# Information Manual 2

Local Candidates, Superior Court Judges, Their Controlled Committees, and Primarily Formed Committees for Local Candidates

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# Introduction

This manual provides important information on campaign disclosure rules for four types of filers:

- Local candidates and officeholders who do not have a controlled committee;
- Local candidates and officeholders who have a controlled committee;
- Superior Court judges and candidates for Superior Court; and
- Local "primarily formed committees," which means committees that support or oppose a local candidate or a group of local candidates all being voted upon in the same election and are **not** controlled by the candidate(s) or officeholder(s) they support.

This manual describes the state campaign finance and disclosure law that applies to local candidates and committees. Many cities and counties have also adopted local laws governing campaign finance and disclosure. Local candidates and committees should check with their local elections or ethics agency about contribution limits and other requirements to follow in their city or county elections.

State candidates and officeholders, their controlled committees, and committees primarily formed to support or oppose state candidates should refer to FPPC's *Information Manual 1 for State Candidates, Their Controlled Committees, and Primarily Formed Committees for State Candidates*.

## How to Use this Manual

California's Political Reform Act (the "Act") requires receipts and expenditures in election campaigns to be fully and truthfully disclosed. Since 1974, there have been over 200 amendments to the Act's campaign disclosure provisions. This manual has been prepared to assist candidates and primarily formed committees to comply with the Act's numerous and often-detailed rules. It is written in a "user friendly" format so that candidates and committees, especially those with small budgets, have a resource guide. It is organized by subject matter and addresses the most common issues of campaign disclosure for local elections.

## Terminology

It may be helpful to review the "Definitions" contained in Appendix 1 first to become familiar with the different terms used throughout the manual.

In addition, federal and state tax laws and other rules are applicable to California campaign committees. Telephone numbers and website addresses for the Federal Election Commission, Internal Revenue Service, California Franchise Tax Board, and the Federal Communications Commission are listed in Appendix-2.

## Controlling Law

This manual summarizes key campaign disclosure laws, regulations, and Commission opinions and draws from years of FPPC staff advice interpreting them to assist candidates and committees in complying with the Act. Each campaign is different, however, and may raise issues not discussed in this manual. If there are any discrepancies between the manual and the Act or its corresponding regulations and opinions, the Act and its regulations and opinions will control.

## Need Help?

If you need assistance, the Fair Political Practices Commission has a toll-free advice line:

1-866-ASK-FPPC
(1-866-275-3772)

FPPC employees are available Monday through Friday to help you. In addition, the FPPC website (*www.fppc.ca.gov*) contains forms, manuals, and a wealth of other helpful information.

See Appendix 2 for more details.

Candidates and committee treasurers are encouraged to become familiar with all of the disclosure requirements and FPPC forms. However, many local candidates and committees raise and spend money only in connection with a particular election and then terminate their filing obligations. These candidates and committees are likely to file only a few of the FPPC's many campaign forms. Charts identifying these forms are provided below.

The first chart lists the forms that are generally required of those candidates who raise and spend money only in connection with their own election. The first column lists the forms required of candidates who spend less than $1,000 in a calendar year. The second column lists the forms required from candidates spending over $1,000 in a calendar year. The second chart addresses the five forms filed by a primarily formed committee for a local candidate.

Be sure to review Chapter 7 for other reports that may be required.

## Local Candidates

| Candidates Who Spend less than $1,000 | Candidates Who Spend $1,000 or more |
|---|---|
| Candidate Intention (Form 501) | Candidate Intention (Form 501) |
| Officeholder/Candidate (Form 470) Campaign Statement-Short Form | Statement of Organization (Form 410) |
| | Recipient Committee Campaign (Form 460) Statement |
| | Late Contribution Report (Form 497) |

## Primarily Formed Committees for Local Candidates

Statement of Organization (Form 410)

Recipient Committee Campaign Statement (Form 460)

Supplemental Independent Expenditure Report (Form 465)

Late Independent Expenditure Report (Form 496)

Late Contribution Report (Form 497)

# Chapter 1
# Finances/Recordkeeping

This chapter is extremely important to all candidates and committees (see the "Definitions" section); each must use a bank account for deposit of monetary contributions received, recordkeeping is the foundation for compliance with the reporting obligations of the Act, and every committee may be audited.

However, candidates who do not raise contributions from others and spend less than $1,000 of their own personal funds do not need to open a campaign bank account.

In addition, the section on "Treasurer's Duties," which is crucial to committees, will be of little concern to candidates who spend less than $1,000 in a calendar year, since they will not qualify as a committee nor have a treasurer.

## Campaign Bank Account

## Candidates and Controlled Committees

Candidates who anticipate soliciting or receiving contributions from others, or who anticipate spending $1,000 or more of their personal funds in connection with their election, **must** open a campaign bank account.

A candidate's personal funds used to pay the filing fee and/or the ballot statement fee do not count toward the $1,000 threshold.

### Establishing the Account

The campaign bank account may be established at a bank, a state or federal savings and loan association, or a state or federal credit union. The financial institution must be located in California.

Candidates running for one office while holding another must establish a separate campaign bank account for each office – but not more than one bank account per office per election.

QuickTIP Campaign contributions may not be commingled with any individual's personal funds.

All contributions must be deposited in, and expenditures must be made from, the campaign bank account. Except as noted below, candidates must first deposit personal funds to be used for the campaign in the account before making campaign expenditures, even if the candidate does not expect to be reimbursed.

Exceptions:

- Candidates may use their personal funds to pay a filing fee or a ballot statement fee without first depositing the funds into the campaign account.
- An officeholder may use personal funds to pay officeholder expenses. (See Chapter 6 for reimbursement requirements.)

### Investments

Campaign funds may be transferred from a campaign bank account to certificates of deposit, interest-bearing savings accounts, money market funds, or similar accounts. The funds must come from a campaign bank account designated for a specific office and be deposited in investment accounts established only for that office. The funds must be redeposited into the same campaign bank account before being used for campaign expenses.

### Credit Accounts

One or more credit accounts may be established for each campaign bank account. A single credit card, however, may not be designated for more than one campaign bank

account. In addition, payment of charges on a credit account must be made only from the appropriate campaign bank account.

or

In lieu of establishing a new credit account, a candidate may designate an existing personal credit card with a zero balance as the campaign bank account credit card by listing the card number and date of designation in the campaign records. The candidate must ensure that no personal expenses are charged to this account until after the election and after all campaign charges have been paid with funds from the campaign bank account. Once all campaign expenses charged to the account have been paid, the candidate may resume using the card for personal purposes.

### Petty Cash

Candidates may use campaign funds to establish a petty cash fund at each campaign office. Keep in mind the following conditions relating to the petty cash fund:

- A petty cash fund may not hold more than $100 at any time.
- No expenditure of $100 or more may be made from the fund.
- The fund may be used only for expenses associated with the election to the specific office or for the expenses of holding the office for which the petty cash fund was established.
- Once the funds are spent, payments made from petty cash must be reported as expenditures.

### Redesignating the Account

A campaign bank account may be redesignated if the candidate runs again for the same local office. The account may be redesignated even if the account holds campaign funds or outstanding debts from the previous election. In order for a bank account to be redesignated, the Statement of Organization (Form 410) needs to be amended. Remember to file a new Candidate Intention (Form 501) as well.

QuickTIP Defeated candidates must redesignate campaign funds for a future election by the end of the reporting period following the election, or the funds are considered surplus. (See Chapter 9.) For example, if the election is held during the first six months of the year, the end of the reporting period is June 30. If the election is held during the last six months of the year, the end of the reporting period is December 31.

When running again for the same local office, in addition to using the same campaign bank account, the candidate may continue to use the same committee and identification number. In order to do so, the candidate needs to file a Statement of Organization (Form 410) check the amendment box, and indicate any information that has changed since the last Form 410 was filed, including the "Year of Election" information in Section 4.

### Restrictions on Redesignating

A campaign bank account **may not** be redesignated if the candidate is seeking election to a different office.

Example *Ed Smiley is a city council incumbent and has a committee and bank account for this office. He is seeking election to the county board of supervisors. Ed must establish a new bank account and a new committee for his supervisorial election.*

### Expenditures from Multiple Accounts

A candidate who has more than one campaign bank account must make all expenditures in connection with an election from the campaign bank account established for that election, including:

- Campaign strategic planning and fundraising expenses;

- Services and actual expenses of outside political consultants, the campaign treasurer, other staff, pollsters, and other persons who provide services directly in connection with the election;
- Voter registration and get-out-the-vote drives; and
- Payments for mailings, political advertising, yard signs, opinion polls or surveys, and other communications if the payments:
  1) Are for a communication that makes reference to the candidate's future election or status as a candidate; or
  2) Are made three months prior to an election for which the candidate has filed a Candidate Intention Statement (Form 501), a declaration of candidacy, or nomination papers with an election official, or any other documents necessary to be listed on the ballot for an elective office.

### Recall Elections

Under state law, an officeholder who is the subject of a recall may use an existing committee (set up for the office he or she currently holds) to receive contributions and make expenditures to oppose the qualification of the recall measure, and if the recall petition qualifies, the recall election. The officeholder instead may choose to set up a separate committee for this purpose. The committee may be established once the officeholder receives a notice of intent to recall under Elections Code section 11201. The committee must set up a separate bank account at a financial institution in California, file a Statement of Organization (Form 410), and include the word "recall" in the name of the committee. The committee also must file campaign statements as discussed in Chapters 5, 6, and 7. (Contact the local jurisdiction for information about local rules that may apply.)

## Primarily Formed Committees

A "primarily formed committee" is a committee that supports or opposes a single candidate or a group of candidates all being voted on in the same election but is not controlled by the candidate(s) supported. Although committees not controlled by a candidate are not **required** to maintain a separate bank account, doing so is a good idea. Pre-numbered and pre-printed checks with the committee's name are useful in meeting the recordkeeping requirements discussed in the next section. **Primarily formed committees may not commingle campaign contributions with any individual's personal funds.**

### Answering Your Questions

*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.

*Q. I do not intend to raise any funds from others; however, I will be spending my own money on my campaign, although I will not be spending $1,000 or more. Do I need to open a checking account?*

A. No.

*Q. I will be raising money for my campaign, but I do not intend to raise or spend $1,000 on my campaign during the calendar year. Do I need to open a bank account?*

A. Yes. Since you are raising funds from others, even though you will not be raising or spending $1,000 or more, you are required to open a campaign bank account in which to place funds raised including personal funds you will use for your election.

*Q. I do not intend to raise any funds from others, although I will be spending $1,000 or more of my personal funds on my campaign. Do I need to open a checking account?*

A. Yes. Since you plan to spend $1,000 or more for your campaign, you will need to open a bank account and must disclose bank account information on the Statement of Organization (Form 410).

## Recordkeeping

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 that are outlined in this manual. While others may be involved, the candidate and treasurer, as listed on the committee's Form 410, remain legally responsible for the accuracy of the records.

### Record Retention

Candidates and committees **must** keep all records, including original source documentation, for a period of four years from the date the campaign statement relating to the records was filed. Documents that identify the names of the contributors that are affiliated entities must be kept for five years. (See Chapter 2.)

Example *Sharon Goldstein, a city council member, filed her first campaign statement on January 31, 1999. The records associated with completing that statement, such as receipts and information on contributors, must be retained until January 31, 2003.*

### Records of Receipts

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 about each contributor of $25 or more. The daily record requirement may be met simply with bank statements, copies of checks received, or other documentation that provides the required information listed below.

#### Receipts Under $25

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

### Contributor Record

#### Contributions: $25 to $99.99

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

A monetary contribution is received on the date that the candidate or committee, or an agent of the candidate or 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 credit card are received on the date the transaction is authorized by the contributor, and those received by wire transfer on the date the funds are received by the committee's bank.

#### 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

drawn on the account of a business entity, the contributor is the business entity, not the person who signs the check.

**A contribution of $100 or more must be returned if the contributor's name, address, occupation, and employer are not in the committee's records within 60 days from receipt of the contribution**. If the contribution cannot be returned to the contributor, it must be paid to the Secretary of State for deposit in the state's general fund (or it may be paid to the local jurisdiction in which the committee is based for deposit in the general fund of the local jurisdiction). The committee also must record the date the contributor information was received, if that date is different than 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 reported on the next campaign statement required to be filed (including late contribution reports). The Recipient Committee Campaign Statement (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. Late contribution reports need not be amended.

Example *Stanley Hughes, a city clerk candidate, received a contribution of $100 from Martha Andersen on June 1. The only information he had was her name and address as listed on her check. On his semi-annual statement covering the reporting period through June 30, he reported receiving $100 from Martha, listed her name and address, and indicated that he would amend his statement when he received her occupation and employer information. By July 31 of that same year, even after writing to Martha, Stanley still did not have Martha's occupation and employer. Stanley must return $100 to Martha.*

### Intermediaries

For contributions of $25 or more made through an intermediary (see Chapter 2), records of the above information for **both** the intermediary **and** the contributor is 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" in Chapter 2.)

### Loans

If the contribution is a loan of $25 or more, the following information for the lender must be recorded:

- Interest rate of the loan, if any;
- Due date of the loan, if any; 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.

If a candidate receives a loan from a commercial lending institution for his or her campaign, the institution and not the candidate is recorded as the source of the loan. The candidate does not have to be reported as the guarantor, even if the candidate is personally liable.

## Documentation

The committee must keep all bank and credit card records and copies of contributor checks.

The following documents produced or received by the committee also must be kept for receipts of $25 or more: 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.

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.

## Expenditures

### Expenditures: Under $25

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

### Expenditures: $25 or More

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

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

### Contributions to Other Candidates or Committees and Independent Expenditures

For expenditures that are contributions to another officeholder, candidate, or committee, or independent expenditures (see Appendix 1 for definitions) to support or oppose a ballot measure, the amount of the expenditure and also 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;
- Cumulative amount contributed to the candidate or committee; or
- Cumulative amount of independent expenditures to support or oppose the measure.

QuickTIP Candidates may not use campaign funds to make independent expenditures to support or oppose other state or local candidates.

### 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 10.)

## Documentation

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

For any expenditure of $25 or more made by the committee or by any agent on behalf of the committee, bills, invoices, or statements; receipts; vouchers; contracts; loan agreements; and other documents produced or received by the committee reflecting additional obligations also must be kept by the committee.

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.

### Notices to Major Donors and Mass Mailings

A copy or a record of all $5,000 "major donor" notices (see Chapter 2) and a copy of any mass mailings (see Chapter 3) sent by the committee must be kept.

## Audits

The Act authorizes audits of committees. Mandatory audits of candidates, their controlled committees, and primarily formed committees that support or oppose candidates are conducted by the Franchise Tax Board. Discretionary audits may be conducted by the FPPC.

Each odd-numbered year, a total of 20 local jurisdictions are randomly selected for audit, including eight counties, eight cities, two school and community college districts, and two special districts. All candidates in the jurisdiction are subject to audit, which are conducted in random order.

Candidates for Superior Court who raise or spend $15,000 or more in an election are subject to audit by random selection of 25 percent of contested judicial offices.

## Treasurer Duties

Every committee must have a treasurer. There are no restrictions on who may be treasurer. The candidate controlling the committee may be the treasurer. **The committee may not 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) amended.

Treasurers or assistant treasurers must sign and verify all reports and statements filed. The verification indicates under penalty of perjury that:

- The signer 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.

The signer 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 subject to late fines.

### Treasurer

**A 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. In addition, the treasurer is required to:

- 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.
- Prepare campaign statements personally or carefully review campaign and underlying records prepared by others.
- Correct any inaccuracies or omissions, and inquire about any information that would cause a reasonable person to question the accuracy of the campaign statements.
- Sign campaign statements under penalty of perjury. The treasurer is legally responsible for the accuracy and completeness of campaign statements, even if they are prepared by a third party, such as a professional accountant. No

person should assume the position of treasurer as a figurehead.

- Check and, if necessary, correct any information contained on a campaign statement which a reasonable, prudent person would question. Among the circumstances which 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 circumstances surrounding receipt; and the manner in which the contribution is recorded in campaign records.

### 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. For a controlled committee, the candidate may be designated as assistant treasurer. If this is the case, and the treasurer is unavailable to sign a campaign report when it is due, the candidate will sign both as candidate and assistant treasurer.

## Candidate Duties

**A candidate is required to:**

- Make sure that the treasurer is exercising all reasonable diligence in the performance of his or her duties.
- 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.
- Review with care the campaign statements prepared for filing by the committee.
- Correct any inaccuracies and omissions in campaign statements of which the candidate is aware, and check and correct any information on campaign statements which a person of reasonable prudence would question based on all of the surrounding circumstances.
- 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.

### Answering Your Questions

Q. *If, in the early days of the campaign, the candidate is not able to find someone to serve as the campaign treasurer, may the candidate serve in that capacity until another person is found?*

A. Yes. In fact, a separate treasurer is never required; the candidate may serve as treasurer throughout the campaign.

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

A. No.

Q. *What should be done if the treasurer and assistant treasurer, or the candidate, are not able to sign before the deadline?*

A. In order to ensure that the statement is filed on time, you may submit the filing if it is signed by one of the following: the

candidate, treasurer, or assistant treasurer. If the candidate's signature is missing, submit an amendment to provide his or her signature as soon as possible. Likewise, if both the treasurer and assistant treasurer are unavailable, submit an amendment to provide the required signature as soon as possible.

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.

Q. *Are form letters thanking the committee for contributions it has made required to be retained for recordkeeping purposes?*

A. Form letters containing no information necessary to complete or verify the committee's campaign statements are not required to be retained.

## Authority

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

### Government Code Sections

82015 *Contribution.*
82018 *Cumulative Amount.*
82025 *Expenditure.*
82044 *Payment.*
82047.5 *Primarily Formed Committee.*
84100 *Treasurer.*
84104 *Recordkeeping.*
84300 *Cash and In-Kind Contributions; Cash Expenditures.*
84302 *Contributions by Intermediary or Agent.*
84307 *Commingling with Personal Funds.*
85201 *Campaign Bank Account.*
85501 *Prohibition on Independent Expenditures by Candidate Controlled Committees.*
85700 *Donor Information Requirements; Return of Contributions.*
89511.5 *Use of Personal Funds for Incumbent Elected Officers.*
90000 *Responsibility.*
90001 *Mandatory Audits and Investigations.*
90002 *Audits and Investigations; Time.*
90003 *Discretionary Audits.*
90006 *Audit and Investigation by Commission.*
90007 *Auditing Guidelines and Standards.*

### Title 2 Regulations

18401 *Required Recordkeeping for Chapter 4.*
18421.1 *Disclosure of the Making and Receipt of Contributions.*
18421.2 *Street Address.*
18426.1 *Assistant Treasurer.*
18427 *Duties of Treasurers and Candidates with Respect to Campaign Statements.*
18432.5 *Intermediary.*
18521 *Establishment of Separate Controlled Committee for Each Campaign Account.*
18524 *Investment and Expenditure of Candidates' Campaign Funds.*
18525 *Incumbent Candidates' Election Expenses and Officeholder Expenses.*
18531.5 *Recall Elections.*
18570 *Return of Contributions with Insufficient Donor Information.*
18991 *Audits of Campaign Reports and Statements of Local Candidates and Their Controlled Committees.*
18994 *Auditing and Investigations.*
18995 *Standards and Guidelines for Auditing Statements and Reports.*

# Chapter 2
# Contributions

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

Contributions to local candidates and committees in many cities and counties are subject to local contribution limits and other restrictions. Check with your local elections or ethics agency.

## What is a Contribution?

A "contribution" is a monetary or nonmonetary payment received by a candidate or committee for which the candidate or committee has not provided full and adequate consideration in return. (See the definition of "contribution" in Appendix 1.) A contribution may take any of the following forms:

- Money (cash, check, credit card, wire transfers);
- Nonmonetary items (donated goods or services, discounts);
- Payments made by a third party for advertising or other communications (see Chapter 4);
- Loans (including loan guarantees, co-signing, and lines of credit);
- Money, nonmonetary items, and loans from the candidate to his or her own committee or from the candidate's family; and
- Enforceable promises (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).

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

A **monetary** contribution is received on the date that the candidate, committee, or an agent of the committee obtains possession or control of the cash, check, or other item that constitutes the contribution. Contributions received by credit card are received on the date the transaction is authorized by the contributor, and those made by wire transfer on the date the funds are received by the committee's bank.

Example *John Burns, the campaign consultant for Friends of Joshua Truman, received a hand-delivered check at a May 14, Friday evening fundraiser for Friends. John did not give the check to the committee's treasurer for deposit until the following Monday, May 17. The contribution was received on May 14, the day the committee's agent obtained possession of the check.*

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

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

An **enforceable promise** is received on the date the candidate, committee, or an agent of the committee receives documents verifying that a contributor has made a legally enforceable promise to pay for goods or services. A pledge card is not considered an enforceable promise to make a 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.

### Exceptions

There are many exceptions to the definition of "contribution," which are described in Appendix 1 under the definition of "contribution." Exceptions for certain types of political communications are also discussed in detail in Chapter 3. Some of the most common exceptions include:

**Volunteer Personal Services:** If an individual donates his or her personal or professional services to a campaign, no contribution has been made or received. However, if an employer donates employee services to a campaign, and any employee spends more than 10% of his or her compensated time in a calendar month providing the services, the employer has made a nonmonetary contribution to the committee.

**Home/Office Fundraisers:** If someone holds a fundraiser or other campaign event 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.

Examples *Jaleel Baker holds a fundraiser in his home for your committee. He spends $250 on decorations, food, and drinks for the event. His neighbor, Sheila Mkemo, brings some door prizes with a fair market value of $50. Since the total cost of the event is under $500, Jaleel's $250 is not reportable. However, since Sheila is not the occupant of the home, her nonmonetary contribution of $50 is reportable, although not itemized.*

*Shannon Priestly sponsors an event for your committee after work in her business' downtown office. Shannon spends $450 to have the event catered. Jason Cameron, who works in the building next door, supplies a flower centerpiece worth $75. Since the total cost of the event exceeds $500, both Shannon's contribution of $450 and Jason's $75 flower arrangement are reportable by your committee.*

**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 candidate endorsed in the communications. (See Chapter 3.)

### Restrictions on Contributions

Contributions of $100 or more must be made by written instrument and may not be made or received in cash. (For more details, see Chapter 9.) In addition, contributions of $100 or more must be returned if the contributor's name, address, occupation, and employer are not obtained within 60 days of receipt of the contribution. (See Chapter 1.)

## Receiving Contributions

### Aggregating Contributions from Affiliated Entities

Contributions received from certain combinations of 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 any entity the individual directs and controls.
- Contributions from two or more entities if a majority of the same persons directs and controls 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.

