

California
Fair Political Practices Commission
Candidates and Campaign Committees

The FAQs listed below are selected from FPPC Campaign Disclosure Manuals. Because campaign activity varies among persons and committees, the FPPC manuals, regulations, and fact sheets (including one on electronic media) should be reviewed. All efforts have been made to provide helpful, easy to understand answers to questions regarding common campaign events. However, persons may only receive immunity from an enforcement action by requesting written advice.

New Sender Identification Rule

Effective April 6, 2011, all campaign committees, including candidate, ballot measure, general purpose, major donor and independent expenditure committees, must provide the words "**Paid for by**" when the committee sends a mass mailing. This identification must be presented in the same size and color as the committee name--no less than 6 point type and in a color or print that contrasts with the background and is easily legible. The words "**Paid for by**" shall be immediately adjacent to and above or immediately adjacent to and in front of the committee name and address. (FPPC Regulation 18435)

Examples:

Paid for by Committee to Elect Johnson to City Council 2012, 1010 Main Street, Sacramento, CA 95555

Paid for by:

Committee for Green Technology sponsored by the Northern California Technology Association, 918 Banner Ave., Sacramento, CA 95555.

Frequently Asked Campaign Questions

Getting Started

1. *Q. We would like to get our committee ID number as soon as possible. Must we wait until we have raised \$1,000 before filing the Statement of Organization, Form 410?*
 - A. No. The Secretary of State will issue you a committee ID number upon receipt of the Form 410, even if you have not raised \$1,000, which is the threshold for committee qualification. Keep this in mind:
 - If you file before you qualify as a committee, check the box "Not Yet Qualified."
 - Once you have reached the \$1,000 threshold, file an amendment to the Form 410 reporting the date the committee qualified.
 - Make sure you have accurately completed the form; the Secretary of State's office will not issue an ID number if the statement is incomplete or has errors.

To obtain your committee's ID number, after filing the Form 410, go to www.sos.ca.gov, click onto "Campaign Finance" under "Political Reform." In the "Cal-Access Search" box in the upper left corner, type in the name of the committee and then click on "GO."

2. Q. *Are there any specific accounting qualifications for someone to be able to serve as treasurer or any conditions that would disqualify someone from being able to serve as treasurer, such as the candidate of a controlled committee?*
 - A. No.
3. Q. *Who must be identified on the Statement of Organization, Form 410?*
 - A. The name and contact information of the treasurer and principal officers, if any, must be provided, in addition to any candidate controlling the committee. If you choose someone to be the assistant treasurer, you must provide this person's name and contact information, as well.
4. Q. *What are the requirements for the name of the committee?*
 - A. For a candidate's campaign committee, at a minimum, the committee's name must include the candidate's last name, office sought, and year of the election. For example, "Wallace for Supervisor 2012" or "Re-elect Rosa in 2012 for Water Board" would meet the naming requirements; the name of the jurisdiction, such as the city or county, and district number are not required.

For a primarily formed ballot measure committee, the committee's name must include:

- The measure's designation (Proposition 124; Measure BB);
- The committee's position, support or oppose, on the measure;
- If sponsored, the name(s) of the sponsor(s);
- If a recall committee, the name of the officeholder subject to the recall and whether the committee supports or opposes the recall;
- If the committee has received \$50,000 or more cumulatively from a major donor, a name or phrase that identifies the economic or other special interest of the major donor;
- If a committee has received \$50,000 or more from major donors with a common employer, the name of the employer of the major donors;
- If a committee has received \$50,000 or more from a major donor who is a candidate or a candidate's controlled committee, the name of the candidate or the candidate's controlled committee.

See Form 410 instructions for more naming requirements.

5. Q. *Are committee records and source documentation required to be kept on paper, or may the committee use an electronic recordkeeping system?*
 - A. 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 – four years from the date the campaign statement was filed.

