Chapter 1
What is a General Purpose Committee?

This chapter will define and discuss the various types of general purpose committees. The level of government at which the committee will operate, i.e., state, county, or city, is also important in determining where and when committee reports are filed.

General Purpose Committees
A general purpose committee is a type of recipient committee—an individual or group that receives contributions totaling $1,000 or more during a calendar year for the purpose of supporting or opposing one or more state or local candidates or ballot measures. Two or more individuals or entities that make separate expenditures for a single product or service (for example, a newspaper advertisement) that supports or opposes one or more candidates or ballot measures may also qualify as a recipient committee if the total cost of the product or service is $1,000 or more.

General purpose committees are usually ongoing in nature and support (or oppose) a variety of candidates and ballot measures. Most committees share a common affiliation among the contributors and make political expenditures over several years to further the group’s goals. General purpose committees are often referred to as political action committees (PACs) and include political party committees, general purpose ballot measure or issue committees, and small contributor committees. Some of these committees are sponsored by an entity or organization, such as a labor union.

If more than 70% of a committee’s contributions and expenditures on candidates or measures are on a single candidate, single measure, a group of specific candidates in the same local election or two or more measures being voted upon in the same state or local election, the committee is designated as a primarily formed committee rather than a general purpose committee. Primarily formed committees do not use this manual but should use Campaign Disclosure Manuals 1, 2 or 3 depending upon whether the committee is making payments on ballot measures or candidates.

A committee is required to review its status quarterly and a committee formed within 6 months of an election in which the committee makes contributions or expenditures must review its status at the end of each month. The Form 410 must be amended if a committee’s status changes.

For purposes of determining whether the committee is general purpose or a primarily formed committee, the treasurer must count contributions and expenditures made to support or oppose candidates or measures during:

- The current two year period, beginning January 1 of the current or previous odd-numbered year and ending with December 31 of the following even-number year; or
- The immediate preceding 24 months.

The committee must use the time period that most accurately reflects its current and upcoming activities.

Political Action Committees (PACs)
The term “PAC” generally refers to a general purpose committee that is the political arm of a trade or professional association, labor
union, or membership organization. A separate bank account is usually maintained for the purpose of receiving contributions and making political expenditures.

Example The local police officers’ union established a bank account into which $5 from each member’s monthly membership dues is deposited for political purposes, such as making contributions to candidates and ballot measure committees that support police officer goals. When $1,000 or more is received, a recipient committee is formed and, since it will be supporting (or in some cases opposing) a number of different candidates or measures over the years, it is considered a general purpose committee.

Multi-Purpose Organizations

Some organizations are established for purposes other than making contributions or independent expenditures, but will, at times, make political expenditures. Such organizations are subject to the same disclosure rules as those organizations that maintain a separate and distinct account for political expenditures in that they must disclose the sources of funds used for political expenditures. Nonprofit organizations and federal or out-of-state political action committees are common examples. Local clubs that generally focus on educational and social activities may sometimes qualify as a recipient committee if they make political expenditures.

Because these organizations do not segregate funds received and used for political purposes from those for non-political purposes, FPPC Regulation 18215 sets out a rule for those organizations to use for determining when they qualify as a recipient committee.

A multipurpose organization is receiving “contributions” if its members or donors make payments to the organization (including dues) and, at the time of making the payment, the donor knows or has reason to know that the funds with which the payment will be commingled will be used to make contributions or expenditures. There is a presumption that the donor does not have reason to know that all or part of the payment made to the multipurpose organization will be used for political activities in California unless the organization has made expenditures or contributions of at least $1,000 in the aggregate during the current calendar year or any of the immediately preceding four calendar years.

If only part of the donors’ payments will be used to make contributions or expenditures, the payments should be apportioned among the donors for reporting purposes. The Act does not provide a specific accounting method to determine allocation of dues payments for reporting contributions. Any reasonable allocation method is appropriate.

Example The Golden Rule Association made a contribution to a California candidate in the amount of $5,800 from membership dues this year. This was the first contribution made from the general fund and members did not have a reason to know that a portion of their dues was going to be used for political purposes in California at the time they paid their dues. The Association did not qualify as a recipient committee. However, if the Association makes another contribution(s) of $1,000 or more during the same year or in any one of the subsequent four calendar years, it will qualify as a recipient committee.

Quick Tip Multipurpose organizations that do not qualify as a recipient committee may meet the definition of a “major donor committee” or an “independent expenditure committee.” If the organization’s initial contribution is $10,000 or more, it will qualify as a major donor. If the organization’s initial expenditure is an independent expenditure of
$1,000 or more, it will qualify as an independent expenditure committee. (See Chapter 5 for the definition of “independent expenditure.”)

