Ballot Measure Committees

Campaign Disclosure Manual 3

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California Fair Political Practices Commission
advice@fppc.ca.gov
1 (866) ASK-FPPC / www.fppc.ca.gov
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Anne Diroll

What is a California Ballot Measure Committee?

This manual is for "primarily formed" and "general purpose" ballot measure committees. A ballot measure committee is any person or group receiving contributions of $1,000 or more in a calendar year for the qualification, passage, or defeat of a ballot measure or ballot measures. Certain multipurpose organizations (i.e., nonprofits) may qualify as ballot measure committees. (See Chapter 13.)

A. What is a Measure?

Under the Political Reform Act, "measure" includes any proposition that is submitted or is intended to be submitted to a popular vote at an election by initiative, referendum, or recall procedure whether or not it qualifies for the ballot. An initiative, referendum, or recall becomes a measure when the proponents begin to circulate signature petitions to qualify the proposal for the ballot.

Quick Tip

When petitions hit the street, the proposal becomes a "measure" and reporting applies.

A "measure" also includes any constitutional amendment or other proposition, including an advisory ballot question, which is submitted to a popular vote at an election by action of a legislative body (e.g., city council or county board of supervisors). These propositions become a measure when the legislative body takes the action necessary to submit the proposition to the voters.

A Local Agency Formation Commission (LAFCO) proposal is considered a measure from the outset. For example, it may begin when a county, city or district proposes a change of organization by adopting a "resolution of application" or when voters or landowners circulate a petition for a change of organization. See Government Code Sections 56069 and 56067.

A "measure" also includes elections held for general and special taxes placed on the ballot by local governments for voter approval as required by Proposition 218. However, "measure" **does not include** the mail ballot and protest procedures for property-related assessments required by Proposition 218.

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Once a proposal becomes a "measure," all contributions received and expenditures made to influence voters for or against qualification or passage of the measure must be reported. This includes funds received prior to the measure's qualification as discussed later in the chapter.

Proposal	Measure?
School bond placed on the ballot for voter approval.	Yes
Local citizens circulate petition to incorporate a new city. The petition must be submitted to the Local Agency Formation Commission (LAFCO).	Yes
An irrigation district wishing to expand its function approved a resolution of application to submit to the county's LAFCO.	Yes
Initiative campaign begins gathering signatures but does not receive the necessary number of signatures to qualify for the ballot.	Yes
City council places a one-half cent sales tax increase on the ballot.	Yes
A special district informs property owners of a new benefit assessment. A group of owners campaigns to defeat the assessment in the mail ballot election to follow.	No
A group of residents circulates a petition to recall a local elected official.	Yes

Recall Elections

Recall elections generally have the characteristics of both ballot measure elections and candidate elections. Usually, a recall has two parts:

1. Shall the officeholder be recalled? (Ballot measure election.)

2. Who shall replace the recalled officeholder? (Candidate election.)

Committees supporting or opposing the recall are considered to be primarily formed ballot measure committees and should use this manual. Candidates to replace the officeholder should use the candidate campaign manuals. An officeholder who is the subject of a recall should use this manual if the officeholder establishes a new committee for the purpose of defeating the recall. If an officeholder uses his or her election committee to oppose the recall,

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the officeholder should use the candidate campaign manual. Local jurisdictions may have additional disclosure requirements for recall committees. Contact the local agency for guidance. Campaign reporting rules for recall elections are set forth in FPPC Regulation 18531.5.

Primarily Formed Ballot Measure Committees

A committee is "primarily formed" to support or oppose a ballot measure if:

- The committee is created for the purpose of running the principal campaign for or against a measure;
- The committee's primary purpose and activities are to support or oppose a measure; or
- The committee makes more than 70 percent of its total contributions and expenditures to support or oppose a specific measure, or a group of measures, being voted upon in the same election on the same date. The time period for determining the committee's total percentage is the immediately preceding 24 months or the current two-year period beginning January 1 of an odd-numbered year.

See FPPC Regulation 18247.5 to determine whether a committee is primarily formed. A committee that is primarily formed within 90 days prior to an election must maintain that status up to the date of that election and through the end of the post-reporting period.

New committees: A new committee formed within six months of a statewide regular election or within 30 days of a state special election is presumed to be primarily formed if the committee makes at least $25,000 in independent expenditures to support or oppose a state measure listed on that ballot. (The presumption may be rebutted.)

A monthly review is required for other new committees that spend at least $1,000 a month and were formed within six months of an election in connection with which the committee makes contributions or expenditures.

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General Purpose Ballot Measure Committees

Committees formed to support or oppose ballot measures in more than one election, or in more than one jurisdiction, are general purpose ballot measure committees. Typically, a general purpose ballot measure committee is one in which the purpose of the committee is related to a specific issue and the committee will spend money on elections when a measure on that issue is before the voters. These committees are often referred to as "issues" committees.

General purpose ballot measure committees can be active for a number of years versus a single election.

FPPC Regulation 18247.5 requires a general purpose ballot measure committee to review its expenditures quarterly if it is close to triggering the primarily formed committee threshold because its spending is concentrated on a particular measure or more than one measure on a single ballot.

Can a general purpose ballot measure committee become a primarily formed ballot measure committee?

Yes. As described below, a general purpose ballot measure committee is one that makes expenditures for multiple measures. In certain elections, a general purpose committee may spend a significant amount of funds on a particular measure or measures on a single ballot. It will become a primarily formed ballot measure committee if:

- The committee makes at least $100,000 of contributions and/or expenditures supporting or opposing state measures; or
- The committee makes at least $10,000 of contributions and/or expenditures supporting or opposing local measures.

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What are some of the differences between reporting as a primarily formed ballot measure committee and a general purpose ballot measure committee?

Three key differences are that a primarily formed ballot measure committee must:

- Include in its name the ballot measure number or letter, whether the committee supports or opposes the measure, and information related to contributors of $50,000 or more;
- Include specific disclaimers on advertisements; and
- Report receipt of all contributions of $1,000 or more within 24 hours within 90 days of an election. The filing schedules on the FPPC website outline the additional filing deadlines.

Multipurpose Organizations Spending on Ballot Measures

If a multipurpose organization makes contributions or expenditures supporting or opposing ballot measures in California, the organization may be required to file campaign reports disclosing its political activity. Multipurpose organizations include nonprofit organizations and federal or out-of-state PACs. If the organization makes independent expenditures on a measure of $1,000 or more, it will file independent expenditure reports on Forms 496, 462, and 461. If the organization makes contributions for or against ballot measures of $10,000 or more, it will file reports as a major donor on Forms 461 and 497. And if the organization makes contributions or expenditures exceeding $50,000 in 12 months or $100,000 in four years, or specifically solicits funds to use on a measure, it may be required to file reports as a recipient committee, disclosing its political expenditures and its donors. Chapter 13 discusses reporting by multipurpose organizations that are spending on California ballot measures.

Ex 1.1 - A local agency places a question on the November ballot to outlaw cigarette smoking anywhere within the city limits. A group of citizens raises $1,000 or more to buy newspaper ads to encourage their neighbors to vote for the new law. The group is a primarily formed ballot measure committee.

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Ex 1.2 - A city council approves a zoning ordinance. A group of companies attempt to qualify a referendum on the ordinance; the group is a primarily formed ballot measure committee.

Ex 1.3 - A community college district places a bond measure before the voters. The district boundaries include parts of three counties. Any committee formed only to support or oppose the measure would be a primarily formed ballot measure committee because the measure is being voted on at a single election in a single multi-county jurisdiction.

Ex 1.4 - Citizens for Public Libraries is a multi-purpose organization. The organization sends a mailer to its members asking for $200 for the sole purpose of supporting library bond measures throughout the state and at various elections. Once $1,000 is received, the organization qualifies as a general purpose ballot measure committee because they will be supporting bond measures in several counties and cities. If the committee spends 70 percent or more of its funds on a single election, it will become a primarily formed ballot measure committee.

Ex 1.5 - A group of businesses and trade associations formed a committee for the sole purpose of supporting two state ballot measures and opposing one state ballot measure, all of which are listed on the November ballot. The committee must register as a primarily formed ballot measure committee.

Types of Ballot Measure Committees

A ballot measure committee may be controlled by a candidate or sponsored by an entity or organization.

Controlled Committees

If a candidate (or his or her representative) has significant influence on the actions or decisions of a committee, it is considered a controlled committee. Additional rules apply to primarily formed and general purpose ballot measure committees controlled by state elected officials. See discussion below and FPPC Regulation 18521.5.

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Sponsored Committees

A committee is considered sponsored by an entity or organization if the entity or organization (including a multi-purpose organization such as a nonprofit entity) does any of the following:

- Contributes 80 percent or more of the committee's money
- Collects money for the committee using payroll deductions or dues
- Provides all or nearly all of the administrative services for the committee
- Sets the policies for soliciting and using committee funds

Quick Tip

A committee may have more than one sponsor, however an individual is never considered a sponsor. If you are uncertain whether your committee is controlled or sponsored (it cannot be both), contact the FPPC.

B. Qualifying as a Primarily Formed Ballot Measure Committee

A person or group qualifies as a primarily formed ballot measure committee upon receiving contributions of $1,000 or more in a calendar year. The obligation to begin reporting contributions received and expenditures made arises when a proposal becomes a measure. For example, if a group of citizens begins collecting funds to qualify a measure, those funds are reportable once the petition circulation begins. As discussed below, certain contributions received and expenditures made before the reporting requirements were triggered may be reportable.

A person or group must file a Statement of Organization (Form 410) within 10 calendar days of becoming a committee. As described above, if the person or group raises $1,000 or more before a proposal becomes a measure, the 10-day period for filing the Form 410 begins the first day proponents begin to circulate petitions or when the legislative body acts to place the proposal on the ballot. If a group begins to raise contributions after the proposal becomes a measure, the 10-day period begins on the day the group raises $1,000 or more. More information on completing the Form 410 is provided on the following pages.

Quick Tip

A multipurpose organization (MPO) spending on a ballot measure that qualifies as a recipient committee (as described in Chapter 13) will qualify as a primarily formed ballot measure committee or a general purpose ballot measure committee. When determining which type of committee they qualify as, the organization includes only its payments for contributions and expenditures in California. Many MPOs qualify as primarily formed if they are spending on one measure or measures on one ballot.

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Once a person or group qualifies as a committee, reporting obligations are triggered. **Often times the Form 497 (24-Hour Contribution Report) will be the first report a committee files because when contributions of $1,000 or more are received within 90 days of the election, a Form 497 is required to be filed within 24 hours. See Chapter 8 for more information.**

Committees Formed to Oppose the Qualification of a Measure

Committees formed to oppose the qualification of a measure must file disclosure reports once the proponents begin to circulate petitions. Because the actual date that petition circulation begins can vary, opposing committees often begin filing as soon as $1,000 or more is received or as soon as they know the date of "proof of publication" for local measures or the date of "issuance of title and summary" for state measures.

Contributions and Expenditures Before Proposal Becomes a Measure

If the committee received contributions before the proposal qualified as a measure, the committee must report the names of contributors who know or had reason to know their contributions were for use in supporting or opposing the qualification or passage of the measure.

The contributors would have reason to know if, for example, the committee had sent out a solicitation or placed an advertisement asking for contributions for petition circulation or to support or oppose the measure.

A primarily formed ballot measure committee must report expenditures made to support or oppose the qualification or passage of a measure, including certain expenditures that occurred before the proposal became a measure.

Reportable expenditures may include:

- The cost of a poll or survey, if used in a communication to influence voters regarding the qualification or passage of a measure;

Ex 1.6 - A statewide initiative is being drafted. In anticipation of the initiative qualifying for the ballot, a group sends solicitation requests to oppose the proposal and raises $20,000. The group is not required to file disclosure reports listing the sources of the $20,000 until the proponents sponsoring the initiative begin to circulate petitions. On the first day the petition circulation begins, the group opposing the measure qualifies as a committee and is subject to reporting obligations. The committee must file a Statement of Organization, Form 410, within 10 calendar days. The committee is also required to file quarterly, semi-annual, and pre-election statements as well as special reports discussed in this manual.

Quick Tip

Committees that qualify within 90 days before the election are required to report contributions of $1,000 or more within 24 hours.

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- Payments to defray the costs of conducting an election;
- Filing fees;
- Legal costs relating to gaining or retaining a place on the ballot, or keeping a measure off the ballot.

Common expenditures that are **not** reportable include:

- The cost of a poll or survey to determine the feasibility of drafting a measure, if not used in a communication to influence voters; and
- Certain legal costs incurred prior to the circulation of petitions, including legal costs related to drafting the proposed measure.

Committees primarily formed to support or oppose a LAFCO proposal are not required to report the following payments:

- Payments made for the cost, including staff time, of preparing reports, studies or analyses, including environmental impact reports, feasibility studies, and fiscal analyses;
- Processing fees and similar fees paid to a LAFCO.

Litigation Expenses

If a group receives money for the purpose of challenging a ballot measure's placement on a ballot, depending on the facts of the case, the group may qualify as a recipient committee. Advice relating to litigation is specific to facts, so it is best to email your facts to the FPPC for assistance, but common issues related to litigation are described below.

Quick Tip

If an existing committee pays for litigation expenses in connection with a ballot measure, the expenses are reportable.

- A group raises money to challenge the wording of a measure's description in the ballot pamphlet. Such payments are made for the purpose of influencing the voters, so they may cause the group to become a recipient committee.
- A group raises money to challenge the validity of petition signatures. Such payments may cause the group to become a recipient committee.

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- When a ballot measure is passed and a group receives money for the **sole purpose** of challenging the constitutionality or legality of the newly-enacted law, such payments are not made to influence voters and the group would not become a recipient committee.

Ex 1.7 - Several corporations begin soliciting funds for the purpose of opposing several foreseeable environmental measures relating to water distribution rights. At the time donors were solicited there was discussion of a possible local measure or a state referendum; however no measure had qualified for a ballot. The group will not make expenditures in connection with candidate elections or to other political committees such as a political party. The group is a general purpose ballot measure committee.

C. Qualifying as a General Purpose Ballot Measure Committee

Typically, a general purpose committee is formed when a person or group sends solicitations asking for contributions that will be used for future ballot measures related to a particular issue. Once the person or group receives $1,000 or more in a calendar year, they qualify as a general purpose ballot measure committee.

D. Naming the Committee

Primarily formed ballot measure committees must include information about their purposes and sponsors in their name. Additional disclaimers are required on advertisements, which are discussed in Chapter 7.

It may be necessary to change the name of the committee during the course of the campaign. For example, as new contributions are received, the sponsor(s) of the committee may change, or the economic or other special interest of the committee's major donors may change. The discussion later in this chapter details the deadlines for certain changes that must be identified on the Form 410.

Primarily Formed Ballot Measure Committees

The name of a primarily formed ballot measure committee must include all of the following, if applicable:

- **Sponsor.** If the committee is sponsored, the name of the sponsor. If the committee has more than one sponsor and the sponsors are members of an industry or other identifiable group, a term indentifying the industry or group.

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- **Controlling State Candidate.** If the committee is controlled by a state candidate, the last name of the controlling candidate, as well as expressly stating that it is a ballot measure committee.

- **Measure Identification.** The measure's ballot number or letter and the committee's position on the measure. For example, "a committee for Proposition ___"; "a committee against Proposition ___"; "Yes [or No] on Proposition ___"; "Yes [or No] on ___"; or, "Yes [or No] on Measure ___" are all acceptable.

- **Recall.** If the committee is primarily formed to support or oppose the recall of an officeholder, the name of the officeholder who is the subject of the recall and whether the committee supports or opposes the recall must be in the name of the committee. A committee formed by an officeholder who is the subject of a recall must include the word, "recall," in the name of the committee.

- **Interests Affected by Measure.** A name or phrase that clearly identifies the economic or other special interest of major donors who cumulatively contributed $50,000 or more. This means that the committee name must identify any economic interest that exists that is likely to be affected by the ballot measure. If no such economic interest exists, the name or phrase must identify any goal or purpose that is likely to be affected by the measure. If there is more than one contributor of $50,000 or more and all such contributors do not share an economic interest or goal or purpose, the name or phrase must identify the various economic interests or goals or purposes that are likely to be affected by the ballot measure.

- The **common employer** of the major donors of $50,000, if one exists.

- The **names of candidates** or their controlled committees if, as a group or individually, they are major contributors of $50,000 or more as described above.

The following are examples of acceptable names for primarily formed ballot measure committees:

Quick Tip

Ballot measure committees controlled by state elected officials are subject to additional restrictions. See Regulation 18521.5.

Quick Tip

The FPPC provides free advice to committees on naming and top contributor identification issues.

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Ex 1.8 - A local tax measure would increase the city's sales tax with all funds earmarked for firefighting services. A local firefighter's union formed a primarily formed ballot measure committee and raised a total of $5,000 from its members to support the measure.

The committee must include the name of the union in the name of the committee because it qualifies as a sponsor, and it must identify that it supports the measure: "The Pasadena Firefighters, Local 1210 Committee for Measure A" or "A Committee in Support of Measure A, Sponsored by the Pasadena Firefighters, Local 1210."

Ex 1.9 - Jerry Fair is the subject of a recall. He forms a separate committee and raises $10,000 to oppose the recall.

The committee name must include the name of the officeholder and include the word "recall." "A Committee Against the Recall of Jerry Fair" or "The Committee to Oppose the Recall of Jerry Fair."

Ex 1.10 - A group of individuals representing their businesses establishes a bank account to raise contributions to support a transportation bond measure. ABC Company provides all of the administrative support for the primarily formed ballot measure committee. No other business qualifies as a sponsor. The committee raises $15,000.

The committee name must include the name of the sponsoring business and must identify that it supports the measure. "The Committee in Support of Measure X, Sponsored by ABC Company" or "Yes on Measure X, Sponsored by ABC Company."

Ex 1.11 - A group collects $3,000 and all contributions were under $100 and from individuals. The committee is formed to support a library tax measure.

The primarily formed ballot measure committee name must identify that it is in support of the measure. "Committee to Support Measure B" or "Yes on Measure B Committee."

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Ex 1.12 - Proposition 110 is a state ballot measure that will provide bond funding specifically for improving the state parks system. The committee primarily formed to support the measure received two contributions of $50,000 or more; $75,000 from the Parkland Foundation (mission is to expand and improve parks) and a personal contribution of $55,000 from Linda Nelson, a hiker, who has no business affiliation related to parks. The administrative support for the measure is provided by a union representing park rangers, Park Rangers, Local 1010. All additional contributions are less than $50,000. No candidate controls the committee and no other entity qualifies as a sponsor.

The committee name must identify: 1) the sponsor, 2) the economic, special interest, goal or purpose of the contributors of $50,000 or more, and 3) the committee's position on the measure.

"Citizens for Proposition 110, a Committee in Support of Expanding California Parks, Sponsored by the Park Rangers, Local 1010" or "Support Proposition 110, Sponsored by the Park Rangers, Local 1010, with Help from Citizens and Foundations for Parks."

NOTE: *Advertisements must indicate that major funding was provided by the Parkland Foundation and Linda Nelson.*

Ex 1.13 - Senator O'Leary supports Proposition 114, a measure that would fund state museums, and contributes $100,000 from his reelection committee to the committee primarily formed to support the measure. The committee has also received a contribution of $75,000 from the California Museum Curators Association. No contributor qualifies as a sponsor and no other contribution of $50,000 or more was received.

The committee name must include the senator's name, the economic interest, goal or purpose of the California Museum Curators, and whether the committee supports or opposes the measure. Examples of names would include: "Increase Funding for State Museums, Yes on Proposition 114, Supported by Senator O'Leary and Curators for Improving Museums" or "Yes on Proposition 114, a Measure to Fund State Museums, Supported by Senator O'Leary and Advocates for Museum Funding."

Ex 1.14 - Assembly Member Chiu controls a primarily formed ballot measure committee to support a statewide measure to increase the sales tax. Other contributions are less than $5,000.

The committee name must include the Assembly Member's last name, expressly state that it is a ballot measure committee, and the committee's position on the measure. "Assembly Member Chiu's Ballot Measure Committee to Support Proposition 115."

General Purpose Ballot Measure Committees

The name of a general purpose ballot measure committee must include both of the following, if applicable:

- **Sponsor**. If the committee is sponsored, the name of the sponsor. If the committee has more than one sponsor and the sponsors are members of an industry or other identifiable group, a term indentifying the industry or group.

- **Controlling State Candidate.** If the committee is controlled by a state candidate, the last name of the controlling candidate, as well as expressly stating that it is a ballot measure committee.

The following are examples of acceptable names for general purpose ballot measure committees.

Ex 1.15 - Senator White is raising funds for future ballot measures related to education reform. The general purpose ballot measure committee name may be: Education Performance, a committee controlled by Senator White or Californians for Education Reform, a committee controlled by Senator White.

Ex 1.16 - A trade association collects contributions for its general purpose ballot measure committee which supports or opposes health related measures depending upon the particular measure's content. Because the trade association qualifies as a sponsor, the trade association's name must be in the name of the committee. For example, Voters for Wellness, sponsored by the ABC trade association or ABC trade association's sponsored issues committee.

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E. Statement of Organization (Form 410)

Before money is raised or spent in connection with an election, committee treasurers should become familiar with the various campaign disclosure forms applicable to the type of campaign or committee involved.

A recipient committee is required to file a Statement of Organization (Form 410), which provides the public with information about the purpose of the committee and identifies the committee's treasurer and principal officer(s). The Form 410 is also required to be filed in order to terminate the committee. This section describes how to complete and file the Form 410.

Annual Committee Fees

All committees that file a Form 410 must pay a $50 fee to the Secretary of State no later than 15 days after the Form 410 is filed. Committees must pay the fee annually by January 15 until the committee terminates. Committees that are created and pay the initial $50 fee in the last three months of a calendar year are not subject to the annual fee in the subsequent year. A committee that fails to timely pay the fee is subject to a penalty of $150.

Quick Tip

If a person or group qualifies as a committee within the 90 days before an election, and the committee receives contributions of $1,000 or more or makes contributions of $1,000 or more to a candidate or another ballot measure committee, the Form 497 (24-hour Contribution Report) must be filed. The Form 497 may be required before the committee ID number is assigned. See Chapter 8 for information about the Form 497.

Committee ID Number

Upon receipt of the Form 410, the Secretary of State's office will assign the committee an identification number. This number is used on all campaign forms. After filing the Form 410, the committee ID number may be obtained from the Secretary of State's website. Go to www.sos.gov, click on the Campaign Finance link, then type the name of the committee in the Cal-Access Search space and click on "Go." Contact the Secretary of State's office at (916) 653-6224 with any other questions about committee identification numbers.

Quick Tip

The committee ID number is generally assigned within 7 – 10 days after the Secretary of State's office receives the Form 410.

Quick Tip

Although the Secretary of State assigns committee identification numbers, because the numbers are required on FPPC forms, many people refer to the numbers as "FPPC ID numbers."

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Statement of Organization
Recipient Committee

Date Stamp

CALIFORNIA FORM 410

For Official Use Only

A

Statement Type

☑ **Initial** — Not yet qualified ☐ or — 01/01/2013 Date qualified as committee

☐ **Amendment** — List I.D. number: # _____ — ___/___/___ Date qualified as committee (If applicable)

☐ **Termination – See Part 5** — List I.D. number: # _____ — ___/___/___ Date of Termination

1

Committee Information

NAME OF COMMITTEE: Yes on Prop. 2, Support for School Financing. (full name below)

STREET ADDRESS (NO P.O. BOX): 1500 Seventh Avenue, Suite 450

CITY: Santa Barbara | STATE: CA | ZIP CODE: 93103 | AREA CODE/PHONE: (805)555-1221

MAILING ADDRESS (IF DIFFERENT): P.O. Box 3300 Santa Barbara CA 93103

FAX / E-MAIL ADDRESS: kjamieson@campaignpros.com

COUNTY OF DOMICILE: Santa Barbara | JURISDICTION WHERE COMMITTEE IS ACTIVE: State

Attach additional information on appropriately labeled continuation sheets.

2

Treasurer and Other Principal Officers

NAME OF TREASURER: Kelly Jamieson

STREET ADDRESS (NO P.O. BOX): 1500 Seventh Avenue, Suite 450

CITY: Santa Barbara | STATE: Ca | ZIP CODE: 93103 | AREA CODE/PHONE: (805)555-1221

NAME OF ASSISTANT TREASURER, IF ANY: Chris Myers

STREET ADDRESS (NO P.O. BOX): 1500 Seventh Avenue, Suite 450

CITY: Santa Barbara | STATE: CA | ZIP CODE: 93013 | AREA CODE/PHONE: (805)555-1221

NAME OF PRINCIPAL OFFICER(S): John Johnson

STREET ADDRESS (NO P.O. BOX): 45 First Ave.

CITY: Sacramento | STATE: CA | ZIP CODE: 95826 | AREA CODE/PHONE: (916)222-1111

3

Verification

I have used all reasonable diligence in preparing this statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ (DATE) By _____ (SIGNATURE OF TREASURER OR ASSISTANT TREASURER)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

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A Statement Type

Check the “Initial” box if this is the first filing and indicate the date on which the committee met the $1,000 threshold or check the “Not Yet Qualified” box if the threshold has not been met. If the “Not Yet Qualified” box is checked, an amended Form 410 must be filed within 10 days of reaching the $1,000 threshold to provide the date the committee qualified.

1 Committee Name

Provide the full name of the committee. See discussion on previous pages and on the form instructions. For multipurpose organizations that qualify as committees, see the committee name information in Chapter 13.

Committee Address

Use a street address as the address of the committee. A post office box may be used as a mailing address. The committee may have more than one mailing address.

County of Domicile and Jurisdiction Where Committee is Active

Indicate the county in which the committee is located and the jurisdiction where the committee is active and must file its campaign statements (i.e., State, County of Sacramento, City of San Diego).

2 Treasurer, Assistant Treasurer, and Other Principal Officers

The committee must have a treasurer and may have an assistant treasurer. Report the names of the treasurer and assistant treasurer along with their mailing addresses and phone numbers. If the committee has principal officers other than the treasurers, list each officer's full name, position held, and street address. If no individual other than the treasurer has the responsibility for approving the political activity of the committee, the treasurer must be identified as both the treasurer and the principal officer.

3 Verification

The treasurer or assistant treasurer must complete the verification. In the case of a controlled committee, both the treasurer or assistant treasurer **and** the candidate/state ballot measure proponent must complete. If the controlling candidate/state ballot measure proponent serves as the treasurer, he/she must sign on both lines.

When two or three candidates control a committee, each candidate must sign the verification. If more than three candidates control the committee, one of the candidates may sign on behalf of all controlling candidates.

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Bank Account

On page 2 of the Form 410, enter the name and address of the financial institution where the committee's campaign bank account is located, as well as the campaign bank account number. If a bank account has not been opened at the time of filing an "Initial" Form 410, amend the Form 410 within ten days of opening the bank account to provide this information.

4 **Type of Committee** Complete the applicable sections.

Controlled Committee

- List the name of each controlling officeholder, candidate, or state measure proponent. If candidate or officeholder controlled, also list the elective office sought or held, and district number, if any, and the year of the election.
- List the political party with which each officeholder or candidate is affiliated or check "nonpartisan."
- If this committee acts jointly with another controlled committee, list the name and identification number of the other controlled committee.

NAME OF CANDIDATE/OFFICEHOLDER/STATE MEASURE PROPONENT	ELECTIVE OFFICE SOUGHT OR HELD (INCLUDE DISTRICT NUMBER IF APPLICABLE)	YEAR OF ELECTION	PARTY
			☐ Nonpartisan
			☐ Nonpartisan

Primarily Formed Committee Primarily formed to support or oppose specific candidates or measures in a single election. List below:

CANDIDATE(S) NAME OR MEASURE(S) FULL TITLE (INCLUDE BALLOT NO. OR LETTER)	CANDIDATE(S) OFFICE SOUGHT OR HELD OR MEASURE(S) JURISDICTION (INCLUDE DISTRICT NO., CITY OR COUNTY, AS APPLICABLE)	CHECK ONE SUPPORT	OPPOSE
Proposition 2: Improving our education system	Prop 2 statewide	✓	

4. Type of Committee (Continued)

General Purpose Committee Not formed to support or oppose specific candidates or measures in a single election. Check only one box:
☐ **CITY Committee** ☐ **COUNTY Committee** ☐ **STATE Committee**

PROVIDE BRIEF DESCRIPTION OF ACTIVITY

Sponsored Committee List additional sponsors on an attachment.

NAME OF SPONSOR	INDUSTRY GROUP OR AFFILIATION OF SPONSOR
Education Leaders Association	Teachers organization

STREET ADDRESS NO. AND STREET	CITY	STATE	ZIP CODE
222 E. Elm St.	Sacramento	CA	95814

Small Contributor Committee ☐ _____/_____/_____
Date qualified

4 Type of Committee

Primarily Formed Ballot Measure Committees

Identify the measure's title and, if assigned, the ballot number or letter. State the measure's jurisdiction and whether the committee supports or opposes the measure.

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State committees: Prior to the assignment of a state ballot measure number, a committee must also include the Attorney General's Office assigned identification number and title if the committee is one that:

- Submits the proposed state ballot measure to the Attorney General's Office for title and summary;
- Is primarily formed for the measure; or
- Spends $100,000 or more on circulation of petitions for the state ballot measure.

State and local committees must also complete the sponsored or controlled sections, if applicable.

Quick Tip

Committees formed to support or oppose the recall of an officeholder are considered primarily formed ballot measure committees. Officeholders may choose to use their existing campaign committees from their last election.

General Purpose Ballot Measure Committees

Mark the appropriate state, county or city box, and provide a brief description of the committee's political activities, such as the types of measures it supports or opposes.

If a general purpose ballot measure committee is controlled by a state candidate or officeholder must identify each measure on which the committee anticipates spending, or has spent $50,000 or more in a two year period beginning with January 1 of an odd-numbered year, must be identified. If the measure has not yet received a ballot designation letter or number A description of the anticipated measure's purpose must be identified. Committee expenditures are restricted to only those related to the measures identified and reasonable fundraising and operating costs. Such committees may not make a contribution to a candidate controlled committee for elective office. Other restrictions also apply. See FPPC Regulation 18521.5 for additional information.

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F. When & Where to File the Form 410

The original and one copy of the Form 410 are filed with the Secretary of State within 10 days of raising $1,000 or more in contributions in connection with a measure.

File the Form 410 with:

Secretary of State
Political Reform Division
1500 11th Street, Room 495
Sacramento, CA 95814

In addition, if the committee is primarily formed to support or oppose a county or city measure, a copy of the Form 410 must be filed with the county registrar or city clerk, respectively, within the same time frame. The Form 410 may be filed prior to raising $1,000, but then must be amended within 10 days to disclose the date qualified as a committee.

Ex 1.17 – A city council votes to place a bond measure on the ballot. Following the vote, a group of citizens open a bank account and begin collecting money to oppose the measure. The group must file a Statement of Organization, Form 410, within 10 calendar days of raising $1,000. The committee is also subject to quarterly, semi-annual, and preelection statements, as well as special reports as discussed in this manual.

24-Hour Deadline for the Form 410

A primarily formed ballot measure committee that qualifies during the last 16 days before the election must file Form 410, **within 24 hours** of qualifying. The Form 410 must be provided to the filing officer with whom the committee will be filing its original campaign disclosure statements by fax, guaranteed overnight delivery, online transmission or personal delivery. In addition, an original Form 410 must be filed with the Secretary of State within 10 days of qualifying as a committee (regular mail may be used).

Quick Tip

If a person or group qualifies as a committee within the 90 days before the election, contributions received of $1,000 or more are required to be disclosed within 24 hours. See Chapter 8 for information about the Form 497 (24-Hour Contribution Report).

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Amendments to the Form 410

When any information on the Form 410 changes, a committee must file an amendment **within 10 days** of the change. However, an exception exists for committees amending their statement of organization to include the numerical or letter designation of the ballot measure. Within 30 days of the number or letter designation for the ballot measure, a committee primarily formed to support or oppose the measure must include the statement, "a committee for Proposition ___," or, "a committee against Proposition ___," whichever is applicable, in any reference to the committee required by law, including the name of the committee.

Ex 1.18 – Fourteen days before a county election, the group opposing Measure A received a contribution of $900 bringing their cumulative contributions received to date to $1,250. Because they qualified as a committee within 16 days before the election on which the ballot measure would be voted, they must file the Form 410 with the ***county registrar*** within ***24 hours*** of qualifying as a committee. They must also file an original Form 410 ***within 10 days with the Secretary of State.***

24-Hour Deadline for Amendments to the Form 410

Changes to important information require a primarily formed ballot measure committee to file an amendment **within 24 hours.** If, during the last 16 days before the election, any of the following changes occur, the committee must file the Form 410 within 24 hours with the filing officer with whom the committee files its original campaign statements:

- The name of the committee
- The treasurer or other principal officers
- Any candidate or state ballot measure proponent who controls the committee
- Any committee with which the committee acts jointly

Ex 1.19 – The Committee to Protect Our Coast qualified as a committee in May. On July 15, the Secretary of State issued the designated number of the measure for the ballot. By August 14, the committee must file another Form 410 amending its name to include the ballot number and the committee's position. For example, Committee to Protect Our Coast, A Committee for Proposition 310.

The amendment provided to the filing officer with whom the committee files its original campaign statements must be delivered by personal delivery, guaranteed overnight delivery, fax, or online transmission. The amendment must also be filed with the Secretary of State within 10 days.

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G. Campaign Reports

During the 90 days prior to an election, a primarily formed ballot measure committee is required to report contributions received of $1,000 or more within 24 hours. The Form 497 (24-Hour Contribution Report) is often the first report a committee is required to file. See Chapter 8 for more information about the Form 497.

In addition, the committee is required to file quarterly, semi-annual, and pre-election statements. The Form 460, which details contributions received and expenditures made by the committee, is the main committee report and is used for quarterly, semi-annual, and pre-election statements. Committees with little or no activity in a reporting period may be eligible to use the Form 450 (Short Form) or Form 425 (Semi-Annual Statement of No Activity). See Chapter 9 for additional information.

Quick Tip

State ballot measure committees are required to file electronically with the Secretary of State once they receive contributions totaling $25,000 or more, or make expenditures totaling $25,000 or more. See Chapter 10 for information about electronic filing requirements.

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Answering Your Questions

A. Must we wait until $1,000 is received to file the Form 410 (Statement of Organization)?

No. You may file the Form 410 prior to committee qualification. Check the "Not Yet Qualified" box. When the committee qualifies, file an amendment within 10 days to report the date of qualification.

B. May our committee use a mail receiving and forwarding service, such as Mail Boxes Etc., as the committee's street address on the Form 410 (Statement of Organization)?

No. A post office box or lock box number is not acceptable as a street address. You may use a post office box address on a mass mailing as long as you indicate this address as your mailing address on the Form 410.

C. As the state ballot measure proponent, may I be the designated treasurer on the Form 410 (Statement of Organization)?

Yes, you may designate yourself as the treasurer or assistant treasurer.

D. Our non-controlled ballot measure committee received a $10,000 contributionfrom an election officeholder. Must the officeholder's name be included in the name of our ballot measure committee?

No. The officeholder's name would be required only if the officeholder (and/or his or her controlled committee) was a major contributor of $50,000 or more.

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E. Our political action committee has been registered for several years as a general purpose recipient committee and has supported and opposed candidates and measures in various elections. This year, the committee plans to raise and spend the majority of its funds to support a county ballot measure. Must we amend our registration to become a primarily formed ballot measure committee?

Possibly. An existing committee that has reason to know it may qualify as a primarily formed committee must review its status on a quarterly basis to determine whether it is primarily formed. If, upon review, the committee has made more than 70 percent of its total contributions and expenditures to support the county ballot measure, it will be required to change its status from general purpose to primarily formed. (See Regulation 18247.5.)

F. May a candidate control a ballot measure committee? If so, must the candidate file a Form 501 (Candidate Intention Statement) for the committee?

A candidate may control a ballot measure committee so long as the committee's funds are not used to support the candidate's election, or for contributions or independent expenditures in connection with a candidate. This manual addresses special rules for such committees. Campaign funds may not be commingled with personal funds. No Form 501 is required.

G. Is my committee required to file the Form 497 (24-hour Contribution Report) even if we have not yet filed the Form 410 (Statement of Organization)?

Yes, if the committee is formed within the 90 days before the election. Because the Form 497 is required to be filed within 24 hours of receiving a contribution of $1,000 or more, and generally the Form 410 is not due until 10 days after qualifying as a committee (receiving $1,000 or more), the committee may be required to file the Form 497 before the Form 410 is due.

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H. Over two years ago, our ballot measure committee, Yes on Measure X, Citizens For Grape Valley Expansion, received a contribution of $35,000 from James & Johansen Housing Developments, LLC. Last week we received another contribution of $15,000 from the company. Now that we have received $50,000, must we include a name or phrase that identifies the company in our committee name even though the first contribution was received over two years ago?

Yes. There is no specific timeframe in which the contributions must be aggregated. Once a single source has contributed $50,000 or more to your committee, the committee name must include a name or phrase to identify the contributor. For example, "Yes on Measure X, Citizens for Grape Valley Expansion, major funding by builders." A Form 410 amendment must be filed within 10 days to reflect the new committee name (or within 24 hours if the change occurs in the 16 days prior to the election).

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Authority

The following Government Code Sections and Title 2 regulations provide authority for the information in this chapter.

Government Code Sections

81004	Reports and Statements; Perjury; Verification.
81004.5	Reports and Statements; Amendments.
81007	Mailing of Report or Statement.
82007	Candidate.
82013	Committee.
82016	Controlled Committee.
82027.5	General Purpose Committee.
82035.5	LAFCO Proposal.
82036	Late Contribution.
82043	Measure.
82047.5	Primarily Formed Committee.
82047.6	Principal Officer.
82047.7	Proponent of a State Ballot Measure.
82048.7	Sponsored Committee.
82051	State Measure.
84101	Statement of Organization. Filing.
84101.5	Annual Fees.
84102	Statement of Organization; Contents.
84103	Statement of Organization; Amendment.
84106	Sponsored Committee; Identification.
84107	Ballot Measure Committee; Identification.
84203	Late Contribution; Reports.
84215	Campaign Reports and Statements; Where to File.
84222	Multipurpose Organizations.
84250	Applicability to LAFCO Proposals.
84251	Payment for Political Purposes (LAFCO).
84504	Ballot Measure Committee Name.
85315	Elected State Officeholder Recall Committees.

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Title 2 Regulations

18227.5	General Purpose Committees: State, County or City.
18247.5	Primarily Formed Committees.
18402	Committee Names.
18402.1	Principal Officers.
18410	Statement of Organization.
18417	Campaign Reporting – LAFCO Proposals.
18419	Sponsored Committees.
18422	Nonprofit and Multipurpose Organization Political Activity Transparency.
18450.3	Committee Name Identification. Advertisement Disclosure.
18521.5	Ballot Measure Committees Controlled by Candidates for Elective State Office.
18531.5	Recall Elections.