Fundraising

6. Q. *We received two contributions of \$99 from one contributor. Is this contributor now itemized on Form 460, Schedule A?*
 - A. Yes. When a person's contributions aggregate to \$100 or more during the same calendar year, the contributor must be itemized.
7. Q. *We are charging \$100 per plate for a dinner fundraiser for our committee. The actual cost of the event to our committee will be \$25 per person. What amount is considered as the contribution received?*
 - A. The entire cost of the ticket for the fundraiser is the amount of the contribution. Report \$100 as the contribution; do not subtract the \$25 per person cost of the fundraiser.
8. Q. *At our next fundraiser, we intend to charge \$50 per person. May an attendee pay with a \$100 bill?*
 - A. No. You may not accept \$100 in cash, even if you immediately provide change. Campaigns may not accept cash of \$100 or more from a single source. You may, however, accept personal checks, debit cards, or credit card payments.
9. Q. *Is volunteer work provided by some people considered a nonmonetary contribution because of the volunteer's profession, such as free legal advice provided by a lawyer or bookkeeping done by a CPA?*
 - A. No. Volunteer personal services, regardless of the profession of the individual providing them, are not reportable; you are not required to determine the value of their services or keep records regarding how long they volunteered. Volunteers paid by a third party for the services do not meet this exception.
10. Q. *Janice is hosting a gathering in her home for me to meet some of her neighbors. She will spend \$425 to provide tea, coffee, wine, cheese, and fruit. Is the amount she pays for the event considered a nonmonetary contribution to my campaign?*
 - A. This event meets the home/office fundraiser exception to a contribution. As long as Janice does not spend more than \$500 on any one event held in her home or office, you are not required to report receipt of a contribution for her costs to host the event.
11. Q. *May we use a private service, such as PayPal, to collect contributions electronically?*
 - A. Yes, as long as the service you employ is able to provide all the information you need to meet the recordkeeping requirements, such as the name, address, occupation, and employer of individual contributors of \$100 or more. The entire amount of the contribution is disclosed. The amount charged by the private service is reported as an expenditure.

12. Q. *We received a check for \$100, but the individual has not provided us with her occupation and employer. What should we do?*
- A. Contact the contributor and request the information. If you have not received it by the time you must report receipt of the contribution, indicate that you have requested the information and amend your statement when the information is received. However, if you have not received the information within 60 days of receipt of the contribution, you must return the contribution.
13. Q. *We received a contribution of \$5,000 from an individual. Are there any special reporting or noticing requirements?*
- A. Yes. Within two weeks of receipt, you must notify the contributor in writing that he or she may need to file a major donor report. Language for the notice is found in the manual. An individual qualifies as a major donor if their contributions to state and local candidates and committees total \$10,000 or more in a calendar year.

Expenditures

14. Q. *The campaign credit card was used to buy \$600 worth of printing. How is this reported?*
- A. On Schedule E or F of the Form 460, list the name and address of the credit card's financial institution, plus the amount spent. Underneath this, provide the name and address of the vendor and the amount spent on the printing.
15. Q. *Is it permissible to have an agreement with an independent contractor (e.g., the committee fundraiser) to pay additional money if we surpass our fundraising goals?*
- A. Yes, under the Political Reform Act, you may make contingency agreements that the committee will not pay a contractor unless a particular outcome is achieved in fundraising or campaign results, or that a bonus will be paid depending upon an outcome. The arrangement should be made part of the written contract.

Candidates Only

16. Q. *Do I have any reporting obligations if a blogger or other individual endorses my candidacy in their internet communications?*
- A. No. The Commission does not regulate an individual sending or forwarding email or linking to a website. An individual's use of their personal computer and personal email list does not trigger reporting.
17. Q. *Are emails sent by my campaign required to have a disclosure statement such as "paid for by Candidate Jones"?*
- A. A disclosure statement is not currently required on bulk emails sent by a campaign but is encouraged.

