct standards is satisfied, and the first two prongs of the test (the content prong and the payment prong) are also met, then the communication is coordinated and results in an in-kind contribution. A communication that satisfies any one of the conduct standards described below satisfies the conduct prong.

1) Request or Suggestion. This conduct standard has two parts, and satisfying either satisfies the standard. The first part is satisfied if the person creating, producing or distributing the communication does so at the request or suggestion of a candidate, authorized committee, political party committee or agent of any of these. A communication satisfies the second part of the

“request or suggestion” conduct standard if the person paying for the communication suggests the creation, production or distribution of the communication to the candidate, authorized committee, political party committee or agent of any of the above, and the candidate or political party committee assents to the suggestion. 109.21(d)(1).

2) Material Involvement. This conduct standard is satisfied if a candidate, candidate committee, political party committee or an agent of any of these was “materially involved in decisions” regarding any of the following aspects of a public communication paid for by someone else:

- Content of the communication;
- Intended audience;
- Means or mode of the communication;
- Specific media outlet used;
- Timing or frequency of the communication; or
- Size or prominence of a printed communication or duration of a communication by means of broadcast, cable or satellite. 109.21(d)(2).

However, see “Safe Harbor for Publicly Available Information” below.

3) Substantial Discussion. A communication meets this conduct standard if it is created, produced or distributed after one or more substantial discussions between the person paying for the communication, or the person's agents, and the candidate clearly identified in the communication or that candidate's committee, that candidate's opponent or opponent's committee, a political party committee or an agent of the above. A discussion would be “substantial” if information about the plans, projects, activities or needs of the candidate or political party committee that is material to the creation, production or distribution of the communication is conveyed to the person paying for the communication. 109.21(d)(3). See also “Safe Harbor for Publicly Available Information” below.

4) Employment of Common Vendor. This conduct standard provides that the use of a common vendor

in the creation, production or distribution of a communication satisfies the conduct standard if:

- The person paying for the communication contracts with, or employs, a “commercial vendor” to create, produce or distribute the communication;³ and
- The commercial vendor, including any officer, owner or employee of the vendor, has a previous or current relationship with the candidate clearly identified in the communication or that candidate’s committee, that candidate’s opponent or opponent’s committee or a political party committee that puts the commercial vendor in a position to acquire information about the campaign plans, projects, activities or needs of the candidate or political party committee. This previous relationship is defined in terms of nine specific services related to campaigning and campaign communications. Note that these services would have to have been rendered within 120 days before the purchase or public distribution of the communication;⁴ and
- The commercial vendor uses or conveys information about the campaign plans, projects, activities or needs of the candidate or political party committee, or information previously used by the commercial vendor in serving the candidate or political party committee, to the person paying for the communication, and that information is material to the creation, production or distribution of the communication. 109.21(d)(4). See also “Safe Harbor for Publicly Available Information” and “Safe Harbor for Establishment and Use of Firewall” below.

5) Former Employee/Independent Contractor.

This conduct standard applies to communications paid for by a person who has previously been an employee or an independent contractor of the candidate clearly identified in the communication or that candidate’s committee, that candidate’s opponent or opponent’s committee

or a political party committee within 120 days before the purchase or public distribution of the communication. This standard also applies when the communication is paid for by a person or entity that employs a former employee or independent contractor, as defined in this section.

This standard requires that the former employee use or convey information about the plans, projects, activities or needs of the candidate or political party committee, or information used by the former employee in serving the candidate or political party committee, to the person paying for the communication, and the information is material to the creation, production or distribution of the communication. 109.21(d)(5).⁵ See also “Safe Harbor for Publicly Available Information” and “Safe Harbor for Establishment and Use of Firewall” below.

Agreement or Formal Collaboration. Neither agreement (defined as a mutual understanding on any part of the material aspect of the communication or its dissemination) nor formal collaboration (defined as planned or systematically organized work) is necessary for a communication to be a coordinated communication. 109.21(e).

Special rules regarding dissemination, distribution or republication of campaign material. A communication that republishes, disseminates or distributes campaign material only satisfies the first three conduct standards on the basis of the candidate’s conduct—or that of his or her committee or agents—that occurs after the original

³ The term “commercial vendor” is defined at 116.1(c).

⁴ At the time of this *Guide’s* publication, this provision was being challenged in the U.S. District Court for the District of Columbia. The rule remains in effect. See *Shays v. FEC* 508 F.Supp.2d 10 (2007).

⁵ Under the rules, a candidate or political party committee would not be held responsible for receiving or accepting an in-kind contribution that resulted only from conduct described in the “Employment of Common Vendor” and “Former Employee / Independent Contractor” sections. 109.21(d)(4) and (d)(5). However, the person paying for a communication that is coordinated because of conduct described in these sections would still have made an in-kind contribution for purposes of the contribution limitations, prohibitions and reporting requirements of the Act. 109.21(b)(2).

preparation of the campaign materials that are disseminated, distributed or republished. 109.21(d)(6).⁶

The following uses of campaign materials do not constitute a contribution to the candidate who prepared the materials pursuant to the exceptions at 109.23(b):

- The campaign material is disseminated, distributed or republished by the candidate or authorized committee of the candidate who prepared the material;
- The campaign material is distributed in a communication that advocates the defeat of the candidate who prepared it;
- The campaign materials is disseminated, distributed or republished in a news story, commentary or editorial that is described in 100.73 and 100.132;
- The campaign material used consists of a brief quote of materials that demonstrate a candidate's position as part of a person's expression of its own views; or
- A national, state or local political party pays for the communication using coordinated expenditure authority. 109.23(b).

Safe Harbor Provisions for Coordinated Communications

Safe Harbor for Responses to Inquires About Legislative or Policy Issues

A candidate's or political party committee's response to an inquiry about that candidate's or party's positions on legislative or policy issues, which does not include discussion of campaign plans, projects, activities or needs, will not satisfy any of the conduct standards. 109.21(f).

⁶ Please note that the financing of the distribution or republication of campaign materials, while considered an in-kind contribution by the person making the expenditure, is not considered an expenditure (or an accepted contribution) by the candidate's authorized committee unless the dissemination, distribution or republication of campaign materials is coordinated. Additionally, republications of campaign materials coordinated with party committees are in-kind contributions to such party committees, and are reportable as such. 109.23(a).

Safe harbor for publicly available information.

The conduct standards for substantial discussion, material involvement, use of a common vendor and involvement of a former employee/contractor are not satisfied if the information used in creating or distributing the communication was obtained from a publicly available source. Publicly available sources include, but are not limited to:

- Newspaper or magazine articles;
- Candidate speeches or interviews;
- Transcripts from television shows;
- Press releases;
- A candidate or political party's web site; and
- Any publicly available web site.

109.21(d)(2), (3), (4)(iii) and (5)(ii).

Safe harbor for candidate endorsements and solicitations

A federal candidate may endorse or solicit funds for a candidate for federal or nonfederal office in a public communication without the communication being considered a "coordinated communication" with respect to the endorsing or soliciting candidate, so long as the communication does not promote or support the candidate making the solicitation and does not attack or oppose his/her opponent. The safe harbor described in this paragraph also covers candidate solicitations for other political committees (including party committees) and candidate solicitations for certain tax-exempt organizations as described in 11 CFR 300.65.

109.21(g)(1) and (2).

Safe harbor for the establishment and use of a firewall

None of the conduct standards for coordination are satisfied if a commercial vendor, former employee/contractor or political committee establishes a "firewall" designed to prohibit the flow of information between employees or consultants of the person paying for the communication and employees or consultants currently or previously providing services to the candidate who is clearly identified in the communication, a party committee

or an opponent of the candidate mentioned in the communication. The firewall must be described in a written policy that is distributed to all relevant employees, consultants and clients affected by the policy. 109.21(h).⁷

Additional Information

For additional information on coordinated communications, see AOs 2006-29, 2006-10, 2005-18, 2005-07, 2004-37, 2004-33, 2004-29 and 2004-14.

2. Independent Expenditures

Political committees may support (or oppose) candidates by making independent expenditures. Independent expenditures are not contributions and are not subject to contribution limits. (However, contributions made to a committee or to another person making independent expenditures are subject to limits, as explained at the end of this section.)

Since they are expenditures under the Act, independent expenditures must be paid for with federally permissible funds.

Defined

An independent expenditure is an expenditure for a communication, such as a web site, newspaper, TV or direct mail advertisement, that:

- Expressly advocates the election or defeat of a clearly identified candidate; and
- Is not made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or their agents, or a political party committee or its agents. (See "Coordinated Communications" above.) 100.16(a).

Clearly Identified Candidate

A candidate is "clearly identified" if the candidate's name, nickname or image appears, or the identity of the candidate is otherwise apparent. Examples include: "the President," "your Congressman," "the

Democratic Presidential nominee," "the Republican candidate for Senate in the State of Georgia."

100.17. However, the phrase "Republicans in Congress" would not, by itself, constitute a reference to a clearly identified candidate. AO 2004-33.

Express Advocacy

"Express advocacy" means that the communication includes a message that unmistakably urges election or defeat of one or more clearly identified candidate(s). There are two ways that a communication can be considered express advocacy: by use of certain "explicit words of advocacy of election or defeat" and by the "only reasonable interpretation" test. 100.22.

Explicit words of advocacy of election or defeat

The following words convey a message of express advocacy:

- "Vote for the President," "re-elect your Congressman," "support the Democratic nominee," "cast your ballot for the Republican challenger for the U.S. Senate in Georgia," "Smith for Congress," "Bill McKay in '08";
- Words urging action with respect to candidates associated with a particular issue, e.g., "vote Pro-Life"/ "vote Pro-Choice," when accompanied by names or photographs of candidates identified as either supporting or opposing the issue;
- "Defeat" accompanied by a photograph of the opposed candidate, the opposed candidate's name or "reject the incumbent"; and
- Campaign slogan(s) or word(s), e.g., on posters, bumper stickers and advertisements, that in context can have no other reasonable meaning than to support or oppose a clearly identified candidate, for example, "Nixon's the One," "Carter '76," "Reagan/Bush." 100.22(a).

"Only Reasonable Interpretation" Test

In the absence of such "explicit words of advocacy of election or defeat," express advocacy (candidate advocacy) is found in a communication that, when taken as a whole and with limited reference to external events, such as the proximity to the election, can only be interpreted by a "reasonable person" as advocating the election or defeat of one or

⁷ At the time of this Guide's publication, this provision was being challenged in the U.S. District Court for the District of Columbia. The rule remains in effect. See *Shays v. FEC* 508 F.Supp.2d 10 (2007).

more clearly identified candidate(s). 100.22(b)(1) and (2).

This test requires advocacy of a candidate that is unmistakable, unambiguous and suggestive of only one meaning (that being the election or defeat of a candidate). 100.22(b)(1).

Note that the author's intent is irrelevant. The test is how a "reasonable" receiver of the communication objectively interprets the message. If reasonable minds could not differ as to the unambiguous electoral advocacy of the communication, it is express advocacy (candidate advocacy) regardless of what the author intended.

Multiple-page communications or multiple inserts in the same envelope in a direct mail piece are to be read all together as a whole.

Disclaimer Notice Required

A public communication qualifying as an independent expenditure must display a disclaimer notice. See below for more information.

Allocation Among Candidates

When an independent expenditure is made on behalf of more than one clearly identified candidate, the committee must allocate the expenditure among the candidates in proportion to the benefit that each is expected to receive. For example, in the case of a published or broadcast communication, the attribution should be determined by the proportion of space or time devoted to each candidate in comparison with the total space or time devoted to all the candidates. 104.10 and 106.1(a). See Chapter 10 for more information.

Reporting Requirements

A political committee must report all independent expenditures. 104.4. Reporting requirements are explained on page 72.

Contributing to Committees That Make Independent Expenditures

A contribution to a political committee that makes independent expenditures is subject to the \$5,000 per calendar year limit. 110.1(d) and 110.2(d).

A contribution to a committee that supports only one candidate, however, is subject to the contributor's per-candidate, per-election limit. 110.1(h) and 110.2(h).

3. Disclaimer Notices

Any public communication made by a political committee—including communications that do not expressly advocate the election or defeat of a clearly identified federal candidate or solicit a contribution—must display a disclaimer. 110.11(a)(1).

Types of Communications

The disclaimer requirements apply to "public communications" as defined in 100.26, including communications through any broadcast, cable or satellite transmission, newspaper, magazine, outdoor advertising facility, mass mailing or telephone bank to the general public, or any other form of general public political advertising. Internet communications are generally exempt from the definition of "general public political advertising," with the exception of communications placed for a fee on another person's web site. 100.26.

However, these disclaimer requirements do apply to political committees' web sites and to e-mail of more than 500 substantially similar communications when sent by a political committee. 110.11(a)(1). Finally, these requirements apply to any communications that solicit contributions and all electioneering communications. 110.11(a)(3) and (4).

Wording of Disclaimer

A disclaimer notice must contain the full name of the committee, along with any abbreviated name used to identify the committee pursuant to 102.14(c). The actual wording of the notice will vary, depending on whether the advertisement is authorized by a candidate or candidate's committee.

Advertisement Authorized by Candidate

If a candidate or candidate's campaign authorizes an advertisement purchased by the committee, the disclaimer notice must identify the committee that paid for the communication along with the cam-

paigned or candidate who authorized the advertisement. 110.11(b)(2).

EXAMPLE: "Paid for by the Concerned Citizens PAC and Authorized by the John Doe for Congress Committee."

Authorized by Multiple Candidates

If an advertisement lists several candidates, the disclaimer may state that the advertisement was authorized by the candidates identified in the ad or, if only some candidates have authorized it, by those candidates identified with an asterisk. AO 1994-13.

EXAMPLE: "Paid for by the Civil Republic PAC and Authorized by the candidates marked with an asterisk."

Advertisement Not Authorized by Candidate

Communications not authorized by a candidate or his/her campaign committee, including any solicitation, must disclose the full name and permanent street address, telephone number or web site address of the person who paid for the communication, and also state that the communication was not authorized by any candidate. 110.11(b)(3) and 110.11(d)(3).

EXAMPLE: "Paid for by the XYZ PAC (www.XYZ.org) and not authorized by any candidate or candidate's committee."

Visibility Requirements

All disclaimers must be "clear and conspicuous" regardless of the medium in which the communication is transmitted. A disclaimer is not clear and conspicuous if it is difficult to read or hear, or if its placement is easily overlooked. 110.11(c)(1).

Specific Requirements for Radio and Television Communications.

For radio and television communications authorized by a candidate, the candidate must deliver an audio statement identifying himself or herself, and stating that he or she has approved the communication. For example, the candidate could state "My name is [name]. I am running for [federal office sought], and I approved this message." 110.11(c)(3)(i) and (iv). For a television communication, this disclaimer must be conveyed by either:

- A full-screen view of the candidate making the statement; or
- A "clearly identifiable photographic or similar image of the candidate" that appears during the candidate's voice-over statement. 110.11(c)(3)(ii)(A) and (B).

For a radio or television communication that is not authorized by a candidate, a representative of the individual or group paying for the communication must make an audio statement that "XXX is responsible for the content of this advertising," where "XXX" is the name of the political committee or other person who paid for the communication. If applicable, the name of the sponsoring committee's connected organization is also required in the disclaimer. 110.11(c)(4). In a televised ad, the disclaimer must also include a statement that is conveyed by a full screen view of a representative of the political committee or other person making the statement, or a voice-over by the representative. 110.11(c)(4)(ii).

Both authorized and unauthorized television communications must also contain a "clearly readable" written statement that appears at the end of the communication. The written statement must occupy at least four percent of the vertical picture height, and it must be shown for a period of at least four seconds, with a reasonable degree of color contrast between the statement and the background. 110.11(c)(3)(iii) and 110.11(c)(4)(iii).

Safe Harbors for Television Communication Disclaimers

A still picture of the candidate shall be considered "clearly identifiable" if it occupies at least 80 percent of the vertical screen height. 110.11(c)(3)(ii)(B).

Disclaimers that are printed in black text on a white background, as well as disclaimers that have at least the same degree of contrast with the background color as the degree of contrast between the background color and the color of the largest text used in the communication, will be considered "clearly readable." 110.11(c)(3)(iii)(C) and 110.11(c)(4)(iii)(C).

Specific Requirements for Printed Communications.

Printed materials must contain a printed box that is set apart from the contents in the communication. The disclaimer print in this box must be of sufficient type size to be “clearly readable” by the recipient of the communication, and the print must have a reasonable degree of color contrast between the background and the printed statement. 110.11(c)(2)(i) to (iii).

The regulations contain a safe harbor that establishes a fixed, twelve-point type size as a sufficient size for disclaimer text in newspapers, magazines, flyers, signs and other printed communications that are no larger than the common poster size of 24 inches by 36 inches. 110.11(c)(2)(i). Disclaimers for larger communications will be judged on a case-by-case basis.

The regulations additionally provide two safe harbor examples that would comply with the color-contrast requirement:

- The disclaimer is printed in black text on a white background; or
- The degree of contrast between the background color and the disclaimer text color is at least as great as the degree of contrast between the background color and the color of the largest text in the communication. 110.11(c)(2)(iii).⁸

Multiple-Paged Document

A disclaimer, while required, need not appear on the front page or cover of a multiple-paged document. 110.11(c)(2)(iv).

Package of Materials

Each communication that would require a disclaimer if distributed separately must still display the disclaimer when included in a package of materials. 110.11(c)(2)(v). For example, if a campaign poster is mailed with a solicitation for contributions, a separate disclaimer must appear on the solicitation and on the poster.

Items Not Requiring Disclaimer

A disclaimer is not required:

- When it cannot be conveniently printed (e.g., on pens, bumper stickers, campaign pins, campaign buttons and similar small items);
- When its display is not practicable (e.g., on wearing apparel, on water towers and in skywriting); or
- When the item is of minimal value, does not contain a political message and is used for administrative purposes (e.g., checks and receipts). 110.11(f). See AOs 2004-10 and 2002-9.

4. Electioneering Communications

An electioneering communication is any broadcast, cable or satellite communication that 1) refers to a clearly identified federal candidate, 2) is publicly distributed within 60 days of a general election or 30 days of a primary, and 3) is targeted to the relevant electorate, in the case of House and Senate candidates. 100.29(a).

Generally, electioneering communications must be paid for with funds from sources permissible under federal law. However, a corporation or labor organization may make electioneering communications to the general public using general treasury funds if the communication is permissible under 11 CFR 114.15, which provides for an exemption for certain electioneering communications based on the Supreme Court’s decision in *Wisconsin Right to Life v. FEC*. Similarly, any other person may use funds received from corporations or labor organizations to make electioneering communications that are permissible under 114.15.

A communication that qualifies as a reportable expenditure or an independent expenditure is not an electioneering communication. 100.29(c)(3). Any communication paid for by a federal PAC with federal funds is an expenditure and, therefore, not an electioneering communication.

⁸ Please note these examples do not constitute the only ways to satisfy the color contrast requirement.

Communications

For additional information concerning electioneering communications and the *Wisconsin Right to Life* exemption, see the *Campaign Guide for Congressional Candidates and Committees*, Appendix D, “Communications.”

CHAPTER 7

Keeping Records

Nonconnected committees must keep records of their financial activities. Recordkeeping is the responsibility of the treasurer, even if the committee appoints someone else to keep records of the committee's activity. 102.9.

I. Three-Year Retention of Records

A copy of each statement, disclosure report and notice filed by the committee with the FEC, along with original back-up records relevant to the report or notice (such as bank statements, paid invoices, etc.), must be retained for three years after the statement, report or notice is filed. The committee must make these records available to the Commission for inspection upon request. 102.9(a)4) and (c); 104.14(b)(2) and (3). The committee must keep records for at least three years beyond the date that it files any report to which those records relate. 102.9(c) and 104.14(b).

2. Receipts

Records Needed for Reporting Receipts

With respect to receipts, the Act only requires that records be kept for contributions. 102.9(a). Nevertheless, committees are advised to keep records for all types of receipts in order to comply with the reporting requirements, detailed in Chapter 9.

For each receipt, a committee should record the following information:

- Amount received;
- Date of receipt; and
- Name and address of source.

Date of Receipt

General Rule

The “date of receipt” of a contribution is the date on which a person receiving the contribution on behalf of the committee obtains possession of it. See AO 1991-18. That date is the date used for recordkeeping and reporting of receipts.

The date of receipt may be earlier than the date the committee treasurer receives the money, since a person collecting contributions has several days in which to forward them to the treasurer. 102.8(b). (See Forwarding Contributions,” on page 12.)

Credit Card Receipts

When the committee receives contributions through credit card charges, the date of receipt is the date on which the committee receives the contributor's signed authorization to charge the contribution or on the date the contributor's credit card account is charged. The treasurer should retain a copy of the authorization form in the committee's records. See AOs 1995-9, 1991-1 and 1990-4.

Deposit of Receipts

Once the treasurer receives a contribution, he or she must deposit it within 10 days. 103.3(a). Contributions not deposited within 10 days must be returned to their donors. AO 1992-29.

3. Recording Contributions

Identifying Contributions

Contributions from individuals and from groups other than political committees must be recorded as follows:

Contributions Aggregating Over \$200

For each contribution that exceeds \$200, either by itself or when aggregated with (i.e., added to) previous contributions from the same donor to the

committee during the same calendar year, records must identify the following information:

- Amount;
- Date of receipt;
- Donor's full name and address; and
- Donor's occupation and employer. 100.12 and 102.9(a)(2).

Contributions of More than \$50

Records must identify each contribution exceeding \$50 by noting the following:

- Amount;
- Date of receipt; and
- Donor's full name and address. 102.9(a)(1).

In addition to any other recordkeeping requirements, committees must retain a full-size photocopy or digital image of the check for any contribution over \$50. 102.9(a)(4).

Contributions of \$50 or Less

The Commission recommends two possible accounting methods:

- Keep the same records as those required for contributions that exceed \$50 (above); or
- In the case of small contributions collected at a fundraising event (such as gate receipts, cash contributions, etc.), keep a record of the name of the event, the date and the total amount of contributions received on each day of the event. AOs 1981-48 and 1980-99.

Contributions from Political Committees

Committee records must identify all contributions from political committees regardless of amount by noting the amount, date of receipt and the name and address of the contributing committee. 102.9(a)(3).

Possibly Illegal Contributions

A committee must keep a written record noting the basis for concern for each deposited contribution that:

- Requires a written reattribution from the contributor; or

- Requires confirmation that it is not from a prohibited source.

103.3(b)(5). See "Handling Illegal Contributions" on page 12.

4. Recording Other Receipts

The FEC recommends that committees keep records on the following receipts in order to fully comply with reporting requirements (explained in Chapter 9):

- Transfers from affiliated committees;
- Bank loans;
- Interest and dividends received on invested committee funds; and
- Repayments on loans made by the committee.

Committee records should contain the full name of the source and the date and amount of each receipt.

5. Recording Disbursements

The committee's records must show figures for total disbursements by the committee.

Disbursements by Check

All disbursements (except those made from a petty cash fund) must be made by check or similar draft drawn on an account maintained at the committee's designated 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.

Recording Disbursements

All Disbursements

Each disbursement must be identified by:

- Date;

- Amount of the payment;
- Name and address of the payee; and
- Purpose of the disbursement¹ (i.e., a brief explanation of why the disbursement was made, such as “dinner expenses” or “postage”). 102.9(b)(1).

Disbursements Exceeding \$200

For each disbursement of more than \$200, the committee must keep a receipt, invoice or cancelled check (in addition to the information listed above). 102.9(b)(2). The committee must itemize disbursements when, in the aggregate, they exceed \$200 in a calendar year to the same person. 104.3(b)(3)(i). See page 64 for more information.

Disbursements for a Federal Candidate

A committee must keep the following records on contributions and expenditures made on behalf of candidates, regardless of the amount of the disbursement:

- Date;
- Amount;
- Office sought by the candidate, including the state and Congressional district (102.9(b)(1)(iii)); and
- Election for which disbursement was made (to facilitate reporting).

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 cancelled check used to pay the account. 102.9(b)(2)(ii).

Credit Union Checks 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).

Transfers-Out

To facilitate reporting, records should identify each transfer of funds made to an affiliated committee, regardless of amount, by the date and amount of the transfer and the name and address of the recipient committee. 104.3(b)(3)(ii).

6. Treasurer’s Best Efforts

Nonconnected committees and their treasurers must make best efforts to obtain, maintain and report the information required by law with respect to itemized receipts and disbursements. 102.9(d). When reporting information is incomplete, the committee and the treasurer will be in compliance with the law if they can demonstrate that they used “best efforts” in trying to obtain and report the required information. 104.7(a). The criteria for making “best efforts” vary, depending on the type of transaction, as explained below.

Contributor Information

If an individual who has contributed more than \$200 during the calendar year fails to provide the required recordkeeping information (i.e., name, mailing address, occupation and employer), the committee must be able to show that it made “best efforts” to obtain and report that information. To demonstrate “best efforts,” the committee must be able to show that it requested the information— first, in the solicitation materials that prompted the contribution and, second, in a follow-up request. Furthermore, if requested information is not received until after the contribution has been reported, the committee must report the information using one of the procedures described under “File Amendments If Necessary,” below.

Solicitation Materials

To satisfy the “best efforts” standard, solicitation materials must include an accurate and clear statement of the law’s requirements for the collection and reporting of contributor information. The following examples are acceptable wording that may be included in the solicitations (other statements of similar meaning may also be used):

¹ See Commission Statement of Policy of January 9, 2007 regarding Purpose of Disbursement entries available at http://www.fec.gov/law/policy/purposeofdisbursement/notice_2006-23.pdf.

- “Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 in a calendar year;” or
- “To comply with federal law, we must use best efforts to obtain, maintain and submit the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 per calendar year.” 104.7(b)(1)(i)(A).

The request and the statement must appear in a clear and conspicuous manner on any response material included in a solicitation. The request and statement will not be considered to be “clear and conspicuous” if:

- The request and statement are printed in smaller type than the solicitation and response materials;
- The printing is difficult to read; or
- The request and statement are placed where they may be easily overlooked. 104.7(b)(1)(ii).

Follow-Up Request Within 30 Days

If the contributor does not provide sufficient reporting information when making a contribution, the committee must make at least one request for the information after the contribution is received. This follow-up request must be made for any solicited or unsolicited contribution that exceeds the \$200 threshold and lacks the necessary information (see “Contributions Aggregating over \$200” page 41).

The request must be made within 30 days of receipt of the contribution; it may not include an additional solicitation or material on any other subject, but it may thank the contributor. The follow-up request may be made orally or in writing, but a written request must be accompanied by a pre-addressed envelope for the response. Requests made by telephone must be documented in a memorandum. Committees must retain records of follow-up requests. 102.9(d) and 104.7(b)(2).

Use of Information from Prior Records

If the contributor does not respond to the follow-up request, but the committee possesses the information in its contributor records, fundraising records or prior reports filed during the same election cycle, then the committee must use that information when disclosing the contribution. 104.7(b)(3).

File Amendments If Necessary

If requested information about a contribution is received after the contribution has been disclosed on a report, the committee must either:

- File a memo Schedule A with its next regularly scheduled report, listing all contributions for which new contributor information has been received; or
- File amendments to the original reports. 104.7(b)(4).

In either case, the entries must cross-reference to the prior reports to which they relate. However, the committee is only required to submit the information for contributions received during the current two-year election cycle. 104.7(b)(4). See “Filing Amendments” on page 79 for instructions on filing amendments.

Documenting a Contribution’s Legality

In order to determine whether a contribution of questionable legality was made by a permissible source and was not excessive, the treasurer must make at least one written or oral request for evidence of the contribution’s legality. 103.3(b)(1). If the contribution cannot be determined to be legal, the treasurer must refund the contribution to the source within 30 days of receiving it. See also page 12, “Handling Illegal Contributions.”

Documenting Disbursements

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

Obtaining, Maintaining and Submitting Other Information

Under a policy published June 7, 2007, the Commission will apply the best efforts defense to efforts made to obtain and maintain all information required by the Act and to submit the required information in disclosure reports. 52 U.S.C. §30102(i) and 11 CFR 104.7. The Commission will generally conclude that, when a committee fails to obtain, maintain or submit information or reports, it can show “best efforts” if it establishes that:

- At the time of its failure, the committee took relevant precautions, such as double checking recordkeeping entries, regular reconciliation of committee records with bank statements and regular backup of all electronic files;
- The committee trained staff responsible for obtaining, maintaining and submitting campaign finance information in the Act’s requirements and in the committee’s procedures and recordkeeping and filing systems;
- The failure was a result of reasonably unforeseen circumstances beyond the committee’s control, such as the failure of FEC computers or FEC-provided software, severe weather or other disaster-related incidents, a widespread Internet disruption that was not caused by any failure of the committee’s computer systems or Internet service provider or delivery failures caused by mail/courier services, such as the U.S. Postal Service or Federal Express; and
- Upon discovering the failure, the committee promptly took all reasonable additional steps to expeditiously file any unfiled reports and correct any inaccurate reports.

The Commission will generally conclude that a committee has not met the best efforts standard if the committee’s failure to obtain, maintain or submit information or reports is due to:

- Unavailability, inexperience, illness, negligence or error of the committee’s staff, agents, counsel or connected organization;
- The failure of the committee’s computer system;
- Delays caused by the committee’s vendors or contractors;

- Failure to know or understand the Act’s requirements; or
- Failure to use filing software properly.

The best efforts defense is an affirmative defense, and the burden rests with the political committee and its treasurer to present evidence sufficient to demonstrate that best efforts were made.²

² For more information on best efforts of a political committee to obtain, maintain and submit required information, see the Commission Policy Statement of June 7, 2007. The policy statement is available at http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-13.pdf. Please note that this Policy Statement does not affect the Commission’s Administrative Fine Program, but applies only to matters in the Commission’s traditional enforcement and audit programs and in the Alternative Dispute Resolution Program. For information regarding the application of the “best efforts” defense under the Administrative Fine Program, see Chapter 8, “Administrative Fines for Late and Nonfilers.”