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Finance Rules

In any campaign, an accurate and organized record must be kept of all campaign receipts and expenditures. All individuals who handle receipts and make expenditures must be aware of and practice the recordkeeping procedures required by the Political Reform Act and FPPC regulations outlined in this manual.

While others may be involved, the treasurer, ballot measure proponent, and principal officer(s), as listed on the committee's Statement of Organization (Form 410), remain legally responsible for the accuracy of the records.

A. Campaign Bank Account

Primarily formed and general purpose ballot measure committees should maintain a separate bank account. Pre-numbered and pre-printed checks with the committee's name are useful in complying with the recordkeeping requirements discussed in this chapter. Ballot measure committees may not commingle campaign funds with any individual's personal funds. The committee may not accept contributions or make expenditures in cash of $100 or more.

B. Record Retention

Committees must keep all records, including original source documentation such as bank statements and other records reflecting account activity, for a period of four years from the date the campaign statement relating to the records was filed. Exception: The electronic filing declaration required to be filed with Form E-530 (Communications Identifying State Candidates) must be kept for five years following the date the report is filed. (See Chapter 11.)

Ex 2.1 – San Franciscans for Parks, a Committee for Measure F, a city ballot measure committee, filed its first campaign statement on January 31, 2013. The records associated with completing that statement, such as receipts and information on contributors, must be retained until January 31, 2017.

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C. Records of Contributions Received

Two types of records are required for receipts: a **daily record**, showing how much money was received on any given day; and a **contributor record**, with detailed information on each contributor of $25 or more. The daily record requirement may be met simply with bank statements, copies of checks received, and other documentation that reflects a continuous computation of account balances.

Date Received

A monetary contribution is received on the date that the committee, or an agent of the committee, obtains possession or control of the cash, check, or other form of contribution, not the date it is deposited in the bank account. Contributions received by electronic methods such as wire transfer, credit card or debit account transactions are also received on the date the committee obtains possession or control of the funds. The following list provides examples:

- A contributor makes a contribution over the telephone. The contribution is "received" by the committee on the date the contributor gives his or her debit/credit account information to the committee.

- A contributor makes a contribution via the Internet and the committee reviews the on-line transaction before the contribution is processed. The contribution is "received" by the committee on the date the committee receives the payment information.

- A contributor makes a contribution via the Internet and the contribution is made by direct deposit without review and before transaction reports are produced. The contribution is "received" when the committee has possession of the funds.

- A contributor makes a contribution by text message. The contribution is "received" by the committee on the date that the mobile fundraising vendor, acting as an agent of the committee, obtains possession or control of the contribution and is attributed to the person who subscribes to the cell phone that made the text message.

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- A contributor agrees to make contributions via installment payments by authorizing the committee to periodically charge his or her credit card or withdraw funds from his or her account. The contribution is "received" when the committee, or an agent of the committee, obtains possession or control of the funds for each installment payment. The contribution reported is only the amount of each installment payment when received. Installment payments scheduled to take place in the future, but not yet received, are not reportable.

Receipts Under $25

A daily lump sum total must be kept for contributions received under $25 and miscellaneous receipts under $25.

Contributor Record

Contributions: $25 to $99.99

For each monetary or nonmonetary contribution, loan or receipt of $25 or more, the date received, amount of the contribution, and full name and address, including zip code, of the contributor must be documented. In addition, the total amount received from the contributor over the course of the current calendar year (the "cumulative amount") must be recorded.

Intermediaries

For contributions of $25 or more made through an intermediary (see Chapter 3), records for the above information for **both** the intermediary and the contributor are required.

Nonmonetary Contributions

If the contribution is nonmonetary and worth $25 or more, a description and the fair market value of the contribution must be recorded. (See "Valuing Nonmonetary Contributions" in Chapter 3.)

Loans

If the contribution is a loan of $25 or more, in addition to the above information for monetary contributions, the following information must be recorded:

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- Interest rate of the loan, if any;
- Due date of the loan; and
- Name and address of any guarantor and the amount guaranteed. The occupation and employer of any individual who guarantees a loan of $100 or more must also be recorded.

Contributions: $100 or More (Occupation and Employer Information)

If contributions totaling $100 or more are received from an individual, in addition to the above information, the contributor's occupation and employer are recorded.

If the contributor is self-employed, that fact also must be noted along with the name of his or her business. Generally, if a check is received from a business entity, the contributor is the business entity, not the person who signs the check.

Documentation

The committee must keep copies of all documents reflecting deposits made and all records reflecting campaign bank account balances such as bank statements, check registers, and passbooks.

The following documents produced or received by the committee also must be kept for receipts of $25 or more: copies of contributor checks; contributor cards; letters of transmittal; notices received from contributors; memoranda or other records that describe the method used to determine the fair market value of donated goods or services (nonmonetary contributions); and loan agreements or other documents that reflect indebtedness. In addition, documentation for electronic transactions must include information collected when debiting the contributor's account such as itemized transaction reports (including the credit card confirmation number), debit/credit account transaction records, credit card receipts, or vouchers. Documentation of contributions received over the Internet must include a record of the transaction created and transmitted by the cardholder including the cardholder's name and address and card number.

Quick Tip

The total amount is reported as a contribution. The fees deducted by the vendor before the contributions are sent to the committee are reported as expenditures; the fees are not deducted from the amount of each contribution reported.

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For contributions or other receipts of $100 or more, copies of any letters or other communications sent by the committee to obtain the documents listed above must be kept.

The following is an example of acceptable documentation for a contribution received through an online money transfer vendor (e.g., PayPal):

Ex 2.2

Donation Received (Unique Transaction ID #XX)

Name: Jacob Shively
Email: jshively@email.com
Payment Sent to: Cox for Butte County Supervisor 2014

Total amount: $400.00
Fee amount: - 6.50
Net amount: $393.50

Donation Amount: $400.00 USD

Purpose: Cox for Butte County Supervisor 2014
Date: May 15, 2014
Time: 12:45 PST
Status: Completed

Street Address: Jacob Shively
515-275 Autumn Street
Chico, CA 95973

Occupation/Employer: Retired

D. Returning a Contribution Due to Missing Information

A contribution of $100 or more must be returned if the contributor's name, address, and, if the contributor is an individual, his or her occupation and employer, are not in the committee's records within 60 days from receipt of the contribution.

The committee must record the date the contributor information is received, if that date is different from the date the contribution is received.

Contributions may be deposited in the committee's bank account pending receipt of the information, in which case they must be

Ex 2.3 – The Streets are for Bikes, Yes on Measure A, a city ballot measure committee, received a contribution of $100 from Martha Andersen on June 1. The only information the committee's treasurer had was her name and address as listed on her check. On the committee's semi-annual statement, covering the reporting period through June 30, the treasurer reported receiving $100 from Martha, listed her name and address, and indicated that the committee would amend its statement when it received her occupation and employer information. By July 31 of that same year, even after writing to Martha, the treasurer still did not have Martha's occupation and employer. The committee must return $100 to Martha.

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reported on the next campaign statement required to be filed (including the Form 497, 24-Hour Contribution Report). The Form 460 must be amended within 70 days from its closing date to disclose the missing contributor information unless the contribution is returned to the donor. The Form 497 need not be amended.

Unable to return a contribution: When a contribution cannot be returned to the contributor within 60 days from the date the contribution was received, the contribution amount must be paid to the Secretary of State for deposit in the State General Fund. City and county committees must make the payments to the general fund of the local jurisdiction in which the committee is active (e.g., a city general purpose committee must make the payment to the city's general fund).

If a contribution is returned to the contributor by check but the check is not cashed by the contributor within 90 calendar days, the contribution amount must be paid within 30 days to the Secretary of State for deposit in the State General Fund. City and county committees must make the payments to the general fund of the local jurisdiction in which the committee is active.

E. Records of Expenditures

The Political Reform Act and the Elections Code set forth restrictions on the use of campaign funds for ballot measure committees. The permissible uses of funds and restrictions contained in the Act are described in detail in Chapter 5. The Elections Code information may be obtained at www.sos.ca.gov.

Expenditures Under $25

A daily lump sum total of all expenditures of less than $25 must be kept.

Expenditures: $25 or More

For expenditures of $25 or more to a single payee, or a series of payments for a single product or service that totals $25 or more, the following must be recorded:

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- Full name and street address, including zip code, of payee;
- Expenditure amount;
- Date each expenditure was made or, in the case of accrued expenses, the date the goods or services were received; and
- Description of the goods or services received.

Contributions to Candidates or Other Committees and Independent Expenditures

For expenditures that are contributions to an officeholder, candidate, or committee, or independent expenditures (see Chapter 6) to support or oppose a candidate or other ballot measure, the amount of the expenditure and the cumulative amount paid in that calendar year in connection with the officeholder, candidate, committee, or ballot measure must be recorded.

For all such expenditures of $25 or more, the following information is required:

- Date the contribution or independent expenditure was made;
- Whether the expenditure is an independent expenditure;
- Name of the officeholder or candidate and the office and district he or she holds or for which he or she seeks nomination or election, or number or letter of the measure and the jurisdiction in which the measure is to be voted on; and
- Cumulative amount spent on behalf of the candidate, measure, or committee.

Note: A primarily formed ballot measure committee that makes contributions to other committees or independent expenditures to support or oppose candidates or other ballot measures, may need to change the nature of the committee. State general purpose ballot measure committees controlled by a state candidate may not make a contribution to a committee for elective office and have additional expenditure restrictions.

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Loans Made to Others

The following additional information must be kept for loans made by the committee: interest rate, if any; due date, if any; and full name and street address of anyone guaranteeing the loan or who is liable directly, indirectly, or contingently for the loan. (For restrictions on loans to others, see Chapter 5.)

Documentation

All bank and credit card records for expenditures must be kept.

For expenditures of $25 or more: bills, invoices or statements, receipts, credit card slips, vouchers, contracts, loan agreements, and other documents produced or received by the committee reflecting additional obligations also must be kept. Copies of canceled checks may be retained if the copies contain a legible image of the front and back of the canceled check and the copies are obtained from the financial institution.

If no receipt, voucher, or invoice is available, a voucher should be written as soon as possible with the date and amount of the payment, the name of the payee, and a description of the goods or services received. A voucher is not required for payments under $25.

Additional Expenditure Records for State and Local Candidate Controlled Committees

In addition to the general recordkeeping requirements described above, when any committee (including a primarily formed or general purpose ballot measure committee) that is controlled by a state or local candidate makes an expenditure of $100 or more for a gift, meal, or travel, the committee must keep a dated memorandum or some other form of dated written record containing a brief description of the political, legislative, or governmental purpose of the expenditure, as well as the information described below:

Gifts: The date of the expenditure, a description of the gift, and the name of any recipient who received a benefit of $50 or more.

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Meals: The date of the meal, the name of each individual who attended the meal, and whether he or she is a member of the candidate's household or someone who has authority to approve expenditures of campaign funds.

Travel: The dates of travel, the destination, the name of each individual who traveled, and whether he or she is a member of the candidate's household or someone who as authority to approve expenditures of campaign funds.

Additional Expenditure Records for State Candidate Controlled General Purpose Ballot Measure Committees

General purpose ballot measure committees that support or oppose more than one measure (including a potential measure), and are controlled by a state candidate or state officeholder, must document which measure or measures benefited from an expenditure of $100 or more. For example, if an advertisement supported two measures and each measure received equal time/space, 50 percent of the expenditure would be attributed to each measure and such documentation would be in the records. Exception: Attribution is not required if an expenditure is made for operating costs, administrative overhead, fundraising activities, travel, compliance costs, or attorney's fees and cannot be attributed to a specific measure.

Notices to Major Donors, Mass Mailings, and Telephone Calls

A copy or a record of all "major donor" notices (see Chapter 3) and a copy of any mass mailings (see Chapter 7) sent by the committee must be kept. For certain telephone calls made to 500 or more voters and paid for by the committee (see Chapter 7), a script of the call or a copy of the recorded telephone message also must be kept.

F. Treasurer Duties

Every committee must have a treasurer. There are no restrictions on who may be treasurer; however, no person should assume the position of treasurer as a mere figurehead. **The committee may not**

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accept contributions or make expenditures before a treasurer is appointed or while the treasurer's post is vacant, even if there is an assistant treasurer (see below). If the committee treasurer is unavailable to carry out his or her duties for an extended time, a new treasurer should be designated and the committee's Statement of Organization (Form 410) must be amended.

Quick Tip

Check the FPPC website for webinar training dates (www.fppc.ca.gov.)

The committee treasurer must sign and verify all reports and statements filed. The verification is signed under penalty of perjury and indicates that:

- The treasurer has used all reasonable diligence in preparing the statement; and
- To the best of his or her knowledge, the statement is both true and complete.

Quick Tip

Section 84104 includes principal officers in the list of individuals with recordkeeping responsibilities.

The treasurer is legally responsible for the accuracy and completeness of the document even if it is prepared by a third party, including a professional accountant. An unsigned statement is considered "not filed" and is subject to late fines.

In addition, the committee treasurer is required to:

- Establish a system of recordkeeping sufficient to ensure that receipts and expenditures are recorded promptly and accurately in compliance with the Act's recordkeeping and disclosure requirements. Following the recordkeeping guidelines in this manual ordinarily constitutes compliance with this requirement.
- Maintain campaign records personally or monitor records kept by others.
- Take steps to ensure all of the Act's requirements are met regarding receipt, expenditure, and reporting of campaign funds.

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- Prepare campaign statements personally or carefully review the statements and underlying records prepared by others.

- Correct any inaccuracies or omissions, and inquire about any information that would cause a person of reasonable prudence to question the accuracy of the campaign statements. Among the circumstances that might give rise to an inquiry regarding a contribution are: the size of the contribution; the reported source; the likelihood of that source making a contribution of that size; the manner in which the contribution is recorded in the campaign records; and all other circumstances surrounding receipt of the contribution.

Assistant Treasurer

An assistant treasurer may be designated on the Statement of Organization (Form 410) in the event that the treasurer is unavailable to sign a report when it is due. The assistant treasurer is required, like the treasurer, to use reasonable diligence in preparing and reviewing any campaign statements that he or she signs, and must certify to that effect under penalty of perjury. For statements signed by the assistant treasurer, both the treasurer and the assistant treasurer are liable for any violations pertaining to that report.

There are no restrictions on who may be an assistant treasurer, although he or she should know the reporting obligations, restrictions, and prohibitions provided under the law.

G. Candidate Duties for Ballot Measure Committees Controlled by a Candidate

A candidate who controls a ballot measure committee is required to verify to the best of his or her knowledge that the campaign statements are true and complete and that the treasurer has used all reasonable diligence in the preparation of the statements. To comply with these duties, the candidate must:

- Carefully review campaign statements prepared for filing by the committee.

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- Correct any inaccuracies or omissions, and inquire about any information that would cause a person of reasonable prudence to question the accuracy of the campaign statements. Among the circumstances that might give rise to an inquiry regarding a contribution are: the size of the contribution; the reported source; the likelihood of that source making a contribution of that size; the manner in which the contribution is recorded in the campaign records; and all other circumstances surrounding receipt of the contribution.

- Take whatever steps are necessary to replace the treasurer or raise the treasurer's performance to required standards if the candidate knows or has reason to know that the treasurer is not exercising all reasonable diligence in the performance of his or her duties.

- Perform with due care any other tasks assumed in connection with the raising, spending, or recording of campaign funds insofar as such tasks relate to the accuracy of information entered on campaign statements.

H. Audits

The Act authorizes the FPPC and the State Franchise Tax Board (FTB) to conduct audits of any campaign committee. A mandatory audit is performed on state primarily formed ballot measure committees that raise or spend $10,000 or more in a calendar year. Future filings may be subject to random audits. The FPPC and the FTB may make pre-election investigations and audits with respect to any reports or statements required by the Act.

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Answering Your Questions

A. Are there any specific accounting qualifications for someone to be able to serve as treasurer, or any conditions which would disqualify someone from being permitted to serve as treasurer?

No. However, no individual should accept the position as a mere figurehead. To adequately perform the duties, the treasurer must have a basic understanding of the campaign finance laws and the responsibilities of a committee treasurer.

B. Are committee records and source documentation, such as bank statements, required to be kept on paper, or may the committee use an electronic recordkeeping system?

Electronic records are permitted, provided that all of the required information is collected and recorded in a timely and uniform manner that ensures the accuracy and reliability of the information. Committees are responsible for ensuring that electronic records can be read and/or printed for auditing purposes during the applicable retention period.

C. Are form letters thanking contributors required to be retained for recordkeeping purposes?

It is not necessary to keep form letters containing no information necessary to complete or verify the committee's campaign statements.

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Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter.

Government Code Sections

82047.5	Principal Officer.
84100	Treasurer.
84104	Recordkeeping.
84105	Notification to Contributors.
84300	Cash and In-Kind Contributions; Cash Expenditures.
84302	Contributions by Intermediary or Agent.
84306	Contributions Received by Agents of Candidates or Committees.
84307	Commingling with Personal Funds.
84310	Identification Requirements for Telephone Calls.
85700	Donor Information Requirements; Return of Contributions.
90000	Responsibility.
90001	Mandatory Audits and Investigations.
90002	Audits and Investigations; Time.
90003	Discretionary Audits.
90007	Auditing Guidelines and Standards.
90008	Preelection Auditing.
91006	Joint and Severable Liability

Title 2 Regulations

18401	Required Recordkeeping for Chapter 4.
18402.1	Principal Officer.
18421.1	Disclosure of the Making and Receipt of Contributions.
18421.2	Street Address.
18421.3	Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents.
18421.31	Text Message Contributions.
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18426.1	Assistant Treasurer.
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18432.5	Intermediary.
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Contributions

This chapter begins with a definition of "contribution" and provides guidelines to ensure proper reporting of contributions, including a discussion on valuing nonmonetary contributions.

A. What is a Contribution?

A "contribution" is a monetary or nonmonetary payment received by a committee for which the committee has not provided full and adequate consideration in return. See the definition of "contribution" in FPPC Regulation 18215. A contribution may take any of the following forms:

- Money (cash, check, credit card, wire transfers, text contributions);
- Nonmonetary items (donated goods or services);
- Payments made by a third party for advertising or other communications;
- Loans (including loan guarantees, co-signing, and lines of credit); and
- Enforceable promises to make a payment (for example, a contributor promises, in writing, to pay for specific goods or services and, based on that written promise, the committee expends funds or enters into a legally-enforceable contract to purchase the goods or services).

Note: Contributions of $100 or more may never be made or received in cash. Contributions must be returned if the contributor's name, address, occupation, and employer are not obtained within 60 days of receipt of the contribution.

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Each type of contribution is reported differently. In fact, the date a contribution is received is determined in part by what type of contribution it is.

In general, a **monetary** contribution is considered to be received on the date that the committee or an agent of the committee obtains possession or control of the cash, check, or other item that constitutes the contribution.

When an agent of the committee, such as a campaign consultant, receives a contribution for the committee, the treasurer must be notified by the agent no later than the closing date of the next campaign statement due. The date of the contribution is the date the agent obtained possession of the contribution. (See Chapter 2 for specific examples.)

A **nonmonetary** contribution is received on the **earlier** of the following:

- The date funds were expended by the contributor for the goods or services;
- The date the committee or an agent of the committee obtained possession or control of the goods or services;
- The date the committee received the benefit of the expenditure.

A nonmonetary contribution of **employee services** is made by the contributor and received by the candidate or committee on the **payroll date** of the employee. See the discussion later in this chapter for information about how to value a contribution of employee services.

Ex 3.1 – A committee's campaign consultant received a hand-delivered check at a May 14, Friday evening fundraiser. The check was delivered to the committee's treasurer the following Monday, May 17. The contribution was received on May 14, the day the committee's agent obtained possession of the check.
The committee also contracts with a website service to receive contributions over the Internet. The website service sends the committee's treasurer an email each time a contributor logs on to the website service and enters his or her donor information and credit card number. Logging onto the website service, the treasurer can accept the contribution and receive the funds. The committee reports receipt of the contribution on the date it receives the email because it controls the contribution on that date.

Ex 3.2 – A 501(c)(3) nonprofit organization would like to provide legal assistance to a ballot measure committee. The employees of the organization will assist with drafting the language of the measure, and will train volunteers about how to circulate petitions. Drafting proposed ballot measure language does not constitute a contribution, but training volunteers on how to do petition circulation is a reportable non-monetary contribution to the ballot measure committee.

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An **enforceable promise** is received on the date the committee or an agent of the committee receives documents verifying that a contributor has made a legally enforceable promise to make a payment. A person makes an "enforceable promise to make a payment" if he or she:

- Guarantees a loan.
- Furnishes security for a loan.
- Endorses a loan.
- Cosigns a loan.
- Makes and delivers a post-dated check.
- Establishes a line of credit at a bank or other commercial lending institution for a candidate or committee.

Ex 3.3 – A bonding company agrees to make payments for campaign advertisements. The ballot measure committee and bonding company have a written agreement and the committee will work directly with the political consultant. The written agreement provides that the invoices will be paid by the bonding company, in the event the committee lacks funds.

Exception: A pledge card is not considered an enforceable promise to make a contribution. "Enforceable promise" also does not include a contributor's agreement to make future installment payments through wire transfer, credit card transaction, debit account transaction, or similar electronic payment.

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B. Contributions: Exceptions

There are many exceptions to the definition of "contribution," contained in FPPC Regulation 18215. Exceptions for certain types of political communications are also discussed in detail in Chapter 6. Some of the most common exceptions include:

Volunteer Personal Services: If an individual donates his or her personal or professional services to a campaign (including a volunteer's travel expenses), no contribution has been made or received as long as there is no understanding of reimbursement. "Volunteer personal services" does not include any tangible items. Donated goods are contributions.

If an employer donates employee services to a committee, and any employee spends more than 10 percent of his or her compensated time in a calendar month performing campaign activities for one or more campaigns, the employer has made a nonmonetary contribution to the committee. (See "Employee Time" in Section F., Valuing Nonmonetary Contributions.)

Home/Office Fundraisers: If a person, other than a lobbyist or lobbying firm, holds a fundraiser or other campaign event for a candidate or committee in his or her home or office, the costs incurred by the occupant of the home or office need not be reported as long as the total cost of the event is $500 or less. However, if someone else donates food, beverages, or anything else of value to the event, the fair market value of those donated goods is a nonmonetary contribution. In addition, the donated goods must be counted to determine whether the total cost of the event is $500 or less.

If a fundraiser will exceed $500, all payments are reportable nonmonetary contributions, including the reasonable rental value of the home/office for the duration of the fundraiser. If the costs of the home/office fundraiser do not otherwise exceed $500, the reasonable rental value of the space is not factored in.

Ex 3.4 – A primarily formed ballot measure on insurance rates is sponsored by an insurance company. The company has paid for envelopes, postage, and the salaries of employees working more than 10 percent of their compensated time per month on behalf of the ballot measure committee. These expenditures should be reported on the sponsored committee's report, or on the sponsor's own report, as non-monetary contributions to the ballot measure committee. They are not exempt from the definition of contribution as administrative costs of a sponsored PAC under Regulation 18215(c)(16).

Ex 3.5 – A committee member holds a fundraiser in his home. As long as all expenses stay below $500, the committee does not report the cost of the event as a non-monetary contribution.

Ex 3.6 – A business hosts a campaign fundraiser at the headquarters. The business spends approximately $450. A separate business entity provides the beverages and the value is $200. Since the total cost of the event exceeds $500, both businesses have made a reportable contribution.

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Note: The home/office fundraiser exception does not apply to a state lobbyist. A registered state lobbyist may not make a contribution to an elected state officer or candidate for elective state office if the lobbyist is registered to lobby the official's agency or the agency for which the candidate is seeking election. A fundraiser held in the home of a lobbyist is considered a contribution; therefore, a lobbyist is prohibited from holding a fundraiser in his or her home for a candidate seeking election to a governmental agency that the lobbyist is registered to lobby. The same prohibition applies to lobbying firms holding fundraisers at their offices.

Member Communications: Payments made by an organization (including a political party) for certain communications that are sent only to the organization's members, employees, or shareholders, or their families, are not contributions to a ballot measure committee whose measure is endorsed in the communication. See Chapter 6 for additional information.

C. Aggregating Contributions

Contributions received from certain individuals and entities must be added together to determine the total amount that will be treated as received from a single contributor.

The following are aggregated.

- Contributions from the personal funds of an individual and contributions made by an entity when the same individual directs and controls the entity's contributions.
- Contributions from two or more entities if a majority of the same persons direct and control the contributions of each entity.
- Contributions made by entities that are majority owned by any person with the contributions of the majority owner and all other entities majority owned by that person, unless those entities act independently in their decisions to make contributions.

Quick Tip

The term "person" includes an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, and association.

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The following are basic examples to provide general guidance regarding aggregation of contributions. Every case is unique. If these examples are not helpful, contact the FPPC for advice.

Ex 3.7 – Sally Perez Jones contributed $98 from her personal funds and another $98 from the funds of her business, Flowers by Sally, to the Committee for Measure F. Because contributions from an individual and his or her business, or from any other account he or she directs and controls, are considered to be from a single contributor, the committee must itemize both contributions and report a cumulative amount received of $196 on its campaign statement.

Ex 3.8 – EXtream Snowboards, Inc., made a contribution of $99 to the Committee for Measure F. EXtream Snowboards, Inc. is a wholly owned subsidiary of LeesureTech Industries, which also made a contribution of $99 to the committee. Because there was coordination between EXtream Snowboards and LeesureTech Industries, their contributions are considered to be from a single contributor. The committee must itemize both contributions and report a cumulative amount received of $198 on its campaign statement.

Ex 3.9 – William Smith is a developer with four separate corporations. William makes political contributions from his personal funds and directs and controls the contributions of each of his corporations. William made a contribution of $1,000 from his personal funds and contributions of $2,000 from the funds of each of his four corporations to the Committee for Measure F. Because William directed and controlled all of these contributions, they are considered to have been made by a single contributor. The committee must itemize each contribution and show a cumulative amount received of $9,000.

Ex 3.10 – Southwest TeleCom has a greater than 50 percent ownership interest in American TeleCom. Each entity, entirely on its own, and with separate decision making bodies, makes a contribution of $1,000 to the Committee for Measure F. The committee does not aggregate these contributions because Southwest TeleCom and American TeleCom acted completely independently in their decisions to make the contributions.

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D. Reporting the Intermediary of a Contribution

Quick Tip

Media reports often refer to the omission of reporting a true source as campaign money laundering.

An intermediary is a person or entity that makes a contribution on behalf of another person and has been or will be reimbursed for the contribution. For each contribution of $100 or more from an intermediary, the name, address, and, if applicable, the occupation and employer information must be disclosed for both the true source of the contribution and the intermediary.

Failure to disclose the true source of a contribution is considered one of the most serious violations of the Political Reform Act.

Ex 3.11 – Benny Barr and Vienna Waltz each made a $100 contribution from their personal funds to support the Committee for Measure F, with the understanding that they would be reimbursed by their employer, the Music Company. Benny and Vienna must tell the committee that they are acting as intermediaries on behalf of their employer, the Music Company. The committee must itemize the $200 contribution from the Music Company, and it must also itemize Benny Barr and Vienna Waltz as intermediaries of $100 each on its campaign statement.

Ex 3.12 – A corporation has asked its employees to make personal contributions to Friends of the Forest, a Committee for Proposition 305, with the intent of reimbursing its employees for the contributions they make. Neither the employees nor the corporation inform the committee that the employees will be reimbursed. The corporation and the employees have violated the Act.

Ex 3.13 – The Playa del Sol Stockbrokers Emporium requested its employees to attend a fundraiser for Friends of the Forest, a committee for Proposition 305 with the intent of reimbursing the employees for their contributions. The employees informed Friends that their contribution would be reimbursed by the Emporium. When the committee's treasurer completed the committee's Form 460, he reported the total of the contributions coming from Playa del Sol Stockbrokers Emporium and itemized those employees who contributed $100 or more as intermediaries for the Emporium. No violation took place.

Committees are required to check, and, if necessary, correct any information regarding the true source of a contribution that a person of reasonable prudence would question based on all of the surrounding circumstances. If there is reason to believe the information contained on the contribution check does not contain the name of the person who is actually making the contribution, the donor should be asked if he or she is acting as an intermediary for the true source of the contribution.

E. Reporting Common Contributions

Electronic Receipt of Contributions: Contributions may be received by credit card, wire transfer, Internet, cell phone text message, telephone, debit account transaction, or similar electronic payment options:

- For contributions of $25 or more, the committee treasurer should send a copy of the credit card voucher or other documentation to the committee as soon as practicable after the contributions are made.
- The entire amount charged to the contributor is reported as a contribution.
- Fees associated with this type of fundraising, or deducted by the vendor before the contributions are sent to the committee, are reported as expenditures; the fees are not deducted from the amount of each contribution reported.

Fundraisers: The full amount (face value) of a fundraiser ticket is a reportable contribution.

Ex 3.14 – Your committee holds a fundraiser and charges $100 per person. After the event, you determine that your committee spent $25 per person to pay for the caterer, hall rental, entertainment, invitations, etc. Report on Schedule A of the Form 460 each contributor's name, address, occupation, and employer and the full $100 per ticket contribution. Do not subtract $25 from each ticket sold.

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Auctions and Garage Sales: When items are donated for auction or sale at a fundraiser, the donated item is a nonmonetary contribution. (See below for determining the value.) When someone buys an item, the payment is reported as a "Miscellaneous Increase to Cash." If any one person pays $100 or more, the payment is itemized.

When someone pays more for an item than it is worth, the amount that is equal to the fair market value is reported as a miscellaneous increase to cash and the amount over the fair market value is reported as a monetary contribution. Each is itemized at $100 or more.

Ex 3.15 – Andy Foster owns an electronics store and donates a TV worth $500 to your committee. At your committee's auction, Gloria Fernandes bids $600 for the TV. Itemize $500 as a nonmonetary contribution from Andy's store. Then, itemize $500, the part of Gloria's payment that is the fair market value of the TV, as a miscellaneous increase to cash. Also itemize $100, the amount over the fair market value, as a monetary contribution from Gloria.

Bar Receipts: Funds received by selling drinks at a fundraiser at fair market value are reported as miscellaneous increases to cash, not contributions.

Raffles: Receipts from the sale of raffle tickets at a fundraiser are reported as contributions. Items donated for raffle prizes are reported as nonmonetary contributions. (Note that Penal Code Section 319 imposes some restrictions on raffles. Contact your county's district attorney for further information.)

Joint Checking Accounts: Individuals (including spouses) may make separate contributions from a joint checking account. For reporting purposes, the full amount of the contribution is reported as coming from the individual who signs the check. If two or more individuals sign the check, the contribution is divided equally between or among the signers, unless there is an accompanying document signed by each individual whose name is printed on the check that clearly indicates a different apportionment.

Ex 3.16 – Linda and Jerry Nelson have a joint checking account. From this account, Linda signed a $100 check payable to Citizens Against Street Crime, Yes on Measure D. The committee identifies Linda Nelson as the contributor of the full $100.

A check drawn on a joint checking account that is signed by an individual not listed on the check (e.g., an accountant) must be accompanied by a document signed by at least one of the individuals listed on the check stating to whom the check is to be attributed.

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Business Accounts: Generally, if a check is drawn on the account of a business entity, the contributor is the business entity, not the person who signs the check.

Minor children: A contribution made by a child under the age of 18 is presumed to be a contribution from his or her parent or guardian, unless the facts show otherwise, e.g., that the child actually chose to make the contribution.

F. Valuing Nonmonetary Contributions

This section provides assistance in determining how to value nonmonetary contributions so that they may be reported accurately. The varieties of nonmonetary contributions are vast, so not all possibilities are presented. Contact the FPPC for assistance.

Fair Market Value

When a nonmonetary contribution is received, the fair market value of the goods or service must be reported.

If the committee does not know the fair market value of a nonmonetary contribution, such as an original piece of artwork, the committee may send a letter requesting that the contributor provide the value of the contribution in writing. The contributor is legally obligated to provide an amount if the value of the contribution is $100 or more.

Ex 3.17 – The owner of an audio-visual store donates a television set worth $500 to your committee for sale at an auction. Although the set costs the store owner less than $500, the fair market value of the television (the amount it would cost any member of the public to purchase the set from the store) is $500. Therefore, the nonmonetary contribution from the store owner is $500.

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Employee time: If an employer donates the use of an employee to work on campaign activities for one or more campaigns, the amount the individual is paid is reportable as a nonmonetary contribution from the employer if the employee spends more than 10 percent of his or her compensated time in a calendar month working on campaign activities. To determine the contribution amount, allocate the gross compensation to the time spent on campaign activity. Compensation includes wages paid and any benefits in lieu of wages, such as stock options or an annuity purchase. Compensation does not include routine benefits, such as the employer's payments to a health care or retirement plan.

Ex 3.18 – An accounting firm provides your committee with the services of an accountant during the last month of the campaign. The accountant spends 25 percent of her time working for the campaign, for which her gross compensation from the accounting firm is $2,500. The amount of the contribution from the accounting firm, therefore, is $2,500.

Discounts: If the committee receives a discount on goods or services it purchases and the discount is not offered to the public in the regular course of business, the discount is a nonmonetary contribution that must be reported.

Ex 3.19 – Your committee treasurer knows the owner of Janns' Printing Shop and gets the owner to give your committee a 50 percent discount on the printing of a brochure that normally would cost $1,200. Your committee has received a nonmonetary contribution of $600 from Janns' Printing Shop.

Email Lists: If a list of email addresses is donated, the fair market value must be reported as a nonmonetary contribution.

Corporate Stock: The contribution of corporate stock must be reported and valued as listed on the stock exchange on the date of receipt. When the stock is sold, the total proceeds of the sale are reported on Schedule I as a miscellaneous increase to cash. If the purchaser is unknown, report the brokerage firm as the source with a notation that the payment represents the sale of stock. Broker's fees must be reported on Schedule E.

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G. Valuing Mailings, Telephone Banks, Polls

Multiple Candidates/Measures. If a communication expresses support or opposition of more than one ballot measure or candidate, the fair market value attributable to each may be calculated by prorating the costs among the featured candidates and ballot measures. The prorated value is based on the amount of space allotted to each candidate or measure supported or opposed in the mailer.

The value of a mailer that supports or opposes candidates and measures being voted on in different jurisdictions may be prorated based on the number of mailers sent to each candidate or ballot measure's jurisdiction.

Political and Non-Political Material. The cost of a communication containing both express advocacy in support or opposition of a ballot measure, as well as non-political material, may be prorated. Costs directly associated with the political message are reportable by the ballot measure committee, including, for example, compensation paid to employees who spend more than 10 percent of their compensated time in a calendar month producing or mailing the political materials, and the pro rata cost of paper, envelopes, and postage. The allocation may be based on the additional weight of the political material or the comparative number of pages between the political and non-political material.

Ex 3.20 – The Weston Chamber of Commerce produces and mails a one-page flyer urging voters to vote for Proposition 310, and to vote against Propositions 322 and 323. Half of the flyer is devoted to supporting Proposition 310 and the other half equally opposes the other measures. The Chamber coordinates the mailing with the committee primarily formed to support Proposition 310, but does not coordinate with any committee set up to oppose the two other measures. The total cost of producing and mailing the flyer is $14,000. The committee supporting Proposition 310 has received a nonmonetary contribution valued at $7,000, and the Chamber has made independent expenditures of $3,500 each opposing the two other ballot measures. See Chapter 6 for additional information about independent expenditures.

Ex 3.21 – A local association of realtors is holding a golf tournament, which will be featured as a networking and marketing event for its members. The association sends invitations, which include an option for attendees to donate an additional sum earmarked for the association's sponsored committee. Because the invitations include non-political material as well as political material (i.e., the portion of the invitation that solicits contributions for the association's sponsored committee), the costs may be prorated. Costs directly associated with the political message are reportable by the committee, including the pro rata costs of paper, envelopes, and postage. The allocation may be based on the comparative amount of space devoted to political versus the non-political material.

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Member Communications: Payments made by an organization or its sponsored committee for a communication that supports or opposes a ballot measure are not contributions or expenditures as long as the communication is made only to the organization's members, employees, or shareholders, or the families of its members, employees, or shareholders. The communication may not be for general public advertising, such as billboards, newspaper ads, or radio or television ads. (See Chapter 6.)

Bulk Rate Permits: Use of another organization's bulk rate permit is a nonmonetary contribution from the organization. If the committee pays the actual postage costs incurred, the fair market value of the contribution is either:

- The price the organization paid for the bulk mailing permit; or
- The difference in postage costs between the bulk mailing rate and that of regular mail.

If the organization pays for the costs of the mailing using its bulk rate permit, and the committee does not have such a permit, the value of the contribution is (1) the amount it would have cost to pay for the mailing using regular mail; or (2) the cost of the bulk rate mailing plus the cost of a permit.

Phone Banks: Businesses and other entities will sometimes allow a ballot measure committee to use their phones to call prospective voters during non-business hours. The fair market value of the use of the phones is calculated to determine the amount reported as a nonmonetary contribution, even if only local calls are made. One method to determine the fair market value is to contact organizations that provide phone banks as a business.

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Polls & Surveys: A person or entity that provides data paid by a private party for a public opinion poll or survey to a committee is making a nonmonetary contribution if the committee requests the data or the data are used for political purposes. FPPC staff has advised that a formula utilized by the Federal Election Commission may be used for valuing polling or survey data, as long as the formula is used in a reasonable manner to provide a fair estimate. The formula calculates the value based on the age of the data. The chart below illustrates the fair market value of data based on the number of days that pass from the date the entity originally received the data to the date the data were provided to the committee.

Age of Data	Value
0 -15 days	Full Value
16 - 60 days	50%
61 - 180 days	5%
More than 180 days	No Value

When only a portion of a survey is provided to or for the benefit of a committee, the nonmonetary contribution is the prorated portion of the total value of the survey.

Ex 3.22 – A local business association commissioned a public opinion poll to determine voters' attitudes about three city issues: development of an arena, an expanded no-smoking ban, and a local recreational park bond. The association provided the poll results to the ballot measure committee formed to pass the recreational park bond. Since only a portion of the data pertained to the bond issue, the ballot measure committee reported a prorated amount when disclosing the nonmonetary contribution received.

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H. Notification to Contributors of $5,000 or More

Quick Tip

Once contributions of $10,000 or more are made, the Form 497 may be immediately required. Committees should provide donors the link to the appropriate FPPC filing schedule.

Committees that receive one or more contributions totaling $5,000 or more in a calendar year from an individual or entity that made the contribution(s) from personal, business, corporate, or general funds must send the contributor written notice that they may have a filing obligation.

Generally, must be mailed, faxed or emailed the notice to a contributor within two weeks of receiving contributions totaling $5,000 or more; however, if a contribution of $10,000 or more is received in the 90 days prior to the election, must be mailed faxed or emailed the notice to the contributor within one week. A copy of each notice or a record of all notices showing the date sent and the name and address of the person receiving the notice must be retained.