18. Q. *When may I begin to solicit and raise funds for my election?*
- A. You must file Form 501 before any contributions are solicited or received. Form 501 is considered filed as soon as you have personally submitted the Form 501, or placed it in the mail, to your filing officer.
19. Q. *Am I required to file Form 501 when I run for reelection to the same office?*
- A. Yes. You must file a separate Form 501 for each election, including reelection to the same office, prior to raising or spending any money for the new election.
20. Q. *I do not intend to raise any funds from others and will not be spending any money other than my personal funds for the filing fee and ballot statement fee. Do I need to open a campaign bank account?*
- A. No.
21. Q. *I do not intend to raise funds from others, although I will be spending \$1,000 or more of my personal funds on my campaign, other than for the filing fee and ballot statement fee. Do I need to open a bank account?*
- A. Yes. Since you plan to spend \$1,000 or more for your campaign, you will qualify as a committee. As a result, you will need to open a bank account and must disclose the bank account information on the Statement of Organization (Form 410). To obtain a federal tax ID number, go to the IRS website.
22. Q. *What is the rule regarding spending my own money on my campaign for local office?*
- A. Except for payments for the filing fee and ballot statement fee, you must deposit personal funds into the campaign bank account before making campaign expenditures, even if you do not expect to be reimbursed. You may categorize the funds for your campaign as loans or monetary contributions. You may not make direct campaign expenditures from your personal account or commingle campaign funds with personal funds.
23. Q. *What are the contribution limits for local elections?*
- A. The state does not impose contribution limits on local elections. However, you should ask the city clerk or county registrar of voters whether the jurisdiction of the office you seek has any limits.
24. Q. *I understand that as the candidate, any personal funds I want to spend on my campaign must be placed into the campaign bank account before being spent, but may campaign workers make campaign expenditures with personal funds and be reimbursed at a later date by the committee?*
- A. Yes. Anyone other than the candidate may use personal funds to make campaign expenditures, such as purchasing printing, and be reimbursed after providing a receipt or invoice to the campaign. However, if the campaign does not reimburse the individual who made the expenditure within 45 days, the committee must report the amount expended as a nonmonetary contribution received.

25. Q. *As a candidate, I use my personal car to attend campaign events and to meet with the voters. Likewise, I make long-distance calls using my home phone to request support from organizations statewide. Even if I do not want to be reimbursed for the use of my car, must I report mileage as a reportable contribution, and how may I have the committee pay for the portion of my home phone bill associated with the campaign?*

A. Incidental use of your personal car for campaign purposes is not considered a contribution or expenditure and is not reportable. However, if additional charges are added to your home phone bill, calculate the portion that is campaign related when the bill arrives. Have the committee write a check for that portion directly to the phone company; do not pay the bill out of personal funds and get reimbursed.

26. Q. *I lost my local election and have funds remaining. May I use my excess funds to run again in the next local election?*

A. If you wish to use funds left over from an unsuccessful race for a future election to the same office, file a new Form 501 and amend your existing Form 410 **before** the end of the post-election reporting period, which is:

June 30 for elections held between January 1 and June 30;
December 31 for elections held between July 1 and December 31.

If you plan to run for a different office, file a new Form 501, open a new campaign bank account and transfer the funds into it. You must also file a new Form 410 for the new committee. If you do not meet the deadline, the campaign funds will become “surplus” at the end of the post-election reporting period and may not be used to run for office.

27. Q. *What committee ID requirements must be included with communications that my candidate controlled committee pays for and produces?*

A. If your candidate committee pays to:

- Send out more than 200 pieces of the same mailer in a calendar month, identification on the outside of the mailer must state "paid for by" as reviewed on page one of this fact sheet. The outside of the mailer must also include the name and the address of the committee and the type can be no less than six-point type, and must be in a color that contrasts with the background (e.g., no white on white);
- Make 500 or more phone calls through a phone bank in support of the candidate, or in support or opposition to a ballot measure, the committee's name must be disclosed during the phone call.