CHAPTER 8

Filing FEC Reports

As explained in Chapter 2, a nonconnected committee must register within 10 days of raising or spending more than \$1,000 in a calendar year in connection with federal elections. 100.5(a) and 102.1(d).

Once the committee has registered, it must begin to file reports of receipts and disbursement according to the schedules described in this chapter. The first report filed by a committee must disclose any financial activity that took place prior to registration. 104.3(a) and (b).

I. Treasurer's Duties

The treasurer of a nonconnected committee has the following responsibilities regarding filing FEC reports:

- Signing and filing complete, accurate reports and statements on time. 102.2, 104.14(a) and (d).
- Making “best efforts” to obtain and report required information. See previous page and page 43 for more information. 102.9(d); 104.7.
- Keeping the required records of receipts and disbursements. 102.9 and 104.14(b).
- Continuing to file required reports until the committee has filed a termination report and has received confirmation that the Commission has terminated the committee, as explained in Chapter 11. 102.3(a).

In the treasurer's absence, only an assistant treasurer designated on the committee's Statement of Organization may sign reports and assume the treasurer's duties. 102.7(a). See page 4 for information on appointing an assistant treasurer.

Electronic Filing

The treasurer must obtain a password from the FEC and use it when filing any electronic report or statement. See also 104.18(g) and page 52 “Verification Requirements” for alternatives.

2. Reporting Deadlines

Report on Time

Nonconnected committee treasurers must file reports on time. 104.14(d). The Commission cannot grant extensions to reporting deadlines. Filing reports late or not at all may result in enforcement action, including administrative fines.

Filing Date

Unless sent by registered or certified mail, priority or express mail having a delivery confirmation or an overnight delivery service with an online tracking system, a report is considered to be filed on time if it reaches the appropriate federal and state filing offices by close of business on the filing date. 104.5(e). Thus, reports filed by first class mail or by hand delivery must be received by the FEC by close of business on the filing date.

A filing date is not extended even if it falls on a weekend or holiday, when filing offices are closed. In such cases, the report should reach the filing offices by close of business on the last working day before the filing date.

Registered, Certified, Priority or Express Mailing Date

If a report is sent by registered or certified mail, or by priority or express mail having a delivery confirmation, it is considered filed on time if postmarked by the filing date. Exception: In the case of a pre-election report, the report must be postmarked at

least three days before the filing date. 100.19(b) and 104.5(e).

Overnight Delivery Date

Reports sent by overnight delivery service are considered timely if they are:

- Received by the delivery service on or before the filing date;
- Scheduled for delivery on the next business day; and
- Recorded in the delivery service's online tracking system. 100.19(b).

Nonconnected committees should keep the mailing receipt with its postmark, or a similar document if a private overnight delivery service is used, as proof of filing. 104.5(i).

Exception: In the case of a pre-election report, the report must be delivered to the overnight service at least three days before the filing date.

Electronic Filing

An electronic report is considered “filed” when it is received and validated by the Commission’s computer system on or before 11:59 p.m. (in Washington, D.C.) on the filing date. Incomplete or inaccurate reports that do not pass the FEC’s validation program will not be considered filed. The Commission will notify the filer if the report is not accepted. 104.18(e)(2). If the report is accepted, the Commission will send the filer a receipt. 100.19(c).

An electronic filer that files its report on paper instead of electronically is considered a nonfiler. 104.18(a)(2).

3. Administrative Fines for Late Filers and Nonfilers

The Commission has implemented an Administrative Fine Program, based on amendments to the

Act,¹ for assessing civil money penalties for violations involving:

- Failure to file reports on time;
- Failure to file reports at all; and
- Failure to file 48-hour notices (campaign committees). 111.30.

If the Commission finds “reason to believe” (RTB) that a nonconnected committee and its treasurer violated the Act’s reporting requirements, the Commission will notify them in writing of its finding and the amount of the civil money penalty.² 111.32. They will have 40 days to either pay the penalty or submit a written response to the Commission action. The response must identify the basis for challenging the RTB finding and proposed civil money penalty. 111.35. There are three bases for challenging the RTB finding and proposed civil money penalty: factual error; miscalculation of civil money penalty and best efforts. 111.35(b)(1) through (3).

To claim best efforts as a defense in an Administrative Fine matter, committees must demonstrate that they could not file due to reasonably unforeseen circumstances beyond their control, and they must show that they filed the late report within 24 hours after those circumstances ended. 111.35(b)(3). Examples of circumstances that will be considered “reasonably unforeseen” and beyond the control of a respondent include a failure of Commission computers or Commission-provided software, a widespread disruption of information transmissions over the Internet (not caused by a failure of the Commission’s or committee’s computers or Internet service providers) and severe weather or other disaster-related incidents. The regulations also list examples of circumstances that will not be considered as qualifying for the “best efforts” defense, including negligence, illness, inexperience, unavailability of committee staff or treasurer, a failure to know filing dates and a failure to use Commission

¹ Public Law 106-58, 106th Cong., Section 640, 113 Stat. 430, 476-77 (1999). See also Public Law 108-199, 108th Cong., Section 639, 118 Stat. 3, 359, (2004).

² The civil money penalty is calculated according to a set schedule that may be viewed at the FEC’s web site www.fec.gov and at 11 CFR 111.43. In those cases where the report in question has not been filed, the civil money penalty included with the RTB finding will be based upon the estimated level of activity. 111.43(a)(2).

software properly. These examples are not exhaustive, but illustrate the types of situations that are and are not reasonably unforeseen and beyond the respondent's control. 111.35(c).³

If the nonconnected committee and its treasurer do not respond to the Commission's original RTB finding, the Commission will make a final determination with an appropriate civil money penalty. If they challenge the finding, the Commission will turn the case over to an independent reviewing officer who was not involved in the RTB finding. After the Commission considers the reviewing officer's recommendation and the committee and treasurer's response to it, the Commission will make a final determination whether the committee violated 52 U.S.C. §30104(a) and, if so, will assess a civil money penalty based on the schedule of penalties. The committee will then have 30 days to pay the penalty or seek court review of the case. If the committee loses the court challenge, it will have 30 days after the final disposition to pay the civil money penalty. 111.39(b). For more information on the Administrative Fine Program, see 11 CFR 111.30 to 111.46.

Information on Reporting Dates

To ensure timely filing, treasurers (and those who fill out reports for the treasurer's signature) should read the FEC reporting notices, which are e-mailed to committees approximately two weeks before most reporting deadlines. Please note that the FEC sends prior notices exclusively by e-mail, and non-connected committees are strongly urged to provide an e-mail address on their Statement of Organization (FEC Form 1). They should also consult the FEC's newsletter, the Record, and the FEC's web site (www.fec.gov) for upcoming reporting dates.

³ For information regarding the application of the "best efforts" under the FEC's other enforcement programs, see Chapter 7, "Treasurer's Best Efforts."

4. Election Year Reporting

Election years are years in which there are regularly scheduled federal elections (i.e., even-numbered years).

During an election year, a nonconnected committee must file on either a quarterly or a monthly filing schedule.

Quarterly Reporting

The following reports are required from nonconnected committees filing on a quarterly schedule during an election year:

Three Quarterly Reports

Under the quarterly schedule, a nonconnected committee must file three quarterly reports, due respectively on the 15th of April, July and October. A quarterly report covers activity that occurred after the closing date of the previous report filed through the end of the calendar quarter (i.e., through March 31, June 30 and September 30).

The Commission will waive a quarterly report if a pre-election report (see below) is due between the 5th and the 15th of the month following the close of the calendar quarter. 104.5(c)(1)(i)(C). Committees should check with the FEC to verify whether a report has been waived.

Year-End Report

A year-end report, covering activity from the close of the previous report through December 31, is due on January 31 of the following year.

12-Day Pre-Primary Reports⁴

A pre-primary report, due 12 days before the election, covers activity from the close of books of the previous report filed through the 20th day before the primary. The FEC must receive the report at least 12 days before the election—unless it is sent by registered or certified mail, or priority or express mail having delivery confirmation, or by an overnight delivery service with an online tracking

⁴ This section also applies to special and runoff elections, and to conventions that have the authority to select the nominee.

system, in which case the report must be post-marked no later than the 15th day before the election. 104.5(c)(1)(ii).

A nonconnected committee must file pre-primary reports only if the committee has made previously undisclosed contributions or expenditures (including independent expenditures) in connection with a primary election as of the closing date of the report.

Primary election dates vary from state to state, so a quarterly filer may have to file several pre-primary reports if the committee contributes to primary candidates in several states. Filing dates for each state's primary election are published each election year in the *January Record* and posted on the FEC web site (http://www.fec.gov/info/report_dates.shtml).

Note that the FEC does not automatically send nonconnected committee treasurers notices and forms for pre-primary election reports. The treasurer is responsible for determining whether the committee must file a pre-election report. (See "Monthly Reporting Option," below.)

12-Day Pre-General Election Report

A nonconnected committee must file a pre-general election report covering activity from October 1 through the 20th day before the general election if the committee makes contributions or expenditures (including independent expenditures) in connection with the general election during that period. The report must be received by the FEC no later than the 12th day prior to the general election unless sent by registered or certified mail, or priority or express mail having delivery confirmation, or by an overnight delivery service with an online tracking system, in which case the report must be postmarked no later than the 15th day before the election. 104.5(c)(1)(ii).

30-Day Post-General Election Report

A nonconnected committee must file a post-general election report 30 days after the general election. (Post-primary reports are not required.) A post-general election report covers activity that occurred after the closing date of the last report through the 20th day after the general election. The report is due 30 days after the election. Note that

all registered nonconnected committees must file this report, regardless of their filing schedule (i.e. monthly or quarterly). 104.5(c)(1)(iii).

Monthly Reporting Option

Nonconnected committees contributing to federal candidates in several states may find it easier to file monthly reports, since monthly filers do not have to file pre-primary reports or special election reports.

Monthly Filing Schedule

During an election year, a report covering each month from January through September is due on the 20th of the following month. The last monthly report, covering September, is filed October 20. The committee also files a 12-day pre-general election report and a 30-day post-general election report in lieu of a December monthly report (see the chart for information on filing dates). Finally, the committee files a year-end report on January 31 of the next year. 104.5(c)(3)(ii).

Changing Filing Schedule

Nonconnected committees may change their filing schedule from quarterly to monthly (or vice versa) only once per calendar year. The treasurer must notify the FEC in writing at the time it files a required report under its current filing schedule before changing its filing schedule. The committee will then be required to file the next report under its new filing schedule. Electronic filers must file this notification electronically. 104.5(c).

24-Hour Independent Expenditure Reports

A political committee must file a special notice with the FEC if it makes an independent expenditure exceeding \$1,000 after the 20th day, but more than 24 hours, before the day of an election. The notice must be filed with the FEC within 24 hours after the expenditure is made. 104.5(g)(2) and 104.4(c). See page 73 and also "Where to File," below.

48-Hour Independent Expenditure Reports

Political committees that make independent expenditures at any time during a calendar year—up to and including the 20th day before an election—must disclose this activity within 48 hours each time that the expenditures aggregate \$10,000 or more with respect to a given election. This reporting requirement is in addition to the requirement to file 24-hour notices of independent expenditures each time that disbursements for independent expenditures aggregate at or above \$1,000 during the last 20 days—up to 24-hours—before an election. 104.4(b) and 104.5(g)(1). For information on such last-minute independent expenditure reports, see page 72.

5. Nonelection Year Reporting

Nonelection years are years in which there are no regularly scheduled federal elections (i.e., odd-numbered years).

Semiannual Reports

During a nonelection year, quarterly filers automatically switch to a semiannual reporting schedule. Nonconnected committees do not need to notify the Commission of this switch. Two semiannual reports are required:

- The mid-year report, covering activity from January 1 through June 30, must be filed by July 31, and
- The year-end report, covering activity from July 1 through December 31, must be filed by January 31 of the following year.

104.5(c)(2)(i).

If the committee makes contributions or expenditures in connection with special elections, it may have additional reporting responsibilities. See “Special Elections” below.

Monthly Reports

Reports covering each month’s activity are due on the 20th of the following month. The first monthly report, covering January, is due February 20; the final monthly report covers November and is due December 20 of the nonelection year. The committee reports December’s activity in the year-end report, due the following January 31. 104.5(c)(3).

Changing Filing Schedule

A committee that filed monthly reports during the election year continues to file monthly during the nonelection year. However, the committee may change to a semiannual filing schedule if it first notifies the FEC of that change in writing.

A committee may change its filing schedule only once per calendar year. 104.5(c).

6. Special Elections

Nonconnected committees making contributions or expenditures in connection with a special election may be required to file special election reports, including reports of last-minute independent expenditures (if appropriate). Filing dates for special elections are published in the Federal Register, on the FEC web site and in the FEC Record. (Committees filing on a monthly basis are not required to file special election reports.) 104.5(h)(1).

If a regularly scheduled report is due within 10 days of the date a special election report is due, the Commission may waive the regular report. 104.5(h)(2). Committees should check with the FEC to verify whether a report has been waived.

7. Electronic Filing

A nonconnected committee must file all reports and statements electronically if it raises or spends more than \$50,000 in any calendar year, or expects to do so. Committees that are required to file electronically, but that file on paper or fail to file, will be considered nonfilers and may be subject to

enforcement action. 104.18(a)(2). See page 48, “Administrative Fines for Late Filers and Nonfilers.”

Because electronic filing is more efficient and cost effective than paper filing, even nonconnected committees that do not meet the \$50,000 threshold requirement are encouraged to file their reports electronically. Please note, however, that voluntary electronic filers must continue to file electronically for the remainder of the calendar year unless the Commission determines that extraordinary and unforeseen circumstances make continued electronic filing impractical. 104.18(b).

Methods of Electronic Filing

Most committees filing electronically find it convenient to do so via an Internet connection with a password (see “Treasurer’s Duties” on page 47). Committees may, however, submit their electronic reports on diskettes or CD (either hand delivered or sent by other means such as U.S. Postal Service). Electronic filers must file all their reports electronically, and the reports must adhere to the FEC’s Electronic Filing Specifications Requirements.⁵ 104.18(d). Committees filing electronically on diskette or CD must also submit a written certification—signed by the treasurer or assistant treasurer—either on paper (e.g. a signed first page of FEC Form 3X) or as a separate file with the electronic report, verifying that the treasurer has examined the documents and that, to the best of his or her knowledge, the report is correct, complete and true. 104.18(g).

Calculating the Threshold

Nonconnected committees should use the following formulas to determine if their total expenditures or total contributions are over \$50,000 per calendar year:

$$\begin{aligned} &\text{Total Contributions Received}^6 \\ &- \text{Refunds of Contributions} \\ &+ \text{Transfers from Affiliated Committees} \\ &= \text{Total Contributions} \end{aligned}$$

5 Available online at the FEC web site www.fec.gov or on paper from the FEC.

6 Including the outstanding balance of any loans.

$$\begin{aligned} &\text{or} \\ &\text{Total Federal Operating Expenditures} \\ &+ \text{Federal Contributions Made} \\ &+ \text{Transfers to Affiliated Federal Committees} \\ &+ \text{Independent Expenditures} \\ &= \text{Total Expenditures} \end{aligned}$$

Have Reason to Expect to Exceed the Threshold

Once nonconnected committees actually exceed the \$50,000 yearly threshold, they have “reason to expect to exceed” the threshold in the following two calendar years. 104.18(a)(3)(i). Consequently, committees must continue to file electronically for the next two calendar years (January through December).

Committees With No History

New committees with no history of campaign finance activity have reason to expect to exceed the \$50,000 yearly threshold if:

- The committee receives contributions or makes expenditures that exceed one-quarter of the threshold amount in the first calendar quarter of the calendar year (i.e., exceeds \$12,500 by the end of March); or
- The committee receives contributions or makes expenditures that exceed one-half of the threshold amount in the first half of the calendar year (i.e., exceeds \$25,000 by the end of June).

104.18(a)(3)(ii).

Verification Requirements

The political committee’s treasurer must verify the electronically filed reports by:

- Submitting a signed certification on paper along with the computerized media; or
- Submitting a digitized copy of the signed certification as a separate file in an electronic submission.

The signed verification must certify that the treasurer or assistant treasurer has examined the sub-

mitted report, and that, to the best of his or her knowledge and belief, the report is true, correct and complete. 104.18(g).

Obtaining a Password

Requesting a Password

A committee's treasurer or assistant treasurer can obtain an electronic filing password by faxing a request letter to the password office at 202/219-0674. Requests may also be mailed to the Federal Election Commission, 1050 First Street, NE, Washington, DC 20463. A password request must:

- Include the committee's name and nine-digit FEC identification number;
- Be signed by the treasurer and also by the assistant treasurer if the assistant treasurer is the individual requesting the password;
- Include the treasurer's phone number and, if applicable, the phone number of the assistant treasurer; and
- Be printed on the committee's letterhead (if the committee has official letterhead).

A sample request can be viewed on the FEC's web site at <http://www.fec.gov/electfil/passreqlet.html>.

Requests sent by fax can usually be processed within a few hours. However, committees are encouraged to request a password as early as possible. Requests received near a filing deadline may not be processed in time for a committee to use the password to file a timely report.

Assigning the Password

Once the password office receives the letter requesting a password, it will verify that the requester is listed as the treasurer (or assistant treasurer, if applicable) of that committee on that committee's Statement of Organization (FEC Form I). Only the committee's treasurer and assistant treasurer can receive a password.

If the requester is listed on the Statement of Organization, then a representative from the password office will call the requester and ask him or her to choose a password. This password will be assigned immediately. Passwords are case sensitive and must be entered exactly as initially assigned.

If the requester is not listed on the Statement of Organization (e.g. the committee has a new treasurer), he or she must submit a password request letter as described under "New Treasurers" below.

Lost or Forgotten Password

The Commission cannot provide a treasurer's password to a treasurer or committee if a treasurer forgets or loses the password because the passwords are encrypted. Instead, the treasurer must ask for a new password, repeating the process described above.

New Treasurers

When a committee appoints a new treasurer, it must amend its Statement of Organization within 10 days of the appointment to disclose the change. In order to do so, the new treasurer must request a password. Since the treasurer's name and signature do not appear on the committee's existing Statement of Organization, they must include the following sentence in the password request letter: "I represent that I am the duly appointed treasurer and have authority as such to sign FEC reports for the above committee."

Once a password is received, the new treasurer can file the amended Form I to indicate the change of position.

Special Requirements

The following documents have special signature and submission requirements:

- Schedule C-1 (Loans and Line of Credit from Lending Institutions), including copies of loan agreements; and
- Form 8 (Debt Settlement Plan).

These three forms, in addition to being included in the electronic report, must be submitted on paper or in a digitized format (submitted as a separate file in the electronic report) by the prescribed filing date. 104.18(h).

8. Where to File

Nonconnected committees file reports and statements with the Federal Election Commission, 1050 First Street, NE, Washington, DC 20463. 52 U.S.C. §30102(g); 100.19(a) and 105.4.

Please note that 24-hour and 48-hour independent expenditure reports are filed with the FEC, irrespective of the office sought. 104.4(e)(2)(ii) and (3); 105.2(b).

State Filing

Only nonconnected committees located in Puerto Rico and Guam must simultaneously file copies of reports with the Secretary of State (or other designated state officer), as all other states and territories participate in the Commission's State Filing Waiver Program. These committees should contact the FEC for more information on their filing obligations.

9. Public Review of Reports

All reports filed by nonconnected committees are available for public inspection and copying (for a minimal fee) in the FEC's Public Records Office. The reports are also posted on the Commission's web site at <http://www.fec.gov/disclosure.shtml>. Copies of reports may also be purchased by mail. For more information, call 800/424-9530 ext. 3 or 202-694-1120.

"Sale or Use" Restriction

The Act prohibits anyone from selling or using the names and addresses of individual contributors copied from FEC reports for commercial purposes or for the purpose of soliciting funds. This "sale or use" restriction, however, does not apply to the names and addresses of political committees that are listed in FEC reports. 104.15. See also AOs 2004-24 and 2003-24.

"Salting" Reports to Detect Misuse

When preparing a report to be filed, a committee may "salt" the report with up to 10 fictitious names in order to detect impermissible uses of individual contributor information by other organizations. 104.3(e).

Salting can be done by taking a portion of the subtotal for unitemized contributions and allocating it, as itemized contributions, among several fictitious contributors. The committee itemizes each fictitious contribution on a Schedule A, providing a real address (such as the address of a campaign staff member) for each fictitious contributor. The committee must adjust its subtotals for itemized and unitemized contributions accordingly on the Detailed Summary Page. If a solicitation or commercial mailing is sent to one of the fictitious names, the committee will know that someone has illegally used the names of contributors disclosed on its reports. The committee may then file a complaint with the FEC.

When a committee files a report containing fictitious names, a list of the fictitious names must be sent under separate cover directly to the FEC's Reports Analysis Division. The list will be kept confidential.

Sale or Use of Committee's Contributor List

The sale or use restriction does not prevent a committee from compiling its own list of contributors and distributing it to others. Subject to other applicable requirements of the Act, a committee may donate, sell, trade or rent its own contributor list to other committees and organizations. AOs 2002-14, 1982-41 and 1981-53.

CHAPTER 9

Completing FEC Form 3X

I. Reporting Forms

Form 3X

Nonconnected committees use FEC Form 3X to disclose their receipts and disbursements. The same form is used for all reports, including quarterly reports, semiannual reports, pre- and post-election reports and termination reports.

The Form 3X booklet contains:

- The Summary Page (2 pages)
- The Detailed Summary Page (2 pages)
- Schedule A—Itemized Receipts
- Schedule B—Itemized Disbursements
- Schedule C—Loans
- Schedule C-1—Loans and Lines of Credit from Lending Institutions
- Schedule D—Debts and Obligations
- Schedule E—Itemized Independent Expenditures
- Schedules H1-H6—Allocation of Federal and Nonfederal Expenses (See Chapter 10 for information on the allocation schedules.)

Information entered on the Summary Page and Detailed Summary Page is based on information from the schedules. The schedules, therefore, are normally filled out first. The instructions in this chapter (starting in Section 2) begin with Schedule A.

Paper Forms

Paper versions of FEC forms should be typed; printing in ink is also acceptable as long as the forms are legible. Because filings will be photocopied several times before being placed on the public record, it is important that paper filers submit original documents (not copies). Committees submitting illegible documents will be required to refile.

The treasurer must retain a photocopy of each report filed with the Commission, along with the appropriate records, for three years. 102.9(c); 104.14(b)(2), (3), and (4).

Electronic Filing

Some committees filing with the FEC are required to file electronically. All other committees filing with the FEC are encouraged to take advantage of the electronic filing program. Reports can be filed electronically on disk, via modem or via the Internet. For more information about electronic filing, including the mandatory electronic filing requirements that apply to some committees, see page 51 or contact the FEC.

While what follows in this chapter applies to both paper and electronic filers, electronic filers should consult their software providers for additional information.

Computerized Forms

A committee may use computer-produced versions of Schedules A and B, but they must first be submitted to the Commission for approval. This rule applies even if the committee is using commercial software advertised as approved for FEC reporting. 104.2(d). Committees may also submit computer-generated Summary and Detailed Summary Pages, but these pages must be reproductions of the original FEC forms. See AO 1992-11.

The committee must send samples of its proposed forms and schedules to the FEC's Reports Analysis Division. 104.2(d); FEC Directive 37 (available through the FEC's Public Records Division).

Forms Available on FEC Web Site

The forms and schedules mentioned above are also available on the FEC web site (www.fec.gov/info/forms.shtml).

2. Itemized Receipts: Schedule A

When to Itemize Receipts

Regardless of Amount

Several types of receipts must be itemized on Schedule A regardless of amount. They include:

- Contributions from political committees and similar organizations;
- Transfers from affiliated committees;
- Loans received;
- Loan payments received; and
- Refunded contributions received from political committees. 104.3(a)(4).

\$200 Threshold

A receipt in any of the following categories must be itemized if it exceeds \$200 per calendar year, either by itself or when aggregated with other receipts from the same source:

- Contributions from individuals and groups other than political committees; 104.3(a)(4)(i)
- Offsets to operating expenditures (rebates, refunds and returns of deposits); 104.3(a)(4)(v) and
- Other receipts (such as interest and dividends earned on invested funds). 104.3(a)(4)(vi).

Note that, although a committee only has to itemize contributions in its reports for persons (other than political committees) giving more than \$200 per year, the committee's records must identify the sources of contributions of more than \$50. 110.4(c)(3). See Chapter 7.

Itemizing Receipts When Not Required

A committee that chooses to itemize all of its receipts, regardless of the \$200 threshold, should use a separate Schedule A to itemize receipts that do not aggregate over \$200. The committee should include those receipts in the total for Line 11(a)(ii), "Unitemized Receipts," on the Detailed Summary Page (see page 63).

Categorizing Receipts

Before beginning to itemize the committee's receipts, separate them into the different categories listed on the Detailed Summary Page ("Contributions from Individuals," "Contributions from Political Committees," etc.; an illustration of a completed Detailed Summary Page appears on page 63). The receipts in each category must be itemized on a separate Schedule A designated for that category.

Indicate the type of receipt itemized on a particular Schedule A by checking the box in the upper right corner of the schedule that corresponds to the line number from the Detailed Summary Page. The appropriate category of receipt may also be written at the top of each page.

Some categories may require several pages. The total for each category should be entered on the bottom line of the last page for that category.

Itemized Information

For each itemized receipt, provide:

- The full name and mailing address (including zip code) of the contributor or other source;
- The name of the contributor’s employer (if the contributor is an individual);
- The contributor’s occupation (if the contributor is an individual);
- The date of receipt;
- The amount; and
- The aggregate, year-to-date total of all receipts (within the same category) from the same source. 104.3(a)(4).

The space indicating the election for which a contribution is made (“Receipt For”) does not apply to nonconnected committees; leave those boxes blank.

Special Employer Information

If an individual contributor is self-employed, record that information in the Name of Employer space. If a contributor is not employed, the Employer space should be left blank, but the Occupation space should always be completed (e.g., “unemployed,” “retired,” “homemaker”).

Best Efforts Required

Apply “best efforts” to obtain and report the information listed above. See page 43 for information.

Payroll Deductions

Administration Costs

A nonconnected committee that is sponsored by a non-corporate organization, such as a partnership, may receive contributions from the organization’s partners or employees in the form of payroll deductions. If the costs associated with administering the payroll deduction plan are paid by that sponsor, they are in-kind contributions from the sponsoring organization. If, however, the committee itself pays for the cost of the payroll deductions,

PAYROLL DEDUCTION

SCHEDULE A (FEC Form 3X)
ITEMIZED RECEIPTS

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

FOR LINE NUMBER: (check only one)

| | | | |
|---|------------------------------|------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> 11a | <input type="checkbox"/> 11b | <input type="checkbox"/> 11c | <input type="checkbox"/> 12 |
| <input type="checkbox"/> 13 | <input type="checkbox"/> 14 | <input type="checkbox"/> 15 | <input type="checkbox"/> 16 |
| <input type="checkbox"/> 17 | | | |

PAGE 1 OF 1

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)
Civil Republic PAC

A. Full Name (Last, First, Middle Initial)
Grimes, Frank

Mailing Address
742 Evergreen Terrace

City State Zip Code
Springfield ST 00000

FEC ID number of contributing federal political committee.
C

Name of Employer Occupation
Lenny & Karl LLC Attorney

Receipt For:
 Primary General
 Other (specify) gg

Aggregate Year-to-Date \$
285.00

Date of Receipt: Payroll Deduction
MM / DD / YYYY

Amount of Each Receipt this Period
90.00

then they are operating expenditures by the non-connected committee. AOs 2005-20 and 1982-63. See also Appendix A, “Support from Sponsoring Organization,” for more information.

Reporting Receipts

Once an individual’s deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor’s paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, note “payroll deduction” under “Date.” The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

EXAMPLE: During an election year, a member of a law partnership authorizes his firm to deduct \$15 per pay period (each pay period is two weeks) for the firm’s nonconnected PAC. The PAC, which files FEC reports on a quarterly schedule, includes the partner’s first-quarter contributions (\$90 for six pay periods) as “unitemized contributions” on Line 11(a)(ii) in the April quarterly report.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the partner’s aggregate contributions are \$195—still below the \$200 itemization threshold. The partner’s second-quarter contributions again are included in “unitemized contributions” in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the partner’s contributions reach \$285. Now the

committee itemizes the total contributions received from the partner during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See illustration on previous page.)

In-Kind Contributions Received

When determining whether to itemize an in-kind contribution, follow the same guidelines listed under “When to Itemize Receipts,” page 56. See page 15 for information on how to determine the dollar value of an in-kind contribution.

In addition, the value of the in-kind contribution must be reported as an operating expenditure on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration at right.¹

Appreciated Goods

When a committee receives an in-kind contribution whose value may appreciate over time, such as stocks, bonds or artwork, special reporting rules apply:

- Itemize the initial gift, if necessary, as a memo entry on Schedule A (see “When to Itemize Receipts,” page 56). Under “Amount,” report the fair market value of the contribution on the date the item was received. Do not include that amount in the total for Line 11(a)(i) on the Detailed Summary Page.

¹ Committees maintaining separate accounts for federal and nonfederal activity may have to allocate under these circumstances. See Chapter 10 for more information.