If a multipurpose organization solicits funds earmarked for political expenditures, the full amount of the contribution is counted toward qualifying as a committee.

Example: The Citizens for Public Libraries is an organization that provides educational services to the community. One year, the organization sent a mailer to its members asking for $200 for the sole purpose of supporting future ballot measures regarding library bonds. Once $1,000 is received in a calendar year, the group qualifies as a recipient committee and will disclose the full amount of the donation from each contributor.

501(c)(3) and (c)(4) Multipurpose Organizations Making Occasional Independent Expenditures to Support or Oppose Ballot Measures

A multipurpose organization operating under Section 501(c)(3) or (c)(4) of the Internal Revenue Code may elect not to file regular recipient committee campaign statements if the organization only occasionally makes independent expenditures in connection with state or local ballot measures in California from funds donated to the organization’s general treasury. Instead, the organization may use an “event-based” reporting alternative as long as it expends less than $500,000 in the aggregate in a calendar year to support or oppose four or fewer state ballot measures, or it expends less than $50,000 in the aggregate in a calendar year to support or oppose one or more local ballot measures.

The organization must report these independent expenditures and the donors of funds used to make the independent expenditures on Form 496. See Regulation18413 and the campaign manual for independent expenditure committees (Manual 6) for detailed reporting requirements. Contributions made to ballot measure committees and contributions and independent expenditures made to support or oppose candidates are not eligible for event-based reporting.

It is recommended that multipurpose organizations and groups that make political expenditures in connection with California state or local elections call the FPPC for information. This manual cannot address all the various methods by which organizations may qualify as a committee.

Sponsored Committees

Many general purpose committees are sponsored by one or more entities. Some types of sponsors include:

- Trade and professional associations
- Labor unions
- Businesses
- Community associations
- Nonprofit organizations

An entity sponsors a committee if any one of the following criteria applies:

- The committee receives 80% or more of its contributions from the entity or its members, officers, employees, or shareholders.
- The entity collects contributions for the committee through payroll deductions or dues from its members, officers, or employees.
- The entity, alone or in combination with other organizations, provides all or nearly all of the administrative services for the committee.
- The entity, alone or in combination with other organizations, sets the policies for contribution solicitation or payment of expenditures from committee funds.
Individuals (including candidates) do not sponsor committees.

Two membership organizations that support environmental projects along the California coast ask their members to contribute to an account that will be used to support or oppose various ballot measures addressing coastline projects. Both membership organizations share in the policy decisions and, thus, the committee is sponsored by both organizations.

Members of a trade association designate 10 percent of their annual dues to an account for the purpose of making political expenditures to various candidates and measures that support the association’s programs. The trade association qualified as a general purpose committee once it received $1,000 or more in a calendar year and the association is the committee’s sponsor.

Sponsored Committee—Name Requirements

The name of a sponsored committee must include the name of the sponsor. If a sponsored committee has more than one sponsor and the sponsors are members of an industry or other identifiable group, the name of the committee must include a term identifying that industry or group. The names of the sponsors are not additionally required.

The Bay Area Firefighters’ Union, Local 649, has a sponsored committee; its contributions come from the union members by payroll deductions. Examples of acceptable names for the committee are: “Bay Area Firefighters’ Union, Local 649, Political Action Committee,” or “Bay Area Firefighters Local 649 Political Fund.”

Several lumber mills in Northern California have decided to form a committee to support or oppose local candidates and ballot measures. While one mill will provide the administrative support for the committee, all the mills will provide the committee with contributions through payroll deductions from their employees. Since the committee has more than one sponsor, the specific names of the lumber mills are not required. Examples of acceptable names for the committee are: “Northern California Lumber Mills Political Action Committee,” or “Lumber Industry of Northern California Political Action Committee.”

Sponsor as a Committee

If a sponsor makes contributions to candidates or other committees out of general funds, it may become a separate committee. However, if the sponsor meets all of the following criteria, it will not qualify as an additional committee:

- The sponsor does not directly or indirectly make or receive $1,000 or more in contributions during a calendar year, other than in support of its sponsored committee.
- The sponsored committee reports all contributions and expenditures made in support of the committee by the sponsor, its intermediate units, and the members of such entities.
- The sponsored committee reports the sponsor as an intermediary if the sponsor provides the committee with $100 or more in contributions from members, regardless of whether any member contributes $100 or more.
- A responsible officer of the sponsor, as well as the treasurer of the sponsored committee, verifies the committee’s campaign statements.