A multipurpose organization (including a nonprofit) that identifies another multipurpose organization as a contributor of more than $50,000 on its campaign report by the "last in, first out" (LIFO) accounting method, must send an expedited notice as described below.

The notice need not be sent again for subsequent contributions received from the same contributor in the same calendar year. In addition, the notice does not need to be sent if the source of the contribution is a candidate, officeholder, or an existing committee because they already are required to file campaign statements.

The notice may be tailored as long as it contains language substantially similar to the language below:

Major Donors

> *If your contribution(s) to this committee and to other California state or local committees total(s) $10,000 or more in a calendar year, California law requires you to file a Major Donor Committee Campaign Statement (Form 461). The deadline and location for filing this statement will depend upon the timing and type of contribution(s) you have made. For additional information, visit www.fppc.ca.gov and review the available campaign materials.*

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Multipurpose organizations including nonprofits

If your organization is a multipurpose group, it may qualify as a major donor committee required to file Form 461 or as a recipient committee required to file the Form 460 disclosing donors. Refer to Government Code Section 84222 and FPPC Regulation 18422 to determine your filing requirements. For additional information, visit www.fppc.ca.gov and review the available campaign materials.

24-Hour Reports

Major donors and multipurpose organizations that trigger reporting obligations must also file a 24-hour Contribution Report (Form 497) if you:

- *Make contributions totaling $1,000 or more to a single candidate, any of the candidate's controlled committees, or to a committee primarily formed to support or oppose a candidate or ballot measure during the 90 days before the election in which the candidate or measure is being voted on; or*

- *Make contributions totaling $1,000 or more to a state or county political party committee during the 90 days prior to a state election, including state special elections.*

Electronic Filing

State committees that make contributions of $25,000 or more must file electronically with the Secretary of State. State committees that are required to file the Form 497 (24-hour Contribution Report) must file this form electronically even if the $25,000 threshold has not yet been met. For more information on the electronic filing requirements, contact the Secretary of State's office at (916) 653-6224. Local committees should contact the the local jurisdiction to determine if there are electronic filing requirements.

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Late Filing Penalties and Fines

Failure to file campaign statements may result in late filing penalties of $10/day (state committees may be fined $20/day if they must file electronically and on paper) and fines of up to $5,000 per violation.

FPPC Assistance

For assistance with your filing obligations, contact the Fair Political Practices Commission toll-free at (866) ASK-FPPC, send an email to advice@fppc.ca.gov, or refer to their website: www.fppc.ca.gov.

Contributions Between Multipurpose Organizations: Expedited Notice and Filing

If a multipurpose organization (including a nonprofit) identifies another multipurpose organization as a contributor of more than $50,000 on its campaign report using LIFO, a notice must be sent to the contributing multipurpose organization that the organization may be required to file expedited campaign reports. The notice must include the major donor notification language above as well as the following **additional language:**

> *The Political Reform Act requires disclosure of the source of donor funds used for political expenditures and tracks back to the original donors when funds are contributed by one multipurpose organization to another. Your organization was identified as a contributor of more than $50,000 in funds that our organization used for political expenditures. Therefore, your organization may qualify as a committee under Government Code Section 84222 and Fair Political Practices Commission (FPPC) Regulation 18422, contained in Title 2, Division 6 of the California Code of Regulations, that is required to register with the Secretary of State on FPPC Form 410 and file expedited reports on FPPC Form 460 disclosing donors for such funds within three business days during the 90 days before an election or within 10 business days at all other times.*

The notice must be sent by email, overnight delivery, or fax within 24 hours during the 90-day period before an election and within ten business days outside of the 90-day period. The organization must maintain a record of all notices it sends. (Gov. Code Section 84222; Regulation 18422.)

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I. Returning Contributions

There are several provisions in the Act and FPPC regulations that regulate the return of contributions.

General Rules: A contribution may be returned in whole or in part to the contributor at any time. A contribution that is deposited, cashed or negotiated must be disclosed on a campaign statement, even if it is subsequently returned. Only under the first two circumstances below may monetary contributions be returned and not reported.

Outside the 90-Day Election Cycle: A contribution is not required to be reported (by the donor or the committee receiving the funds) if it is not deposited, cashed, or negotiated, and it is returned to the contributor before the closing date of the campaign statement on which it would otherwise be reported.

24-Hour Contributions: A primarily formed committee that receives a contribution of $1,000 or more during the 90 days before an election is not required to report if it is not deposited, cashed, or negotiated, and it is returned within 24 hours of receipt. The donor is also not required to report if it is returned within 24 hours.

Missing Contributor Information: A contribution of $100 or more must be returned within 60 days of receipt if the committee has not obtained the contributor's name, address, and, in the case of a contributor who is an individual, his or her occupation and employer.

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J. State Contribution Limits

A primarily formed or general purpose ballot measure committee is not subject to state contribution limits, including those committees controlled by a state candidate or officeholder. But funds from a state candidate - controlled ballot measure committee may not be used for the state candidate's election. In addition, contributions to a state candidate controlled ballot measure committee from another state candidate controlled committee are subject to limits ($4,200 through December 31, 2016). See FPPC Regulations 18535 and 18545.

As described below, contribution limits may apply if a ballot measure committee, at the behest of a state candidate, makes a payment of $50,000 or more for a communication about a ballot measure that features the state candidate within 45 days of his or her election.

Communications Identifying State Candidates

Under the Act's issue advocacy provision a ballot measure committee that pays $50,000 or more for a communication identifying a state candidate within 45 days of his or her election must file an electronic disclosure report (E-530). See Chapter 11 for the Form E-530 reporting requirements.

A committee must file the report and is subject to a contribution limit of $35,200 per calendar year (through December 31, 2016) from a single source if all of the following conditions are met:

1. The committee makes a payment or a promise of a payment totaling $50,000 or more;

2. The payment is for a communication that clearly identifies a candidate for elective state office;

3. The communication does not expressly advocate the election or defeat of the candidate;

4. The communication is disseminated within 45 days of an election in which the identified candidate will appear on the ballot; and,

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5. The communication is made at the behest of the identified candidate.

Once a committee receives a contribution of more than $35,200, the committee may not make a payment for a communication described above. (This amount may be adjusted every odd-numbered year based on the Consumer Price Index.)

A candidate is "clearly identified" if the communication:

- States his or her name;
- Makes unambiguous reference to his or her office or status as a candidate;
- Unambiguously describes him or her in any manner; or
- Contains the voice or a visual depiction of the candidate.

Quick Tip

See Chapter 6 for additional information about communications, including how to determine if a communication "expressly advocates" for or against a candidate, as well as how to determine if the communication is "made at the behest" of a candidate.

Exception: A candidate is not considered "clearly identified" if the candidate's name is required by the provisions of state or federal law to appear in the communication and the candidate is not singled out in the manner of display.

Ex 3.23 – Two weeks before an election in which Assembly member Caterina Ramos will be listed on the ballot, the Alternative Energy Committee, Yes on Proposition 580, pays $70,000 for billboard space for an ad campaign. While the ad does not advocate her election, it does include her name and image and was approved by her. The Yes on Proposition 580 Committee is subject to a contribution limit of $34,000 in a calendar year from a single source.

Ex 3.24 – The Santa Monica Neighbors for Reform, Yes on Measure H, buys newspaper ads in the local newspaper that read, "State Senator Juanita Frances supports Measure H." The committee has coordinated this advertising campaign with the senator, who is running for reelection and will appear on the ballot within 45 days of placement of the ads. Even though this is a local ballot measure committee, because the ad identifies a state candidate, the committee is subject to a calendar year contribution limit of $34,000 from a single source.

Ex 3.25 – Save Our Renewable Resources, No on Proposition 444, sponsored by timber industry interests, contracts for a phone message to be distributed to registered voters statewide within 45 days before the state primary election. The phone message includes a statement that reads, "The State Controller says Proposition 444 will hurt the state budget." The State Controller is not listed on the ballot. Therefore, the ad campaign does not trigger a $34,000 calendar year contribution limit.

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Answering Your Questions

A. **We are holding a $100-a-plate fundraiser for our committee. The actual cost of the event to our committee will be $25 per person. When someone gives us $100 to attend the dinner, do we report $100 as a contribution, or do we subtract the $25 and report receiving a $75 contribution?**

The cost of the ticket for the fundraiser is the amount of the contribution. Report $100 as the contribution.

B. **When we send out a fundraising letter, are we required to put our committee identification number on the invitation?**

There is no requirement to put the identification number anywhere on the letter. However, many campaigns do so because if other committees, or others with their own reporting obligations, contribute to your committee, they will need your identification number to complete their campaign reports.

C. **We would like to hold a raffle at our next fundraiser. Are there any restrictions on raffles?**

The Political Reform Act does not restrict raffles. However, Penal Code Section 319 does prohibit some raffles. This code is interpreted and enforced by each county's district attorney. Contact the local district attorney where the raffle will be held for further information. Standard reporting and recordkeeping is required.

D. **If Jan, my next door neighbor, spends $1,000 on an event to help raise funds for two different ballot measure committees and the event is held in her home, has she made a contribution to each committee?**

Yes. The total cost of a home fundraiser must be $500 or less, or the event will qualify as a nonmonetary contribution. This is true no matter how many committees benefit from the event.

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E. **May a non-profit organization hold a joint fundraiser with a political committee?**

Yes. However, any costs incurred by the non-profit organization that are not reimbursed by the political committee would be considered a nonmonetary contribution from the non-profit to the political committee. The non-profit organization should contact the IRS for any possible restrictions based upon the organization's tax status.

F. **Three ballot measure committees wish to conduct individual polls. A polling firm has offered a reduced rate because all three polls can be combined using one very large sample. Are the committees receiving contributions from the polling firm because of the discounted fee, and are the committees making contributions to each other?**

If each committee pays only its share of the cost of the poll, the committees are not making contributions to each other. Additionally, if the polling firm provides the discount as part of its standard business policy and does not provide the discount for political purposes, the committees are not receiving contributions from the polling firm.

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Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Codes Sections

82015	Contribution.
82018	Cumulative Amount.
82025.5	Fair Market Value.
82036	Late Contribution.
82047	Person.
84105	Notification of Contributors.
84211	Contents of Campaign Statements.
84300	Cash and In-Kind Contributions; Cash Expenditures.
84302	Contributions by Intermediary or Agent.
84306	Contributions Received by Agents of Candidates and Committees.
85305	Restrictions on Contributions by Candidates.
85308	Family Contributions.
85310	Communications Identifying State Candidates.
85311	Affiliated Entities; Aggregation of Contributions to State Candidates.
85312	Communications to Members of an Organization.
85319	Returning Contributions.
85700	Donor Information Requirements; Return of Contributions.

Title 2 Regulations

18215	Contribution.
18215.1	Contributions; When Aggregated.
18216	Enforceable Promise to Make a Payment.
18421.1	Disclosure of the Making and Receipt of Contributions.
18421.3	Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents.
18421.31	Text Message Contributions.
18423	Payments for Personal Services as Contributions and Expenditures.
18427.1	Notification to Contributors of Filing Obligations.
18428	Reporting by Affiliated Entities.
18432.5	Intermediary.

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18531.7	Payments for Communications – Section 85312.
18531.10	Communications Identifying State Candidates.
18533	Contributions from Joint Checking Accounts.
18535	Restrictions on Contributions Between State Candidates.
18539.2	Reporting Payments Pursuant to Government Code Section 85310.

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Contribution Restrictions

Although the Political Reform Act is primarily a disclosure law, there are several important restrictions and prohibitions on receiving contributions. This chapter reviews these restrictions and prohibitions, as well as some that are contained in laws other than the Political Reform Act.

Ballot measure committees should also consult Elections Code Section 18680 for information relating to permissible expenditures, Section 18650 for use of petition signatures, and Section 18320 for use of websites and other restrictions.

For restrictions and prohibitions related to expenditures made with campaign funds, see Chapter 5.

A. Restrictions on Contributions

Reporting the True Donor

Failure to disclose the true source of a contribution is often referred to in media reports as campaign money laundering, which is a serious violation of the Act. The campaign reports, that list donors, are often the only means for the press and the public to determine who is supporting or opposing a ballot measure.

Quick Tip

Concealing the true identify of a donor is a serious violation.

One type of common violation is when an entity reimburses individuals for contributions so that the committee receiving the contributions discloses the individuals rather than the true donor on campaign disclosure reports.

Another occurrence is when a person (organization, business, individual) makes a contribution to another person, with the condition, agreement or understanding that the payment will be subsequently used for political purposes; such as a contribution to another committee. It is a violation for persons to conceal their identities by contributing through another person.

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When it is discovered that a committee received a contribution and the donor and intermediary were not properly identified, the contribution must be paid to the Secretary of State for deposit in the State General Fund. A local agency may deposit laundered funds into its general fund when the action is brought under its local campaign finance law.

As noted in other chapters, if a contribution of $100 or more is received from a single source in a calendar year, the source must be identified on the committee's Form 460. If a contribution is received through an intermediary, both the intermediary and the true source of the contribution must be identified.

Ex 4.1 - A committee receives contributions of $5,000 each from ten different individuals in the same week. The committee treasurer and campaign fundraiser did not make specific solicitations to the individuals. Upon the treasurer's request, the individuals state that they all work for the same employer. The committee treasurer has a duty to inquire to determine if the employer reimbursed the employees.

Committee treasurers must check information that a person of reasonable prudence would question based on all available information. It is not possible to describe every situation that might trigger a duty for a treasurer to inquire if a contribution is identified correctly; however, some examples are a contribution's size from the reported source, the likelihood of that source making a contribution of the size reported, and the circumstances surrounding receipt of the funds.

Cash Contributions

A committee may not accept a cash contribution of $100 or more. Such a contribution may be returned to the contributor prior to the end of the reporting period, provided the cash was not previously deposited or spent.

Quick Tip

Even if change is immediately provided, a committee may not accept $100 or more in cash from a single source. For example, if the committee is holding a fundraiser and charging $50 per person, an attendee may not pay with a $100 bill. The payment must be made by personal check, debit card, or credit card.

A primarily formed ballot measure committee must return a contribution within 48 hours if the cash contribution is $1,000 or more from a single source received during the 90 days prior to an election.

A cash contribution, other than the instance described above, that is inadvertently deposited into the campaign bank account must be refunded within 72 hours of receipt.

Quick Tip

The FPPC website posts enforcement stipulations and warning letters.

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Anonymous Contributions

Anonymous contributions of $100 or more are prohibited. If the committee receives a cash contribution of $100 or more from an unknown source, it must be sent to the Secretary of State for deposit in the State General Fund.

Contributor's Legal Name

Contributions must be made in the name by which the contributor is identified for legal purposes.

Commingling Funds

Campaign funds may not be commingled with an individual's personal funds and may not be used for personal expenses. Campaign funds must be kept in an account separate from any account that contains personal funds.

Contributions Made by Money Orders/Cashier's Checks/ Traveler's Cheques

All monetary contributions of $100 or more must be made by written instrument (such as a check) containing the name of the donor and drawn from the account of the donor or the intermediary. Contributions of $100 or more made by money order, cashier's check, or traveler's cheque are prohibited and must be returned to the contributor, or, if made anonymously, sent to the Secretary of State for deposit in the State General Fund.

Contributions may be received by credit card (including over the Internet), wire transfer, or other electronic means. (See Chapter 2.)

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Contributions Delivered in State Office Buildings

A contribution may not be delivered personally or through an agent, in the State Capitol or any other state office building for which the State of California pays the majority of the rent. "Personally delivered" includes the delivery of a copy or facsimile of a contribution, and the original or a copy of a contribution transmittal letter. This prohibition does not apply to contributions received or delivered in a legislative district office, or those sent by postal mail.

Contribution Limits

Contributions to a state candidate controlled ballot measure committee from another state candidate controlled committee are subject to limits. Consult the FPPC contribution limits chart or FPPC Regulation 18535.

In addition, contribution limits may apply if a ballot measure committee, at the behest of a state candidate, makes a payment of $50,000 or more for an ad about a measure that features the state candidate within 45 days of his or her election. (See Chapter 3.)

Contributions From Foreign Governments or Principals

Committees are prohibited from soliciting or accepting contributions from a foreign government or foreign principal in connection with the qualification or support of, or opposition to, any state or local ballot measure. (52 U.S.C Section 30118 and Government Code Section 85320 of the Act.)

For purposes of this prohibition, a "foreign principal" includes:

- A foreign partnership, association, corporation, or organization; or
- A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country; or
- A domestic subsidiary of a foreign corporation if the decision to contribute or expend funds is made by an officer, director, or management employee of the foreign corporation who is not a United States citizen or lawful permanent resident; or

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- A foreign political party; or
- An individual outside the United States, unless the individual is a United States citizen; or
- A corporation outside of the United States, unless it is organized or created by the laws of the United States or any place subject to the jurisdiction of the United States, and its principal place of business is within the United States.

Contributions, expenditures, or independent expenditures made by a lawfully-admitted permanent resident of the United States are permitted.

B. Public Funds and Public Resources

The Political Reform Act prohibits the payment of public moneys, in the form of matching funds or cash subsidiaries, for the financing of elections, except for elections in charter cities and counties. In addition, laws outside the Act prohibit the use of public resources, such as office equipment, staff time, etc., for campaign or personal purposes. (Education Code Section 7054; Gov. Code Section 8314; Penal Code Section 426.)

A state or local government agency is prohibited from using public resources to campaign for or against a ballot measure, though they may provide factual information. (Vargas v. City of Salinas (2009) 46 Cal. 4th 1, re-affirming Stanson v. Mott doctrine.) In addition, Government Code Section 54964 restricts an officer, employee, or consultant of a local agency from expending or authorizing the expenditure of any local agency funds to support or oppose a ballot measure or a candidate. For further information about laws outside the Act, contact the Attorney General's office at (800) 952-5225 or the local district attorney.

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Answering Your Question

May school districts contribute money or staff time to support school bond measures?

The Political Reform Act does not prohibit the use of public resources to support a school bond measure. However, California Government Code Sections 8314 and 54964, Penal Code Section 426, Education Code Section 7054, and *Vargas v. City of Salinas* (2009) 46 Cal.4th 1 may restrict the use of public funds and resources.

A school district that contributes money or staff time may become a "committee" and have reporting obligations. Public agencies should consult FPPC Regulations 18420 and 18420.1 for guidance on communications and other activity that would be considered a reportable campaign expenditure under the Political Reform Act. To determine if such payments are permitted, contact the Attorney General's office.

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Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

82025	Expenditure.
84300	Cash and In-Kind Contributions; Cash Expenditures.
84301	Contributions Made Under Legal Name.
84302	Contributions by Intermediary or Agent.
84304	Anonymous Contributions.
84307	Commingling with Personal Funds.
84309	Transmittal of Campaign Contributions in State Office Buildings.
84607	Prohibition Against Political or Campaign Use.
85320	Foreign Entities.
85300	Public Funds; Prohibition.
85305	Restrictions on Contributions by Candidates.
85704	Prohibition on Earmarking.

Title 2 Regulations

18420	Reporting of Campaign Contributions and Expenditures of State or Local Local Government Agencies.
18420.1	Payments by State or Local Agencies for a Campaign Related Communication.
18432.5	Intermediary.
18439	Definition of “Personally Deliver.”
18530	Use of Public Funds.
18535	Restrictions on Contributions Between State Candidates.

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Use of Campaign Funds

The personal use of campaign funds by candidates, elected officials, and others who control the expenditure of campaign funds, is prohibited. To ensure that campaign funds are not used for personal benefit, the expenditure of campaign funds must be reasonably related to a political, legislative, or governmental purpose.

An expenditure must be directly related to a political, legislative, or governmental purpose if it confers a substantial personal benefit on any individual authorized to approve campaign expenditures, the controlling candidate, or the state ballot measure proponent, if applicable.

Examples of payments that are not allowed include personal concert tickets, golf apparel and subscriptions for personal purposes.

State Candidate/Officeholder Controlled Ballot Measure Committees: Ballot measure committees controlled by candidates or officeholders for state elective office are subject to strict restrictions on the use of funds. Several of the permitted expenditures for other ballot measure committees, such as making a contribution are not allowed. Such committees should refer to the discussion at the end of this chapter and regulations 18521.5 and 18421.8.

Ballot measure committees should also consult Elections Code Section 18680, which provides that ballot measure funds are held in trust for use on the measure and specifies permissible expenditures. Under Elections Code Section 18680, expenditures for food, clothing, shelter and other personal needs of the trustee are not permissible.

The following are examples of specific expenditures and the rules regarding the use of campaign funds under the Act. The FPPC may be contacted for assistance about whether or not a specific use of campaign funds is permissible by sending an email to *advice@fppc.ca.gov*.

Ex 5.1 – The Thousand Oaks Residents for Libraries, A Committee for Proposition K, offers sodas and snacks for precinct walkers. This is allowed, since there is a ***reasonably*** related political purpose for this expenditure.

The treasurer of the committee has decided to enter an accounting certificate program at her local community college. While the program may enhance her qualifications as a treasurer, she may not use campaign funds for this purpose; a certificate would confer a personal benefit to her that is not considered directly related to a political, legislative, or governmental purpose.

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A. Campaign Expenditures

Election Night Celebrations

Costs associated with election night celebrations or similar campaign events are considered to be directly related to a political, legislative, or governmental purpose; therefore, campaign funds may be used.

Attorneys' Fees

Generally, attorneys' fees and other costs related to administrative, civil, or criminal litigation may not be paid with campaign funds. However, where the litigation is directly related to activities of the committee that are consistent with its primary objectives, campaign funds may be used to pay for expenses related to the following:

- Action to halt defamation;
- Defense of an action to halt defamation;
- Defense of an action for violation of state or local campaign, disclosure, or election laws;
- Litigation to secure a place on the ballot or challenge the wording of the ballot pamphlet;
- Contest an election;
- Election recount; and
- Compliance expenses (for example, completing campaign disclosure reports).

Reimbursements

A volunteer, campaign worker, or any other individual may make expenses from personal funds and be reimbursed, so long as the expenses are incurred for political, legislative, or governmental purposes.

Ex 5.2 – A campaign volunteer buys food/ beverages for volunteer workers. The treasurer may reimburse the volunteer for expenses; a receipt is required for expenses of $25 or more.

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Automobile Lease or Purchase

When making payments associated with leasing, purchasing, or operating a vehicle, such as insurance, maintenance, and repairs, the campaign committee must be the lessee or hold title to the vehicle. Additional titleholders may not be the controlling candidate, treasurer, or any other person who may approve campaign expenditures, or a member of any such person's immediate family (spouse or registered domestic partner and dependent children). Additional lessees may not be the controlling candidate, treasurer, or a member of any of these persons' immediate family.

Reimbursed Automobile Expenses

A controlling candidate, immediate family member, treasurer, and committee staff may be reimbursed by the committee for use of a personal vehicle if the use is directly related to a political, legislative, or governmental purpose. Documentation should be kept that includes the trip's purpose and mileage in a manner approved by the Internal Revenue Service for deducting mileage expenses. The rate for reimbursement may not exceed that allowed under Internal Revenue Code Section 162. For more details, the Internal Revenue Service may be contacted at (800) 829-1040 (www.irs.gov).

Contributions to Candidates and Other Committees

Campaign funds of ballot measure committees that are not controlled by a candidate for state elective office may be used to make contributions to candidates and other committees, subject to applicable contribution limits. However, if a primarily formed ballot measure committee makes contributions to candidates or other committees, they may qualify as a different type of committee and be required to amend their Statement of Organization, Form 410.

Ballot measure committees controlled by candidates and officeholders for state elective office may not make contributions to other candidates and their election committees. See FPPC Regulation 18521.5.

Ex 5.3 – A state elected official is backing a state ballot measure and has a controlled committee for the measure. The state official may make a contribution to his ballot measure committee from his reelection committee; however, funds in the ballot measure committee may not be used for the official's reelection.

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Donations

Campaign funds may be used to make donations or loans to bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organizations. The donation or loan must be **reasonably** related to a political, legislative, or governmental purpose. In addition, the donation may not personally benefit the controlling candidate, committee treasurer, or any individual with authority to approve the expenditure of campaign funds, or any such person's immediate family member (spouse or registered domestic partner and dependent children).

Equipment and Appliances

Campaign funds may be used to buy, lease, or refurbish equipment or appliances, but only if their use is directly related to a political, legislative, or governmental purpose. As with restrictions on vehicles, the committee must hold title, or be the lessee, for the equipment; no individual may be listed as owner or lessee.

Food

A committee may purchase a meal with a cost of $200 or less, so long as the expense is **reasonably** related to a political, legislative, or governmental purpose. However, if the aggregate cost of the meal is more than $200, the expense must be **directly** related to one of these purposes.

Ballot measure committees controlled by candidates and officeholders for state or local office must itemize meal expenditures. (See Chapter 9.)

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Fines, Penalties, Judgments, and Settlements

Generally, campaign funds may be used to pay the following fines, penalties, judgments, and settlements:

- Parking citations received while performing political, legislative, or governmental activities.
- Fines assessed in relation to situations in which the use of campaign funds to pay for an attorney is allowed (discussed above).
- Fines imposed for late filing of campaign statements and Statements of Economic Interests (Form 700).

However, the expenditure of campaign funds of any amount to pay a fine, penalty, judgment, or settlement relating to an expenditure of campaign funds that resulted in a personal benefit to a candidate or officer is prohibited if it is determined that the expenditure was not reasonably related to a political, legislative, or governmental purpose.

The same prohibition applies with respect to a fine, penalty, judgment, or settlement relating to an expenditure of campaign funds that resulted in a substantial personal benefit (more than $200) to a candidate or officer if it is determined that the expenditure was not directly related to a political, legislative, or governmental purpose. In addition, campaign funds may not be used to pay a restitution fine imposed under Section 86 of the Penal Code.

Gifts

Unless **directly** related to a political, legislative, or governmental purpose, personal gifts may not be paid for from campaign funds. However, gifts of less than $250 in a calendar year to campaign employees or workers are permitted because they are considered directly related to a political, legislative, or governmental purpose.

Ballot measure committees controlled by candidates and officeholders for state or local office must itemize gift expenditures. (See Chapter 9.)

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Health-Related Expenses

A committee may use campaign funds to pay for health care benefits for its employees or independent contractors. However, campaign funds may not be used to pay for other health-related expenses, such as health club dues, special dietary foods, or medical check-ups.

Loans

Except for committees controlled by a candidate for state elective office, campaign funds may be used to make loans to other political committees. Loans to state candidate committees are subject to limits. However, if a primarily formed ballot measure committee makes contributions to candidates or other committees, it may qualify as a general purpose committee and be required to amend its Statement of Organization, Form 410.

Campaign funds must always be related to the measure or potential measure so contact the FPPC before making a loan. Ballot measure committees controlled by a candidate/officeholder for state elective office, may not make a contribution to another committee if that committee is formed for an elective office.

Professional Services

When the committee reasonably requires the services of professionals, such as accountants or attorneys, their fees may be paid with campaign funds as these expenditures are considered to be **directly** related to a political, legislative, or governmental purpose. (See below for restrictions on salary and compensation paid to a controlling candidate.)

Real Property

The committee may not purchase real property. It may, however, lease property for up to one year, so long as its use is directly related to a political, legislative, or governmental purpose. Neither the controlling candidate, committee treasurer, any individual with authority to approve the committee's expenditures, or an immediate family member (spouse or registered domestic partner and dependent children) of any of these persons may be a lessee or sublessor, or hold legal title to the leased property.

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Refunding Contributions

The return of contributions to contributors is permitted.

Returning Contributions Lacking Contributor Information

When a contribution of $100 or more in a calendar year is received from a single contributor, the committee must report the contributor's name and address, and, if the contributor is an individual, his or her occupation and employer. If the committee does not have this information in its records within 60 days of receipt, the contribution must be returned. (See Chapter 2.)

Salary and Compensation

A candidate or officeholder, or any individual authorized to approve the committee's expenditures, may not receive a salary or other compensation from the committee for the performance of political, legislative, or governmental activities. The committee may pay for professional services such as an accountant, however, even if the accountant has authority to sign committee checks.

A spouse or domestic partner of an elected officer or a candidate for elective office may not receive, in exchange for any services rendered, compensation from campaign funds held by a controlled committee of the officer or candidate.

Ex 5.4 – Paula Greene, a member of Senator Howard's staff, is also the treasurer of the Senator's state ballot measure committee. Ms. Greene does all recordkeeping for the committee and completes the committee's campaign reports. She also has authority to approve committee expenditures. Campaign funds may be used to pay Ms. Greene for services she provides as committee treasurer; however, campaign funds may not be used to supplement or pay her government salary. Note: Other laws require that campaign activity be conducted on her personal time.

Tickets for Entertainment and Sporting Events

Campaign funds may not be used to purchase entertainment and sporting event tickets for use by the controlling candidate or officer, director, employee, or staff of the committee, unless attendance at the event is **directly** related to a political, legislative, or governmental purpose.

Tickets to Political Fundraisers

A committee may purchase tickets to political fundraisers (subject to any applicable contribution limits) for the controlling local candidate, or officer, director, employee, or staff of the committee. However, if a primarily formed ballot measure committee makes contributions to

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candidates or other committees, it may qualify as a general purpose committee and be required to amend their Statement of Organization, Form 410.

Ballot measure committees controlled by state candidates for elective state office cannot make contributions to committees for other elective office.

Travel

A committee may use campaign funds to pay for travel or accommodations for the controlling candidate, any individual with authority to approve the committee's expenditures, or employees or staff of the committee so long as the standards set by Internal Revenue Code Sections 162 and 274 (deduction of travel expenses for tax purposes) are complied with. The Internal Revenue Service may be contacted at (800) 829-1040 or www.irs.gov for more information. Candidate controlled committees must itemize travel expenses.

Ballot measure committees controlled by candidates and officeholders for state or local office must itemize travel expenditures. (See Chapter 9.)

Airline Mileage Programs

Some airlines have mileage programs that allow individuals to earn free tickets or other awards. These mileage credits and awards belong to the individual traveler, not the committee. The committee is not required to report either the receipt of the mileage credit awards or the redemption of the credits.

Leftover Campaign Funds

Chapter 12 discusses the permissible uses of funds for a ballot measure committee with funds remaining after the election. Different restrictions are imposed on local measure committees, state measure committees and measure committees controlled by state elected officers.

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B. State Candidate/Officeholder Controlled Ballot Measure Committees

FPPC Regulation 18521.5 provides guidance on the use of funds by ballot measure committees controlled by state candidates and officeholders. Funds can only be used to make expenditures related to the measure or potential measure, such as payments for reasonable and ordinary operating costs, administrative overhead, fundraising activities, travel, compliance costs and attorney's fees incurred as a result of the committee's activities. A contribution may be returned to a contributor at any time.

As discussed in other chapters, expenditures of a general purpose ballot measure committee must identify the amount of the expenditure attributed to the support or opposition of each measure unless the expenditure is for overhead costs and other administrative costs that cannot be attributed to a specific measure. See FPPC Regulation 18421.8.

Contributions to a political party, candidate or a nonprofit are not permitted while the committee is actively involved in the ballot measure effort.

When the committee is preparing to terminate, within 60 days prior to the date of its termination, the funds may be used for the following:

- Donations to a bona fide charity, educational, civic, religious or similar nonprofit organization, so long as there are no financial ties to the candidate, his or her family members, or the treasurer.

- Contributions to a political party committee, including a local central committee, so long as funds are not used for a contribution to a candidate or for a communication which supports/opposes a candidate.

Committees may seek advice from the FPPC to determine if the final expenditures of a committee are permitted.

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Answering Your Questions

A. I am the committee treasurer and make long distance campaign phone calls on my personal phone. How may I pay for them?

One method is to calculate the portion of the phone bill that is campaign related and have the committee write a check for that portion directly to the phone company. Or, you may pay the bill with personal funds and subsequently request reimbursement from the committee treasurer by providing a copy of the bill.

B. As the principal officer of a local ballot measure committee, I will be using my personal car to get around during the campaign. Is mileage considered a reportable contribution if I do not want to be reimbursed?

No. Incidental use of your personal car for campaign purposes is not considered a contribution and is not reportable.

C. May campaign funds be used to purchase a cell phone?

Yes, so long as the phone and service is used for campaign purposes only. If, after the campaign, an individual chooses to retain the phone for personal purposes, the individual must pay the committee the fair market value for the phone.

D. Is it permissible for a local ballot measure committee to have an agreement with an independent contractor (e.g., the campaign consultant) to pay additional money if the committee's measure is successful?

Yes, under the Act you may make contingency agreements that the committee will not pay a contractor unless the election is won, or that the committee will pay an additional amount to the contractor if the committee is successful. The arrangement should be made part of the written contract. (No contingency fee is permissible when paying a lobbyist.)

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E. May we give bonuses to our campaign workers and/or hold a victory party?

Yes, but in most cases, bonuses and the food/beverages/ entertainment provided at an event are considered gifts and must be limited to less than $250 per calendar year/per individual.

Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

82025	Expenditure.
82029	Immediate Family.
82044	Payment.
84307.5	Payments Made to a Spouse or Domestic Partner.
89511	Campaign Funds Held by Candidates and Committees.
89512.5	Expenditures by Committees not Controlled by Candidates.
89513	Use of Campaign Funds for Specific Activities.
89514	Use of Campaign Funds for Attorney's Fees.
89515	Use of Campaign Funds for Donations and Loans.
89516	Use of Campaign Funds for Vehicle Expenses.
89517	Use of Campaign Funds for Real Property, Appliances or Equipment.
89517.5	Use of Campaign Funds for Security System.
89518	Use of Campaign Funds for Compensation.
89522	Campaign Funds; Prohibited Use Under Elections Code.

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Title 2 Regulations

18229	Inclusion of Registered Domestic Partners.
18421.8	Reporting an Expenditure by a Candidate Controlled General Purpose Ballot Measure Committee.
18521.5	Ballot Measure Committees Controlled by Candidates for Elective State Office.
18570	Return of Contributions with Insufficient Donor Information.
18960	Direct Personal Benefit Defined.
18961	Incidental Use.

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Communications

Ballot measure campaigns reach the voters through communications including television, radio and Internet advertising, mailers, billboards, precinct walking and flyers. The Political Reform Act requires reporting of most payments in connection with political communications and requires "paid for by" disclaimers on ballot measure ads to inform voters who is paying for a communication.

This chapter reviews common communications in a ballot measure campaign and how payments for the communications are required to be reported. The next chapter discusses the disclaimer requirements that apply to ballot measure communications.

A. Payments for Ballot Measure Communications

Most payments a committee primarily formed for a measure makes for communications for or against a ballot measure will likely be **direct expenditures**, or **contributions** to other committees that will be spent to make the communications. Ballot measure committees may also receive significant **nonmonetary contributions** when others pay for communications, such as phone banking or precinct walking, and the payments are coordinated with the committee.

In some circumstances, ballot measure committees may make **independent expenditures**. If a general purpose committee spends money for communications to support or oppose a measure without coordinating with the affected ballot measure committee, the general purpose committee's expenditures are considered to be independent expenditures. A general purpose committee making independent expenditures on a ballot measure must file reports, including 24-hour reports, verifications, and supplemental independent expenditure reports. (See Chapter 11.)

Quick Tip

A primarily formed ballot measure committee that is making expenditures on behalf of the measure for which it is formed is not making independent expenditures. This includes communications that ask voters to oppose a rival measure.

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B. Coordinated Communications

When someone other than the ballot measure committee pays for a communication that is coordinated with, or "made at the behest of" the ballot measure committee, the communication is a nonmonetary contribution to that committee.

Coordination – "Made at the Behest"

"Coordinated" or "made at the behest" means made at the request, suggestion, or direction of, or in cooperation or consultation with the committee for whose benefit the expenditure is made.

A payment is coordinated with or "made at the behest" of a ballot measure committee under each of the following:

- It is made at the request, suggestion, or direction of, or in cooperation, consultation or coordination with the committee for whose benefit the expenditure is made.
- The committee or their agents have made or participated in making any decision about the content, timing, location, mode, intended audience, distribution, or placement of the communication.
- The creator, producer, or person paying for the communication has had discussion and agreement with the committee, or its agents, regarding the content, timing, location, mode, intended audience, distribution, or placement of the communication.

An expenditure is **presumed to be coordinated** or "made at the behest of" a committee if:

- **Committee's Needs.** It is based on information about the committee's campaign needs or plans provided to the expending person by the committee.
- **Agent.** It is made by or through any agent of the committee in the course of the agent's involvement in the current campaign.

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- **Common Consultants.** The person making the expenditure retains the services of a person who provides the committee with professional services related to the campaign or fundraising strategy for that same election.

- **Republication.** The communication reproduces, republishes, or disseminates a communication designed, produced, paid for, or distributed by the committee in whole or substantial part.

However, an expenditure is **not coordinated** or made at the behest of a candidate or committee merely because:

- **Interview.** A person interviews the committee or committee's agent on issues affecting the person making the expenditure.

- **Committee Material.** The person making the expenditure has obtained a photograph, position paper, press release, or similar material from the committee or the committee's agents.

- **Public Appearance.** The person making the expenditure has invited committee representatives to make a public appearance before the person's members, employees, shareholders, or their families provided that there is no discussion with the committee prior to the expenditure related to details of the expenditure.

FPPC Regulation 18225.7, summarized above, specifies when a communication is considered independent versus made at the behest of a committee. Because the determination is based on specific facts, persons may contact the FPPC for guidance.

Ex 6.1 – A business entity printed campaign literature stating, "Vote for Measure B." The communication included reasons why voters should vote for the measure. The business entity did not prepare the literature with assistance from the committee primarily formed to support Measure B. The business entity made an independent expenditure, not a contribution to the Measure B committee.

On the other hand, if the business entity contacted the Measure B committee and arranged for the committee's staff to help draft and design the literature, the business entity would have made a nonmonetary contribution to the committee primarily formed to support Measure B.

C. Independent Expenditures

An independent expenditure is a payment for a communication that:

- **Expressly advocates** the election or defeat of a clearly identified candidate or the qualification, passage or defeat of a **clearly identified measure**, and

- The communication is **not coordinated** with or "made at the behest" of the affected committee.

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Clearly Identified Measure

A communication clearly identifies a measure when the measure's name, popular title, or official title is used.

Express Advocacy

A communication expressly advocates support or opposition of a clearly identified ballot measure under the following scenarios:

- **Magic Words.** The communication uses words such as "vote for," "elect," "cast your ballot," or "defeat."
- **Unambiguously Urges.** The communication is made within 60 days prior to an election, it refers to a clearly identified ballot measure, and when taken as a whole, it unambiguously urges a particular result in an election. The message must be susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific ballot measure.

A committee or person making independent expenditures must be aware that the communication cannot be coordinated with the affected measure committee. If there is coordination, the payments are reported as contributions.

Ex 6.2 - An individual paid $4,000 for a newspaper ad stating "Vote for Measure A." The communication expressly advocates support for a clearly identified ballot measure. It must be reported either as a contribution or independent expenditure, depending upon whether it was coordinated with a primarily formed ballot measure committee.