IN-KIND CONTRIBUTION

| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17 | PAGE 1 OF 1 |
|--|--|---|---|-------------|
| 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) Civil Republic PAC | | | | |
| A. Full Name (Last, First, Middle Initial) Dickinson, Bruce | | Date of Receipt 10 / 25 / 2008 | | |
| Mailing Address 100 Bell Street City State Zip Code City ST 00000 | | Amount of Each Receipt this Period 5000.00 | | |
| FEC ID number of contributing federal political committee. C | | In-kind: raffle prize | | |
| Name of Employer Bellbottom Music, Inc. | | Occupation Producer | | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) g | | Aggregate Year-to-Date g 5000.00 | | |

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 29 <input type="checkbox"/> 30b | PAGE 1 OF 1 |
|--|--|--|--|-------------|
| 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) Civil Republic PAC | | | | |
| A. Full Name (Last, First, Middle Initial) Dickinson, Bruce | | Date of Disbursement 10 / 25 / 2008 | | |
| Mailing Address 100 Bell Street City State Zip Code City ST 00000 | | Amount of Each Disbursement this Period 5000.00 | | |
| Purpose of Disbursement Raffle Prize | | Category/Type | | |
| Candidate Name | | In-kind | | |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President State: District: | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | |

- Once the item is sold, report the sale price as a contribution on Line 11(a)(i) if the purchaser is known or as an “other receipt” on Line 15 if the purchaser is unknown. Itemize the transaction on Schedule A if necessary. 104.13(b). See AO 1989-6.

Advances from Personal Funds

As explained on page 15 when an individual uses his or her personal funds or personal credit to pay a vendor for a committee expense and is later reimbursed by the committee, special reporting rules apply.

Advances Made and Reimbursed Within Same Reporting Period

Advances that are made and reimbursed within the same reporting period are considered contributions and must be reported as follows:

- Report the original advance only if, at the end of the reporting period, the amount of previous contributions from the person making the advance plus the amount of the advance minus the amount of the reimbursement is greater than \$200 (i.e., previous contributions + the advance - the reimbursement > \$200). In that case, report the advance as a memo entry contribution on Schedule A; and
- Report the reimbursement as an operating expenditure and, if reimbursements to that person exceed \$200 in the calendar year, itemize it on Schedule B (with a cross-reference to the memo entry on Schedule A for the advance—if the advance was itemized). 104.3(b)(3)(i). See also AO 1992-1.

Advances Made and Reimbursed in Different Reporting Periods

Advances that are reimbursed in a later reporting period must be reported as follows:

- Report the original advance only if, at the end of the reporting period, the amount of previous contributions from the person making the advance plus the amount of the advance minus the amount of the reimbursement is greater than \$200 (i.e., previous contributions + the advance - the reimbursement > \$200). In that

ADVANCES FROM PERSONAL FUNDS (INITIAL ADVANCE)

SCHEDULE A (FEC Form 3X)
ITEMIZED RECEIPTS

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

FOR LINE NUMBER: (check only one)
 11a 11b 11c 12
 13 14 15 16 17

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)
Civil Republic PAC

Full Name (Last, First, Middle Initial)
A. Chambers, Diane

Mailing Address
200 Beacon Street
City State Zip Code
City ST 00000

FEC ID number of contributing federal political committee.
C

Name of Employer
Civil Republic PAC

Occupation
Political Coordinator

Receipt For:
 Primary General
 Other (specify) ▼

Aggregate Year-to-Date ▼ 379.83

Date of Receipt
09 20 2008

Amount of Each Receipt this Period
379.83

MEMO: Airfare to be reimbursed

ADVANCES FROM PERSONAL FUNDS (DISCLOSURE AS DEBT)

SCHEDULE D (FEC Form 3X)
DEBTS AND OBLIGATIONS

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

PAGE 1 OF 1
FOR LINE NUMBER: (check only one)
 9 10

Excluding Loans

NAME OF COMMITTEE (In Full)
Civil Republic PAC

A. Full Name (Last, First, Middle Initial) of Debtor or Creditor
Chambers, Diane

Mailing Address
200 Beacon Street
City State Zip Code
City ST 00000

Nature of Debt (Purpose):
Airfare to be reimbursed to staff member

Outstanding Balance Beginning This Period
0.00

Amount Incurred This Period
379.83

Payment This Period
0.00

Outstanding Balance at Close of This Period
379.83

case, report the advance as a memo entry contribution on Schedule A;

- Report the amount of the advance outstanding at the end of the reporting period as a debt on Schedule D if it exceeds \$500 or has been outstanding for more than 60 days; and
- Report the reimbursement as an operating expenditure and, if reimbursements to that person exceed \$200 in the calendar year, itemize it on Schedule B (with a cross-reference to the memo entry on Schedule A for the advance—if the advance was itemized). 104.3(b)(3) and 104.3(d). See also AO 1992-1. See example, top right.

Special Rule for Reporting Reimbursements

If the total amount reimbursed to the individual is \$500 or less, the committee must report the individual as the payee. If the total amount exceeds \$500 and payments to any one vendor used for the expenses total over \$200, additional information is required. In this instance the committee must:

- Report the individual as payee; and
- Report the payments aggregating over \$200 to any one vendor as memo entries on Schedule B.AO 1996-20, footnote 3.

See “Reporting Debts Other Than Loans” on page 76.

Joint Contributions

A joint contribution is made by a single check (or other written instrument) that bears two signatures. A check with one signature may also be a joint contribution if an accompanying form or letter, signed by both contributors, instructs the committee to treat it as a joint contribution. (A check drawn on a joint bank account but signed by only one person does not qualify as a joint contribution. Attribute the full amount of such a check only to the person who signed it. If necessary, a reattribution may be sought using the procedures described below.)

For the purposes of itemization, report a joint contribution as though the joint contributors had given separately

ADVANCES FROM PERSONAL FUNDS (REIMBURSEMENT)

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|--|--|---|-----------------------------------|------------------------------|
| 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. | | <input checked="" type="checkbox"/> 21b | <input type="checkbox"/> 22 | <input type="checkbox"/> 23 |
| NAME OF COMMITTEE (In Full) Civil Republic PAC | | <input type="checkbox"/> 27 | <input type="checkbox"/> 28a | <input type="checkbox"/> 28b |
| Full Name (Last, First, Middle Initial) A. Chambers, Diane | | <input type="checkbox"/> 24 | <input type="checkbox"/> 25 | <input type="checkbox"/> 26 |
| Mailing Address 200 Beacon Street | | <input type="checkbox"/> 29 | <input type="checkbox"/> 30a | <input type="checkbox"/> 30b |
| City City | | Date of Disbursement 11 / 01 / 2008 | | |
| State ST | | Amount of Each Disbursement this Period 379.83 | | |
| Zip Code 00000 | | See Schedule A, October Quarterly | | |
| Purpose of Disbursement Airfare Reimbursement | | Category/Type | | |
| Candidate Name | | | | |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | |
| State: District: | | | | |
| Full Name (Last, First, Middle Initial) B. Cloudy Sky Airlines | | Date of Disbursement 11 / 01 / 2008 | | |
| Mailing Address 2800 Wakefield Street | | Amount of Each Disbursement this Period 379.83 | | |
| City City | | MEMO | | |
| State ST | | | | |
| Zip Code 00000 | | | | |
| Purpose of Disbursement Airfare Reimbursement | | Category/Type | | |
| Candidate Name | | | | |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | |
| State: District: | | | | |

JOINT CONTRIBUTIONS

| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|--|--|--|-----------------------------------|------------------------------|
| 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. | | <input checked="" type="checkbox"/> 11a | <input type="checkbox"/> 11b | <input type="checkbox"/> 11c |
| NAME OF COMMITTEE (In Full) Civil Republic PAC | | <input type="checkbox"/> 13 | <input type="checkbox"/> 14 | <input type="checkbox"/> 15 |
| Full Name (Last, First, Middle Initial) A. Carraway, Nicholas | | <input type="checkbox"/> 16 | <input type="checkbox"/> 17 | |
| Mailing Address 33 Gatsby Street | | Date of Receipt 12 / 20 / 2008 | | |
| City City | | Amount of Each Receipt this Period 500.00 | | |
| State ST | | | | |
| Zip Code 00000 | | | | |
| FEC ID number of contributing federal political committee. C | | Name of Employer BC Foods | | |
| Occupation General Manager | | Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | |
| Aggregate Year-to-Date 575.00 | | | | |
| Full Name (Last, First, Middle Initial) B. Carraway, Daisy | | Date of Receipt 12 / 20 / 2008 | | |
| Mailing Address 33 Gatsby Street | | Amount of Each Receipt this Period 500.00 | | |
| City City | | | | |
| State ST | | | | |
| Zip Code 00000 | | | | |
| FEC ID number of contributing federal political committee. C | | Name of Employer Rye Bakery | | |
| Occupation Proprietor | | Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | |
| Aggregate Year-to-Date 500.00 | | | | |

Completing FEC Form 3X

(i.e., as a contribution from each person).

A joint contribution is itemized in items A and B in the illustration at left. In this case, the committee received a \$1,000 check from a married couple, signed by both spouses. Because there were no instructions as to how to attribute the check, the committee must divide it equally between the two spouses—\$500 from each. 110.1(k)(2).

By contrast, if the committee received instructions to attribute \$100 to the husband and \$900 to the wife, the committee would itemize the wife's contribution. The husband's \$100 contribution would have to be itemized only if he had previously given more than \$100 in the same calendar year, since his total contributions would then aggregate over \$200 (see items C and D in the illustration).

Reattributions

This section describes how to report contributions for which the committee has requested reattributions from contributors. (See page 13)

Receipt of Original Contribution

When itemizing a contribution that must be reattributed to correct an excessive amount, include a statement on Schedule A noting that a reattribution has been requested. 103.3(b)(5).

REATTRIBUTIONS (ORIGINAL CONTRIBUTION RECEIVED)

| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | FOR LINE NUMBER: PAGE 1 OF 1 (check only one) |
|--|--|--|
| Use separate schedule(s) for each category of the Detailed Summary Page | | <input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17 |
| 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) Civil Republic PAC | | |
| Full Name (Last, First, Middle Initial) A. Benson, Jack | | Date of Receipt 06 / 14 / 2008 |
| Mailing Address 22 France Drive City State Zip Code City ST 00000 | | Amount of Each Receipt this Period 6000.00 |
| FEC ID number of contributing federal political committee. C | | Reattribution Requested |
| Name of Employer Travelco, Inc. | Occupation Assistant Vice President | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) g | Aggregate Year-to-Date 6000.00 | |

REATTRIBUTION RECEIVED

| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | FOR LINE NUMBER: PAGE 1 OF 1 (check only one) |
|--|--|--|
| Use separate schedule(s) for each category of the Detailed Summary Page | | <input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17 |
| 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) Civil Republic PAC | | |
| Full Name (Last, First, Middle Initial) A. Benson, Jack | | Date of Receipt 06 / 14 / 2008 |
| Mailing Address 22 France Drive City State Zip Code City ST 00000 | | Amount of Each Receipt this Period 6000.00 |
| FEC ID number of contributing federal political committee. C | | MEMO Originally reported 6/14/2008. \$1,000 reattributed below |
| Name of Employer Travelco, Inc. | Occupation Assistant Vice President | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | Aggregate Year-to-Date ▼ 6000.00 | |
| Full Name (Last, First, Middle Initial) B. Benson, Jack | | Date of Receipt 07 / 11 / 2008 |
| Mailing Address 22 France Drive City State Zip Code City ST 00000 | | Amount of Each Receipt this Period -1000.00 |
| FEC ID number of contributing federal political committee. C | | MEMO: Reattribution Below |
| Name of Employer Travelco, Inc. | Occupation Assistant Vice President | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | Aggregate Year-to-Date ▼ 5000.00 | |
| Full Name (Last, First, Middle Initial) C. Benson, Sarah | | Date of Receipt 07 / 11 / 2008 |
| Mailing Address 22 France Drive City State Zip Code City ST 00000 | | Amount of Each Receipt this Period 1000.00 |
| FEC ID number of contributing federal political committee. C | | MEMO: Reattribution |
| Name of Employer Travelco, Inc. | Occupation Legal Counsel | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | Aggregate Year-to-Date ▼ 1000.00 | |

RETURNED/BOUNCED CHECK

| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|--|--|---|--|------------------------------|
| 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. | | | <input checked="" type="checkbox"/> 11a | <input type="checkbox"/> 11b |
| NAME OF COMMITTEE (in Full) Civil Republic PAC | | | <input type="checkbox"/> 11c | <input type="checkbox"/> 12 |
| Full Name (Last, First, Middle Initial) A. Scofflaw, John | | | <input type="checkbox"/> 13 | <input type="checkbox"/> 14 |
| Mailing Address 100 Crooked Lane | | | <input type="checkbox"/> 15 | <input type="checkbox"/> 16 |
| City State Zip Code City ST 00000 | | | <input type="checkbox"/> 17 | |
| FEC ID number of contributing federal political committee. C | | | Date of Receipt 06 / 07 / 2008 | |
| Name of Employer Self-employed | | | Amount of Each Receipt this Period -250.00 | |
| Occupation Contractor | | | Bounced check, originally reported in April Quarterly report | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | | Aggregate Year-to-Date ▼ 0.00 | |

Checks received and returned by the bank in the same reporting period do not need to be reported.

Negative Entry

A negative entry is shown as a dollar amount with a negative sign in front. The amount is always deducted from the total for that schedule (and the corresponding line number on the Detailed Summary Page). A negative entry is used, for example, when a contributor's check bounces or is returned to the contributor without having been

deposited in the committee's account.

Receipt of Reattribution

In the report covering the reporting period during which the reattribution is received, itemize as memo entries:

- Information on the contribution as it was previously disclosed; and
- Information on the contribution as it was reattributed, including the date the reattribution was received. 104.8(d)(3).

Refund of Excessive Portion

If the committee does not receive the reattribution, the committee must refund the excessive portion within 60 days of the treasurer's receipt of the contribution. Disclose the refund on the next report. 103.3(b)(3) and (5); 104.8(d)(4). See also "Refunds Made by the Committee," page 67.

Bounced Checks

If a committee reports the receipt of a check and later finds it cannot be negotiated because of insufficient funds in the donor's account, the committee deducts the amount from its next report as follows:

- If the receipt was not itemized in a previous report, deduct the amount of the check from the total for unitemized contributions (Line 11(a)(ii) on the Detailed Summary Page).
- If the receipt was itemized previously, itemize the return of the check as a negative entry on a Schedule A for the appropriate line number.

3. Reporting Receipts: The Detailed Summary Page

Listed below are the categories of receipts found on the Detailed Summary Page. For each category, enter a total for the current reporting period and for the year to date.

Line 11. Contributions

Report total monetary and in-kind contributions received, both itemized and unitemized.

Line 11(a): Contributions from Individuals and Other Groups

Itemize contributions from individuals on a Schedule A for Line 11(a)(i). Unitemized totals should be entered on Line 11(a)(ii). Enter the total for Lines 11(a)(i) and 11(a)(ii) on Line 11(a)(iii). Rules concerning when to itemize contributions from individuals are explained on page 56. Contributions from partnerships are also reported on Line 11(a)(i); see also Appendix C for more information about reporting partnership contributions.

Line 11(b): Political Party Committees

If the committee has received contributions from party committees (including party committees that do not qualify as political committees), itemize them on a Schedule A for Line 11(b) and enter the total on the Detailed Summary Page.

Line 11(c): Other Political Committees

If the committee has received contributions from other types of committees (including committees that do not qualify as political committees), itemize them on a Schedule A and enter the total on Line 11(c). Transfers of funds received from affiliated committees, however, are reported on Line 12.

Line 11(d): Total Contributions

Enter the total of Lines 11(a), (b) and (c) on Line 11(d).

Line 12. Transfers-In

Itemize any transfers of funds received from affiliated political committees on a Schedule A. See the example at right. Enter the total on Line 12.

Line 13. Loans

Itemize any loans received on a Schedule A. Enter the total amount on Line 13. Committees receiving loans must also file Schedule C. See Section 8, page 74, for more information.

Line 14. Loan Repayments

Itemize any repayments received on loans made this reporting period by the committee on a Schedule A. Enter the total on Line 14. Committees receiving

loan repayments must also file Schedule C. See Section 8.

Line 15. Offsets to Operating Expenditures

Refunds, rebates and returns of deposits are considered offsets to operating expenditures. Itemize offsets on a Schedule A once the committee receives more than \$200 in such offsets from the same source during a calendar year. Enter the total on Line 15. See example above.

DETAILED SUMMARY PAGE (RECEIPTS)

DETAILED SUMMARY PAGE
of Receipts

FEC Form 3X (Rev. 06/2004) Page 3

Write or Type Committee Name
Civil Republic PAC

Report Covering the Period: From: 07 / 01 / 2008 To: 09 / 30 / 2008

| I. Receipts | COLUMN A Total This Period | COLUMN B Calendar Year-to-Date |
|---|-------------------------------|-----------------------------------|
| 11. Contributions (other than loans) From: | | |
| (a) Individuals/Persons Other Than Political Committees | | |
| (i) Itemized (use Schedule A)..... | 10562.27 | 27612.16 |
| (ii) Unitemized..... | 9982.57 | 10355.30 |
| (iii) TOTAL (add Lines 11(a)(i) and (ii)).....▶ | 20544.84 | 37967.46 |
| (b) Political Party Committees..... | 0.00 | 0.00 |
| (c) Other Political Committees (such as PACs)..... | 0.00 | 0.00 |
| (d) Total Contributions (add Lines 11(a)(iii), (b), and (c)) (Carry Totals to Line 33, page 5).....▶ | 20544.84 | 37967.46 |
| 12. Transfers From Affiliated/Other Party Committees..... | 2140.30 | 5695.45 |
| 13. All Loans Received..... | 5000.00 | 5000.00 |
| 14. Loan Repayments Received..... | 0.00 | 0.00 |
| 15. Offsets To Operating Expenditures (Refunds, Rebates, etc.) (Carry Totals to Line 37, page 5)..... | 250.00 | 250.00 |
| 16. Refunds of Contributions Made to Federal Candidates and Other Political Committees..... | 1000.00 | 1000.00 |
| 17. Other Federal Receipts (Dividends, Interest, etc.)..... | 181.69 | 851.88 |
| 18. Transfers from Non-Federal and Levin Funds | | |
| (a) Non-Federal Account (from Schedule H3)..... | 0.00 | 0.00 |
| (b) Levin Funds (from Schedule H5)..... | 0.00 | 0.00 |
| (c) Total Transfers (add 18(a) and 18(b))..... | 0.00 | 0.00 |
| 19. Total Receipts (add Lines 11(d), 12, 13, 14, 15, 16, 17, and 18(c)).....▶ | 29116.83 | 50764.79 |
| 20. Total Federal Receipts (subtract Line 18(c) from Line 19).....▶ | 29116.83 | 50764.79 |

FEBAN028

TRANSFERS

| | | | |
|--|--|---|--|
| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input checked="" type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17 |
| 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) Civil Republic PAC | | | |
| Full Name (Last, First, Middle Initial) A. Connecticut Civil Republic PAC | | Date of Receipt 07 / 30 / 2008 | |
| Mailing Address 211 Hermit Lane City State Zip Code Hartford CT 00000 | | Amount of Each Receipt this Period 2140.30 | |
| FEC ID number of contributing federal political committee. C 00000003 | | | |
| Name of Employer Occupation | | | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | Aggregate Year-to-Date ▼ 5695.45 | |

See Section 6 for more information on interest and dividends.

Line 18. Transfers from Nonfederal Account for Allocated Activity

If the committee maintains a non-federal account for state and local election activities, the federal account may accept a transfer of funds from the nonfederal account for the sole purpose of covering its share of an allocable federal and nonfederal expense. 106.6(e)(1)(i). Report the total amount transferred from the nonfederal account during the reporting period (i.e., the total from Schedule H3) on Line 18(a). See Chapter 10 for more information on reporting allocated federal/nonfederal activity.

Other rules concerning these transfers are explained in Chapter 10.

OFFSETS TO OPERATING EXPENDITURES

| | | | |
|--|--|---|--|
| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input checked="" type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17 |
| 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) Civil Republic PAC | | | |
| Full Name (Last, First, Middle Initial) A. Blue Period Designs | | Date of Receipt 07 / 30 / 2008 | |
| Mailing Address 22 Daumier Ave. City State Zip Code Hartford ST 00000 | | Amount of Each Receipt this Period 250.00 | |
| FEC ID number of contributing federal political committee. C | | | |
| Name of Employer Occupation | | Refund of overcharge | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | Aggregate Year-to-Date ▼ 250.00 | |

4. Itemized Disbursements: Schedule B

Line 16. Refunds of Contributions

Itemize refunds of contributions made by the committee on a Schedule A regardless of their amount. See directions for Line 28 for more information on how to report them. Enter the total on Line 16.

Line 17. Other Receipts

This category includes interest and dividends earned on investments. Itemize these receipts on a Schedule A once the committee receives more than \$200 (not otherwise itemized on the Detailed Summary Page) from the same source during a calendar year. Enter the total under this category on Line 17.

When to Itemize Disbursements

Regardless of Amount

Several types of disbursements must be itemized regardless of amount:

- Contributions to candidates and political committees;
- Expenditures for allocated federal/nonfederal activity (Schedule H4). See Chapter 10;²
- Loan repayments;

² If the committee uses funds drawn from federal and nonfederal accounts to conduct an activity that supports both federal and nonfederal candidates, the committee must follow the allocation rules. See Chapter 10.

CONTRIBUTIONS TO CANDIDATES

How to Itemize Disbursements

Separate Categories of Disbursements

Before beginning to itemize the committee's disbursements, separate them into the different categories listed on the Detailed Summary Page ("Operating Expenditures," "Contributions to Federal Candidates," etc.; an illustration of a completed Detailed Summary Page appears on page 70). The disbursements in each category must be itemized on a separate Schedule B designated for that category.

Indicate the type of disbursement itemized on a particular Schedule B by checking the box in the upper right corner that corresponds to the line number from the Detailed Summary

Page. The appropriate category of disbursement may also be written at the top of each page.

Some categories may require several pages. The total for each category should be entered on the bottom line of the last page for that category.

Itemized Information

Itemized disbursement information includes:

- Name of payee;
- Address of payee;
- Purpose of disbursement³ (a brief but specific description of why the disbursement was made—see Schedule B instructions and 104.3(b)(3)(i)(B));
- Optional category code;
- Date of payment; and
- Amount. 104.3(b)(3) and 104.9.

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS

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

FOR LINE NUMBER: (check only one)

PAGE 1 OF 1

21b 22 23 24 25 26
 27 28a 28b 28c 29 30b

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)

Civil Republic PAC

Full Name (Last, First, Middle Initial)

A. Citizens for Stan Parkin

Date of Disbursement

07 / 12 / 2008

Mailing Address

51 Rushmore Street

City

State

Zip Code

City

ST

00000

Purpose of Disbursement

Contribution

Candidate Name

Stan Parkin

011

Category/Type

Amount of Each Disbursement this Period

150.00

Office Sought:

House

Senate

President

Disbursement For:

Primary

General

Other (specify) ▼

2008

State: ST

District: 12

Full Name (Last, First, Middle Initial)

B. Christopher Blakley for Congress

Date of Disbursement

08 / 01 / 2008

Mailing Address

5432 Williamsburg Drive

City

State

Zip Code

City

ST

00000

Purpose of Disbursement

Contribution

Candidate Name

Christopher Blakley

011

Category/Type

Amount of Each Disbursement this Period

500.00

Office Sought:

House

Senate

President

Disbursement For:

Primary

General

Other (specify) ▼

2006 General Debt

State: ST

District: 9

- Loans made by the committee; and
- Transfers to affiliated committees.

Note that refunds of contributions (Line 26 on the Detailed Summary Page) must be itemized on Schedule B only if the incoming contribution had to be itemized on Schedule A, as explained earlier in this chapter. 104.3(b)(3)(iv), (iii), (vi) and (ii) respectively.

Other Disbursements: \$200 Threshold

A disbursement that does not fall under one of the categories listed above (such as a donation to a nonfederal candidate) must be itemized if it exceeds \$200 when aggregated with other disbursements made to the same payee during the calendar year. 104.3(b)(3)(ix).

3 For more information regarding purpose of disbursement entries on FEC reports, see the Commission's Statement of Policy of January 9, 2007, at http://www.fec.gov/law/policy/purposeofdisbursement/notice_2006-23.pdf.

IN-KIND CONTRIBUTIONS TO CANDIDATES

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|--|--|--|--------------------------------------|------------------------------|
| | | <input checked="" type="checkbox"/> 21b | <input type="checkbox"/> 22 | <input type="checkbox"/> 23 |
| | | <input type="checkbox"/> 27 | <input type="checkbox"/> 28a | <input type="checkbox"/> 28b |
| | | <input type="checkbox"/> 24 | <input type="checkbox"/> 25 | <input type="checkbox"/> 26 |
| | | <input type="checkbox"/> 29 | <input type="checkbox"/> 30b | |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) | | | | |
| A. Westroads Liquor | | Date of Disbursement | | |
| Mailing Address 19 Main Street | | 08 / 26 / 2008 | | |
| City State Zip Code City ST 00000 | | | | |
| Purpose of Disbursement Reception | | 011 | | |
| Candidate Name Stephen Bagwell | | Amount of Each Disbursement this Period 972.40 | | |
| Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 0 | | |
| State: District: | | MEMO: In-kind: See Schedule B, Line 23 | | |

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|--|--|--|--------------------------------------|--|
| | | <input type="checkbox"/> 21b | <input type="checkbox"/> 22 | <input checked="" type="checkbox"/> 23 |
| | | <input type="checkbox"/> 27 | <input type="checkbox"/> 28a | <input type="checkbox"/> 28b |
| | | <input type="checkbox"/> 24 | <input type="checkbox"/> 25 | <input type="checkbox"/> 26 |
| | | <input type="checkbox"/> 29 | <input type="checkbox"/> 30b | |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) | | | | |
| A. Westroads Liquor | | Date of Disbursement | | |
| Mailing Address 19 Main Street | | 08 / 24 / 2008 | | |
| City State Zip Code City ST 00000 | | | | |
| Purpose of Disbursement Reception | | 011 | | |
| Candidate Name Stephen Bagwell | | Amount of Each Disbursement this Period 972.40 | | |
| Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) 2008 | | |
| State: ST District: 08 | | In-kind | | |

and indicate the report on which the original contribution was itemized.

In the illustration on the next page, a nonconnected committee originally made a \$10,000 contribution to a candidate's campaign, intending half of it to count toward the general election. The nonconnected committee itemized the contribution in its April quarterly report. The following month, the campaign requested that the committee redesignate the excessive \$5,000 for the general election campaign. The nonconnected committee then itemized the redesignation in its July quarterly report.

Memo Entry

Use a memo entry on a schedule to provide information that is not included in the schedule's total dollar figure. Memo entries are used, for example, to disclose the redesignation of a contribution.

Filers should exercise caution not to confuse "memo entries" with the "memo text" function used to supply additional information when filing electronically using FECFile.

Additional Information on Candidates

Further information is required when itemizing a contribution to a candidate committee on Schedule B. List the candidate's name and the office sought (including the state and, if applicable, Congressional district). When itemizing a contribution or loan to a candidate committee, specify the election for which the payment was made by checking the appropriate category in the election designation box. 104.3(b)(3)(v). See illustrations above.

Redesignations of Contributions

Use memo entries to show any redesignations of contributions.

If a contribution to a candidate is redesignated for a different election after the close of books for the reporting period during which the contribution was made, show the redesignation on the next report

Refunds Made by the Committee

When a committee refunds a contribution to a donor, the committee must include the disbursement in the total for the appropriate category of refund on the Detailed Summary Page (Line 28(a), (b) or (c)). If the committee previously itemized the incoming contribution on Schedule A, then it must itemize the refund on a Schedule B for the appropriate line number. 104.8(d)(4).

(A committee may return a contribution to the donor without depositing it, although the return must be made within 10 days of the treasurer's receipt of the contribution. 103.3(a). If the contribution was not deposited, the committee does not have to report either the receipt or the return of the contribution.)

Refunds Received by the Committee

If a committee receives a refund of a contribution it has made, it must report the refund in one of two ways, depending on the circumstances described below. 104.8(d)(4).

Original Check Not Deposited

If a check to a candidate committee or other political committee is not deposited (e.g., if it is returned uncashed or is lost), report the amount as a negative entry on a Schedule B for Line 23, "Contributions to Federal Candidates and Other Political Committees." (The

ORIGINAL DESIGNATION, YEAR-END REPORT

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|--|--|---|---|------------------------------|
| | | <input type="checkbox"/> 21b | <input checked="" type="checkbox"/> 23 | <input type="checkbox"/> 25 |
| | | <input type="checkbox"/> 27 | <input type="checkbox"/> 28a | <input type="checkbox"/> 28c |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) Committee to Reelect Sally Hayes | | | | |
| Mailing Address 212 Inverted Forest Ave. | | | Date of Disbursement 12 / 30 / 2009 | |
| City City | | | State ST | |
| Zip Code 00000 | | | | |
| Purpose of Disbursement Contribution | | | 011 | |
| Candidate Name Sally Hayes | | | Category/ Type | |
| Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | | Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ | |
| State: ST District: 11 | | | Amount of Each Disbursement this Period 10000.00 | |

REDESIGNATION, APRIL REPORT

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|--|--|---|---|------------------------------|
| | | <input type="checkbox"/> 21b | <input checked="" type="checkbox"/> 23 | <input type="checkbox"/> 25 |
| | | <input type="checkbox"/> 27 | <input type="checkbox"/> 28a | <input type="checkbox"/> 28c |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) Committee to Reelect Sally Hayes | | | | |
| Mailing Address 212 Inverted Forest Ave. | | | Date of Disbursement 12 / 30 / 2009 | |
| City City | | | State ST | |
| Zip Code 00000 | | | | |
| Purpose of Disbursement Contribution | | | 011 | |
| Candidate Name Sally Hayes | | | Category/ Type | |
| Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | | Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ | |
| State: ST District: 11 | | | MEMO: As originally reported in 2009 Year-End Report | |
| Full Name (Last, First, Middle Initial) Committee to Reelect Sally Hayes | | | | |
| Mailing Address 212 Inverted Forest Ave. | | | Date of Disbursement 02 / 28 / 2010 | |
| City City | | | State ST | |
| Zip Code 00000 | | | | |
| Purpose of Disbursement Contribution | | | 011 | |
| Candidate Name Sally Hayes | | | Category/ Type | |
| Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) 2008 General Debt | |
| State: ST District: 11 | | | MEMO Redesignation | |

amount is subtracted from the total for Line 23.) See first example at bottom right.⁴

Refunded by Recipient's Check

If the recipient committee deposits the contribution and then refunds it with its own check, itemize the refund, regardless of amount, on a Schedule A for Line 16, "Refunds of Contributions." See example at page 69.