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

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

Examples *Sally Perez contributed $98 from her personal funds and another $98 from the funds of her wholly-owned business, Flowers by Sally Perez, to the Anderson Committee. 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 Anderson Committee must itemize both contributions and report a cumulative amount received from Sally and her business of $196 on its committee campaign statement.*

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

*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 $90 from his personal funds and contributions of $90 from the funds of each of his corporations to the Perez Committee. Because he directed and controlled all of these contributions, they are considered to have been made by a single contributor. The Perez Committee must itemize each contribution and show a cumulative amount received of $450.*

*Southwest TeleCom has a greater than 50% ownership interest in American TeleCom. Each entity, entirely on its own and with separate decisionmaking bodies, makes a contribution of $1,000 to Mayor Yadon. The mayor does not aggregate these contributions because Southwest TeleCom and American TeleCom acted independently in their decisions to make the contributions.*

### Credit Card Contributions

Contributions may be received by credit card, and have the same recordkeeping requirements as for check or cash receipts. (See Chapter 1.) When contributions received by credit card are reported, bank fees are not subtracted from the amount reported as coming from the contributor.

For contributions made by credit card, the treasurer should obtain documentation as soon as practicable after the contributions are made.

### Fundraisers

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

Example *Your committee holds a fundraiser and charges $100 per person. After the event, you determine that it cost your committee $25 per person to pay 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.*

**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 usually considered a "Miscellaneous Increase to Cash" and is reported as such. (See Chapter 6.) If any one person or entity pays $100 or more, the payment is itemized.

However, 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 as a monetary contribution. Each is itemized at $100.

Example *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, that part of Gloria's payment which 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.

**Raffle Tickets:** 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.)

### Intermediary

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/employer information must be disclosed for both the true source of the contribution <u>and</u> the intermediary.

Examples *Berry Barr and Vienna Waltz each made a $100 contribution from their personal funds to support Tina Baker for city council, with the understanding that they would be reimbursed by their employer, the Music Company. Berry and Vienna must tell the committee that they are acting as intermediaries on behalf of their employer, the Music Company. Tina's campaign statement must show the $200 contribution from the Music Company, and also Berry Barr and Vienna Waltz as intermediaries of $100 each.*

*The Playa del Sol Stockbrokers Emporium requested its employees to attend a fundraiser for Megan Waters, a candidate for mayor, with the intent of reimbursing the employees for their contributions. The employees informed Megan that their contributions 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 reported those employees who contributed $100 or more as intermediaries for the Emporium.*

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

Example *A corporation has asked its employees to make personal contributions to Friends of Joshua Monet, a candidate's committee, 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.*

Candidates and 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 question the source of a contribution, e.g., 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.

### Joint Checking Accounts and Business 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 which clearly indicates a different apportionment.

Example *Linda and Jerry Nelson have a joint checking account. From this account, Linda signed a $100 check payable to Friends of Joshua Truman. 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.

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 that the child actually chose to make the contribution.

### Telephone Contributions

Some campaigns solicit contributions by providing a telephone number for people to call in order to have a contribution billed to their credit card or phone bill. This is allowed, as long as all of the reporting and recordkeeping requirements are met. (See Chapter 1.) Some tips are:

- For contributions of $25 or more, the committee treasurer should make sure that a copy of the credit card voucher or other documentation is sent to the committee as soon as practicable after the contributions are made.
- The entire amount charged on the credit card or phone bill 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.

### Transfers and Carryover from a Prior Campaign

Candidates who have more than one campaign bank account and controlled committee may transfer funds from one account/committee to another. However, candidates who are defeated in an election or leave office must transfer campaign funds to an account for a future election prior to the end of the semi-annual period following the election in which the candidate was defeated, or prior to leaving office, whichever is later. If the funds are not transferred by this time, they are considered "surplus funds" and may not be used for a future election. (See Chapter 9.)

The committee receiving the transferred funds reports them on Schedule I of Form 460. The committee making the transfer reports it on Schedule E.

Example *Barbara Taylor ran for office and was defeated in a June election. She intends to run for a different office in the future. She must transfer any remaining funds to a new election account prior to July 1; otherwise, the funds become "surplus" and may not be used for a future election. She does this by reporting on Form 460, Schedule E for her old committee that a transfer was made to her new account; and on Form 460, Schedule I for her new committee, that transferred funds came into the account.*

QuickTIP There are restrictions on transfers of funds to run for state office. See FPPC's Information Manual for State Candidates (Manual 1) for further information.

### Contributions from Other Candidates

Candidates and committees may receive contributions, within contribution limits if applicable, from other candidates or officeholders.

### Undesignated Contributions

Candidates who are soliciting contributions for more than one office and receive a contribution that has not been designated for a specific office may deposit the contribution in any of their campaign bank accounts.

Undesignated monetary contributions should be deposited in a campaign bank account within 30 days of receipt. Nonmonetary contributions should be allocated to a particular committee within 30 days of receipt or by the deadline for the reporting period in which the nonmonetary contribution is received, whichever is earlier.

### $5,000 Notification to Potential "Major Donors"

Candidates and 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, or corporate funds must send the contributor written notice that they may need to file a campaign statement if their contributions to state and local candidates and committees total $10,000 or more in a calendar year. The notice may be tailored as long as it contains language substantially similar to the language below:

> 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. In addition, once you become a major donor, you are required to file a late contribution report within 24 hours if you make contributions totaling $1,000 or more to a single candidate, his or her controlled committee, or to a committee primarily formed to support or oppose a candidate or ballot measure during the

16 days before the election in which the candidate or ballot measure is being voted upon.

Failure to file campaign statements may result in late filing penalties ($10/day) and fines (up to $5,000/violation). For more information, contact the Fair Political Practices Commission toll free at (866) 275-3772 or refer to their website: www.fppc.ca.gov.

Additionally, if you make contributions of $50,000 or more in a calendar year in California and some or all of those contributions are to state candidates, committees, or ballot measures, you are required to file your Form 461 electronically with the Secretary of State. For more information on the electronic filing requirements, contact the Secretary of State's office at (916) 653-6224.

The notice is not required if the source of the contribution is an existing committee, because it already is required to file campaign statements.

The notice must be sent, faxed, or emailed to the contributor within two weeks of receipt of the $5,000 contribution(s). No further notices are required for subsequent contributions received from the same contributor within the same calendar year.

A copy of each notice or a record of all notices showing the date sent, faxed, or emailed, and the name and address of the person receiving the notice must be retained.

## 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 good or service must be reported.

Example *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.*

If a business donates the use of an employee to work on a campaign, the amount the individual is paid for working on the campaign is reportable only if the employee spends 10% or more of his or her compensated time in a calendar month working on the campaign.

Example *An accounting firm provides your committee with the services of an accountant during the last month of the campaign. The accountant spends 25% 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 is $2,500.*

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

Example *Your committee treasurer knows the owner of Janns' Printing Shop and gets the owner to give your committee a 50% 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.*

Volunteer personal services are not considered to be a nonmonetary contribution.

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.

### Mailings

Generally, the fair market value of a mailing is reported as a contribution when the mailing expressly advocates support of or opposition to a candidate **and** was made at the behest of the affected candidate or primarily formed committee.

Example *The Treetop Paper Company produces and sends a mailing to support your committee. Although the company receives paper at a discounted rate, report the receipt of a nonmonetary contribution in the amount it would have cost you had you paid fair market value for the mailing.*

**Multiple Candidates and Measures:** If a mailer expresses support or opposition to more than one candidate or ballot measure, 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.

Example *The Weston Chamber of Commerce produces and mails a one-page flyer urging voters to vote for supervisor candidate Stan Smith and against two ballot measures. Half of the flyer is devoted to supporting Smith and the other half equally opposes the measures. The Chamber coordinates the mailing with candidate Smith, but does not coordinate with any committee set up to oppose the two measures. The total cost of producing and mailing the flyer is $3,000. Smith has received a nonmonetary contribution valued at $1,500, and the Chamber has made an independent expenditure of $750 apiece opposing the two ballot measures.*

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 mailing containing both express advocacy in support or opposition to a candidate and other nonpolitical material can be prorated. Costs directly associated with the political message are reportable by the candidate, including, for example, compensation paid to employees who spend 10% or more 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 as between the political and non-political material.

**Member Communications:** Payments made by an organization or its sponsored committee for a communication that supports or opposes a candidate 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 3.)

**Bulk Rate Permits:** Use of an organization's bulk rate permit is a

nonmonetary contribution from the organization. If the committee pays the actual postage costs incurred under the bulk rate permit, 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 campaign 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.

### Polls & Surveys

A person or entity that provides data from a public opinion poll or survey to a candidate or committee is making a nonmonetary contribution if the candidate or committee requests the data or the data are used for political purposes. FPPC staff have 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 candidate or 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 candidate, the nonmonetary contribution is the prorated portion of the total value of the survey.

Example *The Chewing Gum Association PAC commissioned a public opinion poll to determine voters' attitudes about candidates running for governor, candidates in a senate district, and a city ballot measure. The PAC provided the poll results to the candidate they supported for governor, those in certain senate districts, and to the committee supporting the city ballot measure. Since only a portion of the data pertained to the senate and city ballot measure elections, these candidates and the ballot measure committee reported a prorated amount when disclosing the nonmonetary contributions received.*

## Answering Your Questions

*Q: 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 cost and report receiving a $75 contribution?*

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

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

A: There is no requirement to put the identification number anywhere on the mailer. 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.

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

A: The Political Reform Act does not restrict raffles. However, Penal Code 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. Of course, be sure all of the reporting and recordkeeping requirements are met.

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

A: 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.

*Q: May a non-profit organization hold a joint fundraiser with a political committee?*

A: Yes. However, any costs incurred by the non-profit organization which are not reimbursed by the political committee would be considered to be 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.

*Q. Three candidates 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 candidates receiving contributions from the polling firm because of the discounted fee, and are the candidates making contributions to each other?*

A. To the extent each candidate pays only his or her share of the cost of the poll, the candidates are not making contributions to each other. Additionally, if the polling firm provides the discount as part of its standard business policy of providing discounts in similar situations and does not provide the discount for political purposes, the candidates will not receive a contribution from the polling firm.

## Returning Contributions

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

**General Rule:** Contributions may be returned to individual contributors as long as the return is reasonably related to a political, legislative, or governmental purpose. "Surplus funds" may be returned to contributors. (See Chapter 9 for information on disposition of surplus funds.)

**Reporting:** A contribution is not required to be reported 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. A "late contribution" (a contribution of $1,000 or more received during the last 16 days before an election) is not required to be reported if it is not deposited, cashed, or negotiated and it is returned within 24 hours of receipt. Once a contribution is deposited, cashed, or negotiated, it must be disclosed on the next campaign statement, even if it is subsequently returned. (See Chapter 6 for detailed information on reporting returned contributions.)

**Missing Contributor Information:** A contribution of $100 or more must be returned within 60 days of receipt if the candidate or 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. (See Chapter 1.)

## Authority

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

### Government Code Sections

82015 *Contribution.*
82025.5 *Fair Market Value.*
82036 *Late Contribution.*
82047 *Person.*
84105 *Notification of Contributors.*
84211 *Contents of Campaign Statement.*
84300 *Cash and In-Kind Contributions; Cash Expenditures.*
84302 *Contributions by Intermediary or Agent.*
84306 *Contributions Received by Agents of Candidates and Committees.*
85308 *Family Contributions.*
85311 *Affiliated Entities; Aggregation of Contributions.*
85312 *Communications to Members of an Organization.*
85700 *Donor Information Requirements; Return of Contributions.*

### Title 2 Regulations

18215 *Contribution.*
18216 *Enforceable Promise to Make a Payment.*
18421.1 *Disclosure of the Making and Receipt of Contributions.*
18423 *Payments for Personal Services as Contributions and Expenditures.*
18427.1 *Notification to Contributors of $5,000 or More.*
18428 *Reporting by Affiliated Entities.*
18430 *Committee Controlled by More Than One Candidate.*
18432.5 *Intermediary.*
18523 *Nondesignated Contributions or Loans.*
18531.7 *Payments for Communications – Section 85312.*
18533 *Contributions from Joint Checking Accounts.*

# Chapter 3
# Communications

One of the most important aspects of any campaign is communicating with the voters. The Political Reform Act **does not** regulate the **truth or accuracy** of political communications, but does require reporting of most payments in connection with flyers, mailers, billboards, radio and television advertising.

## Contributions and Independent Expenditures

Generally speaking, when someone, other than the candidate or his or her committee pays for a communication supporting the candidate, the candidate has received a nonmonetary contribution unless the payment was not made "at the behest of" the candidate. Payments for communications supporting a candidate by the use of express advocacy, that are not made at the behest of the candidate are called "independent expenditures," and the candidate is not required to report them, although the person making the independent expenditure may have reporting obligations. In addition, certain other types of communications may not be reportable at all, or may be subject to special reporting requirements. (See Chapter 7 and the definition of "contribution" in Appendix I.)

Whether a communication is a contribution, an independent expenditure, or some other type of reportable payment depends on several factors, including whether the communication "expressly advocates" the election or defeat of a clearly identified candidate or ballot measure. The information and examples provided below may be of assistance in making that determination. However, it is impossible to address all of the types of communications in a campaign. If presented with specific facts, FPPC staff can provide assistance.

When reviewing this section, it is important to remember the following:

- A candidate may not make independent expenditures from campaign funds to support or oppose another candidate.
- Communications paid for by a candidate's controlled committee that support the controlling candidate, or oppose his or her opponent, are not considered contributions or independent expenditures.
- In most cases, communications paid for by a noncontrolled primarily formed committee that support or oppose a candidate are considered contributions or independent expenditures.

## Express Advocacy

A communication expressly advocates support or opposition of a clearly identified candidate when it uses words such as "vote for," "elect," "support," "cast your ballot," "vote against," "defeat," "reject," "sign petitions for," or the communication, taken as a whole, unambiguously urges a particular result in an election.

## Clearly Identifies

A communication *clearly identifies* a candidate or measure when the candidate's name, photograph, or status as a candidate or officeholder is used, or the measure's name, popular title, or official title is used. Some flyers may mention a group of candidates by some well-defined characteristic of the group. Even if no specific names are used, these, too, may be communications which *clearly identify* candidates.

Example *An individual paid $4,000 for a newspaper ad stating "Vote for Joe Winner." The communication expressly*

*advocates support for a clearly identified candidate and must be reported either as a contribution if it was made at the candidate's behest or an independent expenditure if it was not made at the candidate's behest.*

*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 candidate or measure.*

A communication that expressly advocates support of or opposition to a clearly identified candidate or ballot measure is a contribution, if made at the behest of the candidate or committee, or independent expenditure, if not made at the behest of the candidate or committee.

## Made at the Behest

A payment is "*made at the behest*" of a candidate or committee if the payment is made under the control or at the direction of, in cooperation, consultation, coordination, or concert with, at the request or suggestion of, or with the express prior consent of the candidate or committee or an agent of the candidate or committee, and the arrangement occurs prior to the making of the communication. Expenditures made at the behest of a candidate or committee include expenditures:

- Made by a person other than the candidate or committee, to pay for a communication relating to one or more clearly identified candidates or ballot measures if it is created, produced, or disseminated:
  - After the candidate or committee has made or participated in making any decision regarding the content, timing, location, mode, intended audience, volume of distribution, or frequency of placement of the communication, or
  - After discussion and agreement between the candidate or committee and creator, producer or distributor of a communication, or the person paying for that communication, regarding the content, timing, location, mode, intended audience, volume of distribution, or frequency of placement of the communication.

An expenditure is presumed to be made at the behest of a candidate or committee if it is:

- Based on information about the candidate's or committee's campaign needs or plans provided to the expending person by the candidate or committee; or
- Made by or through any agent of the candidate or committee in the course of the agent's involvement in the current campaign; or
- For a communication relating to a clearly identified candidate or ballot measure when:
  - The person making the expenditure retains the services of a person who provides either the candidate or the committee supporting or opposing the ballot measure with professional services related to campaign or fundraising strategy for the same election, or
  - The communication replicates, reproduces, republishes, or disseminates, in whole or in substantial part, a communication designed, produced, paid for, or distributed by the candidate or committee.

An expenditure is **not made at the behest** of a candidate or committee just because:

- A person interviews the candidate or candidate's agent on issues affecting the person making the expenditure, or

- The person making the expenditure obtains a photograph, biography, position paper, or press release, or similar material is provided by the candidate or his or her agent, or
- The person making the expenditure has made a contribution to the candidate or committee, or
- A person makes an expenditure in response to a general, nonspecific request for support by a candidate or committee, provided that there is no discussion with the candidate or committee prior to the expenditure relating to details of the expenditure, or
- The person making the expenditure has invited the candidate or committee to make a public appearance before the person's members, employees, shareholders, or the families provided that there is no discussion with the candidate or committee prior to the expenditure relating to details of the expenditure, or
- A person informs a candidate or committee that the person has made an expenditure, provided that there is no exchange of information, not otherwise available to the public, relating to details of the expenditure, or
- The expenditure is made at the request or suggestion of the candidate or committee for the benefit of another candidate or committee.

Example *Citizens for Winner, a non-controlled committee primarily formed to support Joe Winner's candidacy, printed campaign literature stating, "Vote for Joe Winner." The communication included a copy of a photograph the committee obtained from the public information counter at Joe's campaign headquarters. Joe did not in any other way coordinate with the committee in producing the campaign literature. The committee made an independent expenditure, not a contribution to Joe's campaign.*

*On the other hand, if the committee contacted Joe Winner and arranged for a professional photographer to meet with him for the purpose of taking photographs for the mailer, the committee would be making a nonmonetary contribution to Joe's campaign.*

### Determinations Based on Facts

As the previous examples illustrate, whether a communication is deemed to be express advocacy and whether the communication is made at the behest of the affected candidate or measure committee, are factual determinations based on the text of the communication and the circumstances associated with it. Although determinations must be made on the facts of each particular situation, the following examples address common situations that may arise in a campaign.

## Reporting

There are distinctly 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 candidate or committee, the candidate or committee **must report** the receipt of a nonmonetary contribution. The person making the expenditure may also have to file reports.

Candidates and committees who are the beneficiaries of independent expenditures **do not report** them. However, the person making the expenditure may have filing obligations.

Example *During Joe Winner's campaign, two newspaper advertisements supporting Joe were published without his knowledge or consent. Since the payments for these communications were not made at his behest, they were independent expenditures by the person(s) funding the ads and were not reportable by Joe's*

*campaign. The person(s) who paid for the ads may have a filing obligation.*

## Endorsements

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

Example *The president of a police officers' association announces at its annual meeting that the association endorses John Law for county sheriff. Merely making an oral endorsement is not a contribution or independent expenditure to John Law.*

*Closer to the election, at the request of candidate John Law, the association mails a special flyer to the voters announcing its endorsement of him. Since the mailing was made at the behest of the candidate, the association has now made a nonmonetary contribution to John Law.*

Frequently, a candidate will publish his or her endorsement by another official. As long as the communication does not advocate the election of the endorsing official (or the defeat of that official's opponent), a payment made to communicate the endorsement is not a contribution to the endorsing candidate or official, even though the endorsement was made at the behest of both individuals.

Example *A city council candidate paid for a mailing which quoted the mayor's verbal endorsement of his candidacy. Although the mayor was also on the ballot, the flyer was not a contribution to the mayor.*

If a candidate pays for a communication supporting his or her own candidacy that also supports or opposes a ballot measure, the payment is not a contribution to or independent expenditure made in connection with the ballot measure.

There are times when a candidate pays for a communication that supports another candidate, but the payment is not made at the behest of the endorsed candidate. If the candidate paying for the communication also is included in the communication, and the non-paying candidate is listed on the same ballot as the paying candidate, and the communication is targeted only to the potential voters in the paying candidate's district, no independent expenditure is made.

Example *Lynda Isherwood, a city council member running for reelection, sent out a flyer to registered voters in her district asking them to support her candidacy. The flyer also encouraged the voters to vote for Gary Swanson for Governor, although this endorsement was not made at Gary's behest. Because the gubernatorial election and city council election would appear on the same ballot for those living in Lynda's district, and the flyer was sent only to voters in Lynda's district, the payment for the flyer is not an independent expenditure.*

## Non-Contributions

**Debates:** A payment for a debate or similar forum in which to least two candidates running for the same office are invited is not a contribution to the candidates, if the debate is sponsored by a nonpartisan organization.

Example *The League of Women Voters invited all candidates for city council to speak at a forum. Only one candidate attended. Because at least two candidates running for the same office were invited, the cost of the meeting is not a contribution to the candidate who attended.*

Similarly, a payment for a debate or forum sponsored by a political party or a committee affiliated with a political party is not a contribution if a majority of the candidates for the party's nomination are invited to participate.

**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 a candidate speaks is not a contribution if the organization pays no additional costs in connection with the speaker's attendance.

Example *At a union's regularly-scheduled monthly meeting, one candidate was invited to solicit votes. The union did not incur any additional costs in connection with the speaker's presentation, so no contribution was made.*

**Member Communications:** Payments made by an organization or its sponsored committee for a communication that supports or opposes a candidate 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 general member communications.

Example *Your campaign consultant asks a labor organization to send a mailing supporting your election. The mailing will be sent only to the organization's membership. The mailing is not a contribution to you. Later, the campaign consultant asks the organization to send the mailing to all registered voters in your district. The mailing to the voters is a contribution to you.*

Payments made by a political party for a communication that supports a candidate are not contributions to the candidate 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.

Example *The Green Party pays for a mailing supporting your candidacy to all of its members five days before your election. The cost of the mailing exceeds $1,000. The Party must file a late contribution report. You are not required to disclose the mailing as a contribution.*

**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.

**Non-Political Communications:** A payment made at the behest of a candidate, which is for a communication by the candidate or any other person, is not a contribution to the candidate if the communication:

- Does not contain express advocacy; and
- Does not make reference to the candidate's candidacy for elective office, the candidate's election campaign, or the candidate's or his or her opponent's qualifications for office; and
- Does not solicit contributions to the candidate or to third persons for use in support of the candidate or in opposition to the candidate's opponent.

**Voter Registration:** A payment made at the behest of a candidate as part of voter registration or get-out-the-vote activities is not a contribution if the communication does not expressly advocate the candidate's election.

### Sender Identification

Committee to Elect Waters Mayor
10 Parkway Plaza
Playa del Sol, CA 95888

37¢

Sharon Eshenaur
620 McFadden Street
Playa del Sol, CA 95888

Example *At the behest of an elected official, an organization paid for a voter registration booth at a local fair. No other literature was distributed at the booth. The payment for the voter registration booth was not a contribution to the official.*

**Voting Records:** An entity may publish the voting records of public officials. As long as only the voting records are published, the communication is not considered a contribution or an independent expenditure.

## Identification Requirements for Mailings

### Contribution Solicitations

When a candidate or controlled committee sends a written solicitation for contributions, the solicitation must identify the name of the controlled committee.

### Mass Mailings

A "mass mailing" is more than 200 similar pieces of mail sent in a single calendar month. The Political Reform Act contains sender identification requirements for mass mailings that are "mailed" (e.g., USPO, FedEx) to a person's home, business, or post office box.

Solicitation letters, notices of fundraising events, newsletters sent by the candidate or committee, and other types of campaign literature are common types of mass mailings.