Later, the same individual paid $2,000 for post card-sized flyers that simply stated, "Vote on Election Day." This communication is not reported as a contribution or independent expenditure because it did not expressly advocate support of or opposition to a measure.

D. Government Agency Communications

A state or local government agency may provide factual information and analysis about the purposes, provisions, or estimated impact of bond issues or ballot measures in some circumstances, and this does not constitute a contribution or independent expenditure. However, a state or local government agency is prohibited from using public resources to campaign for or against a ballot measure. (See Chapter 4.)

A state or local agency making payments for campaign activities may become a committee subject to reporting under FPPC Regulation 18420 if the payments qualify as contributions or independent expenditures.

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Governmental agencies must refer to FPPC Regulation 18420.1 concerning payments for communications that expressly advocate the election or defeat of a clearly identified measure, or taken as a whole and in context, unambiguously urge a particular result in an election. The express advocacy rules are somewhat different than those provided for non-governmental entities. For example, the factors a governmental entity will use to determine if a communication unambiguously urges a particular result in an election include either of the following: 1) the agency prepared campaign material such as bumper stickers or television or radio spots; 2) the style, tenor and timing of the communication can be reasonably characterized as campaign material and is not a fair presentation of facts serving only an informational purpose.

E. Reporting

There are different reporting requirements for contributions and independent expenditures. When a person or group of persons makes expenditures for a communication at the behest of a committee, the committee must report the receipt of a nonmonetary contribution. The person making the expenditure may also have to file reports.

Committees that are the beneficiaries of independent expenditures do not report them. However, the person making the independent expenditures will have filing obligations.

Endorsements

An endorsement of a measure may become a contribution or an independent expenditure when a payment is made in connection with the endorsement.

If a candidate pays for a communication supporting his or her own candidacy and also supporting or opposing a ballot measure, the payment is not a contribution to the ballot measure committee nor is it an independent expenditure.

Ex 6.3 - The president of a police officers' association announces at its annual meeting that the association endorses county Measure Y. Merely making an oral endorsement is not a contribution or independent expenditure to the committee supporting Measure Y.

Closer to the election, in coordination with the committee formed to support Measure Y, the association mails a special flyer to the voters announcing its endorsement. The association has now made a nonmonetary contribution to the committee.

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Communications Identifying State Candidates

If a ballot measure committee makes a payment or a promise of a payment totaling $50,000 or more for a communication disseminated within 45 days of an election that clearly identifies a candidate for elective state office, but does not expressly advocate the election or defeat of the candidate, the committee must report the payment. The committee must file Form E-530 with the Secretary of State within 48 hours. (See Chapter 11.)

"Lt. Gov. Ramos says YES on 155 - Support Seismic Retrofitting and CA Jobs."

If the communication is made at the behest of the candidate, the ballot measure committee is subject to the political party contribution limits of $35,200 (limit through December 31, 2016) per contributor. Once a ballot measure committee receives a contribution in excess of that contribution limit, the committee may not make a payment for such a communication. (See Chapter 3.)

Ex 6.4 - Two weeks before a 2016 election in which Lt. Gov. Ramos will be listed on the ballot, the committee primarily formed to support Proposition 155 pays more than $50,000 for billboard ads in her district stating "Lt. Gov. Ramos says YES on 155 - Support Seismic Retrofitting and CA Jobs." The ads do not advocate her election, but include her name and image and were approved by her. The measure committee must file an E-530 report and is subject to a contribution limit of $34,000 in a calendar year from a single source.

F. Non-Contributions

Debates

If an organization or entity hosts a debate or other forum about a ballot measure and invites the proponent of a ballot measure and at least one opponent, or their respective representatives, to participate in equal numbers, a payment for the event is not a contribution to the ballot measure committees.

Meetings

A payment made by a bona fide service, social, business, trade, union, or professional organization for reasonable overhead expenses associated with a regularly-scheduled meeting at which an individual representing either side of a ballot measure speaks is not a contribution, if the organization pays no additional costs in connection with the speaker's attendance.

Ex 6.5 - The League of Women Voters invited the proponent and an opponent of Proposition 310 to speak at a forum. Only the proponent attended. Because both sides of the ballot measure were invited, the cost of the meeting is not a contribution to the committee established to support the measure.

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Member Communications

Payments made by an organization or its sponsored committee for a communication that supports or opposes a ballot measure are not contributions or expenditures as long as the communication is made only to the organization's members, employees, or shareholders, or the families of its members, employees, or shareholders. The payments may not be for general public advertising, such as billboards, newspaper ads, or radio or television ads. If made by the organization's sponsored committee, the committee would report the payments as being made for general member communications.

Payments made by a political party for a communication that supports or opposes a ballot measure are not contributions as long as the communication is distributed only to the party's members, employees, and families of its members and employees. However, the party must report the payments as if they were contributions or independent expenditures.

Ex 6.6 - Your campaign consultant asks a labor organization to send a mailing to only labor union members supporting your committee's position on a ballot measure. The mailing is not a contribution to your committee.

Later, the campaign consultant asks the organization to send the mailing to all registered voters in the district where the measure will appear on the ballot. The mailing to the voters is a contribution to your committee.

News Stories

A payment for the cost of publishing or broadcasting a news story, commentary, or editorial is not a contribution when the payment is made by a federally-regulated broadcast outlet or a regularly-published newspaper, magazine, or other periodical of general circulation that routinely carries news, articles, and commentary of general interest.

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Authority

The following government Code sections and Title 2 regulations provide authority for the information in this chapter.

Government Code Sections

82015	Contribution.
82025	Expenditure.
82031	Independent Expenditure.
82044	Payment.
82047	Person.
85312	Communications to Members of an Organization.
85500	Independent Expenditures; 24-Hour Disclosure; Coordination.

Title 2 Regulations

18215	Contribution.
18225	Expenditure (express advocacy, clearly identified).
18227.5	Made at the Behest of (coordination).
18420	Reporting of Campaign Contributions and Expenditures of State and Local Government Agencies.
18420.1	Payments by State or Local Agencies for a Campaign Related Communication.
18531.7	Payments for Communications – Section 85312 (member communications).

Court Case

Californians for Fair Representation – No on 77 et al., v. Schwarzenegger (2006) 138 Cal.App.4th 15.

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Advertisement Disclaimers

An advertisement for or against a ballot measure must state the name of the committee that paid for the advertisement. Ballot measure committees must put **"paid for by *committee name*" disclaimers** on campaign advertising, including campaign mailers and blast email, radio and television ads, telephone robocalls, and electronic media ads.

The disclaimer ensures that readers of these advertisements can determine who has created and paid for them. With that knowledge, the readers can be informed about the person or group who is speaking and make informed decisions giving the proper weight to different speakers and messages.

A **ballot measure committee's name** also informs voters about the measure. All ballot measure committees' names must include any committee sponsor or controlling candidate's name. Primarily formed committees' names must also include the measure number, recall information, economic or special interest of top $50,000 donors, common employers of $50,000, donors and candidates or their committees who are $50,000 donors. Check your ballot measure committee's name to make sure it contains the required information. (See Chapter 1 for information about naming the committee.)

A ***primarily formed*** ballot measure committee ***must also identify its top two donors of $50,000*** or more in its name and on campaign ads. This on-ad disclosure of donors is required of a committee primarily formed for a measure because a contributor to that committee is giving for a specific ballot measure. A ***general purpose*** ballot measure committee is ***not required to list its top two donors*** in its name or on ads because a contributor to that committee may not be giving for a specific ballot measure. (See Chapter 1 for whether your committee is primarily formed for a measure, or is a general purpose committee.)

Quick Tip

Advertisement disclaimers are required during the ballot qualification period.

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Disclaimer Examples

Primarily formed ballot measure committee

The disclaimer must include, unless otherwise noted: "Paid for by *committee name"* and "major funding by *name of top two donors of $50,000 or more* (unless the committee does not have $50,000 donors)."

"Paid for by Citizens in Support of Measure B, sponsored by the Taxpayers Alliance, major funding by ABC Corporation and XYZ Partnership"

"Paid for by Californians for Education, a Committee Opposed to Proposition 1, top contributors are Student Political Action Committee and ZZZ Trade Association"

"Paid for by Voters in Support of Measure A" (no sponsors/$50,000 donors)

General purpose ballot measure committee

"This call was paid for by California Association of Health Insurers Issues PAC"

"This ad was paid for by California Grocery Stores Issues PAC"

"Paid for by Association of Los Angeles County Deputy Sheriffs Issues Committee"

"Paid for by SEIU Local 123 Issues and Initiatives"

"Paid for by California Firefighters Ballot Issues Committee"

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Ballot Measure Advertising Disclaimer Chart

The disclaimers that your committee must put on ads for ballot measures are summarized in the chart below and discussed in the rest of this chapter. Primarily formed ballot measure committees list the top two $50,000 donors on ads. General purpose ballot measure committees do not.

Communication	Manner of Display
All mass mailings (more than 200) (see note)	• Committee name/address (on file with Form 410) on mailer in no less than 10 pt type/ contrasting color
Telephone calls (more than 200) - made by vendors ("robo" calls) or paid individuals	• Disclaimer must state the call is "paid for by" committee name • Must be at least 3 seconds at beginning or end of call
Radio	• Must be at least 3 seconds either at beginning or end of the ad • Ad which is 15 seconds or less requires only highest major contributor*
Television	• Both written & spoken at the beginning or end of ad • Not less than 4 seconds • Size & contrasting color must be legible to the average viewer • Ad which is 15 seconds or less requires only highest major contributor* • Exception - no spoken disclosure required if written statement is shown for at least 5 seconds on a 30 second broadcast or 10 seconds on 60 second broadcast

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Communication	Manner of Display
Electronic Media 1. **Websites and blast emails** 2. **Ads of limited size** (micro bar, button ad, ads limited to 500 characters or less) 3. **SMS texts** 4. **Electronic ads sent in an audio format** 5. **Electronic ads sent in a video format**	1. Disclaimer statement must be in the same font size as majority of text and displayed conspicuously near the ad 2. Ad must provide disclaimer via rollover, link or other connection to website with the disclaimer 3. Include the committee ID number and if technically possible link to the committee's campaign statement on Secretary of State's website 4. Same requirements as for radio ads above 5. Same requirements as for television ads above
Paid spokesperson • $5,000 payment to individual in ad • Any payment to individual in ad portraying a member of a licensed occupation (nurse, doctor, firefighter, scientist, engineer, lawyer, etc.) who is not actually a member of that occupation. If the individual is actually a member of the occupation portrayed, the committee may omit this disclaimer and shall maintain documentation of the individual's license or certification for the occupation. Upon request from the FPPC, documentation of an individual's occupation must be provided by electronic means within 24 hours.	**Disclaimer:** "(Spokesperson's name) is being paid by this campaign or its donors." **Disclaimer:** "Persons portraying members of an occupation in this advertisement are compensated spokespersons not necessarily employed in those occupations." • Printed or televised ad: shown continuously in highly visible Roman font • Radio broadcast or phone message: spoken in clearly audible format
Newspaper ads	• 10 pt type in contrasting color • Ad which is 20 sq. in. or less requires only highest major contributor* • Also check the Elections Code
A billboard **Yard Signs** (more than 200)	• 5% of height of ad in contrasting color
Door hangers, flyers, posters, and oversized campaign buttons and bumper stickers (buttons 10" across or larger and stickers 60 sq. in. or larger) (more than 200)	• 10 pt type in contrasting color • Ad which is 20 sq. in. or less requires only highest contributor*

* Rules asterisked in the chart apply only to primarily formed ballot measure committees required to list top donors.

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Note: Two display rules exist for mass mailings. A mass mailing must have the committee name/address on the outside of an envelope in 6 pt type; while the manner of display for the ad disclaimer requires the committee name in no less than 10 pt type. Often a one-page mailer combines the display rules with both the committee name and address in no less than 10 pt type although the address may be at 6 pt type.

Mass Mailings – Sender Identification on Postal Mailings and E-mails

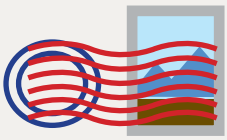
When a ballot measure committee pays for a mailing of more than 200 substantially similar pieces in a calendar month ("mass mailing"), the committee's name and address must be on the mailing. Mass mailings include more than 200 substantially similar electronic messages sent to the public within a calendar month.

Postal Mailing

A mass mailing over 200 substantially similar pieces of mail must include on the outside of the envelope: "Paid for by" and the name and address of the committee sending the mailing.

The committee name and top donors, if required, must be printed in at least 10 point type. The committee address must be printed in at least 6 point type. The color or print must contrast with the background so it is easily read.

Paid for by No on 40, Californians Against Higher Taxes,
major funding by South Corp. and Pacific West Company
123 Elm Street
Elmton, CA 95523



Chris Smith
7200 Oak St
Oakville, CA 92253

If a mass mailing is paid for by more than one committee, the name and address of the committee that is paying the greatest share of the mass mailing (including costs for designing, postage, and printing) must be placed on the outside of each piece of mail. If two or more committees pay equally for a mailer, the name and address of at least

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one of the committees must be shown on the outside, and the names and addresses of all committees paying for the mailer must appear on at least one insert.

Emails

When over 200 substantially similar emails are sent by a political committee, the email must include "Paid for by *committee name*." The committee's street address is not required on mass emails sent by a committee, but may be included.

From: ABCCompany@emailaddress.web
To: Voter@emailaddress.web
Cc:
Subject: Vote No on Prop. 40

The following message is paid for by No on 40, Californians Against Higher Taxes, major funding by South Corp. and Pacific West Company.

Recordkeeping

For each mass mailing, the committee must retain for four years:

- a sample of the mailing
- the date of the mailing
- the number of pieces sent and
- the method of postage used

Answering Your Questions

A. Must the committee's identification number appear on a mailing?

No. The committee may include its FPPC ID #, but it is not legally required.

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B. If an organization includes a copy of a committee's flyer in its regularly published newsletter, is the committee required to be identified on the outside of the mailer?

No. The committee's name and address must be identified on the flyer only.

C. A committee has more than one address. Which address must be used on mass mailings?

Any address that appears on the committee's Statement of Organization (Form 410) on file with the Secretary of State may be used.

D. A committee pays for a ballot measure committee's mailing as a nonmonetary contribution. Which committee must be identified on the outside, the committee paying for the mailing or the ballot measure committee?

Only the committee that pays for the mailing is required to be identified on the outside of the mailing.

E. Where on the outside of the mailing does the committee identification need to be placed?

There is no specific requirement for location of the identification, as long as it appears somewhere on the outside of the mailing.

Ex 7.1 – A ballot measure committee has received 15 contributions of $50,000 or more. The committee will buy 30 second ads on local television stations. The television ads must identify the committee name and the names of the top two contributors who donated $50,000 or more.

Advertisement Disclaimers

Ballot measure advertisements, including television, radio, and electronic media advertisements, robocalls, mass mailings, and print ads such as newspaper ads, billboards and yard signs, must have disclaimers.

Quick Tip

A primarily formed ballot measure committee that has accepted a $50,000 contribution from a donor may not avoid disclosing the donor as a top $50,000 contributor by returning $1,000 of the contribution.

Top Donors of $50,000 or more

Ballot measure ads and independent expenditure ads must include

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"paid for by *committee name*" and such ads by *primarily formed committees* must also list top two donors of $50,000 or more.

Determining which Contributors to Identify

If there are more than two persons who have each contributed a cumulative amount of $50,000 or more to the ballot measure committee, identify the highest and second highest contributors, in descending order. In the event that more than two contributors meet the $50,000 or more disclosure threshold and have contributed the same amount, identify the most recent of those contributors. The top two $50,000 or more donors must be listed first, before other groups such as "concerned citizens," "consumers," "taxpayers," etc.

If the contributor is a recipient committee, the word "committee" must be included. For example, if the contributor was the PAC of the California Water Rafters Association, the ad would identify the "California Water Rafters Association Committee."

For example, a noncontrolled ballot measure committee's four highest contributors are a corporation ($150,000), an individual ($100,000), a state officeholder from personal funds ($85,000) and the same state officeholder's controlled committee ($50,000). Which two donors must be identified in the committee's advertisements?

The contributions from the state officeholder's personal funds and controlled committee funds are cumulated, for a total of $135,000. In this case, the two highest contributors are the corporation and the state officeholder. The officeholder's name must be in the name of the committee as well as on the committee's advertisements.

Ex 7.2 – An elected officeholder made a $10,000 contribution to a ballot measure committee that is not controlled by the officeholder. Must the officeholder's name be identified in the committee's advertisements?

No. The officeholder's name would be required in advertisements if the officeholder was the highest or second highest contributor of $50,000 or more.

Disclaimers – Clear and Conspicuous

Disclaimers on political ads and literature must be clear and conspicuous so as to be understood by the intended public. Written disclaimers must be printed clearly and legibly.

Spoken disclaimers must be clearly audible and intelligible. Specific requirements for color contrast, print font size and time appearing on screen are listed in the disclaimer chart above and FPPC Regulation 18450.4.

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For political advertisements in **languages other than English**, disclaimers should be written or spoken in the same language used in the advertisement.

Updating a disclaimer

When a committee's name changes because of new top donors or otherwise, advertisement disclaimers must be revised. Television, radio, electronic media, or robocalls must be amended within five calendar days. Print media, mass mailings, or other tangible items must be amended every time an order to reproduce is placed.

Telephone Calls

When a ballot measure committee pays for more than 200 similar telephone calls supporting or opposing a ballot measure, the name of the committee paying for the call must be disclosed to recipients. The disclosure must include the words "paid for by" or "authorized by."

Electronic Media Ads

The "paid for by *committee name*" disclaimer is required on electronic media ads, including emails, websites, Internet and mobile ads. In general the required FPPC disclaimer, in full, must be displayed. For example, a Facebook post must include the FPPC disclaimer in full.

An abbreviated disclaimer may only be used when it is impracticable or extremely difficult to include the full disclaimer information (such as severe size, space, or character-limit constraints) and when other methods of displaying the information (such as a rollover display or click through to a webpage with disclosure information) are not available.

Space or time-limited ads

For certain short audio ads or small-size print ads, the Act permits the full disclaimer to be shortened.

- **TV, radio, print.** On television or radio ads of 15 seconds or less, and small print ads of 20 square inches or less, instead of disclosing the top two donors of $50,000 or more, the disclaimer may list the top single donor of $50,000 or more.

Ex 7.3 – If a committee purchases tv or radio time for ads each 15 seconds or less in duration, the ads must identify the name of the committee and the highest single contributor of $50,000 or more.

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- **Banner ad.** If the ad is large enough, include full disclaimer information. If space is limited, an alternative means of displaying the required disclaimer information, such as rollover display or click through to a webpage, is permissible.

- **Twitter ad.** For paid political ads on Twitter, full disclaimer information is required on the sender's Twitter landing page. Alternatively, the tweet may include a link to a webpage with the full disclaimer information or the tweet may include the committee ID number and, if technically possible, a link to the committee's campaign statement on the Secretary of State's website.

- **Text message ad.** Group SMS messages sent by a committee should include the committee ID number and, if technically possible, a link to the committee's campaign statement on the Secretary of State's website.

Disclaimer not required on campaign buttons, bumper stickers, etc.

A disclaimer is not required on regular-size campaign buttons, pins, bumper stickers, or magnets. It is not required on pens, pencils, rulers, mugs, potholders, key tags, golf balls and similar small campaign promotional items where a disclaimer cannot be conveniently printed.

The disclaimer is not required on t-shirts, caps, hats, and other articles of clothing; skywriting and airplane banners; or committee checks and receipts.

Member Communications

A disclaimer is required on communications from a political party committee to its members, but not on communications from other organizations to their members.

Ballot Measure Ad – Paid Spokesperson

When a ballot measure committee makes an expenditure of $5,000 or more to an individual for his or her appearance in an advertisement to support or oppose a ballot measure, the advertisement must include

Ex 7.4 – "Paid for by Yes on 88, Tobacco Tax Funds Research, major funding by the CA Nurses Association and American Medical Association PAC. Dr. Jane Miller was paid for her appearance in this advertisement."

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a statement that the individual is being paid for his or her appearance. For example, “Dr. Jane Miller was paid for her appearance in this advertisement.”

Also, when a ballot measure committee makes any payment to an individual in an advertisement portraying a member of a licensed occupation (nurse, doctor, firefighter, scientist, engineer, lawyer, etc.) who is not actually a member of that occupation, the advertisement must include a disclaimer stating “Persons portraying members of an occupation in this advertisement are compensated spokespersons not necessarily employed in those occupations.”

The statement must be in highly visible roman font, shown continuously if the advertisement consists of printed or televised materials, or spoken in a clearly audible format if the advertisement is a radio broadcast or telephone message. In addition, the committee must file the Paid Spokesperson Report, Form 511. (See Chapter 11.)

Slate Mailer Disclaimer Requirements

A slate mailer is a mass mailing that supports or opposes four or more candidates or ballot measures. A ballot measure committee may be subject to slate mailer disclaimer and identification requirements if it:

- Is involved in the production of one or more slate mailers and exercises control over the selection of candidates and measures to be supported or opposed in the slate mailers; and
- Receives or is promised payments that total $500 or more in a calendar year for the production of one or more slate mailers.

For more information on slate mailer disclaimers, consult the FPPC and Section 84305.5.

Penalties

The penalty for failing to comply with the Act’s disclaimer requirements is a fine of up to $5,000 per violation. In addition, any person who violates the disclaimer requirements concerning ballot measure and independent expenditure advertisements may be liable for a fine of up to three times the cost of the advertisement, including placement costs.

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Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

82041.5	Mass Mailing.
84305	Requirements for Mass Mailing.
84305.5	Slate Mailer Identification and Disclaimer Requirements.
84310	Identification Requirements for Telephone Calls.
84501	Advertisement.
84505	Avoidance of Disclosure.
84506	Disclaimers: Independent Expenditure Ads
84506.5	Disclaimers: Independent Expenditure Ads; Not Authorized by Candidate.
84507	Disclaimer: Legible and Audible.
84509	Amended Disclaimers.
84511	Ballot Measure Ads; Paid Spokesperson Disclosure.

Title 2 Regulations

18401	Required Recordkeeping for Chapter 4.
18435	Definition of Mass Mailing and Sender.
18440	Telephone Advocacy.
18450.1	Definitions. Advertisement Disclosure.
18450.4	Contents of Disclosure Statements. Advertisement Disclosure.
18450.5	Amended Advertisement Disclosure.
18450.11	Spokesperson Disclosure.

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24-Hour Contribution Reports (Form 497)

The Political Reform Act (Act) requires primarily formed ballot measure committees to file the Form 497 within 24 hours of **receiving** contributions totaling $1,000 or more from a single source during the 90 days before an election (including the date of the election for state committees). In addition, committees primarily formed to support or oppose a **state** ballot measure that file electronically with the Secretary of State must file the Form 497 within 10 business days of **receiving** a contribution of $5,000 or more at any time other than during the 90-day election cycle.

Committees that file electronically with the Secretary of State must also file the Form 497 within 10 business days of **making** contributions totaling $5,000 or more to support or oppose the qualification or passage of a state ballot measure.

This chapter discusses the Form 497 requirements in detail.

All contributions reported on the Form 497 must also be reported on the committee's next regular campaign statement (e.g., Form 460). (See Chapter 9.)

Ex 8.1 - A group forms to oppose a ballot measure that will be voted on in the June 3 county election. The group receives its first contribution on March 10 in the amount of $2,500. The group now qualifies as a committee and because the contribution of $1,000 or more was received within 90 days of the election, a Form 497 must be filed within 24 hours. The Form 410 (Statement of Organization) must be filed within 10 calendar days. (See Chapter 1.) The committee will also file quarterly, semi-annual, and pre-election statements, and depending on the committee's activity, additional reports as discussed in Chapter 11.

A. What Activity Triggers the Form 497 (24-Hour Contribution Report) Requirement?

The Form 497 is required to be filed in each of the following situations:

- State and local primarily formed ballot measure committees must file when the committee ***receives*** contributions of $1,000 or more within 90 days before the election (state committees also report contributions received on the day of the election).

- State primarily formed ballot measure committees (including groups circulating petitions to qualify a state measure) that are required to file electronically must file when the committee

Quick Tip

A committee must file for each aggregated contribution of $1,000 or more from the same source. For example, if a committee reported a contribution of $2,000 on the Form 497 and later the same source made a $500 contribution. The Form 497 is not required as long as the contributor did not make future contributions that aggregated to $1,000 or more during the 90-day election cycle.

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receives a contributions of $5,000 or more outside of the 90-day election cycle.

- All state and local ballot measure committees must file if the committee ***makes*** contributions of $1,000 or more to a primarily formed committee or candidate election committee during the 90 days before an election.

- All state and local ballot measure committees must file if the committee ***makes*** contributions of $1,000 or more to a political party committee, including a county central committee, within 90 days before a state election.

- State general purpose ballot measure committees that file electronically must file if the committee ***makes*** contributions totaling $5,000 or more to another state ballot measure committee or to another committee that will use the funds for a state ballot measure outside of the 90-day election cycle.

Each of these requirements are reviewed below as the reporting requirements apply to both primarily formed ballot measure committees and general purpose ballot measure committees. State and local committees sometimes have different reporting obligations.

Ex 8.2 - Forty-five days before the November election, Citizens for the Trolley, Yes on B, a city primarily formed ballot measure committee, received a $500 contribution. Ten days before the election, the committee received another $500 contribution from the same source. Because these two contributions in the aggregate total $1,000, the committee must file a 24-hour contribution report (Form 497) within 24 hours of receiving the second contribution.

Ex 8.3 - In March, a committee is circulating petitions to qualify a state measure for the November ballot. On March 28, the committee receives a $5,000 contribution. The committee had already reached the $25,000 electronic filing threshold, so within 10 days of receiving the contribution of $5,000, the committee must file the Form 497 electronically with the Secretary of State. The committee must also file a quarterly statement by April 30 and a semi-annual statement by July 31. If the measure qualifies for the November ballot, the committee will also be required to file preelection statements. In addition, beginning 90 days before the November election, each time the committee receives contributions of $1,000 or more, the Form 497 must be filed within 24 hours. See Chapter 10 for additional

B. Where to File the Form 497

State Committees: All state committees file the Form 497 electronically with the Secretary of State's office. No paper copies of the report are required to be filed with the Secretary of State or other filing officers.

Local Committees: The Form 497 must be filed in the same locations as the committee files its regular campaign reports. The Form 497 must be filed by personal delivery, guaranteed overnight service, fax, e-mail or online, if avaliable. Regular mail may not be used. Local agencies that have an approved electronic filing program may eliminate the filing of a paper copy of the Form 497.

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C. When to File – Primarily Formed Ballot Measure Committees

90 Days Before the Election- State and Local Committees

Contributions Received: The Form 497 must be filed if, during the 90 days before an election, a primarily formed ballot measure committee ***receives*** a contribution of $1,000 or more, or multiple contributions totaling $1,000 or more, from a single source. (State primarily formed ballot measure committees must also file the Form 497 for contributions of $1,000 or more received on the day of the election.)

Contributions Made: The Form 497 must be filed if, during the 90 days before an election, a committee ***makes*** a contribution of $1,000 or more in connection with another primarily formed committee, a committee for elective office, or a state or county political party committee.

These reports must be filed **within 24 hours**. Deadlines are extended to the next business day on Saturdays, Sundays, and official state holidays. However, the extension does not apply on the Saturday, Sunday, or an official state holiday immediately prior to an election.

Outside the 90-Day Election Period

State Committees: The Form 497 is required if a state primarily formed ballot measure committee that is required to file electronically ***receives*** a contribution of $5,000 or more at any time other than during the 90-day election cycle. The report must be filed **within 10 business days**. This report is often the first report filed by committees raising funds while circulating petitions to qualify a state measure.

The Form 497 is also required if a state primarily formed ballot measure committee ***makes*** contributions totaling $5,000 or more to support or oppose a different state ballot measure. The report must be filed **within 10 business days**. The report is not required if the committee makes a contribution of $5,000 or more to another committee primarily formed for the same state ballot measure or another measure on the same ballot.

information about quarterly, semi-annual, and preelection statements (Form 460).

Quick Tip

A loan of $1,000 or more that is forgiven during the 90-day period before the election triggers a 24-Hour Contribution Report.

Quick Tip

Committees should refer to the campaign filing schedules on the FPPC website.

Ex 8.4 - A statewide initiative is being drafted. In anticipation of the initiative qualifying for the ballot, a group sends solicitation requests and raises $55,000. The group is not required to file disclosure reports listing the sources of the $55,000 until petition circulation begins. On the first day of petition circulation, the group qualifies as a committee and is subject to reporting obligations. The committee must file a Form 410 within 10 calendar days and, because the committee raised $25,000 or more, it must file the Form 497 electronically within 10 business days listing any single contributor of $5,000 or more. If the measure is placed on the ballot, file the Form 497 for each $1,000 contribution received during the 90-day election cycle, including the day of the election.

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Local Committees: The Form 497 is not required to be filed by a local primarily formed ballot measure committee after the election or before the 90-day election period begins.

Committees Qualifying a State Measure for the Ballot

10-Day/$5,000 Reports: A committee that is circulating petitions for a state measure to appear on a ballot is subject to the 10-day, $5,000 reports if the committee is required to file electronically with the Secretary of State. A Form 497 must be filed within 10 days of **receiving** a contribution of $5,000 or more at any time other than during the 90-day election cycle.

Ballot Measure Contribution Reports: A committee that is circulating petitions for a state measure to appear on a ballot is subject to the $5,000 ballot measure reports if the committee is required to file electronically with the Secretary of State. The Form 497 must be filed within 10 business days of **making** contributions totaling $5,000 or more to support or oppose the qualification or passage of a different state ballot measure on a different ballot.

24-Hour/$1,000 Reports: A committee that is circulating petitions for a state measure to appear on a ballot is not subject to the 90-day, 24-hour reporting until for contributions received the measure is approved for the ballot.

Committees Qualifying a Local Measure for the Ballot

24-Hour/$1,000 Reports: A committee that is circulating petitions for a local measure to appear on a ballot is not subject to the 90-day, 24-hour reporting for contributions received until the measure is approved for the ballot. Local committees are not subject to the 10-day/$5,000 reports or the ballot measure contribution reports discussed above.

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D. When to File – General Purpose Ballot Measure Committees

90 Days Before the Election- State and Local Committees

Contributions Made: The Form 497 is required if a committee ***makes*** a contribution of $1,000 or more to a committee that is primarily formed for a measure or candidate or to a candidate's controlled committee and the contribution is made during the 90 days before the measure's or candidate's election. The Form 497 is also required if the committee ***makes*** a contribution of $1,000 or more to a political party committee within 90 days of any state election.

These reports must be filed **within 24 hours**. Deadlines are extended to the next business day on Saturdays, Sundays, and official state holidays. However, the extension does not apply on the Saturday, Sunday or an official state holiday immediately prior to an election.

Ex 8.5 - A state general purpose ballot measure committee, that is an E-filer, is formed to support water issues. The committee makes a $40,000 contribution to a state primarily formed ballot measure committee during the petition circulation period. Both committees must file the Form 497 disclosing the contribution.

Outside the 90-Day Election Cycle

State Committees Only: The Form 497 is required if a state general purpose ballot measure committee that is with the Secretary of State makes contributions totaling $5,000 or more to another committee for a state ballot measure. The committee must file the report **within 10 business days**.

If the contributions are made to a state general purpose committee, the Form 497 is required when both the donor committee and the committee receiving the contribution file electronically and either:

- The donor committee knows the contribution will be used for a single state ballot measure; or

- The receiving committee has reported contributions or expenditures exceeding $100,000 in the past twelve months support or oppose to a single state ballot measure.

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Committees must consult FPPC Regulation 18466 for complete guidance. These reports are more frequently filed before or during the period for qualifying a measure for the state ballot. For example, a political party committee may solicit contributions for the purpose of qualifying a state ballot measure.

E. When to File Non-Monetary Contribution Reports

A committee that anticipates receiving more than one nonmonetary contribution from a single contributor during the 90 days before the election may, on or before the deadline, file a single Form 497 covering the entire 90-day period. The report should disclose the total value of nonmonetary contributions that will be received, or, if the actual value of nonmonetary contributions is not known at the time of filing, a good faith estimate of the value that will be received during the period. If the value of the nonmonetary contributions received differs from the estimated amount by 20 percent or more, the estimated report must be amended within 24 hours from the time the committee knows that the estimated value is incorrect.

F. Candidate Controlled Ballot Measure Committees

All candidate controlled ballot measure committees must file the Form 497 in the same manner as the candidate's election committee. For example, when the election committee is required to file the Form 497 within 24 hours of receiving a contribution, contributions to the ballot measure committee must also be filed within 24 hours. Similarly, ballot measure committees of state candidates and officeholders that E-file must file a Form 497 for each contribution of $5,000 or more the ballot measure committee receives outside a 90-day election reporting period.

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497 Contribution Report

Type or print in ink.
Amounts may be rounded to whole dollars.

497 CONTRIBUTION REPORT

CALIFORNIA FORM 497

For Official Use Only

Date Stamp

A

NAME OF FILER: Yes on Prop 2, Support School Financing, Sponsored by Education Leaders

AREA CODE/PHONE NUMBER: 805-555-1221

I.D. NUMBER *(if applicable)*: 13432XX

STREET ADDRESS: 1500 Seventh Avenue, Suite 450

CITY: Santa Barbara | STATE: CA | ZIP CODE: 93103

B

Date of This Filing 9/16/XX

Report No. 1

☐ **Amendment to Report No.** _____ (explain below)

No. of Pages 1

1

I. Contribution(s) Received

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE *	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED
9/15/XX	Bridges Electric Company 1313 Main Street Ventura, CA 93002	☐ IND ☐ COM ☒ OTH ☐ PTY ☐ SCC		$2,000 ☐ Check if Loan _____% Provide interest rate

**Contributor Codes
IND – Individual
COM – Recipient Committee (other than PTY or SCC)
OTH – Other (e.g., business entity)
PTY – Political Party
SCC – Small Contributor Committee

Reason for Amendment: _____

G. Completing the Form 497

A Filer Information

Provide the committee's full name, telephone number, street address, city, state, zip code, and identification number.

B Date, Report Number, Number of Pages

Indicate the date the report is being filed; assign a unique number to each Form 497, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.; and, indicate the number of pages included in the report.

1 For Contributions Received, provide:

- The date received.
- The contributor's full name, street address, the appropriate contributor code, and, if the contributor is an individual, his or her occupation and employer, or, if self-employed, enter the name of his or her business.
- The amount of the contribution. If the contribution is a loan, check the box and include the interest rate, if any.

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2

2. Contribution(s) Made

DATE MADE	FULL NAME, STREET ADDRESS AND ZIP CODE OF RECIPIENT (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CANDIDATE AND OFFICE OR MEASURE AND JURISDICTION	AMOUNT OF CONTRIBUTION	DATE OF ELECTION (IF APPLICABLE)
10/xx/xx	Measure B Save the Sports Team (ID# 1378xx) 222 Main Street Sacramento CA 95814	Measure B, City of Sacramento	$2,000	11/xx/xxxx

Reason for Amendment: _____

2 For Contributions Made, provide:

- The date made.
- The recipient of the contribution. In the case of a non-monetary contribution report the committee receiving the benefit of the contribution; not the vendor.
- The name of the candidate and office or measure and jurisdiction.
- Amount of the contribution.
- For a contribution made to a city or county committee, enter the date of the election.

Amendments

To amend a previously filed Form 497, file a new Form 497 with the corrected information and the “Amendment” box checked. The “Report Number” of the report being amended should be included. There is no deadline for filing amendments; however, they should be filed as soon as practicable. File the amendment in the same location(s) as the original.

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Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

81004.5	Reports and Statements; Amendments.
82015	Contribution.
82025	Expenditure.
82036	Late Contribution.
84200.6	Special Campaign Statements and Reports.
84203	Late Contribution; Reports.
84203.3	Late In-Kind Contributions.
84204.5	Ballot Measure Contributions and Expenditures; Reports.
84615	Campaign Reports and Statements- Electronic Filing for Local Agencies.
85309	Online Disclosure of Contributions.

Title 2 Regulations

18116	Reports and Statements; Filing Dates.
18215	Contribution.
18421.1	Disclosure of the Making and Receipt of Contributions.
18425	24-Hour Contribution Reports.
18466	State Ballot Measure Contributions and Expenditures; Online Reports.

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Committee Reports

Typically, all general purpose and primarily formed ballot measure committees (state and local) use the Recipient Campaign Statement (Form 460) to report campaign activity for all semi-annual, quarterly, and preelection statements. Committees formed to support or oppose a LAFCO proposal use the Form 460 to report campaign activity on a monthly basis.

The Form 460 is the main campaign disclosure report and provides the public with an overview of the committee's activity, including money coming in and money going out, during a specified reporting period established by law. The report must include all activity during the specified reporting period, even if it was previously reported. For example, a contribution that was already reported on a Form 497 (24-Hour Contribution Report) must still be reported on the committee's next Form 460.

Committees with minimal activity in a reporting period may be eligible use the Form 450 (Committee Campaign Statement – Short Form) instead of the Form 460. A Form 450 example is provided at the end of this chapter.

A committee with no activity may file the Form 425 (Semi-Annual Statement of No Activity) as a semi-annual statement. The form simply requires the committee's name and address and the treasurer's signature.

The forms reviewed in this chapter can be accessed from the FPPC website. Software programs are also available for purchase. The FPPC does not endorse any specific programs. A list of vendors is available on the Secretary of State's website.

Quick Tip

Often times, a committee's first report of contributions received is the Form 497 (24-Hour Contribution Report). (See Chapter 8.)

Multipurpose Organizations (including nonprofits and federal and out-of-state PACs)

Multipurpose organizations that are required to file the Form 460 should refer to Chapter 13 to determine which of the organization's donors must be listed as contributors. In addition, there are other special filing requirements outlined in Chapter 13. For example, a federal PAC that is filing campaign statements with the Federal Election Commission (FEC) is not required to re-itemize its donors.

DRAFT

Recipient Committee Campaign Statement Cover Page
(Government Code Sections 84200-84216.5)

Type or print in ink.

COVER PAGE

Date Stamp

CALIFORNIA FORM **460**

Page XX of XX

For Official Use Only

SEE INSTRUCTIONS ON REVERSE

A **Statement covers period** from 7/1/ XX through 9/30/XX

B **Date of election if applicable:** (Month, Day, Year) 11/4/XX

1 **1. Type of Recipient Committee:** All Committees – Complete Parts 1, 2, 3, and 4.