5. Reporting Disbursements: The Detailed Summary Page

Line-by-line instructions for filling out the Disbursements portion of the Detailed Summary Page are given below. See page 64 for information on how to itemize disbursements on Schedule B.

More information on reporting loans, debts and independent expenditures appears later in this chapter.

Line 21. Operating Expenditures

Line 21(a): Allocated Federal/ Nonfederal Activity

Report the total federal and nonfederal portions of shared operating expenditures separately on Lines 21(a)(i) and (ii). The numbers are taken from the bottom of Schedule H4.

⁴ If the donor committee's original check was returned without being deposited during the reporting period in which the contribution was made, the donor committee need not report the attempted contribution or refund.

CREDIT CARD TRANSACTIONS

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|--|--|--|--|
| Use separate schedule(s) for each category of the Detailed Summary Page | | <input checked="" type="checkbox"/> 21b <input type="checkbox"/> 27 | <input type="checkbox"/> 22 <input type="checkbox"/> 28a <input type="checkbox"/> 23 <input type="checkbox"/> 28b <input type="checkbox"/> 24 <input type="checkbox"/> 28c <input type="checkbox"/> 25 <input type="checkbox"/> 29 <input type="checkbox"/> 26 <input type="checkbox"/> 30b |
| 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) Civil Republic PAC Full Name (Last, First, Middle initial) | | | |
| A. Credit Card Corp. Mailing Address 101 Charge Street City State Zip Code City ST 00000 Purpose of Disbursement Credit Card Payment (see below) Candidate Name | | 001 Category/ Type | Date of Disbursement 12 / 30 / 2008 Amount of Each Disbursement this Period 504.50 |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ State: District: | | MEMO | |
| Full Name (Last, First, Middle initial) | | | |
| B. Deja Vu Copying Services Mailing Address 1001 Pennsylvania Ave. City State Zip Code City ST 00000 Purpose of Disbursement Printing Candidate Name | | 001 Category/ Type | Date of Disbursement 12 / 01 / 2008 Amount of Each Disbursement this Period 237.25 |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ State: District: | | MEMO | |
| Full Name (Last, First, Middle initial) | | | |
| C. Bob's House of Paper Mailing Address 1908 Florida Ave., NW City State Zip Code City ST 00000 Purpose of Disbursement Stationery Candidate Name | | 001 Category/ Type | Date of Disbursement 12 / 01 / 2008 Amount of Each Disbursement this Period 267.25 |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ State: District: | | MEMO | |
| Full Name (Last, First, Middle initial) | | | |
| SUBTOTAL of Disbursements This Page (optional) | | | |
| TOTAL This Period (last page this line number only) | | | |

RETURNED OR VOIDED CONTRIBUTION

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|---|--|---|---|
| Use separate schedule(s) for each category of the Detailed Summary Page | | <input type="checkbox"/> 21b <input type="checkbox"/> 27 | <input type="checkbox"/> 22 <input type="checkbox"/> 28a <input checked="" type="checkbox"/> 23 <input type="checkbox"/> 28b <input type="checkbox"/> 24 <input type="checkbox"/> 28c <input type="checkbox"/> 25 <input type="checkbox"/> 29 <input type="checkbox"/> 26 <input type="checkbox"/> 30b |
| 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) Civil Republic PAC Full Name (Last, First, Middle initial) | | | |
| A. Ray Kinsella for Congress Mailing Address 2020 Pride Street City State Zip Code City ST 00000 Purpose of Disbursement Returned Check Candidate Name Ray Kinsella | | 011 Category/ Type | Date of Disbursement 02 / 17 / 2008 Amount of Each Disbursement this Period -2500.00 |
| Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ State: ST District: 23 | | MEMO | |

REFUNDED CONTRIBUTION

| | | | | |
|--|--|---|---|-------------|
| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input checked="" type="checkbox"/> 16 <input type="checkbox"/> 17 | PAGE 1 OF 1 |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) A. Lois Taggett in 2008 Committee | | | Date of Receipt 07 / 17 / 2008 | |
| Mailing Address 320 Raise Lane City State Zip Code City ST 00000 | | | Amount of Each Receipt this Period 1000.00 | |
| FEC ID number of contributing federal political committee. C 00000002 | | | Refund of contribution itemized in July Quarterly Report | |
| Name of Employer Occupation Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) | | | Aggregate Year-to-Date 1000.00 | |

the Detailed Summary Page. Examples of itemized contributions to candidates are provided on page 65.

Line 24. Independent Expenditures

Unlike other categories of disbursements, independent expenditures are itemized on Schedule E, as explained on pages 65-66. Enter the total from Schedule E, Line (c), on Line 24.

Line 26. Loan

Repayments

See page 75 for information on how to itemize the payments on Schedules B and C. Enter the total paid on loans on Line 26.

Line 27. Loans Made

See page 77 for information on how to report loans made by the committee on Schedules B and C. Enter the total amount loaned during the reporting period on Line 27.

Line 28. Refunds of Contributions

Itemize a refund made by the committee only if the original contribution was itemized. Other rules for reporting contribution refunds made by the committee are in the directions for Line 16. Enter the total amount refunded during the reporting period on Line 28.

Line 29. Other Disbursements

“Other disbursements” include donations made by the committee to nonfederal candidates and committees. Itemize “other disbursements” on a Schedule B for Line 29 when they exceed \$200 to the same payee during a calendar year. Enter the total of itemized and unitemized other disbursements on the Detailed Summary Page. See Example on pages 70-71.

Line 21(a) is not used if the committee maintains only one account for federal and nonfederal activities or if the committee is not involved in nonfederal election activities. See Chapter 10 for more on reporting allocated federal/nonfederal activities.

Line 21(b): Other Federal Operating Expenditures

Report all operating expenditures other than shared operating expenditures on Line 21(b). Itemize them on a Schedule B for Line 21(b) once payments to any payee exceed \$200 in a calendar year.

Line 21(c): Total Operating Expenditures

Report the total of Lines 21(a) and 21(b) on Line 21(c).

Line 22. Transfers-Out

Itemize transfers to affiliated committees, regardless of amount, on a Schedule B for Line 22. Enter the total from that schedule on the Detailed Summary Page.

Line 23. Contributions to Federal Candidates and Other Political Committees

Itemize all monetary and in-kind contributions made to candidate committees and other political committees, regardless of amount, on a Schedule B for Line 23. Report the total from that schedule on

6. Investments

Principal

When the committee invests funds in a savings account, money market fund, certificate of deposit or similar type of account, the principal deposited must be included in the committee's cash-on-hand total. (Investment properties, such as shares of stock, are not included in cash on hand.) The committee does not report this type of investment as a disbursement because the money is still a committee asset. Any other committee investments valued at cost are also included in cash on hand because they would be a conversion of one form of cash on hand to another. 104.3(a)(1). AOs 1999-8, 1997-6 and 1990-2. (See page 21 for more information on committee investments.)

Additional Depositories

Funds Invested with Banks

If the committee invests its funds in an account at a bank that was not previously identified as a campaign depository on the committee's Statement of Organization (FEC Form I), the committee must file an amended Form I disclosing the name and address of the additional depository. The amendment must be filed within 10 days of opening the account. 102.2(a)(2).

DETAILED SUMMARY PAGE OF DISBURSEMENTS

| DETAILED SUMMARY PAGE of Disbursements | | |
|---|-------------------------------|-----------------------------------|
| FEC Form 3X (Rev. 02/2003) | | Page 4 |
| II. Disbursements | COLUMN A Total This Period | COLUMN B Calendar Year-to-Date |
| 21. Operating Expenditures: | | |
| (a) Allocated Federal/Non-Federal Activity (from Schedule H4) | | |
| (i) Federal Share | 0.00 | 0.00 |
| (ii) Non-Federal Share | 0.00 | 0.00 |
| (b) Other Federal Operating Expenditures | 1195.00 | 2542.91 |
| (c) Total Operating Expenditures (add 21(a)(i), (a)(ii), and (b)) | 1195.00 | 2542.91 |
| 22. Transfers to Affiliated/Other Party Committees | 0.00 | 0.00 |
| 23. Contributions to Federal Candidates/Committees and Other Political Committees | 24200.00 | 60975.00 |
| 24. Independent Expenditures (use Schedule E) | 18751.88 | 18751.88 |
| 25. Coordinated Party Expenditures (52 U.S.C. §30116(d)) (use Schedule F) | 0.00 | 0.00 |
| 26. Loan Repayments Made | 0.00 | 0.00 |
| 27. Loans Made | 0.00 | 0.00 |
| 28. Refunds of Contributions To: | | |
| (a) Individuals/Persons Other Than Political Committees | 120.00 | 120.00 |
| (b) Political Party Committees | 0.00 | 0.00 |
| (c) Other Political Committees (such as PACs) | 0.00 | 0.00 |
| (d) Total Contribution Refunds (add Lines 28(a), (b), and (c)) | 120.00 | 120.00 |
| 29. Other Disbursements | 500.00 | 990.00 |
| 30. Federal Election Activity (52 U.S.C. §30101(20)) | | |
| (a) Allocated Federal Election Activity (from Schedule H6) | | |
| (i) Federal Share | 0.00 | 0.00 |
| (ii) "Levin" Share | 0.00 | 0.00 |
| (b) Federal Election Activity Paid Entirely With Federal Funds | 0.00 | 0.00 |
| (c) Total Federal Election Activity (add Lines 30(a)(i), 30(a)(ii) and 30(b)) | 0.00 | 0.00 |
| 31. Total Disbursements (add Lines 21(c), 22, 23, 24, 25, 26, 27, 28(d), 29 and 30(c)) .. | 44766.88 | 83379.79 |
| 32. Total Federal Disbursements (subtract Line 21(a)(ii) and Line 30(a)(ii) from Line 31) | 44766.88 | 83379.79 |

DETAILED SUMMARY PAGE OF DISBURSEMENTS (cont.)

| DETAILED SUMMARY PAGE of Disbursements | | |
|---|-------------------------------|-----------------------------------|
| FEC Form 3X (Rev. 02/2003) | | Page 5 |
| III. Net Contributions/Operating Expenditures | COLUMN A Total This Period | COLUMN B Calendar Year-to-Date |
| 33. Total Contributions (other than loans) (from Line 11(d), page 3) | 20544.84 | 87967.46 |
| 34. Total Contribution Refunds (from Line 28(d)) | 120.00 | 120.00 |
| 35. Net Contributions (other than loans) (subtract Line 34 from Line 33) | 20424.84 | 97847.46 |
| 36. Total Federal Operating Expenditures (add Line 21(a)(i) and Line 21(b)) | 1195.00 | 2542.91 |
| 37. Offsets to Operating Expenditures (from Line 15, page 3) | 250.00 | 250.00 |
| 38. Net Operating Expenditures (subtract Line 37 from Line 36) | 945.00 | 2292.91 |

Completing FEC Form 3X

OPERATING EXPENDITURES

| | | | | |
|--|--|--|---|-------------|
| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b | PAGE 1 OF 1 |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) | | | | |
| A. Egyptian Printing | | Date of Disbursement MM / DD / YYYY 11 / 30 / 2008 | | |
| Mailing Address 2345 Poplar Street | | City State Zip Code City ST 00000 | | |
| Purpose of Disbursement PAC Letterhead | | Amount of Each Disbursement this Period 500.00 | | |
| Candidate Name Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ | | |
| State: District: | | Category/Type 001 | | |

Funds Invested with Other Establishments

If committee funds are invested in an account that is not operated by a bank (such as a money market account operated by a brokerage firm), no amendment to the Form I is required. However, before disbursing the funds in the account (principal and interest), the committee must first transfer them to a committee checking account maintained in a designated depository. 102.10 and 103.3(a). See also AOs 1999-08, 1997-06, 1986-18 and 1980-39.

DONATIONS TO NONFEDERAL CANDIDATES

| | | | | |
|--|--|---|---|-------------|
| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input type="checkbox"/> 21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input checked="" type="checkbox"/> 29 <input type="checkbox"/> 30b | PAGE 1 OF 1 |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) | | | | |
| A. Monty Burns for Governor | | Date of Disbursement MM / DD / YYYY 10 / 08 / 2008 | | |
| Mailing Address 100 Power Plant Way | | City State Zip Code City ST 00000 | | |
| Purpose of Disbursement Nonfederal Donation | | Amount of Each Disbursement this Period 1000.00 | | |
| Candidate Name Charles Montgomery Burns | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) □ | | |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Category/Type 011 | | |
| State: District: | | | | |

Investment Income or Loss

Report interest income received during the reporting period in the "Other Receipts" category (Line 17) of the Detailed Summary Page. If investment income received from one source aggregates over \$200 during a calendar year, itemize the interest on a Schedule A for Line 17. To report an investment loss, enter the amount as a negative entry. 104.3(a)(4)(vi).

Income Tax

Include income taxes paid by the committee as other disbursements on Line 21. Itemize income tax payments on Schedule B only if they aggregate over \$200 per year to the same payee—i.e., the local, state or federal government.

7. Independent Expenditures

Schedule E

Itemize any independent expenditure which, by itself or when added to other independent expenditures made to the same payee during the same calendar year, exceeds \$200. The date that a communication is publicly disseminated serves as the date that a committee must use to determine whether the total amount of independent expenditures has, in the aggregate, reached or exceeded the threshold reporting amount of \$200.

Independent expenditures are itemized on Schedule E. A subtotal for itemized independent expenditures is entered on Line (a). Independent expenditures made (i.e., publicly disseminated) prior to payment should be disclosed as memo entries on Schedule E and on Schedule D as a reportable debt under 104.11.

Independent expenditures of \$200 or less do not need to be itemized, though the committee must report the total of those expenditures on Line (b). 104.3(b)(3)(vii)(C) and 104.4(a).

Enter the total of itemized and unitemized independent expenditures on Line (c) of Schedule E and on Line 24 of the Detailed Summary Page.

48-Hour Independent Expenditure Reports

Political committees and other persons who make independent expenditures at any time during a calendar year—up to and including the 20th day before an election—must disclose this activity within 48 hours each time that the expenditures aggregate \$10,000 or more. This reporting requirement is in addition to the requirement to file 24-hour reports of independent expenditures each time that disbursements for independent expenditures aggregate to or above \$1,000 during the last 20 days—up to 24-hours—before an election. 52 U.S.C. §§30104(b), (d) and (g). For information on such last-minute independent expenditure reports, see below.

Note: expenditures that have already been disclosed in a previous report do not have to be included on the 48-hour report.

The committee must report a last-minute expenditure a second time on a Schedule E filed with its next regular report. 104.4(a).

Electronic filers must file these reports electronically. Paper filers may file by fax or email. Additionally, electronic filers and paper filers may file 48-hour reports using the FEC web site's online program. 104.4(b)(2), 109.10(c) and 100.19(d)(3).

Independent expenditures aggregating less than \$10,000.

Committees must report on Schedule E, as part of their regularly scheduled filing, independent expenditures that aggregate less than \$10,000 with respect to a given election during the calendar year that are made up to and including the 20th day before an election. 104.4(a) and (b)(1).

Independent expenditures aggregating \$10,000 and above.

Once an individual's or committee's independent expenditures in connection with a given election reach or exceed \$10,000 in the aggregate at any time up to and including the 20th day before an election, they must be reported within 48 hours of the date that the expenditure is publicly distributed. All 48-hour reports must be filed with and received by the Commission at the end of the second day after the independent expenditure is publicly distributed.

Aggregating independent expenditures for reporting purposes.

Independent expenditures are aggregated toward the various reporting thresholds on a per-election and per-office sought basis within the calendar year. Consider, as examples, the following scenarios, all of which occur outside of the 20-day window before an election when 24-hour reports are required:

- If a committee makes \$5,000 in independent expenditures with respect to a Senate candidate, and \$5,000 in independent expenditures with respect to a House candidate, then the committee is not required to file 48-hour

INDEPENDENT EXPENDITURES (SCHEDULE E)

**SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES**

| | | | |
|---|----------------------|--|---------------------------------|
| NAME OF COMMITTEE (In Full) Civil Republic PAC | | PAGE 1 OF 1 FOR LINE 24 OF FORM 3X | |
| Check if <input type="checkbox"/> 24-hour notice <input type="checkbox"/> 48-hour notice | | FEC IDENTIFICATION NUMBER C 0000001 | |
| Full Name (Last, First, Middle Initial) of Payee Athens Sentinel | | Date 09 / 09 / 2008 | |
| Mailing Address 301 Peach Street | | Amount 2535.69 | |
| City City | State ST | Zip Code 00000 | |
| Purpose of Expenditure Newspaper Ad | Category/Type 004 | Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | State: ST District: 03 |
| Name of Federal Candidate Supported or Opposed by Expenditure: Ginnie Mannon | | Check One: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | |
| Calendar Year-To-Date Per Election for Office Sought 3585.69 | | Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) | |
| Full Name (Last, First, Middle Initial) of Payee Laughing Man Communications | | Date 09 / 23 / 2008 | |
| Mailing Address 101 Keystone Ave. | | Amount 10555.00 | |
| City City | State ST | Zip Code 00000 | |
| Purpose of Expenditure Billboards | Category/Type 004 | Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | State: ST District: 13 |
| Name of Federal Candidate Supported or Opposed by Expenditure: John Gedsudski | | Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose | |
| Calendar Year-To-Date Per Election for Office Sought 15810.00 | | Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) | |
| (a) SUBTOTAL of itemized independent expenditures..... | | 13090.69 | |
| (b) SUBTOTAL of unitemized independent expenditures..... | | 0.00 | |
| (c) TOTAL independent expenditures..... | | 13090.69 | |
| Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or authorized committee or agent of either, or (if the reporting entity is not a political party committee) any political party committee or its agent. | | | |
| Signature <i>Seymour Glass</i> | | Date 10 / 10 / 2008 | |

FEDAN026

FEC Schedule E (Form 3X) Rev. 02/2003

tion, then the committee must file a 48-hour report.

The date that a communication is publicly disseminated serves as the date that a committee must use to determine whether the total amount of independent expenditures has, in the aggregate, reached or exceeded the threshold reporting amount of \$10,000. Independent expenditures publicly disseminated prior to payment must be disclosed as memo entries on Schedule E and on Schedule D as a reportable debt under 104.11. A 48-hour report is required for each additional \$10,000 in aggregate expenditures.

The calculation of the aggregate amount of the independent expenditures must include both disbursements for independent expenditures and all contracts obliging funds for disbursements of independent expenditures. 11 CFR 104.4(f). Expenditures that have already been disclosed in a previous report do not have to be included on the 48-hour report.

Last-Minute Independent Expenditure Reports (24 Hour Notices)

Any independent expenditures aggregating \$1,000 or more and made after the 20th day but more than 24 hours before the day of an election must be reported and the report must be received within 24 hours after the expenditure is made. A 24-hour report is required for each additional \$1,000 that aggregates. The 24-hour report must be filed on a Schedule E. 104.4(c) and 104.5(g). The date that a communication is publicly disseminated serves as the date that a committee must use to determine whether the total amount of independent expendi-

reports, but must disclose this activity on its next regularly scheduled report.

- If the committee makes \$5,000 in independent expenditures with respect to a clearly identified candidate in the primary, and an additional \$5,000 in independent expenditures with respect to the same candidate in the general, then again no 48-hour report is required and the expenditures are disclosed on the committee's next report.
- If the committee makes \$6,000 in independent expenditures supporting a Senate candidate in the primary election and \$4,000 opposing that Senate candidate's opponent in the same elec-

tures has, in the aggregate, reached or exceeded the threshold reporting amount of \$1,000.

The committee must report a last-minute expenditure a second time on a Schedule E filed with its next regular report. 104.4(a).

Electronic filers must file these reports electronically, and paper filers may file by fax or email. Additionally, electronic filers and paper filers may file 24-hour reports using the FEC web site's online program. 11 CFR 104.4(c) and 109.10(d).

Certification

All 24- and 48-hour reports must contain, among other things, a verification under penalty of perjury as to whether the expenditure was made in cooperation, consultation or concert with a candidate, a candidate's committee, a political party committee or an agent of any of these. 11 CFR 104.4(d)(1) and 109.10(e)(1)(v).

For reports filed on paper, the treasurer must sign the Schedule E. For reports filed by email, the treasurer must type his or her name on the Schedule E following the certification.

8. Reporting Loans

Continuously itemize all loans received and made by the committee until they are repaid. All repayments made or received on a loan must also be itemized. 104.3(a)(4)(iv); 104.3(b)(3)(iii) and (vi); 104.3(d); 104.11. Procedures for reporting loans and loan repayments are explained below.

Reminder: Loans are considered contributions to the extent of the outstanding balance of the loan. Loans from banks, however, are not considered contributions if made in the ordinary course of business. Endorsements and guarantees of bank loans, however, do count as contributions. 100.52(b).

Loans Received by the Committee

Schedule A: Initial Receipt of Loan

Itemize the receipt of a loan, regardless of amount, on a separate Schedule A for Line 13 ("Loans Received").

Schedule B: Interest and Principal Payments

Report the interest paid on a loan as an operating expenditure, itemizing the payment on a Schedule B for Line 21(b) ("Operating Expenditures") once interest payments to the payee aggregate over \$200 in a calendar year. 100.111(b) and 104.3(b)(3)(i).

Payments to reduce the principal must be itemized, regardless of amount, on a separate Schedule B for Line 26 ("Loan Repayments Made"). 104.3(b)(3)(iii).

Schedule C: Continuous Reporting

In addition, report both the original loan and payments made to repay the loan on Schedule C each reporting period until the loan is fully repaid. 104.3(d) and 104.11. Instructions for Schedule C explain what information must be disclosed. Use separate Schedule C forms to itemize loans received and loans made.

The Schedule C balance of the total amount owed on loans is entered on Line 10 of the Summary Page ("Debts and Obligations Owed by the Committee") or, if the committee has other debts, the balance is carried over to Schedule D (see page 76).

INITIAL RECEIPT OF LOAN

| | | | | |
|--|--|---|---|-------------|
| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input checked="" type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17 | PAGE 1 OF 1 |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) A. Second National Bank | | | | |
| Mailing Address 9 Varioni Street | | | Date of Receipt 07 / 14 / 2008 | |
| City City | | State ST | Zip Code 00000 | |
| FEC ID number of contributing federal political committee. C | | | Amount of Each Receipt this Period 5000.00 | |
| Name of Employer | | Occupation | | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) | | Aggregate Year-to-Date 5000.00 | | |

Line-by-line instructions for filling out Schedule C-I are included with the form. The committee treasurer or designated assistant treasurer must sign the schedule on Line G and attach a copy of the loan agreement. 104.3(d)(2). Electronic filers must submit a signed Schedule C-I and a copy of the loan agreement in addition to filing the schedules electronically. Finally, an authorized representative of the lending institution must sign the statement on Line I.

LOAN PAYMENT

| | | | | |
|--|--|--|---|-------------|
| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) <input type="checkbox"/> 21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input checked="" type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b | PAGE 1 OF 1 |
| 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) Civil Republic PAC | | | | |
| Full Name (Last, First, Middle Initial) A. Second National Bank | | | | |
| Mailing Address 9 Varioni Street | | | Date of Disbursement 07 / 14 / 2008 | |
| City City | | State ST | Zip Code 00000 | |
| Purpose of Disbursement Loan Repayment | | | Amount of Each Disbursement this Period 2000.00 | |
| Candidate Name | | Category/Type 009 | | |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) | | |
| State: District: | | | | |

Schedule D: Debt and Obligations Excluding Loans

A committee that fails to pay interest on a loan must report the accrued interest on Schedule D. 104.3(d) and 104.11. See also MUR 3418.

Loans Made by the Committee

Schedule B: Outgoing Loan

When making a loan to another organization, itemize the disbursement, regardless of amount, on a Schedule B for Line 27 (“Loans Made”). 104.3(b)(3)(vi).

Schedule C-1: Additional Information for Bank Loans

A committee that obtains a loan from a bank must also file Schedule C-I with the first report due after a new loan or line of credit has been established. 104.3(d)(1). A new Schedule C-I must also be filed with the next report after the terms of the loan or line of credit are restructured.

Also, a committee that has obtained a line of credit must file a new Schedule C-I with the next report whenever the committee draws on the line of credit. 104.3(d)(1) and (3).

Schedule A: Interest and Principal Payments Received

Report interest received on a loan on a Schedule A for Line 17 (“Other Receipts”) if the payments aggregate over \$200 from the same source during the calendar year.

Itemize payments received that reduce the principal owed on a separate Schedule A for Line 14 (“Loan Repayments Received”).

Schedule C: Continuous Reporting

The original amount loaned and repayments received on it must be itemized on Schedule C each reporting period until the loan is repaid in full.

CONTINUOUS REPORTING OF LOAN

SCHEDULE C (FEC Form 3X)
LOANS

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

PAGE 1 OF 1
FOR LINE 13 OF FORM 3X

NAME OF COMMITTEE (In Full)
Civil Republic PAC

LOAN SOURCE Full Name (Last, First, Middle Initial)
Second National Bank

Election:
 Primary
 General
 Other (specify) ▼

Mailing Address
9 Varioni Street

City City State ST ZIP Code 00000

Original Amount of Loan 5000.00 Cumulative Payment To Date 2000.00 Balance Outstanding at Close of This Period 3000.00

TERMS Date incurred 07 / 14 / 2008 Date Due 07 / 14 / 2010 Interest Rate 12.00 % (apr) Secured: Yes No

List All Endorsers or Guarantors (if any) to Loan Source

1. Full Name (Last, First, Middle Initial) Carpenter, Sybil Name of Employer Carpenter, Inc.
Mailing Address Occupation President
10500 Perfect Square Amount Guaranteed Outstanding: 3000.00
City City State ST ZIP Code 00000

Schedule C instructions explain what information must be disclosed. (Note that separate Schedule C forms are used to itemize loans received and loans made. Filers should label the forms accordingly.)

The Schedule C balance of the total outstanding loans owed to a committee is entered on Line 9 of the Summary Page (“Debts and Obligations Owed to the Committee”) unless other types of debts are owed to the committee. In that case, the Schedule C total is carried over to Schedule D (see page).

- A debt of \$500 or less is reportable once it has been outstanding 60 days from the date incurred (the date of the transaction, not the date the bill is received). The debt is disclosed on the next regularly scheduled report.
- A debt exceeding \$500 must be reported on the next report filed after the debt is incurred. 104.3(d); 104.11.

Use separate Schedule D forms for debts owed by the committee and debts owed to the committee. Label each schedule accordingly.

Debts Owed by the Committee

Use Schedule D to report:

- The outstanding amount owed on a debt or obligation including any unpaid interest accrued on a loan; and
- Payments made to reduce the debt.

Schedule D instructions explain what additional information is required.

Enter the Schedule D total of outstanding debts, plus the balance of loans owed by the committee (carried over from Schedule C, as explained above) on Line 10 of the Summary Page. Note that payments to reduce debts must also be reported under the appropriate category of disbursement on the Detailed Summary Page (for example, Line

9. Reporting Debts Other Than Loans

Unpaid bills and written contracts or agreements to make expenditures are considered debts. 100.112.

Regularly recurring administrative expenses, like rent and salaries, do not have to be treated as debts until payment is due. 104.11(b); see also 116.6.

Report debts and obligations (other than loans) on Schedule D according to the following rules:

21(b) for a payment on a bill for an operating expenditure).

Settlement of Debts

Special rules apply to debts that are forgiven or settled for less than their full amount. See page 93 for more information.

Special Debt Reporting Problems

Debts of Unknown Amount

If the exact amount of a debt is not known, report the estimated amount of the debt. The committee must amend the report once a correct figure is known or include the correct figure in a later report. 104.11(b).

Unpayable Debts

If a debt cannot be paid because the creditor has gone out of business or cannot be located, the committee may write to the FEC to request permission to discontinue reporting the debt. The letter must demonstrate that the debt is at least two years old and that efforts to reach the creditor have been made. The committee must continue to report the debt until the Commission determines that the debt is unpayable. 116.9.

Disputed Debts

A disputed debt is a bona fide disagreement between the creditor and the committee as to the existence of a debt or the amount owed by the committee. 116.10. Until the creditor and committee resolve the dispute (assuming the creditor did provide something of value), the committee must disclose:

- The amount the committee admits it owes;

ADDITIONAL INFORMATION ON BANK LOANS AND LINES OF CREDIT

SCHEDULE C-1 (FEC Form 3X)
 LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS
 Federal Election Commission, Washington, D.C. 20463

Supplementary for Information found on Page 1 of Schedule C

| | | | |
|--|--|--|--|
| NAME OF COMMITTEE (In Full) Civil Republic PAC | | FEC IDENTIFICATION NUMBER C 0000001 | |
| LENDING INSTITUTION (LENDER) Full Name Second National Bank | Amount of Loan 5000.00 | Interest Rate (APR) 12.00 % | |
| Mailing Address 9 Varioni Street City State Zip Code ST 00000 | Date Incurred or Established 07 / 14 / 2008 | Date Due 07 / 14 / 2010 | |
| A. Has loan been restructured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, date originally incurred | | | |
| B. If line of credit, Amount of this Draw: | | Total Outstanding Balance: | |
| C. Are other parties secondarily liable for the debt incurred? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Endorsers and guarantors must be reported on Schedule C.) | | | |
| D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes, specify: Cash on Deposit | | What is the value of this collateral? 5000.00 | |
| E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify: | | What is the estimated value? | |
| A depository account must be established pursuant to 11 CFR 100.82(e)(2) and 100.142(e)(2). Date account established: / / Address: City, State, Zip: | | | |
| F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis upon which it assures repayment. | | | |
| G. COMMITTEE TREASURER Typed Name Seymour Glass Signature Seymour Glass | | DATE 07 / 14 / 2008 | |
| H. Attach a signed copy of the loan agreement. | | | |
| I. TO BE SIGNED BY THE LENDING INSTITUTION: I. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of the loan are accurate as stated above. II. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable credit worthiness. III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set forth at 11 CFR 100.82 and 100.142 in making this loan. | | | |
| AUTHORIZED REPRESENTATIVE Typed Name Mortimer Pennypacker Signature Mortimer Pennypacker | | DATE 07 / 14 / 2008 | |
| Title Asst. Vice President | | | |

FEBAN026 FEC Schedule C-1 (Form 3X) Rev. 02/2003

- The amount the creditor claims is owed; and
- Any amounts the committee has paid the creditor.