The Political Reform Act does not regulate the **truth or accuracy** of mail or other campaign-related advertisements or materials.

## Sender Identification Requirements

### Sent by One Candidate/Committee

The name of the candidate, his or her street address, city, state, and zip code must be placed on the outside of each piece of mail in no less than 6-point type and in a color or print which contrasts with the background so that it is easily read. If a single candidate's controlled committee is sending the mailer, the name of the committee may be placed on the outside of the mailer if the committee's name contains the name of the candidate. A post office box may be used as the address only if the committee's street address is on its Statement of Organization (Form 410) on file with the Secretary of State.

### Sent by Two or More Candidates/ Committees

The name and address of the candidate (or committee, if its name includes the candidate's name) who 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 as described above.

If two or more candidates pay equally for the mailer, the name and address of at least one of the candidates (or committees, as noted above) must be shown on the outside as described above, and the names and addresses of all candidates (or committees) must appear on at least one insert.

### Primarily Formed Committee

If a primarily formed committee sends a mass mailing, the name and address of the committee must appear on the outside of each piece of mail in no less than 6-point type and in a color or print which contrasts with the background. A post office box may be used in lieu of the street address only if the committee's street address is reported on the Statement of Organization (Form 410) on file with the Secretary of State.

### Required Recordkeeping

For each mass mailing, the following must be retained for a period of four years:

- A sample of the mailing;
- A record of the date;
- The number of pieces sent; and
- The method of postage used.

## Answering Your Questions

Q: *Must the committee's identification number appear on a mailing?*

A: No.

Q: *If a business entity includes a copy of a candidate's flyer in its regular monthly mailing, is the candidate required to be identified on the outside of the mailer?*

A: No. The candidate's name and address must be identified on the flyer only.

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

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

Q: *A committee pays for a candidate's mailing as a nonmonetary contribution. Which committee must be identified on the outside, the committee paying for the mailing or the candidate's committee?*

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

Q: *If a committee is sending a post card-type mailing, may the name of the committee appear only once?*

A: Yes.

Q: *Where on the outside of the mailing must the candidate or committee identification be placed?*

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

## Identification Requirements for Advertisements

In addition to the rules for mass mailings, the Political Reform Act requires identification and disclosure on certain other advertisements and communications. However, most of the requirements apply to advertisements that support or oppose ballot measures and none apply to advertisements paid for by a candidate's controlled committee to support the controlling candidate's election or to oppose the candidate's opponent.

For example, no identification or disclosure is required by the Political Reform Act on the following items when paid for by a candidate in support of his or her own campaign:

- Lawn signs;
- Billboards;
- Campaign literature that is distributed by some means other than mail, such as handouts at fundraisers or shopping malls, or door hangers;
- Radio or television advertisements (these are regulated by the Federal Communications Commission);
- E-mails, faxes, or web site pages.

If a primarily formed committee makes an independent expenditure for a mass mailing or advertisement to support or oppose a candidate or ballot measure, the mailing or ad must identify the names of the committee's top two donors of $50,000 or more. (For mass mailings, this is in addition to the sender identification requirements discussed earlier.) A candidate's controlled committee must include the same information on any independent expenditure that supports or opposes a ballot measure. Different identification requirements exist depending on whether the advertisement is made by video, radio, or print. Contact the FPPC for detailed information.

When any committee makes expenditures totaling $5,000 or more for an individual's appearance in a printed, televised, or radio advertisement, or in a telephone message, that supports or opposes the qualification or passage of a state or local ballot measure, the advertisement must include a statement that the individual is being paid by the campaign or its donors. In addition, the Paid Spokesperson Report (Form 511) must be filed. (See Chapter 7.)

## Authority

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

### Government Code Sections

82015 *Contribution.*
82025 *Expenditure.*
82031 *Independent Expenditure.*
82041.5 *Mass Mailing.*
82044 *Payment.*
82047 *Person.*
84211 *Contents of Campaign Statement.*
84305 *Requirements for Mass Mailing.*
84503 *Advertisement for or Against Ballot Measures.*
84506 *Independent Expenditures; Advertisements.*
84511 *Ballot Measure Ads; Paid Spokesperson Disclosure.*
85312 *Communications to Members of an Organization.*
85501 *Prohibition on Independent Expenditures by Candidate Controlled Committees.*

### Title 2 Regulations

18215 *Contribution.*
18225 *Expenditure.*
18225.7 *Made At the Behest of.*
18401 *Required Recordkeeping for Chapter 4.*
18435 *Definition of Mass Mailing and Sender.*
18450.1 *Definitions. Advertisement Disclosure.*
18450.4 *Content of Disclosure Statements. Advertisement Disclosure.*
18450.11 *Spokesperson Disclosure.*
18523.1 *Written Solicitation for Contributions.*
18531.7 *Payments for Communications – Section 85312.*

# Chapter 4
# Getting Started

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

## Candidates and Controlled Committees

Candidates must file the Candidate Intention (Form 501) **before raising or spending any money**, including the candidate's personal funds. (Personal funds of the candidate may be used to pay filing or ballot statement fees prior to filing Form 501.) Subsequent filings depend upon the amount that will be raised or spent.

If **any** monetary contributions will be received from others, a separate campaign bank account must be opened. (See Chapter 1.)

### Less than $1,000

If less than $1,000 will be raised or spent in a calendar year, including the candidate's personal funds, the Officeholder/Candidate Campaign Statement—Short Form (Form 470) may be filed by the candidate once each year. However, if after filing the Form 470, $1,000 or more is received or spent, the Statement of Organization (Form 410) and the Recipient Committee Campaign Statement (Form 460) must be filed. The Form 470 Supplement may also be required.

Personal funds of the candidate used to pay filing or ballot statement fees are not counted toward the $1,000 threshold.

### $1,000 or More

Candidates who will raise or spend $1,000 or more in a calendar year must:

- File the Form 501;
- Set up a bank account;
- File the Statement of Organization (Form 410) within 10 days of raising or spending $1,000 or more; and
- File the Recipient Committee Campaign Statement (Form 460) disclosing receipts and expenditures. (See Chapter 6.) Additional reports also may be required. (See Chapter 7.)

## Primarily Formed Committees

A primarily formed committee must file the Statement of Organization (Form 410) within 10 days of raising or spending $1,000 in a calendar year.

Depending on the committee's level of activity, the Form 425, 450, or 460 is used to report campaign activity. (See Chapter 6.) Additional reports also may be required. (See Chapter 7.)

Primarily formed committees do not file Forms 501 or 470.

**Form 501 Candidate Intention Statement**

**Candidate Intention Statement** Type or Print in Ink.

Date Stamp

CANDIDATE INTENTION STATEMENT
CALIFORNIA FORM 501
For Official Use Only

Check One: ☒ Initial ☐ Amendment (Explain) _____

**1. Candidate Information:**

| NAME OF CANDIDATE (Last, First, Middle Initial) | DAYTIME TELEPHONE NUMBER | FAX NUMBER (optional) | E-MAIL (optional) |
|---|---|---|---|
| Tyme, Sunny | (555) 333-7421 | (555) 333-7621 | Styme@aol.com |

| STREET ADDRESS | CITY | STATE | ZIP CODE |
|---|---|---|---|
| 200 McFadden Street | Playa del Sol | CA | 95888 |

| OFFICE SOUGHT (POSITION TITLE) | AGENCY NAME | DISTRICT NUMBER, if applicable | ☒ NON-PARTISAN PARTY: |
|---|---|---|---|
| City Council | Playa del Sol | 1 | |

OFFICE JURISDICTION
☐ State (Complete Part 2.)
☒ City ☐ County ☐ Multi-County: _____ (Name of Jurisdiction) 20XX (Year of Election)

**2. State Candidate Expenditure Limit Statement:**
(CalPERS candidates, judges, judicial candidates, and candidates for local offices are not required to complete Part 2.)

_____ (Year of Election) ***Primary/general election*** _____ (Year of Election) ***Special/runoff election***

(Check one box)
☐ I **accept** the voluntary expenditure ceiling for the election stated above.
☐ I **do not accept** the voluntary expenditure ceiling for the election stated above.
Amendment:
○ I did not exceed the expenditure ceiling in the primary or special election held on: ___/___/___ and I **accept** the voluntary expenditure ceiling for the general or special run-off election.

(Mark if applicable)
☐ On ___/___/___, I contributed personal funds in excess of the expenditure ceiling for the election stated above.

**3. Verification:**
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.
Executed on [Date Required] (month, day, year) Signature [Signature Required] (Candidate)

# Candidate Intention (Form 501)

## When and Where to File

Before any contributions are solicited or received, and before any campaign expenditures are made from personal funds, candidates must file Form 501. A new Form 501 must be filed for each election, even if the candidate is running for reelection.

Superior court candidates file with:

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

Candidates for other local offices file Form 501 with the local filing officer (city clerk, county clerk/registrar of voters) with whom the candidate will file his or her original campaign statements. (See Chapter 5.)

The Form 501 is considered filed when it is placed in the mail. The date of postmark is the date filed.

## How to Complete Form 501

### Type of Statement

Check one of the following boxes indicating the type of statement being filed:

- Initial — If this is the first Candidate Intention Statement being filed for this election.
- Amendment — If any change occurs on a previously filed Form 501; for example, a change of address.

### Candidate Information

Provide the candidate's full name, street address, and a daytime telephone number. (A business address may be used.) Providing a fax number or e-mail address is optional.

### Office Sought

Enter the title of the office sought, e.g., Supervisor.

### District Number

Enter the district number or letter, if applicable.

### Office Jurisdiction

Check one box indicating the jurisdiction of the office being sought and enter the name of the city or county, if applicable.

- Multi-County — Candidates seeking an elective office where the jurisdiction of the agency contains parts of two or more counties. (This does not include candidates for the Legislature, State Board of Equalization, or appellate or superior court. See FPPC's Information Manual for State Candidates (Manual 1).)
- County of — Candidates seeking an elective county office (including superior court judge and most school board members). Provide name of county.
- City of — Candidates seeking an elective city office. Provide name of city.

### Year of Election

Enter the year of the election for the office being sought. Month and day are not required.

### State Candidate Expenditure Limit Statement

This section does not apply to local candidates; it applies only to candidates for assembly and senate, and candidates seeking statewide office.

### Verification

Form 501 is not considered filed if it is not signed.

## Answering Your Questions

Q. *Am I required to file a document to withdraw as a candidate?*

A. The FPPC does not administer the laws which govern what candidates must do to appear on a ballot or to remove their names from a ballot. Contact your local filing officer.

Q. *Am I required to file Form 501 if I will set up a committee to fight my recall?*

A. No.

Q. *Am I required to file a Form 501 if I am a replacement candidate in a recall election?*

A. Yes. Replacement candidates must file a Form 501.

Q. *Am I required to file Form 501 when I run for reelection to the same office?*

A. Yes. If you seek reelection to the same office, you are required to file an "Initial" Form 501 prior to raising or spending any money for the new election.

Q. *When may I begin to solicit and raise funds for my election?*

A. You may solicit and receive funds as soon as you have placed the Form 501 in the mail.

Q. *Are candidates who are seeking election to a particular district or seat, e.g., city council or a community college board of trustees, required to specify the district/ seat on the Form 501?*

A. Yes. Each district/seat on the city council or the community college board of trustees is considered a specific office. Note: The "district number" is not applicable for candidates running for mayor or city council at large.

Q. *I have completed the process to be an official write-in candidate. Do I have any reporting obligations?*

A. Yes. You have the same reporting obligations as any other candidate.

## Officeholder and Candidate Campaign Statement – Short Form (Form 470)

The Form 470 may be filed by a candidate or officeholder who does not anticipate raising or spending $1,000 or more in a calendar year. Payments from the candidate's personal funds used to pay filing or ballot statement fees do not count toward the $1,000 threshold.

Form 470 may not be used if the candidate or officeholder has an existing controlled committee established for a past election, future election, or ballot measure (including recalls).

There are special exceptions, discussed below, that apply to judges and unpaid elected officeholders (officeholders who receive salaries less than $200 a month).

### When to File

Form 470 is filed once each year on or before the filing deadline for the first semi-annual statement (July 31) or the first preelection statement filed in connection with an election, whichever occurs first. Preelection filing deadlines can be obtained from your local election official.

If the Form 470 is filed and, later in the calendar year, $1,000 or more is raised or spent, the candidate's filing deadlines and forms will change. (See Form 470 Supplement.)

#### Filing Form 470 During Election Years

#### Officeholders

If an officeholder will be listed on a ballot during the first six months of the calendar year, Form 470 may be filed with the declaration of candidacy but must be filed no later than the filing deadline for the first preelection statement required in connection with the election. If the election will be held during the last six months of the calendar year, the Form 470 must be filed no later than July 31. Enter the election date on this Form 470.

#### Non-Incumbent Candidates

If a candidate will be listed on the ballot in the first six months of the calendar year, Form 470 may be filed with the declaration of candidacy but must be filed no later than the filing deadline for the first preelection statement required in connection with the election.

A candidate who will be listed on the ballot in the last six months of the calendar year and receives contributions or makes expenditures:

- Before June 30: Files Form 470 by July 31.
- After June 30: May file Form 470 with the declaration of candidacy, but no later than the filing deadline for the first preelection statement required to be filed in connection with the election.

Example *Non-incumbent judicial candidate Janice Chambers is listed on the November ballot. She does not intend to raise or spend $1,000 in connection with her election. By June 30, she had received no contributions and her only expenditures were for the filing and ballot statement fees paid for with her personal funds. Janice is required to file Form 470 by the first preelection filing deadline.*

#### Non-Election Years

#### Officeholders

Generally, officeholders who will not be in an election during the calendar year file the Form 470 no later than July 31.

#### Non-Incumbent Candidates

Non-incumbent candidates who raise or spend funds less than $1,000 during a non-

election year also must file statements for that year. The Form 470 must be filed on or before July 31 if funds are raised or spent during the first six months of the calendar year. The Form 470 must be filed on or before January 31 if funds are raised or spent during the last six months of the previous calendar year (and no funds were raised during the first six months).

Example *In May 2003, non-incumbent candidate Joe Lim spent $400 in connection with an election in which he is seeking office; the election will be held in June of 2004. Since Joe does not intend to raise or spend a total of $1,000 during the calendar year, he files a Form 470 by July 31, 2003, which covers his reporting obligations for the entire year. Joe will also file a Form 470 by the first preelection deadline for the election in 2004, assuming he will not raise or spend $1,000 or more during 2004.*

Candidates running in an election in the first three months of the year may be required to file Form 470 in October, November, or December of the previous non-election year, as well as in the election year. The candidate should review the filing schedule provided by the filing officer.

Example *Sonja Hansen, a city council candidate, will be on the ballot in February. Her first preelection statement for this election is in December of the previous year. Since she does not intend to raise or spend $1,000 during this calendar year, she files a Form 470 by the first preelection statement due date. The second preelection statement is due in January. Since her first Form 470 covered the period ending December 31 only, and because she does not intend to raise or spend $1,000 during the year of the election, she files another Form 470 covering the entire calendar year of the election by the second preelection statement deadline.*

### Judges and Unpaid Elected Officeholders

Judges and officeholders whose salaries from their elected positions are less than $200 a month (considered unpaid officeholders under the Act) are not required to file Form 470 for any semi-annual period (January 1-June 30 or July 1-December 31) in which they are not listed on the ballot and do not receive any contributions or make any expenditures.

To determine whether $200 has been received, only the elected official's fixed compensation for services (i.e., salary) need be counted; payments for health benefits, reimbursement for expenses (including travel expenses), or per diem received from the elected official's agency need not be counted toward the $200.

This exception applies even if a judge or unpaid officeholder has a controlled committee, as long as the committee has not received any contributions or made any expenditures (excluding bank fees and interest).

### Election Years

During an election year, the deadline for filing the Form 470 will depend on the date of the election. Judges and unpaid officeholders running in an election during the first six months of the year may file Form 470 with the declaration of candidacy, but no later than the filing deadline for the first preelection statement required in connection with the election.

If the election will be held during the last six months of the year, the Form 470 must be filed by July 31 if any funds were raised or spent (other than the candidate's personal funds for a filing or ballot statement fee) between January 1 and June 30. If no contributions were received or expenditures made by June 30, the Form 470 may be filed with the declaration of candidacy, but no later than the filing deadline for the first preelection statement required in connection with the election.

Example *Judge Mercado is listed on the November ballot and anticipates raising and spending less than $1,000 for his reelection. By June 30, he had received no contributions since January 1 and his only expenditures were for the filing and ballot statement fees paid for with his personal funds. The judge is not required to file by the July 31 semi-annual filing deadline, but must file a Form 470 by the first preelection filing deadline.*

## Where to File Form 470

### Superior Court Judge

- Original and one copy with:

  Secretary of State
  1500 11th Street, Ste. 495
  Sacramento, CA 95814

- Two copies with the county clerk or registrar of voters.

### Multi-County Office

For local offices in agencies with jurisdiction in two or more counties:

- Original and one copy with the county with the largest number of registered voters in the jurisdiction; and
- Two copies with the candidate/ officeholder's county of domicile, if different from the county receiving the original.

### County Office

- Original and one copy with the county clerk or registrar of voters; and
- Two copies with the candidate/ officeholder's county of domicile, if different from the county receiving the original.

### City Office

- Original and one copy with the city clerk.

**Form 470 Officeholder and Candidate Campaign Statement**

**Officeholder and Candidate Campaign Statement – Short Form**
(Government Code Section 84206)

Type or print in ink.

Date of election if applicable: (Month, Day, Year) 3/7/20XX

☐ Amendment (Explain Below)

Date Stamp

SHORT FORM
CALIFORNIA FORM 470
For Official Use Only

1. Statement Covers Calendar Year 20 XX .

2. Officeholder or Candidate Information
NAME OF OFFICEHOLDER OR CANDIDATE: Sunny M. Tyme
STREET ADDRESS: 200 McFadden Street
CITY: Playa del Sol STATE: CA ZIP CODE: 95888
AREA CODE/DAYTIME PHONE NUMBER: 555/333-7421
OPTIONAL: FAX / E-MAIL ADDRESS: 555/333-7621/Styme@aol.com

3. Office Sought or Held
OFFICE SOUGHT OR HELD: City Council
JURISDICTION (LOCATION): City of Playa del Sol
DISTRICT NUMBER (IF APPLICABLE): 1

4. Committee Information
*List all committees of which you have knowledge that are primarily formed to receive contributions or to make expenditures on behalf of your candidacy.*

| COMMITTEE NAME AND I.D. NUMBER | COMMITTEE ADDRESS | NAME OF TREASURER |
|---|---|---|
| Concerned Citizens<br>ID #102046 | 1220 60th Street<br>Playa del Sol, CA 95888 | Dorleen Abrahms |

5. Verification
I declare under penalty of perjury that to the best of my knowledge I anticipate that I will receive less than $1,000 and that I will spend less than $1,000 during the calendar year and that I have used all reasonable diligence in preparing this statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on [Date Required] (DATE) By [Signature Required] (SIGNATURE OF OFFICEHOLDER OR CANDIDATE)

## How to Complete Form 470

### Date of Election

If the candidate or officeholder is running in an election during the calendar year, indicate the month, day, and year of the election.

### Period Covered

The period covered is always the calendar year.

### Officeholder or Candidate Information

Provide the candidate/officeholder's name, a daytime telephone number, and a residential or business address. A post office box number, Mail Boxes Etc. street address, or some similar service's street address may not be used.

### Office Held or Sought

Indicate the office being held and/or sought and provide the location and district number of the office, if applicable.

### Committee Information

A candidate or officeholder who is aware of a primarily formed committee that is receiving contributions and making expenditures on behalf of his or her candidacy must disclose the primarily formed committee's name, identification number, address, and the name of the treasurer.

Example *Sunny Tyme's neighbors formed the Concerned Citizens' Committee for the purpose of getting her elected as mayor. Sunny is aware of the committee but has no involvement with its day-to-day activities. Sunny discloses this committee on her Form 470.*

### Verification

The Form 470 is not considered filed if it is not signed. The officeholder/candidate must sign and date the form.

## Answering Your Questions

*Q. What reporting period does the Form 470 cover?*

A. Form 470 is filed once each calendar year and covers the entire calendar year. When you file Form 470 with your declaration of candidacy, or on or before the deadline for filing your first preelection statement, you do not need to file any additional campaign statements as long as neither your total receipts nor your total expenditures are $1,000 or more during the calendar year.

*Q. If I am a non-incumbent candidate, am I required to file a Form 470 in connection with my election if I am running unopposed, my name does not appear on the ballot, and the only expenditure I make is from personal funds for a filing or ballot statement fee?*

A. No. A Form 470 is not required. However, once you assume office, a Form 470 may be required.

*Q. As a member of a county central committee, am I required to file a Form 470 for years when I will not appear on the ballot?*

A. In connection with your county central committee office, file the Form 470 only if you receive a contribution or make campaign expenditures of less than $1,000 in a calendar year, or will appear on the ballot in that year.

*Q. If I am in a January election and will not raise or spend $1,000 in connection with that election, when am I required to file Form 470?*

A. File Form 470 in the preceding November, the deadline for filing your first preelection statement in connection with the January election. In addition, if your second preelection statement is due in January, another Form 470 must be filed. The reason for this is because a Form 470 is filed in each calendar year. The first Form 470 covers the calendar year preceding the election, and the second Form 470 covers the calendar year in which the election takes place.

*Q. I am a city council member and I closed my campaign committee in March. May I file the Form 470 for the statement due July 31?*

A. No. You may not file the Form 470 if you have had a committee open at any time during the calendar year, or intend to have one later in the year. You must continue filing the Form 460 as an officeholder for the remainder of the calendar year. The Form 470 may be filed the following calendar year if you do not have, nor intend to have, a committee for that entire calendar year.

**Form 470 Supplement**

**Officeholder and Candidate Campaign Statement Form 470 Supplement**
(Government Code Section 84206)

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.

☐ **Amendment** (Explain Below)

Date Stamp

FORM 470 SUPPLEMENT
CALIFORNIA FORM **470** SUPPLEMENT

For Official Use Only

This form is written notification that the officeholder/candidate listed below has received contributions totaling $1,000 or more or has made expenditures of $1,000 or more during the calendar year.

**1. Officeholder or Candidate Information**

NAME OF OFFICEHOLDER OR CANDIDATE
Sunny M. Tyme

STREET ADDRESS
200 McFadden Street

CITY: Playa del Sol
STATE: CA
ZIP CODE: 95888

AREA CODE/DAYTIME PHONE NUMBER: 555/333-7421
OPTIONAL: FAX / E-MAIL ADDRESS: 555/333-7621/Styme@aol.com

**2. Office Sought**

OFFICE SOUGHT: City Council
DISTRICT NUMBER (IF APPLICABLE): 1

DATE OF ELECTION (MONTH, DAY, YEAR)
3/7/20XX

**3. Date Contributions Totaling $1,000 or More Were Received or Date Expenditures of $1,000 or More Were Made**

2/20/20XX
(MONTH, DAY, YEAR)

## Form 470 Supplement

A candidate who has filed a Form 470 in connection with an election (i.e., with the declaration of candidacy in lieu of a first preelection statement) and later receives contributions totaling $1,000 or more, or makes expenditures totaling $1,000 or more, prior to the election must send a Form 470 Supplement or other written notice.