- ☐ Officeholder, Candidate Controlled Committee
  - ◯ State Candidate Election Committee
  - ◯ Recall
  - *(Also Complete Part 5)*
- ☐ General Purpose Committee
  - ◯ Sponsored
  - ◯ Small Contributor Committee
  - ◯ Political Party/Central Committee
- ☑ Primarily Formed Ballot Measure Committee
  - ◯ Controlled
  - ⊗ Sponsored
  - *(Also Complete Part 6)*
- ☐ Primarily Formed Candidate/ Officeholder Committee
  - *(Also Complete Part 7)*

2 **2. Type of Statement:**

- ☑ Preelection Statement
- ☐ Semi-annual Statement
- ☐ Termination Statement (Also file a Form 410 Termination)
- ☐ Amendment (Explain below)
- ☐ Quarterly Statement
- ☐ Special Odd-Year Report
- ☐ Supplemental Preelection Statement - Attach Form 495

3 **3. Committee Information**

I.D. NUMBER: 13432XX

COMMITTEE NAME (OR CANDIDATE'S NAME IF NO COMMITTEE)
Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

STREET ADDRESS (NO P.O. BOX)
1500 Seventh Avenue, Suite 450

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Santa Barbara	CA	93103	805-555-1221

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET OR P.O. BOX
P.O. Box 3300

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Santa Barbara	CA	93103	805-555-1221

OPTIONAL: FAX / E-MAIL ADDRESS

Treasurer(s)

NAME OF TREASURER
Kelly Jamieson

MAILING ADDRESS
1500 Seventh Avenue, Suite 450

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Santa Barbara	CA	93103	805-555-1221

NAME OF ASSISTANT TREASURER, IF ANY
Chris Myers

MAILING ADDRESS
1500 Seventh Avenue, Suite 450

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Santa Barbara	CA	93103	805-555-1221

OPTIONAL: FAX / E-MAIL ADDRESS

4 Kjamieson@campaignpros.com

4. Verification

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 10/5/XX (Date) By _____ (Signature of Treasurer or Assistant Treasurer)

Executed on 10/5/XX (Date) By _____ (Signature of Controlling Officeholder, Candidate, State Measure Proponent or Responsible Officer of Sponsor)

Executed on _____ (Date) By _____ (Signature of Controlling Officeholder, Candidate, State Measure Proponent)

Executed on _____ (Date) By _____ (Signature of Controlling Officeholder, Candidate, State Measure Proponent)

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)
State of California

DRAFT

A. Completing the Form 460 Cover Page

A Statement Covers Period

If this is the first report of the calendar year, the "from" date should be January 1. Otherwise, this date should be the day after the closing date of the most recently filed campaign statement.The closing date is identified on the FPPC filing schedule.

B Date of Election

When filing a preelection statement in connection with an election, provide the date of the election.

1 Type of Recipient Committee

A primarily formed ballot measure committee must check whether it is also controlled or sponsored, if applicable. (See Chapter 1.)

A general purpose ballot measure committee will mark the General Purpose Committee box and check sponsored, if applicable. If the committee is controlled by a candidate, mark the box above titled Officeholder, Candidate Controlled Committee.

2 Type of Statement

The filing schedule will identify the name of the type of statement (e.g., preelection, semi-annual).

3 Committee Information and Treasurer(s)

This entire section must be completed and should include the same information as provided on the committee's most recently filed Statement of Organization, Form 410. If the committee has not yet received an identification number from the Secretary of State, enter "pending" in the "I.D. Number" box.

4 Verification

The committee treasurer or the assistant treasurer listed on the committee's Statement of Organization, Form 410, must complete the verification. The statement is signed under penalty of perjury that the information is true and correct.

If three or fewer officeholders/candidates or state ballot measure proponents control the committee, the officeholders/candidates must also complete the verification. If there are more than three officeholders/candidates controlling the committee, one may complete the verification on behalf of the others.

If the committee is sponsored and the sponsor is reporting contributions received through the sponsor or made by the sponsor, the responsible officer must also complete the verification.

DRAFT

Recipient Committee Campaign Statement Cover Page — Part 2

Type or print in ink.

COVER PAGE - PART 2

CALIFORNIA FORM **460**

Page XX of XX

5

5. Officeholder or Candidate Controlled Committee

NAME OF OFFICEHOLDER OR CANDIDATE

OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE)

RESIDENTIAL/BUSINESS ADDRESS (NO. AND STREET) CITY STATE ZIP

Related Committees Not Included in this Statement: ***List any committees not included in this statement that are controlled by you or are primarily formed to receive contributions or make expenditures on behalf of your candidacy.***

COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE? ☐ YES ☐ NO
COMMITTEE ADDRESS STREET ADDRESS (NO P.O. BOX)	
CITY STATE ZIP CODE AREA CODE/PHONE	

COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE? ☐ YES ☐ NO
COMMITTEE ADDRESS STREET ADDRESS (NO P.O. BOX)	
CITY STATE ZIP CODE AREA CODE/PHONE	

6

6. Primarily Formed Ballot Measure Committee

NAME OF BALLOT MEASURE

California School Financing and Accountability Act

BALLOT NO. OR LETTER	JURISDICTION	☑ SUPPORT ☐ OPPOSE
2	State of CA	

Identify the controlling officeholder, candidate, or state measure proponent, if any.

NAME OF OFFICEHOLDER, CANDIDATE, OR PROPONENT

OFFICE SOUGHT OR HELD	DISTRICT NO. IF ANY

7

7. Primarily Formed Candidate/Officeholder Committee ***List names of officeholder(s) or candidate(s) for which this committee is primarily formed.***

NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	☐ SUPPORT ☐ OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	☐ SUPPORT ☐ OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	☐ SUPPORT ☐ OPPOSE
NAME OF OFFICEHOLDER OR CANDIDATE	OFFICE SOUGHT OR HELD	☐ SUPPORT ☐ OPPOSE

Attach continuation sheets if necessary

5 Officeholder or Candidate Controlled Committee

Ballot measure committees do not complete this section.

6 Primarily Formed Ballot Measure Committee

Indicate the name of the ballot measure, its number or letter designation, the jurisdiction in which the measure will be voted upon, and whether the committee is supporting or opposing the measure.

If the committee is controlled by an officeholder, candidate, or ballot measure proponent, report that person's name, office held or sought, if applicable, and the district number of the office held or sought, if any.

A general purpose ballot measure committee may identify the general issues but is not required to complete Part 6. As reviewed later, a general purpose ballot measure committee controlled by a state candidate/officeholder must specifically identify, for certain expenditures, the measure(s) associated with the expenditure.

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7 Primarily Formed Candidate/Officeholder Committee

Ballot measure committees do not complete this section.

Campaign Disclosure Statement
Summary Page

Type or print in ink.
Amounts may be rounded to whole dollars.

SUMMARY PAGE

Statement covers period
from 7/1/ XX
through 9/30/XX

CALIFORNIA FORM **460**

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13432XX

1 Contributions Received

		A Column A (TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES))	B Column B (CALENDAR YEAR TOTAL TO DATE)
1. Monetary Contributions	*Schedule A, Line 3*	$ 410,950	$ 2,530,000
2. Loans Received	*Schedule B, Line 3*	(145,675)	354,325
3. SUBTOTAL CASH CONTRIBUTIONS	*Add Lines 1 + 2*	$ 265,275	$ 2,884,325
4. Nonmonetary Contributions	*Schedule C, Line 3*	15,400	45,400
5. TOTAL CONTRIBUTIONS RECEIVED	*Add Lines 3 + 4*	$ 280,675	$ 2,929,725

2 Expenditures Made

6. Payments Made	*Schedule E, Line 4*	$ 786,642	$ 1,786,992
7. Loans Made	*Schedule H, Line 3*	-0-	-0-
8. SUBTOTAL CASH PAYMENTS	*Add Lines 6 + 7*	$ 786,642	$ 1,786,992
9. Accrued Expenses (Unpaid Bills)	*Schedule F, Line 3*	7,400	17,900
10. Nonmonetary Adjustment	*Schedule C, Line 3*	15,400	45,400
11. TOTAL EXPENDITURES MADE	*Add Lines 8 + 9 + 10*	$ 809,442	$ 1,850,292

3 Current Cash Statement

12. Beginning Cash Balance	*Previous Summary Page, Line 16*	$ 2,350,000
13. Cash Receipts	*Column A, Line 3 above*	265,275
14. Miscellaneous Increases to Cash	*Schedule I, Line 4*	778
15. Cash Payments	*Column A, Line 8 above*	786,642
16. **ENDING CASH BALANCE**	*Add Lines 12 + 13 + 14, then subtract Line 15*	$ 1,829,411

If this is a termination statement, Line 16 must be zero.

4

17. LOAN GUARANTEES RECEIVED — *Schedule B, Part 2* — $ -0-

5 Cash Equivalents and Outstanding Debts

18. Cash Equivalents — *See instructions on reverse* — $ -0-

6

19. Outstanding Debts — *Add Line 2 + Line 9 in Column B above* — $ 372,225

To calculate Column B, add amounts in Column A to the corresponding amounts from Column B of your last report. Some amounts in Column A may be negative figures that should be subtracted from previous period amounts. If this is the first report being filed for this calendar year, only carry over the amounts from Lines 2, 7, and 9 (if any).

Calendar Year Summary for Candidates Running in Both the State Primary and General Elections

	1/1 through 6/30	7/1 to Date
20. Contributions Received	$	$
21. Expenditures Made	$	$

Expenditure Limit Summary for State Candidates

22. Cumulative Expenditures Made*
(If Subject to Voluntary Expenditure Limit)

Date of Election (mm/dd/yy)	Total to Date
__/__/__	$
__/__/__	$

*Amounts in this section may be different from amounts reported in Column B.

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

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B. Completing the Form 460 Summary Page

The Summary Page provides an overview of the committee's financial activities and must be completed for each filing.

A Column A – Total This Period

This column reflects the committee's activity during the current reporting period as reported on Schedules A through I. If there is no activity to report on a particular schedule, enter a zero or the word "none" on the appropriate line in Column A. There should be no blank lines.

B Column B – Total to Date

This column generally reflects the cumulative total since January 1 of the current calendar year. However, if the committee began raising funds in connection with the qualification of a measure that extends into two calendar years, the contributions and expenditures must be cumulated beginning January 1 of the year the committee began raising funds.

Add the totals from Column B of the committee's last campaign statement (if any) to the corresponding amounts in Column A. If this is the first report being filed for a calendar year, only carry forward the amounts for loans and accrued expenses reported on Lines 2, 7, and 9 of Column B (if any) from the committee's last statement. (Note: The amounts reported on Lines 2, 7, and 9 of Column B should be the same as the total outstanding amounts disclosed in column (d) of Schedules B, F, and H, respectively, of the current report.)

When loans (Schedules B and H) and accrued expenses (Schedule F) are paid, the figures to be carried from the schedules to Lines 2, 7, and 9 of Column A may be negative numbers. In this case, be sure to show them as negative figures on the Summary Page (e.g., with a minus sign (-) or in parentheses), and subtract them when totaling Columns A and B.

1 Lines 1-5 (Contributions Received)

Collectively, these lines represent contributions received: monetary, nonmonetary, and loans.

2 Lines 6-11 (Expenditures Made)

Collectively, these lines represent expenditures made: payments, loans made, accrued expenses (bills that are still outstanding), and nonmonetary adjustments.

3 Lines 12-16 (Current Cash Statement)

The Current Cash Statement section should accurately reflect the committee's cash condition position at the end of the reporting period. If deposits or expenditures have been made that have not cleared the account, the committee's bank balance may not match the ending cash balance.

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Beginning and ending cash balances should include the total amount of funds in the committee's campaign checking and savings accounts, plus any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks and bonds, etc.

Line 12 (Beginning Cash Balance)

The beginning cash balance must be the same as the ending cash balance reported on Line 16 of the previously filed statement's Summary Page.

If this is the first statement of the calendar year and no previous statement was filed but money was raised or spent in the previous reporting period enter the amount of cash on hand on December 31. Otherwise, enter zero.

Line 13 (Cash Receipts)

This amount represents the total of all monetary contributions and loans received during the reporting period. No not include nonmonetary contributions.

Line 14 (Miscellaneous Increases to Cash)

This amount represents increases to the committee's cash position that are not contributions, loans, or repayments of loans made to others. Miscellaneous Increases to Cash include, for example, interest received to a bank account, refunds received from vendors, and proceeds from the sale of campaign property or auction items. The amount is carried forward from Schedule I, Miscellaneous Increases to Cash.

Together, Lines 13 and 14 reflect all money that has been received during the current reporting period.

Line 15 (Cash Payments)

This figure represents the total amount the committee has spent during the reporting period, including loans made and any accrued expenses paid.

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Line 16 (Ending Cash Balance)

This amount represents the total of Lines 12, 13, and 14 **minus** Line 15. The amount reported on Line 16 must equal the total amount of cash the committee has in its campaign bank account **and** the amount of all funds held in interest bearing accounts, certificates of deposit, money market accounts, shares in government bonds, or any other investments that can be readily converted to cash.

If this is a termination statement, Line 16 must be zero.

4 Line 17 (Loan Guarantees Received)

This figure is carried forward from Schedule B, Part 2. The amount represents the total of all loan guarantees, endorsements, or security received during the period.

5 Line 18 (Cash Equivalents)

This figure includes investments that cannot be readily converted to cash as well as the balance due on all outstanding loans the committee has made to others.

Do not include any amount that is invested in interest bearing accounts, certificates of deposit, money market accounts, or any other investments that can be readily converted to cash. This amount should be part of the ending cash figure reported on Line 16.

6 Line 19 (Outstanding Debts)

Report the total of all money owed by the committee. Using Column B, add Line 2 (loans received) and Line 9 (accrued expenses).

Lines 20, 21 & 22

These lines are for certain state candidate election committees. Ballot measure committees do not complete.

Note: The figures on the Summary Page illustration are representative, but not exact, from the examples in this manual.

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Answering Your Questions

A. Is there any circumstance when Line 16, Ending Cash Balance, would be a negative amount?

If you report a negative amount on Line 16, this means that either you have made a mathematical error in your calculations or the committee's bank account is overdrawn. Rounding off also may cause a small negative in the cash on hand balance.

B. Is there any circumstance when an amount in Column A would be negative?

Yes. When you are reporting loans and accrued expenses, as these are paid down, the amount reflected in Column A may be a negative amount.

C. What should I do if I am unable to balance my accounting records by the filing deadline?

Since the Political Reform Act does not provide for extensions of a filing deadline, complete the statement as accurately as you can and file an amendment with the corrections as soon as possible.

D. What is the most common mistake made on the Summary Page?

Committees often report loan repayments twice, once on Schedule E and again on Schedule B. A loan repayment should only be reported on Schedule B.

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C. General Rules for Reporting Contributions Received

Chapter 3 provides detailed information on the following topics and other contribution reporting rules. The information below is only a quick recap of some of the rules.

$5,000 Contributor – Major Donor Notice

If $5,000 or more is received from a single source in a calendar year, a "major donor" notice must be sent to the contributor. Do not send the notice if the contribution is from another recipient committee. (See Chapter 3.)

Joint Checking Account

If a check is received that is imprinted with two individuals' names, report the contribution as coming from the person who signed the check. However, if both signed the check, or one has signed the check but both have signed an accompanying document indicating that the contribution is from both, then report 50% of the contribution coming from the one individual and 50% coming from the other unless the document attributes specific amounts to each contributor.

Intermediary

If a contribution of $100 or more is received from someone who is acting as an intermediary, disclose both the true source of the contribution and the intermediary. Failure to report the true source of a contribution is a serious violation of the law.

Ex 9.1 – Sarah Honey made a contribution to your committee and notified you that she would later be reimbursed by her employer, Hilltop Dairy. Your committee will report Hilltop Dairy, and its address, as the source of the contribution and also disclose Sarah as the intermediary, providing her address, occupation, and employer.

Contributions from Family Trust

If a contribution is received from a family trust account, it is attributed to the person who directed the contribution.

Contribution Limits

Contributions to a state candidate controlled ballot measure committee from another state candidate controlled committee are subject to the $4,100 limit, as adjusted. Refer to the FPPC contribution limits chart at www.fppc.ca.gov. In addition, contribution limits of $34,000, as

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adjusted, may apply if a committee, at the behest of a state candidate, makes a payment of $50,000 or more for a communication featuring the state candidate 45 days before his or her election.

A state candidate/officeholder is not subject to a contribution limit for *personal* loans made to his/her controlled ballot measure committee. See Government Code Sections 85305, 85307 and 85310.

Aggregating Contributions

There are a variety of situations in which two or more contributions must be aggregated for reporting purposes. For example, when an individual, who is the sole proprietor of a company, makes a contribution from company funds and another contribution from personal funds, these contributions are added together for reporting purposes. See Chapter 3 for additional information and examples.

There are special rules for "major donors" (generally these are individuals and business entities that make contributions totaling $10,000 or more in a calendar year) when they make contributions that are subject to aggregation. The major donor must notify each committee to which it makes a contribution of the name under which the major donor is filing its report (Form 461). The recipient of the contribution must identify the name of the "filer" and the name of the contributor, if that is different than the name of the filer.

Ex 9.2 – Temple Construction is a subsidiary of Temple Enterprises. Contributions made by the two entities must be aggregated and they qualify as a major donor. Your committee receives a contribution from Temple Construction. Temple Construction is required to notify you that its contribution is reported on a campaign statement filed under the name of Temple Enterprises. Your committee must identify both names on its report and, if you receive contributions from both entities, the contributions must be aggregated for purposes of reporting cumulative amounts.

Contributor Information

A contribution of $100 or more must be returned to the contributor within 60 days of receipt if the contributor's name, address, and, if the contributor is an individual, his or her occupation and employer are not in the committee's records. (See Chapter 2.)

Reporting Cumulative Amounts

Contributions from the same source are cumulated from January 1 through December 31 unless the committee began raising funds in connection with the qualification of a measure that extends into two calendar years. In that case, the period over which contributions are cumulated begins January 1 of the year the committee began raising funds.

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Donor Disclosure for Multipurpose Organizations

A multipurpose organization (i.e., nonprofit) that qualifies as a recipient committee must identify its funding sources for contributions and independent expenditures made. Chapter 13 discusses when a multipurpose organization qualifies as a recipient committee and provides detailed information about how to determine which donors to a multipurpose organization must be disclosed as contributors on a campaign statement.

Quick Tip

Chapter 13 includes several examples of how to report donors to a multipurpose organization that qualifies as a recipient committee.

Returned Contributions

Not Deposited: A contribution need not be reported if it is returned to the contributor prior to depositing it and prior to the closing date of the campaign statement on which it would otherwise be reported. A contribution of $1,000 or more received within 90 days of an election is not required to be reported if it is not deposited, negotiated, or cashed and is returned to the contributor within 24 hours of receipt.

Deposited, Negotiated, or Returned After Closing Date: Contributions that have been deposited or negotiated, or which were not returned prior to the closing date of the campaign statement, are reported on Schedule A. If the contribution is returned within 30 days of receipt, and within the reporting period, the return may be shown as a negative figure on Schedule A. Otherwise, report the return of the contribution on Schedule E.

Returned for Insufficient Funds: If a check is returned from the bank for insufficient funds and the committee returns the check to the contributor during the same reporting period, both the receipt and the return of the contribution may be reported on Schedule A with the return shown as a negative amount. Otherwise, the return is reported on Schedule E.

Enforceable Promises

If a contribution is received in the form of an “enforceable promise” that has not been paid during the period, report the contribution as a memo entry on Schedule A.

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Disclose the date of the promise, all of the required information about the contributor, and the amount promised, but do not include the amount in the summary totals. When the contributor makes the actual payment, fully disclose the contribution on Schedule A, if the payment is made to the committee, or on Schedule C, if the contributor pays the vendor directly, and include the amount in the appropriate summary section.

Reporting Funds Received Before Committee is Formed

A group that forms for the sole purpose of beginning a ballot measure campaign and receives funds prior to the time the issue becomes an official ballot measure (e.g., petition circulation drive begins) must disclose the early contributors on the committee's first report.

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Schedule A
Monetary Contributions Received

Type or print in ink.
Amounts may be rounded to whole dollars.

SCHEDULE A

CALIFORNIA FORM 460

Statement covers period
from 7/1/ XX
through 9/30/XX

Page XX **of** XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13[illegible]XX

1 DATE RECEIVED	2 FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	3 CONTRIBUTOR CODE *	4 IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	5 AMOUNT RECEIVED THIS PERIOD	6 CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	7 PER ELECTION TO DATE (IF REQUIRED)
7/10/XX	Jessie Diaz 231 Oak Street Folsom, CA 95630	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Retired	$50	$100	
7/30/XX	Education Leaders Assoc. PAC (ID# 13221XX) 1600 R Street, Suite 200 Sacramento, CA 95815	☐ IND ☑ COM ☐ OTH ☐ PTY ☐ SCC		$250,000	$854,500	
8/12/XX	L.A. County Educators SCC (ID# 12435XX) 725 S. Spring Avenue Los Angeles, CA 90013	☐ IND ☐ COM ☐ OTH ☐ PTY ☑ SCC		$100,000	$200,000	
8/22/XX	Alameda County Libertarian Central Committee 955 Harbor Blvd. (ID# 12743XX) Oakland, CA 94607	☐ IND ☐ COM ☐ OTH ☑ PTY ☐ SCC		$50,000	$100,000	
9/15/XX	Bridges Electric Company 1313 Main Street Ventura, CA 93002	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		$2,000	$2,000	
			SUBTOTAL $	402,050		

8 Schedule A Summary

1. Amount received this period – itemized monetary contributions. (Include all Schedule A subtotals.) ..... $ 402,050
2. Amount received this period – unitemized monetary contributions of less than $100 ..... $ 8,900
3. Total monetary contributions received this period. (Add Lines 1 and 2. Enter here and on the Summary Page, Column A, Line 1.) ..... **TOTAL $** 410,950

*Contributor Codes
IND – Individual
COM – Recipient Committee (other than PTY or SCC)
OTH – Other (e.g., business entity)
PTY – Political Party
SCC – Small Contributor Committee

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE *	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
8/20/XX	Kristine's Catering Company 10 State Street Sacramento, CA 95826	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		$5,000	$5,000	N/A
	Intermediaries: Joseph Jarrell $2,500 635 Autumn Street, Folsom, CA 95630	☐ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Baker Kristine's Catering Co.			
	Sarah Wright $2,500 4008 Parkwood Way Elk Grove, CA 95757	☐ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Bookkeeper Kristine's Catering Co.			

Note: The example above demonstrates an acceptable format for reporting intermediaries.

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D. Completing the Form 460 Schedule A - (Monetary Contributions Received)

Report monetary contributions the committee has received on Schedule A, except for loans (reported on Schedule B). Receipt of repayments for loans made is reported on Schedule H, and miscellaneous receipts are reported on Schedule I.

1 Date Received

List the date the committee obtained possession or control of the contribution. For instance, in the case of a check, report the date the check was received, which may differ from the date the check was written or the date the check was deposited.

For contributions received by electronic transaction (such as credit card, debit account, or wire transfer, including those received over the Internet), report the date the committee received or had control of the credit/debit account information or other payment information, or the date the committee received or had control of the funds, whichever is earlier. Chapter 2 has a list of examples.

2 Contributor Information

Itemize persons and organizations who have contributed to the committee a cumulative amount of $100 or more during the calendar year. Provide each contributor's name, street address, city, state, and zip code. Remember to maintain the names and addresses of contributors of $25 or more in your records.

Quick Tip

Some local agencies require itemization below $100.

3 Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, or "other" (such as a business entity), or a political party. The code "SCC" refers to state small contributor committees.

Quick Tip

Report on Schedule A contributions of any amount received from the controlling candidate's election campaign to the same candidate's ballot measure committee. Contribution limits of $4,100, as adjusted, apply from other controlled election committees.

4 Occupation and Employer, I.D. Number, and Intermediary Information

If the contributor is an individual, provide the individual's occupation and employer. If the contributor is self-employed, provide the name of

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the business. Do not leave this blank. If this information has not yet been obtained, enter "requested" or similar language in this column and amend Schedule A when the information has been received.

If the contributor is a recipient committee, report that committee's identification number. If an identification number has not yet been assigned or is unknown, report the full name, street address, city, state, and zip code of that committee's treasurer.

If a contribution is received through an intermediary, provide the name, street address, city, state, zip code, and, if applicable, occupation and employer of both the intermediary and the true source of the contribution. (See Chapter 3 for the definition of intermediary.)

5 Amount Received This Period

Report the amount of the contribution.

6 Cumulative to Date

Generally, the amount listed in the "Cumulative to Date Calendar Year" column will be cumulated from January 1 through December 31 unless the committee began raising funds in connection with the qualification of a measure that extends into two calendar years. In that case, the period over which contributions are cumulated begins January 1 of the year the committee began raising funds.

7 Per Election to Date

This column does not apply to ballot measure committees, unless otherwise instructed by a local ordinance.

8 Schedule A Summary

Complete the Schedule A Summary section by entering the total amount of itemized contributions ($100 or more) received this period on Line 1 and the total amount of unitemized contributions (less than $100) received this period on Line 2. Add Lines 1 and 2 and enter that amount on Line 3. The amount on Line 3 is carried forward to the overall Summary Page, Column A, Line 2. Reminder: Once a contributor has contributed $100 or more in a calendar year, all future contributions received from that person, regardless of the amount, must be itemized.

Quick Tip

Committees must return contributions of $100 or more if the required identifying information is not obtained. (See Chapter 2.)

Quick Tip

As long as the amount of the contribution of both the true source and the intermediary is clearly disclosed on Schedule A, it is permissible to display the information in other formats.

Quick Tip

An individual made a personal contribution of $50,000 to a nonprofit with the intent, purpose and understanding that the nonprofit would provide the funds to a ballot measure committee. The nonprofit must inform the committee that the individual is the true source of the contribution and that the nonprofit is acting as an intermediary. In addition, a treasurer has a responsibility to contact the nonprofit, if the treasurer has reason to question the true source of a contribution, because of the size, its reported source, the likelihood of the source making a contribution of the size reported and all other circumstances surrounding receipt of the contribution. Campaign transactions vary; contact the FPPC for advice.

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SCHEDULE B - PART 1

Schedule B – Part 1
Loans Received

Type or print in ink.
Amounts may be rounded to whole dollars.

Statement covers period from 7/1/ XX through 9/30/XX

CALIFORNIA FORM 460

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13432XX

1 FULL NAME, STREET ADDRESS AND ZIP CODE OF LENDER (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	a (a) OUTSTANDING BALANCE BEGINNING THIS PERIOD	b (b) AMOUNT RECEIVED THIS PERIOD	c (c) AMOUNT PAID OR FORGIVEN THIS PERIOD*	d (d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD	e (e) INTEREST PAID THIS PERIOD	f (f) ORIGINAL AMOUNT OF LOAN	g (g) CUMULATIVE CONTRIBUTIONS TO DATE
Education Leaders Assoc. PAC (ID# 13221XX) 1600 R Street, Suite 200 Sacramento, CA 95815 †☐ IND ☑ COM ☐ OTH ☐ PTY ☐ SCC		$ -0-	$ 100,000	☐ PAID $ -0- ☐ FORGIVEN $ -0-	$ 100,000 DATE DUE n/a	-0- % RATE $ -0-	$ 100,000 DATE INCURRED 9/1/XX	CALENDAR YEAR $ 854,500 PER ELECTION** $ n/a
Education Leaders Assoc. PAC (ID# 13221XX) 1600 R Street, Suite 200 Sacramento, CA 95815 †☐ IND ☑ COM ☐ OTH ☐ PTY ☐ SCC		$ 500,000	$ -0-	☐ PAID $ -0- ☑ FORGIVEN $ 250,000	$ 250,000 DATE DUE n/a	-0- % RATE $ -0-	$ 500,000 DATE INCURRED 1/1/XX	CALENDAR YEAR $ 854,500 PER ELECTION** $ n/a
Friends of Superintendent Susan Johnson 20XX (ID# 13556XX) 750 Sunnyside Street Pasadena, CA 91108 †☐ IND ☑ COM ☐ OTH ☐ PTY ☐ SCC		$ -0-	$ 5,000	☑ PAID $ 675 ☐ FORGIVEN $ -0-	$ 4,325 DATE DUE 12/1/XX	5 % RATE $ 100	$ 5,000 DATE INCURRED 7/1/XX	CALENDAR YEAR $ 5,000 PER ELECTION** $ n/a
	SUBTOTALS	$ 105,000		$ 250,675	$ 354,325	$ 100 (Enter (e) on Schedule E, Line 3)		

3 **Schedule B Summary**

1. Loans received this period ..... $ 105,000
   (Total Column (b) plus unitemized loans of less than $100.)
2. Loans paid or forgiven this period ..... $ 250,675
   (Total Column (c) plus loans under $100 paid or forgiven.)
   (Include loans paid by a third party that are also itemized on Schedule A.)
3. Net change this period. (**Subtract** Line 2 from Line 1.) ..... NET $ (145,675)
   Enter the net here and on the Summary Page, Column A, Line 2. (May be a negative number)

†Contributor Codes
IND – Individual
COM – Recipient Committee (other than PTY or SCC)
OTH – Other (e.g., business entity)
PTY – Political Party
SCC – Small Contributor Committee

*Amounts forgiven or paid by another party also must be reported on Schedule A.
** If required.

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

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E. Completing the Form 460 Schedule B - Part 1 (Loans Received)

Schedule B is for reporting activity on loans received by the committee. Outstanding loans are reported on each campaign statement until they are paid off. Schedule B has two parts:

- Part 1 lists loans received or outstanding, and the repayment, forgiveness, or payment by a third party of a loan previously received.
- Part 2 lists information on loan guarantors.

1 Lender Information and Contributor Codes

Provide the name, street address, city, state, and zip code of a lender of $100 or more. Check the box indicating whether the contributor is an individual, a committee, "other" (i.e., business entity), a political party, or a small contributor committee.

Quick Tip

If the committee has drawn on a line of credit, it is reported as a loan.

2 Individual Lender

If the lender is an individual, also provide the individual's occupation and employer, or, if the contributor is self-employed, provide the name of the business. Do not leave this column blank. If this information has not yet been obtained, enter "requested" or similar language in this column and amend Schedule B, Part 1 when the information is received. (See Chapter 2 for restrictions on loans/contributions received when the name, address, occupation, or employer information is missing.)

Loan Amounts

a Outstanding Balance Beginning This Period

Enter the outstanding loan balance at the beginning of this reporting period (Column (d) of the last report filed). If the loan was received this period, enter zero.

b Amount Received This Period

Enter the amount received from the lender during this reporting period. If the loan was received in a previous reporting period, enter zero. Note: A candidate/officeholder for state elective office is not limited in the amount he/she may personally loan to a ballot measure committee. The $100,000 loan limit imposed in Government Code Section 85307 does not apply to ballot measure committees.

c Amount Paid or Forgiven This Period

Enter the amount of any reduction of the loan during this reporting period. Check the appropriate box to indicate whether the reduction was a payment or forgiveness. When the lender forgives all or part of a loan, or a third party makes a payment on a loan, also report the lender or third party on Schedule A. Enter zero if no payments were made this reporting period.

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d Outstanding Balance at Close of This Period

Enter the outstanding balance of the loan at the close of this reporting period. Enter the due date, if any.

e Interest Paid This Period

Enter the interest rate and the amount of interest paid on the loan(s) during this reporting period. If the lender is not charging interest, indicate "none" on the "interest rate" line. Interest paid is reported separately from payments made on the loan principal. Interest payments are also transferred to the Schedule E Summary.

f Original Amount of Loan

Enter the original amount of the loan and the date it was received. If this is the first time the loan is being reported, this is the same amount as reported in Column (b).

g Cumulative Contributions to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received from the lender during the calendar year covered by this statement unless the committee began raising funds in connection with the qualification of a measure that extends into two calendar years. In that case, the period over which contributions are cumulated begins January 1 of the year the committee began raising funds.

Quick Tip

A loan is a contribution unless it is received from a commercial lending institution in the ordinary course of business. It is not necessary to disclose cumulative amounts for loans that are not contributions.

3 Schedule B Summary

Complete the Schedule B Summary by entering the total amount of loans received this period on Line 1 and the total amount of loans paid or forgiven on Line 2. Subtract Line 2 from Line 1 and enter the difference (net change this period) on Line 3. The amount on Line 3 will be a negative amount when the loans paid or forgiven this period are more than the amount of new loans received. The amount on Line 3 is carried forward to the overall Summary Page, Column A, Line 2.

Outstanding Loans Received (Summary Page – Column B, Line 2)

Loans received are carried forward on future statements until they are paid off. To determine the amount for Column B, Line 2 of the overall Summary Page, add the amount from Column A, Line 2 of

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this statement to the amount of Column B, Line 2 of the previous statement. If the amount in Column A, Line 2 is a negative number, subtract it the amount from the amount in Column B, Line 7 of the previous statement.

1 FULL NAME, STREET ADDRESS AND ZIP CODE OF GUARANTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 CONTRIBUTOR CODE	3 IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	4 LOAN	5 AMOUNT GUARANTEED THIS PERIOD	6 CUMULATIVE TO DATE	7 BALANCE OUTSTANDING TO DATE
ABC Bonding Company 1249 - 59th Street San Francisco, CA 94444	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		LENDER: The Friendly Bank DATE: 7/15/XX	$30,000	CALENDAR YEAR: $ 30,000 PER ELECTION (IF REQUIRED): $ N/A	$30,000

F. Completing the Form 460 Schedule B – Part 2 (Loan Guarantors)

1 Guarantor Information

If someone guarantees, co-signs, endorses, or provides security for a loan of $100 or more, enter the name and address of the guarantor.

2 Contributor Codes

For each itemized guarantor, check the box indicating whether the guarantor is an individual, committee, or "other" (such as a business entity), or a political party. (The code "SCC" is for a small contributor committee.)

3 Individual Loan Guarantor

If the guarantor is an individual, enter his or her occupation and employer, or, if self-employed, the name of the business.

4 Loan

Enter the name of the lender or the entity at which a line of credit was established and the date of the loan or the date the line of credit was established.

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5 Amount Guaranteed This Period

Enter the amount guaranteed this period, if applicable. For lines of credit, enter the full amount established or secured by the guarantor during the period. (Report amounts **drawn on a line of credit on Schedule B – Part 1.)**

6 Cumulative to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received from the guarantor during the calendar year covered by the statement unless the committee's fundraising in connection with the qualification of the measure extends into two calendar years. In that case, the period over which contributions are cumulated begins January 1 of the year the committee began raising funds.

7 Balance Outstanding to Date

Report the outstanding balance for which the guarantor is liable at the close of this reporting period.

Quick Tip

Loan guarantees are not included in the Schedule B Summary, but are carried forward in a lump sum to Line 17 of the overall Summary Page.

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G. General Rules for Reporting Nonmonetary Contributions Received on Schedule C

Schedule C is used to report nonmonetary contributions received by the committee. Nonmonetary contributions are goods or services provided to the committee for which it does not pay the fair market value.

The fair market value is the amount the committee would pay for the goods or services on the open market – whatever it would cost any member of the general public to obtain the same goods or services. (See Chapter 3 for assistance in determining the fair market value of a nonmonetary contribution.)

Examples of Nonmonetary Contributions

- Items donated for a garage sale, raffle, or auction.
- Poll results.
- Signs, postage, and printing.
- Food and entertainment provided for a fundraiser.
- Discounts or rebates that are not extended to the general public.
- Mailing lists, mailings, and other advertising.
- Compensation paid by an employer to an employee who spends more than 10% of his or her compensated time in a calendar month working on campaign activities for one or more campaigns. Compensation includes gross wages paid and any benefits in lieu of wages, such as stock options or an annuity purchase. Compensation does not include standard benefits, such as the employer's payments to a health or retirement plan.

Quick Tip

If corporate stock is received as a contribution, the amount reported on Schedule C is the value listed on the stock exchange on the date of receipt. When the stock is sold, the proceeds are reported on Schedule I as a miscellaneous increase to cash.

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- Forgiveness of an accrued expense by the creditor.
- Use of an office, automobile, or airplane.
- Mail production, postage, printing, shipping, data and graphics.
- Phone banking and public communications
- Media consulting services
- Video services.
- Staff time and expenses.
- Facebook ads, banner ads.
- Precinct walking and door hangers.
- Food for volunteers.
- Slate mailer/slate cards.
- Campaign materials, flyers for rally, buttons, t-shirts.

(See Chapters 3 and 4 for exceptions, such as volunteer personal services, home/office fundraisers, and member communications.)

Administrative Services Provided by Committee Sponsors

If the committee is sponsored and the sponsor pays for the establishment and administrative costs of the committee, the committee is required to report the payments on Schedule C, but they are not considered "contributions" to the committee. Report the payments in the "Description of Goods or Services" column, but do not include the value of the services in the "Amount/Fair Market value" column.

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"Establishment and administration" of a sponsored committee means the cost of office space, phones, salaries, utilities, supplies, legal and accounting fees, and other expenses incurred in setting up and running a sponsored committee. In addition, bank fees (including fees for monthly services, purchasing/printing checks, cashier's checks and money orders, overdraft, stop payments) and third party vendor fees, such as internet account fees and merchant account fees, are considered payments for the establishment and administration of its sponsored committee.

Other costs paid by a sponsoring organization are contributions to the committee (e.g., costs of raising funds for the committee, costs of reviewing a communication to determine the advertisement disclosure requirements, petition gathering) and are subject to regular reporting.

Ex 9.3 – An association forms a committee to oppose Proposition 222. The Association collects contributions from its members, transmits them to the committee, and provides the committee with office space, staff, and accounting services. The committee reports the administrative services from the Association in the "Description of Goods or Services" column on Schedule C of its campaign reports.

The Association pays for the cost of a special mailing to its members to raise funds to support the measure. The Association's payments are nonmonetary contributions and the amount, if over $100, is recorded in the field titled: Amount/Fair Market Value.

Ex 9.4 – A union has a sponsored ballot measure committee. A union employee is designated as treasurer and will complete the FPPC and related election reports. The committee reports the union's costs for the treasurer's services (which exceed 10% of the employee's compensated time in a calendar month) in the "Description of Goods or Services" column on Schedule C of its campaign reports.

DRAFT

Schedule C
Nonmonetary Contributions Received

Type or print in ink.
Amounts may be rounded to whole dollars.