Debts Owed to the Committee

Continuously report a debt owed to a committee on Schedule D if the debt exceeds \$500 or has been outstanding 60 days. 104.3(d) and 104.11. Payments received on the debt are also reported on Schedule D until the debt is retired. The payments must also be reported on the appropriate line num-

ber of the Detailed Summary Page and itemized on Schedule A if necessary.

Enter the Schedule D total of outstanding debts owed to a committee, plus the balance of outstanding loans carried over from Schedule C, on Line 9 of the Summary Page.

10. The Summary Page

Line 1. Name and Address

Fill in the committee's full name (including any abbreviations used) and mailing address. (See page 4, "Naming the Committee.")

Line 2. ID Number

Enter the committee's FEC identification number on Line 2. If the committee is filing its first report, it may not have yet received an ID number; in that case, the committee should leave this space blank.

Once a committee has received its FEC identification number, it must include that identification number in all reports, statements, notices and other written communications with the FEC.

Line 3. New or Amended Report

Check the appropriate box to indicate whether the report is new (N) or amended (A).

Line 4. Type of Report

Check the appropriate box indicating the type of disclosure report being filed (e.g., quarterly; see page 51).

DEBTS AND OBLIGATIONS (EXCLUDING LOANS)

| SCHEDULE D (FEC Form 3X) | | (Use separate schedule(s) for each numbered line) | PAGE 1 OF 1 |
|--|-------|--|-------------|
| DEBTS AND OBLIGATIONS | | FOR LINE NUMBER: <input type="checkbox"/> 9 | |
| Excluding Loans | | <input checked="" type="checkbox"/> 10 | |
| NAME OF COMMITTEE (in Full) Civil Republic PAC | | | |
| A. Full Name (Last, First, Middle Initial) of Debtor or Creditor Snell Consultants | | Nature of Debt (Purpose): Television advertisements for Jessica Wahman for Senate | |
| Mailing Address 109 Amsterdam Ave. | | | |
| City | State | Zip Code | |
| City | ST | 00000 | |
| Outstanding Balance Beginning This Period 1125.00 | | Outstanding Balance at Close of This Period 562.21 | |
| Amount Incurred This Period 0.00 | | Payment This Period 562.79 | |
| B. Full Name (Last, First, Middle Initial) of Debtor or Creditor Theodore McArdle Designs | | Nature of Debt (Purpose): Bumper Stickers for Citizens for Eleanor Kallo | |
| Mailing Address 17 Innsbruck Street | | | |
| City | State | Zip Code | |
| City | ST | 00000 | |
| Outstanding Balance Beginning This Period 579.83 | | Outstanding Balance at Close of This Period 579.83 | |
| Amount Incurred This Period 0.00 | | Payment This Period 0.00 | |

Line 5. Coverage Dates

The period covered by the report begins the day after the close of books of the last report filed by the committee. If the report is the first one filed by a committee, then the reporting period begins with the date of the committee's first activity.

Line 6. Cash on Hand

What Is Cash on Hand

Cash on hand includes funds held in checking and savings accounts, certificates of deposit, petty cash funds, traveler's checks, treasury bills and other investments valued at cost. 104.3(a)(1).

Line 6(a). On this line enter cash on hand as of January 1st of the reporting year.

Line 6(b) Cash on Hand at Beginning of Reporting Period.

The amount entered on this line should be the same as your cash on hand at the close of books of your last report.

FORM 3X SUMMARY PAGE

FEC FORM 3X
REPORT OF RECEIPTS AND DISBURSEMENTS
 For Other Than An Authorized Committee

1. NAME OF COMMITTEE (in full) TYPE OR PRINT ▼ Example: If typing, type over the lines. 12FE4M5
 Civil Republic PAC

ADDRESS (number and street) 123 Main Street
 City ST 00000-0000

2. FEC IDENTIFICATION NUMBER ▼ CITY ▲ STATE ▲ ZIP CODE ▲
 C 00000001

3. IS THIS REPORT NEW (N) OR AMENDED (A)

4. TYPE OF REPORT (Choose One)
 (a) Quarterly Reports:
 April 15 Quarterly Report (Q1)
 July 15 Quarterly Report (Q2)
 October 15 Quarterly Report (Q3)
 January 31 Year-End Report (YE)
 July 31 Mid-Year Report (Non-election Year Only) (MY)
 Termination Report (TER)
 (b) Monthly Report Due On:
 Feb 20 (M2) May 20 (M5) Aug 20 (M8) Nov 20 (M11) (Non-Election Year Only)
 Mar 20 (M3) Jun 20 (M6) Sep 20 (M9) Dec 20 (M12) (Non-Election Year Only)
 Apr 20 (M4) Jul 20 (M7) Oct 20 (M10) Jan 31 (YE)
 (c) 12-Day PRE-Election Report for the: Primary (12P) General (12G) Runoff (12R)
 Convention (12C) Special (12S)
 Election on: / / in the State of
 (d) 30-Day POST-Election Report for the: General (30G) Runoff (30R) Special (30S)
 Election on: / / in the State of

5. Covering Period 07 / 01 / 2008 through 09 / 30 / 2008

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.
 Type or Print Name of Treasurer Seymour Glass
 Signature of Treasurer Seymour Glass Date 10 / 08 / 2008

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 52 U.S.C. §30109.

Office Use Only
 FEC FORM 3X Rev. 12/2004

Multicandidate Status

If the committee qualifies as a multi-candidate committee, the treasurer must indicate that fact by checking the box at the bottom of page 2.

Treasurer’s Name and Signature

The treasurer must sign and date Form 3X at the bottom of page one. Only a treasurer or assistant treasurer designated on Form 1 (Statement of Organization) may sign the report. 104.14(a). See Chapter 2 for more information on the treasurer’s responsibilities. See also “Electronic Filing” on page 48.

II. Filing Amendments

If any of the contributor information is received after the contribution has been disclosed on a regularly scheduled report the committee shall:

- File an amended memo Schedule A with the next regularly scheduled report listing all contributions for which contributor identifications have been received during that reporting period; or
- File on or before its next regularly scheduled reporting date, amendments to the reports originally disclosing the contributions, which include the contributor identifications together with the dates and amounts of the contributions.⁵ 104.7(b)(4).

First Report

Beginning cash on hand—i.e., money that the committee had in its possession at the time of registration—is subject to the contribution limits, prohibitions and disclosure requirements of federal law. (The committee must exclude any contributions that are not permissible under federal law and remove such contributions from its federal account.) The committee may have to itemize contributions and other receipts included in the beginning cash-on-hand balance. See “When to Itemize Receipts,” on page 56. 104.12.

5 With respect to contributor information received after a report has been filed, paper filers may, as an alternative, submit the information on a memo Schedule A attached to the next paper report filed after the information has been received. See “File Amendments If Necessary” on page 44.

FORM 3X SUMMARY PAGE (cont.)

| SUMMARY PAGE OF RECEIPTS AND DISBURSEMENTS | | |
|---|-------------------------|-----------------------------------|
| FEC Form 3X (Rev. 02/2003) | Page 2 | |
| Write or Type Committee Name | | |
| Civil Republic PAC | | |
| Report Covering the Period: From: 07 / 01 / 2008 To: 09 / 30 / 2008 | | |
| | COLUMN A This Period | COLUMN B Calendar Year-to-Date |
| 6. (a) Cash on Hand January 1, 2008 | | 87820.25 |
| (b) Cash on Hand at Beginning of Reporting Period..... | 118894.35 | |
| (c) Total Receipts (from Line 19)..... | 29116.83 | 110764.79 |
| (d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)..... | 148011.18 | 198585.04 |
| 7. Total Disbursements (from Line 31)..... | 44766.88 | 95340.74 |
| 8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))..... | 103244.30 | 103244.30 |
| 9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)..... | 0.00 | |
| 10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)..... | 5830.82 | |
| <input checked="" type="checkbox"/> This committee has qualified as a multicandidate committee. (see FEC FORM 1M) | | |

Paper Filers

When filing an amendment to an original report, complete the Summary Page (including the treasurer's signature), indicating on #3 that the document is an amended report. In addition to the Summary Page, submit a corrected version of the schedule that contained the incomplete or incorrect itemized information in the earlier report, along with a revised Detailed Summary Page, if appropriate. Transactions originally reported correctly do not have to be itemized again. The Commission recommends that the treasurer attach a cover letter explaining the change.

Electronic Filers

Electronic filers must electronically resubmit the entire report, not just the amended portions. The amendments must be formatted to comply with the Electronic Filing Specifications Requirements mentioned in Chapter 6, Section 5.

CHAPTER 10

Allocated Federal and Nonfederal Activities

This chapter explains rules that apply when a non-connected committee chooses to support both federal and nonfederal candidates. The rules do not apply to committees that conduct only activities related to federal elections.

As explained below, a committee engaging in both federal and nonfederal election activity has two options:

- Set up one federal account that supports both federal and nonfederal candidates and report all activity to the FEC; or
- Set up two accounts—one for federal elections and another for state and local elections.

The second option permits the committee to maintain a nonfederal account that has no federal registration or reporting obligations. When conducting activities that relate to both federal and nonfederal elections, however, the committee must allocate the costs between the two accounts.

I. Using One Account

A nonconnected committee may support both federal and nonfederal candidates and committees with one (federal) account, but all funds received for that account, regardless of how they are used, are subject to the limitations, prohibitions and reporting requirements of the Act. 102.5(a)(1)(ii) and (2).

Reportable Nonfederal Activity by Federal Account

The committee must report all the activity of its federal account, including any activity related to nonfederal candidates. 102.5(a)(1)(ii).

See page 69 for information on how to report non-federal disbursements made from the federal account.

State Law Applies

Any contribution or expenditure made in connection with a nonfederal election is subject to applicable state law. A committee should seek guidance from state election officials before engaging in non-federal campaign activity.

2. Using Two Accounts

Federal Account

If two accounts are used, only the account used for federal elections (the federal account) has registration and reporting obligations under the Act. 102.5(a)(1)(i) and (2).

Nonfederal Account

An account used only for state and local elections (the nonfederal account) is generally not subject to the Act's registration and reporting requirements, nor is it subject to the Act's contribution limits or solicitation rules. (Nevertheless, federal law prohibits nonfederal committees from accepting contributions from foreign nationals, national banks and federally chartered corporations. 110.20(g) and 114.2(a) and (d).)

Nonfederal committees are subject to state laws with respect to nonfederal election activities.

Transfers from the Nonfederal Account

The committee generally may not transfer (loan or contribute) funds from the nonfederal account to the federal account. 102.5(a)(1)(i) and 106.6(e)(2)(iii).

As an exception, the committee may transfer funds from a nonfederal account to a federal account to cover the nonfederal portion of expenses benefiting both federal and nonfederal candidates or committees. 102.5(a)(1)(i) and 106.6(e)(1)(i). The transfer

must be made according to the rules described in this chapter.

3. Allocation Between Accounts

When a nonconnected committee uses separate accounts for activities connected with both federal and nonfederal elections, expenses for shared activities must be allocated between the accounts to ensure that the federal account pays its share of the costs associated with that activity. Allocation is not required, however, if shared expenses are paid entirely by the federal account.

Failure to allocate expenses when required could result in a contribution by the nonfederal account to the federal account—a violation of the Act. 102.5(a)(1)(i).

Allocable Activities

Generally, nonconnected committees that maintain separate federal and nonfederal accounts may allocate the activities discussed below. See “Allocation Ratios,” below, for information on how each type of expense must be allocated.

Administrative Expenses

Administrative expenses include, for example, rent, utilities, salaries and office supplies that are not directly attributable to a clearly identified candidate. 106.6(b)(1)(i). Such expenses must be allocated if the committee maintains federal and nonfederal accounts. See section 5 for reporting information.

Generic Voter Drives

A generic voter drive is an activity directed at the general public that urges support for candidates of a particular party or associated with a particular issue, but does not refer to particular candidates. 106.6(b)(1)(iii). Generic voter drive expenses are allocated the same way as administrative expenses. See section 5 for reporting information.

Generic Public Communications

Public communications that refer to a political party but do not refer to any clearly identified federal or nonfederal candidate are allocated the same way as

administrative expenses. 106.6(b)(1)(iv). See section 5 for reporting information.

Fundraising for the Committee

Direct costs of a fundraising program or event are allocable if the committee raises funds for both its federal and nonfederal accounts through a shared event or activity. 106.6(b)(1)(ii). See also AO 2001-14. See section 6 for reporting information.

Direct Candidate Support

A “direct candidate support” activity is an in-kind contribution or an independent expenditure that supports specific candidates. 106.1(a). In-kind contributions that must be allocated include payments for fundraising activities conducted on behalf of both federal and nonfederal candidates. See 106.6(b)(1)(ii). An independent expenditure must be allocated if it advocates the election or defeat of both federal and nonfederal candidates. 106.6(f)(3).

Allocable direct candidate support also includes public communications or voter drives that refer to both federal and nonfederal candidates, regardless of any reference to a political party. 106.6(f)(3).

As explained above, a nonconnected committee must allocate direct candidate support expenses only if it uses separate federal and nonfederal accounts to pay for them. See Section 7 (page 88) for more information about allocating candidate fundraising activities. See Section 8 (page 91) for more information about allocating communication and voter drive costs.

ALLOCATION OF ADMINISTRATIVE EXPENSES

SCHEDULE H1 (FEC Form 3X)

METHOD OF ALLOCATION FOR:

- ALLOCATED FEDERAL AND NONFEDERAL ADMINISTRATIVE, GENERIC VOTER DRIVE AND EXEMPT ACTIVITY COSTS
- ALLOCATED FEDERAL AND LEVIN FUNDS FEDERAL ELECTION ACTIVITY EXPENSES (State, District and Local Party Committees Only)
- ALLOCATED PUBLIC COMMUNICATIONS THAT REFER TO ANY POLITICAL PARTY (BUT NOT A CANDIDATE) (Separate Segregated Funds And Nonconnected Committees Only)

NAME OF COMMITTEE (In Full)

Civil Republic PAC

USE ONLY ONE SECTION, A or B

A. State and Local Party Committees

Fixed Percentage (select one)

- _____ Presidential-Only Election Year (28% Federal)
- _____ Presidential and Senate Election Year (36% Federal)
- _____ Senate-Only Election Year (21% Federal)
- _____ Non-Presidential and Non-Senate Election Year (15% Federal)

B. Separate Segregated Funds and Nonconnected Committees

Flat Minimum Federal Percentage

If the committee will allocate using the flat minimum percentage of 50% federal funds, check

or

If the committee is spending more than 50% federal funds, indicate ratio below

Federal..... %

Nonfederal..... %

This ratio applies to (check all that apply):

Administrative Generic Voter Drive Public Communications Referencing Party Only

Payment from Allocation Account

The committee may establish a separate allocation account for the sole purpose of paying joint federal and nonfederal expenses. 106.6(e)(1)(ii).

Under the second option, the committee transfers funds from both the federal and nonfederal accounts to the separate allocation account in amounts equal, respectively, to the federal and nonfederal shares of each allocable expense. The allocation account is considered a federal account, and the committee must include the account's receipts and disbursements in its FEC reports. 106.6(e)(1)(ii).

Timing of Internal Transfers

The committee must transfer funds from the nonfederal account to the federal account (or to the allocation account) within a 70-day "window"—not more than 10 days before or 60 days after the original payment to the vendor. 106.6(e)(2)(ii)(B). The committee must report each such transfer and itemize the activities the transferred funds are intended to pay. 106.6(e)(2)(ii)(A). (A transfer from the federal account to the allocation account is permissible at any time and is not reported separately.)

Payment of Allocable Activity Expenses

Committees with separate federal and nonfederal accounts must use one of the following two methods to pay allocable activity expenses:

Payment from Federal Account

The committee may pay the entire amount from its federal account, transferring funds from the nonfederal account to the federal account only to cover the nonfederal share of allocable expenses. 106.6(e)(1)(i).

Time limits also apply to adjustments of the allocation ratio and corresponding transfers, which may be required after an activity where federal and nonfederal funds are raised. 106.6(d)(2). See page 87 for more information.

Activities not Subject to Allocation

Public communications that refer to one or more federal candidates, but do not refer to any nonfederal candidates, must be funded exclusively with federal funds, even if the communication includes a generic reference to a political party. 106.6(b)(2)(iii) and 106.6(f)(1)(i).

Voter drives in which the printed materials, scripted messages or written instructions refer to one or

more federal candidates, but do not refer to any nonfederal candidates, must be financed exclusively with federal funds, regardless of any references to a political party or a particular issue. 106.6(b)(2)(i) and 106.6(f)(1)(ii).

Public communications that refer to nonfederal candidates, but do not refer to any federal candidates, may be financed with non-federal funds, regardless of whether the communication refers to a political party. 106.6(b)(2)(iv) and 106.6(f)(2)(i). These communications may also be funded by the federal account if permitted by the relevant state law.

Voter drives in which the printed materials, scripted messages or written instructions refer to non-federal candidates, but do not refer to any federal candidates, may be financed with nonfederal funds, regardless of any reference to a political party or particular issue. 106.6(b)(2)(ii) and 106.6(f)(2)(ii). These voter drives may also be funded by the federal account if permitted by the relevant state law.

PAYMENTS (ADMINISTRATIVE EXPENSES)

SCHEDULE H4 (FEC Form 3X)
DISBURSEMENTS FOR ALLOCATED FEDERAL/NONFEDERAL ACTIVITY

PAGE 1 OF 1
 FOR LINE 21a OF FORM 3X

NAME OF COMMITTEE (In Full)
 Civil Republic PAC

A. Full Name (Last, First, Middle Initial)
 Howard Ridgefield

Mailing Address
 146 Blue Street
 City State Zip Code
 City ST 00000

Purpose of Disbursement:
 Salary

Activity or Event Identifier:
 001

Allocated Activity or Event:
 Administrative Fundraising Exempt
 Voter Drive Direct Candidate Support
 Public Comm (ref to party only) by PAC

Allocated Activity or Event Year-To-Date
 1000.00

Date 04 / 01 / 2008

FEDERAL SHARE + NONFEDERAL SHARE = TOTAL AMOUNT
 500.00 + 500.00 = 1000.00

TRANSFERS (ADMINISTRATIVE EXPENSES)

SCHEDULE H3 (FEC Form 3X)
TRANSFERS FROM NONFEDERAL ACCOUNTS FOR ALLOCATED FEDERAL / NONFEDERAL ACTIVITY

PAGE 1 OF 1
 FOR LINE 18a OF FORM 3X

NAME OF COMMITTEE (In Full)
 Civil Republic PAC

| NAME OF ACCOUNT | DATE OF RECEIPT | TOTAL AMOUNT TRANSFERRED |
|-------------------------------|-----------------|--------------------------|
| Civil Republic Nonfederal PAC | 05 / 01 / 2008 | 500.00 |

BREAKDOWN OF TRANSFER RECEIVED

D Total Administrative 500.00

drives or any other activity that encourages support for a political party or a particular issue without mentioning any federal or nonfederal candidate; and

- Public communications that refer to a political party but do not refer to any clearly identified federal or nonfederal candidate.

Calculation:

These expenses must be paid for with at least 50 percent federal funds. 106.6(c).

Space / Time Ratio

Used for:

- Public communications that refer to both federal and nonfederal candidates; and
- Voter drives, including voter identification, voter registration and get-out-the-vote drives that refer to both clearly identified federal and non-federal candidates.

4. Allocation Ratios

Committees with separate federal and nonfederal accounts must use the following allocation ratios to determine the federal and nonfederal share of allocable activity expenses.

Minimum Federal Percentage

Used For:

- Administrative expenses, including rent, utilities, office supplies and salaries that are not directly attributable to a clearly identified candidate;
- Generic voter drives including voter identification, voter registration and get-out-the-vote

ADJUSTMENTS TO RATIO (COMMITTEE FUNDRAISING)

SCHEDULE H2 (FEC Form 3X)
ALLOCATION RATIOS

PAGE 1 OF 1

NAME OF COMMITTEE (in Full)
Civil Republic PAC

RATIOS FOR ALLOCABLE FUNDRAISING EVENTS AND DIRECT CANDIDATE SUPPORT
ACTIVITIES APPEARING ON THIS REPORT.

Methods of allocation:

I. FUNDRAISING activities are allocated using the "funds received method" where the federal proportion of expenses must equal the federal proportion of monies raised.

II. Shared DIRECT CANDIDATE SUPPORT activities are allocated according to benefit expected to be derived, where the federal proportion of disbursements is based on the benefit derived by federal candidates from the activity. For PACs Only: Direct candidate support includes public communications or voter drives that refer to both federal and nonfederal candidates, regardless of whether there is a reference to a political party. Such expenses are allocated using a time/space method.

ACTIVITY OR EVENT IDENTIFIER
Direct Mail Campaign (event date 9/23/08)

| | |
|-----------|--------------|
| FEDERAL % | NONFEDERAL % |
| 55.00 % | 45.00 % |

ACTIVITY IS:
 Fundraising Direct Candidate Support

CHECK IF THE RATIO IS:
 New Revised Same as Previously Reported

SCHEDULE H4 (FEC Form 3X)
DISBURSEMENTS FOR ALLOCATED
FEDERAL/NONFEDERAL ACTIVITY

PAGE 1 OF 1
FOR LINE 21a OF FORM 3X

NAME OF COMMITTEE (in Full)
Civil Republic PAC

A. Full Name (Last, First, Middle Initial)
Civil Republic Nonfederal PAC

Mailing Address
123 Main Street
City ST 00000

Purpose of Disbursement:
Ratio Adjustment Transfer

Activity or Event Identifier:
Direct Mail Campaign (event date 9/23/08)

Allocated Activity or Event:
 Administrative Fundraising Exempt
 Voter Drive Direct Candidate Support
 Public Comm (ref to party only) by PAC

Allocated Activity or Event Year-To-Date
1000.00

Category/Type
003

Date
11 / 19 / 2008

| | | |
|---------------|------------------|--------------|
| FEDERAL SHARE | NONFEDERAL SHARE | TOTAL AMOUNT |
| 108.45 | 0.00 | 108.45 |

Calculation:

Costs are allocated according to the ratio of space or time devoted to federal candidates compared with the total space or time devoted to all candidates, federal and nonfederal. In the case of a phone bank, the ratio is determined by the number of questions or statements devoted to federal candidates compared with the total number of questions or statements for all candidates. 106.6(f)(3).

Funds Received Ratio

Used for:

- Direct fundraising costs for both the PAC's federal and nonfederal accounts; and
- Direct fundraising costs of events that support both specific federal and specific nonfederal candidates.

Calculation:

Costs are allocated according to the ratio of funds received for the federal account (or candidates) to the total funds received through the fundraising event. 106.6(d)(1).

5. Allocating Administrative, Generic Voter Drive Expenses and Generic Public Communications

When Required

A nonconnected committee using separate federal and nonfederal accounts must allocate administrative expenses, costs of generic voter drives and costs of public communications that refer to a political party, but do not mention a specific candidate. 106.6(b)(i), (iii) and (iv).

Note that expenses incurred in connection with activities directly supporting candidates (such as advertisements supporting or voter drives supporting specific candidates) are considered in-kind contributions to or independent expenditures on behalf of the candidates. 106.1(a).

Required Forms

- Schedule B—Itemized Disbursements
- Schedule H1—Allocation Ratio for Administrative Expenses, Generic Voter Drive Expenses and Generic Public Communications Expenses
- Schedule H3—Transfers from Nonfederal to Federal Account
- Schedule H4—Disbursements for Allocated Activity

Allocation Ratio

Allocation of administrative, generic voter drive, and generic public communications expenses is governed by a fixed minimum percentage. At least 50 percent of such expenses must be paid for with federal funds. 106.6(c).

Committees that opt to spend more than 50 percent federal funds for administrative, generic voter drive or generic public communication expenses must indicate the allocation ratio on Schedule H1. If a different ratio is used for one or more catego-

ADJUSTMENTS TO RATIO (COMMITTEE FUNDRAISING)

**SCHEDULE H3 (FEC Form 3X)
TRANSFERS FROM NONFEDERAL ACCOUNTS FOR
ALLOCATED FEDERAL / NONFEDERAL ACTIVITY**

PAGE 1 OF 1
FOR LINE 18a OF FORM 3X

NAME OF COMMITTEE (in Full)
Civil Republic PAC

NAME OF ACCOUNT
Civil Republic Nonfederal PAC

DATE OF RECEIPT
11 / 19 / 2008

TOTAL AMOUNT TRANSFERRED
108.45

BREAKDOWN OF TRANSFER RECEIVED

II Total Administrative _____

III Generic Voter Drive _____

III Exempt Activities _____

IV Direct Fundraising (List Activity or Event Identifier)

a) Direct Mail Campaign (9/23/08) 108.45

b) _____

c) Total Amount Transferred For Direct Fundraising 108.45

ries, a separate HI must be filed for each report. 104.10(b)(1).

Payments

The committee makes all allocable payments for administrative, generic voter drive and generic public communication expenses from its federal account (or separate allocation account). 106.6(e)(1). Each payment is itemized on Schedule H4, and the federal and nonfederal shares are included in the total for Line 21(a) (Allocated Federal/Nonfederal Activity) of the Detailed Summary Page. 104.10(b)(4).

The “event year-to-date” figure entered for each payment represents the total spent on all allocated administrative, generic voter drive or generic public communication expenses as of the date of payment.

Transfers

The committee may transfer the nonfederal portion of an administrative, generic voter drive or generic public communication expense within the 70-day window described in Section 3. 106.6(e)(2)(ii). The committee reports these transfers from the nonfederal account to the federal account on Schedule H3. The amount is also included on Line 18(a) of the Detailed Summary Page. 104.10(b)(3).

6. Allocating Committee Fundraising Expenses

When Required

When a nonconnected committee raises money for both its federal and nonfederal accounts, the costs of the fundraising event or activity must be allocated between those accounts. 106.6(b)(ii). However, the federal account could pay 100 percent of the costs without reimbursement and avoid the need to allocate.

Note that expenses incurred in connection with activities directly supporting candidates (such as fundraising for candidates) are not considered the committee’s own fundraising expenses, and the committee must report them as in-kind contributions to the candidates. 106.1(a). See Section 7.

Required Forms

- Schedule B—Itemized Disbursements
- Schedule H2—Allocation Ratios
- Schedule H3—Transfers from Nonfederal to Federal Account
- Schedule H4—Disbursements for Allocated Activity

Unique Identifier

The committee must give each fundraising program a unique name or code. 104.10(b)(2). When referring to a fundraising program in subsequent schedules and reports, the committee must continue to use that program’s unique name or code.

Allocation Ratio

If the committee raises money for both its federal and nonfederal accounts through the same fundraising program or event, the costs directly associated with the program or event are allocated using the “funds received” ratio, i.e., the ratio of funds received for federal activities to total funds raised through the program or event. The committee must estimate the ratio prior to beginning the solic-

itations and report the ratio on Schedule H2. 106.6(d)(1).

Payments

The committee pays for fundraising expenses from its federal account (or separate allocation account). 106.6(e)(1). The federal and nonfederal shares of the payments are reported on Schedule H4 and included in the total for Line 21(a) (Allocated Federal/Nonfederal Activity) of the Detailed Summary Page. 104.10(b)(4)

The “year-to-date” figure entered for each fundraising payment represents the total spent on that particular committee fundraising event as of the date of payment.

Transfers

The committee may transfer the nonfederal share of fundraising expenses to the federal account (or separate allocation account) within the 70-day window described in Section 3. 106.6(e)(2)(ii). The committee reports transfers from the nonfederal account to the federal account for shared fundraising expenses on Schedule H3. 104.10(b)(3),

Adjustments to Ratio

After a particular fundraising program or event, the committee may need to adjust the allocation ratio reported for the event on Schedule H2 to reflect the federal and nonfederal shares of the actual receipts. The committee must determine whether such an adjustment is necessary within 60 days after the date of the fundraising event.¹ The adjusted ratio should be noted on a Schedule H2 filed with the committee’s next report. 106.6(d)(2).

If an adjustment indicates that the nonfederal account paid more than its allocable share of expenses for the event, the committee must transfer funds from its federal account to its nonfederal account to avoid an excessive payment by the nonfederal account. Any transfers from the federal account to the nonfederal account made as a result of the revision must be reported on Schedule H4 and included in the total for Line 21(a)(i) on the Detailed Summary Page in the committee’s next regular report. Further adjustments and transfers from the federal account may be necessary if additional federal receipts come in. 106.6(e)(3).

If an adjustment indicates that the federal account paid more than its share of allocable expenses, the committee may transfer funds from the nonfederal account to make up for the excessive nonfederal payment. Such transfers, however, may only be made within 60 days after the event. 106.6(d)(2). Transfers from the nonfederal account are itemized on a Schedule H3 and included in

UNIQUE IDENTIFIER AND ALLOCATION RATIO (FUNDRAISING FOR CANDIDATES)

SCHEDULE H2 (FEC Form 3X)
ALLOCATION RATIOS

PAGE 1 OF 1

NAME OF COMMITTEE (in Full)
Civil Republic PAC

RATIOS FOR ALLOCABLE FUNDRAISING EVENTS AND DIRECT CANDIDATE SUPPORT ACTIVITIES APPEARING ON THIS REPORT.