### When and Where to File

The Form 470 Supplement must be filed within 48 hours of receiving or spending $1,000.

The notification is sent to:

- Secretary of State's Office;
- Each candidate seeking the same office; and
- City or county clerk, or county registrar of voters, if the candidate is running for a city or county office.

### Method of Delivery

The notification must be sent via telegram, guaranteed overnight delivery, personal delivery, or fax.

### Content of Notification

The Form 470 Supplement is included in the Form 470, or the candidate may provide the following information on a blank piece of paper:

- The candidate's name, address, and daytime telephone number;
- The elective office sought and district number, if applicable;
- The date of the election; and
- The date contributions or expenditures totaling $1,000 or more were received or made.

The candidate also must file a Statement of Organization (Form 410) and begin filing the Recipient Committee Campaign Statement (Form 460). (See Chapter 6.)

### Answering Your Questions

*Q. I am in an election in June of this year and filed a Form 470 for last year because I had activity in December. Am I required to file a 470 Supplement if I receive contributions totaling more than $1,000 in January?*

A. No. If you file a Form 470 in connection with your election (either with your declaration of candidacy or on the first preelection deadline), a Form 470 Supplement would be required if you raise or spend $1,000 or more in the year of the election.

## Statement of Organization (Form 410)

A person or group that receives $1,000 or more in contributions in a calendar year qualifies as a recipient committee and must file Form 410. The Form 410 identifies the name of the committee and provides the public information regarding the committee's purpose and its officers.

### When and Where to File

The original and one copy of the Form 410 is filed with the Secretary of State within 10 days of receiving $1,000 or more.

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

Candidates for local office and committees formed to support or oppose candidates for local offices also must file a copy of the Form 410 with the local filing officer (city clerk, county clerk/registrar of voters) with whom the committee will file its original campaign statements. (See Chapter 5.)

The Form 410 may be filed prior to raising $1,000 and then must be amended within 10 days of reaching the $1,000 threshold to indicate the date qualified as a committee. (See below for how to amend a Form 410.)

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 reporting forms. Contact the Secretary of State's office at (916) 653-6224 with questions about obtaining a committee identification number.

### Candidate Controlled Committees

Personal funds used to pay the filing and ballot statement fees do not count toward the $1,000 threshold for qualifying as a committee. However, all other personal funds used in connection with the election are counted.

Example *On February 15, Megan Waters, a candidate for mayor, opened her campaign bank account with a personal loan of $1,500. By February 25, Megan must either mail or personally deliver the Form 410 to the Secretary of State and a copy to the city clerk.*

### Primarily Formed Committees

Example *A group of neighbors joined forces to help elect Sunny Tyme, a candidate for mayor. On March 1, the group received 10 checks of $100 each. Because they qualified as a committee on that date, they must mail or personally deliver a Form 410 to the Secretary of State and a copy to the city clerk no later than March 11.*

### 24-Hour Deadline

A committee that qualifies during the last 16 days before the election must file Form 410, or the information required on the 410, within 24 hours of qualifying. The information must be provided to the filing officer with whom the committee will be filing its original campaign

disclosure statements, by guaranteed overnight mail, personal delivery, or telegram. 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).

Example *Fourteen days before the city election, candidate Lilly Pond received a contribution of $900, bringing her cumulative contributions received to date to $1,250. Because she qualified as a committee within 16 days before her election, she must file the information contained on the Form 410 with her city clerk within 24 hours of qualifying as a committee. She must also file an original Form 410 within 10 days with the Secretary of State. Because she did not anticipate receiving or spending $1,000 during the calendar year, Lilly filed a Form 470 as a first preelection statement. Within 48 hours, she must file the Form 470 Supplement with the Secretary of State, her city clerk, and provide a copy to all her opponents. The Form 470 Supplement must be sent to all recipients by guaranteed overnight delivery, fax, or personal delivery.*

### Amendments

When any information on the Form 410 changes, an amendment must be filed within 10 days of the change. To amend:

- The "Amendment" box is checked at the top of the Form 410 and the committee's identification number entered;
- The name of the committee must be provided;
- The information that has changed is included; and
- The verification is signed. In the case of a controlled committee, both the treasurer and the candidate(s) must sign.

Example *In January, Cynthia Doorman, a city council candidate, filed a Form 410 prior to qualifying as a committee. On February 10, Cynthia received a number of contributions totaling more than $1,000. By February 20, Cynthia must have either mailed or personally delivered an amended Form 410 to the Secretary of State and a copy to her city clerk showing the date the committee qualified.*

### 24-Hour Deadline for Amendments

If, during the last 16 days before the election, the committee changes:

- The name of the committee;
- The treasurer or other principal officers;
- Any candidate who controls the committee; or
- Any committee with which the committee acts jointly,

the amended information must be filed within 24 hours with the filing officer with whom the committee files its original campaign statements. The information must be delivered by personal delivery, telegram, fax, or online transmission if the filing officer is capable of receiving notification in that manner. In addition, local committees must file an amended Form 410, with an original signature, with the Secretary of State within 10 days of the change.

### Using Funds for a Future Election

#### Controlled Committee

An amendment to the Form 410 is required for a local candidate to "redesignate" a campaign committee and bank account for a future election to the same office. An incumbent intending to seek reelection may redesignate any time prior to receiving contributions in connection with reelection. A defeated candidate intending to run for the same office in a future election must redesignate the committee and bank account

before the end of the post-election reporting period. Failure to do so restricts the use of leftover campaign funds. (See Chapter 8 for further discussion.)

Examples *Dolores Sunghi was an unsuccessful candidate in the March 7 election. Dolores must redesignate the committee and bank account no later than June 30 of the same year, the end of the post-election reporting period, if she wishes to use those funds for a future election.*

*Joe Winner is seeking reelection to the city council. He wishes to use the same committee and bank account. In order to do so, Joe files a Form 410, checking the amendment box and indicating the year of the election. After filing the Form 501 for the new election, Joe is free to raise and deposit campaign contributions into the bank account.*

A local candidate's committee and bank account may be redesignated for a future election only if:

- The future election is for the same elective office;
- The funds in the campaign bank account/ committee are not considered "surplus campaign funds" (see Chapter 9);
- The candidate amends the committee's Form 410 to reflect the redesignation for the future election;
- The candidate files a new Form 501, Candidate Intention Statement, for the specific future election; and
- There are no local laws prohibiting the redesignation.

### Primarily Formed Committee

A primarily formed committee may remain open after the election to support or oppose other candidates or ballot measures. The Form 410 should be amended to reflect the change in the "Type of Committee." (See instructions on the Form 410 or contact the FPPC to discuss what type of committee will be formed.)

### Termination

The Form 410 is also used to terminate a committee. In order to terminate, the committee may no longer be receiving contributions or making expenditures, and must have disposed of all funds and filed all required campaign reports. To terminate:

- Check the "Termination" box at the top of the Form 410 and enter the committee's identification number;
- Enter the name of the committee; and
- Sign the verification. For a controlled committee, both the treasurer and the candidate must sign.

**Form 410 Statement of Organization**

**Statement of Organization**
**Recipient Committee**

Type or print in ink

STATEMENT OF ORGANIZATION
CALIFORNIA FORM **410**
For Official Use Only
Date Stamp

**Statement Type** ☒ **Initial** Not yet qualified ☐ or 9 / 5 / 20XX 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: Committee to Elect Waters Mayor

STREET ADDRESS (NO P.O. BOX): 10 Parkway Plaza

CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-5432

MAILING ADDRESS (IF DIFFERENT)

OPTIONAL: FAX / E-MAIL ADDRESS: Brogers@jps.net

COUNTY OF DOMICILE: Beach

COUNTY WHERE COMMITTEE IS ACTIVE IF DIFFERENT THAN COUNTY OF DOMICILE

*Attach additional information on appropriately labeled continuation sheets.*

**2. Treasurer and Other Principal Officers**

NAME OF TREASURER: Ben Rogers

STREET ADDRESS: 10 Parkway Plaza

CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-5432

NAME OF ASSISTANT TREASURER, IF ANY: Megan Waters

STREET ADDRESS: 100 Sandburg Street

CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-1601

NAME AND POSITION OF OTHER PRINCIPAL OFFICER(S), IF APPLICABLE: N/A

MAILING ADDRESS

CITY | STATE | ZIP CODE | AREA CODE/PHONE

**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 Required] (DATE) By [Signature Required] (SIGNATURE OF TREASURER OR ASSISTANT TREASURER)

Executed on [Date Required] (DATE) By [Signature Required] (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

## How to Complete Form 410

### 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.

Check the "Amendment" box to amend information on an existing Form 410, e.g., to report the date the committee qualified as a committee, or to redesignate the committee or bank account for a future election.

Check the "Termination" box to close the campaign committee. The committee's campaign filing obligations will continue until it meets the requirements to terminate and files a Form 410, checking the "Termination" box. (See Chapter 8.)

### Committee Name

Provide the full name of the committee.

Committees established by an officeholder to defend against a recall attempt must include the term "recall" in the committee name.

If a primarily formed committee is sponsored by a business entity, organization, or association, the name of the sponsor must be included in the name of the committee. (See later in this chapter for a definition of a sponsored committee.)

### 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

Indicate the county in which the committee is located. This may be different than the county in which the committee is active.

Example *Joy O. Cooking is running for the Board of Supervisors in Sierra County. However, the committee's address is in Plumas County where her treasurer has his office. The Form 410 reports Plumas County as the "County of Domicile" and Sierra County under "County Where*

*Committee is Active if Different than County of Domicile." Statements are filed in both locations.*

### 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 a candidate chooses to be his or her own treasurer, list the name, mailing address, and telephone number of the candidate. Remember that for statements requiring signatures of the candidate and treasurer, the candidate must sign on both lines.

### Verification

The Form 410 is not considered filed if it is not signed. The treasurer, or assistant treasurer, must sign the verification. In the case of a controlled committee, both the treasurer or assistant treasurer and the candidate/officeholder must sign.

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.

**Form 410 Statement of Organization Page 2**

**Statement of Organization**
**Recipient Committee**

STATEMENT OF ORGANIZATION
CALIFORNIA FORM **410**
Page 2

INSTRUCTIONS ON REVERSE

COMMITTEE NAME: Committee to Elect Waters Mayor

I.D. NUMBER:

**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 "non-partisan."
- 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 |
|---|---|---|---|
| Megan Waters | Mayor | 20XX | [X] Non-Partisan |

- List the financial institution where the campaign bank account is located (controlled "candidate election" committees only)

| NAME OF FINANCIAL INSTITUTION | AREA CODE/PHONE | BANK ACCOUNT NUMBER | |
|---|---|---|---|
| Playa Bank | 555/616-3200 | 030558 | |
| **ADDRESS** | **CITY** | **STATE** | **ZIP CODE** |
| 1611 Sandy Way | Playa del Sol | CA | 95888 |

*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 |
|---|---|---|---|
| N/A | | | |

## Type of Committee

### Controlled Committee

Candidates must complete this section. A candidate may not establish more than one committee per election to a specific office. Since all local elections in California are non-partisan, check the "Non-Partisan" box in the "Party" column.

Example *Henry Black formed a committee for the office of mayor. Four years later, he plans to seek reelection to the same office. Henry may use his previous committee for mayor or he may form a new committee. After his last election for mayor, Henry decides to run for State Senate. Henry must form a new committee for the Senate election. This is the only committee he may control in connection with seeking the Senate seat that year.*

### Name of Financial Institution

Report the name and complete 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.

### Committees Controlled by Two or More Candidates

If two or more candidates form one committee to support their candidacies for elective office, they must:

- Each file the Form 501;
- File one Statement of Organization (Form 410);
- Establish one bank account for the committee (each candidate must deposit all contributions and make all expenditures from this bank account);
- File one Recipient Committee Campaign Statement (Form 460) disclosing receipts and expenditures each time the statement is due.

### Primarily Formed Committee

Complete this section for a non-controlled committee whose principal activity is raising or spending money to support or oppose a specific candidate or a group of specific candidates all being voted upon in the same election on the same date.

### Sponsored Committee

If the committee is sponsored by an entity, provide the name and address of the sponsor. In addition, indicate the industry group or affiliation of the sponsor. Individuals do not sponsor committees.

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

- 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.

## Answering Your Questions

Q: *Must we wait until $1,000 is received to file a Form 410?*

A: No. You may file a Form 410 prior to committee qualification. Check the box "Not Yet Qualified." Once you have reached the $1,000 threshold, file an amendment reporting the date the committee qualified.

Q: *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?*

A: 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 indicated this address as your mailing address on the Form 410.

Q: *As a candidate, may I be designated treasurer on the Form 410?*

A: Yes, you may be the treasurer or assistant treasurer.

Q: *May more than one candidate control a single committee to run for office?*

A: Yes. Each candidate should file a Form 501 prior to raising or spending any money. For both Form 410 and Form 460, each candidate must sign the verification, in addition to the treasurer or assistant treasurer. If the committee is controlled by more than three candidates, one candidate may sign on behalf of the other candidates.

Q. *I am an officeholder and the target of a recall election. I have formed a separate committee to oppose the recall. On the Form 410, what sections do I complete under Part 4 — Type of Committee?*

A: You should complete both the Controlled Committee and Primarily Formed Committee sections. Be sure to include the word "recall" in the name of the committee.

Q: *I am running as a replacement candidate on a recall ballot. On the Form 410, what sections do I complete under Part 4— Type of Committee?*

A: You should complete the Controlled Committee section.

## Candidate Statement of Economic Interests (Form 700)

In addition to filing reports of their campaign finances, most candidates are required to disclose certain personal financial interests under the Political Reform Act's conflict of interest rules by completing a Statement of Economic Interests (Form 700). Investments and real property held on the day the declaration of candidacy is due, as well as income received during the 12 months prior to the date of filing the declaration of candidacy, must be reported. This statement is due no later than the final filing date for the declaration of candidacy. Candidates file the Form 700 with the city clerk or registrar of voters where the declaration of candidacy is filed.

### Authority

The following Government Code sections and Title 2 regulations provide authority for the preceding 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.*
82025 *Expenditure.*
82044 *Payment.*
82047.5 *Primarily Formed Committee.*
82048.7 *Sponsored Committee.*
84101 *Statement of Organization; Filing.*
84102 *Statements of Organization; Contents.*
84103 *Statement of Organization; Amendments.*
84106 *Sponsored Committee; Identification.*
84200 *Semi-Annual Statements.*
84200.3 *Odd-Year Reports in Connection with a Statewide Direct Primary Election Held in March of an Even-Numbered Year.*
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.*
84206 *Candidates Who Receive or Spend Less than $1,000.*
84214 *Termination.*
84215 *Campaign Reports and Statements; Where to File.*
85200 *Statement of Intention to be a Candidate.*
85201 *Campaign Bank Account.*
87201 *Candidates (Statement of Economic Interests).*

#### Title 2 Regulations

18402 *Committee Name.*
18404 *Termination of Candidate's and Committees' Filing Requirements.*
18406 *Short Form for Candidates or Officeholders Who Receive and Spend Less than $1,000 in a Calendar Year.*
18419 *Sponsored Committees.*
18430 *Committee Controlled by More Than One Candidate.*
18520 *Statement of Intention to Be a Candidate.*
18521 *Establishment of Separate Controlled Committee for Each Campaign Account.*
18531.5 *Recall Elections.*

# Chapter 5
# When and Where to File Reports

This chapter reviews when and where committees file reports disclosing receipts and expenditures. Most candidates and committees will use the Recipient Committee Campaign Statement (Form 460). Primarily formed committees may be eligible to use the Recipient Committee Campaign Statement—Short Form (Form 450) or the Semi-Annual Statement of No Activity (Form 425).

Candidates and officeholders without a committee should consult Chapter 5, Officeholder/Candidate Campaign Statement—Short Form (Form 470), to determine whether a report is due and, if so, when and where to file.

All reports and statements filed under the Political Reform Act are public records open for public inspection.

## When to File

The law sets specific deadlines for when Forms 460, 450, and 425 must be filed. Most campaign committees file two semi-annual statements each year. When an individual is listed on a ballot, and when a committee is raising or spending money in connection with an election, preelection statements also are required.

Many filing officers provide candidates and committees with an election packet that includes the dates for filing campaign statements. In addition, filing deadlines for certain local elections may be obtained on-line at www.fppc.ca.gov. (Click onto "Candidates and Committees," then click onto "Filing Deadlines.") The filing deadlines found on the Commission's website will not include any special filings required under a local ordinance. For this information, contact the local filing officer. The committee treasurer is responsible for meeting all applicable filing deadlines. Filing officers are not required to send a reminder notice prior to the filing deadline.

Deadlines that fall on a Saturday, Sunday, or official state holiday are extended to the next business day. **This rule does not apply to late contribution reports and late independent expenditure reports discussed in Chapter 7, and there are no other provisions for extensions.** Filing after a deadline may lead to late filing penalties of $10 for each day the statement is late, and committees that fail to file are subject to administrative penalties of up to $5,000 per violation. Except where noted, statements must be hand delivered or postmarked as first-class mail, by the due date.

### Judges and Unpaid Elected Officeholders

Unpaid officeholders (defined in the Act as those who receive less than $200 per month for serving in office), judges, and judicial candidates are not required to file semi-annual statements during any six-month period in which they have not received or made any contributions or expenditures. This is also true for election committees controlled by unpaid officeholders, judges and judicial candidates.

To determine whether $200 has been received, only the elected official's fixed compensation for services (i.e., salary) need be counted. Do not count payments for health benefits, reimbursement of expenses (including travel expenses), or per diem received from the elected official's agency.

### Semi-Annual Statements

Most committees file a semi-annual statement for each half of the year, whether or not they receive contributions or make expenditures during the six-month period. An existing committee or a committee newly formed during the first six months of the year

will have a semi-annual statement due July 31 for the period January 1 - June 30.

An existing committee will have a semi-annual statement due January 31 of the following year (or January 10 in connection with a March election) for the period July 1 – December 31. A committee newly formed during the last six months of the year will have a semi-annual statement due January 31 of the following year (or January 10 in connection with a March election) for the period January 1 - December 31.

Examples *A county supervisor has a controlled committee. The supervisor receives over $200 a month for serving in office. The supervisor is not seeking reelection and the committee did not raise or spend any funds during the calendar year. The committee must file a semi-annual statement covering the period January 1 through June 30, due on or before July 31, and a semi-annual statement covering the period July 1 through December 31, due by January 31.*

*A primarily formed committee formed in May to support a candidate's election in November. The committee files a semi-annual statement for the period January 1 through June 30, due July 31. Preelection statements are due in September and October, in addition to a semi-annual statement due in January of the following year. (Some local jurisdictions have additional filing requirements.) The committee must file semi-annual reports until it terminates.*

### Preelection Statements

In addition to semi-annual statements, controlled committees and primarily formed committees will file preelection statements before the election in which the candidate is listed on the ballot.

For specific reporting periods and filing deadlines, contact the local filing officer.

The second preelection statement must be filed by personal delivery or guaranteed overnight delivery.

Candidates who will not appear on the ballot because they are running unopposed are not required to file preelection statements.

### Filings in Connection with a March Election

An additional campaign statement is required to be filed on October 10 of the year preceding local elections held on the same date as the March state primary election by:

- Candidates planning to run in the March election who, by September 30, have filed (or should have filed) a Form 501 to raise funds for the election.
- Committees primarily formed to support or oppose a candidate or candidates running in the March election.

The period covered by the October 10 statement begins with the day after the closing date of the last statement filed (or January 1 if no previous statement has been filed) through September 30.

In addition, candidates running in the March election, and committees primarily formed to support or oppose candidates running in the March election, must file the previous year's semi-annual campaign statement (covering through December 31) on January 10 rather than January 31.

### Recall Elections

A committee established by an officeholder who is the subject of a recall election must file campaign statements (Form 460) on a quarterly schedule until the semi-annual period in which the recall election is held. The quarterly filing schedule is:

| Period Covered | Filing Deadline |
|---|---|
| January 1 - March 31 | April 30 |
| April 1 - June 30 | July 31 |
| July 1 - September 30 | October 31 |
| October 1 - December 31 | January 31 |

During the semi-annual period in which the recall election is held, the committee must file two pre-election statements and a semi-annual statement on the schedule provided by the filing officer.

Example *District Attorney Don Williams is the subject of a recall election being held on September 13, 2005. In March, he formed a separate committee to oppose the recall. The committee must file quarterly statements on April 30 and July 31. During the period July 1 through December 31, the committee must file two pre-election statements in connection with the election, and a semi-annual statement for the period ending December 31, due on January 31, 2006. After the January 31 filing, the committee will continue filing quarterly statements until it is terminated.*

### Amendments

Except for amendments required to provide contributor information (see Chapter 1), there is no deadline for filing amendments to campaign reports. However, amendments should be filed as soon as practicable in the same location(s) as the original.

### Faxing 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. However, 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.

## Where to File

Candidates, controlled committees and primarily formed committees file statements based on the office sought by the candidate.

An “original” campaign statement is one containing the original signature of the officeholder or candidate, and/or treasurer or assistant treasurer.

| Forms 460, 450, 425 | Filing Officers | What |
|---|---|---|
| **Superior Court**<br>Superior court judges, candidates for superior court judge, their controlled committees, and primarily formed committees: | Secretary of State<br><br>County of domicile | Original & 1 copy<br><br>2 copies |
| **Multi-County Offices**<br>Elected officers in local agencies that have jurisdiction in two or more counties, candidates for these offices, their controlled committees, and primarily formed committees: | County with the largest number of registered voters in the jurisdiction affected<br><br>County of domicile, if different from above | Original & 1 copy<br><br>2 copies |
| **County Offices**<br>Elected county officers, candidates for these offices, their controlled committees, and primarily formed committees: | County Clerk<br><br>County of domicile, if different from above | Original & 1 copy<br><br>2 copies |
| **City Offices**<br>Elected city officers, candidates for these offices, their controlled committees, and primarily formed committees: | City Clerk | Original & 1 copy |

QuickTIP The county of domicile for a candidate is the county where the candidate maintains his or her permanent residence. A committee is domiciled at the address listed on its statement of organization. When a candidate is domiciled in a different county than his or her controlled committee, copies of campaign statements must be filed in each county of domicile.

### Multiple Controlled Committees

When a candidate or officeholder controls more than one committee, whether the committees are formed for the same office or for a different office within the **same jurisdiction**, all committees must file statements each time any committee statement is due.

When an elected officeholder in one jurisdiction runs for an office in **another jurisdiction**, the officeholder and all committees he or she controls file originally-signed campaign disclosure statements with the filing officer in the jurisdiction in which the officeholder holds office **and** the jurisdiction in which the officeholder is seeking office.