The California Professional Skydivers’ Association established a general purpose committee. Most members submit one check to the
association for their association dues and PAC payment. On a monthly basis, the Association transfers an amount representing the allocated contributions to the PAC. Although the Association received the funds in its membership account before transferring the funds to the PAC, the Association does not qualify as a separate recipient committee as long as the PAC reports all the contributions, identifies the Association as the intermediary for the contributions, and a responsible officer of the association signs the PAC’s campaign statements.

See Chapter 8 for important information regarding reporting requirements when sponsors receive contributions and make expenditures.

**Political Clubs**

Political party committees are a type of general purpose committee and include state central committees and county central committees of organizations that meet the requirements for recognition as a political party under Section 5100 of the Elections Code. Local political clubs are not considered political parties even if they are chartered by a county central committee of a recognized political party. Such clubs often qualify as general purpose committees.

**General Purpose Ballot Measure Committees**

A general purpose ballot measure committee is a committee formed for ballot measures in more than one jurisdiction or election. These are sometimes also referred to as “issue” committees.

**Controlled Committees**

When a candidate for elective office, including an officeholder, exerts significant influence on the actions or decisions of a committee, it is considered a “controlled committee.” Committees can even be controlled indirectly through agents of candidates and officeholders. Although candidates and elected officeholders may not control a general purpose committee that makes contributions or independent expenditures to support or oppose other candidates, they may control a general purpose committee formed solely to support or oppose ballot measures. The committee name must include the last name of the controlling state or local candidate. In addition, see chapters 3 and 6 for information regarding expenditures for gifts, travel and meals.

A committee controlled by a state candidate or officeholder is subject to additional requirements as described in this manual. These requirements include:

- The committee name for each ballot measure committee controlled by a state candidate or officeholder must include the candidate’s last name and also expressly indicate it is a ballot measure committee in the committee name (e.g. Senator Lee’s Ballot Measure Committee to Support Solar Energy).
- The Form 410 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 year.
- Committees may not make contributions to a controlled committee for elective office.
- Committee expenditures are restricted to only those related to the measures identified and reasonable fundraising and operating costs.
- Documentation in the records and on campaign reports require attribution of committee expenditures to each measure supported or opposed.
**Small Contributor Committees**

A small contributor committee may contribute to state candidates at a higher limit than other general purpose committees, other than political party committees. A recipient committee qualifies as a small contributor committee if it meets all of the following criteria:

- The committee has been in existence for at least six months;
- The committee has received contributions from 100 or more persons within the previous 36 months;
- The committee’s campaign funds do not include any contributions that exceed $200 per person per calendar year;
- The committee makes contributions of $25 or more each to five or more candidates every 36 months.

After a committee qualifies as a small contributor committee and amends its Statement of Organization, Form 410, to reflect this status, it may make contributions up to the higher limits. (See Chapter 2 for contribution limits.)

If an existing general purpose committee wants to become a small contributor committee, it may transfer funds received in excess of $200 per contributor to a new committee. Assuming that the old committee meets the other requirements listed above, it would then qualify as a small contributor committee and, once it has amended its Statement of Organization to reflect this status, it would be eligible to make contributions to state candidates as a small contributor committee. If a contribution of more than $200 in a calendar year from a single contributor is received, it must be deposited into the new general purpose committee. At that point, up to $200 of that contribution may be transferred to the small contributor committee.

**State, County, or City Committees**

All general purpose committees must declare the jurisdiction in which the committee will make its expenditures. A committee may change its status as described below.

At the time of registration, a committee must declare whether it is a state, county, or city committee. A committee is classified as either a state, county, or city committee when it makes more than 50% of its contributions or expenditures on candidates or measures to be voted on in that jurisdiction. A committee must review its activity at the end of March, June, September and December. New committees formed within six months of an election in connection with which it will make contributions or expenditures must review its activity at the end of each month. The Form 410 must be amended if a committee’s status changes.

For purposes of determining committee type, a committee must count contributions and expenditures made to support or oppose candidates or measures during:

- The current two year period, beginning January 1 of the current or previous odd-numbered year and ending with December 31 of the following even-number year; or
- The immediate preceding 24 months.

The committee must use the period that most accurately reflects its current and upcoming activities.

A county or city committee that changes its status mid year must continue filing a copy of its campaign statements in the original city or county until the end of the calendar year.