Methods of allocation:

I. FUNDRAISING activities are allocated using the “funds received method” where the federal proportion of expenses must equal the federal proportion of monies raised.

II. Shared DIRECT CANDIDATE SUPPORT activities are allocated according to benefit expected to be derived, where the federal proportion of disbursements is based on the benefit derived by federal candidates from the activity. For PACs Only, Direct candidate support includes public communications or voter drives that refer to both federal and nonfederal candidates, regardless of whether there is a reference to a political party. Such expenses are allocated using a time/space method.

ACTIVITY OR EVENT IDENTIFIER
Dinner/Dance 2008 (event date 8/28/08)

ACTIVITY IS:

Fundraising Direct Candidate Support

FEDERAL % 50.00% NONFEDERAL % 50.00%

CHECK IF THE RATIO IS:

New Revised Same as Previously Reported

PAYMENTS (FUNDRAISING FOR CANDIDATES)

SCHEDULE H4 (FEC Form 3X)
DISBURSEMENTS FOR ALLOCATED FEDERAL/NONFEDERAL ACTIVITY

PAGE 1 OF 1
FOR LINE 21a OF FORM 3X

NAME OF COMMITTEE (in Full)
Civil Republic PAC

A. Full Name (Last, First, Middle Initial)
Ritz Hotel

Mailing Address
72 Dufarge Street

City State Zip Code
City ST 00000

Purpose of Disbursement:
Ballroom Rental (See Schedule B, Line 23 for Fed. Share)

Activity or Event Identifier:
Dinner/Dance 2008

Allocated Activity or Event:
 Administrative Fundraising Eminent
 Voter Drive Direct Candidate Support
 Public Comm (ref to party only) by PAC

Allocated Activity or Event Year-To-Date
1000.00

Category/Type
011

Date
08 28 2008

| FEDERAL SHARE | NONFEDERAL SHARE | TOTAL AMOUNT |
|---------------|------------------|--------------|
| MEMO 500.00 | 500.00 | 1000.00 |

¹ For direct mail fundraising the event date is the day on which the final solicitations are mailed.

PAYMENTS (FUNDRAISING FOR CANDIDATES) cont.

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER (check only one) <input type="checkbox"/> 21b <input type="checkbox"/> 27 <input type="checkbox"/> 22 <input type="checkbox"/> 28a <input checked="" type="checkbox"/> 23 <input type="checkbox"/> 28b <input type="checkbox"/> 24 <input type="checkbox"/> 28c <input type="checkbox"/> 25 <input type="checkbox"/> 29 <input type="checkbox"/> 26 <input type="checkbox"/> 30b | PAGE 1 OF 1 |
|--|--|--|--|---|
| 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) Civil Republic PAC | | | | |
| A. Ritz Hotel | | Date of Disbursement 08 / 28 / 2008 | | |
| Mailing Address 72 Dufarge Street | | City City | | |
| State ST | | Zip Code 00000 | | |
| Purpose of Disbursement Ballroom Rental: Dinner/Dance 2008 | | Candidate Name | | Amount of Each Disbursement this Period 500.00 |
| Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ | | In-kind--see allocation below |
| State: _____ District: _____ | | Category/Type 011 | | |
| B. Jane Mathewson for Congress | | Date of Disbursement 08 / 28 / 2008 | | |
| Mailing Address 123 Fake Street | | City City | | |
| State ST | | Zip Code 00000 | | |
| Purpose of Disbursement | | Candidate Name Jane Mathewson | | Amount of Each Disbursement this Period 250.00 |
| Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ | | MEMO |
| State: ST District: 02 | | Category/Type | | |
| C. Jim Thompson for Senate | | Date of Disbursement 08 / 28 / 2008 | | |
| Mailing Address 318 W. Oak Street | | City City | | |
| State ST | | Zip Code 00000 | | |
| Purpose of Disbursement | | Candidate Name Jim Thompson | | Amount of Each Disbursement this Period 250.00 |
| Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ | | MEMO |
| State: ST District: _____ | | Category/Type | | |

the total for Line 18(a) on the Detailed Summary Page. 106.6(e)(2) and (3).

7. Allocating Costs of Fundraising for Candidates

This section explains how to allocate the costs of a direct candidate support activity that raises money for both federal and nonfederal candidates. The explanation is based on the following scenario:

EXAMPLE: Each election year Civil Republic PAC, a nonconnected committee with separate federal and non-federal accounts, sponsors a fundraising dinner-dance to benefit federal and nonfederal candidates in a particular state.

In 2008, the committee plans to use the event to raise money for five candidates—a Senate candidate, a House candidate and three candidates for the state legislature. In past election years the committee has raised about \$5,000 for all participating candidates, and the committee has customarily divided the proceeds evenly between the federal and the nonfederal candidates. In 2008, Civil Republic PAC expects the two federal candidates to split half the proceeds, while the three state candidates will evenly divide the other half.

The total costs of the event are expected to be \$1,000, which are in-kind contributions to the candidates.

TRANSFERS (FUNDRAISING FOR CANDIDATES)

| SCHEDULE H3 (FEC Form 3X) TRANSFERS FROM NONFEDERAL ACCOUNTS FOR ALLOCATED FEDERAL / NONFEDERAL ACTIVITY | | PAGE 1 OF 1 |
|--|-----------------------------------|------------------------------------|
| NAME OF COMMITTEE (in Full) Civil Republic PAC | | |
| NAME OF ACCOUNT Civil Republic Nonfederal PAC | DATE OF RECEIPT 09 / 13 / 2008 | TOTAL AMOUNT TRANSFERRED 500.00 |
| BREAKDOWN OF TRANSFER RECEIVED | | |
| I Total Administrative | | |
| II Generic Voter Drive | | |
| III Exempt Activities | | |
| IV Direct Fundraising (List Activity or Event Identifier) | | |
| a) _____ | | |
| b) _____ | | |
| c) Total Amount Transferred For Direct Fundraising | | |
| V Direct Candidate Support (List Activity or Event Identifier) | | |
| a) Dinner/Dance 2008 (8/28/08) 500.00 | | |

Required Forms

- Schedule B: Itemized Disbursements
- Schedule H2: Allocation Ratios
- Schedule H3: Transfers from Nonfederal to Federal Account
- Schedule H4: Disbursements for Allocated Activity

Unique Identifier

Every allocable direct candidate support activity must be assigned a unique identifying name or code. On Schedule H2, Civil Republic PAC uses “Dinner-Dance 2008” as the event’s unique identifier. When referring to the dinner-dance in subsequent schedules and reports, the committee must continue to use “Dinner-Dance 2008.” 104.10(a)(1).

Allocation Ratio

Because the dinner-dance is a fundraising event for candidates, the committee allocates the \$1,000 expected total costs according to the “funds received ratio” (i.e., funds received by federal candidates compared with funds received by all candidates). 106.1(a)(1) and 106.6(d)(1). Since Civil Republic PAC expects that half the proceeds will go to federal candidates and half to nonfederal candidates, the funds received ratio is 1/2. Expressing this ratio in percentages, Civil Republic PAC enters 50 percent federal and 50 percent nonfederal in the appropriate spaces on Schedule H2. 104.10(a)(1). To indicate the purpose of the event, the committee checks the “Direct Candidate Support” box.

Payments

Civil Republic PAC pays the bills for the event from its federal account (or separate allocation account) and reports the payments on Schedule H4. (See illustration.) Because the payments are in-kind contributions, the federal share of the costs is cross-referenced to a Schedule B for Line 23 and included in the total figure for Line 23 (Total Contributions to Federal Candidates) on the Detailed Summary Page. 104.10(a)(3).

ADJUSTMENTS (FUNDRAISING FOR CANDIDATES)

| SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS | | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
|---|--|---|--|
| <small>Use separate schedule(s) for each category of the Detailed Summary Page</small> | | <input type="checkbox"/> 21b <input type="checkbox"/> 27 | <input checked="" type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b |
| <small>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.</small> | | | |
| NAME OF COMMITTEE (in Full) | | | |
| Civil Republic PAC | | | |
| Full Name (Last, First, Middle Initial) | | Date of Disbursement | |
| A. Civil Republic Nonfederal PAC | | 10 / 19 / 2008 | |
| Mailing Address | | | |
| 123 Main Street | | | |
| City | | State Zip Code | |
| City | | ST 00000 | |
| Purpose of Disbursement | | Amount of Each Disbursement this Period | |
| Ratio Adjustment: Dinner/Dance 2008 (See Sch. H4) | | 93.48 | |
| Candidate Name | | MEMO | |
| Office Sought: | | Disbursement For: | |
| <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) | |
| State: District: | | Category/Type | |
| State: District: | | 011 | |
| Full Name (Last, First, Middle Initial) | | Date of Disbursement | |
| B. Jane Mathewson for Congress | | | |
| Mailing Address | | | |
| 123 Fake Street | | | |
| City | | State Zip Code | |
| City | | ST 00000 | |
| Purpose of Disbursement | | Amount of Each Disbursement this Period | |
| Jane Mathewson | | 46.74 | |
| Candidate Name | | MEMO | |
| Office Sought: | | Disbursement For: | |
| <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President | | <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) | |
| State: District: | | Category/Type | |
| State: District: 02 | | | |
| Full Name (Last, First, Middle Initial) | | Date of Disbursement | |
| C. Jim Thompson for Senate | | | |
| Mailing Address | | | |
| 318 W. Oak Street | | | |
| City | | State Zip Code | |
| City | | ST 00000 | |
| Purpose of Disbursement | | Amount of Each Disbursement this Period | |
| Candidate Name | | 46.74 | |
| Jim Thompson | | MEMO | |
| Office Sought: | | Disbursement For: | |
| <input type="checkbox"/> House <input checked="" type="checkbox"/> Senate <input type="checkbox"/> President | | <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) | |
| State: District: | | Category/Type | |
| State: District: | | | |

On each page, the committee uses “Dinner-Dance 2008” (the unique identifier) as the name of the event. 104.10(a)(1). The “event year-to-date” figure represents the aggregate amount spent on the dinner-dance (to all payees) as of the date of payment. An illustration is provided here.

Transfer of Funds

To cover the nonfederal share of the costs of the dinner-dance, Civil Republic PAC transfers \$500.00 from the nonfederal account to the federal account (or separate allocation account). The amount transferred is one half of the \$1,000.00 total payments for the ballroom. The transfer is made within the 70-day window described in Section 3 (page 83). 106.6(e)(2)(ii)(B).

Civil Republic PAC reports the receipt of the transfer on Schedule H3, as illustrated here. The amount is also included on Line 18(a) of the Detailed Summary Page. 104.10(a)(2).

ADJUSTMENTS (FUNDRAISING FOR CANDIDATES) cont.

SCHEDULE H2 (FEC Form 3X)
ALLOCATION RATIOS PAGE 1 OF 1

NAME OF COMMITTEE (In Full)
 Civil Republic PAC

RATIOS FOR ALLOCABLE FUNDRAISING EVENTS AND DIRECT CANDIDATE SUPPORT ACTIVITIES APPEARING ON THIS REPORT.

Methods of allocation:

I. FUNDRAISING activities are allocated using the "funds received method" where the federal proportion of expenses must equal the federal proportion of monies raised.

II. Shared **DIRECT CANDIDATE SUPPORT** activities are allocated according to benefit expected to be derived, where the federal proportion of disbursements is based on the benefit derived by federal candidates from the activity. **For PACs Only:** Direct candidate support includes public communications or voter drives that refer to both federal and nonfederal candidates, regardless of whether there is a reference to a political party. Such expenses are allocated using a time/space method.

ACTIVITY OR EVENT IDENTIFIER
 Dinner/Dance 2008 (event date 8/28/08)

ACTIVITY IS:
 Fundraising Direct Candidate Support

CHECK IF THE RATIO IS:
 New Revised Same as Previously Reported

| | | |
|--|----------------------|-------------------------|
| | FEDERAL % 55.00 % | NONFEDERAL % 45.00 % |
|--|----------------------|-------------------------|

SCHEDULE H4 (FEC Form 3X)
DISBURSEMENTS FOR ALLOCATED FEDERAL/NONFEDERAL ACTIVITY PAGE 1 OF 1

NAME OF COMMITTEE (In Full)
 Civil Republic PAC

FOR LINE 21a OF FORM 3X

A. Full Name (Last, First, Middle Initial)
 Civil Republic Nonfederal PAC

Mailing Address
 123 Main Street
 City State Zip Code
 City ST 00000

Purpose of Disbursement:
 Ratio Adjustment Transfer--see Sched. B Ln 23 for FED

Activity or Event Identifier:
 Dinner/Dance 2008 (08/28/08)

Allocated Activity or Event:
 Administrative Fundraising Exempt
 Voter Drive Direct Candidate Support
 Public Comm (ref to party only) by PAC

Allocated Activity or Event Year-To-Date
 1093.48

Category/Type
 011

Date
 10 / 19 / 2008

| | | |
|---------------|------------------|--------------|
| FEDERAL SHARE | NONFEDERAL SHARE | TOTAL AMOUNT |
| 93.48 | 0.00 | 93.48 |

UNIQUE IDENTIFIER AND ALLOCATION RATIO (COMMUNICATION FOR CANDIDATES)

SCHEDULE H2 (FEC Form 3X)
ALLOCATION RATIOS PAGE 1 OF 1

NAME OF COMMITTEE (In Full)
 Civil Republic PAC

RATIOS FOR ALLOCABLE FUNDRAISING EVENTS AND DIRECT CANDIDATE SUPPORT ACTIVITIES APPEARING ON THIS REPORT.

Methods of allocation:

I. FUNDRAISING activities are allocated using the "funds received method" where the federal proportion of expenses must equal the federal proportion of monies raised.

II. Shared **DIRECT CANDIDATE SUPPORT** activities are allocated according to benefit expected to be derived, where the federal proportion of disbursements is based on the benefit derived by federal candidates from the activity. **For PACs Only:** Direct candidate support includes public communications or voter drives that refer to both federal and nonfederal candidates, regardless of whether there is a reference to a political party. Such expenses are allocated using a time/space method.

ACTIVITY OR EVENT IDENTIFIER
 Newspaper Campaign 2008

ACTIVITY IS:
 Fundraising Direct Candidate Support

CHECK IF THE RATIO IS:
 New Revised Same as Previously Reported

| | | |
|--|----------------------|-------------------------|
| | FEDERAL % 25.00 % | NONFEDERAL % 75.00 % |
|--|----------------------|-------------------------|

Adjustments

At a later date, Civil Republic PAC may have to adjust the allocation ratio for the event if the federal candidates receive a different proportion of the actual funds raised than was originally reported on Schedule H2. The adjusted allocation ratio must be reported on a new Schedule H2 filed with the next report. 106.6(d)(2).

As a result of adjusting the allocation ratio, the nonfederal account may have paid more than its allocable share. In that case, the federal account must reimburse the nonfederal account for its excessive payments and report the reimbursement on Schedule H4. The reimbursement must also be included in the Line 23 total on the Detailed Summary Page and itemized on Schedule B. 106.6(e)(3).

If an adjustment indicates that the federal account paid more than its share of allocable expenses, the committee may transfer funds from the nonfederal account to make up for the excessive nonfederal payment. Such transfers, however, may only be made within 60 days after the event. 106.6(d)(2). Transfers from the nonfederal account are itemized on a Schedule H3 and included in the total for Line 18(a) on the Detailed Summary Page. 106.6(e)(2) and (3).

PAYMENTS (COMMUNICATIONS FOR CANDIDATES)

SCHEDULE H4 (FEC Form 3X)
DISBURSEMENTS FOR ALLOCATED FEDERAL/NONFEDERAL ACTIVITY

PAGE 1 OF 1
 FOR LINE 21a OF FORM 3X

NAME OF COMMITTEE (in Full)
 Civil Republic PAC

A. Full Name (Last, First, Middle Initial)
 New Haven Herald

Mailing Address
 21129 Kuehn Road
 City State Zip Code
 City ST 00000

Purpose of Disbursement:
 Advertisement (See Schedule E)
 Activity or Event Identifier:
 Newspaper Campaign 2008

Allocated Activity or Event:
 Administrative Fundraising Exempt
 Voter Drive Direct Candidate Support
 Public Comm (ref to party only) by PAC

Allocated Activity or Event Year-To-Date
 2000.00

Category/Type
 004

Date
 10 / 06 / 2008

| | | | | |
|---------------|---|------------------|---|--------------|
| FEDERAL SHARE | + | NONFEDERAL SHARE | = | TOTAL AMOUNT |
| MEMO 500.00 | | 1500.00 | | 2000.00 |

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

PAGE 1 OF 1
 FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (in Full)
 Civil Republic PAC

FEC IDENTIFICATION NUMBER
 C 0000001

Check if 24-hour notice 48-hour notice

Full Name (Last, First, Middle Initial) of Payee
 New Haven Herald

Mailing Address
 21129 Kuehn Road
 City State Zip Code
 City ST 00000

Date
 10 / 06 / 2008

Amount
 500.00

Purpose of Expenditure
 Newspaper Campaign 2008

Category/Type
 004

Office Sought: House Senate President
 State: ST District:

Name of Federal Candidate Supported or Opposed by Expenditure:
 Giles Weaver

Check One: Support Oppose

Disbursement For: Primary General
 Other (specify)

Calendar Year-To-Date Per Election for Office Sought
 1500.00

On each page of its report, the committee uses “Dinner-Dance 2008” (the unique identifier) as the name of the event. 104.10(a)(1). The “event year-to-date” figure represents the aggregate amount spent on the dinner-dance (to all payees) as of the date of payment. An illustration is provided here.

8. Allocating Costs of Public Communications and Voter Drives for Candidates

When a committee makes a public communication or conducts voter drive activity referring to both federal and nonfederal candidates, regardless of whether there is a reference to a political party, the costs must be allocated whether or not the activity qualifies as an in-kind contribution or an independent expenditure. 106.1(a). This section’s explanation of the rules for allocating these costs is based on the following scenario:

EXAMPLE: Civil Republic PAC, a nonconnected committee, maintains a separate nonfederal account for use in state and local elections. During the 2008 election year, Civil Republic PAC plans to purchase several advertisements in local newspapers to urge voters to support four candidates: a candidate for governor, a candidate for state treasurer, a candidate for secretary of state and a candidate for the U.S. Senate. Equal space in the advertisements will be devoted to each candidate. The total cost for running the advertisements is \$4,250.

Required Forms

- Schedule B: Itemized Disbursements (if communications are in-kind contributions)
- Schedule E: Itemized Independent Expenditures (if communications qualify)
- Schedule H2: Allocation Ratios
- Schedule H3: Transfers from Nonfederal to Federal Account
- Schedule H4: Disbursements for Allocated Activity

TRANSFERS (COMMUNICATIONS FOR CANDIDATES)

SCHEDULE H3 (FEC Form 3X)
 TRANSFERS FROM NONFEDERAL ACCOUNTS FOR
 ALLOCATED FEDERAL / NONFEDERAL ACTIVITY

PAGE 1 OF 1
 FOR LINE 18a OF FORM 3X

NAME OF COMMITTEE (In Full)
 Civil Republic PAC

| NAME OF ACCOUNT | DATE OF RECEIPT | TOTAL AMOUNT TRANSFERRED |
|-------------------------------|-----------------|--------------------------|
| Civil Republic Nonfederal PAC | 10 / 25 / 2008 | 1500.00 |

BREAKDOWN OF TRANSFER RECEIVED

II Total Administrative

III Generic Voter Drive

III Exempt Activities

IV Direct Fundraising (List Activity or Event Identifier)

a) _____

b) _____

c) Total Amount Transferred For Direct Fundraising _____

V Direct Candidate Support (List Activity or Event Identifier)

a) Newspaper Campaign 2008 1500.00

Schedule E and included in the total figure for Line 24 (Independent Expenditures) of the Detailed Summary Page. 104.10(a)(3).

The “event year-to-date” figure represents the aggregate amount paid to all payees for “Newspaper Campaign ’08” as of the date of payment. An illustration is provided at the right.

Transfer of Funds

The nonfederal share is 3/4 of the \$4,250 total cost. The committee transfers \$3,187.50 from the nonfederal account to the federal account (or separate allocation account). The transfer is made during the permissible 70-day window, as described in Section 3.106.6(e)(2)(ii)(B).

Civil Republic PAC reports the receipt of the transfer on Schedule H3, as illustrated above. The amount is also included on Line 18(a) of the Detailed Summary Page. 104.10(a)(2).

Unique Identifier

Every direct candidate support activity must be assigned a unique identifying name or code. On Schedule H2, Civil Republic PAC lists “Newspaper Campaign ’08” as the unique identifier for the activity. The committee will use “Newspaper Campaign ’08” to refer to the advertisements in all future reports. 104.10(a)(1).

Allocation Ratio

Because “Newspaper Campaign ’08” is a public communication, the committee uses a “time and space ratio” to allocate the \$4,250 total expected cost on Schedule H2. 106.6(f)(3)(i). In this case, the ratio of space devoted to federal candidates to space used for all candidates is 1/4. (The committee would base its allocation on time if the advertisements were broadcast.)

Expressing the allocation ratio in percentages, Civil Republic PAC enters 25 percent federal and 75 percent nonfederal in the appropriate spaces on Schedule H2, as illustrated above. 104.10(a)(1).

Payments

Civil Republic PAC makes all allocable payments from its federal account (or separate allocation account) and itemizes them on Schedule H4, as illustrated. Because the payments are independent expenditures, the federal share is itemized on

CHAPTER 11

Termination and Debt Settlement

I. Committees with No Outstanding Debts

A nonconnected committee may terminate its registration and reporting obligations at any time by filing a termination report, provided that:

- The committee no longer intends to receive contributions or make expenditures;
- The committee has no outstanding debts or obligations (102.3); and
- The committee is not involved in an enforcement action (MUR), an audit or litigation with the FEC.

Termination Report

When filing a termination report, the treasurer checks the “Termination Report” box on Line 4(a) of the Summary Page of Form 3X.

The termination report must disclose:

- All receipts and disbursements not previously reported, including an accounting of debt retirement; and
- The purposes for which any remaining committee funds will be used. 102.3(a).

The committee’s reporting obligation does not end until the Commission notifies the committee that the termination report has been accepted. Merely filing a termination report does not terminate the committee’s reporting requirements. The Commission must accept the termination report before the committee may cease filing reports.

Disposal of Remaining Funds

A committee may use its remaining funds for any lawful purposes, including refunding them to their donors or donating them to charity. See AOs 1992-10, 1991-21, 1986-32, 1983-4 and 1979-42.

2. Committees with Outstanding Debts: Debt Settlement

Eligibility for Debt Settlement

A committee that has outstanding debts but wants to terminate may settle its debts for less than the full amount owed to the creditors. This option is available only to a terminating committee—i.e., a committee which no longer intends to support candidates and which receives contributions and makes expenditures only for the purpose of paying winding-down administrative expenses (if any) and retiring debts. 116.1(a) and 116.2(a).

An ongoing committee—i.e., a committee that does not qualify as a terminating committee—is not eligible for debt settlement and must continuously report debts until they are extinguished. 104.3(d), 116.1(b) and 116.2(b).

Debt Settlement Rules

A commercial vendor (incorporated or unincorporated) may forgive or settle debts owed by a committee without incurring a contribution if:

- Credit was initially extended in the ordinary course of business, and the terms of the credit are similar to those observed by the vendor when extending a similar amount of credit to a nonpolitical client of similar risk and size of obligation. 116.3 and 116.4(d)(1);
- The committee undertook all reasonable efforts to satisfy the outstanding debt, such as fundraising, reducing overhead costs and liquidating assets. 116.4(d)(2); and
- The vendor made the same efforts to collect the debt as those made to collect debts from a nonpolitical debtor in similar circumstances. Remedies might include, for example, late fee charges, referral to a debt collection agency or

litigation. 116.4(d)(3). If the committee or the creditor fails to take these steps, the difference between the amount owed and the amount actually paid may be considered a contribution. 114.2(b).

Creditor's Rights

No commercial vendor or other creditor is required to forgive or settle debts owed by committees. 116.4(e).

Debt Settlement Plans

Once a terminating committee has reached an agreement with a creditor, the treasurer should file a debt settlement plan on FEC Form 8. Debt settlement plans must include the signature of all creditors listed in Part II of Form 8. The treasurer may use a separate form for each debt or may combine several debt settlements in one plan.

Debts Subject to Settlement

The types of debts that are subject to debt settlement requirements include:

- Amounts owed to commercial vendors;
- Debts arising from advances by individuals¹ (e.g., staff using personal funds or credit to purchase goods and services on behalf of the committee);
- Salary owed to committee employees; and
- Loans owed to political committees or individuals, including candidates. 116.7(b).

¹ Advances of personal funds for committee expenses are treated as contributions under most circumstances. See page 15 for more information.

DEBT SETTLEMENT PLAN (FEC FORM 8)

DEBT SETTLEMENT PLAN

| | | | |
|--|--|---|--|
| NAME OF COMMITTEE Civil Republic PAC | | FEC I.D. NUMBER C00000001 | |
| ADDRESS 123 Main Street | | CITY, STATE AND ZIP CODE City, ST 00000 | |

PART I – COMMITTEE SUMMARY INFORMATION

| | | | |
|---------------------------------------|----------------|--|----------------|
| 1. CASH ON HAND AS OF 12/31/09 | 775.00 | 6. TOTAL AMOUNT OF DEBTS OWED BY THE COMMITTEE | 1139.29 |
| 2. TOTAL ASSETS TO BE LIQUIDATED | 175.00 | 7. TOTAL NUMBER OF CREDITORS OWED | 2 |
| 3. TOTAL (ADD 1 AND 2) | 950.00 | 8. NUMBER OF CREDITORS IN PART II OF THIS PLAN | 1 |
| 4. YEAR TO DATE RECEIPTS | 257.68 | 9. TOTAL AMOUNT OF DEBTS OWED TO THE CREDITORS IN PART II OF THIS PLAN | 748.08 |
| 5. YEAR TO DATE DISBURSEMENTS | 1586.74 | 10. TOTAL AMOUNT TO BE PAID TO CREDITORS IN PART II OF THIS PLAN | 575.00 |

11. IS THE COMMITTEE TERMINATING ITS ACTIVITIES?
 YES NO IF YES, WHEN DOES THE COMMITTEE EXPECT TO FILE A TERMINATION REPORT? IF NO, COMMITTEE IS NOT ELIGIBLE TO FILE A DEBT SETTLEMENT PLAN (SEE INSTRUCTIONS).

When we receive notification that the FEC has reviewed the Debt Settlement Plan, we will immediately pay the settlement amount, pay any other debts and file a Termination Report.

12. IF THIS IS AN AUTHORIZED COMMITTEE, DOES THE CANDIDATE HAVE OTHER AUTHORIZED COMMITTEES?
 YES NO IF YES, LIST BELOW.

13. DOES THE COMMITTEE HAVE SUFFICIENT FUNDS TO PAY THE TOTAL AMOUNT INDICATED IN THIS PLAN?
 YES NO IF NO, WHAT STEPS WILL BE TAKEN TO OBTAIN THE FUNDS?

14. HAS THE COMMITTEE FILED PREVIOUS DEBT SETTLEMENT PLANS?
 YES NO

15. AFTER DISPOSING OF ALL THE COMMITTEE'S DEBTS AND OBLIGATIONS, WILL THERE BE ANY RESIDUAL FUNDS?
 YES NO IF YES, HOW WILL THE FUNDS BE DISBURSED?
Pay off outstanding bank loan.

I certify, to the best of my knowledge, that the information contained in this Debt Settlement Plan is true, correct and complete.

SIGNATURE OF TREASURER OF COMMITTEE > **Seymour Glass**

FET4N061.PDF

DATE **04/10/10**

FEC FORM 8
(Revised 1/2001)

Debts Not Subject to Settlement

The debt settlement rules do not apply to disputed debts, which are covered by other rules. 116.7(c)(2). See below. The rules also do not apply to bank loans.

Completing Form 8

Step-by-step instructions for completing Form 8 are included with the form. The treasurer must sign and date the first page of the completed form.

FEC FORM 8 (cont.)

| DEBT SETTLEMENT PLAN | | | |
|--|------------------------------|-------------------------|------------------------------|
| PART II | | | |
| NAME OF COMMITTEE Civil Republic PAC | FEC I.D. NUMBER C00000001 | PAGE 2 | OF 3 |
| CREDITOR SUMMARY INFORMATION (FILL OUT FOR EACH CREDITOR IN PLAN) | | | |
| FULL NAME AND MAILING ADDRESS OF CREDITOR Lessor Campaign Services 345 Usury St. City, ST 00000 | DATE INCURRED | AMOUNT OWED TO CREDITOR | AMOUNT OFFERED IN SETTLEMENT |
| | 10/02/08 | 748.08 | 575.00 |
| TYPE OF CREDITOR: <input checked="" type="checkbox"/> INCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> UNINCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> CANDIDATE <input type="checkbox"/> COMMITTEE EMPLOYEE <input type="checkbox"/> OTHER INDIVIDUAL | | | |
| A. TERMS OF THE INITIAL EXTENSION OF CREDIT AND NATURE OF THE DEBT Debt was incurred for the production of radio advertisements. Half of total owed was to be paid up front with the balance due after the General Election, 2008. | | | |
| B. EFFORTS MADE BY THE COMMITTEE TO PAY THE DEBT The committee has attempted to raise additional funds, but the contributor base has eroded. | | | |
| C. STEPS TAKEN BY THE CREDITOR TO COLLECT THE DEBT Creditor sent bills 10, 30 and 60 days after services were rendered, following its normal practice. They filed suit in superior court on February 15, 2009, seeking the total unpaid balance. | | | |
| CREDITOR SECTION (TO BE FILLED OUT BY CREDITOR) | | | |
| D. WAS THE EFFORT MADE BY THE CREDITOR TO COLLECT THE DEBT SIMILAR TO OTHER DEBT COLLECTION EFFORTS AGAINST NONPOLITICAL DEBTORS? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO IF NO, PLEASE EXPLAIN | | | |
| E. ARE THE TERMS OF THE DEBT SETTLEMENT COMPARABLE TO OTHER SETTLEMENTS MADE BY THE CREDITOR WITH OTHER NONPOLITICAL DEBTORS? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO IF NO, PLEASE EXPLAIN | | | |
| <small>As a representative of the creditor, I hereby accept the settlement offer made to me by the committee and upon payment agree to consider the debt satisfied (or attach a copy of the signed settlement).</small> | | | |
| SIGNATURE OF CREDITOR OR REPRESENTATIVE > Seymour Glass | | | DATE 04/10/10 |

Reporting Debts Undergoing Settlement

General Rule

Debts undergoing settlement must be continuously reported until the Commission has completed its review of the committee's debt settlement plan. The committee may file a termination report once all debts have been paid, settled, forgiven or otherwise extinguished. Payments to creditors should be disclosed on this report. I 16.4(f).