Example *Nels Nelson controls a committee for his election to the Beach County School Board. In addition, Nels formed a committee to run for mayor of Playa del Sol in a June election. As an incumbent school board member and a candidate for mayor, he files campaign statements for both committees with the following filing officers in connection with the June election:*

- *School Board committee files an original and one copy of the Form 460 with:*

  *County Clerk, Beach County*
  *City Clerk, Playa del Sol*

- *Mayoral committee files an original and one copy of the Form 460 with:*

  *City Clerk, Playa del Sol*
  *County Clerk, Beach County*

An officeholder who does not have a controlled committee may file the Form 470 by July 31 for the position held. If the officeholder subsequently opens a committee to run for a different office, he or she must file the Form 460 for the required preelection and semi-annual statements. Since the Form 470 was filed in connection with a position for which the candidate does not have a committee, a Form 470 Supplement is not required. (See Chapter 4.) However, if the officeholder opens a committee prior to June 30 for election to a different office, the Form 460 must be filed by July 31 for both the position held and the office sought. The officeholder may file one Form 460 and list both the position held and the office sought on the Cover Page, Part 5.

## Controlled Ballot Measure Committees

Some officeholders and candidates also control ballot measure committees. Dates and locations for filing statements for these controlled ballot measure committees vary depending on whether the committee is a **general purpose** ballot measure committee or one that is **primarily formed** to support or oppose a particular ballot measure or measures. (See FPPC's manual for ballot measure committees.)

### State Primarily Formed Ballot Measure Committees

Controlled state ballot measure committees are only required to file statements when and where state ballot measure committees are normally required to file; committees controlled by the officeholder or candidate to support their election to office are not required to file in connection with the ballot measure committee schedule.

### Local Primarily Formed Ballot Measure Committees

Controlled local ballot measure committees should file according to the filing schedule provided by their local filing officer. In

addition, these committees file at the same times and places the controlling officeholder or candidate is required to file campaign statements in connection with the office he or she is seeking.

### General Purpose Ballot Measure Committees

In addition to any other times provided by law, controlled general purpose ballot measure committees are required to file preelection statements whenever the controlling officeholder or candidate is required to file these statements in connection with an election to office. In addition to filing with the committee's filing officers, an original and one copy of the ballot measure committee's statement is filed where the officeholder or candidate files his or her semi-annual and preelection statements for election to office.

Example *Teddy Graham has a committee to run for reelection to the city council for the city of Playa del Sol. In addition, Teddy controls a state general purpose ballot measure committee, domiciled in Beach County, that supports measures throughout the state dealing with shoreline protection. On the due date for the first preelection statement required for his reelection race, Teddy will file the following:*

- *Reelection Committee will file the Form 460 with:*

  *- City Clerk, Playa del Sol*
  *Original and one copy*

- *Ballot Measure Committee will file the Form 460 with:*

  *- Secretary of State*
  *Original and one copy*

  *- Registrar/Los Angeles County*
  *Two copies*

  *- Registrar/San Francisco*
  *Two copies*

  *- Beach County Clerk*
  *Two copies*

  *- City Clerk, Playa del Sol*
  *Original and one copy*

### Answering Your Questions

Q: *I am currently a city council member without a committee. I intend to run for the school board in the November election and will open a committee in July for the school board race. What are my reporting obligations?*

A: Because you **intend** to have a committee during that calendar year, file Form 460 for your city council position with your city clerk by July 31 for the first six months of the calendar year. By the first preelection deadline for the school board race, file an originally-signed Form 460, as well as a copy, with **both** the city clerk and county registrar of voters in your county. On the Form 460, indicate the office you are seeking **as well as** the office you hold. You may wish to note on the form that you do not have a committee for your city council seat nor a bank account. You also must file a Statement of Organization (Form 410) within 10 days of receiving contributions of $1,000 or more.

Q: *In June, I was elected to the city council. After filing the semi-annual statement due on July 31, I paid off remaining bills and terminated my committee in August by filing a terminating Form 460. I will not engage in any further campaign activities. Am I required to file another Form 460 by January 31 of the following year as a semi-annual statement?*

A: As an elected officer, you must file semi-annual statements each year. You may designate the Form 460 you file in August as a terminating statement and a semi-annual statement. However, if you subsequently receive any contributions or make any expenditures through

December 31, file an amendment to your statement including the new information no later than January 31 of the following year. Remember that as an elected officeholder, if you receive $200 or more in a calendar month for your elected position, you will be required to file the Form 470 by July 31 every year, even though you have terminated your committee.

## Authority

The following Government Code sections and Title 2 regulations provide authority for the preceding 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.*
83116 *Violation of Title.*
84200 *Semi-Annual Statements.*
84200.3 *Odd-Year Reports in Connection with a Statewide Direct Primary Election Held in March of an Even-Numbered Year.*
84200.4 *Time for Filing Reports Pursuant to Section 84200.3.*
84200.5 *Preelection Statements.*
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.*
84209 *Consolidated Statements.*
84215 *Campaign Reports and Statements; Where to File.*
91013 *Late Filing of Statement or Report; Fees.*

### Title 2 Regulations

18116 *Reports and Statements; Filing Date.*
18426 *Semi-Annual Statement Early Filing.*
18531.5 *Recall Elections.*

# Chapter 6
# Committee Report - Form 460

Candidate controlled committees use the Recipient Committee Campaign Statement (Form 460) to report campaign activity for all semi-annual, special odd-year, preelection, and supplemental preelection statements.

The Form 460 also must be used by a primarily formed committee that has:

- Received contributions totaling $100 or more in a calendar year from a single source;
- Received any other payment of $100 or more;
- Outstanding loans received or made; or
- Accrued expenses (unpaid bills).

If the above criteria are not met by a primarily formed committee, it may use the Recipient Committee Campaign Statement – Short Form (Form 450), a simpler and shorter form. In addition, if a primarily formed committee has had no activity (no receipts and no expenditures, except for interest received and bank fees paid) during the reporting period, it may file a Semi-Annual Statement of No Activity (Form 425).

This chapter discusses how to complete Form 460. Examples are for a controlled committee. However, the same reporting obligations exist for primarily formed committees.

**Form 460 Cover Page**

COVER PAGE

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

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.

Date Stamp

CALIFORNIA 2001/02 FORM **460**

Page 1 of 13

For Official Use Only

Statement covers period: from 7/1/20XX through 9/30/20XX

Date of election if applicable: (Month, Day, Year) 11/7/20XX

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

- [X] Officeholder, Candidate Controlled Committee
  - ○ State Candidate Election Committee
  - ○ Recall (Also Complete Part 5)
- [ ] General Purpose Committee
  - ○ Sponsored
  - ○ Small Contributor Committee
  - ○ Political Party/Central Committee
- [ ] Ballot Measure Committee
  - ○ Primarily Formed
  - ○ Controlled
  - ○ Sponsored (Also Complete Part 6)
- [ ] Primarily Formed Candidate/ Officeholder Committee (Also Complete Part 7)

**2. Type of Statement:**

- [X] Preelection Statement
- [ ] Semi-annual Statement
- [ ] Termination Statement
- [ ] Amendment (Explain below)
- [ ] Quarterly Statement
- [ ] Special Odd-Year Report
- [ ] Supplemental Preelection Statement - Attach Form 495

**3. Committee Information**

I.D. NUMBER: 1001234

COMMITTEE NAME (OR CANDIDATE'S NAME IF NO COMMITTEE): Committee to Elect Waters Mayor

STREET ADDRESS (NO P.O. BOX): 10 Parkway Plaza

CITY: Playa del Sol STATE: CA ZIP CODE: 95888 AREA CODE/PHONE: 555/333-5432

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET OR P.O. BOX: P.O. Box 452

CITY: Playa del Sol STATE: CA ZIP CODE: 95888 AREA CODE/PHONE: 555/333-5432

OPTIONAL: FAX / E-MAIL ADDRESS: 555/333-5435 Brogers@jps.net

**Treasurer(s)**

NAME OF TREASURER: Ben Rogers

MAILING ADDRESS: 10 Parkway Plaza

CITY: Playa del Sol STATE: CA ZIP CODE: 95888 AREA CODE/PHONE: 555/333-5432

NAME OF ASSISTANT TREASURER, IF ANY: Megan Waters

MAILING ADDRESS: 100 Sandburg Street

CITY: Playa del Sol STATE: CA ZIP CODE: 95888 AREA CODE/PHONE: 555/333-1601

OPTIONAL: FAX / E-MAIL ADDRESS: 555/333-1600 Mwaters1@aol.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 [Date Required] (Date) By [Signature Required] (Signature of Treasurer or Assistant Treasurer)

Executed on [Date Required] (Date) By [Signature Required] (Signature of Controlling Officeholder, Candidate, State Measure Proponent or Responsible Officer of Sponsor)

# Form 460

## How to Complete the Cover Page

### Period Statement Covers

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.

### Date of Election

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

### Part 1: Type of Recipient Committee

Check one box to indicate the type of committee filing the statement:

- Officeholder/Candidate Controlled Committee: Complete Cover Page Parts 2, 3, 4, and 5.
- Primarily Formed Candidate/Officeholder Committee: Complete Cover Page Parts 2, 3, 4, and 7.

### Part 2: Type of Statement

Check the appropriate box to indicate the type of statement being filed (such as semi-annual or preelection). (See Chapters 5 and 7.)

### Amending Form 460

To change or provide information missing from a previously filed Form 460, complete a new Cover Page, checking the "Amendment" box. 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 and list the schedules or parts being amended. Include an amended summary page, if applicable.

Attach the amended schedule(s) and file the amendment with all of the filing officers that received the original filing. (See Chapter 5.)

### Part 3: Committee Information

When completing this section, make sure the information is the same as that listed on the committee's Statement of Organization

**Form 460 Cover Page Part 2**

**Recipient Committee Campaign Statement Cover Page — Part 2**

Type or print in ink.

COVER PAGE - PART 2

CALIFORNIA FORM **460**

Page 2 of 13

**5. Officeholder or Candidate Controlled Committee**

NAME OF OFFICEHOLDER OR CANDIDATE: Megan Waters

OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE): Mayor, City of Playa del Sol

RESIDENTIAL/BUSINESS ADDRESS (NO. AND STREET): 100 Sandburg Street | CITY: Playa del Sol | STATE: CA | ZIP: 95888

**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 |
|---|---|
| Waters for City Council | 983924 |
| NAME OF TREASURER: Ben Rogers | CONTROLLED COMMITTEE? ☒ YES ☐ NO |

COMMITTEE ADDRESS (STREET ADDRESS (NO P.O. BOX)): 10 Parkway Plaza

CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-5432

| 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. Ballot Measure Committee**

NAME OF BALLOT MEASURE

| BALLOT NO. OR LETTER | JURISDICTION | ☐ SUPPORT ☐ OPPOSE |
|---|---|---|

**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. Primarily Formed 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*

(Form 410). If the committee has not received an identification number from the Secretary of State, enter “pending” in the “I.D. Number” box.

### Part 4: Verification

The Form 460 is not considered filed if it is not signed. The committee treasurer or the assistant treasurer named on the committee’s Statement of Organization, Form 410, must review and sign the statement.

In addition, if an officeholder or candidate controls the committee, he or she also must sign the statement. If two or three officeholders or candidates control the committee, each must sign. If there are more than three officeholders or candidates controlling the committee, one may sign on behalf of the others.

### Part 5: Officeholder or Candidate Controlled Committee

Provide the name of the officeholder or candidate controlling the committee and indicate the office sought or held including the location and district number, if any. If the candidate controls other committees, including ballot measure committees, list those committees here. If you are aware of any primarily formed committees that exist to receive contributions or to make expenditures on behalf of the candidate controlling this committee, also list those committees. If more than one candidate controls the committee, copy Part 5 as many times as needed to include the required information for all controlling candidates.

### Part 6: Ballot Measure Committee

Controlled committees that support a candidate, and committees primarily formed to support or oppose candidates, do not have to complete this section.

### Part 7: Primarily Formed Committee

Provide the name(s) of the officeholder(s) or candidate(s), the office(s) sought or held, and indicate whether the committee is supporting or opposing the officeholder(s) or candidate(s).

**Form 460 Summary Page**

**Campaign Disclosure Statement Summary Page**

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

SUMMARY PAGE

CALIFORNIA FORM **460**

Statement covers period from 7/1/20XX through 9/30/20XX

Page 3 of 13

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Waters Mayor

I.D. NUMBER: 1001234

**Contributions Received**

| | | Column A (TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)) | Column B (CALENDAR YEAR TOTAL TO DATE) |
|---|---|---|---|
| 1. Monetary Contributions | Schedule A, Line 3 | $ 5,799 | $ 85,799 |
| 2. Loans Received | Schedule B, Line 3 | 6,000 | 8,000 |
| 3. SUBTOTAL CASH CONTRIBUTIONS | Add Lines 1 + 2 | $ 11,799 | $ 93,799 |
| 4. Nonmonetary Contributions | Schedule C, Line 3 | 5,000 | 7,600 |
| 5. TOTAL CONTRIBUTIONS RECEIVED | Add Lines 3 + 4 | $ 16,799 | $ 101,399 |

**Expenditures Made**

| | | | |
|---|---|---|---|
| 6. Payments Made | Schedule E, Line 4 | $ 28,900 | $ 45,000 |
| 7. Loans Made | Schedule H, Line 3 | 400 | 400 |
| 8. SUBTOTAL CASH PAYMENTS | Add Lines 6 + 7 | $ 29,300 | $ 45,400 |
| 9. Accrued Expenses (Unpaid Bills) | Schedule F, Line 3 | 800 | 1,000 |
| 10. Nonmonetary Adjustment | Schedule C, Line 3 | 5,000 | 7,600 |
| 11. TOTAL EXPENDITURES MADE | Add Lines 8 + 9 + 10 | $ 35,100 | $ 54,000 |

**Current Cash Statement**

| | | |
|---|---|---|
| 12. Beginning Cash Balance | Previous Summary Page, Line 16 | $ 62,300 |
| 13. Cash Receipts | Column A, Line 3 above | 11,799 |
| 14. Miscellaneous Increases to Cash | Schedule I, Line 4 | 4,000 |
| 15. Cash Payments | Column A, Line 8 above | 29,300 |
| 16. **ENDING CASH BALANCE** | Add Lines 12 + 13 + 14, then subtract Line 15 | $ 48,799 |

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

17. LOAN GUARANTEES RECEIVED — Schedule B, Part 2 — $ 7,000

**Cash Equivalents and Outstanding Debts**

| | | |
|---|---|---|
| 18. Cash Equivalents | See instructions on reverse | $ 400 |
| 19. Outstanding Debts | Add Line 2 + Line 9 in Column B above | $ 9,000 |

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 |
|---|---|
| / / | $ |
| / / | $ |
| / / | $ |
| / / | $ |
| / / | $ |
| / / | $ |

*Since January 1, 2001. Amounts in this section may be different from amounts reported in Column B.

## How to Complete the 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 received and expenditures made during the calendar year.

### Column A

This column reflects the totals found on the summaries located at the bottom of each schedule attached to the statement. If there is no activity to report on a particular schedule, place a zero on the appropriate line. Never leave a line in Column A blank.

### Column B

Amounts shown on Lines 2, 7, and 9 of Column B are carried forward from year to year (and statement to statement) until they are paid. If this is the first statement of the calendar year, this column should reflect the same totals as found in Column A, except for Lines 2, 3, 5, 7, 8, 9, and 11 (if applicable). Otherwise, Column B totals are calculated by adding the figures in Column B from the last statement filed with the figures found in Column A of the current statement.

The figures in Column B reflect the cumulative amounts received since January 1 of the current calendar year.

The cumulation period for a statement is almost always a calendar year. An exception to calendar year cumulation applies if the committee is required to file a preelection statement in one year in connection with an election held in another year, such as elections held in January or early February. When this happens, the cumulation period begins on January 1 of the year before the election and ends on the closing date of the semi-annual statement filed after the election.

### Lines 1-5

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

### Lines 6-11

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

### Lines 12-16

The Current Cash Statement section should reflect the committee's actual cash condition 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.

Do not deduct investments made with committee funds from Line 12 or Line 16 if the investment can be readily converted to cash; e.g., the purchase of certificates of deposit, shares in interest bearing accounts, or money market funds. Reflect the investment amounts in the total amount of cash available.

### Line 12

Make sure that this figure is the same as the figure shown on Line 16 (Ending Cash Balance) of the most recently filed statement. If this is the first statement of the calendar year and no previous statement has been filed for this committee, but money was raised or spent in the previous reporting period that did not equal $1,000 or more, enter the amount of cash on hand on December 31. Otherwise, enter zero.

### Line 13

This figure represents the total of all monetary contributions and loans received during the reporting period. Nonmonetary contributions should not be included.

### Line 14

This amount represents all items, such as interest on a bank account, that increase the cash position but are not considered contributions. The amount is carried forward from Schedule I, Miscellaneous Increases to Cash.

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

### Line 15

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

### Line 16

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.

### Line 17

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.

### Line 18

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.

### Line 19

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 candidates only.

## Answering Your Questions

*Q: Is there any circumstance where Line 16, Ending Cash Balance, would show a negative amount?*

A: If you report a negative amount on Line 16, this means that either you have made a mathematical error in your calculations or you are overdrawn at the bank. Rounding off also may cause a small negative in the cash on hand balance.

*Q: Is there any circumstance where an amount in Column A would be negative?*

A: Yes. As loans and accrued expenses are paid down, the amount reflected in Column A may be a negative amount.

*Q: What should I do if I am unable to balance my accounting records by the filing deadline?*

A: Because the Political Reform Act does not provide for deadline extensions, complete the form as accurately as you can and file by the deadline. Then file an amended form as soon as possible.

## General Rules for Reporting Contributions Received

(See Chapter 2 for definitions and additional information about receiving contributions.)

### $5,000 Contributor – Major Donor Notice

If $5,000 or more is received from one source in a calendar year, a “major donor” notice must be sent to the contributor. (See Chapter 2.) Do not send the notice if the contribution is from another recipient committee.

Example *In the schedule shown above, Rails, Inc. made a $5,000 contribution to your committee. Within two weeks of receiving the contribution, notify Rails, Inc. in writing that they must file as a major donor if they make any number of contributions totaling $10,000 or more during the calendar year.*

### 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 signed the check but both have signed an accompanying letter 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 letter attributes specific amounts to each contributor. (See Chapter 2.)

### Intermediary

If a contribution of $100 or more is received from someone who is acting as an intermediary for the true source of the funds, disclose both the true source of the contribution and the intermediary. (See Chapter 2.)

Example *Sarah Honey made a $500 contribution to your committee and notified you that she would later be reimbursed by her employer, Hilltop Dairy. Your committee will report Hilltop Dairy, including its address and contributor code, as the source of the contribution and also disclose Sarah as the intermediary, providing her address, occupation, and employer.*

### Aggregating Contributions

There are a variety of situations in which two or more contributions need to be aggregated for reporting. For instance, 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 2.)

### 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. If the contribution cannot be returned to the contributor, it must be paid to the Secretary of State for deposit in the state's general fund (or it may be sent to the local jurisdiction in which the committee is based for deposit in its general fund). The committee also must record the date the contributor information was received, if that date is different than the date the contribution was received. Contributions may be deposited in the committee's bank account pending receipt of the information, in which case they must be reported on the next campaign statement (Form 460) filed. The campaign statement must be amended within 70 days from its closing date to disclose the missing contributor information unless the contribution was returned to the donor.

### Reporting Cumulative Amounts

Contributions from the same source are cumulated from January 1 through December 31. When reporting the cumulative amount of contributions received from any one source, include all monetary and nonmonetary contributions, and loans (including loan guarantees) received by all committees controlled by the candidate. (Exception: Contributions received by controlled ballot measure committees are not cumulated with contributions received by the controlling candidate's campaign committees.)

### Calendar Year Cumulation Exception

An exception to calendar year cumulation applies if the committee is required to file a preelection statement in one year in connection with an election held in another year, e.g., certain January/February elections. When this happens, the cumulation period begins on January 1 of the year before the election and ends on the closing date of the semi-annual statement filed after the election.

### Returned Contributions

**Not Deposited:** A contribution need not be reported if it is returned to the contributor prior to depositing it in the campaign bank account and prior to the closing date of the campaign statement on which it would be reported. A late contribution 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.

### Transfers

Use Schedule I to report transfers of funds received from another committee controlled by the candidate.

### 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. An "enforceable promise" has been received when a contributor promises, in writing, to pay for specific goods or services and, based on that promise, the committee expends funds or enters into a legally-enforceable contract with a vendor to purchase the goods or services.

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.

**Form 460**
**Schedule A**

**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 7/1/20XX
through 9/30/20XX

Page 4 of 13

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER
Committee to Elect Waters Mayor

I.D. NUMBER
1001234

| 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) |
|---|---|---|---|---|---|---|
| 7/14 | Rails, Inc.<br>500 North 12th Street<br>Golden Valley, CA 95892 | ☐IND ☐COM ☒OTH ☐PTY ☐SCC | | $5,000 | $5,000 | |
| 7/16 | Hilltop Dairy<br>589 Milky Way<br>Playa del Sol, CA 95888 | ☐IND ☐COM ☒OTH ☐PTY ☐SCC | | $500 | $500 | |
| | Intermediary:<br>Sarah Honey<br>614 C Street<br>Playa del Sol, CA 95888 | ☐IND ☐COM ☐OTH ☐PTY ☐SCC | Bookkeeper, Hilltop Dairy | | | |
| 8/10 | Waldo Murphy<br>423 Sandy Beach Drive<br>Playa del Sol, CA 95888 | ☒IND ☐COM ☐OTH ☐PTY ☐SCC | Sales Manager, Rails, Inc. | $99 | $124 | |
| 8/12 | Linda Gutierrez<br>120 South B Street<br>Playa del Sol, CA 95888 | ☒IND ☐COM ☐OTH ☐PTY ☐SCC | Requested | $200 | $200 | |
| | | | SUBTOTAL $ | 5,799 | | |

**Schedule A Summary**

1. Amount received this period – contributions of $100 or more. (Include all Schedule A subtotals.) ..... $ 5,799
2. Amount received this period – unitemized contributions of less than $100 ..... $ -0-
3. Total monetary contributions received this period. (Add Lines 1 and 2. Enter here and on the Summary Page, Column A, Line 1.) ..... TOTAL $ 5,799

*Contributor Codes
IND – Individual
COM – Recipient Committee (other than PTY or SCC)
OTH – Other
PTY – Political Party
SCC – Small Contributor Committee

## How to Complete Schedule A Monetary Contributions Received

Report monetary contributions received by the committee on Schedule A, except for loans (reported on Schedule B), receipt of repayments for loans made (reported on Schedule H), and miscellaneous receipts (reported on Schedule I).

### Date Received

List the date the committee obtained possession or control of the contribution. For instance, report the date the check was received, which may differ from the date on the check or the date the check was deposited.

### Contributor Information

Itemize persons and organizations that have contributed 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 1.)