The FPPC recommends that a committee place its name on all campaign materials. However, there are no specific identification requirements under the Political Reform Act on certain types of communications paid for by a candidate's committee for their own election, such as:

- Lawn signs
- Buttons or bumper stickers
- Billboards

- Radio or TV advertisements
- Emails, faxes, or websites
- Campaign literature not delivered through the mail, such as door hangers or handouts
- Phone calls made by volunteers, the candidate, or campaign manager

28. Q. *I am a law enforcement officer, and I am running for city council. May I wear my uniform at campaign events or when I appear in political advertisements for my campaign?*

- A. The FPPC imposes no restrictions on wearing your uniform; however, you should contact your City Attorney or District Attorney concerning other laws that may pertain to this activity.

Ballot Measure Committees Only

29. Q. *We have raised \$1,000 or more to circulate petitions for a ballot measure. When do we have reporting obligations?*

- A. Reporting obligations begin when proponents start gathering signatures (initiative) or when a legislative body acts to place the proposal on the ballot (referendum). (Notice: Groups may need to maintain records before this period. Refer to Campaign Manual 3 for details.)

30. Q. *May a candidate control a ballot measure committee? Must the candidate file a Form 501 (Candidate Intention) for the committee?*

- A. A candidate may control a ballot measure committee as long as the committee's funds are not used to support the candidate's election or to support or oppose other candidates. A Form 501 is not required.

31. Q. *Ten days before an election, a primarily formed ballot measure committee for Measure A made a \$10,000 contribution to another primarily formed ballot measure committee for Measure A. Does this contribution trigger the filing of a Form 497?*

- A. Yes, the report is required even if both committees are formed for the same ballot measure.

32. Q. *During the last 16 days before the election, our supporters will be paying for phone banks and, therefore, we will receive more than one nonmonetary late contribution from the same source. Rather than file several reports, may our committee file one late contribution report estimating the value of all nonmonetary contributions anticipated to be received from this source during the late contribution reporting period?*

- A. Yes. The committee may make a good faith estimate of the value that will be contributed during the period. File the late contribution report within 48 hours of the first \$1,000 in nonmonetary contributions received. If the actual value differs from the estimated amount by 20 percent or more, amend the estimated report within 24 hours from the time you determine the correct amount.

33. Q. *What ID disclosure requirements exist for advertisements for which we pay that support our position on the ballot measure?*

A. When your committee pays for an advertisement in which you are supporting or opposing the ballot measure for which you are primarily formed, the advertisement must include the statement "paid for by" and:

- The name of the committee, and
- Identification of the top contributors of \$50,000 or more. Certain ads require the top two contributors and other ads require only the highest contributor. (See Manual 3 for clarification.)
- The name of any individual paid \$5,000 or more to appear in the ad.

Communications by General Purpose Committees

34. Q. *Must the committee's identification number appear on a mass mailing?*

A. While the committee ID number is not required anywhere on any mailing, if more than 200 pieces of the same or similar mail is sent in a calendar month, the name and address of the committee paying for the mailing must appear somewhere on the outside of the mailing in no less than six-point type and in a color that contrasts with the background (e.g., no white on white). Effective April 6, 2011, the words "paid for by" must also appear as reviewed on page one of this fact sheet.

35. Q. *What information must be on a committee's mass mailing if it is sent as an independent expenditure to oppose a candidate?*

A. The mailing must include a disclosure statement that contains the following:

- A statement that the mailer was not authorized by a candidate or a committee controlled by a candidate.
- The outside of the envelope must include "paid for by" along with the name and address of the committee that paid for the mailing (no less than 6 point type and in a color contrast). See page one of this fact sheet for an example.

Penalties

36. Q. *If we file a statement late, what are the consequences?*

A. The filing officer with whom you file your statement may assess a fine of up to \$10 for each day that the statement is late. Failure to file campaign statements may also result

in an enforcement referral to the FPPC; you may be fined by the FPPC up to \$5,000 per violation.

This FAQ fact sheet is not a final decision of the FPPC and does not constitute legal advice or alter any legal right or liability. This fact sheet is not a rule, regulation, or statement binding on the agency.