Disputed Debts

A disputed debt is a bona fide disagreement between the creditor and the committee as to the existence of a debt or the amount owed by the committee. I 16.1(d). See page 77 for information on how to report a disputed debt on Schedule D.

When filing a debt settlement plan, a terminating committee must describe any disputed debts and the committee's efforts to resolve them on Part III of Form 8. The committee may note on the reports that disclosure of a disputed debt does not constitute an admission of liability or a waiver of any claims the committee may have against the creditor. I 16.10(a).

Commission Review

The Commission reviews each debt settlement plan to ensure compliance with the rules discussed above and with the criteria listed in Commission regulations (I 16.7(f)). Once the plan has been reviewed for compliance, the Commission sends a written notification to the committee.

The committee must postpone payment to the creditor until the Commission has completed its review of that plan. I 16.7(a).

Unpayable Debts

Both terminating and ongoing committees may obtain a determination from the Commission that a debt is unpayable for purposes of the Act because the creditor cannot be located or has gone out of business. For a debt to be found unpayable, it must be outstanding for at least twenty-four months. The committee must demonstrate that it made the necessary efforts to locate the creditor and must continue to report the debt until the Commission determines that the debt is unpayable. I 16.9.

3. Committees with Outstanding Debts: Administrative Termination

An inactive committee that wants to terminate but still has outstanding debts must make efforts to settle the debts under the procedures described above. If debt settlement efforts fail, however, such a committee may seek administrative termination by the FEC. (The Commission may also, at its own initiative, administratively terminate a committee's reporting status.)

Criteria for Administrative Termination

When determining a committee's eligibility for administrative termination, the Commission will consider the following factors:

- The committee is not involved in any matter before the Commission (such as a MUR or an audit).
- The committee's aggregate reported financial activity in one year is less than \$5,000.
- The committee's reports disclose no receipt of contributions for the previous year.
- The committee's last report disclosed minimal expenditures.
- The committee's primary purpose for filing its reports has been to disclose outstanding debts and obligations.
- The committee has failed to file reports for the previous year.
- The committee's last report disclosed that the debts owed to the committee were not substantial.
- The committee's outstanding debts and obligations do not appear to present a

FEC FORM 8 (cont.)

| DEBT SETTLEMENT PLAN | | | |
|--|---------------|----------------------------|-----------------------------|
| PART III | | | |
| NAME OF COMMITTEE | FEC ID NUMBER | PAGE | OF |
| Civil Republic PAC | C00000001 | 3 | 3 |
| LIST REMAINING DEBTS | | | |
| A. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAYOFFER |
| Shylock National Bank 5477 Lender Street City, ST 00000 | | 200.00 | 200.00 |
| TYPE OF CREDITOR: <input checked="" type="checkbox"/> INCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> UNINCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> CANDIDATE <input type="checkbox"/> COMMITTEE EMPLOYEE <input type="checkbox"/> OTHER INDIVIDUAL | | final payment on bank loan | |
| IS THIS A DISPUTED DEBT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | | | |
| B. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAYOFFER |
| TYPE OF CREDITOR: <input type="checkbox"/> INCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> UNINCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> CANDIDATE <input type="checkbox"/> COMMITTEE EMPLOYEE <input type="checkbox"/> OTHER INDIVIDUAL | | | |
| IS THIS A DISPUTED DEBT? <input type="checkbox"/> YES <input type="checkbox"/> NO | | | |
| C. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAYOFFER |
| TYPE OF CREDITOR: <input type="checkbox"/> INCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> UNINCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> CANDIDATE <input type="checkbox"/> COMMITTEE EMPLOYEE <input type="checkbox"/> OTHER INDIVIDUAL | | | |
| IS THIS A DISPUTED DEBT? <input type="checkbox"/> YES <input type="checkbox"/> NO | | | |
| D. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAYOFFER |
| TYPE OF CREDITOR: <input type="checkbox"/> INCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> UNINCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> CANDIDATE <input type="checkbox"/> COMMITTEE EMPLOYEE <input type="checkbox"/> OTHER INDIVIDUAL | | | |
| IS THIS A DISPUTED DEBT? <input type="checkbox"/> YES <input type="checkbox"/> NO | | | |
| E. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAYOFFER |
| TYPE OF CREDITOR: <input type="checkbox"/> INCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> UNINCORPORATED COMMERCIAL VENDOR <input type="checkbox"/> CANDIDATE <input type="checkbox"/> COMMITTEE EMPLOYEE <input type="checkbox"/> OTHER INDIVIDUAL | | | |
| IS THIS A DISPUTED DEBT? <input type="checkbox"/> YES <input type="checkbox"/> NO | | | |
| DOES THE COMMITTEE HAVE SUFFICIENT FUNDS TO PAY THE REMAINING AMOUNTS TO BE PAID OR OFFERED? | | | |
| <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO IF NO, WHAT STEPS WILL BE TAKEN TO OBTAIN THE FUNDS? | | | |

possible violation of the Act's contribution prohibitions and limitations.

- The committee's outstanding debts and obligations exceed the total of the committee's reported cash-on-hand balance.

102.4(a) and FEC Directive 45, available from the Public Records Office.

Procedures for Requesting Administrative Termination

When requesting administrative termination, the committee's treasurer should set forth the committee's eligibility in writing, based on the factors listed

above. 102.4(b). In addition, with respect to any outstanding debts, the committee's request should describe:

- The terms and conditions of the initial extension of credit;
- Steps taken by the committee to repay the debt; and
- Efforts made by the creditors to obtain payment.

Requests should be addressed to the Commission's Reports Analysis Division.

Once the Commission completes its review of the request, the committee will be sent a written notification of the Commission's approval or disapproval. Committees must continue to file regular reports until the request for administrative termination has been approved.

For more information, see FEC Directive 45.

A. Support from Sponsoring Organization

I. Contributions

As explained on page 1, a nonconnected committee may be sponsored by a partnership or another type of unincorporated organization. However, most forms of support received by a committee from such an organization are contributions, subject to the limitations, prohibitions and reporting requirements of the Act.

Regardless of whether the committee uses the sponsoring organization's contributions to pay for its operating expenses or to support candidates, monetary and in-kind contributions from the sponsoring organization are subject to an aggregate limit of \$5,000 per calendar year. See Chapter 4 for more information about contribution limits and Chapter 9 for reporting instructions.

Gifts of Money

Subject to the PAC's contribution limits, the sponsoring organization may contribute permissible funds directly to a nonconnected committee for any lawful purpose.

In-Kind Contributions

A sponsoring organization makes an in-kind contribution to a nonconnected committee when it:

- Pays a vendor for the committee's supplies, rent, telephone bills, postage, printing, etc.;
- Provides goods or services to the committee at its own expense (such as a payroll deduction system to collect contributions, see AO 2005-20); or
- Pays the salary of an individual when he or she is working on committee business. (See the exception for certain legal and accounting services, discussed below.)

In-kind contributions from the sponsoring organization must be paid for with permissible funds and are subject to the same \$5,000 annual limit as the committee's direct gifts of money. See page 15 for information on how to determine the value of an in-kind contribution. See page 58 for information on how the committee should report in-kind contributions.

Loans

A sponsoring organization may loan money to a nonconnected committee. Loans from the sponsoring organization are contributions to the extent that they remain outstanding, and the outstanding balance on the principal amount is subject to the \$5,000 calendar year limit. A loan exceeding that amount is illegal even if repaid in full. The committee must itemize a loan on Schedule C on the first report filed after the loan is made and continue to report the outstanding balance and any payments until the debt is extinguished. 100.52(b). See "Reporting Loans" on page 74 for more information.

2. Sponsors Affiliated with Corporations

Because contributions from corporations are prohibited, a partnership or an LLC with corporate members may not attribute any portion of a contribution to the corporate partners. 110.1(e), 110.1(g)(2) and 114.2(b).

When a political committee is sponsored by a non-corporate entity that is entirely owned by one or more corporations (such as a joint venture partnership) and is affiliated with at least one of the corporate owners, the rules generally applicable to non-connected committees do not apply.¹ Instead, the committee would operate under the rules governing separate segregated funds (SSFs) as explained below. See AO 1981-56. Such a committee should consult the FEC's *Campaign Guide for Corporations and Labor Organizations* for more information.

¹ A noncorporate entity owned entirely by corporations is prohibited from making contributions or expenditures. See Appendix C.

Exempt Administrative and Fundraising Payments

As noted in Chapter 1, a corporation may use its treasury funds to pay the costs of establishing, administering and soliciting contributions to its SSF, without making a prohibited corporate contribution or expenditure. In several advisory opinions, the Commission has applied this provision to permit a corporation that is affiliated with an unincorporated entity to pay the administrative and solicitation expenses of the affiliate's PAC. In these cases, the affiliated corporation functions as the connected organization of the committee and the committee is the corporation's SSF (with the appropriate solicitation restrictions). Moreover, when the unincorporated entity is wholly owned by corporations and affiliated with at least one of them, the unincorporated entity may also pay administration and solicitation costs of its own PAC without the payments resulting in a contribution to the sponsored committee. (Note that the owner/affiliated corporation would be listed as the connected organization of the PAC.) See AOs 2004-42, 2003-28, 2001-18, 1997-13, 1996-49, 1996-38, 1994-9 and 1992-17. For more information regarding affiliation among corporations and committees, see the *Campaign Guide for Corporations and Labor Organizations*.

It is important to note that the fact that a sponsoring noncorporate entity is owned by one or more corporations does not necessarily result in affiliation with one or more of those corporations. For instance, the Commission concluded that a nonconnected political committee sponsored by a limited liability company was not affiliated with any of the five corporations that jointly owned the LLC. As a result, neither the sponsoring LLC nor any of its corporate owners could pay the committee's administrative and solicitation expenses. Instead, the committee had to cover these expenses using the contributions it received. AO 2001-07.

Solicitation Restrictions

Under the Act and FEC regulations, SSFs may solicit contributions from only a restricted class of individuals. In several advisory opinions, the Commission has applied this restriction to political committees sponsored by unincorporated entities that are affil-

ated with corporate SSFs. As a result, this type of committee cannot solicit contributions from the general public; it may only solicit the restricted class of its sponsoring organization and affiliated corporation(s). See AOs 1996-49, 1996-38, 1989-8, and 1987-34.

3. Legal and Accounting Services

A sponsoring organization may provide free legal and accounting services to a nonconnected committee if the services are provided solely to help the committee comply with federal campaign finance laws and if the individuals performing the services are regular employees of the organization. Unlike other services rendered to a committee, the cost of providing such services is not a contribution and does not count against the \$5,000 limit. 100.86. However, the committee must report the receipt of the services; see page 22.

4. Corporate Personnel and Nonconnected PACs

Individuals associated with an incorporated entity (including an incorporated trade association or nonprofit organization) may establish a nonconnected PAC. To do so, the individuals must demonstrate that their PAC is financially and organizationally independent of the incorporated entity by:

- Reimbursing the corporation for any use of office facilities within a commercially reasonable time and at the usual and normal charge;
- Paying in advance for any use of corporate staff, customer/ mailing lists, catering services and any other goods and services that the corporation does not supply in the ordinary course of business; and
- Having a diversified leadership which, for example, ensures that individuals affiliated with a particular incorporated entity will not form the majority of the committee's board.

AOs 2000-20, 1997-26 and 1997-15.

Support From Sponsoring Organization

Note, however, that even if a nonconnected committee demonstrates financial and organizational independence, it may nevertheless become affiliated with the SSF of the incorporated entity. If this were to occur, the nonconnected PAC would become an SSF. For information on SSFs, see the FEC's *Campaign Guide for Corporations and Labor Organizations*.

B. Joint Fundraising

I. Introduction

What Is Joint Fundraising¹

Joint fundraising is election-related fundraising conducted jointly by a political committee and one or more other political committees or unregistered organizations.

Who Must Observe Joint Fundraising Rules

The rules described in this appendix apply to political committees and unregistered organizations engaged in joint fundraising. The participants in joint fundraising activity may include

- Party committees;
- Party organizations not registered as political committees;
- Federal and nonfederal candidate committees;
- Nonparty political committees; and
- Unregistered nonparty organizations. 102.17(a)(1)(i) and (2).

The rules in this appendix do not apply to fundraising by collecting agents and separate segregated funds. 102.17(a)(3). Such organizations may only jointly raise funds with another affiliated organization; for more information see Chapter 3, Section 9 of the FEC's *Campaign Guide for Corporations and Labor Organizations*.

Overview of Rules

All participants in a joint fundraising effort, including unregistered organizations, must:

- Create or select a political committee to act as the joint fundraising representative;

- Agree to a formula for allocating proceeds and expenses;
- Sign a written agreement naming the joint fundraising representative and stating the allocation formula;
- Establish a separate account for joint fundraising receipts and disbursements;
- Notify the public of the allocation formula and certain other information (detailed below) when soliciting contributions;
- Screen contributions to make sure they comply with the limits and prohibitions of the Act; and
- Report allocated proceeds and expenses (applies to political committees only). 102.17.

The committee named as the fundraising representative has additional responsibilities, as explained below.

2. Joint Fundraising Representative

Joint fundraising participants must either establish a new political committee (using a Statement of Organization, FEC Form 1) or select a participating political committee to act as the joint fundraising representative. This committee is responsible for collecting and depositing joint fundraising contributions; paying expenses; allocating proceeds and expenses to each participant; keeping records; and reporting overall joint fundraising activity. Any federal candidate participating in the fundraiser must designate the joint fundraising representative as an authorized committee (by amending the Statement of Candidacy, FEC Form 2). 102.17(a)(1)(i), (b)(1) and (b)(2). Note that if a federal candidate participates in a joint fundraiser, then the participating committees must establish a new political committee to act as the joint fundraising representative and may not designate one of the participating committees to act as the representative.

New Committee

If a new committee is established, it collects all the contributions. 102.17(b)(1). Note that a new committee may not itself be a participant in any other

¹ Fundraising conducted by a collecting agent (an organization that solicits and collects contributions for a separate segregated fund) is not considered joint fundraising.

joint fundraising effort, though it may conduct more than one event or activity on behalf of its own participants. 102.17(a)(1)(i).

Participating Committee

If a participating committee acts as a fundraising representative, the other participants may also collect contributions, but they must forward them to the fundraising representative as required under 102.8 of FEC regulations. 102.17(b)(2).

Use of Commercial Firm

Although participants may hire a commercial fundraising firm or other type of agent to assist with organizing and holding the joint fundraiser, they are still required to establish or select a political committee to serve as the joint fundraising representative. 102.17(a)(1)(ii).

3. Written Agreement

Before conducting a joint fundraiser, all participants must enter into a written agreement that identifies the joint fundraising representative and states the allocation formula—the amount or percentage that the participants agree to use for allocating proceeds and expenses. The joint fundraising representative must retain a copy of the written agreement for three years and make it available to the FEC upon request. 102.17(c)(1).

4. Separate Depository

Establishing the Account

Joint fundraising participants or the joint fundraising representative must establish a separate account solely for the receipt and disbursement of all joint fundraising proceeds. Each participating political committee must amend its Statement of Organization (FEC Form I) to show the account as an additional depository. 102.17(c)(3)(i).

Depositing Contributions

The joint fundraising representative must deposit contributions into the account within 10 days after receiving them. Only contributions permissible under the Act may be deposited in the joint fundraising account. If any participant is an unregistered organization which may, under state law, accept prohibited contributions, the participants may either establish a second account for such contributions or forward them directly to the participants that may accept them. 102.17(c)(3)(i) and (ii).

5. Statements of Organization

Joint Fundraising Representatives

If the joint fundraising committee is a new committee, it must file a Statement of Organization (FEC Form I) and check box 5(g) or (h) for the type of committee. If, on the other hand, the representative is an existing committee, it must amend² its Statement of Organization. In either instance, the Statement of Organization must:

- Identify the committee as the joint fundraising representative;
- List the names and addresses of all federal committees participating in the joint fundraising effort; and
- Name the depository institution being used by the joint fundraising committee. In the case of a representative that is an existing committee, the depository is named only if it is different from the depository named on the committee's current Statement of Organization.

Other Joint Fundraising Participants

Each participant in the joint fundraiser (other than the joint fundraising representative) must amend its FEC Form I, Statement of Organization, to provide the name and address of the joint fundraising representative – identified as the “JFR” – and to state the name and address of the depository institution

² Note that, when paper filers amend the Statement of Organization (FEC Form I), only the committee's name, address and the new or changed information need be included.

holding the joint fundraising account, if that account is different from the depository named on its current FEC Form I.

6. Start-Up Costs

Participants may advance funds to the joint fundraising representative for start-up costs of the fundraiser. The amount advanced by a participant should be in proportion to the agreed upon allocation formula. Any amount advanced in excess of a participant's proportionate share is considered a contribution to the other participants and must not exceed the amount the participant may contribute to the other participants. 102.17(b)(3)(i) and (ii). (However, an exception is made for party committees and affiliated committees under 110.3.)

Example

Committees A, B and C determine they need \$2,000 in start-up costs. According to their allocation formula (Committees A and B, 25 percent each; Committee C, 50 percent), Committees A and B each advance \$500 to the joint fundraising representative, and Committee C, \$1,000. If, however, Committee C advances the entire \$2,000, it has made a \$500 contribution to each of the other committees.

Unregistered Organizations

An unregistered organization (such as a party organization that has not yet qualified as a political committee) must use permissible funds when advancing money for start-up costs. 102.17(c)(3)(i). If an unregistered participant advances more than its share of start-up costs and thus makes a contribution, the contributed amount may trigger registration and reporting requirements under the Act. 100.5.

7. Joint Fundraising Notice

General Rule

In addition to any notice required under "Disclaimer Notices on Solicitations" (page 11), participants or the joint fundraising representative must include a joint fundraising notice with every solicitation for contributions. The notice must contain the following information:

- The names of all participants, regardless of whether they are registered political committees or unregistered organizations;
- The allocation formula (the amount or percentage of each contribution that will be allocated to each participant);
- A statement informing contributors that they may designate contributions for a particular participant (notwithstanding the formula); and
- A statement that the allocation formula may change if any contributor makes a contribution which would exceed the amount he or she may lawfully give to any participant.

102.17(c)(2)(i).

Special Situations

In two situations, participants must include additional information in the joint fundraising notice:

- If a participant is engaging in the joint fundraiser to pay off outstanding debts, the notice must state that the allocation formula may change if the participant receives enough funds to pay its debts.
- If, under state law, any unregistered participant is permitted to receive contributions prohibited under the Act, the notice must state that such contributions will be given only to participants that may legally accept them.

102.17(c)(2)(ii).

8. Screening Contributions

The joint fundraising representative and participants must screen all contributions to make sure they are

neither prohibited by the Act nor in excess of the Act's contribution limits. (Contributions otherwise prohibited by the Act that are received by unregistered organizations do not have to be screened.) The maximum amount a contributor may give to a joint fundraiser is the total amount he or she may contribute to all participants without exceeding any limits.

To facilitate screening, participants must provide the fundraising representative with records of past contributions so that the representative may determine whether a donor has exceeded the contribution limits. 102.17(c)(4)(i) and (c)(5).

Fundraising Communications that Promote or Oppose Federal Candidates

If a solicitation indicates that any portion of the funds received will be used to support or oppose the election of any clearly identified federal candidate, then at least 50 percent of those funds are contributions and must comply with federal law.

9. Recordkeeping

Receipts

With regard to gross proceeds, the joint fundraising representative must collect the following contributor information and later forward it to the participating political committees:

- For contributions exceeding \$50, the amount, date of receipt and the contributor's name and address.
- For contributions exceeding \$200, the amount, date of receipt and the contributor's name, address, occupation and employer.

100.12, 102.8(b) and 102.17(c)(4)(ii).

The date of receipt is the date the joint fundraising representative receives the contribution. 102.17(c)(3)(iii).

Prohibited Contributions

The joint fundraising representative must also keep a record of the total amount of prohibited contributions received, if any, and of all transfers containing prohibited funds made to participants that may accept them. 102.17(c)(4)(ii).

Disbursements

The joint fundraising representative must retain, for three years, records on all disbursements made for the joint fundraiser. 102.9. If a commercial fundraising firm or agent is used, it must forward required records on disbursements to the joint fundraising representative. 102.17(c)(4)(iii).

10. Paying Expenses: Step 1—Allocating Gross Proceeds

The joint fundraising representative may make payments for fundraising expenses from gross proceeds collected at the fundraiser (and from funds advanced by the participants). 102.17(c)(7)(iii). Nevertheless, it must allocate (but not transfer) gross proceeds among the participants.

Generally, the joint fundraising representative must allocate gross proceeds according to the allocation formula. However, as stated in the fundraising notice, the formula may change if the allocation results in:

- An excessive contribution from a contributor to one of the participating committees; or
- A surplus for a participant raising money solely to pay off campaign debts.

Reallocation under these circumstances must be based on the other participants' proportionate shares under the allocation formula. If reallocation results in a contributor's exceeding the contribution limits for the remaining participants, the joint fundraising representative must return the excess amount to the contributor. 102.17(c)(6)(i).

Example

Using the same example mentioned above (allocation formula: Committees A and B, 25 percent each; Committee C, 50 percent), the participants receive a \$2,000 contribution from a donor who had previously contributed up to his limit to Committee C. If the joint fundraising representative were to divide the contribution according to the allocation formula, Committee C would receive an excessive contribution of \$1,000. Instead, the excess \$1,000 is divided equally between Committees A and B, since their proportionate shares under the allocation formula are equal. Each receives an extra \$500, bringing their total allocation to \$1,000 apiece.

If, however, Committee A can accept only \$800 from the contributor without exceeding the limit, the excess \$200 is allocated to Committee B. If Committee B cannot accept the money for the same reason, the \$200 must be returned to the contributor.

Designated Contributions

Designated or earmarked contributions that exceed the contributor's limit for a participant may not be reallocated without the prior written consent of the contributor. 102.17(c)(6)(ii).

Prohibited Contributions

Prohibited contributions must be distributed only to the unregistered participants that may lawfully accept them; they do not have to be distributed according to the allocation formula. 102.17(c)(6)(iii).

11. Paying Expenses: Step 2—Allocating Expenses

After gross proceeds are allocated, the joint fundraising representative must calculate each participant's share of expenses based on its actual share of gross proceeds. This allocation may differ from the original formula—see example below. (Prohibited contributions may be excluded from the gross proceeds when determining the ratio.) 102.17(c)(7)(i)(A). Expenses for a series of fundraising events

must be allocated on a per-event basis. 102.17(c)(7)(i)(C).

Example

At the start of the fundraiser, Committees A, B and C agree to allocate 25 percent of proceeds and expenses to Committee A, 25 percent to Committee B and 50 percent to Committee C. However, because the joint fundraising representative must reallocate some contributions, Committee A is actually allocated 20 percent of gross proceeds; Committee B, 35 percent; and Committee C, 45 percent. The joint fundraising representative must allocate the joint fundraising expenses, \$10,000, on the same basis: \$2,000 to Committee A, \$3,500 to Committee B and \$4,500 to Committee C.

Excess Payment

If a participant pays for more than its allocated share of expenses, the excess payment is considered a contribution, subject to the Act's limitations and prohibitions (see "Start-Up Costs," page 105). 102.17(c)(7)(i)(B). (Party committees are excepted from this rule under certain circumstances; see "Exception for Political Parties" below.)

Remember, if an unregistered participant makes such a contribution, the payment may trigger registration and reporting requirements for that organization. 100.5.

12. Paying Expenses: Step 3—Calculating Net Proceeds

The fundraising representative may delay transferring net proceeds to participants until after it receives all contributions and pays all expenses for the fundraiser. To determine net proceeds, the joint fundraising representative subtracts the participant's share of expenses from its share of gross proceeds. 102.17(c)(3)(ii) and (c)(7)(i)(A).

Example

Committees A, B and C raise \$50,000 in gross proceeds and spend \$10,000 in expenses, leaving \$40,000 in net proceeds. The joint fundraising rep-

representative allocates \$10,000 (20 percent) in gross proceeds to Committee A and \$2,000 (20 percent) in expenses; Committee A's net proceeds equal \$8,000.

13. Reporting

Joint Fundraising Representative

The fundraising representative reports all joint fundraising proceeds in the reporting period in which they are received. If any prohibited contributions are received for a participating unregistered organization, the fundraising representative must report them as a memo entry. Any Schedules A used to itemize contributions must clearly indicate on the schedule that the receipts are joint fundraising proceeds. 102.17(c)(3)(iii) and (c)(8)(i)(A).

The fundraising representative must also report all disbursements made for the joint fundraiser in the reporting period in which they are made. 102.17(c)(8)(ii). Transfers of net proceeds to the joint fundraising participants are reported as transfers to affiliated committees and itemized on a separate Schedule B for that category.

Electronic Filing

A joint fundraising representative must file electronically if its total yearly contributions or total yearly expenditures exceed, or are expected to exceed, \$50,000. 104.18. For more information on electronic filing, see page 51.

Participants

After the joint fundraising representative distributes the net proceeds, each participating political committee reports its share as a transfer-in from the fundraising representative. Using the records received from the fundraising representative, a participating committee itemizes its share of gross receipts as contributions from the original donors on a memo entry Schedule A (to the extent required by the rules on itemization—see page 56). When itemizing gross contributions, the participant must report the date of receipt as the day the fund-

raising representative received the contribution. 102.17(c)(3)(iii) and (c)(8)(i)(B).

Note that, if the fundraising representative is one of the participating committees (rather than a committee established solely for the joint fundraiser), it must itemize its own share of gross receipts in addition to reporting total fundraising proceeds.

14. Exception for Political Parties

Payments by Party Committees

Payments made by a party committee on behalf of another party committee are considered transfers of funds rather than contributions. Because there is no limit on transfers between party committees of the same political party, a party committee may pay any amount of another party committee's allocated start-up costs and fundraising expenses. Moreover, if all the participants in the fundraiser are party committees, start-up costs and fundraising expenses need not be allocated at all. 102.6(a)(1)(i) and (ii); 102.17(b)(3)(iii) and (c)(7)(ii).

Payments by Unregistered Party Organizations

The same exception also applies to unregistered party organizations. They must, however, use permissible funds when making payments for start-up costs and fundraising expenses. Furthermore, such payments by a party organization on behalf of a registered party committee count against the \$1,000 contribution/expenditure threshold for registration as a political committee. 100.5(c); 102.6(a)(2); and 102.17(c)(7)(ii).

C. Partnership Contributions

Outlined below are special rules concerning contributions from partnerships to nonconnected committees.

In some cases, limited liability companies (LLCs) are treated as partnerships. For the purposes of contribution limitations and prohibitions, an LLC is treated as a partnership if:

- It does not have publicly traded shares; and
- It has chosen to file, under IRS rules, as a partnership; or
- It has made no choice, under IRS rules, as to whether it is a corporation or a partnership. I 10.1(g)(2) and (3).

Under these conditions, this appendix would apply to those LLCs.

I. Contribution Limits

Contributions Made by Partnership

A partnership may make monetary or in-kind contributions aggregating up to \$5,000 per calendar year to a nonconnected committee.¹ In addition, a contribution from a partnership counts proportionately against each participating partner's own limit with respect to the same committee. I 10.1(d) and (e).

Contributions Made by Individual Partners

Each partner may make monetary or in-kind contributions aggregating up to \$5,000 per calendar year to a nonconnected committee. I 10.1(d). Although contributions made by the partnership as a whole count proportionately against each partner's \$5,000

limit, contributions made by individual participating partners from their own funds do not count against the partnership's limit. I 10.1(e).

2. Attribution Among Partners

Formula

A portion of the partnership contribution must be attributed to each contributing partner. If all partners within the organization are contributing, the partnership may attribute the contribution according to each partner's share of the firm's profits. However, if the partnership attributes a contribution on another basis agreed to by the partners, or if it attributes contributions only to certain partners, the following rule must be observed:

- The profits of only the partners to whom the contribution is attributed are reduced (or their losses increased) in the amount of the contribution attributed to them.

The portion attributed to each partner must not exceed the individual partner's contribution limit when aggregated with other contributions from that person. I 10.1(e)(2).

Notice to Recipient Committee

Because a contribution from a partnership is a joint contribution, the partnership must provide to the recipient committee, along with the contribution, a written notice listing the names of the contributing partners and the amount to be attributed to each. However, unlike other joint contributions, the signature of each contributing partner is not required. I 10.1(k)(1) and (2).

¹ A partnership may make contributions to other political committees—including candidate committees and party committees—subject to applicable limits. See the 'Contribution Limits' chart on page 17.