Example *Waldo Murphy contributed $25 during the year's first reporting period. On your committee's first report for the year, Waldo was not itemized. During the second reporting period, you received a $99 contribution from Waldo. Itemize Waldo on this report, providing his occupation and employer information, reporting $99 as received "this period" and reporting a "cumulative amount" of $124.*

### 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" is applicable only to state candidates and committees.)

### Occupation and Employer, I.D. Number, and Intermediary Information

If the contributor is an individual, provide the individual's occupation and employer, or, if self-employed, provide the name of the business. Do not leave this blank. If this information has not been obtained, put "requested" or similar language in this column and amend Schedule A when the information has been received. Contributions of $100 or more must be returned within 60 days of receipt if this information is not obtained. (See Chapter 1.)

If the contributor is a recipient committee, report that committee's identification number. If the 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.

### Amount

Report the amount of the contribution.

### Cumulative to Date

Contributions from a single source are cumulated from January 1 through December 31. The amount listed in the "Cumulative to Date-Calendar Year" column will differ from the "Amount Received This Period" column if the committee has received other contributions, including nonmonetary contributions, loans, or loan guarantees from this same source during the year. There is an exception to calendar year cumulation if the committee is required to file a preelection statement in one year in connection with an election held in another year, e.g., certain January/February elections. When this happens, the cumulation period begins on January 1 of the year before the election and ends on the closing date of the semi-annual statement filed after the election.

### Per Election to Date

Candidates subject to local contribution limits may be required to disclose the cumulative amount received from each contributor during a specified period. Check with the local filing officer to see what reporting obligations are required under local law.

### Schedule A Summary

Complete the summary section of each schedule after completing the corresponding schedule. Each summary provides detailed instructions for every line.

## Answering Your Questions

*Q. I plan to contribute to my own campaign. May I be reimbursed later if there is money left after my election?*

A. It is recommended that you report the contributions as loans on Schedule B, Part 1.

*Q. I received a contribution of $75 this period from someone who contributed $50 earlier this year. I itemized the $75 contribution on Schedule A. Should the $75 be included on Line 1 or 2 of the Schedule A summary?*

A. All itemized contributions (including contributions under $100 that are itemized because the contributor's cumulative total is $100 or more) are totaled on Line 1 of the schedule summary. Only unitemized contributions are included on Line 2 of the schedule summary.

## Schedule B—Loans Received

Use Schedule B to report activity on loans received by the committee. Outstanding loans are reported on each campaign

statement until they are paid. 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.

### Lines of Credit

If a third party establishes a line of credit for the committee, report the full amount of the credit as a loan guarantee on the next campaign statement. Include the date, full name and address of the lender and a note stating the credit amount. When the committee draws from the line, report the amount drawn on Schedule B, Part 1.

**Form 460 Schedule B Part 1**

**Schedule B – Part 1**
**Loans Received**

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

SCHEDULE B - PART 1
CALIFORNIA FORM **460**

Statement covers period
from 7/1/20XX
through 9/30/20XX

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SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Waters Mayor

I.D. NUMBER: 1001234

| FULL NAME, STREET ADDRESS AND ZIP CODE OF LENDER (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | (a) OUTSTANDING BALANCE BEGINNING THIS PERIOD | (b) AMOUNT RECEIVED THIS PERIOD | (c) AMOUNT PAID OR FORGIVEN THIS PERIOD* | (d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD | (e) INTEREST PAID THIS PERIOD | (f) ORIGINAL AMOUNT OF LOAN | (g) CUMULATIVE CONTRIBUTIONS TO DATE |
|---|---|---|---|---|---|---|---|---|
| Beach City Bank<br>300 10th Street<br>Beach City, CA 95823<br>†☐ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC | | $ - 0 - | $ 7,000 | ☐ PAID $ - 0 -<br>☐ FORGIVEN $ - 0 - | $ 7,000<br>10/1/XX (DATE DUE) | 5 % (RATE)<br>$ 100 | $ 7,000<br>7/11/XX (DATE INCURRED) | CALENDAR YEAR $ N/A<br>PER ELECTION** $ |
| Megan Waters<br>100 Sandburg Street<br>Playa del Sol, CA 95888<br>†☒ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC | Realtor,<br>Waters Realty | $ 2,000 | $ - 0 - | ☒ PAID $ 1,000<br>☐ FORGIVEN $ - 0 - | $ 1,000<br>N/A (DATE DUE) | - 0 - % (RATE)<br>$ - 0 - | $ 2,000<br>1/15/XX (DATE INCURRED) | CALENDAR YEAR $ 2,000<br>PER ELECTION** $ |
| | | SUBTOTALS $ 7,000 | $ 1,000 | $ 8,000 | $ 100 (Enter (e) on Schedule E, Line 3) | | | |

**Schedule B Summary**

1. Loans received this period ..... $ 7,000
   (Total Column (b) plus unitemized loans less than $100.)
2. Loans paid or forgiven this period ..... $ 1,000
   (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 $ 6,000 (May be a negative number)
   Enter the net here and on the Summary Page, Column A, Line 2.

*Amounts forgiven or paid by another party also must be reported on Schedule A.

** If required.

† Contributor Codes
IND – Individual COM – Recipient Committee (other than PTY or SCC) OTH – Other PTY – Political Party SCC – Small Contributor Committee

## How to Complete Schedule B – Part 1 Loans Received

### Lender Information

Provide the name, street address, city, state, and zip code of each lender of $100 or more.

### Financial Institution

If a financial institution, such as a bank, has loaned the committee money or the committee has drawn on a line of credit, report the institution as the lender by listing its name and address, including zip code. Even if the candidate has established the line of credit, report the institution as the lender.

### Individual

If the lender is an individual, also provide the individual's occupation and employer. Do not leave this column blank. If the contributor is self-employed, provide the name of the business. If this information has not been obtained, put "requested" or similar language in this column and amend Schedule B, Part 1 later. (See Chapter 1 for restrictions on contributions received when the name, address, occupation, or employer information is missing.)

### Officeholder/Candidate

Officeholders and candidates using their personal funds to assist in their own elections may report their personal funds as a loan on Schedule B.

### Contributor Codes

For each itemized lender, check the box indicating whether the lender is an individual, committee, other (such as a business entity), or a political party. (SCC is applicable only to state candidates and committees.)

QuickTIP Report each loan separately, even if the committee has received more than one loan from a single source.

### (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 or leave Column (a) blank.

### (b) Amount Received This Period

Enter the amount received from the lender during this reporting period. If this loan was received in a previous reporting period, enter zero or leave Column (b) blank.

### (c) Amount Paid or Forgiven This Period

Enter the amount of any reduction of the loan during this reporting period. Check 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 or leave this column blank if no payments were made this reporting period.

### (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.

Candidates subject to local contribution limits may be required to disclose the cumulative amount received from each contributor during a specific period. Check with the local filing officer to see what reporting obligations are required under local law. Primarily formed committees do not complete this part.

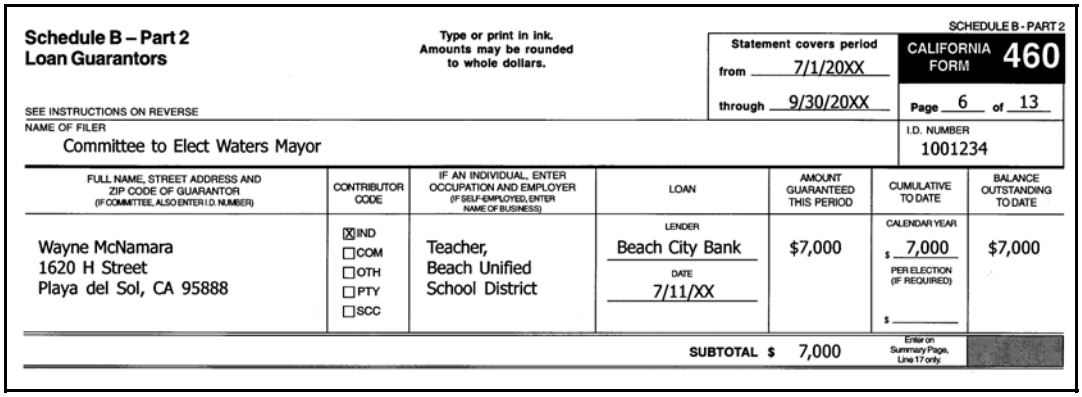
When a loan is repaid, the cumulative amount may be reduced by the amount repaid.

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.

### Schedule B Summary

As loans are paid, Line 3 of the summary section of Schedule B will eventually be a negative amount. When transferring a negative figure from Line 3 to the Summary Page, Column A, Line 2, be sure to subtract the amount from the previous report, Column B, Line 2, to determine the figure for this report’s Column B, Line 2.

**Form 460 Schedule B Part 2**



SCHEDULE B - PART 2

**Schedule B – Part 2**
**Loan Guarantors**

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

Statement covers period
from 7/1/20XX
through 9/30/20XX

CALIFORNIA FORM 460

Page 6 of 13

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER
Committee to Elect Waters Mayor

I.D. NUMBER
1001234

| FULL NAME, STREET ADDRESS AND ZIP CODE OF GUARANTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CONTRIBUTOR CODE | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | LOAN | AMOUNT GUARANTEED THIS PERIOD | CUMULATIVE TO DATE | BALANCE OUTSTANDING TO DATE |
|---|---|---|---|---|---|---|
| Wayne McNamara<br>1620 H Street<br>Playa del Sol, CA 95888 | ☒ IND<br>☐ COM<br>☐ OTH<br>☐ PTY<br>☐ SCC | Teacher,<br>Beach Unified<br>School District | LENDER<br>Beach City Bank<br>DATE<br>7/11/XX | $7,000 | CALENDAR YEAR<br>$ 7,000<br>PER ELECTION (IF REQUIRED)<br>$ | $7,000 |
| | | | SUBTOTAL $ 7,000 | | Enter on Summary Page, Line 17 only | |

## How to Complete Schedule B – Part 2 Loan Guarantors

### Guarantor Information

If someone other than the controlling candidate guarantees, co-signs, endorses, or provides security for a loan of $100 or more, enter the name and address of the guarantor and, if the guarantor is an individual, his or her occupation and employer, or if self-employed, the name of the business.

### Contributor Codes

For each itemized guarantor, check the box indicating whether the guarantor is an individual, committee, other (such as a business entity), or a political party. (The code “SCC” is applicable only to state candidates and committees.)

### 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.

### 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.)

### Cumulative to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received by the guarantor during the calendar year covered by the statement.

### Per Election to Date

Candidates subject to local contribution limits may be required to disclose the cumulative amount received from each contributor during a specific period. Check with the local filing officer to see what reporting obligations are required under local law. Primarily formed committees do not complete this part.

### Balance Outstanding to Date

Report the outstanding balance for which the guarantor is liable at the close of this reporting period.

QuickTIP Loan guarantees are not included in the Schedule B Summary, but are carried forward in a lump sum to Line 17 of the Summary Page.

**Form 460 Schedule C**

**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 7/1/20XX through 9/30/20XX

Page 7 of 13

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Waters Mayor

I.D. NUMBER: 1001234

| 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) | DESCRIPTION OF GOODS OR SERVICES | AMOUNT/ FAIR MARKET VALUE | CUMULATIVE TO DATE CALENDAR YEAR (JAN 1 - DEC 31) | PER ELECTION TO DATE (IF REQUIRED) |
|---|---|---|---|---|---|---|---|
| 8/17 | Seaside TV Sales<br>420 16th Street<br>Playa del Sol, CA 95888 | ☐IND<br>☐COM<br>☒OTH<br>☐PTY<br>☐SCC | | Television donated for auction | $1,000 | $1,000 | |
| 7/1 thru 9/15 | Transit Workers Union<br>1660 T Street<br>Sacramento, CA 95816<br>ID #1003221 | ☐IND<br>☒COM<br>☐OTH<br>☐PTY<br>☐SCC | | Employee Compensation | $4,000 | $4,000 | |

*Attach additional information on appropriately labeled continuation sheets.* SUBTOTAL $ 5,000

**Schedule C Summary**

1. Amount received this period – nonmonetary contributions of $100 or more. (Include all Schedule C subtotals.) ..... $ 5,000
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 $ 5,000

*Contributor Codes
IND – Individual
COM – Recipient Committee (other than PTY or SCC)
OTH – Other
PTY – Political Party
SCC – Small Contributor Committee

## How to Complete Schedule C Nonmonetary Contributions Received

Use Schedule C 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 good or service. (See Chapter 2 for assistance in determining the fair market value of a nonmonetary contribution.)

Example *Seaside TV Sales donated a television to your committee. The cost to Seaside TV for the television was $500. Because it would have cost your committee $1,000 to purchase the TV at fair market value, the nonmonetary contribution from Seaside TV Sales is $1,000.*

### Examples of Nonmonetary Contributions

- Items donated for a garage sale, raffle, or auction.
- 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 10% or more of his or her compensated time in a calendar month working on behalf of a committee. Compensation includes gross wages paid and any benefits in lieu of wages, such as stock options or an annuity purchase. Compensation does not include routine fringe benefits, such as the employer's payments to a health plan or payroll taxes.
- Forgiveness of an accrued expense by the creditor.
- Use of office space, an automobile, or airplane.

(See Chapters 2 and 3 for exceptions, such as volunteer personal services, home/office fundraisers, and member communications.)

### Date Received

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

- The date that funds are spent by the contributor; or
- The date the candidate or committee obtains possession or control of the goods or services, or receives the benefit of the expenditure.

Example *A PAC, in coordination with your committee, printed a brochure advocating your candidate's election. The PAC delivered the brochures to your headquarters on February 22 and paid the bill for the printing on March 15. Your committee received the nonmonetary contribution on February 22.*

### Contributor Information, Occupation/ Employer, and Amount Columns

Itemize contributors of $100 or more. If the contributor is an individual, provide occupation and employer information in addition to the contributor's name, street address, city, state, and zip code, the amount received this period, and the cumulative amount to date. (See Chapter 1 for restrictions on contributions received when the name, address, occupation, or employer information is missing.)

### Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, committee, other (such as a business entity), or a political party. (The code "SCC" is applicable only to state candidates and committees.)

### Description of Goods or Services

Provide a brief description of the goods or services received.

### Amount/Fair Market Value

Report the value of the nonmonetary contribution received. (See Chapter 2 for assistance in determining the fair market value of a nonmonetary contribution.)

### 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.

### Per Election to Date

Candidates subject to local contribution limits may be required to disclose the cumulative amount received from each contributor during a specified period. Check with the local filing officer to see what reporting obligations are required under local law.

### 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 an expenditure (Line 10, Column A).

## Answering Your Questions

Q: *What is the value of the time provided by a graphic artist who volunteers to design a logo for your committee?*

A: The artist's time is not reportable because it constitutes volunteer personal services. However, if the artist is an employee of a business and spends 10% or more of his or her compensated time in a calendar month working on the design, the paid compensation becomes a nonmonetary contribution from the artist's employer.

Q: *How do I determine the fair market value of a mailing list provided by another committee?*

A: The most common way to determine the value is to contact a business from which similar mailing lists can be obtained.

## Schedule D – Expenditures Supporting/ Opposing Other Candidates, Measures, and Committees

Schedule D is a summary of payments reported on Schedules E, F, and H that are contributions or independent expenditures to support or oppose other candidates, measures, and committees. Types of expenditures include:

- A monetary contribution or loan to another candidate or committee.
- A payment to a vendor for goods or services for a candidate or committee (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 10% or more of his or her compensated time in a calendar month working for another candidate or committee.
- 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. (See Chapter 3 regarding independent expenditures.)

QuickTIP Candidates are prohibited from using campaign funds to make independent expenditures in support of or opposition to another candidate. If a primarily formed committee makes independent expenditures supporting or opposing a candidate it is not primarily formed to support or oppose, or a ballot measure, it may qualify as a different type of committee. Contact the FPPC toll-free at (866) 275-3772 for more information.

### Controlled Committees

Do not report payments made to support the controlling candidate's own candidacy, or to oppose the candidate's opponent(s), on Schedule D. Use Schedule E instead.

### Primarily Formed Committees

Payments made to support or oppose the candidate for which the committee is primarily formed may be reportable on Schedule D as either contributions or independent expenditures, depending on whether the payments were made at the behest of the candidate. (See Chapter 3 and Appendix I.)

**Form 460 Schedule D**

**Schedule D**
**Summary of Expenditures Supporting/Opposing Other Candidates, Measures and Committees**

SEE INSTRUCTIONS ON REVERSE

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

Statement covers period from 7/1/20XX through 9/30/20XX

SCHEDULE D
CALIFORNIA FORM 460
Page 8 of 13

NAME OF FILER: Committee to Elect Waters Mayor

I.D. NUMBER: 1001234

| DATE | NAME OF CANDIDATE, OFFICE, AND DISTRICT, OR MEASURE NUMBER OR LETTER AND JURISDICTION, OR COMMITTEE | TYPE OF PAYMENT | DESCRIPTION (IF REQUIRED) | AMOUNT THIS PERIOD | CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31) | PER ELECTION TO DATE (IF REQUIRED) |
|---|---|---|---|---|---|---|
| 8/3 | Committee to Support Bike Lanes<br>Yes on Measure C<br>City of Playa del Sol<br>☒ Support ☐ Oppose | ☒ Monetary Contribution<br>☐ Nonmonetary Contribution<br>☐ Independent Expenditure | | $100 | $500 | |
| 8/12 | Committee to Support Bike Lanes<br>Yes on Measure C<br>City of Playa del Sol<br>☒ Support ☐ Oppose | ☒ Monetary Contribution<br>☐ Nonmonetary Contribution<br>☐ Independent Expenditure | Loan | $400 | $500 | |
| | | | SUBTOTAL $ | 500 | | |

**Schedule D Summary**

1. Contributions and independent expenditures made this period of $100 or more. (Include all Schedule D subtotals.) ..... $ $500
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 $ $500

## How to Complete Schedule D Summary of Expenditures Supporting/ Opposing Other Candidates, Measures and Committees

### 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 officeholder, candidate, or committee.

A nonmonetary contribution is made on the earlier of the following:

- The date an expenditure is made for the goods or services; or
- The date the candidate or committee receiving the contribution, or an agent, obtains possession or control of the goods or services.

Example *Your committee, working on behalf of Friends of the Forest, arranges for the mailing of a campaign piece supporting their issue. The mailer is sent to voters directly from the mail house on September 4. On September 6, the mail house submits to you an invoice for payment. Your committee made a nonmonetary contribution to Friends on September 4 (the date Friends 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).

The payment for a communication which is never transmitted is not an independent expenditure and need not be reported on Schedule D. Report the expenditure on Schedule E.

### 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 a 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 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.

### Type of Payment

Check one of the boxes indicating the type of payment. If the payment is a nonmonetary contribution, provide a description of the payment.

### Amount This Period

Provide the amount(s) of contributions or independent expenditures made this period relative to each candidate, measure, or committee.

Example *Committee to Elect Waters for Mayor made a $100 contribution to Committee to Support Bike Lanes, Yes on Measure C on October 3. In addition to reporting it on Schedule D, the expenditure is also reported on Schedule E.*

### Cumulative to Date Calendar Year

Report the cumulative amount contributed to or expended to support or oppose each itemized candidate, ballot measure, or committee since January 1 of the current calendar year.

If contributions are made to more than one election committee controlled by the same candidate, report the total amount contributed to all of the committees. Do not cumulate contributions made to a candidate and to that candidate's controlled ballot measure committee, and do not cumulate independent expenditures and contributions made to support a candidate.

Example *Tyson Tribe has two committees: one for his 2002 election to the city council, and one to raise funds for reelection in 2006. If your committee contributes to both, the amounts you contribute are cumulated on Schedule D.*

### Per Election to Date

A local ordinance may require committees in that jurisdiction to report the cumulative amount contributed to a local candidate during a specified period. The filing officer, such as the city clerk or county registrar, should have the information. In addition, if contributions were made to state candidates of $100 or more during a state election cycle, the cumulative amount contributed during the election cycle is reported in this column.

### Contribution of Goods Where No Payment Is Made

If goods on hand are contributed to another candidate or committee (e.g., paper, copier), describe the goods or services in the "Description" column, and disclose the fair market value of the contribution.

If, during a calendar year, an officeholder or candidate uses **personal** funds to make contributions of $10,000 or more, or independent expenditures of $1,000 or more, to support or oppose **other** officeholders, candidates, committees, or ballot measures (including a controlled ballot measure committee), the candidate must file a Major Donor and Independent Expenditure Committee Campaign Statement (Form 461). These payments are not reported on Schedule D. (See the FPPC's Information Manual for Major Donor and Independent Expenditure Committees for reporting information.)

## Answering Your Questions

Q: *Must a candidate file Form 461 (Major Donor and Independent Expenditure Committee Campaign Statement) if he or she makes personal contributions to his or her controlled campaign committee of $10,000 or more?*

A: No.

*Q. Must the spouse of a candidate file Form 461 if he or she makes personal contributions to his or her spouse's campaign of $10,000 or more?*

A. If the spouse makes contributions from community funds, the spouse is not required to file as a major donor on Form 461. If the spouse makes contributions from legally separate funds, Form 461 is required.

*Q: Must a candidate file Form 461 if he or she makes personal contributions to his or her controlled **ballot measure committee** of $10,000 or more?*

A: Yes.

*Q: Must a candidate file Form 461 if he or she makes personal contributions to other candidates and committees which total less than $10,000, and makes contributions to his or her own committee, and all contributions combined equal $10,000 or more?*

A: No.

## Schedule E – Payments Made and Schedule F – Accrued Expenses (Unpaid Bills)

An expenditure is "made" on the date the payment is made or the date the committee receives the goods or services, whichever is earlier. Expenditures of campaign funds must have a political, legislative, or governmental purpose. (See Chapter 9.)

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.

Example *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.*

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 does not include contracts for services such as accounting, legal, campaign consulting, and public relations.

Example *On June 15, your committee received two bills for June services. One bill was from an outside accounting firm and the other was for office rent. The due date for both invoices is July 15. If, on June 30, the committee has not paid the two bills, the bill from the outside accounting firm is reported on Schedule F as*

*an accrued expense on your semi-annual statement; the rent bill, however, is not.*

## General Rules

### 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.

### Savings Accounts/Certificates of Deposit/ Money Market Accounts

Do not report on Schedule E 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. Report these amounts as cash on hand on the Summary Page, Line 16.

### Transfers

Report transfers of funds to another committee controlled by the candidate on Schedule E. There are restrictions on transfers of surplus funds (see Chapter 9) and on transfers of funds to run for state office. See FPPC's Information Manual for State Candidates (Manual 1).

### Contributions and Independent Expenditures

If the committee makes contributions and/or independent expenditures to support or oppose other candidates, officeholders, or committees, in addition to reporting the payments or accrued expenses on Schedule E or F, complete Schedule D. For payments made for goods or services that are nonmonetary contributions or independent expenditures, also identify the candidate, committee, or ballot measure supported or opposed by the expenditure in the "Description of Payment" column on Schedule E or F.