SCHEDULE C
CALIFORNIA FORM 460

Statement covers period
from 7/1/ XX
through 9/30/XX

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13432XX

1 DATE RECEIVED	2 FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	3 CONTRIBUTOR CODE *	4 IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	5 DESCRIPTION OF GOODS OR SERVICES	6 AMOUNT/ FAIR MARKET VALUE	7 CUMULATIVE TO DATE CALENDAR YEAR (JAN 1 - DEC 31)	8 PER ELECTION TO DATE (IF REQUIRED)
9/20/XX	Education Leaders Association 1600 R Street, Suite 200 Sacramento, CA 95815	☐IND ☐COM ☑OTH ☐PTY ☐SCC		Administrative Services $17,000	-0-	-0-	n/a
9/10/XX	Education Leaders Assoc. PAC (ID#13221XX) 1600 R Street, Suite 200 Sacramento, CA 95815	☐IND ☑COM ☐OTH ☐PTY ☐SCC		Yard signs	$4,500	$854,500	n/a
8/30/XX	CA Retired Public Employees PAC (ID#13334XX) 400 M Street, Suite 650 Sacramento, CA 95814	☐IND ☑COM ☐OTH ☐PTY ☐SCC		Staff time	$8,900	$17,800	n/a
7/3/XX	Janelle Finch 7450 Woodside Way Santa Barbara, CA 93103	☑IND ☐COM ☐OTH ☐PTY ☐SCC	Partner Finch Consulting	Catering costs	$2,000	$2,000	n/a

Attach additional information on appropriately labeled continuation sheets. **SUBTOTAL $** 15,400

9

Schedule C Summary

1. Amount received this period – itemized nonmonetary contributions. (Include all Schedule C subtotals.) ..... $ 15,400
2. Amount received this period – unitemized nonmonetary contributions of less than $100 ..... $ 0
3. Total nonmonetary contributions received this period. (Add Lines 1 and 2. Enter here and on the Summary Page, Column A, Lines 4 and 10.) ..... **TOTAL $** 15,400

*Contributor Codes
IND – Individual
COM – Recipient Committee (other than PTY or SCC)
OTH – Other (e.g., business entity)
PTY – Political Party
SCC – Small Contributor Committee

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

DRAFT

H. Completing the Form 460 Schedule C (Nonmonetary Contributions Received)

1 Date Received

A nonmonetary contribution is received on the earlier of the following:

- The date funds are spent by the contributor for the goods or services
- The date the committee or an agent of the committee obtains possession or control of the goods or services
- The date the committee receives the benefit of the expenditure

2 Contributor Information

Itemize persons who have contributed to the committee a cumulative amount of $100 or more during the calendar year. Provide each contributor's name, street address, city, state, and zip code. Remember to maintain the names and addresses of contributors of $25 or more in your records. (See Chapter 2.)

Ex 9.5 – A third party paid for brochures advocating passage of the committee's ballot measure. The brochures were delivered to your headquarters on February 22 and the third party said the bill would be paid on March 15. Your committee received the nonmonetary contribution on February 22.

3 Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, committee, or "other" (such as a business entity), or a political party. The code "SCC" is for small contributor committees.

4 Occupation and Employer Information

If the contributor is an individual, provide the individual's occupation and employer. If the contributor is self-employed, provide the name of the business. Do not leave this blank. If this information has not yet been obtained, enter "requested" or similar language in this column and amend Schedule C when the information has been received.

5 Description of Goods or Services

Provide a brief description of the goods or services received.

Quick Tip

Chapter 3 provides examples on how to value nonmonetary contributions.

6 Amount/Fair Market Value

Report the value of the nonmonetary contribution received.

7 Cumulative to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received from the contributor during the calendar year covered by the statement unless the committee began raising funds in connection with the qualification of a measure that extends into two calendar years. In that case, the period over which contributions are cumulated begins January 1 of the year the committee began raising funds.

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8 Per Election to Date

This column does not apply to ballot measure committees, unless otherwise instructed by a local ordinance.

9 Schedule C Summary

The total of nonmonetary contributions reported on Line 3, Schedule C summary section, is reported on the Form 460 Summary Page as both a contribution (Line 4, Column A) and as an expenditure (Line 10, Column A), because the committee would otherwise have had to pay for the goods or services donated.

I. General Rules for Reporting Expenditures Supporting/ Opposing Other Candidates, Measures, and Committees on Schedule D

Schedule D is a summary of payments reported on Schedules E, F, and H that are contributions or independent expenditures to support or oppose candidates, measures, and other committees, including:

- A monetary contribution or loan to a candidate or committee;
- A payment to a vendor for goods or services for a candidate or committee (i.e., a nonmonetary contribution);
- A donation to a candidate or committee of goods on hand, or the payment of salary or expenses for a campaign employee who spends more than 10 percent of his or her compensated time in a calendar month working for another candidate or committee; and
- A payment for a communication (e.g., a mailing, billboard, radio ad) that expressly advocates the election/passage or defeat of a clearly identified candidate or ballot measure, but the payment is not made to, or at the behest of, the candidate or ballot measure committee.

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Note: Expenditures made by a primarily formed ballot measure committee to support or oppose the ballot measure for which it is primarily formed are not independent expenditures or contributions. Unless a primarily formed committee makes a contribution to another committee primarily formed for the same measure, a primarily formed ballot measure committee generally would not have activity to report on Schedule D.

Schedule D
Summary of Expenditures Supporting/Opposing Other Candidates, Measures and Committees

Type or print in ink. Amounts may be rounded to whole dollars.

SCHEDULE D
CALIFORNIA FORM 460

Statement covers period from 7/1/ XX through 9/30/XX

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13432XX

1 DATE	2 NAME OF CANDIDATE, OFFICE, AND DISTRICT, OR MEASURE NUMBER OR LETTER AND JURISDICTION, OR COMMITTEE	3 TYPE OF PAYMENT	4 DESCRIPTION (IF REQUIRED)	5 AMOUNT THIS PERIOD	6 CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	7 PER ELECTION TO DATE (IF REQUIRED)
9/15/XX	California United for Higher Education, Yes on Prop. 2 (ID#13362XX) 4286 Roseville Boulevard Sacramento, CA 95829 ☑ Support ☐ Oppose	☑ Monetary Contribution ☐ Nonmonetary Contribution ☐ Independent Expenditure		$5,000	$5,000	n/a
			SUBTOTAL $	$5,000		

8 **Schedule D Summary**

1. Itemized contributions and independent expenditures made this period. (Include all Schedule D subtotals.) ..... $ 5,000
2. Unitemized contributions and independent expenditures made this period of under $100 ..... $ 0
3. Total contributions and independent expenditures made this period. (Add Lines 1 and 2. Do not enter on the Summary Page.) ..... **TOTAL $** 5,000

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

J. Completing the Form 460 Schedule D (Summary of Expenditures Supporting/Opposing Other Candidates, Measures and Committees)

1 Date

Report the date the contribution or independent expenditure was made. A monetary contribution is made on the date it is mailed, delivered, or otherwise transmitted to the committee or an agent of the committee. A nonmonetary contribution is made on the earlier of the following:

- The date funds were expended for the goods or services;

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- The date the committee or agent of the committee obtained possession or control of the goods or services;

- The date the committee otherwise received the benefit of the expenditure.

An independent expenditure is made on the earlier of the following:

- The date the payment is made; or

- The date the committee making the payment receives consideration in exchange for the expenditure(s) (e.g., when the advertisement appears).

For purposes of reporting independent expenditures on Schedule D, the date an independent expenditure is made is the date the communication is mailed, broadcast, or otherwise disseminated to the public. If payments are made in one reporting period for a communication that is disseminated to the public during a subsequent reporting period, report the payments on Schedule E for the period in which they were made and complete Schedule D when the communication is disseminated. A payment for a communication that is never disseminated to the public is not an independent expenditure and need not be reported on Schedule D. Report the payment on Schedule E for the period in which it was made.

2 Candidate and Office, Measure and Jurisdiction, or Committee

Contributions: For each contribution of $100 or more, disclose the name of the committee that received the contribution. Disclose the name of the candidate or measure if a committee is not formed. Include the office sought and district or the measure's number/ letter, if assigned, and the jurisdiction. If a number/ letter is not assigned to a measure, include the measure's title.

Independent Expenditures: For each independent expenditure of $100 or more, disclose the name of the candidate or measure. Include the office sought and district or the measure's number/letter, if assigned, and the jurisdiction. If a number/letter is not assigned to a measure, include the measure's title. Check the support or oppose box.

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3 Type of Payment

Check the applicable box to indicate whether the payment was a monetary contribution, nonmonetary contribution, or independent expenditure.

4 Description

Because payments must be described when they are reported on Schedule E or F, a description is not required for payments reported on Schedules E or F that are nonmonetary contributions or independent expenditures. However, if no payment was made, describe the goods or services and disclose the fair market value of the contribution. For example, if goods on hand are contributed to a candidate or another committee (e.g., office supplies), a description must be included.

5 Amount This Period

Provide the amount(s) of contributions or independent expenditures made this period relative to each committee.

6 Cumulative to Date Calendar Year

Report the cumulative amount contributed to or expended to support or oppose each itemized committee since January 1 of the current calendar year.

7 Per Election to Date

This section is generally not applicable for ballot measure committees. This section is for reporting payments to state candidates.

Note: A ballot measure committee controlled by a state candidate/officeholder may not make a contribution to a controlled committee of a candidate for elective office. The committee may contribute leftover funds when the committee is preparing to terminate to a segregated account of a political party committee so long as the funds are not used for candidate contributions or for communications that expressly advocate for or against a candidate. (See Regulation 18521.5.)

Ex 9.6 – Your primarily formed ballot measure committee made a $5,000 contribution to another primarily formed committee for the same ballot measure. In addition to reporting it on Schedule D, the expenditure is also reported on Schedule E.

Quick Tip

If two or more primarily formed ballot measure committees exchange information between themselves, subsequent expenditures by each committee are not, merely by that exchange, considered to be at the behest of the other committee and, therefore, a contribution. (See Regulation 18225.7.)

Quick Tip

If a primarily formed ballot measure committee makes contributions (including loans) or independent expenditures to support or oppose candidates, officeholders, other committees, or other ballot measures, it may qualify as a general purpose committee, which has different disclosure obligations. (See Regulation 18247.5.)

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8 Schedule D Summary

Complete the Schedule D Summary by entering the total amount of itemized contributions and independent expenditures of $100 or more (Line 1), the total amount of unitemized contributions and independent expenditures of less than $100 (Line 2), and the total amount for both (Line 3). Totals from the Schedule D Summary are **not** carried forward to the overall Summary Page.

K. General Rules for Reporting Payments Made and Accrued Expenses (Unpaid Bills) on Schedule E and Schedule F

An expenditure is "made" on the date the payment is made or the date the goods or services are received, whichever is earlier. Expenditures of campaign funds must have a political, legislative, or governmental purpose. (See Chapter 5.)

Use Schedule E to report money spent by the committee during the reporting period. Do not use Schedule E to report the repayment of loans received; use Schedule B, Part 1 instead. Also, do not use Schedule E when reporting loans made to other candidates, officeholders, and committees; use Schedule H instead.

Use Schedule F to report amounts owed by the committee for goods or services received but not paid for by the end of the reporting period.

Unpaid administrative overhead expenses of the committee, such as rent, utilities, phones, or employee salaries, need not be reported on Schedule F if the committee has not received a bill in the normal course of business or if the due date for the payment is after the closing date of the statement. Regular administrative overhead expenses do not include contracts for services such as accounting, legal, campaign consulting, and public relations.

Expenditures Made Before Proposal Becomes a Measure

See Chapter 1 for examples of expenditures made prior to a proposal becoming a measure that may be reportable.

Ex 9.7 – During October and November, you:

a. Paid a deposit on a room for a fundraiser to be held January 10;

b. Ordered and received the fundraiser invitations for which you were billed but had not made a payment by December 31; and

c. Ordered, but did not receive, flowers for the fundraiser for which you will be billed at the end of January.

On your semi-annual statement covering the period ending December 31, report the payment for the room deposit on Schedule E. Because you received the invitations but had not paid for them by December 31, disclose the outstanding amount on Schedule F. The cost of the flowers will not be reported until the next reporting period because you did not pay for nor receive the flowers during the period covered by the statement.

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Information Required

Itemize each payment or accrued expense of $100 or more to a single payee, and any payments totaling $100 or more for a single product or service made during the period.

If the committee has entered into an agreement to make payments over time for a product or service, other than general administrative expenses such as rent and utilities, the unpaid balance may be reportable on Schedule F as an accrued expense.

Payments for Online Communications

As reviewed in Chapter 7, the Act requires specific disclaimers on advertisements so that the electorate has the information it needs to weigh the information it receives, whether from a digital or other source. FPPC Regulation 18421.5 requires a committee to report certain information when it pays an individual, either directly or through a third party, to create content for a digital platform unless the content provides a clear and conspicuous statement that a committee paid the author for the content.

Schedule E or F must identify such payments using the code "WEB." In the description field the following must be identified: the amount of the payment, the payee, the name of the individual providing content, and the name of the website or the URL on which the communication is published in the first instance.

The regulation applies when a campaign committee pays someone to provide favorable or unfavorable content on an Internet website (other than the committee's own website) about a candidate or ballot measure. It covers such content as a post for a blog, a video produced and posted online, and content created for social media. The regulation requires a campaign to disclose where the initial posting is made (on a supportive blog, for example), but does not require the campaign to know where the content is shared or passed on to after that initial post.

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Candidate Controlled Committees – Gifts, Meals, and Travel Payments

Candidate controlled committees must itemize payments made for gifts, meals and travel payments. Specific instructions are noted in the following pages.

Savings Accounts/Certificates of Deposit/Money Market Accounts

Do not report the transfer of campaign funds into a savings account, certificate of deposit, money market account, or the purchase of any other asset that can be readily converted to cash on Schedule E. Report these amounts as part of cash on hand on the Summary Page, Line 16.

Subvendor Payments (often reported on Schedule G)

Whenever an agent or independent contractor (such as a consulting firm or advertising agency) makes an expenditure, or incurs a debt, of $500 or more on behalf of the committee, the expenditure must be reported in the same detail as if it had been made directly by the committee. These are commonly known as "subvendor payments." Following are some examples of the types of subvendor payments that must be itemized.

- Development of campaign strategy;
- Media placements - television, radio, cable, digital (specifically listing the TV or radio stations);
- Commissions paid to media firms for media placements;
- Travel expenses;
- Print or online advertisements;
- Polling and survey research;
- Talent and media services, production costs;
- Voter canvass program;
- Robocalls;

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- Printing and literature; and
- Design or management of campaign literature or advertising.

Agents and independent contractors must provide the committee with the required payment information **no later than** three working days prior to when the campaign statement must be filed (or within 24 hours for a contribution of $1,000 or more made within 90 days of the election).

Expenditures made by the agent or independent contractor for its own overhead and operating expenses need not be itemized. The committee also must obtain and keep receipts, invoices, and other documentation of subvendor payments. (See Chapter 2.)

In many cases, funds paid to an agent or independent contractor in one reporting period will not be used by the agent or contractor until a subsequent reporting period. Report payments to the agent/contractor on Schedule E of the campaign statement covering the period in which the payment was made. When the agent/contractor spends the money, report subvendor payments on the campaign statement covering the period in which the agent/contractor made the expenditures; itemize payments made by the agent/contractor of $500 or more.

Subvendor payments are most commonly reported on Schedule G, but may be reported on Schedule E or F along with the payment made or owed to the agent/contractor. When itemizing subvendor payments on Schedule E or F, do not include the payments in the "Amount Paid" column, as this will inflate expenditure totals.

Quick Tip

The names of individuals paid to collect signatures (petition circulators) are not required to be disclosed on the campaign statement. However, a business entity, including a sole proprietorship, that contracts with a committee to obtain signatures must be identified. For example, if Hector Gonzales is an independent contractor that contracts with a ballot measure committee to obtain signatures in Sacramento County and he does not personally ask voters to sign petitions, but contracts the work to college students, the names of the college students are not required to be disclosed. Hector Gonzales must be identified as a vendor to the committee.

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Credit Card Payments

When reporting payments to a credit card company, report the company's name, street address, city, state, zip code, and the amount of the payment. In addition, provide the name, street address, city, state, and zip code of any vendor that received $100 or more, the amount paid to each itemized vendor and a code or description of the payment. If a payment on the credit card has not been made by the end of the reporting period, or only partial payment has been made, report the amount outstanding to the credit card company on Schedule F. Payments to the credit card company should be reflected on Schedule E, when payments are made, and Schedule F when there is a balance still owing at the end of the reporting period. Vendors are not required to be listed more than one time on either Schedule E or Schedule F.

Ex 9.8 – A committee used the campaign credit card on December 28 at two different vendors to purchase office supplies and to have invitations to a fundraiser printed. The printing job cost $560, while the office supplies were under $100. Since the committee did not make a payment on the credit card by December 31, the end of the reporting period, the amount owed is reported on Schedule F. In addition to the total amount owed to the financial institution that issued the credit card, the committee also itemizes the printer, since the amount owed is $100 or more. The committee will later report payments it makes to the financial institution, but does not reitemize any vendors.

Contingency Payments

If the committee has entered into an agreement to pay a contingency fee, such as a bonus to a consultant if the campaign is successful, report the fee amount on Schedule F **only** if it is outstanding at the end of the campaign. The fee is not required to be reported as an accrued expense until it is due.

Payments to Businesses Owned by Someone Affiliated with the Committee

A ballot measure committee that makes a payment of $100 or more to any business entity (1) which is owned 50 percent or more by any of the individuals listed below, or (2) in which any of the individuals listed below is an officer, partner, consultant or employee, must report that individual's name, relationship to the committee, and a description of the ownership interest or position with the business entity. Individuals covered by (1) and (2) include:

- A candidate or person controlling the committee; or
- An officer or employee of the committee; or
- The spouse of any of the above.

DRAFT

Schedule E
Payments Made

Type or print in ink.
Amounts may be rounded to whole dollars.

SCHEDULE E
CALIFORNIA FORM **460**

Statement covers period
from 7/1/ XX
through 9/30/XX

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13432XX

CODES: If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP	campaign paraphernalia/misc.	MBR	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	postage, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
LIT	campaign literature and mailings	PRT	print ads	WEB	information technology costs (internet, e-mail)

1 NAME AND ADDRESS OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 CODE	OR DESCRIPTION OF PAYMENT	3 AMOUNT PAID
Skinner Strategic Media 850 Grand Avenue West Hollywood, CA 90069	TEL	Subvendor: Skyfall Productions $550,000 696 Adventure Blvd. Hollywood, CA 90068	$750,000
Carson & Sons Consulting Group 1700 H Street, Suite 400 Sacramento, CA 95814	CNS	See Schedule G for subvendors	$25,000
California United for Higher Education, Yes on Prop. 2 (ID#13362XX) 4286 Roseville Boulevard Sacramento, CA 95829	CTB		$5,000

* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

SUBTOTAL $ 780,000

4 Schedule E Summary

1. Itemized payments made this period. (Include all Schedule E subtotals.) ..... $ 780,000
2. Unitemized payments made this period of under $100 ..... $ 6,542
3. Total interest paid this period on loans. (Enter amount from Schedule B, Part 1, Column (e).) ..... $ 100
4. Total payments made this period. (Add Lines 1, 2, and 3. Enter here and on the Summary Page, Column A, Line 6.) ..... **TOTAL $** 786,642

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

L. Completing the Form 460 Schedule E (Payments Made)

1 Name and Address of Payee

Itemize each payment of $100 or more to a single payee during the reporting period, and any payments totaling $100 or more made during the period for a single product or service. Include the name, street address, city, state, and zip code of the recipient. Do not use post office box numbers when reporting the address of a payee or creditor.

2 Code or Description of Payment

When itemizing payments, provide either a code or a description of the payment. (Expenditure codes are explained in detail in the Form 460, Schedule E instructions.) If none of the codes fully explains the expenditure, leave the code column blank and provide a brief description of the goods or services purchased.

DRAFT

If several expenditures are made to one vendor during the same reporting period, all of the payments to the vendor may be reported in a single record. When coding the expenditures, use the code that represents the largest share of the expenditures, and the description field for the other codes or a description. Alternatively, expenditures may be reported separately by category.

For expenditures that are contributions or independent expenditures to support or oppose a candidate or ballot measure, provide the applicable code "CTB" or "IND" and disclose the name of the candidate or committee that received the contribution, or the name of the candidate or ballot measure supported or opposed by the independent expenditure. Include a brief description of the payment for a nonmonetary contribution or an independent expenditure. **These expenditures also must be disclosed on Schedule D.**

3 Amount Paid

Enter the total amount paid to the payee during the reporting period.

Payment of Accrued Expenses

When paying accrued expenses previously reported on Schedule F, report all payments on Schedule E, itemizing each payment of $100 or more. Subvendor information is only required to be reported once, and does not need to be reitemized on Schedule E if it was disclosed on Schedule F of a previous report.

State and Local Candidate Controlled Committees – Gifts, Meals, and Travel Payments

A committee controlled by a state or local candidate or officeholder, including a ballot measure committee, must itemize payments for gifts, meals, or travel. The expenditure must be further explained in the "Description of Payment" column, whether or not an expenditure code is used.

DRAFT

NAME AND ADDRESS OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Bistro California 1900 U Street Los Angeles, CA 90012			Two meals: Candidate and political consultant August 10, 20XX	$75

Gifts: When reporting an itemized expenditure for a gift, the committee must briefly describe the political, legislative, or governmental purpose of the expenditure. In addition, the committee must provide the date of the gift and a description of the gift. If the gift was made to an individual recipient, the name of the recipient must be included. If a gift was made to a group of recipients, the name of each recipient who received a benefit of $50 or more is required. When the recipient of a gift with a value of $50 or more is not known at the time the payment is required to be reported, the committee must report that the gift was for an "undetermined recipient." Once the gift has been given to the recipient, the campaign statement must be amended within 45 calendar days to disclose the name of the recipient.

Ex 9.9 – The mayor's ballot measure committee purchased $50 restaurant gift certificates for two volunteer campaign workers. In the Description of Payment column, the following would adequately describe the payment: "12/5/XX - gift certificates for campaign workers, Linda Davis ($50) and Richard Bailey ($50)."

Meals: When reporting an itemized expenditure for a meal (other than a meal reported as an itemized expenditure for travel, as discussed below), the committee must briefly describe the political, legislative, or governmental purpose of the expenditure. In addition, the committee must provide the date of the meal, the number of individuals who were present at the meal, and whether the candidate, a member of his or her household, or an individual with authority to approve expenditures of campaign funds was present at the meal. It is not necessary to include the names of individual attendees on the report. However, the names of the attendees must be maintained in the committee's records (see Chapter 2.)

Ex 9.10 – The committee's controlling candidate and campaign manager discuss the election campaign during a working lunch meeting at a restaurant. The meal was charged to a campaign credit card. On Schedule E, the payment to the credit card company and the restaurant will be shown. In the Description of Payment column, the following description would be sufficient: "9/1/XX – Lunch meeting regarding campaign attended by campaign manager and candidate."

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Travel Payments: When reporting an itemized expenditure for travel, including lodging and meals, the committee must briefly describe the political, legislative, or governmental purpose of the expenditure. In addition, the committee must also provide the date or dates of the travel, the destination, and the goods or services purchased. The description must also include the number of individuals for whom the payment was made and whether the trip included the candidate, a member of his or her household, or an individual with the authority to approve expenditures of campaign funds. The names of individuals who traveled are not required to be disclosed on the report. However, the names of the travelers must be maintained in the committee's records (See Chapter 2.)

Ex 9.11 – The controlling state officeholder of the ballot measure committee attended a fundraising event in San Diego. The committee paid for the travel expenses from Sacramento. The report itemizes the expenditure to the airline. In the Description of Payment column, the following would sufficiently describe the expenditure: "8/1/XX and 8/3/XX – Round trip airfare to San Diego for officeholder to attend campaign event."

State Candidate Controlled General Purpose Ballot Measure Committees

A general purpose ballot measure committee controlled by a candidate or officeholder for elective state office (e.g., Governor, legislator) must identify for each expenditure of $100 or more the measure/potential measure associated with the expenditure.

For example, a payment to a campaign consultant for research or polling on a specific measure in a local jurisdiction could state: research/polling Measure B, city of Sacramento.

A committee's expenditures for operating costs, administrative overhead, fundraising, travel, compliance costs and attorney fees do not require the itemization if the payment cannot be attributed to a specific measure or potential measure.

4 Schedule E Summary

Complete the Schedule E Summary by entering the total amount of itemized payments of $100 or more (Line 1) and the total amount of unitemized payments of less than $100 (Line 2). If the committee is paying interest on loans, enter the amount from Schedule B, Part 1, Column (e) on Line 3. The total amount of all payments made is entered on Line 4. The amount on Line 4 is carried forward to the overall Summary Page, Column A, Line 6.

DRAFT

SCHEDULE F

Schedule F
Accrued Expenses (Unpaid Bills)

Type or print in ink.
Amounts may be rounded to whole dollars.

Statement covers period
from 7/1/ XX
through 9/30/XX

CALIFORNIA FORM 460

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13432XX

CODES: If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP	campaign paraphernalia/misc.	MBR	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	postage, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
[illegible]	campaign literature and mailings	PRT	print ads	WEB	information technology costs (internet, e-mail)

1 NAME AND ADDRESS OF CREDITOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 CODE OR DESCRIPTION OF PAYMENT	3 (a) OUTSTANDING BALANCE BEGINNING OF THIS PERIOD	(b) AMOUNT INCURRED THIS PERIOD	(c) AMOUNT PAID THIS PERIOD (ALSO REPORT ON E)	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
Bank of Southern California (Mastercard) 750 Sunnyside Street Pasadena, CA 91108		$10,500	$9,400	$7,500	$12,400
Subvendor: Voters Guide for Independents $6,500 1010 Fourth Avenue Torrance, CA 90501	LIT				
Gonzalez Brothers Accounting 1380 Merlino Street Santa Barbara, CA 93103	PRO	0	$5,500	0	$5,500
	SUBTOTALS $	10,500	$ 14,900	$ 7,500	$ 17,900

*** Payments that are contributions or independent expenditures must also be summarized on Schedule D.**

4 **Schedule F Summary**

1. Total accrued expenses incurred this period. (Include all Schedule F, Column (b) subtotals for accrued expenses of $100 or more, plus total unitemized accrued expenses under $100.) ..... **INCURRED TOTALS $** 14,900
2. Total accrued expenses paid this period. (Include all Schedule F, Column (c) subtotals for payments on accrued expenses of $100 or more, plus total unitemized payments on accrued expenses under $100.) ..... **PAID TOTALS $** 7,500
3. Net change this period. (**Subtract** Line 2 from Line 1. Enter the difference here and on the Summary Page, Column A, Line 9.) ..... **NET $** 7,400 (May be a negative number)

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

M. Completing the Form 460 Schedule F – Accrued Expenses (Unpaid Bills)

1 Name and Address of Creditor

Itemize each accrued expense of $100 or more owed to a single creditor. Provide the name, street address, city, state, and zip code of the creditor. Do not use post office box numbers.

Quick Tip

Continue to list an unpaid debt until it is paid off. Subvendor payments are required to be reported only once.

2 Code or Description of Payment

When itemizing accrued expenses, provide either a code or a description of the outstanding payment. (Expenditure codes are explained in detail in the Form 460, Schedule E instructions.) If none of the codes listed on Schedule F fully explains the outstanding payment, leave the code column blank and provide a brief description of the goods or services.

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If several accrued expenses are owed to one vendor during the same reporting period, all of the accrued expenses to the vendor may be reported in a single record. When coding accrued expenses, use the code that represents the largest share of the accrued expenses, and the description field for the other codes or a description. Alternatively, each expenditure may be reported separately by category.

For accrued expenses in connection with contributions or independent expenditures to support or oppose a candidate or ballot measure, provide the applicable code "CTB" or "IND" and disclose the name of the candidate or committee that received the contribution, or the name of the candidate or ballot measure supported or opposed by the independent expenditure. Include a brief description of the payment for a nonmonetary contribution or an independent expenditure. **These expenditures also must be disclosed on Schedule D.**

Quick Tip

See "State and Local Candidate Controlled Committees – Gifts, Meals, and Travel Payments" and "State Candidate Controlled General Purpose Ballot Measure Committees" above for additional disclosure requirements for Candidate Controlled Committees.

3 Amount Columns

For each itemized accrued expense, report any outstanding balance remaining for the accrued expense from the previous period in column (a), the amount of new accrued expenses incurred this period in column (b), the amount paid this period in column (c), and any outstanding balance at the close of the period in column (d).

When payments on accrued expenses are made, in addition to itemizing payments of $100 or more on Schedule F, itemize the payments on **Schedule E.** Include unitemized payments on accrued expenses on Line 2 of the summary section of Schedule E.

Ex 9.12 – On its second preelection statement, the committee reported an estimated accrued expense of $5,000 owed to Fast Printing. An invoice was received during the next reporting period showing the actual amount owed as $4,500. On Schedule F, column (a) of its next statement, the committee will report an outstanding accrued expense of $5,000. In column (b), the amount incurred this period will be a negative $500. The committee paid the entire bill and therefore will report $4,500 as paid this period in column (c), with a zero balance in column (d).

Estimating Accrued Expenses

If the exact amount of a debt or obligation is unknown, an estimate may be reported. When the exact amount is known, the committee must 1) amend the statement on which the estimated amount was reported; or 2) make an adjustment on the next campaign statement by showing the difference between the estimated amount and the actual amount in column (b), Amount Incurred This Period. If the actual amount is less than the estimate, the amount listed in column (b) should be a negative number and subtracted from the totals. When reporting estimated amounts or corrections to estimated amounts, note that fact on the campaign statement.

DRAFT

Forgiven Accrued Expenses or Third Party Payments

If a creditor reduces or forgives a debt previously reported on Schedule F, or if another person pays a debt for the committee:

- Indicate that the debt was forgiven, reduced, or paid by a third party and write "See Schedule C" in the "Description of Payment" column. Also report the creditor/payor and the amount as a nonmonetary contribution on Schedule C.

- Report the amount forgiven, reduced, or paid by a third party in the "Amount Paid This Period" column and indicate that it was a forgiveness or third party payment **or** report the amount as a negative number in the "Amount Incurred This Period" column. Do not report the amount on Schedule E.

If the decision to forgive or reduce the debt is based on a bona fide business judgment that all or part of the debt is uncollectible, depending on the facts, the creditor may not be making a contribution. The FPPC may be contacted for assistance by sending an email to advice@fppc.ca.gov.

Schedule F Summary

Complete the Schedule F Summary by entering the total amount of accrued expenses **incurred** on Line 1 and the total amount of accrued expenses **paid** on Line 2. Subtract Line 2 from Line 1 and enter the difference (net change this period) on Line 3. The amount on Line 3 will be a negative amount when the accrued expenses paid are more than the amount of new accrued expenses. The amount on Line 3 is carried forward to the overall Summary Page, Column A, Line 9.

Outstanding Accrued Expenses (Summary Page, Column B, Line 9)

Accrued expenses are carried forward on future statements until they are paid off. To determine the amount for Column B, Line 9 of the overall Summary Page, add the amount from Column A, Line 9 of this statement to the amount of Column B, Line 9 of the previous statement. If the amount in Column A, Line 9 is a negative number, subtract it the amount from the amount in Column B, Line 9 of the previous statement.

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Answering Your Questions

A. When are unpaid bills reportable as accrued expenses?

The basic rule is that you must report an accrued expense any time you have received goods or services but have not paid for them by the end of the reporting period.

B. What if I have not received an invoice from the vendor yet?

If you have received the goods or services, you must report the accrued expense even if you have not received an invoice. If you do not know the exact amount, you may estimate the amount of the expense. When reporting an estimate, note that fact on Schedule F.

C. We have a contract to pay our campaign consultant $1,000 per month. If the closing date of the campaign statement falls during the middle of the month, say March 17, must we report an accrued expense for the period March 1 through March 17?

No. When you have agreed in writing to pay a contractor a set amount at regular intervals, it is not necessary to prorate the amount owed to the contractor if the reporting period closes before the end of the contract period.

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D. When an accrued expense is owed and there are subvendor payments, when are the subvendors reported? For example, if we report an accrued expense owed on a credit card and list the subvendors, must we reitemize the subvendors again on Schedules E and F when the accrued expense is paid?

No. It is not necessary to reitemize subvendors when payments are made on accrued expenses, or if an accrued expense is reported on more than one statement. In this example, the subvendors must be reported on the first statement disclosing the accrued expense owed to the credit card company. On subsequent statements, only the credit card company must be itemized.

DRAFT

Schedule G
Payments Made by an Agent or Independent Contractor (on Behalf of This Committee)

Type or print in ink. Amounts may be rounded to whole dollars.

SCHEDULE G
CALIFORNIA FORM 460

Statement covers period
from 7/1/ XX
through 9/30/XX

Page XX **of** XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13432XX

NAME OF AGENT OR INDEPENDENT CONTRACTOR: Carson & Sons Consulting Group

CODES: If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP	campaign paraphernalia/misc.	MBR	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	postage, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
LIT	campaign literature and mailings	PRT	print ads	WEB	information technology costs (internet, e-mail)

*** Payments that are contributions or independent expenditures must also be summarized on Schedule D.**

NAME AND ADDRESS OF PAYEE OR CREDITOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Audio Advertisements 2222 W. East Blvd. Ventura, CA 93001	RAD			$16,000
Subvendors: KLAA $8,000 4300 1st Street Los Angeles, CA 90012				
KSFO $8,000 1020 Market Street San Francisco, CA 94103				

Attach additional information on appropriately labeled continuation sheets. **TOTAL* $** 16,000

** Do not transfer to any other schedule or to the Summary Page. This total may not equal the amount paid to the agent or independent contractor as reported on Schedule E.*

FPPC Form 460 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

N. Form 460 Schedule G – Payments Made by an Agent or Independent Contractor

Use Schedule G to report payments made on behalf of the committee by agents (such as campaign workers) and independent contractors (such as a consulting firm or an advertising agency). This schedule may be used in lieu of itemizing these amounts on Schedules E and F.

Itemize payments of $500 or more made by the agent or independent contractor. Provide the name, street address, city, state, and zip code of the payee. Do not use post office box numbers. Schedule G totals are not transferred to any other schedule or to the Summary Page.

Quick Tip

Schedule G may be completed by the agent or independent contractor and provided to the committee, or it may be completed by the committee from information provided by the agent or independent contractor. Agents and independent contractors must provide the committee with the required payment information no later than three working days prior to the filing deadline of the campaign statement.

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O. Form 460 Schedule H – Loans Made to Others

Schedule H is for reporting loans made by the committee. Generally, primarily formed ballot measure committees do not make loans to other committees or candidates. If a committee were to make such loans, it would likely become a general purpose recipient committee subject to different reporting obligations. See Regulation 18247.5 or contact the FPPC for assistance by sending an email to advice@fppc.ca.gov.

P. General Rules for Reporting Miscellaneous Increases to Cash on Schedule I

Report on Schedule I increases to the committee's cash position that are not monetary contributions, loans, or repayments of loans made to others.

Examples

- Proceeds, up to the fair market value, of items sold at a garage sale or auction.
- Refunds received on deposits, such as a telephone or room rental deposit or from over-payment of bills.
- Interest received or credited to a checking or savings account or other time deposit.
- Interest payments received on loans made to others.
- Receipts from the sale of committee assets.

Uncashed Checks

If the committee writes a check that is never deposited or negotiated, report the amount of the uncashed check on Schedule I.

Decreases to Cash

All decreases to cash must be reported as expenditures on Schedule E or H.

DRAFT

Schedule I
Miscellaneous Increases to Cash

Type or print in ink.
Amounts may be rounded to whole dollars.

Statement covers period
from 7/1/ XX
through 9/30/XX

SCHEDULE I
CALIFORNIA FORM **460**
Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a Coalition of Teachers and Parents

I.D. NUMBER: 13432XX

1 DATE RECEIVED	2 FULL NAME AND ADDRESS OF SOURCE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	3 DESCRIPTION OF RECEIPT	4 AMOUNT OF INCREASE TO CASH
7/31/XX	Bank of Southern California 750 Sunnyside Street Pasadena, CA 91108	Interest	$220
8/2/XX	Hyatt Regency 1401 Capitol Mall Sacramento, CA 95814	Refund for room rental deposit	$350
8/31/XX	Bank of Southern California 750 Sunnyside Street Pasadena, CA 91108	Interest	$208

Attach additional information on appropriately labeled continuation sheets. **SUBTOTAL $** 778

5 Schedule I Summary

1. Itemized increases to cash this period. ..... $ 778
2. Unitemized increases to cash of under $100 this period. ..... $ 0
3. Total of all interest received this period on loans made to others. (Schedule H, Column (e).) ..... $ 0
4. Total miscellaneous increases to cash this period. (Add Lines 1, 2, and 3. Enter here and on the Summary Page, Line 14.) ..... **TOTAL $** 778

FPPC Form 460 (January/05)

Q. Completing the Form 460 Schedule I (Miscellaneous Increases to Cash)

1 Date Received

Report the date the committee received the miscellaneous receipt.

2 Source Information

Itemize sources of $100 or more. Provide the full name, street address, city, state, and zip code of the source. Post office box numbers are not acceptable.

3 Description of Receipt

Provide a description of the receipt, e.g., refund on room deposit for fundraiser, interest earned on loans made to others.

DRAFT

4 Amount of Increase

Enter the amount of the receipt.

5 Schedule I Summary

Complete the Schedule I Summary by entering the total amount of itemized increases to cash of $100 or more on Line 1 and the total amount of unitemized increases to cash on Line 2. Enter the total of all interest received this period on loans made to others (from Schedule H, Column (e)) on Line 3. Add Lines 1, 2, and 3 to determine the total miscellaneous increases to cash this period and enter the amount on Line 4. The amount on Line 4 is carried over to the overall Summary Page, Line 14.

R. Form 450 (Recipient Committee Campaign Statement – Short Form)

The Form 450 may be filed instead of the Form 460 if, during the reporting period, the committee has:

- No receipt (contributions, loans, refunds, interest, etc.) from a single source of $100 or more;
- No outstanding loans received or made; and
- No accrued expenses (unpaid bills).

Quick Tip

If the committee began raising funds in connection with the qualification of a measure that extends into two calendar years, the period over which contributions are cumulated (for purposes of determining whether the committee has received $100 from a single source) begins January 1 of the year the committee began raising funds and ends December 31 of the second calendar year.

DRAFT

SHORT FORM

Recipient Committee
Campaign Statement – Short Form

SEE INSTRUCTIONS ON REVERSE

For use by recipient committees that have not received a contribution or other receipt that must be itemized, have not received or made loans, and have no outstanding accrued expenses.

Type or print in ink.

A **Statement covers period**
from 10/22/XX
through 12/31/XX

B **Date of election if applicable:**
(Month, Day, Year)

Date Stamp

CALIFORNIA FORM 450

Page XX of XX

For Official Use Only

1 **1. Type of Recipient Committee:**

- [x] Ballot Measure Committee
  - (x) Primarily Formed
  - (x) Controlled
  - ( ) Sponsored
- [ ] General Purpose Committee
  - ( ) Sponsored
  - ( ) Small Contributor Committee
- [ ] Primarily Formed Candidate/ Officeholder Committee

2 **2. Type of Statement:**

- [ ] Pre-election Statement
- [x] Semi-annual Statement
- [x] Termination Statement
- [ ] Quarterly Statement
- [ ] Special Odd-year Report
- [ ] Supplemental Pre-election Statement - Attach Form 495
- [ ] Amendment (Explain) _____
  (Also check type of statement you are amending)

3 **3. Committee Information**

I.D. NUMBER: 13988XX

COMMITTEE NAME: Citizens Against the Recall of Lawrence Martin

STREET ADDRESS (NO P.O. BOX): 120 North Fairfield Street

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Azusa	CA	91702	626-555-1311

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET OR P.O. BOX

CITY	STATE	ZIP CODE	AREA CODE/PHONE

OPTIONAL: FAX / E-MAIL ADDRESS

Treasurer(s)

NAME OF TREASURER: Cooper Henderson

MAILING ADDRESS: 120 North Fairfield Street

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Azusa	CA	91702	626-555-1311

NAME OF ASSISTANT TREASURER, IF ANY: Marcy Blythe

MAILING ADDRESS: 455 West Glacier Street

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Azusa	CA	91702	626-555-6564

OPTIONAL: FAX / E-MAIL ADDRESS

4 **4. Verification**

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 12/31/XX (DATE) By _____ (SIGNATURE OF TREASURER OR ASSISTANT TREASURER)

Executed on 12/31/XX (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT, OR RESPONSIBLE OFFICER OF SPONSOR)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT)

Specify pages to print

FPPC Form 450 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

DRAFT

S. Completing the Form 450 Cover Page

A Statement Covers Period

If this is the first report of the calendar year, the “from” date should be January 1. Otherwise, this date should be the day after the closing date of the most recently filed campaign statement.