*Example* In calendar year 2009, an existing committee’s expenditures totaled $40,000 to support candidates in a city election and $5,000 to a...
state ballot measure committee. The committee was registered as a city committee and maintained that status. In the first quarter of 2010, the committee made a contribution of $100,000 to a state ballot measure committee. On or before April 10, 2010, the committee must amend its Form 410 to indicate it is now a state committee.

In calendar year 2009, a county committee’s expenditures totaled $20,000 in connection with a county measure. The committee was registered as a county committee and maintained that status. At the end of June 2010, the committee’s expenditures for 2010 included a $10,000 contribution in connection with an election in the same county and $5,000 to a city election. The committee maintains its county status.

In calendar year 2008, a state committee’s expenditures totaled $50,000 all of which was spent in connection with state candidates. In the first quarter of 2009, the committee made a $500 contribution to a city candidate. The committee’s upcoming expenditures will be in connection with state candidates or measures, therefore the committee maintains its state status.

Committees as Slate Mailer Organizations

Slate Mailer Organizations

A general purpose committee will also qualify as a slate mailer organization if it meets the following criteria:

- 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
- It receives or is promised payments that total $500 or more in a calendar year for the production of one or more slate mailers.

A slate mailer is more than 200 substantially similar pieces of mail that support or oppose a total of four or more candidates or ballot measures.

Payments earmarked for the purpose of listing candidates or ballot measure committees on a slate mailer are not contributions to the committee although the payments count toward qualification as a slate mailer organization.

Example

The San Francisco Greens, a general purpose committee, has solicited candidates and ballot measure committees to appear on a slate mailer the committee will produce and distribute to San Francisco voters. Nine different candidates pay $1,500 for their appearance on the slate mailer. The committee has qualified as a slate mailer organization.

This manual cannot address all the methods by which general purpose committees solicit funds for political purposes. Treasurers should contact the FPPC for specific guidance.

QuickTip

For registration, recordkeeping, and reporting obligations for a slate mailer organization, refer to the Fair Political Practices Commission’s information manual for slate mailer organizations.

Answering Your Questions

Q. May a candidate or an elected official form a general purpose committee for the purpose of making contributions to other candidates?

A. No. The “one bank account rule” requires that campaign funds raised and spent by a candidate must be deposited in a campaign bank account established for a particular office and election. However, the FPPC has advised that candidates and elected officials may control a committee formed for the sole
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The purpose of supporting or opposing a ballot measure or measures, including a general purpose ballot measure committee. A candidate or elected official may make contributions to other candidates from his or her controlled election committee as long as the committee’s funds are not “surplus.”

Q. A trade association is establishing a sponsored general purpose committee. May a city council member, who is also a member of the trade association, participate in decisions regarding which candidates will receive contributions?

A. A general purpose committee cannot be both controlled and sponsored. A committee that has a candidate or an elected officer making decisions for the committee is a controlled committee. A candidate or elected officer may not participate in decisions regarding contributions to other candidates unless the committee is designated as the candidate’s controlled committee for elective office.

Q. May a controlled general purpose ballot measure committee make a contribution to another candidate’s controlled ballot measure committee?

A. Yes. See Chapter 2 for information on contribution limits to state candidate controlled ballot measure committees.

Authority

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

Government Code Sections
82007 Candidate.
82008 City.
82013 Committee.
82015 Contribution.
82016 Controlled Committee.
82017 County.
82025 Expenditure.
82027.5 General Purpose Committee.
82031 Independent Expenditure.
82043 Measure.
82044 Payment.
82047 Person.
82047.5 Primarily Formed Committee.
82048.3 Slate Mailer.
82048.4 Slate Mailer Organization.
82048.7 Sponsored Committee.
82050 State Candidate.
82051 State Measure.
84101 Statement of Organization; Filing.
84102 Statement of Organization; Contents.
84103 Statement of Organization; Amendment.
84302 Contributions by Intermediary or Agent.
85203 Small Contributor Committee.
85205 Political Party Committee.

Title 2 Regulations
18215 Contribution.
18225 Expenditure.
18225.7 Made at the behest of.
18247.5 Primarily Formed and General Purpose Committees.
18402 Committee Names.
18413 Reporting Independent Expenditures by Eligible 501(c)(3) and (c)(4) Organizations.
18419 Sponsored Committees.
18421.8 Reporting an Expenditure by a Candidate Controlled General Purpose Ballot Measure Committee. Intermediary.
18432.5 Ballot Measure Committees Controlled by Candidates for Elective State Office.
18521.5 Small Contributor Committees.