When a primarily formed committee makes a payment for a communication that expressly advocates support for the candidate for whom the committee is formed, the payment is reported as a contribution or independent expenditure. As discussed in Chapter 3, that determination is a factual one depending on whether the payment was made at the behest of the candidate. Refer to Supplemental Independent Expenditure Report (Form 465) and Late Independent Expenditure Report (Form 496) for further reporting instructions.

If a primarily formed committee makes contributions (including loans) or independent expenditures to support or oppose other candidates, officeholders, committees, or ballot measures, it may qualify as another type of committee, e.g., a general purpose committee, which has different disclosure obligations. Call the FPPC toll-free at (866) 275-3772 for assistance.

### Subvendor Payments

Whenever an agent or independent contractor (such as a campaign worker, 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. The committee also must obtain and keep receipts, invoices, and other documentation of subvendor payments. (See Chapter 1.)

- Development of campaign strategy;
- Design or management of campaign literature or advertising;
- Advertising time or space; and
- Surveys, polls, signature gathering, and door-to-door solicitation of voters.

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 late contribution or a late independent expenditure). Expenditures made by the agent or independent contractor for its own overhead and operating expenses need not be itemized.

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.

Example *An agent purchased $535 worth of flowers, $250 worth of postage, and $100 worth of balloons for a fundraiser. Itemize the agent's name and address on Schedule E (or Schedule F if the agent was not reimbursed during the reporting period), provide a code or a description of the expenditures, and the amount being reimbursed: $885. In addition, on Schedule G, itemize the name and address of the florist, enter the code FND or provide a description of the expenditure, and the amount paid to the florist: $535.*

### Credit Card Payments

When reporting payments to a credit card company, report the name, street address, city, state, zip code, and the amount of 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 vendor itemized, 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.

Example *Sandra's committee for city council 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 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.

### Controlled Committee – Reimbursements Candidates

Candidates may not use their personal funds for campaign expenses (except for filing and ballot statement fees) without first depositing them into the campaign bank account.

### Volunteers, Employees, Agents and Contractors

Volunteers (including a candidate's spouse), employees, and agents or independent contractors, e.g., a consultant or an advertising agent, may be reimbursed for goods, services, or travel expenses when the following criteria are met:

- The treasurer is provided with a dated receipt and a written description of each expenditure prior to reimbursement;
- The reimbursement is paid within 45 calendar days after the expenditures are made; and
- There is a written contract between the committee and the agent/independent contractor providing for the reimbursement of expenditures. (Volunteers and employees do not need a written contract.)

If the reimbursement does not occur within 45 calendar days, the expenditure is considered a nonmonetary contribution from the volunteer, paid employee, or agent/ independent contractor, unless the person seeking reimbursement has made a good faith effort to obtain reimbursement and is unable to collect from the committee.

### Officeholders

Officeholders may be reimbursed for expenses related to holding office paid for from personal funds when the following criteria are met. (See Chapter 9.)

- The officeholder provides the committee's treasurer with a dated receipt and a written description of the expenditure; and
- Reimbursement occurs:
  - For a monetary expenditure: Within 90 calendar days after the officeholder incurs the expense.
  - For a credit card or charge account: Within 90 calendar days of the end of the billing period.

If the reimbursement does not occur within the 90-day period, the amount must be reported as a nonmonetary contribution from the officeholder to the committee and no reimbursement may occur.

An officeholder may be reimbursed from either the controlled committee campaign bank account established for election to the incumbent term of office, or from a controlled committee bank account established for a different election to the same office, if all of the conditions mentioned above are met. When reporting reimbursements to the officeholder, subvendor payments of $100 or more must be itemized.

**Form 460**
**Schedule E**

**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 7/1/20XX
through 9/30/20XX

Page 9 of 13

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER
Committee to Elect Waters Mayor

I.D. NUMBER
1001234

**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) |

| NAME AND ADDRESS OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CODE | OR DESCRIPTION OF PAYMENT | AMOUNT PAID |
|---|---|---|---|
| California Credit Union (Mastercard)<br>544 So. Oak Street<br>Sun City, CA 95886 | | | $12,500 |
| Subvendor:<br>Sunshine Press $12,000<br>642 Lincoln Way<br>Playa del Sol, CA 95889 | LIT | | |
| Committee to Support Bike Lanes, Yes on Measure C<br>555 Westhaven Street<br>Playa del Sol, CA 95888 | CTB | ID #206703<br>City of Playa del Sol | $100 |
| Conseco & Schwartz Consultants<br>161 P Street<br>Sacramento, CA 95814 | PRO | See Schedule G for subvendors | $15,000 |
| Megan Waters<br>100 Sandburg Street<br>Playa del Sol, CA 95888 | | Reimbursement of filing fee | $1,200 |

* Payments that are contributions or independent expenditures must also be summarized on Schedule D. SUBTOTAL $ 28,800

**Schedule E Summary**

1. Payments made this period of $100 or more. (Include all Schedule E subtotals.) ..... $ 28,800
2. Unitemized payments made this period of under $100 ..... $ -0-
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 $ 28,900

## How to Complete Schedule E Payments Made

### Name and Address of Payee

Itemize each payment of $100 or more made to a single payee during the reporting period, and any payments totaling $100 or more made during the period for a single product of service. Include the name, street address, city, state, and zip code of the payee. Do not use a post office box number when reporting the address of a payee or creditor.

### 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 listed on Schedule E fully explains the expenditure, leave the code column blank and provide a brief description of the goods or services purchased.

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, each expenditure may be reported separately by category.

### Payment of Accrued Expenses

When paying accrued expenses previously reported on Schedule F, report all payments on Schedule E, itemizing at $100. 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.

### Schedule E Summary

The total amount of expenditures is reported on Line 4 of the summary section of Schedule E and on the Form 460 Summary Page, Column A, Line 6. If the committee is paying interest on an outstanding loan, in addition to reporting the amount on Schedule B, Part 1, Column (e), also report the amount on Line 3 of the summary section of Schedule E.

**Form 460**
**Schedule F**

SCHEDULE F

**Schedule F**
**Accrued Expenses (Unpaid Bills)**

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

Statement covers period
from 7/1/20XX
through 9/30/20XX

CALIFORNIA FORM **460**

Page 10 of 13

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER
Committee to Elect Waters Mayor

I.D. NUMBER
1001234

**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) |

| NAME AND ADDRESS OF CREDITOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CODE OR DESCRIPTION OF PAYMENT | (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 |
|---|---|---|---|---|---|
| Sunflowers & More<br>691 Sunny Meadows Way<br>Playa del Sol, CA 95888 | FND | $200 | 0 | $200 | 0 |
| Bank of the Sun (Visa)<br>544 So. Maple Street<br>Sun City, CA 95886 | | 0 | $1,000 | 0 | $1,000 |
| Subvendor:<br>Carla's Cards $280<br>749 Seashore Drive<br>Playa del Sol, CA 95888 | LIT | | | | |
| * Payments that are contributions or independent expenditures must also be summarized on Schedule D. | SUBTOTALS $ | 200 | $ 1,000 | $ 200 | $ 1,000 |

**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 $ 1,000
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 $ (200)
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 $ 800 (May be a negative number)

## How to Complete Schedule F Accrued Expenses (Unpaid Bills)

### 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. Continue to list an unpaid bill until it is paid.

### 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.

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.

### 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.

### 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.

Example *On its second preelection statement, the Richards for Treasurer committee reported an estimated accrued expense of $5,000 owed to ABC 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).*

### 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, the creditor may not be making a contribution. Because this is a factual determination, call the FPPC toll-free at (866) 275-3772 for advice.

### Outstanding Accrued Expenses

Line 9, Column B of the Summary Page should reflect the total of all outstanding accrued expenses. Accrued expenses are carried forward on future statements until paid.

### Schedule F Summary

Line 3 of the summary section of Schedule F will be a negative amount when payments on accrued expenses are more than the amount of new accrued expenses. Transfer the amount to the Summary Page, Column A, Line 9 as a negative amount and subtract it from the figure in Column B of the previous campaign statement to determine the figure for Column B, Line 9 of this statement.

## Answering Your Questions

*Q. When are unpaid bills reportable as accrued expenses?*

A. 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.

*Q. What if I have not received an invoice from the vendor yet?*

A. 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.

*Q. 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?*

A. 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.

*Q. 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?*

A. 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.

**Form 460 Schedule G**

**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 7/1/20XX through 9/30/20XX

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SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Waters Mayor

I.D. NUMBER: 1001234

NAME OF AGENT OR INDEPENDENT CONTRACTOR: Conseco & Schwartz Consultants

**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 |
|---|---|---|---|---|
| KSUN Radio<br>676 Rue Le Soleil<br>Playa del Sol, CA 95888 | RAD | | | $600 |
| Beach News<br>1825 Sunflower Drive<br>Strand, CA 95889 | PRT | | | $13,000 |

*Attach additional information on appropriately labeled continuation sheets.*

TOTAL* $ $13,600

** 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.*

## 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 Schedule E or F.

## General Rules

### Who Completes Schedule G

Schedule G may be completed by the agent or independent contractor and given to the committee, or it may be completed by the committee from information provided by the agent or independent contractor.

### Deadline

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 (or within 24 hours for a late contribution or late independent expenditure).

## How to Complete Schedule G

### Name and Address of Payee or Creditor

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.

See the general rules for Schedules E and F for additional information.

Do not transfer Schedule G totals to any other schedule or to the Summary Page.

**Form 460**
**Schedule H**

SCHEDULE H

**Schedule H**
**Loans Made to Others***

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

Statement covers period
from 7/1/20XX
through 9/30/20XX

CALIFORNIA FORM **460**

Page 12 of 13

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Waters Mayor

I.D. NUMBER: 1001234

| FULL NAME, STREET ADDRESS AND ZIP CODE OF RECIPIENT (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | (a) OUTSTANDING BALANCE BEGINNING THIS PERIOD | (b) AMOUNT LOANED THIS PERIOD | (c) REPAYMENT OR FORGIVENESS THIS PERIOD* | (d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD | (e) INTEREST RECEIVED | (f) ORIGINAL AMOUNT OF LOAN | (g) CUMULATIVE LOANS TO DATE |
|---|---|---|---|---|---|---|---|---|
| Committee to Support Bike Lanes, Yes on Measure C<br>555 Westhaven Street<br>Playa del Sol, CA 95888<br>#206703 | | $ - 0 - | $ 400 | ☐ PAID $ - 0 -<br>☐ FORGIVEN $ - 0 - | $ 400<br>None<br>DATE DUE | 5 %<br>RATE<br>$ - 0 - | $ 400<br>8/12/XX<br>DATE INCURRED | CALENDAR YEAR $ 400<br>PER ELECTION** $ |
| *Loans that are contributions to another candidate or committee must also be summarized on Schedule D. Loans forgiven must also be reported on Schedule E. | | SUBTOTALS | $ 400 | $ - 0 - | $ 400 | $ - 0 - (Enter (e) on Schedule I, Line 3) | | |

**Schedule H Summary**

1. Loans made this period ..... $ 400
   (Total Column (b) plus unitemized loans less than $100.)
2. Payments received on loans ..... $ -0-
   (Total Column (c) plus unitemized payments less than $100.)
3. Net change this period. (**Subtract** Line 2 from Line 1.) ..... NET $ 400 (May be a negative number)
   (Enter the net here and on the Summary Page, Column A, Line 7.)

**If Required

## Schedule H – Loans Made to Others

Schedule H is for reporting loans made by the committee. Outstanding loans are reported on each campaign statement until they are paid.

## General Rules

Generally, campaign funds may be used to make loans to other candidates, officeholders, or bona fide charitable, educational, civic, religious, or similar tax-exempt non-profit organizations. There are restrictions on loans to any other person, including a candidate who controls the committee, or to a non-profit organization that is affiliated with a candidate, the treasurer, or other committee officials.

A primarily formed committee that makes contributions, including loans, to candidates, officeholders, or committees (other than the candidate(s) for which the committee is primarily formed) may qualify as a different kind of committee with different reporting obligations. Call the FPPC toll-free at (866) 275-3772 for assistance.

Because a loan is considered a contribution, loans to candidates are subject to applicable state or local contribution limits.

## How to Complete Schedule H

### Recipient Information

For each loan of $100 or more that was made or was outstanding during the reporting period, disclose the recipient's name and address and, if the recipient is an individual, his or her occupation and employer or, if self-employed, the name of the business.

### (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, Column (a) should be left blank.

### (b) Amount Loaned This Period

Enter the amount loaned to the recipient during this reporting period. If this loan was made in a previous reporting period, Column (b) should be left blank.

### (c) Repayment or Forgiveness This Period

Enter the amount of any reduction of the loan during this reporting period. Indicate whether

the loan was paid or forgiven. If the committee forgives a loan, also report the transaction on Schedule E.

### (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 Received

Enter the interest rate and amount of interest received on the loan during this reporting period. Interest received is reported separately from payments received on the loan principal. Interest received is also transferred to the Schedule I Summary.

### (f) Original Amount of Loan

Enter the original amount of the loan and the date it was made. If this is the first time the loan is being reported, this will be the same amount as reported in Column (b).

### (g) Cumulative Loans to Date

For each loan that is a contribution, enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) made to the recipient during the calendar year covered by the statement. If the recipient is subject to state contribution limits, also enter the total amount contributed in connection with each election and identify the election year. Because loans are contributions, the total amount of contributions made to a state candidate's committee, including loans, may not exceed the applicable limit. (Loans to candidates or other committees must also be reported on Schedule D.)

### Schedule H Summary

Line 3 of the summary section of Schedule H will be a negative amount when payments received this period are greater than the amount of new loans made. Transfer the amount to the Summary Page, Column A, Line 7 as a negative figure and subtract this amount from the figure in Column B, Line 7 on the previous statement filed to determine the amount to report in Column B, Line 7 of this statement.

## Schedule I – Miscellaneous Increases to Cash

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.
- Transfers of funds received from another committee controlled by the candidate.
- Interest payments received on loans made to others.
- Receipts from the sale of committee assets.
- Transfers of funds received by a controlled committee from another committee controlled by the same candidate. However, there are special rules for transferring funds to a committee for state office. (See Manual 1.)

## General Rules

### Donated Items

When reporting sources who have purchased donated items, e.g., items sold at a garage sale, report the amount received, up to the fair market value, on Schedule I. Any amount in excess of the fair market value is a contribution and reported on Schedule A.

**Form 460 Schedule I**

**Schedule I**
**Miscellaneous Increases to Cash**

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

SCHEDULE I
CALIFORNIA FORM 460

Statement covers period from 7/1/20XX through 9/30/20XX

Page 13 of 13

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committe to Elect Waters Mayor

I.D. NUMBER: 1001234

| DATE RECEIVED | FULL NAME AND ADDRESS OF SOURCE (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | DESCRIPTION OF RECEIPT | AMOUNT OF INCREASE TO CASH |
|---|---|---|---|
| 9/19 | Gail Winds<br>100 Sycamore Street<br>Playa del Sol, CA 95888 | Purchase of TV | $1,000 |
| 9/20 | Waters for City Council<br>10 Parkway Plaza<br>Playa del Sol, CA 95888 | ID #983924<br>Transfer of funds | $3,000 |

*Attach additional information on appropriately labeled continuation sheets.* SUBTOTAL $ 4,000

**Schedule I Summary**

1. Increases to cash of $100 or more this period. ..... $ 4,000
2. Unitemized increases to cash under $100 this period. ..... $ -0-
3. Total of all interest received this period on loans made to others. (Schedule H, Column (e).) ..... $ 4,000
4. Total miscellaneous increases to cash this period. (Add Lines 1, 2, and 3. Enter here and on the Summary Page, Line 14.) ..... TOTAL $ 4,000

Example *Gail Winds purchased a television donated by Seaside TV Sales at your committee's garage sale. The donated television was previously reported on Schedule C with a fair market value of $1,000. Gail paid $1,100 for the television. Report the fair market value of $1,000 on Schedule I and itemize the additional $100, the amount over the fair market value, as a contribution on Schedule A.*

### 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.

## How to Complete Schedule I Miscellaneous Increases to Cash

### Date

Report the date the committee received the miscellaneous receipt.

### 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.

### Description

Provide a description of the receipt, e.g., refund on room deposit for fundraiser.

### Amount

Enter the amount of the receipt.

### Schedule I Summary

The total amount of miscellaneous increases to cash is reported on Line 4 of the summary section of Schedule I and on the Summary Page, Column A, Line 14.

## Authority

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

### Government Code Sections

81004.5 *Reports and Statements; Amendments.*
82013 *Committee.*
82015 *Contribution.*
82018 *Cumulative Amount.*
82025 *Expenditure.*
82025.5 *Fair Market Value.*
82044 *Payment.*
84105 *Notification of Contributors.*
84211 *Contents of Campaign Statement.*
84212 *Forms; Loans.*
84213 *Candidate Verification.*
84216 *Loans.*
84216.5 *Loans Made by a Candidate or Committee.*
84302 *Contributions by Intermediary or Agent.*
84303 *Expenditures by Agent or Independent Contractor.*
84306 *Contributions Received by Agents of Candidates and Committees.*
85201 *Campaign Bank Account.*
85308 *Family Contributions.*
85501 *Prohibition on Independent Expenditures by Candidate Controlled Committees.*
85700 *Donor Information Requirements; Return of Contributions.*
89511.5 *Use of Personal Funds for Incumbent Elected Officers.*
89515 *Use of Campaign Funds for Donations and Loans.*

### Title 2 Regulations

18116 *Reports and Statements; Filing Dates.*
18215 *Contribution.*
18216 *Enforceable Promise to Make a Payment.*
18421 *Cash Equivalents.*
18421.1 *Disclosure of the Making and Receipt of Contributions.*
18421.2 *Street Address.*
18421.6 *Reporting Accrued Expenses.*
18423 *Payments for Personal Services as Contributions and Expenditures.*
18427.1 *Notification to Contributors of $5,000 or More.*
18428 *Reporting by Affiliated Entities.*
18431 *Reporting of Expenditures by an Agent or Independent Contractor.*
18432.5 *Intermediary.*
18526 *Reimbursement of Expenditures.*
18533 *Contributions from Joint Checking Accounts.*
18570 *Return of Contributions with Insufficient Donor Information.*

# Chapter 7
# Additional Reports

In addition to the reports discussed in Chapter 6, other special reports may be required depending on a committee's activity, including:

- Supplemental Independent Expenditure Reports (Form 465)
- Supplemental Pre-election Reports (Forms 460 and 495)
- Late Independent Expenditure Reports (Form 496)
- Late Contribution Reports (Form 497)
- Paid Spokesperson Rreports (Form 511)
- Special Odd-year Reports (Form 460)
- Reports of Communications Identifying State Candidates (Form E-530)

Each report is discussed in detail in the following pages.

| Your Committee | File |
|---|---|
| Makes independent expenditures of $1,000 or more to support or oppose a single candidate or ballot measure | Form 465 |
| Makes contribution(s) totaling $10,000 or more to **state** officeholders during the first quarter of an odd-numbered year | Form 460 |
| Makes contributions of $10,000 or more in connection with a local or special state election | Form 495 |
| Makes independent expenditures of $1,000 or more to support or oppose a single candidate or measure during the 16 days before the candidate or measure's election | Form 496 |
| Receives contributions totaling $1,000 or more from a single source during the 16 days before your election | Form 497 |
| Makes contributions totaling $1,000 or more to a candidate or ballot measure committee during the 16 days before the candidate or measure's election | Form 497 |
| Makes expenditures of $5,000 or more for an individual to appear in a ballot measure advertisement | Form 511 |
| Makes payments of $50,000 or more to "feature" a **state** candidate 45 days before an election if the committee is required to file electronically | Form E-530 |

## Supplemental Independent Expenditure Report (Form 465)

A Supplemental Independent Expenditure Report (Form 465) is filed when a committee makes an independent expenditure of $1,000 or more to support or oppose a single candidate or a single measure. (See Chapter 3 for the definition of "independent expenditure.") Reminder: Candidates may not use campaign funds to make independent expenditures to support or oppose other candidates.

**Form 465 must be filed in addition to any preelection or semi-annual campaign statements the candidate or committee is required to file.** Independent expenditures disclosed on Form 465 also must be disclosed on the candidate or committee's campaign statements (Form 450/460).

Form 465 is required only if $1,000 or more is spent to support or oppose a **single** candidate or measure. If a communication features more than one candidate or measure and they are featured equally, the Form 465 is filed only if $1,000 or more was expended on each candidate or measure featured. A separate Form 465 must be filed for each candidate supported or opposed.

A committee primarily formed to support or oppose candidates must file Form 465 if it makes an independent expenditure of $1,000 or more to support or oppose any of those candidates.

Example *Your committee mails a flyer asking the voters to vote for the three candidates for which your committee is primarily formed. The flyer is **not** done **at the behest** of any of the candidates named. The total cost of the mailing, including postage, amounts to $4,850. Because the amount attributable to each candidate is $1,000 or more, you must file Form 465 for each candidate.*

If a candidate sends out a communication opposing his or her opponent, the candidate has not made an independent expenditure. (See Chapter 3.)

### When to File

File Form 465 at the same time(s) the candidate or ballot measure committee being supported or opposed is required to file statements.

Example *During the second preelection reporting period, your controlled committee for mayor made an independent expenditure by spending $1,150 to print brochures supporting Measure C in Del Sol County. The second preelection statement in connection with the ballot measure is due on April 12. Your committee must file a Form 465 with the Registrar of Voters in Del Sol County by April 12 as well.*

If an independent expenditure of $1,000 or more is made during the last 16 days before an election in which the candidate or measure being supported or opposed is to be voted on, Form 465 is filed by the semi-annual filing deadline following the election. However, a Late Independent Expenditure Report (Form 496) will also have to be filed within 24 hours. (See Form 496 later in this chapter.)

### Where to File

#### Candidate Controlled Committees

File Form 465 in the same manner as for a committee primarily formed to support or oppose the ballot measure identified in the communication. This is so the voters in the affected jurisdiction have access to reports showing who has spent funds in an attempt to influence the voters there. A separate Form 465 must be filed for each ballot measure supported or opposed.

Example *The Committee for Ernest Bert is domiciled in Palos County. Because it made an independent expenditure of $1,400 supporting a Del Sol County ballot measure, it files the Form 465 with the Del Sol County Registrar of Voters and the Registrar of Voters in Palos County.*

### Primarily Formed Committees

The Form 465 is filed in the same places where the committee files its regular campaign reports (Form 450/460).

Example *Friends of Sarah Greene is primarily formed to support her candidacy for Verde County supervisor. The committee's address is in Sacramento County. Friends makes an independent expenditure of $1,200 supporting Greene five days before the November election. Friends must file Form 465 with the Registrars of Voters in Verde County and Sacramento County by the January 31 deadline for filing the semiannual campaign statement. These are the same locations where the committee must file a Late Independent Expenditure Report (Form 496) disclosing the independent expenditure, and its regular campaign reports (Form 460).*

If the committee makes independent expenditures to support or oppose candidates **other than those for whom it is primarily formed**, or to support/oppose ballot measures, Form 465 is filed in the same places as a committee primarily formed to support/oppose the candidate or measure identified in the communication. (In addition, the committee may now qualify as a general purpose committee. Contact the FPPC for more information.)