B Date of Election

When filing a preelection statement in connection with an election, provide the date of the election.

1 Type of Recipient Committee

Check the box indicating that the committee is a ballot measure committee. Also mark the appropriate circle if the committee is primarily formed, and indicate if it is also controlled or sponsored.

2 Type of Statement

Check the appropriate box to indicate the type of statement being filed, e.g., semi-annual, preelection.

3 Committee and Treasurer Information

This entire section must be completed and should include the same information as provided on the committee's most recently filed Statement of Organization, Form 410. If the committee has not yet received an identification number from the Secretary of State, enter "pending" in the "I.D. Number" box.

4 Verification

The Form 450 is not considered filed if it is not signed. The committee treasurer or the assistant treasurer must review the completed Form 450 and sign the verification. In addition, if an officeholder/candidate or state ballot measure proponent controls the committee, he or she must also sign the statement. If two or three officeholders/candidates control the committee, each one must sign. If there are more than three officeholders/candidates controlling the committee, one may sign on behalf of the others. If the committee is sponsored and is reporting contributions received through the sponsor or made by the sponsor, the responsible officer of the sponsor must also complete the verification.

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Recipient Committee Campaign Statement Summary Page

Type or print in ink. Amounts may be rounded to whole dollars.

Statement covers period from 10/22/XX through 12/31/XX

SHORT FORM

CALIFORNIA FORM **450**

Page XX of XX

NAME OF COMMITTEE: Citizens Against the Recall of Lawrence Martin

I.D. NUMBER: 13988XX

Expenditures Made

1. Expenditures of $100 or more made this period		$ 650
2. Expenditures under $100 made this period (Not itemized.)		210
3. SUBTOTAL EXPENDITURES MADE THIS PERIOD	*Add Lines 1 + 2*	$ 860
4. Nonmonetary Adjustment	*From Line 8 Below*	400
5. Total expenditures made from previous statement *(If this is the first statement for the calendar year, enter zero.)*	*Previous Summary Page, Line 6*	$ 3,550
6. TOTAL EXPENDITURES MADE TO DATE	*Add Lines 3 + 4 + 5*	$ 4,810

Contributions Received

7. Monetary contributions received this period		$ 300
8. Non-monetary contributions received this period		400
9. Total contributions received from previous statement *(If this is the first statement for the calendar year, enter zero.)*	*Previous Summary Page, Line 10*	$ 4,110
10. TOTAL CONTRIBUTIONS RECEIVED TO DATE	*Add Lines 7 + 8 + 9*	$ 4,810

Current Cash Statement

11. Beginning cash balance	*Previous Summary Page, Line 15*	$ 550
12. Cash receipts this period	*Line 7 above*	300
13. Miscellaneous increases to cash		$ 10
14. Cash expenditures this period	*Line 3 above*	860
15. **ENDING CASH BALANCE THIS PERIOD**	*Add Lines 11 + 12 + 13, then subtract Line 14*	$ -0-

Specify pages to print

FPPC Form 450 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

T. Completing the Form 450 Summary Page

The Summary Page lists the totals of all contributions received and expenditures made during the period covered by the statement and the cumulative amounts of contributions and expenditures made during the calendar year. If the committee began raising funds in connection with the qualification of a ballot measure that extends into two calendar years, the period over which contributions and expenditures are cumulated begins January 1 of the year the committee began raising funds.

The Summary Page also includes the ending cash balance. Note: The figures on the Summary Page are representative, but not exact, from the chapter's illustrations.

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Recipient Committee
Campaign Statement – Short Form

Type or print in ink.
Amounts may be rounded to whole dollars.

Statement covers period
from 10/22/XX
through 12/31/XX

SHORT FORM
CALIFORNIA FORM **450**
Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF COMMITTEE: Citizens Against the Recall of Lawrence Martin

I.D. NUMBER: 13988XX

5. Payments Made *(If more space is needed, use additional copies of this page for continuation sheets.)*

1 DATE*	2 NAME AND ADDRESS OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	3 DESCRIPTION OF PAYMENT	4 NAME OF CANDIDATE AND OFFICE OR NAME OF BALLOT MEASURE AND BALLOT NUMBER OR LETTER AND JURISDICTION	5 AMOUNT THIS PERIOD	6 CUMULATIVE AMOUNTS TO DATE*
	Cooper Henderson 120 North Fairfield Street Azusa, CA 91702	Treasurer duties	☐ Support ☐ Oppose ☐ Contribution ☐ Ind. Exp.	$450	Calendar Year $ _____ Other $ _____
	United Way 200 North Azusa Avenue Azusa, CA 91702	Charitable donation	☐ Support ☐ Oppose ☐ Contribution ☐ Ind. Exp.	$200	Calendar Year $ _____ Other $ _____
			SUBTOTAL $	650	

* Required only for payments which are contributions or independent expenditures.

Specify pages to print

FPPC Form 450 (January/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

U. Completing Part 5 (Payments Made) of the Form 450

Please refer to the "General Rules" section in the instructions for completing Form 460.

For each payment of $100 or more, provide:

1 Date

The date an expenditure is made is generally not required because expenditures are made in connection with the primarily formed ballot measure committee's activity. The date is required if the expenditure is a contribution or an independent expenditure to support or oppose a candidate, other ballot measure, or committee.

2 Name and Address of Payee

For each payee or creditor of $100 or more, enter the full name, street address, city, state, and zip code. If the payee is different than the vendor providing the goods and services (subvendor), also enter the

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subvendor's full name, street address, city, state, and zip code if the payment to the subvendor was $500 or more. (See Page 9.29 for additional information about subvendor payments.)

Quick Tip

If a primarily formed ballot measure committee makes contributions (including loans) to candidates or other committees or makes independent expenditures to support or oppose candidates, officeholders, or other ballot measures, it may qualify as a general purpose committee, which has different filing requirements. (See Regulation 18247.5.)

3 Description of Payment

If the payment is a direct contribution to a candidate or committee, enter "monetary contribution." If the payment is for a nonmonetary contribution, enter "nonmonetary contribution" and describe the goods or services provided. If the payment is not a contribution, provide a brief description of the goods or services received.

4 Candidate and Office, Measure and Jurisdiction, or Committee

If a total of $100 or more is contributed or expended during a calendar year to support or oppose a single candidate, ballot measure, or another general purpose committee (e.g., a political party), disclose the name of the candidate and the office sought or held, the number or letter and jurisdiction (e.g., state, multi-county, county, city, special district, etc.) of the ballot measure, or the name of the general purpose committee. For each candidate or measure listed, indicate whether the payment was made to support or oppose the candidate or measure and check one of the boxes indicating whether the payment was a contribution or an independent expenditure.

5 Amount This Period

Provide the amount(s) of the payment(s).

6 Cumulative Amounts to Date

For each payment that is a contribution or an independent expenditure, report the cumulative amount contributed to or expended to support or oppose each itemized candidate, officeholder, ballot measure, or committee since January 1 of the current calendar year.

See page Chapter 3 for information about contributions that must be aggregated when reporting the cumulative amounts to date.

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V. Amending Form 460

To change or provide information missing from a previously filed Form 460 or Form 450, complete a new Cover Page and check the "Amendment" box under "Type of Statement." Also check the box showing the type of statement being amended (e.g., preelection, semi-annual) and enter the period covered by the statement being amended. Provide a brief explanation of the amendment and attach the schedule(s) being amended, including the Summary Page, if applicable. File the amendment with each of the filing officers that received the original filing. To amend a report filed electronically with the Secretary of State, a complete replacement filing is required.

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Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

81004	Reports and Statements; Perjury; Verification
81004.5	Reports and Statements; Amendments.
82018	Cumulative Amount.
82025.5	Fair Market Value.
84105	Notification to Contributors.
84211	Contents of Campaign Statement.
84212	Forms; Loans.
84213	Verification.
84214	Termination.
84216	Loans.
84216.5	Loans Made by a Candidate or Committee.
84302	Contributions by Intermediary or Agent.
84303	Expenditure by Agent or Independent Contractor.
84306	Contributions Received by Agents of Candidates and or Committees.
85307	Loans.
85311	Affiliated Entities; Aggregation of Contributions to State Candidates.
85700	Donor Information Requirements; Return of Contributions.

Title 2 Regulations

18116	Reports and Statements; Filing Dates.
18215	Contribution.
18215.1	Contributions; When Aggregated.
18216	Enforceable Promise to Make a Payment.
18401	Required Recordkeeping for Chapter 4.
18421	Cash Equivalents.
18421.1	Disclosure of the Making and Receipt of Contributions.
18421.2	Street Address.
18421.3	Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents.
18421.4	Reporting Cumulative Amounts for State Elections and State Recipient Committees.

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18421.5	Reporting an Expenditure for Paid Online Communications.
18421.6	Reporting Accrued Expenses.
18421.7	Reporting an Expenditure for a Gift, Meal or Travel.
18421.8	Reporting an Expenditure by a Candidate Controlled General Purpose Ballot Measure Committee.
18421.9	Reporting Expenditures Charged to a Credit, Debit or Charge Card by a Candidate or Committee.
18423	Payments for Personal Services as Contributions and Expenditures.
18427	Duties of Treasurers and Candidates with Respect to Campaign Statements.
18427.1	Notification to Contributors of $5,000 or More.
18428	Reporting of Contributions and Independent Expenditures Required to be Aggregated.
18431	Reporting of Expenditures by an Agent or Independent Contractor.
18432.5	Intermediary.
18530.8	Personal Loans.
18521.5	Ballot Measure Committees Controlled by Candidates for Elective Office.
18570	Return of Contributions with Insufficient Donor Information.

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When & Where To File Form 460

This chapter reviews when and where committees file the Recipient Committee Campaign Statement (Form 460). All reports and statements filed under the Political Reform Act are public records available for public inspection. The Form 460 is the comprehensive report that displays all receipts and expenditures of a committee.

Note: The law provides that when committees have minimal activity, a shorter version of the Form 460 may be filed. A committee eligible to use the Recipient Committee Campaign Statement – Short Form (Form 450) or the Semi-Annual Statement of No Activity (Form 425) files reports at the same times and places.

A. General Information

Filing Schedules: The FPPC posts on its website filing schedules for specific election dates. In addition, county registrars of voters and city clerks often post filing schedules. Local committees should contact their local filing officer as some local jurisdictions may require filings in addition to what is required by the Political Reform Act. Except where noted, statements filed on paper must be hand delivered or postmarked, first-class mail, by the due date.

Note: The committee treasurer is responsible for meeting all applicable filing deadlines. No agency is required to send a reminder notice prior to a filing deadline. Filing officers are required to notify a committee if it has not filed a statement.

Deadlines: Deadlines that fall on a Saturday, Sunday, or an official state holiday are extended to the next business day. There are no other provisions for extending a deadline.

Quick Tip

Some local agencies require additional statements before and after an election. Local campaign ordinances are posted on the FPPC website.

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Fines: Filing after a deadline may lead to late filing penalties of $10 for each day the statement is late. A committee required to file a paper and electronic report is subject to a $10/day fine for each report, resulting in a fine of $20/day. Filing officers may waive fines pursuant to the agency's guidelines.

Failure to File: Local and state filing officers must refer committees to the FPPC or another enforcement agency if a committee fails to file a campaign statement. Penalties of up to $5,000 per violation may be assessed. Committees fined by the FPPC enforcement division are listed on the FPPC website.

Quick Tip

For information on filing Form 410, Statement of Organization, and Form 497, 24-Hour Contribution Report, see Chapters 1 and 8. These forms are often filed before the Form 460.

B. Electronic Filing

State Committees: State ballot measure committees are required to file electronically with the Secretary of State once they receive contributions totaling $25,000 or more, or make expenditures totaling $25,000 or more. Until a committee has triggered the electronic filing requirements, only paper reports are required.

Quick Tip

Most state committees must file the Form 460 in paper and electronic format.

However, once electronic filing requirements have been triggered, **all** future reports must be filed electronically and most must also be filed on paper, including the Form 410 (Statement of Organization). For detailed information on how to prepare online transmissions, contact the Secretary of State's office at www.sos.ca.gov.

Local Committees: Local committees should check with the local jurisdiction to determine whether electronic filing is required. Local agencies that institute electronic filing programs in accordance with Government Code Section 84615 may eliminate the requirement to file a paper copy of the Form 460.

Website Postings: The Secretary of State displays, among other items, the pdf version of a state ballot measure committee's campaign report for all committees that file online with the Secretary of State. Some local agencies also post campaign statements, even those filed on paper.

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C. Campaign Statements

Fair Political Practices Commission
Filing Schedule for
Committees Primarily Formed to Support/Oppose State Measures
January thru June 2014

Deadline	*Period*	*Form*	*Notes*
Jan 31, 2014 *Semi-Annual*	thru - 12/31/13	460	• All committees must file this report
Within 10 Business Days *$5,000 Report*	thru - 8/5/14	497	• **E-Filers only:** • File if contributions totaling $5,000 or more are received from a single source. • Committees formed for elections not held on November 4, 2014, continue to file within 10 business days after 8/5/14.

The illustration above shows a portion of an FPPC filing schedule.

Semi-Annual Statements

Primarily formed and general purpose ballot measure committees file a semi-annual statement for each half of the year. For the period January 1 - June 30, a semi-annual statement is due on or before July 31. For the period July 1 - December 31, a semi-annual statement is due on or before January 31 of the following year. A semi-annual statement may be filed prior to the deadline.

Quarterly Statements

Primarily Formed Ballot Measure Committees: Before a measure is voted upon, committees primarily formed to support or oppose the measure must file quarterly statements, in addition to semi-annual and preelection statements. Recall committees must also file quarterly statements.

The statements are due on or before April 30, covering the period January 1 - March 31, and on or before October 31, covering July 1 - September 30. If a committee fails to qualify a measure for the ballot, or the measure does not otherwise appear on a ballot, the committee must file quarterly statements until it terminates. After an election, a quarterly statement is due only if the committee makes contributions or expenditures to support another measure.

Ex 10.1 - In March, a committee qualified a measure that would appear on the November ballot. The committee must file a quarterly statement due April 30 and a semi-annual statement due July 31. Preelection statements are required before the November election. In December, the committee closes its bank account and files a termination statement. No further campaign reports are due.

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General Purpose Ballot Measure Committees: General purpose ballot measure committees are not required to file quarterly reports.

Preelection Statements

Primarily Formed Ballot Measure Committees: The Act requires two preelection statements be filed before the election. The deadlines for preelection statements depend upon the election date. Committee treasurers must obtain a copy of the filing schedule for the particular election. The second preelection statements that must be filed on paper must be personally delivered to the filing officer(s) on or before the filing deadline, or sent by guaranteed overnight delivery. Regular mail cannot used.

General Purpose Committee Ballot Measure Committees: The Act requires preelection statements to be filed if the committee has activity of $500 or more in specified time frames. Committee treasurers must obtain a copy of the filing schedule for the particular election.

State committees often file both an online and paper form.

Committees Qualifying a Measure for the Ballot

A committee that is circulating petitions for a measure to appear on a ballot must file the Form 460 campaign disclosure report. The committee must file semi-annual statements and quarterly statements until the measure is approved for the ballot. Once the measure is approved for the ballot, the committee must file preelection statements as a primarily formed ballot measure committee. If the qualification effort is unsuccessful, the committee must file quarterly statements and semi-annual statements until it terminates.

Quick Tip

See Chapter 8 for information related to 24-hour contribution reports (Form 497).

Monthly Statements – LAFCO Proposals

A committee primarily formed to support or oppose a LAFCO proposal must file monthly statements (instead of quarterly and semi-annual statements) from the date a petition application or resolution of application is filed until the measure is placed on the ballot. If a measure is not placed on the ballot, the committee must file monthly statements until it terminates. The first statement is due on the 15th

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of the month following the date the application was filed with LAFCO or the date the committee qualifies, whichever is later. It will cover contributions and expenditures beginning January 1 of the year the committee began raising funds through the last day of the calendar month in which the application was filed or the committee qualifies. Subsequent statements are due on the 15th of each calendar month, covering the prior calendar month.

Ex 10.2 - In June, a water district submits a resolution of application to the county LAFCO to expand the district's functions. A group of citizens opposes the idea and begins collecting contributions to campaign against the expansion. In July of the same year, the group reaches the $1,000 committee qualification threshold. The committee's first statement must be filed by August 15 and will cover the period of January 1 through July 31.

A company that is required to file monthly reports for LAFCO expenditures and also files FPPC campaign reports as a major donor should file separate campaign forms. One Form 461 would identify only the LAFCO expenditures and be filed pursuant to the LAFCO filing deadlines. The major donor would continue to file the Form 461 identifying both contributions and independent expenditures made in connection with LAFCO proceedings and political campaigns.

Candidate Controlled Ballot Measure Committees

Candidate on Ballot: When a candidate/officeholder is on the ballot for election and his or her election committee is filing pre election statements, all of his or her other controlled committees must also file pre election statements, including a candidate controlled ballot measure committee.

Measure on Ballot: Candidate election committees do not file preelection statements when only the measure is on the ballot.

Committees controlled by an officeholder or candidate to support his or her election to office (as well as state officeholder and legal defense committees) are not routinely required to file the quarterly reports required of a candidate's controlled primarily formed ballot measure committee. However, if the election committee contributes funds to the ballot measure committee, it will likely trigger special reports, including the Form 497 or a Form 495. Reporting requirements are dependent upon the year of the election and the election date.

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Amendments

Amendments should be filed as soon as practicable in the same locations as the original statement. If a semi-annual statement is filed early and additional activity occurs during the reporting period, an amendment must be filed before the semi-annual deadline. There are specific deadlines for filing amendments to report contributor information. (See Chapter 2.)

Faxing and Emailing Statements

Campaign statements that contain 30 pages or less may be faxed provided that the faxed copy of the campaign statement is the exact copy of the original version. The original document with an original signature must still be sent by first-class mail, guaranteed overnight delivery, or personal delivery within 24 hours of the filing deadline. Because Form 497 does not require a signature, an original statement is not required to be sent in addition to faxing.

Note: A filing officer may accept an email of a pdf version of a campaign report as a faxed statement. Contact the filing officer to determine if such a method of delivery is permitted.

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D. Where to File

State Committees

Secretary of State (Original and 1 copy)
Political Reform Division
1500 11th Street, Room 495
Sacramento, CA 95814
(916) 653-5045

Multi-County Committees
(Elections affecting more than one county)

Affected county with the largest number of registered voters

- Original & 1 Copy

County Committees

County Clerk

- Original & 1 Copy

Committees formed to support or oppose a LAFCO proposal

County Clerk of the county in which the proposal may be voted upon. Once a proposal is listed on a ballot, file as a multi-county, county or city committee

- Original & 1 Copy
- The LAFCO may also require a copy

City Committees

City Clerk

- Original & 1 Copy

The LAFCO may also require a copy

Ex 10.3 - A measure will appear on the ballot in four southern California counties to provide bond funding for one multi-county transportation agency that operates in the four counties. Since the county with the largest number of registered voters is Los Angeles County, the committee must file the original and one copy of its reports with the Los Angeles County Registrar of Voters.

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Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

81004	Reports and Statements; Perjury; Verification.
81004.5	Reports and Statements; Amendments.
81007	Mailing of Report or Statement.
81007.5	Faxing of Report or Statement.
81008	Public Records; Inspection; Reproduction; Time; Charges.
82027	Filing Officer.
84200	Semi-Annual Statements.
84200.5	Preelection Statements.
84200.6	Special Campaign Statements and Reports.
84200.7	Time for Filing Preelection Statements for Elections Held in June or November of an Even-Numbered Year.
84200.8	Time for Filing Preelection Statements for Elections Not Held in June or November of an Even-Numbered Year.
84202.3	Campaign Statements; Ballot Measure Committees.
84215	Campaign Reports and Statements; Where to File.
84252	Campaign Reporting (LAFCO)
84605	Who Shall File Online.
85309	Online Disclosure of Contributions.
91013	Late Filing of Statement or Report; Fees.

Title 2 Regulations

18116	Reports and Statements; Filing Date.
18417	Campaign Reporting - LAFCO Proposals.
18425	24-Hour Contribution Reports.
18426	Semi-Annual Statement Early Filing.

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Additional Reports

Paid Spokespersons. Ballot measure committees have additional reporting forms related to advertisements. The Act requires more specific reporting when a committee engages in the following activities:

- Pays an individual to appear in an advertisement
- Produces an advertisement featuring a state candidate but not expressly supporting his or her election

The required reports to disclose these activities are reviewed in this chapter.

Independent Expenditures and Contributions. Ballot measure committees may also be required to file other reports if the committee engages in the following activities:

- Making independent expenditures
- Making contributions to state officeholders in odd-numbered years
- Making contributions of $10,000 in connection with a specific election

Because a primarily formed ballot measure committee or a general purpose ballot measure committee for the most part will limit their expenditures to the measure(s) or issues the committee is formed to support or oppose, this chapter only identifies the reports that may be required.

Top Contributor Lists. A primarily formed ballot measure committee that has raised $1,000,000 or more for a measure must provide a current list of its top ten contributors of $10,000 or more to the Fair Political Practices Commission.

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A. Ballot Measure Ad – Paid Spokesperson Report (Form 511)

When a committee pays an individual for his or her appearance in a ballot measure advertisement, the committee must file a Paid Spokesperson Report (Form 511) and include a disclaimer on the ad in the following situations:

- **$5,000 payment to individual in ad:** The committee makes expenditures totaling $5,000 or more to an individual for his or her appearance in an advertisement to support or oppose the qualification, passage or defeat of a state or local ballot measure.

- **Any payment to individual in ad portraying a professional (nurse, doctor, firefighter, scientist, engineer, lawyer, etc.):** The committee makes expenditures of any amount to an individual for his or her appearance in an advertisement to support or oppose the qualification, passage or defeat of a state or local ballot measure that states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training to engage in that occupation.

Ex 11.1 - In support of a measure, your committee hires a public relations firm to produce a television advertisement and a celebrity is paid more to appear in the ad. Your committee must file the Form 511. In addition, the ad must state that the individual was paid to appear.

See Chapter 7 for additional information about the advertisement disclaimer requirements.

When to File

A committee that makes an expenditure identified above must file the Form 511 within 10 days. An expenditure is made on the date the payment is made or the date the services were received, whichever is earlier.

Where to File

State Committees: File Form 511 with the Secretary of State. Committees required to E-file must also file a paper copy.

Local Committees: File Form 511 in the same location the committee files its regular campaign statements (i.e., Form 460).

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Paid Spokesperson Report

Type or print in ink. Amounts may be rounded to whole dollars.

Date Stamp

CALIFORNIA FORM 511

For Official Use Only

NAME OF FILER	ID # *(If required)*
Yes on Proposition 2, Support School Financing, Sponsored by Education Leaders Association, a coalition of teachers and parents	13432XX

AREA CODE/PHONE NUMBER	E-MAIL *(Optional)*
805-555-1221	

STREET ADDRESS: 1500 Seventh Avenue, Suite 450

CITY	STATE	ZIP CODE
Santa Barbara	CA	93103

☐ Amendment (explain)

Payments Made ***Attach additional information on appropriately labeled continuation sheets.***

DATE	NAME AND ADDRESS OF SPOKESPERSON	BALLOT MEASURE SUPPORTED OR OPPOSED (INCLUDE BALLOT NUMBER OR LETTER AND JURISDICTION)	AMOUNT
10/16/XX	Katherine Hunter 315 N. Spring Street Beverly Hills, CA 90210	Proposition 2, State of California ☒ Support ☐ Oppose	$12,500

Verification

I have used all reasonable diligence in preparing this report. I have reviewed the report and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ (DATE) By _____ (SIGNATURE OF TREASURER/ASSISTANT TREASURER/FILER)

FPPC Form 511 (January/02)
FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

Completing Form 511

Provide the committee's full name, phone number, street address, city, state, zip code, and identification number.

In the first column, provide the date the payments were made or the services were received, whichever is earlier. In the second column, indicate the name and address of the individual who was paid to appear in the advertisement. In addition, the occupation of a spokesperson is required when an expenditure of any amount is paid to an individual for his or her appearance in an advertisement that supports or opposes the qualification, passage, or defeat of a state or local ballot measure and the advertisement states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training as a prerequisite to engage in that occupation.

In the third column, provide the name, number or letter, and jurisdiction of the ballot measure supported or opposed by the advertisement. Finally, in the last column, indicate the total amount of the expenditure. Complete the verification.

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Amendments to Form 511

To amend a previously filed Form 511, file another Form 511. Check the "Amendment" box and give a brief description of the amendment. Enter the committee's name and address, and disclose the amended information. Like the original, the amendment must be signed and dated. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. The amendment is filed in the same location(s) the original was filed.

Communications Identifying State Candidates (Form E-530)

A committee that spends $50,000 or more for a communication disseminated during the 45 days before an election that clearly identifies a state candidate appearing on the ballot, but does not expressly advocate the election or defeat of that candidate, must file electronically with the Secretary of State the Form E-530. The committee must report this activity on the Form E-530 within 48 hours of making the payment, or promising to make a payment, of $50,000 or more. See Chapters 3 and 6.

Quick Tip

A candidate is not considered "clearly identified" if the candidate's name is required by the provisions of state or federal law to appear in the communication and the candidate is not singled out in the manner of display.

Contribution limits may apply if a committee, at the behest of a state candidate, makes a payment of $50,000 or more for a communication featuring the state candidate 45 days before his or her election. Contact the FPPC for assistance.

The Form E-530 must disclose the amount and date of the payment(s), and the name of and office sought by the candidate(s) identified in the communication. In addition, if $5,000 or more was received or promised from a single source to pay for the communication, the name, address, occupation, and employer (if applicable) of the contributor, as well as the date and amount received or promised, must be reported.

Ex 11.2 - The Rails for California, A Committee for Proposition 10, decided to buy billboard space up and down Interstate 5 stating, "Thank You, Governor Grant, for Supporting Proposition 10." The billboard space was rented for the 30 days prior to the next state election in which Governor Grant is running for reelection. The total cost for design, printing, placement, and space rental was $65,000 and was paid on October 6. By October 8, the committee must file the Form E-530 electronically with the Secretary of State.

The report must be verified by a written "electronic filing declaration" signed, dated, and verified on the same date the report is transmitted to the Secretary of State. This declaration must be retained in the committee's records for five years following the date that the campaign report to which it relates is filed. The statement must include the following language:

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"I have used all reasonable diligence in preparing this report and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct."

B. Other Reports

As stated earlier, expenditures made by a primarily formed ballot measure committee or a general purpose ballot measure committee are usually limited to the measure(s) or issues the committee is formed to support or oppose. However, there may be times when a committee makes independent expenditures or contributions of $10,000 or more, which would require the committee to file the following reports.

Independent Expenditure Reports

See Chapter 6 for guidance on the types of communications that become independent expenditures. A committee that makes independent expenditures must report the payments on the campaign disclosure form, Form 460, and must file several additional reports.

A primarily formed ballot measure committee that is making expenditures on behalf of the measure for which it is formed is not making independent expenditures. This includes communications that ask voters to oppose a rival measure.

A general purpose ballot measure committee often makes contributions to other primarily formed ballot measure committees that support the committee's issues. However, a general purpose ballot measure committee may also make a communication that is an independent expenditure, which would require the committee to file the reports listed below. Each form has instructions and committees are encouraged to contact the FPPC for guidance. Form 496 is often the first form filed. Depending on the activity that triggers the Form 496, the deadline is within 24 hours or within 10 business days from the date of the independent expenditure.

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The independent expenditure reports include:

- Verification of Independent Expenditures (Form 462)
- Supplemental Independent Expenditure Report (Form 465)
- 24-Hour Independent Expenditure Report (Form 496)

Contribution Reports

Ballot measure committees generally limit expenditures to those related to the measure or issue for which it is formed. Nevertheless, if a committee makes contributions of $10,000 or more to state officeholders in an odd-numbered year or makes contributions of $10,000 or more in a specific election when the committee is not filing preelection reports, the following reports are required. Each form has instructions and committees are encouraged to contact the FPPC for guidance.

- Special Odd-Year Report (Form 460)
- Supplemental Preelection Report (Forms 460 and 495)

Top Contributor Lists

A committee that is primarily formed to support or oppose a state ballot measure is required to provide the Fair Political Practices Commission (FPPC) with a list of the committee's top contributors of $10,000 or more. The committee submits this list on the Form T10, by email to the FPPC. The Form T10 and instructions are available on the FPPC's website.

Submitting the First List: A primarily formed ballot measure committee must submit its list of top ten contributors within business three days of meeting or exceeding the $1,000,000 threshold, outside the 16-day period before the election, and within 24 hours (or the next business day) if the threshold is met during the 16-day period before the election.

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Updates: A committee must provide an updated top 10 contributor list when:

- A new person qualifies as a top 10 contributor;
- An existing top contributor makes additional contributions;
- The relative ranking of the top 10 contributors changes; or
- The reporting committee that is submitting the list changes its own name to add or delete a ballot measure or candidate.

Updated lists are due within three business days of the change, outside the 16-day period before the election, and within 24 hours (or the next business day) of the change within the 16-day period before the election.

Note: A primarily formed ballot measure committee that submits T-10 reports during the state measure qualification period is not required to continue to file reports after the date it is determined that the state measure failed to qualify for the ballot.

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Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

82015	Contribution.
82025	Expenditure.
82036.5	Late Independent Expenditure.
82044	Payment.
84200.6	Special Campaign Statements and Reports.
84202.5	Supplemental Preelection Statement.
84202.7	Time for Filing by Committees of Odd-Numbered Year Reports.
84203.5	Supplemental Independent Expenditure Report.
84204	Late Independent Expenditures; Reports.
84213	Verification.
84223	Top Contributor Lists.
84511	Ballot Measure Ads; Paid Spokesperson Disclosure.
85309	Online Disclosure of Contributions.
85310	Communications Identifying State Candidates.

Title 2 Regulations

18116	Reports and Statements; Filing Dates.
18215	Contribution.
18402.5	Supplemental Pre-Election Statements.
18421.1	Disclosure of the Making and Receipt of Contributions.
18422.5	Top Contributor Disclosure by Committees Primarily Formed for State Ballot Measures or Candidates.
18425	24-Hour Contribution Reports.
18450.11	Spokesperson Disclosure.
18465.1	Verification of Online Filers.

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After The Election

A. Leftover Funds.

Primarily Formed Committees. Generally, a committee established primarily to support or oppose a ballot measure will terminate soon after the election, unless the committee has debts and remains open to raise funds to pay the debts.

If a committee chooses, it may remain open to support or oppose candidates or other measures. If this is the case, the committee must amend its Statement of Organization, Form 410, to reflect the change of committee type and to change the committee name since it is no longer primarily formed for the previous measure.

Semi-annual statements are required after the election in which the measure that the committee was formed to support or oppose appears on the ballot.

Quarterly statements are required if the committee's ballot measure fails to qualify for the ballot, or is otherwise not on the ballot or if the committee makes contributions or expenditures for another ballot measure.

Local Measure Committees. A local ballot measure committee with funds left over after the election may spend those funds in accordance with the Act's provisions on use of funds in Sections 89510-89522. For example, a local school bond measure committee's leftover funds may be used to hold a thank you luncheon for supporters and to donate to the school district to buy computers, video equipment and smartboards. A committee supporting county land use measures may donate leftover funds to another general purpose committee that supports its goals or use the funds to draft and seek state legislation protecting agricultural land. For further assistance, contact the FPPC at advice@fppc.ca.gov.

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Statewide Ballot Measure Committees. California Attorney General Opinion Number 91-504 (75 Ops.Cal.Atty.Gen. 29) concluded that with respect to surplus campaign funds held by a statewide ballot measure committee after an election, the committee may:

1. Return the funds to contributors on a pro rata basis;

2. Return the funds only to contributors of a specified minimum amount;

3. Donate the funds to a nonprofit organization or a nonprofit, tax-exempt corporation;

4. Contribute the funds to another ballot measure committee, to a candidate committee, or to a political party;

5. Use the funds for educational or lobbying efforts with respect to the subject of the ballot measure, if the committee is established for purposes in addition to supporting the ballot measure; or

6. Retain the funds for use in a future ballot measure campaign on the same or related subjects.

General Purpose Ballot Measure Committees. A general purpose ballot measure committee often remains active through several elections and continues to file campaign reports. A committee may terminate at any time. See Chapter 5 regarding the use of funds.

State Candidate Controlled Committees. When a state candidate controlled measure committee is preparing to terminate, within 60 days prior to the date of its termination, the leftover funds may be disbursed as follows:

- Donations to a bona fide charity, educational, civic, religious or similar nonprofit organization, so long as there are no financial ties to the candidate, his or her family members, or the treasurer.

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- Contributions to a political party committee, including a local central committee, so long as the funds are not used for a contribution to a candidate or for a communication which supports/opposes a candidate.

- Returning all or part of a contribution to contributor.

Committees may seek advice from the FPPC to determine if the final expenditures of a committee are permitted.

B. Termination

There are specific requirements that must be met before a committee may terminate. It is important to remember that the committee may not terminate if it still has funds. A committee may terminate with debt, as long as at the time of termination the committee neither has the ability nor foresees the ability to pay the debt. There is no deadline by which a committee must terminate; however, the committee must continue to file reports until it terminates.

A committee may terminate only if it:

- Has ceased receiving contributions or making expenditures;

- Has no remaining funds;

- Has filed all required campaign statements disclosing all reportable transactions, including the disposition of leftover funds; and

- Has eliminated all debts and loans, or has no intention or ability to discharge debts and loans.

Committees controlled by candidates for state elective office must disburse funds as described above. All committees are subject to certain expenditure restrictions which are outlined in Chapter 5.

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How to Terminate

A committee must file a Form 410 and a final Form 460 or Form 450. On the Form 410, the "Termination" box must be checked. List the committee's identification number and the date of termination; the date of termination is generally the date all funds have been expended.

Complete Section 1. The treasurer or assistant treasurer must sign the verification.

If it is a controlled committee, the controlling officeholder(s)/ candidate(s) or state ballot measure proponent(s) must also sign the verification.

Campaign disclosure Form 460 also must be filed showing that all funds have been expended and the committee has no cash on hand. Check the "Termination" box on the cover page.

Where to File

Form 410: All committees file the original and a copy of the Form 410 with the Secretary of State. A local committee must also file a copy with the local filing officer.

Form 460/450: State committees file with the Secretary of State and local committees file with the local filing officer. If a committee changed jurisdictions in the calendar year, reports are filed with both agencies.

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Answering Your Questions

A. **May our primarily formed ballot measure committee use campaign funds to host a victory party, or to thank campaign workers?**

Yes.

B. **May we terminate our committee even if we have outstanding debt owing to creditors?**

Yes. The treasurer must declare that the committee does not have the ability to discharge debts, loans, or other obligations.

C. **Our committee wants to terminate. What may we do with the computer, cell phone and fax machine that were purchased?**

Generally, the committee assets are treated in the same manner as monetary funds. A committee may sell the assets at fair market value. See discussion above on the proper use of funds.

D. **Our committee is wrapping up its expenses and plans to terminate on or before December 31st. Will the committee have to pay next year's $50 registration fee to the Secretary of State if the Forms 410/460 are not filed by December 31?**

If a committee's termination date is on or before December 31st and the Form 410 Termination form is filed no later than January 10 of the following year, a $50 registration fee will not be assessed. If the termination form is filed later, the Secretary of State has discretion on whether to assess the fee.

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E. Our committee was primarily formed to support a measure which authorized the county to incrementally issue bonds for the purpose of improving the county libraries. The measure passed in November and we would like to terminate the committee. Is it permissible to donate the leftover funds to the county specifically to be used for library improvements?

Yes. Since the donation is related to the committee's purpose, this is permissible.

Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter. Also refer to 75 Ops.Cal.Atty.Gen. 29 (Opinion No. 91-504).

Government Code Sections

82015	Contribution.
84103	Statement of Organization; Amendment.
84200	Semi-Annual Statements.
84202.3	Campaign Statements; Ballot Measure Committees.
84214	Termination.

Title 2 Regulations

18215	Contribution.
18404	Termination of Candidate's and Committees' Filing Requirements.
18521.5	Ballot Measure Committees Controlled by Candidates for Elective State Office.

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Chapter 13 — Multipurpose Organizations

This chapter describes the special reporting requirements for multipurpose organizations that make political expenditures in connection with state and local elections. Effective July 1, 2014, Government Code Section 84222 was added to the Political Reform Act (Act) to require multipurpose organizations making political expenditures to report the donors who are the sources of the funds used for political purposes.

As described in Chapter 1, generally any person or group that raises funds from others of $1,000 or more to make expenditures in California must register as a committee ("recipient committee") and file campaign reports under the Act. (Government Code Section 82013(a).) These political committees report all the contributions they receive and all their expenditures. In contrast, a multipurpose organization that qualifies as a recipient committee under Government Code Section 84222 (but not independently under Section 82013), must report only its political expenditures and the sources of those funds.

A multipurpose organization that qualifies as a recipient committee will be considered either a general purpose committee or a primarily formed committee, depending on the organization's political expenditures. For example, if an organization's only political expenditure is a contribution of more than $50,000 made to a committee primarily formed to support a ballot measure, the organization will qualify as a primarily formed ballot measure committee and should use this campaign disclosure manual for guidance. An organization whose political expenditures support or oppose several different candidates and/or ballot measures will likely qualify as a general purpose committee and should use Campaign Disclosure Manual 4 for guidance.

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Chapter 1 describes how a committee makes the determination as to whether it is a primarily formed committee or a general purpose committee. When making the determination as to which type of committee a multipurpose organization qualifies as, the organization includes only its payments made for contributions and independent expenditures in California.

A. What is a Multipurpose Organization?

A multipurpose organization typically receives donations or other payments (e.g., membership dues) for purposes other than making political expenditures in California. They nevertheless may, at times, use some of these funds to make political expenditures to support or oppose California state or local candidates or ballot measures.