3. Prohibited Partnership Contributions

Partnerships with Corporate Partners or Members

Because contributions from corporations are prohibited, a partnership with corporate partners or members may not attribute any portion of a contribution to the corporate partners.² 110.1(e)(2) and 114.2(b)(1). A partnership composed solely of corporate partners or members may not make any contributions. AO 1981-56.

Professional Corporations

Although law firms, doctors' practices and similar groups are often organized as partnerships, some of these groups may instead be organized as professional corporations. Unlike a partnership, a professional corporation is prohibited from making any contributions. 114.2(b). See also 114.7(d).

Partnerships with Foreign National Members

Because contributions from foreign nationals are prohibited, a partnership may not attribute any portion of a contribution to a partner who is a foreign national. 110.20(b).

Partnerships with Federal Government Contracts

A partnership which is negotiating a contract with the federal government or which has not completed performance of such a contract is prohibited from making contributions. However, an individual partner in such a firm may make contributions from personal funds (rather than from funds drawn on the partnership's accounts). 115.4. See also AOs 2005-20 and 1991-1. Also, an individual who is in his or her own right, or as a sole proprietor, a federal government contractor may not make contributions using any funds (business or personal)

² Partnerships that reorganize as corporations are subject to FEC rules that apply to corporations. See the *Campaign Guide for Corporations and Labor Organizations*.

under his or her control (however the individual's spouse is not prohibited from making a personal contribution). 115.5.

4. Reporting Partnership Contributions

Included in Total Figure

Partnership contributions are included in the total figure reported for "Contributions from Individuals/Persons Other Than Political Committees" on the Detailed Summary Page of Form 3X.

Itemization

If a partnership contribution exceeds \$200 or causes the partnership's contributions to a candidate or committee to aggregate to over \$200 during a calendar year, the committee must itemize the contribution on a Schedule A used for "Contributions from Individuals/Persons Other Than Political Committees" (Line 11a(i)).

Additionally, if an individual partner's share of the contribution exceeds \$200 when combined with other contributions received from that partner in the same calendar year, the committee must disclose, as a memo entry, itemized information on the partner (name, address, occupation, date contribution received, partner's share of contribution and aggregate year-to-date total of contributions made by that partner). 104.8 and 110.1(e).

In-Kind Contributions

A committee reports the value of an in-kind contribution from a partnership in the same way it reports a monetary contribution. In addition, as with all in-kind contributions, the committee must report the value of the in-kind contribution as an operating expenditure. Moreover, an in-kind contribution itemized on Schedule A must also be itemized on a Schedule B for operating expenditures. 104.13 and 110.1(e). However, any information about a partner itemized as a memo entry on Schedule A does not have to be reported on Schedule B. See page 58.

PARTNERSHIP CONTRIBUTIONS

**SCHEDULE A (FEC Form 3X)
ITEMIZED RECEIPTS**

| | | |
|---|---|-------------|
| Use separate schedule(s) for each category of the Detailed Summary Page | FOR LINE NUMBER: (check only one) | PAGE 1 OF 1 |
| | <input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17 | |

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)
Civil Republic PAC

| | |
|---|--|
| Full Name (Last, First, Middle Initial) A. Wiggly & Dinghy LLC | Date of Receipt 08 / 04 / 2008 |
| Mailing Address 101 Eskimo Ave. City City State Zip Code ST 00000 | Amount of Each Receipt this Period 500.00 |
| FEC ID number of contributing federal political committee. C | See attribution below |
| Name of Employer Partnership | |
| Occupation | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) g | Aggregate Year-to-Date g 500.00 |

| | |
|---|--|
| Full Name (Last, First, Middle Initial) B. Wiggly, John | Date of Receipt 08 / 04 / 2008 |
| Mailing Address 201 Dockside Ave. City City State Zip Code ST 00000 | Amount of Each Receipt this Period 250.00 |
| FEC ID number of contributing federal political committee. C | MEMO |
| Name of Employer Wiggly & Dinghy LLC | |
| Occupation Attorney | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) g | Aggregate Year-to-Date g 250.00 |

| | |
|---|--|
| Full Name (Last, First, Middle Initial) C. Dinghy, David | Date of Receipt 08 / 04 / 2008 |
| Mailing Address 180 Lakeshore Street City City State Zip Code ST 00000 | Amount of Each Receipt this Period 250.00 |
| FEC ID number of contributing federal political committee. C | MEMO |
| Name of Employer Wiggly & Dinghy LLC | |
| Occupation Attorney | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) g | Aggregate Year-to-Date g 250.00 |

| | |
|---|--------|
| SUBTOTAL of Receipts This Page (optional)..... g | 500.00 |
| TOTAL This Period (last page this line number only)..... g | 500.00 |

5. Partnership Contribution Plans

In several advisory opinions, the Commission has said that a partnership may set up an internal plan to facilitate contributions from individual partners or the partnership as a whole to candidates or political committees (other than a nonconnected committee sponsored by the firm). In several advisory opinions, the Commission has said that incidental expenses incurred to administer such plans do not trigger a requirement, on the part of the firm, to register as a political committee. See AOs 1984-18, 1984-10, 1982-13, 1981-50 and 1980-72 for more information.

D. Earmarked and Bundled Contributions

An earmarked contribution is one which the contributor directs (either orally or in writing) to a clearly identified candidate or candidate's committee through an intermediary or conduit. Earmarking may take the form of a designation, instruction or encumbrance and may be direct or indirect, express or implied, written or oral. 110.6(b)(1). Earmarked contributions require additional disclosure, as summarized below. In addition, under the provisions of the Honest Leadership and Open Government Act of 2007 (HLOGA), Pub. Law No. 110-81, 121 Stat. 735, signed into law September 14, 2007, certain "bundled" contributions may trigger additional disclosure of the identity of the "bundler," as summarized in section 6 of this Appendix. As of this *Guide's* publication, regulations implementing these provisions of HLOGA had not taken effect.

I. Earmarked Contributions

Conduit/Intermediary

Anyone who receives and forwards an earmarked contribution to a candidate or a candidate committee is considered a conduit or intermediary. 110.6(b)(2). (The terms "conduit" and "intermediary" are interchangeable; "conduit" will be used in the remainder of this appendix.)

Individuals, political committees, unregistered PACs and partnerships may act as conduits for earmarked contributions.

Persons Not Considered Conduits

For the purposes of the earmarking rules, certain individuals and organizations are not considered conduits even though they may participate in activities to raise money for a candidate. These persons include:

- An employee or full-time volunteer working for a candidate committee;
- An individual who occupies a significant position in a candidate's campaign and who is expressly authorized to raise money on behalf of the candidate;
- A committee affiliated with the candidate committee; and
- A commercial fundraising firm retained by the candidate committee.

110.6(b)(2)(i).

Prohibitions Apply

No corporation, labor organization or other entity prohibited from making contributions in connection with federal elections may act as a conduit for an earmarked contribution. A nonconnected committee or a separate segregated fund, however, may act as a conduit. 110.6(b)(2)(ii); 114.2(f)(3).

Furthermore, no individual may receive a contribution on behalf of a candidate (as a conduit or otherwise) while acting as the representative of a corporation, labor organization or other entity prohibited from making contributions. 110.6(b)(2)(i)(A) and (E). See also AOs 2004-19 and 1986-4.

2. Effect on Contribution Limits

Contributor's Limit

An earmarked contribution counts against the contributor's contribution limit for the recipient candidate. 110.6(a).

Conduit's Limit

Direction or Control

The conduit's contribution limit is affected when the conduit exercises direction or control over the contributor's choice of the recipient candidate. In that case, the full amount of the contribution counts against the limits of both the original contributor and the conduit, even though the candidate receives only one check. Also, if the conduit solicits contributions to the candidate's campaign through

the conduit, then the conduit's direct costs of solicitation are either an in-kind contribution to the candidate or an independent expenditure. For examples of how the Commission has viewed the "direction or control" rule in specific situations, see AOs 2006-30, 2003-23, 1986-4, 1981-57 and 1980-46.

Effect on Unregistered Organization

An unregistered organization acting as a conduit should be aware that conduit activity could result in a contribution by the organization, under the circumstances described above. In such a case, the activity may trigger registration requirements for the unregistered organization.

3. Forwarding Earmarked Contributions

10-Day Limit

The committee must forward an earmarked contribution, along with a report (see below), to the recipient candidate committee within 10 days of receiving the contribution. 102.8(a) and (c); 110.6(c)(1)(iii). However, in certain situations, the Commission has concluded that the 10-day forwarding requirement is tolled until a potential candidate's identity and candidacy status are determined. See, e.g., AOs 2006-30 and 2003-23.

4. Transmittal Report

Along with the funds, the conduit must forward to the recipient candidate committee a transmittal report containing information that the candidate's campaign committee will need for its own records and reports. 110.6(c)(1).

Contributions Exceeding \$50

When an earmarked contribution exceeds \$50, the accompanying report must contain the full name and mailing address of the original contributor, the date the contribution was received by the conduit and the amount. 102.8(a) and 110.6(c)(1)(iv)(A).

The report should also state the election designated by the contributor, if any. 110.1(b)(3).

Contributions Exceeding \$200

When an earmarked contribution exceeds \$200, the accompanying report must contain the full name and mailing address of the contributor, the contributor's occupation and employer, the date the contribution was received by the conduit and the amount. 102.8(a) and 110.6(c)(1)(iv). The report should also state the election designated by the contributor, if any. 110.1(b)(3).

5. Reporting Conduit Activity on Form 3X

The conduit must comply with special reporting rules, which vary depending on whether the contribution was deposited in the conduit's bank account or was passed on directly to the campaign in the form of the original contributor's check. 110.6(c)(1)(v).

A nonconnected committee acting as a conduit must disclose its activity on its next regularly scheduled FEC report. 110.6(c)(1)(ii).

Contributions Deposited in Committee's Account

Schedule A

If a nonconnected committee deposits an earmarked contribution, the committee reports the following information on Schedule A:

- The name and mailing address of each person making an earmarked contribution (including earmarked contributions of \$200 or less) (110.6(c)(1)(iv)(A));
- The occupation and employer of each individual making an earmarked contribution exceeding \$200 (110.6(c)(1)(iv)(A));
- The candidate designated by the contributor as the recipient of the contribution (110.6(c)(1)(iv)(B));
- The amount of the earmarked contribution (110.6(c)(1)(iv)(B));

- The election designated by the contributor, if any (110.1(b)(3)); and
- The date the contribution was received by the conduit (110.6(c)(1)(iv)(B)).

Schedule B

Once the committee has forwarded the contribution to the candidate (after depositing it in its own account), the committee reports on Schedule B:

- The candidate designated by the contributor (110.6(c)(1)(iv)(B));
- The date the contribution was forwarded (110.6(c)(1)(iv)(C));
- The amount forwarded to the candidate (110.6(c)(1)(iv)(B));
- The election designated by the contributor, if any (110.1(b)(3));
- The name of the contributor (110.6(c)(1)(iv)(A));
- A notation that the contribution was forwarded in the form of a check drawn on the conduit's account (110.6(c)(1)(iv)(C)); and
- A statement indicating that the conduit's limit was also affected, if appropriate. (110.6(d)(2)).

Undeposited Contributions

If the committee forwards the contribution without depositing it first (i.e., in the form of the contributor's original check), the committee must itemize the same information listed above in memo entries on Schedules A and B. 110.6(c)(1)(v). The entries should indicate that the contribution was passed on in the form of the contributor's original check and, if appropriate, should indicate that the conduit's limits for that candidate were affected. 110.6(d)(2).

6. Contributions Bundled by Lobbyists/Registrants and Lobbyist PACs

Under the provisions of HLOGA, additional disclosure is required for certain "bundled" contributions. "Bundled" contributions include contributions physically collected and forwarded by a lobbyist/

registrant or lobbyist PAC, as well as contributions for which the lobbyist/registrant or lobbyist PAC receives credit by the recipient authorized committee, through record, designation or other form of recognition. The Commission is currently undertaking a rulemaking to implement the new law. For more information, visit http://www.fec.gov/law/law_rulemakings.shtml#bundling.¹

¹ The requirements of HLOGA apply to the first reports required to be filed after a 90-day period following promulgation of the FEC's new regulations implementing the law.

E. Compliance with Other Laws

In addition to complying with the Federal Election Campaign Act, nonconnected committees must observe laws and rules outside the Commission's jurisdiction.

I. Tax Laws

Nonconnected committees should be aware that they have to comply with federal and state laws on income tax. For information on federal tax laws, see the Internal Revenue Service web site at www.irs.gov/polorgs. Questions may be directed to the IRS by telephone (toll-free) at 1-877/829-5500.

Committees also need to obtain a taxpayer ID number. The IRS web site provides information on how to do this, including online filing information; go to www.irs.gov and type "EIN" in the search box on any page. Committees seeking a taxpayer ID number may also call the IRS at 800/TAX-FORM (1-800/829-3676) for information. Nonconnected committees should also consult the appropriate state agency for information on state income tax laws.

Note that, under the Internal Revenue Code, a committee may have to include a special solicitation notice in any fundraising solicitation. See "IRS Notice Requirements," page 11.

2. Communications Act

For information on rules concerning rates for purchasing broadcast time, equal access to broadcast media and procedures for filing complaints in this area, contact the Federal Communications Commission, Mass Media Bureau, Political Programming Staff, 445 12th Street, SW, Washington, DC 20554 (202/418-1440 or 1-888/225-5322, or online at www.fcc.gov/mb/policy/political).

3. Hatch Act

For information on the Hatch Act, which regulates political activity by federal employees, contact the U. S. Office of Special Counsel, 1730 M Street, NW, Suite 218, Washington, DC 20036-4505 (1-800/854-2824 or 202/254-3650 or at <http://www.osc.gov/hatchact.htm>).

F. Definitions

Act – The Federal Election Campaign Act of 1971 as amended (52 U.S.C. §§3101–30146). 100.18.

Administrative Expenses – The costs of operating a nonconnected committee, including salaries, rent and supplies, and other operating costs. 114.1(b).

Advisory Opinion (AO) – A formal ruling from the Commission regarding the legality of a specific activity proposed in an advisory opinion request (AOR). Part 112. For information on requesting an AO, see page i

Affiliated Committees – All political committees established, financed, maintained or controlled by the same person, group of persons or organization. Affiliated political committees are considered one political committee for purposes of contribution limits. 100.5(g); 110.3(a).

Authorized Committee – Any political committee, including the principal campaign committee, authorized in writing by a federal candidate to receive contributions and make expenditures on his or her behalf. 100.5(f)(1). Authorized committees are often referred to as “candidate committees” or “campaign committees.”

Bank – A state bank; a federally chartered depository institution (including a national bank); or a depository institution insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. 100.82(a)-(d); 100.142(a)-(d) and 103.2.

Candidate – An individual seeking nomination or election to federal office becomes a candidate when he or she, or agents acting on his or her behalf, raise contributions that exceed \$5,000 or make expenditures that exceed \$5,000. 100.3.

Candidate Committee – See Authorized Committee.

Clear and Conspicuous – A disclaimer is clear and conspicuous if the print is not difficult to read and the placement cannot be easily overlooked. 110.11(c)(1).

Clearly Identified Candidate – A candidate is clearly identified when his or her name, nickname, photograph or drawing appears or when his or her identity is apparent by unambiguous reference. 100.17; 106.1(d).

Commercial Vendor – Any persons providing goods or services to a candidate or political committee whose usual and normal business involves the sale, rental, lease or provision of those goods or services. 116.1(c).

Connected Organization – An organization that uses its treasury funds to establish, administer or solicit contributions to a separate segregated fund. 100.6.

Contribution – A payment, service or anything of value given to influence a federal election or the payment by any person of compensation to another person if those services are rendered without charge to a political committee for any purpose. 100.52(a) and 100.54.

Coordinated – Made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate’s authorized committee or their agents, or a political party committee or its agents. 109.20(a).

Coordinated Communication – A communication that satisfies a three pronged test:

- The communication must be paid for by a person other than a federal candidate, authorized committee, or a political party committee, or any agents of the aforementioned entities with whom the communication is coordinated. (See, Party Coordinated Communication, below);
- One or more of the four content standards set forth in 109.21(c) must be satisfied; and
- One or more of the five conduct standards set forth in 109.21(d).

A payment for a communication satisfying all three prongs is an in-kind contribution to the candidate or political party committee with which it was coordinated. 109.21. See Chapter 6.

Corporation – Any separately incorporated entity (other than a political committee that has incorporated for liability purposes only). 100.134(l) and 114.12(a). The term corporation covers both for-profit and nonprofit incorporated organizations and

includes nonstock corporations, incorporated membership associations and incorporated cooperatives. 100.134(l).

Date Contribution Is Made – The date the contributor relinquishes control over a contribution; in the case of an in-kind contribution, the date the goods or services are provided by the contributor. 110.1(b)(6).

Date Contribution Is Received – The date the campaign (or campaign agent) takes possession of the contribution. This date is used for FEC reporting. 102.8(a).

Delegate – An individual who is or seeks to become a delegate to a national nominating convention or to a state, district or local convention, caucus or primary held to select delegates to a national nominating convention. 110.14(b)(1).

Delegate Committee – A group organized for the purpose of influencing the selection of delegates. The term includes a group of delegates, a group of individuals seeking to become delegates and a group of individuals supporting delegates. 110.14(b)(2).

Direct Mail – A communication to the general public using either a commercial mailing firm or mailing lists purchased from a commercial vendor. 100.87(a), 100.89(a), 100.147(a) and 100.149(a).

Disbursement – Any purchase or payment made by a political committee or any other person that is subject to the Act. 300.2(d).

Draft Committee – A political committee established solely to draft an individual or to encourage him or her to become a candidate. 102.14(b)(2).

Earmarked Contribution – A contribution that the contributor directs (either orally or in writing) to a clearly identified candidate or authorized committee through an intermediary or conduit. Earmarking may take the form of a designation, instruction or encumbrance, and it may be direct or indirect, express or implied. 110.6. See Appendix D.

Election – Any one of several processes by which an individual seeks nomination for election, or election, to federal office. They include: a primary election, including a caucus or convention that has authority to select a nominee; a general election; a

runoff election; and a special election held to fill a vacant seat. 100.2.

Election Cycle – The period beginning the day after the previous general election for a given federal office and ending on the date of the general election for that office. The number of years in an election cycle differs according to the federal office sought. The election cycle spans:

- Two years for House candidates;
- Four years for Presidential candidates; and
- Six years for Senate candidates.

See 100.3(b).

Electioneering Communication – Any broadcast, cable or satellite communication that 1) refers to a clearly identified candidate for federal office; 2) is publicly distributed within certain time periods before an election and 3) is targeted to the relevant electorate. 100.29(a).

Election Year – A year in which there are regularly scheduled elections for federal office (i.e., even-numbered years).

Expenditure – A purchase or payment made in connection with or for the purpose of influencing a federal election. A written agreement to make an expenditure is also considered an expenditure. 100.111(a); 100.112; 114.1(a).

Express Advocacy – Unambiguously advocating the election or defeat of a clearly identified federal candidate. There are two ways that a communication can be defined as express advocacy (candidate advocacy): by use of certain “explicit words of advocacy of election or defeat” and by the “only reasonable interpretation” test. 100.22. See Chapter 6 for further detail.

FECA – The Federal Election Campaign Act of 1971, as amended (52 U.S.C. §§30101–30146). 100.18. Sometimes referred to as “the Act.”

FEC Identification Number – Number assigned to a political committee upon registration with the FEC. Used for identification purposes with the FEC only, this number is not a taxpayer identification number.

Federal Funds – Funds that comply with the limitations, prohibitions and reporting requirements of the Federal Election Campaign Act (FECA). 300.2(g).

Definitions

Corporations, unions, foreign nationals, national banks and federal government contractors are prohibited from making contributions or expenditures in connection with a federal election. 52 U.S.C. §§ 30118, 30119 and 30121. See also 52 U.S.C. §30122 prohibiting contributions in the name of another. Permissible sources of funds for contributions to federal political committees include individuals and entities that are not otherwise prohibited.

Federal Office – Includes President, Vice President, Senator and the following members of the House of Representatives: Representative, Delegate (the District of Columbia, American Samoa, Guam, Virgin Islands) and Resident Commissioner (Puerto Rico). 100.4.

Federal Officeholder – An individual elected to or serving in the office of President or Vice President of the United States, or a Senator or Representative in, or a Delegate or Resident Commissioner to, the Congress of the United States. 113.1(c) and 300.2(o).

Foreign National – (1) an individual who is not a citizen of the United States or a national of the United States and has not been lawfully admitted to the U.S. for permanent residence, as defined in 8 U.S.C. §1101(a)(20); or (2) a foreign principal, as defined in 22 U.S.C. §611(b). 110.20(a)(3).

Generic Voter Drive – Voter identification, voter registration and get-out-the-vote drives, or any other activities that urge the general public to register, vote or support candidates of a particular party or associated with a particular issue, without mentioning a specific candidate. 106.6(b)(1)(iii).

Government Contractor – A person who enters into a contract, or is bidding on such a contract, with any agency or department of the United States government and is paid, or is to be paid, for services, materials, equipment, supplies, land or buildings with funds appropriated by Congress. 115.1.

HLOGA – The Honest Leadership and Open Government Act of 2007, Pub. Law No. 110-81, 121 Stat. 735, which amended parts of the FECA.

Identification – For purposes of recordkeeping and reporting, a person's full name and address and, in the case of an individual, his or her occupation (principal job title or position) and employer (orga-

nization or person by whom an individual is employed) as well. 100.12, 100.20 and 100.21.

Independent Expenditure – An expenditure for a communication which expressly advocates the election or defeat of a clearly identified candidate and that is not made in cooperation, consultation or concert with, or at the request or suggestion of, any candidate, or his or her authorized committees or agents, or a political party committee or its agents. 100.16. See Chapter 6.

In-Kind Contribution – A contribution of goods, services or property offered free or at less than the usual and normal charge. The term also includes payments made on behalf of, but not directly to, candidates and political committees. 100.52(d).

Joint Contribution – A contribution made by more than one person on a single check or other written instrument. 110.1(k)(1).

Joint Fundraising – Fundraising conducted jointly by a political committee and one or more other committees. 102.17. See Appendix B.

Labor Organization – An organization, agency or employee representative committee or plan in which employees participate and which deals with employers on grievances, labor disputes, wages, hours of employment or working conditions. 114.1(d).

Leadership PAC – A political committee that is directly or indirectly established, financed, maintained or controlled by a federal candidate or officeholder which is neither an authorized committee nor affiliated with the candidate's authorized committee. 52 U.S.C. §30104(i)(8)(B).

Limited Liability Company (LLC) – A business entity that is recognized as a limited liability company under the laws of the state in which it is established. LLCs that are treated as partnerships under the IRS code may make contributions. LLCs that have publicly traded stock or are treated as corporations under the IRS code are prohibited from making contributions or expenditures. 110.1(g).

Mass Mailing – A mailing by U.S. mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30-day period. This does not include e-mail or other Inter-

net communications. 100.27. See Public Communication.

Memo Entry – Supplemental or explanatory information on a reporting schedule. The dollar amount of a memo entry is not included in the total figure for the schedule. A memo entry is often used to disclose additional information about an itemized transaction that is included in the total receipts or disbursements for the current report or a previous report.

Multicandidate Committee – A political committee that has been registered at least 6 months, has more than 50 contributors and, with the exception of state party committees, has made contributions to at least 5 candidates for federal office. 100.5(e)(3).

MUR (Matter Under Review) – An FEC enforcement action, initiated by a sworn complaint or by an internal administrative action.

National Party Committees – Political committees established and maintained by a national political party. A party's national committee, House campaign committee and Senate campaign committee are defined as national party committees. 110.1(c)(2). See also Advisory Opinion 2006-36.

Negative Entry – A negative amount, shown in parentheses on a reporting schedule. The amount is subtracted from the total for that Schedule.

Net Debts Outstanding – The total of a candidate committee's unpaid debts incurred with respect to a particular election, including estimated costs to liquidate the debts plus costs of terminating political activity (if appropriate) minus cash on hand and receivables. 110.1(b)(3)(ii); 110.2(b)(3)(ii).

Nonconnected Committee – A political committee that is not established or administered by a candidate, a candidate's authorized committee, political party, corporation or labor organization. 106.6(a).

Nonelection Year – A year in which there is no regularly scheduled federal election (i.e., an odd-numbered year).

Nonfederal Account or Committee – An account or organization established solely for activity in connection with nonfederal (state and local) elections. Distinguished from political committee.

Nonfederal Election – An election for state or local office.

Ongoing Committee – A political committee that has not terminated and does not qualify as a terminating committee. 116.1(b).

Operating Expenditures – A committee's day-to-day expenditures for items such as rent, overhead, administration, personnel, equipment, travel, advertising and fundraising. 106.1(c).

PAC – Acronym for political action committee.

Party Committee – A political committee which represents a political party and is part of the official party structure at the national, state or local level. 100.5(e)(4).

Party Coordinated Communication – A communication that satisfies a similar three-pronged test as for a "coordinated communication" (see above), except that the first prong requires that the communication be paid for by a political party committee or its agents. A payment for a communication satisfying all three prongs is either an in-kind contribution to, or a "coordinated party expenditure" on behalf of, the candidate with whom it was coordinated. 109.37.

Permissible Funds – Funds which do not violate the Act's limits or prohibitions. See Federal Funds.

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 Action Committee (PAC) – Popular term for a political committee that is neither a party committee nor a candidate committee. PACs sponsored by a corporation or labor organization are called separate segregated funds (SSFs); PACs without a corporate or labor sponsor are called non-connected committees.

Political Committee – An entity that meets one of the following conditions:

- Any separate segregated fund upon its establishment.
- A state party committee or nonparty committee, club, association or other group of persons that receives contributions or makes expenditures, either of which aggregate over \$1,000 during a calendar year.

Definitions

- A local unit of a political party that: (1) receives contributions aggregating over \$5,000 during a calendar year; (2) makes contributions or expenditures aggregating over \$1,000 during a calendar year; or (3) makes payments aggregating over \$5,000 during a calendar year for exempt party activities (100.80, 100.87 and 100.89; 100.140, 100.147 and 100.149).
- An authorized committee of a candidate (see candidate committee).

100.5.

Political Party – An organization that nominates or selects a candidate for election to federal office whose name appears on the election ballot as the candidate of the organization. 100.15.

Principal Campaign Committee – An authorized committee designated by a candidate as the principal committee to raise contributions and make expenditures for his or her campaign for federal office. 100.5(e)(1). See Authorized Committee.

Prohibited Sources – Those entities that are prohibited from making contributions or expenditures in connection with, or for the purpose of influencing, a federal election. 110.4, 110.20, 114.2 and 115.2. See Chapter 4.

Public Communication – A communication by means of any broadcast, cable or satellite communication, newspaper, magazine, outdoor advertising facility, mass mailing (500 pieces of mail of substantially similar nature within any 30-day period) or telephone bank (500 calls of a substantially similar nature within any 30-day period) to the general public, or any other form of general public political advertising. The term general public political advertising does not include communications over the Internet, except for communications placed for a fee on another person's web site. 100.26, 100.27 and 100.28.

Reattributed Contribution – The portion of an excessive contribution that has been attributed in writing to another contributor and signed by both contributors. 110.1(k)(3)(ii). See Chapter 3.

Receipt – Anything of value (money, goods, services or property) received by a political committee.

Redesignated Contribution – With regard to contributions made to candidates, the portion of a con-

tribution (usually excessive) that has been designated by the contributor, in writing, to an election other than the one for which the funds were originally given. 110.1(b)(5).

Refunded Contribution – A contribution is refunded when the recipient committee deposits the contribution and sends the contributor a check for the amount (or a portion) of the contribution. 103.3(a). Compare with the definition of returned contribution.

Restricted Class – The executive and administrative personnel, and stockholders or members (and the families of each) of a corporation or labor organization. 114.1(j).

Returned Contribution – A contribution is returned when the recipient committee sends the original check (or other negotiable instrument) back to the contributor, without depositing it. 103.3(a). Compare with the definition of refunded contribution.

Runoff Election – An election held after a primary or a general election when no candidate wins the previous election. 100.2(d).

Separate Segregated Fund (SSF) – A political committee established, administered or financially supported by a corporation or labor organization, popularly called a corporate or labor political action committee or PAC. 114.1(a)(2)(iii).

Special Election – A primary, general or runoff election which is not a regularly scheduled election and which is held to fill a vacancy in the House of Representatives or Senate. 100.2(f).

State Party Committee – A political committee which, by virtue of the bylaws of a political party or the operation of state law, is responsible for the day-to-day operation of the party at the state level, including an entity that is directly or indirectly established, financed, maintained or controlled by that organization, as determined by the Commission. 100.14(a).

Telephone Bank – More than 500 telephone calls of an identical or substantially similar nature within any 30-day period. This does not include e-mail or other Internet communications transmitted over telephone lines. 100.28. See Public Communication.

Terminating Committee – A political committee that is winding down its activities in preparation for filing a termination report. A terminating committee has ceased to make or receive contributions (other than to receive contributions for debt retirement purposes) or make expenditures (other than for payment of debts and obligations or for winding-down costs). 116.1(a).

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 – With regard to nonconnected committees, a payment by one committee to an affiliated committee. 102.6(a).

Unauthorized Single-Candidate Committee – A political committee not authorized by any candidate, which makes contributions or expenditures on behalf of only one candidate. 100.5(e)(2) and (f)(2).

Usual and Normal Charge – With regard to goods provided to a political committee, the term refers to the price of those goods in the market from which they ordinarily would have been purchased at the time they were provided. With regard to services, the term refers to the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered. 100.52(d)(2).

For more information, or to obtain
additional copies, write to us at

Information Division
Federal Election Commission
1050 First Street, N.E.
Washington, D.C. 20463

or call us at
1-(800) 424-9530

or visit our website
www.fec.gov