For purposes of the Act, multipurpose organizations include:

- Nonprofit organizations with tax exempt status under 501(c)(3) to 501(c)(10) of the Internal Revenue Code
- Federal and out-of-state political action committees (PACs)
- Trade and professional associations
- Civic and religious organizations
- Fraternal societies
- Educational institutions

For purposes of the Act, multipurpose organizations do not include:

- Business entities
- Individuals
- Federal candidate controlled committees

Quick Tip!

For purposes of Government Code Section 84222, a political committee that registers and files campaign reports with the Internal Revenue Service (and not the Federal Election Commission or a specific state) has the same registration and filing requirements as an out-of state PAC.

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B. When Does a Multipurpose Organization Qualify as a Recipient Committee?

The following multipurpose organizations that make contributions or expenditures to support or oppose state or local candidates or ballot measures in California must register as recipient committees and file campaign statements to disclose their political expenditures and the sources of funds used for those expenditures.

- Calendar Year Filers. Organizations that make contributions or expenditures in California totaling more than $50,000 in a period of 12 months or more than $100,000 in a period of four consecutive calendar years

- Federal or out-of-state political committees that make contributions or expenditures in California totaling at least $1,000 in a calendar year

- Organizations that solicit and receive payments from donors totaling at least $1,000 in a calendar year for the purpose of making contributions or expenditures in California

- Organizations that accept payments from donors totaling at least $1,000 in a calendar year subject to a condition, agreement, or understanding with the donor that all or a portion of the payments may be used for making contributions or expenditures in California

- Organizations that have existing funds from a donor and a subsequent agreement or understanding is reached with the donor that all or a portion of the funds may be used to make contributions or expenditures totaling at least $1,000 in a calendar year in California

Quick Tip!

Some multipurpose organizations will qualify as general purpose committees instead of primarily formed committees. See Chapter 1 for additional information about how to determine whether the organization qualifies as a primarily formed committee or a general purpose committee. The end of this chapter contains several examples of different types of multipurpose organizations making political expenditures and the campaign reporting requirements for those organizations.

Exception – Nondonor Funds: A multipurpose organization that uses only "nondonor funds" (e.g., investment income, interest income, capital gains, income from providing goods or services) to make contributions or expenditures will not qualify as a recipient committee;

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however, the organization may qualify as a "major donor committee" or an "independent expenditure committee." In particular, an organization that makes contributions of $10,000 or more from nondonor funds will qualify as a major donor committee. Similarly, an organization that makes independent expenditures of $1,000 or more from nondonor funds will qualify as an independent expenditure committee. These committees have different reporting requirements and should refer to the applicable campaign disclosure manual. (See Campaign Disclosure Manuals 5 and 6.)

MPO activity not exceeding $50,000/$100,000: A multipurpose organization that makes contributions or independent expenditures that do not exceed $50,000 per 12 months or $100,000 per four years, and has not specifically solicited $1,000 for political activity, is not required to register as a recipient committee and disclose donors. However, the multipurpose organization must still disclose these contributions or independent expenditures if it qualifies as a "major donor" or "independent expenditure committee," as described above. (Section 84222(b).)

Quick Tip!

A multipurpose organization that uses only "nondonor funds" or whose spending does not exceed $50,000/12 months or $100,000/4 years from general funds to make contributions or independent expenditures will not qualify as a recipient committee; however, the organization may qualify as a "major donor committee" or an "independent expenditure committee."

C. What are the Registration Requirements?

A multipurpose organization that meets any of the criteria described above must register as a California recipient committee by filing the Form 410 (Statement of Organization).

When and Where to File the Form 410

The Form 410 (Statement of Organization) is filed with the Secretary of State; local committees must also file a copy with the local filing officer (i.e., city clerk or county elections office). Generally, the Form 410 must be filed within 10 days of qualifying as a committee; however, if a committee qualifies in the 16 days before an election, the Form 410 must be filed within 24 hours.

Quick Tip!

Certain multipurpose organizations that make donations to other multipurpose organizations may be required to file the Form 410 within three business days. See "Expedited Filing for Multipurpose Organization Contributors" (Section H).

Completing the Form 410

Chapter 1 should be reviewed for detailed instructions on completing the Form 410. The following additional rules apply to multipurpose organizations that qualify as ballot measure committees.

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- **Committee Name and Description.** A multipurpose organization's committee name must be the full legal name of the organization. In addition, one of the following descriptions must be included on specified reporting forms:

  - A nonprofit organization must include after its name in parentheses "nonprofit 501(c)( )," specifying the type of nonprofit organization from 501(c)(3) to 501(c)(10).

  - A federal or out-of-state political committee must include after its name in parentheses "Fed PAC ID #" or the two letter state abbreviation such as "TX PAC ID #."

  - Any other type of multipurpose organization must include after its name in parentheses "multipurpose organization" or "MPO."

Quick Tip!

These descriptions must be included at the end of the committee's name on the Statement of Organization (Form 410) and all other campaign statements (i.e., Form 460); however, the description is not required to be included in the committee's name on advertisements and communications.

- **Date Qualified as Committee.** The "date qualified" is the date the organization met the recipient committee thresholds as described above. For a calendar year filer that reactivates its recipient committee status in a subsequent calendar year, the "date qualified" is the date the committee qualified in the current calendar year. The amendment box should be marked and the committee identification number issued previously will be used.

- **Bank Account.** List the name and address of the financial institution where the organization's bank account is located and the bank account number. If the organization has more than one bank account, only one account must be listed.

- **Type of Committee.** A multipurpose organization must identify itself as either a primarily formed committee or a general purpose committee. Complete the appropriate committee type section. See FPPC Regulation 18247.5 and page 3 of the Form 410 instructions for information about how to determine the committee type. In making this determination, the organization counts only its political

Quick Tip!

See Chapter 1 for information about how to determine if the organization qualifies as a primarily formed or general purpose ballot measure committee.

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contributions and expenditures made in California. If it is determined that the committee is a general purpose committee, refer to Campaign Disclosure Manual 4.

- **Description of Organization's Political Activities.** On page 3 of the Form 410 in the "Provide Brief Description of Activity" field, a multipurpose organization, other than a federal or out-of-state PAC, must describe its mission or most significant activities and describe its political activities. This requirement may be met by referencing where the organization's IRS Return of Organization Exempt from Income Tax form may be accessed. ***Note:*** Although the "Provide Brief Description of Activity" field is included in the General Purpose Committee section of the Form 410, a multipurpose organization that qualifies as a primarily formed ballot measure committee must also complete the description field.

- **Calendar Year Filer ("CY" designation).** A multipurpose organization that qualifies as a recipient committee because its political payments are more than $50,000 in a period of 12 months or more than $100,000 in a four consecutive calendar year period automatically terminates at the end of the calendar year in which it qualified. The organization must indicate its calendar year status by adding "CY" at the end of the description of the organization's political activities. An organization may elect to remain registered as a committee instead of terminating automatically by stating its intent to remain open on its initial Form 410 or on an amended Form 410 filed prior to the end of the calendar year.

- **Annual Committee Fees.** A multipurpose organization that qualifies as a recipient committee must pay the $50 annual filing fee required of all recipient committees. See page 1 of the Form 410 instructions for additional information.

Exception – Sponsor Reporting on PAC Reports: A membership organization that is the sponsor of a recipient committee is not required to register as a separate committee so long as the

Ex 13.1 - The National Alliance of Widget Manufacturers used funds from its general membership dues account to make a single contribution of $100,000 to a committee primarily formed to oppose a state ballot measure. The Alliance does not plan to make any other contributions or expenditures in California this calendar year. The Alliance qualifies as a primarily formed ballot measure committee and must file the Form 410. Even though the organization is a primarily formed committee, it must also complete the Brief Description of Activity field in the General Purpose Committee section and indicate that it is a committee that will automatically terminate at the end of the calendar year by including "CY" after the brief description of the organization's activities. If it elects to remain open instead of automatically terminating at the end of the calendar year, it may state its intent to remain open on its initial Form 410 or an amended Form 410 filed prior to the end of the calendar year. The organization must also file the applicable campaign reports and meet the specified filing deadlines.

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organization does not receive payments of $10,000 or more in a calendar year from a single source. Such organizations may report contributions and expenditures on their sponsored committee's campaign statement as described below. See Chapter 1 for additional information about sponsored committees.

D. What Campaign Statements are Required?

Generally, a multipurpose organization that qualifies as a recipient committee will have the same filing requirements as other recipient committees. The most commonly filed forms are briefly described below; however, depending on a committee's activity, additional reports may be required. Check the FPPC filing schedule for the upcoming election for specific reporting periods and deadlines.

Form 460

The Form 460 is the main campaign disclosure report and provides the public with an overview of the organization's activity, including contributions and expenditures, during a specified period. The Form 460 is filed semi-annually and, depending on the organization's activity, may also be required as a preelection statement. See Chapter 9 for general information about completing the Form 460. Donor disclosure rules and other special reporting requirements for multipurpose organizations are described below. See Chapter 10 to determine when and where to file the Form 460.

24-Hour Contribution Reports (Form 497)

During the 90 days before an election, if the organization makes contributions of $1,000 or more to a candidate, ballot measure committee, or political party committee, it must file the Form 497 within 24 hours. See Chapter 8 for additional information about the Form 497, including when and where to file.

Independent Expenditure Reports

During the 90 days before an election, if the organization makes independent expenditures of $1,000 or more to support or oppose a candidate or ballot measure, it must file the Form 496 (24-hour

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Independent Expenditure Report) within 24 hours. Review the information below to determine which donors must be disclosed as contributors on a campaign statement, including the Form 496. In addition, the organization must file Forms 462 (Verification of Independent Expenditures) and 465 (Supplemental Independent Expenditure Report). See Chapter 11 for additional information about independent expenditure reports.

E. Identifying Donors on Campaign Statements

Pursuant to Government Code Section 82222 and Regulation 18422, donors to the multipurpose organization are disclosed as contributors on a campaign statement as follows:

1. **Donors Giving for Political Purposes – Itemize at $100.** State the full amount given and identifying information for all donors who made payments to the organization specifically for political purposes in California. In addition, donors who knew that all or a portion of their payments may be used for political purposes in California and donors who reached a subsequent agreement or understanding with the committee that all or a portion of their payments may be used for political purposes in California must also be listed. These donors must be itemized if their payments total $100 or more in a calendar year.

2. **LIFO Donors – Itemize at $1,000.** Report donors using a "last in, first out" (LIFO) accounting method to identify donors when the funds described above do not cover the entire amount of the contribution or independent expenditure made by the organization. Identify donors to the general fund in reverse chronological order beginning with the most recent donor. Donor identification starts with the date the political expenditure was made. Each donor's payment is included on the Form 460; however, *only donors of **$1,000 or more** in a calendar year must be itemized.* Continue this method as far back as necessary until a sufficient number of donors have been identified as contributors to account for the contribution or independent expenditure.

Quick Tip!

Although contributors must be identified using LIFO within three or 10 days, the organization does not have to disclose the contributors until its next campaign statement is due.

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Note: During the 90 days before an election, calendar year filers must identify contributors using the LIFO accounting method no later than three business days following the expenditure. At all other times, contributors must be identified within 10 business days. If the organization identifies a contributor of more than $50,000 that is also a multipurpose organization, the organization must send a nonprofit filer notice to the contributing organization stating that it may be required to register and file expedited campaign statements disclosing its donors. (See Sections G and H below.)

3. **Organization Itself**. If these two classes of contributors do not account for the full balance of the group's political expenditures, the organization will identify itself as a contributor of the remaining balance.

When itemizing a contribution, report the name, street address, city, state and zip code of the contributor. If the contributor is an individual, also include the individual's occupation and the name of his or her employer. If the contributor is self-employed, provide the name of his or her business. If the contributor is not employed, enter "none." If the occupation and employer information cannot be obtained, the report must provide an explanation of the organization's attempts to obtain the information.

Quick Tip!

When disclosing a donor identified through LIFO as a contributor on a campaign statement, the date the political expenditure was made is the date used for the contribution received, so it may be helpful to note on the statement that the contributor was identified using LIFO.

Exceptions:

Organizations need not identify the following payments received as "contributions":

- Restricted Funds. A donation from a donor that prohibits the use of the donation for political purposes or designates or restricts the donation for purposes other than contributions or expenditures.

- Foundation Funds. A grant from a private foundation as defined by Internal Revenue Code section 509(a) that does not constitute a taxable expenditure under Internal Revenue Code section 4945(d)(1) or (d)(2).

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- Funds received prior to July 1, 2014. A donation to the general funds made before the new legislation took effect, if the funds were not given or approved by the donor to be used on a candidate or ballot measure in California.

F. Special Reporting Requirements

Calendar Year Filers

A multipurpose organization that qualifies as a committee by making contributions or expenditures of more than $50,000 in a period of 12 months or more than $100,000 in a period of four consecutive calendar years, does not include on the reports it files for the year in which it qualifies as a committee, contributions or expenditures the organization made in a prior calendar year. (Section 84222(e)(3).) For example, the organization's campaign report filed in 2016, the year in which it qualifies as a committee, will not contain contributions or expenditures the organization made in 2015 or 2014. (However, this provision does not limit an organization identifying donors by LIFO to those who gave in the current calendar year; using LIFO, the organization may work through its donor list as far back as necessary to account for its political expenditures.)

Federal PACs Reporting Contributions Received

A federal PAC that is filing campaign reports with the Federal Election Commission (FEC) is not required to re-itemize contributors on Schedule A (Monetary Contributions Received) of the Form 460. A federal PAC should report its contributions received as follows:

- **Schedule A:** In the name of contributor field, make a statement that the contributors are itemized on the federal report and include the federal committee's name and identification number. For example, "Contributors Listed on the FEC report of ABC Corporation Political Action Committee, FEC ID# 010101010." If it is not possible to put this information on Schedule A, It may be included in a memo field instead.

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- **Schedule A Summary:** Enter zero (0) on Line 1 (itemized contributions) and enter the total receipts from the FEC report on Line 2 (unitemized contributions).

- **Form 460 Summary Page:** The amount from Line 3 of the Schedule A Summary is carried over to Lines 1 and 5 of the overall Summary Page.

Federal PACs Reporting Expenditures Made

A federal PAC is required to itemize its California expenditures on Schedule E of the Form 460; however, it is not required to itemize contributions made and expenditures made to influence federal or out-of-state elections. A federal PAC should report its expenditures made as follows:

- **California Expenditures:** Itemize contributions and expenditures of $100 or more made in California. Expenditures made for contributions and independent expenditures in California are also itemized on Schedule D.

- **Non-California Expenditures:** Add an entry in the "name and address" field for the non-California expenditures (e.g., "Non-CA expenditures") and include the lump sum total in the "amount paid" column.

- **Schedule E Summary:** Enter the total amount of California expenditures and non-California expenditures on Line 1 (itemized payments) of the Schedule E Summary. If expenditures of less than $100 or more were made for contributions and expenditures in California, enter the lump sum total on Line 2 (unitemized payments). Line 3 is likely not applicable to Federal PACs. Line 4 is the total of all expenditures made during the reporting period.

- **Form 460 Summary Page:** The amount from Line 4 of the Schedule E Summary is carried over to Lines 6 and 11 of the overall Summary Page.

Quick Tip!

Expenditures made for contributions and independent expenditures in California are itemized on Schedules D and E of the Form 460.

Quick Tip!

The totals from Line 3 of the Schedule A Summary and Line 4 of the Schedule E Summary are also entered on the appropriate lines of the overall Summary Page.

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Out-of-State PACs Reporting Contributions Received

An out-of-state PAC should report its contributions received as follows:

- **Itemized contributions received:** Itemize all contributions of $100 or more received during the reporting period and enter the total on Line 1 (itemized contributions) of the Schedule A Summary.

- **Unitemized contributions received:** Enter the total amount of all contributions received of less than $100 on Line 2 (unitemized contributions) of the Schedule A Summary.

- **Form 460 Summary Page:** The amount from Line 3 of the Schedule A Summary is carried over to Lines 1 and 5 of the overall Summary Page.

Quick Tip!

A political committee that registers and files campaign reports (i.e., IRS Form 8872) with the Internal Revenue Service reports its contributions and expenditures in the same manner as an out-of-state PAC.

Out-of-State PACs Reporting Expenditures Made

An out-of-state PAC is required to itemize its California expenditures on Schedule E of the Form 460; however, it is not required to itemize contributions made and expenditures made to influence federal or out-of-state elections. An out-of-state PAC should report its expenditures made as follows:

- **California Expenditures:** Itemize contributions and expenditures of $100 or more made in California. Expenditures made for contributions and independent expenditures in California are also itemized on Schedule D.

- **Non-California Expenditures:** Add an entry in the "name and address" field for the non-California expenditures (e.g., "Non-CA expenditures") and include the lump sum total in the "amount paid" column.

- **Schedule E Summary:** Enter the total amount of California expenditures and non-California expenditures on Line 1 (itemized payments) of the Schedule E Summary. If expenditures of less than $100 or more were made for contributions and expenditures in California, enter the lump

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sum total on Line 2 (unitemized payments). Line 3 is likely not applicable to out-of-state PACs. Line 4 is the total of all expenditures made during the reporting period.

- **Form 460 Summary Page:** The amount from Line 4 of the Schedule E Summary is carried over to Lines 6 and 11 of the overall Summary Page.

Quick Tip!

See Chapter 9 for additional rules related to a sponsor reporting its contributions and expenditures on its committee's campaign statement.

Sponsored Committees

A membership organization that is the sponsor of a recipient committee that makes all of its contributions and expenditures from funds derived from dues, assessments, fees and similar payments that do not exceed $10,000 per calendar year from a single source may report its contributions and expenditures made from general funds on its committee's campaign statement. The sponsor uses the "last in, first out" (LIFO) accounting method and must itemize contributors that have donated $1,000 or more to the general fund since July 1, 2014. If these contributors do not account for the full balance of the organization's expenditures, the organization must identify itself as a contributor of the remaining balance.

G. Notifying Major Donors

When a multipurpose organization uses the LIFO accounting method to identify donors, the organization is required to notify those donors that they may have filing obligations in the following situations:

- **Contributors of $5,000 or more.** If a contributor of $5,000 or more is identified using the LIFO accounting method, the organization must send a major donor notice to the contributor within two weeks informing them that they may be required to file campaign statements.

- **Contributors of $10,000 or more in the 90 days before an election.** Within 90 days of an election, if a contributor of $10,000 or more is identified using the LIFO accounting method, the organization must send a major donor notice to the contributor within one week informing them that they may be required to file campaign statements.

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- **Expedited notice for contributors of more than $50,000.** If a contributor of more than $50,000 is identified using the LIFO accounting method, and the contributor is also a multipurpose organization, the recipient organization must send a nonprofit filer notice to the contributing organization stating that it may be required to register and file expedited campaign statements disclosing its donors (see "Expedited Filing" below). The notice must be provided within 24 hours during the 90-day period before an election and within ten business days outside of the 90-day period.

Quick Tip!

See Chapter 3 for additional information about the requirement to notify contributors of potential filing obligations. A sample notice is also included.

Note: A donor to a multipurpose organization whom the organization identifies as a contributor using LIFO may be required to file major donor reports, but is not required to file 24-hour Contribution Reports (Form 497) for the original donation to the multipurpose organization, which may have occurred some time ago.

Quick Tip!

See the example related to expedited notice and expedited filing at the end of this chapter.

H. Expedited Filing for Multipurpose Organization Contributors

A multipurpose organization identified as a contributor by LIFO accounting that also qualifies as a recipient committee must register and file campaign statements of its own. The organization qualifies as a committee on the date it knows or has reason to know that it met the qualification thresholds by receiving notice from the recipient organization or being otherwise put on notice. The contributing organization must file a Statement of Organization (Form 410) and initial campaign statements within three business days following its committee qualification during the 90-day period before an election, and within 10 business days outside of the 90-day period.

I. Recordkeeping

A multipurpose organization must maintain all records necessary to ensure its compliance with the registration and reporting requirements of Government Code Section 84222 and FPPC Regulation 18422.

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J. Committee Termination

Calendar Year Filers

A multipurpose organization that qualifies as a recipient committee because its political expenditures were more than $50,000 in a period of 12 months or more than $100,000 in four consecutive calendar years automatically terminates on December 31 of the year in which it qualified. A year-end semi-annual statement is not required unless the organization has undisclosed contributions or expenditures to report, in which case termination occurs automatically upon filing the semi-annual statement due by January 31. An organization may elect to remain registered as a committee instead of terminating automatically by stating its intention to remain registered on its initial Form 410 or on an amended Form 410 filed prior to the end of the calendar year.

Other Multipurpose Organizations

Any other multipurpose organization that qualifies as a recipient committee terminates in the same manner as other recipient committees. A final Form 460 must be filed and a Form 410 termination statement must also be filed. See Chapter 12 for additional information, including the requirements that must be met in order for a committee to terminate.

K. Reporting Examples

◊ **PTA Contribution**. *The Golden Rule Association provides educational services and receives its funds exclusively from teachers. The teachers do not designate their funds for political expenditures, and give amounts varying from $50 to $2,500/year. In a period of 12 months, the association made a single contribution of $85,000 to a state ballot measure committee (30 days before a June primary election) and made a payment of $5,000 to a firm for campaign reporting services and preparation of campaign advertisements. The association qualifies as a recipient committee and must file a Statement of Organization (Form 410) within 10 days. Within 24 hours of making the $85,000 contribution, the Form 497*

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must be filed. Within three business days, the association must use the "last in, first out" (LIFO) accounting method to identify donors up to the $90,000 in political expenditures. An amendment to the Form 497 must be filed to identify contributors of $1,000 or more within three days after the LIFO is completed, unless the contributors were already listed on the original Form 497 or there are no contributors of $1,000 or more to identify. Campaign statements (Form 460) are filed according to the filing schedule for primarily formed ballot measure committees. The association's reporting obligations will terminate automatically at the end of the calendar year unless the association elects to stay registered. All forms are filed with the Secretary of State, and with the exception of the Form 410, the forms must be filed electronically.

◊ **Union with Sponsored Committee.** *A union has a sponsored committee. One year, the union makes two contributions, $25,000 and $30,000, to a ballot measure committee from the union's general dues account. The union is not required to register as a separate committee; it may report the contributions on its sponsored committee's report. The sponsored committee's report must identify the donors that account for the $55,000 in political expenditures using the "last in, first out" (LIFO) accounting method. If any member made payments totaling $1,000 or more, the member's name, address, occupation and employer must be disclosed. Alternatively, the union may establish a separate recipient committee and file a Statement of Organization (Form 410) and file its own campaign reports.*

◊ **MPO Solicits Donations for Political Purposes.** *Citizens for Public Libraries is a multipurpose organization. One year, the organization sent a mailer to its members asking for $200 for the sole purpose of supporting library bond measures. Once $1,000 was received, the organization qualified as a recipient committee, and was required to file a Statement of Organization (Form 410), and begin filing recipient committee campaign reports disclosing the full amount of each*

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contribution. If the organization's political expenditures do not exceed the amount of the contributions raised for the bond measures, donors to the organization's general fund are not identified on a campaign statement.

◊ **Chamber of Commerce Contribution.** *A trade association of city businesses raises money for charitable events in the community. One year, the association makes a $45,000 contribution to a committee formed to support a city ballot measure. The association had not raised the money for political purposes and did not reach an agreement with donors that their payments may be used for political purposes. Therefore, the association does not qualify as a recipient committee required to report donors; however, it qualifies as a major donor committee and must file the Form 461 to report the contribution. If the contribution was made in the 90 days before the election, the Form 497 must also be filed.*

◊ **Environmental Organization Qualifies as Committee.** *Go Green is a multipurpose organization; its monthly dues payments range from $500 to $2,000 per member. In a non-election year, the organization made several contributions to qualify a state ballot measure totaling $80,000 from its membership account. The organization must register as a committee once the contributions total more than $50,000. The organization's political fundraising efforts raised $20,000 in donor payments of $400 each. On the campaign statement, each donor that made a $400 contribution specifically for political purposes must be itemized. In order to account for the additional $60,000, the organization must identify donors to its membership account using the "last in, first out" (LIFO) accounting method. A total of 100 donors were identified using LIFO to account for the $60,000, but only donors whose payments totaled $1,000 or more in a calendar year must be itemized on the campaign statement (Form 460).*

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◊ **Federal PAC.** *A federal political action committee that files disclosure reports with the FEC made a single contribution in the amount of $40,000 to a state ballot measure committee. The contribution was made four months before the election. The federal political action committee qualifies as a recipient committee and must file a Statement of Organization (Form 410) and a campaign statement (Form 460). The committee is not required to itemize contributors on the Form 460; it may instead disclose the total amount of contributions received on Line 2 (unitemized contributions) of the Schedule A Summary, make a statement on the report that its contributors are listed on its federal report, and include the federal committee's name and identification number. California expenditures must be itemized on the appropriate schedules (i.e., Schedules D, E, and F). All other expenditures are reported as a lump sum total as described earlier in the chapter.*

◊ **Nondonor Funds**. *A professional organization provides a variety of services to its members, including insurance services that result in income to the organization. The organization makes political expenditures from the income producing account (nondonor funds), not from its membership dues account. Therefore, the organization does not qualify as a recipient committee. The organization is required to file reports as a "major donor" or "independent expenditure" committee if it makes, in a single calendar year, $10,000 in contributions or $1,000 in independent expenditures. On the Form 461, in a memo entry or in the "Description of Payment" field, the organization must briefly describe the source of nondonor funds used (e.g., interest income).*

◊ **Nonprofit Makes Political Contributions under $10,000.** *If a nonprofit or other multipurpose organization makes a contribution(s) of under $10,000 in a 12-month period, it is not required to file campaign reports. For example, a local nonprofit organization, Friends of Creekside Park, makes a $5,000 contribution to a regional open space ballot measure. The nonprofit organization does not have filing obligations under the Act. The group's $5,000 contribution is under*

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the $10,000 threshold for major donor filing and under the $50,000/12 months threshold for a multipurpose organization qualifying as a recipient committee

◊ **Nonprofit Organization Making Independent Expenditures.** *Ten days before the June election, a nonprofit organization received $10,000 from donors for a specific political campaign. Five days prior to the election, the organization makes a single independent expenditure of $60,000 using the $10,000 received specifically for political purposes and $50,000 from the organization's general membership dues account. The organization must file a Form 496 (Independent Expenditure Report) within 24 hours. Contributors of $100 or more who donated specifically for the campaign must be itemized on the Form 496. Within three business days, the organization must use the "last in, first out" (LIFO) accounting method to identify donors up to the $50,000 in political expenditures made from the general fund. If contributors of $1,000 or more are identified, an amended Form 496 must be filed to disclose those contributors unless they were reported on the initial Form 496. The organization must also file campaign statements as required by the relevant filing schedule until the committee is terminated.*

◊ **Nonprofit Association Using Funds Received from Another Nonprofit.** *A national nonprofit association made a $5,000,000 contribution from its general treasury to a state ballot measure committee thirty days before the election. The national association must register as a recipient committee in California and file appropriate campaign statements. If the national association using the "last in, first out" (LIFO) accounting method identifies contributors of more than $50,000 that are also nonprofit organizations, the national association must send a "nonprofit filer notice" to those nonprofit organizations within 24 hours.*

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Each nonprofit organization that receives the notice must determine the source of the original payment to the national association. If the source, for instance, was funds from the nonprofit organization's general membership dues, the nonprofit organization must file a Statement of Organization (Form 410) and a Recipient Committee Campaign Statement (Form 460) identifying its donors within three business days. If the nonprofit organization makes additional expenditures in California, those expenditures must also be reported.

Note: *The national association must send the "major donor notification" to each nonprofit organization identified by the LIFO accounting method as a donor of $5,000 or more within two weeks. A nonprofit organization identified as a donor of $10,000 or more must be notified within one week.*

Answering Your Questions

A. Our trade association has never before made a political expenditure; however, this year the association made a single contribution of $45,000 to a committee primarily formed to support a county ballot measure. Is our association required to register as a recipient committee?

No. Since the contribution was not more than $50,000, the association does not qualify as a recipient committee so long as the funds were not raised for political purposes and there was no agreement with the donors that their payments may be used for political purposes. The association does, however, qualify as a major donor committee and must file the applicable campaign reports and meet the specified filing deadlines.

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B. Our organization provides a variety of services to its members, including insurance coverage which results in income to the organization. The organization makes its political expenditures from the income producing account (nondonor funds), not from its membership dues account. Is our organization required to register as a recipient committee?

No. Since nondonor funds are used, the organization does not qualify as a recipient committee. If the organization makes contributions of $10,000 or more or independent expenditures of $1,000 or more in a single calendar year, the organization will qualify as a major donor committee or an independent expenditure committee and must file the applicable campaign reports and meet the specified filing deadlines.

C. Our association receives its funds exclusively from its members. The members do not designate their funds for political purposes. This year, the association made a contribution of $55,000 to a committee primarily formed to support a county ballot measure. The association will not make additional political expenditures this calendar year. Is our association required to register as a recipient committee?

Yes. The association must file the Form 410 and since its only contribution was to a county ballot measure committee, it must register as a county primarily formed ballot measure committee. In Part 4 of the Form 410, the committee will note that it is a calendar year filer ("CY") and describe the organization's mission or significant activities (a reference to its IRS tax form is permissible). The association must also file all applicable campaign reports and meet the specified filing deadlines. Unless the association elects to remain registered as a recipient committee, the committee will automatically terminate at the end of the calendar year.

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D. Our federal political action committee (PAC) made a contribution of $40,000 to a state ballot measure. Since the contribution was not more than $50,000, is the PAC required to register as a California recipient committee?

Yes. A federal PAC that makes contributions or expenditures in California totaling $1,000 or more in a calendar year must file the Form 410 and register as a California recipient committee.

E. Our union has a sponsored political action committee (PAC). This year the union made two contributions, $25,000 and $30,000, to a state ballot measure committee from the union's general dues account. We are going to report the contributions on our sponsored committee's report. When we identify members through the "last in, first out" (LIFO) accounting method for the $55,000 in political expenditures, are we required to itemize members whose payments total $100 or more?

No. When identifying sources of political expenditures using the "last in, first out" (LIFO) accounting method, you must only itemize members whose payments total $1,000 or more in a calendar year. The sponsored PAC, however, must itemize payments that total $100 or more in a calendar year when those payments are received specifically by the PAC.

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F. Our federal political action committee (PAC) qualified as a California recipient committee. We file campaign reports with the Federal Election Commission (FEC) disclosing all contributions received and expenditures made. Are we required to re-itemize contributors on the Form 460?

No. A federal PAC that is filing campaign reports with the FEC is not required to re-itemize contributors on the Form 460, but the committee must disclose the total amount of contributions received, make a statement that its contributors are listed on its federal report, and include the federal committee's name and identification number. The PAC must itemize its California expenditures on Schedules D and E of the Form 460 and provide a lump sum total of all other expenditures with a description such as, "non-California expenditures."

G. Our association qualified as a recipient committee (calendar year filer) in May by making a contribution of $65,000 to a ballot measure committee from the association's general funds. We reported the contribution made to the ballot measure committee and the donors identified as contributors by the "last in, first out" (LIFO) accounting method on the semi-annual Form 460 filed on July 31, covering the period of January 1 through June 30. If we make no further political expenditures this year and we did not elect to remain a registered committee, are we required to file a semi-annual Form 460 for the period of July 1 through December 31?

No. A year-end semi-annual statement is not required so long as the association does not have undisclosed contributions or expenditures to report. Your committee status will automatically terminate on December 31.

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H. In order to determine if our organization qualifies as a calendar year filer, do we include contributions and expenditures made prior to the July 1, 2014 effective date for the new rules?

Yes. To determine if the threshold of more than $50,000 or more than $100,000 is met, the organization counts contributions and expenditures made going back 12 months or four calendar years, respectively.

I. In 2015, our organization indicated "CY" on the Form 410 as it qualified as a calendar year filer by making a contribution of $75,000 to a local ballot measure committee. After the election, we amended the Form 410 to state the committee's intent to remain open and not automatically terminate at the end of 2015. Are we now subject to the same termination requirements as other non-CY committees?

Yes. You must continue to file semi-annual statements and other reports that may be required based on your contributions and independent expenditures. In order to terminate, you must file a Form 410 termination statement and a final Form 460 in the same manner as a non-CY recipient committee.

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Authority

The following Government Code sections and Title 2 Regulations provide authority for the information in this chapter:

Government Code Sections

81004	Reports and Statements; Perjury; Verification.
81004.5	Reports and Statements; Amendments.
81007	Mailing of Report or Statement.
82013	Committee.
82015	Contribution.
82027.5	General Purpose Committee.
82047.5	Primarily Formed Committee.
82048.7	Sponsored Committee.
84101	Statement of Organization; Filing.
84101.5	Annual Fees.
84102	Statement of Organization; Contents.
84103	Statement of Organization; Amendment.
84106	Sponsored Committee; Identification.
84214	Termination.
84215	Campaign Reports and Statements; Where to File.
84222	Multipurpose Organizations.

Title 2 Regulations

18215	Contribution.
18247.5	Primarily Formed and General Purpose Committees.
18402	Committee Name.
18404	Termination of Candidate's and Committees' Filing Requirements.
18410	Statement of Organization.
18419	Sponsored Committees.
18422	Multipurpose Organization Political Activity Transparency.

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APPENDIX 1 – About the Political Reform Act How to Get Help

The Political Reform Act of 1974

The Political Reform Act (the "Act") was a voter-approved initiative on the 1974 primary election ballot. One of the major provisions of the Act requires the truthful and accurate disclosure of campaign contributions and expenditures during elections.

The Fair Political Practices Commission

The Fair Political Practices Commission (FPPC) is the independent, nonpartisan state agency authorized to implement, interpret, and enforce the provisions of the Act. A full-time chair is appointed by the Governor, and four part-time commissioners, one each appointed by the Controller, the Attorney General, the Secretary of State, and the Governor comprise the Commission. Each member serves a four-year term and no more than three members may be from the same political party. FPPC staff is comprised of five divisions: Executive, Administration, Enforcement, Legal, and Technical Assistance.

Governing Statutes

The Political Reform Act is contained in Government Code Sections 81000 – 91014.

Elections Code Sections 18320, 18650, 18680.

Regulations

Regulations interpreting the Political Reform Act are located at Title 2, Division 6 of the California Code of Regulations, beginning at Section 18109.

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Opinions and Advice Letters

The FPPC periodically issues opinions interpreting provisions of the Act. The opinions are adopted at a public meeting, with opportunity for input from interested persons.

In addition, FPPC staff issues written advice letters as to the applicability of the Political Reform Act and regulations to a particular factual situation. Refer to the information on requesting written advice from the FPPC available on the FPPC website.

Obtaining Information from the FPPC

Visit the FPPC website to get copies of specific advice letters, sign up for RSS feeds, or to be put on mailing lists.

Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814
(916) 322-5660 – Toll-free (866) 275-3772
advice@fppc.ca.gov
Twitter: @CA_FPPC
Facebook: CA FPPC

Website

The FPPC's website (www.fppc.ca.gov) contains a wealth of helpful information, including:

- The Act and its corresponding regulations
- Commission opinions
- Advice letters
- Notices of Commission meeting dates and agenda, supporting documentation for agenda items, and meeting summaries
- Forms required by the Act (also available at the FPPC's office, the Secretary of State's offices, and many local clerks' offices)

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- Manuals, fact sheets, and useful summaries of the law
- Enforcement closure letters
- Schedules of upcoming seminars and educational workshops

Additional Campaign Manuals

Additional copies of this manual, and manuals for other types of campaign committees are available from the FPPC, the Secretary of State, and many city clerks or county registrars. Manuals are available for:

- State candidates and officeholders, and committees primarily formed to support/oppose candidates
- Local candidates and officeholders, and committees primarily formed to support/oppose candidates
- General purpose recipient committees (including PACs, sponsored committees, political party committees, and county central committees)
- Major donor and independent expenditure committees
- Slate mailer organizations

Obtaining Information Elsewhere

A subscription for regulations is available from:

Barclay's Law Publishing
P.O. Box 3066
South San Francisco, CA 94083
(800) 888-3600

Opinions and advice letters are available from these subscription services:

Westlaw (800) 328-9352
Database: "CA-ETH"
(Advice letters from 1986 to present)

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Lexis-Nexis (800) 227-9597
Database: "CA Fair Political Practices Commission"
(Advice letters from 1990 to present)

Other Resources

The Secretary of State, city clerks, and county clerks or registrars of voters are the filing officers for campaign disclosure statements. Committee statements will be filed with the Secretary of State or a local clerk or registrar depending on whether the filer is a state committee or a local committee.

Secretary of State

The Secretary of State is also responsible for issuing campaign committee identification numbers.

(916) 653-6224
www.sos.ca.gov

Federal Election Commission

The Federal Election Commission answers questions regarding federal elections and contributions to all candidates from national banks, national corporations, and foreign nationals.

Federal Election Commission
999 E Street, NW
Washington, DC 20463
(800) 424-9530
www.fec.gov

Franchise Tax Board

The Franchise Tax Board is responsible for responding to questions regarding tax status, tax-deductibility of political contributions, 501(c)(3) groups, audits, or any tax-related questions.

(800) 852-5711 or (800) 338-0505
www.ftb.ca.gov

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Internal Revenue Service

The Internal Revenue Service provides assistance regarding federal tax laws and obtaining a taxpayer identification number.

(877) 829-5500 (located in Washington, D.C.)
(800) 829-3676 (taxpayer ID number)
www.irs.gov

Federal Communications Commission

The Federal Communications Commission can answer questions regarding rates for purchasing broadcast time and equal access to broadcast media.

(888) 225-5322 (located in Washington, D.C.)
www.fcc.gov
email: fccinfo@fcc.gov

Local Ordinances

A city or county committee may be subject to additional reporting or other requirements, such as the requirement to file campaign reports electronically. There may be contribution limits, lower itemization thresholds, or an additional pre-election statement, just to mention a few. A city or county campaign ordnance may never preempt state law.

Privacy Information Notice

Information requested on all FPPC forms is used by the FPPC to administer and enforce the Political Reform Act (Government Code Sections 81000-91014 and California Code of Regulations Sections 18109-18997). All information required by these forms is mandated by the Political Reform Act. Failure to provide all of the information required by the Act is a violation subject to administrative, criminal, or civil prosecution. All reports and statements provided are public records open for public inspection and reproduction.

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If you have any questions regarding this Privacy Notice, please contact the FPPC at:

General Counsel
428 J Street, Suite 620
Sacramento, CA 95814
(916) 322-5660

Campaign statements are filed with the Secretary of State and city and county filing officers, depending upon the type of committee filing. (See Chapter 10.)

Enforcement

The Fair Political Practices Commission, the Attorney General, county district attorneys, and elected city attorneys of charter cities have enforcement authority under the Act. Failure to provide all or any part of the information required by the Political Reform Act is a violation subject to:

- An administrative enforcement proceeding before the Fair Political Practices Commission;
- A criminal misdemeanor proceeding;
- A civil action; and
- Levying of late penalties by filing officers.

Penalties up to $5,000 per violation may be imposed for not filing campaign statements.

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