A separate Form 465 must be filed for each candidate or measure supported or opposed.

**Form 465**

**Supplemental Independent Expenditure Report**
(Government Code Section 84203.5)

SEE INSTRUCTIONS ON REVERSE

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

☐ **Amendment** (Explain Below)

Report covers period from 7/1/20XX through 9/30/20XX

Date of election if applicable: (Month, Day, Year) 11/7/20XX

Date Stamp

SUPPLEMENTAL INDEPENDENT EXPENDITURE
CALIFORNIA FORM **465**
Page 1 of 2
For Official Use Only

**1. Committee/Filer Information**

I.D. NUMBER (If recipient committee): 1001234

COMMITTEE/FILER'S NAME: Committee to Elect Waters Mayor
STREET ADDRESS (NO P.O. BOX): 10 Parkway Plaza
CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-5432
OPTIONAL: FAX / E-MAIL ADDRESS: Brogers@jps.net

**Treasurer** (If recipient committee)

NAME OF TREASURER: Ben Rogers
MAILING ADDRESS: 10 Parkway Plaza
CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-5432
OPTIONAL: FAX / E-MAIL ADDRESS: Brogers@jps.net

**2. Name of Candidate or Measure Supported or Opposed**

| NAME OF CANDIDATE | OFFICE SOUGHT OR HELD AND DISTRICT, IF APPLICABLE | | CHECK ONE: SUPPORT | OPPOSE |
|---|---|---|---|---|
| | | | | |
| **NAME OF BALLOT MEASURE** | **BALLOT NO./LETTER** | **JURISDICTION** | **SUPPORT** | **OPPOSE** |
| Bike Lanes for Playa del Sol | C | City of Playa del Sol | X | |

**3. Independent Expenditures Made** *Attach additional information on appropriately labeled continuation sheets.*

| DATE | NAME AND ADDRESS OF PAYEE | DESCRIPTION OF EXPENDITURE | AMOUNT | CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31) |
|---|---|---|---|---|
| 11/1/XX | Beach City News<br>1500 J Street<br>Playa del Sol, CA 95888 | Newspaper Ad | $1,265 | $1,265 |

## How to Complete Form 465

### Period Covered

The "period covered" by this report begins the day after the closing date of the most recent Form 465 filed related to the candidate or measure supported or opposed.

If this is the first Form 465 filed for the current year for a particular candidate or measure, the period covered begins January 1. The closing date of the period covered is the closing date for the current campaign statement being filed for the candidate or measure. For example, if the independent expenditure was made during the first preelection period, the Form 465 would be due no later than the due date for the first preelection statement filed by the candidate or measure identified in the communication.

### Filer Information

Provide the committee's full name, street address, city, state, zip code, telephone number, and identification number. Also list the name, address, and telephone number of the committee's treasurer and assistant treasurer, if any.

### Name of Candidate or Measure Supported or Opposed

Report the name of the candidate supported or opposed and the office the candidate is seeking, including the district number, if applicable. Or, report the name of the ballot measure supported or opposed by the independent expenditure, including the ballot number or letter and the jurisdiction of the election. Indicate whether the independent expenditure supported or opposed the candidate or ballot measure.

### Independent Expenditures Made

Provide the date, name and address of the payee, along with a short description of the expenditure, its amount, and the cumulative amount expended to date on the candidate or measure supported or opposed.

### Summary

Complete the summary section by entering the total of all independent expenditures of $100 or more made during the period for the candidate or ballot measure, the total of all independent expenditures of under $100

**Form 465**
**Page 2**

**Supplemental Independent Expenditure Report**

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

SUPPLEMENTAL INDEPENDENT EXPENDITURE

CALIFORNIA FORM **465**

Report covers period from 7/1/20XX through 9/30/20XX

Page 2 of 2

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Waters Mayor

I.D. NUMBER (If recipient com.): 1001234

**4. Summary**

1. Total independent expenditures of $100 or more made this period. (Part 3.) ..... $ 1,265
2. Total independent expenditures under $100 made this period. (Not itemized.) ..... $ 0
3. Total independent expenditures made this period (Add Lines 1 + 2.) ..... TOTAL $ 1,265

**5. Filing Officers** *Enter the name and address of each filing officer with whom the filer's most recent campaign statements (Form 450, 460 or 461) have been filed.*

1) NAME OF FILING OFFICER: City Clerk, Playa del Sol
ADDRESS (NO. AND STREET): 500 Playa del Sol Way
CITY: Playa del Sol STATE: CA ZIP CODE: 95888

2) NAME OF FILING OFFICER:
ADDRESS (NO. AND STREET):
CITY STATE ZIP CODE

3) NAME OF FILING OFFICER:
ADDRESS (NO. AND STREET):
CITY STATE ZIP CODE

4) NAME OF FILING OFFICER:
ADDRESS (NO. AND STREET):
CITY STATE ZIP CODE

**6. 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 [Date Required] (DATE) By [Signature Required] (SIGNATURE OF TREASURER OR ASSISTANT TREASURER)

Executed on [Date Required] (DATE) By [Signature Required] (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT, OR RESPONSIBLE OFFICER OF SPONSOR)

made during the period, and the total for both.

### Filing Officers

Enter the title and address of each filing officer with whom the committee files its regular preelection or semi-annual statements.

### Verification

The Form 465 is not considered filed if it is not signed.

### Amendments

To amend a previously filed Form 465, file another Form 465 with the "Amendment" box checked and the corrected or missing information included. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

## Answering Your Questions

*Q: Is an officeholder or candidate who files a Campaign Statement-Short Form (Form 470) still required to file a Form 465 if he or she spends $1,000 or more in personal funds on an independent expenditure to support/oppose another candidate or ballot measure?*

A: Yes. He or she must file the Form 465 to report this activity.

*Q: Is an independent expenditure reportable by the committee for the candidate or the ballot measure named in the communication?*

A: No. Because the communication is not ***made at the behest*** of the candidate or ballot measure committee, that is, without its coordination, control, or suggestion, the expenditure for the communication is only reported by the person making it.

*Q: Is a candidate's controlled committee making an independent expenditure when it pays for a communication that supports the controlling candidate and supports or opposes a ballot measure listed on the same ballot or a communication opposing the controlling candidate's opponent?*

A: No. These types of expenditures are considered promoting one's own election.

*Q: May a committee pro-rate the value of a communication that contains both an independent expenditure and a non-political message?*

A: Yes. The committee should value the independent expenditure as the portion of the costs directly associated with sending the message that expressly advocates election or defeat of a candidate or measure.

## Supplemental Preelection Campaign Statement (Form 495)

A Supplemental Preelection Campaign Statement (Form 495) must be filed if:

- The committee makes contributions totaling $10,000 or more to any number of candidates or committees primarily formed to support or oppose candidates or measures all being voted upon in one jurisdiction on the same day, **and**
- The contributions were made during the period beginning six months prior to the recipient's election and ending 17 days before the election.

Form 495 is filed as an attachment to a campaign statement (Form 450 or 460).

Form 495 is not required during any semi-annual period in which the committee is required to file regular preelection statements or if all the information that would be reported on the Form 495 is reported on a semi-annual statement or Special Odd-Year Campaign Report already on file. (See the section on Special Odd-Year Campaign Report later in this chapter.)

Examples *Two months before her November election, Megan Waters, candidate for mayor in the city of Playa del Sol, makes a $4,500 contribution to the Committee to Support Bike Lanes, Yes on Measure C, and contributes $3,000 each to two candidates running for city council, all in the city of Playa del Sol. Since Megan Waters must file a preelection campaign statement in connection with her own election, it is not necessary that she also file Form 495.*

*One month before an April ballot measure election held in an odd-numbered year, an incumbent county supervisor makes a contribution of $12,000 to the committee primarily formed to support the measure. The supervisor's committee must file Form 495 attached to its Form 460 no later than 12 days before the April election. The Form 495 will disclose the $12,000 contribution and the Form 460 will disclose all contributions received and expenditures made by the supervisor's committee, including the $12,000 contribution, since the last Form 460 was filed. Both forms are filed where the supervisor regularly files his campaign statements, i.e., his county's registrar of voters.*

### When to File

File Form 495, attached to the committee's Form 450 or 460, no later than 12 days before the recipient's election. The reports may be sent by first-class mail.

### Where to File

File Form 495 and the campaign statement with each office where the committee is required to file its regular campaign statements.

If the committee made contributions of $10,000 or more in connection with more than one election, a separate Form 495 must be completed for each election.

**Form 495**

**Supplemental Preelection Campaign Statement**
(Government Code Section 84202.5)

Type or print in ink.

☐ **Amendment** (Explain Below)

Date Stamp

SUPPLEMENTAL PRE-ELECTION
CALIFORNIA FORM **495**
For Official Use Only

**Check one box indicating which form is attached to this Form 495:**
☐ **Form 450**, Recipient Committee Campaign Statement - Short Form
☒ **Form 460**, Recipient Committee Campaign Statement - Long Form

**1. Committee Information**

I.D. NUMBER: 1001234

COMMITTEE NAME: Committee to Elect Waters Mayor

STREET ADDRESS (NO P.O. BOX): 10 Parkway Plaza

CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-5432

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET

CITY | STATE | ZIP CODE | AREA CODE/PHONE

OPTIONAL: FAX / E-MAIL ADDRESS: Brogers@jps.net

**Treasurer(s)**

NAME OF TREASURER: Ben Rogers

STREET ADDRESS: 10 Parkway Plaza

CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-5432

NAME OF ASSISTANT TREASURER, IF ANY: Megan Waters

STREET ADDRESS: 100 Sandburg Street

CITY: Playa del Sol | STATE: CA | ZIP CODE: 95888 | AREA CODE/PHONE: 555/333-1601

OPTIONAL: FAX / E-MAIL ADDRESS

**2. Contributions Made**

DATE OF ELECTION (MONTH, DAY, YEAR): 11/7/XX

JURISDICTION OF THE ELECTION: Imperial County

$ 11,000 has been contributed in connection with this election during the period beginning six months prior to the election and ending 17 days before the election.

**3. 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 [Date Required] (DATE) By [Signature Required] (SIGNATURE OF TREASURER OR ASSISTANT TREASURER)

Executed on [Date Required] (DATE) By [Signature Required] (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPONENT, OR RESPONSIBLE OFFICER OF SPONSOR)

## How to Complete Form 495

### Committee Information

Disclose the committee's name, street address city, state, zip code, identification number, and daytime telephone number, as well as the name, address, and daytime telephone number for the committee treasurer and assistant treasurer, if any.

### Contributions Made

Enter the date and jurisdiction of the election and the total amount contributed.

### Verification

The Form 495 is not considered filed if it is not signed.

## Amendments

To amend a previously filed Form 495, file another Form 495 with the "Amendment" box checked and the corrected or missing information included. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) the original.

## Late Independent Expenditure Report (Form 496)

A Late Independent Expenditure Report (Form 496) must be filed if the committee makes *independent expenditures* totaling $1,000 or more to support or oppose a **single** candidate or a **single** ballot measure during the 16 days prior to the candidate or measure's election.

(See Chapter 3 for the definition of "independent expenditure.") Reminder: Candidates may not use campaign funds to make independent expenditures that support or oppose other candidates.

**Late independent expenditure reports must be filed in addition to any preelection or semi-annual campaign statements the candidate or committee is required to file.** Late independent expenditures also must be disclosed on the candidate or committee's next campaign statement (Form 450/460), and on the Supplemental Independent Expenditure Report (Form 465).

The following are not considered independent expenditures by a candidate's controlled committee:

- Expenditures supporting the controlling candidate's election (or against his or her opponent);
- Expenditures for communications supporting the controlling candidate's election that also support or oppose other candidates or ballot measures being voted on in the same jurisdiction and election.

Example *Megan Waters for Mayor Committee distributed a flyer supporting Megan's candidacy and Henry Pellon's candidacy for city council in the same city. There was no coordination with Henry or his committee. Megan's committee has not made an independent expenditure supporting Henry.*

A primarily formed committee to support/oppose a candidate(s) that makes a late independent expenditure of $1,000 or more to support/oppose that candidate(s), or another candidate or ballot measure, must file a late independent expenditure report.

Example *Your committee is primarily formed to support Megan Waters for mayor. Your committee is not Megan Waters' controlled committee, but is independently making expenditures to get her elected. Three days before the election, your committee, on its own and not at the behest of Ms. Waters, purchased an advertisement in a local newspaper for $1,200 urging voters to support Waters. File a late independent expenditure report within 24 hours of making this payment.*

If the committee does not expend $1,000 or more to support or oppose a single candidate or a single measure during the last 16 days before an election, a late independent expenditure report is not required.

Example *Ten days before an election, your committee independently spent $1,700 on a mailing equally supporting two candidates. The mailing was done completely independent of the candidates; the value to each was $850. Since your committee did not expend $1,000 or more on the mailing for any one candidate, you do not need to file a late independent expenditure report.*

*Later, three days before the election, your committee independently spent $400 on signs supporting one of the candidates listed in your earlier mailing. Because the total spent on behalf of this candidate within the last 16 days before the election was $1,000 or more, file a Form 496.*

The committee may use either Form 496, or create its own form, as long as all of the required information is provided. A separate report must be filed for each candidate or measure supported or opposed.

## When to File

The report must be filed within 24 hours of making a late independent expenditure. An independent expenditure has been made when a communication is made, or when a payment is made in connection with the development, production, or dissemination of the communication, whichever is earlier.

## Where to File

### Candidate Controlled Committees

The report is filed as if the committee were primarily formed to support or oppose the measure identified in the communication. This allows voters in the affected jurisdiction to have access to reports showing who has spent funds attempting to influence them. File a separate report for each ballot measure supported or opposed by fax, telegram or mailgram, guaranteed overnight delivery, or personal delivery. **Regular mail may not be used**.

Example *A Playa del Sol city council candidate's committee makes a late independent expenditure to support a state ballot measure. Playa del Sol is located in Beach County. The committee files the late independent expenditure report with the Secretary of State, the City and County of San Francisco, Los Angeles County, and the Registrar of Voters for Beach County.*

### Primarily Formed Committees

The report is filed in the same places the committee files its regular campaign reports (Form 450/460). However, if the committee makes independent expenditures to support or oppose candidates other than those for which it is primarily formed, or to support/oppose ballot measures, the report should be filed in the same places as a committee primarily formed to support/oppose the candidate or measure identified in the communication. (In addition, the committee may now qualify as a general purpose committee. Contact the FPPC for more information.)

File a separate report by fax, telegram, mailgram, guaranteed overnight delivery, or personal delivery for each candidate or ballot measure supported or opposed. **Regular mail may not be used.**

**Form 496**

**Late Independent Expenditure Report**

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

LATE INDEPENDENT EXPENDITURE REPORT
CALIFORNIA FORM 496
For Official Use Only

NAME OF FILER: Committee to Elect Waters Mayor
AREA CODE/PHONE NUMBER: 555/333-5432
I.D. NUMBER (if applicable): 1001234
STREET ADDRESS: 10 Parkway Plaza
CITY: Playa del Sol
STATE: CA
ZIP CODE: 95888

Date of This Filing: 11/1/20XX
Report No.: 1
☐ Amendment to Report No. _____ (explain below)
No. of Pages: 2

Date Stamp

**1. List Only One Candidate or Ballot Measure**

| NAME OF CANDIDATE SUPPORTED OR OPPOSED | OFFICE SOUGHT OR HELD/DISTRICT NO. | SUPPORT | OPPOSE |
|---|---|---|---|
| | | | |

| NAME OF BALLOT MEASURE SUPPORTED OR OPPOSED | BALLOT NO./LETTER | JURISDICTION | SUPPORT | OPPOSE |
|---|---|---|---|---|
| Bike Lanes for Playa del Sol | C | City of Playa del Sol | X | |

**2. Independent Expenditures Made** *Attach additional information on appropriately labeled continuation sheets.*

| DATE | DESCRIPTION OF EXPENDITURE | AMOUNT |
|---|---|---|
| 11/1/XX | Newspaper Ad | $1,265 |

Reason for Amendment: _____

**Late Independent Expenditure Report**

LATE INDEPENDENT EXPENDITURE REPORT
CALIFORNIA FORM 496

NAME OF FILER: Committee to Elect Waters Mayor
I.D. NUMBER (if applicable): 1001234

**3. Contributions of $100 or More 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 | INTEREST RATES |
|---|---|---|---|---|---|
| 10/29/XX | Megan Waters<br>100 Sandburg Drive<br>Playa del Sol, CA 95888 | ☒ IND<br>☐ COM<br>☐ OTH<br>☐ PTY<br>☐ SCC | Realtor,<br>Waters Realty | $2,500 | If loan, enter interest rate, if any<br>_____% |

## How to Complete Form 496

### Filer Information

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

### Date of This Filing

Indicate the date of filing this report.

### Report Number

Assign a unique number to each late independent expenditure report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

### Amendment to Report Number

If this is an amendment to a report previously filed, assign a new unique identifying number as the Report Number, check the "Amendment" box, and indicate the number of the report being amended.

### Number of Pages

Note the number of pages included in the report.

### Name of Candidate/Measure Supported or Opposed

Part 1. Disclose the name, office sought and the district number, if applicable, of the candidate supported or opposed in the communication, or the name, ballot number or letter, and jurisdiction of the ballot measure supported or opposed. Check the box indicating whether the candidate or ballot measure was supported or opposed by the independent expenditure.

### Independent Expenditures/Payments Made

Part 2. Disclose the date the committee made the expenditure, a description of the expenditure, e.g., printing, postage, mail house, etc., and the amount of the expenditure.

### Contributions of $100 or More Received

Part 3. Disclose contributions of $100 or more received since the closing date of the last campaign statement filed. If no previous campaign statement has been filed, disclose

contributions of $100 or more received since January 1 of the current calendar year.

Report the date the contribution was received, the full name, street address, city, state, and zip code of the contributor. For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, "other" (such as a business entity), or a political party. (The code "SCC" is applicable only to state candidates and committees.) If the contributor is an individual, provide his or her occupation and employer. Report the amount received, and, if the contribution was a loan, provide the interest rate.

### Amendments

To amend a previously filed late independent expenditure report, file a new Form 496 with the corrected information and the "Amendment" box checked. Or, disclose the required information on a piece of paper identified as an amendment. The "Report Number" of the report being amended should be included. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

### Answering Your Questions

Q: *Must a committee primarily formed to support a city council candidate file a late independent expenditure report if it spends $1,000 or more during the last 16 days before the election for a communication supporting the candidate?*

A: Yes. If the communication was not done at the behest of the candidate, the primarily formed committee must file a late independent expenditure report within 24 hours and a Supplemental Independent Expenditure Report (Form 465) after the election.

Q: *Is a candidate making an independent expenditure when he or she pays for a communication supporting his or her own candidacy or opposing his or her opponent?*

A: No. The expenditure is considered promoting one's own election.

## Late Contribution Report (Form 497)

A Late Contribution Report (Form 497) must be filed if, during the last 16 days before his or her election, a committee controlled by the candidate or a primarily formed committee:

- Receives a contribution of $1,000 or more, or multiple contributions aggregating $1,000 or more, from a single source; or
- Makes a contribution or contributions totaling $1,000 or more to a candidate, primarily formed committee, or ballot measure committee involved in an election.

This includes monetary and nonmonetary contributions, loans, or a combination of contributions and loans. This also includes a candidate's personal funds contributed or loaned to his or her own campaign.

Example *Fourteen days before the November election, Friends of Megan Waters, a non-controlled committee primarily formed to support Megan Waters for mayor, made a $500 contribution to her campaign. Ten days before the election, the committee made another $500 contribution. These two contributions in the aggregate amount to $1,000. Both the Friends committee and Megan's committee must file a late contribution report within 24 hours of the second contribution.*

Only contributions made or received during the last 16 days before the election are aggregated to reach the $1,000 threshold. A contribution made or received before the 16-day late contribution period is not aggregated with a contribution made to the same

candidate or committee, or received from the same source, during the late period.

Example *Seventeen days before the November election, Megan received a $600 contribution from an individual contributor. Another $600 was received from the same contributor four days before the election. Since an aggregate of $1,000 was **not** received during the last 16 days before the election from this individual, Megan's campaign is not required to file a late contribution report for this contributor.*

**Late contribution reports must be filed in addition to any preelection and semi-annual campaign statements the candidate or committee is required to file.** Late contributions also must be disclosed on the candidate or committee's next campaign statement (Form 450/460).

## When to File

A late contribution is received on the date the candidate, committee, or an agent of the committee obtains possession or control of the check or nonmonetary item which constitutes the contribution. A late contribution is made on the date it is mailed, delivered, or otherwise transmitted to a candidate or committee. Late reports must be filed within the required 24 or 48 hours. The "next business day" extensions for filing periodic reports does not apply to late reports.

### Monetary

The late contribution report must be filed **within 24 hours** of receiving or making a late monetary contribution.

### Nonmonetary

#### Making

Within 24 hours of **making** a late nonmonetary contribution:

- File a late contribution report; and
- Notify the recipient of the value of the late nonmonetary contribution by personal delivery, fax, or guaranteed overnight mail.

#### Receiving

Within 48 hours of **receiving** a late nonmonetary contribution:

- File a late contribution report.

When more than one nonmonetary contribution will be made to or received from a single contributor during the late contribution reporting period, the committee may, on or before the deadline, file a single report covering the entire late contribution period. The report should disclose the total value of nonmonetary contributions that will be made, 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 contributed or received during the period. If the value of late nonmonetary contributions 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.

The committee may use the Late Contribution Report (Form 497) to disclose late contributions made or received, or create its own form, as long as all of the required information is provided.

## Where to File

The late contribution report must be filed by fax, telegram, guaranteed overnight delivery service, or personal delivery, at the same locations where the committee files its regular campaign statements (e.g., Form 460). **Regular mail may not be used.**

**Form 497**
**Page 1**
**Late Contributions Received**

**Late Contribution Report**

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

LATE CONTRIBUTION REPORT
CALIFORNIA FORM **497**
For Official Use Only

NAME OF FILER: Committee to Elect Waters Mayor
AREA CODE/PHONE NUMBER: 555/333-5432
I.D. NUMBER (if applicable): 1001234
STREET ADDRESS: 10 Parkway Plaza
CITY: Playa del Sol
STATE: CA
ZIP CODE: 95888

Date of This Filing: 10/30/20XX
Report No. 1
☐ Amendment to Report No. _____ (explain below)
No. of Pages 1

Date Stamp

**Late 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 |
|---|---|---|---|---|
| 10/29/XX | Juan Santos<br>3030 Parkway Plaza<br>Playa del Sol, CA 95888 | ☒ IND<br>☐ COM<br>☐ OTH<br>☐ PTY<br>☐ SCC | Accountant,<br>Miller CPA, Inc. | $1,500<br>☐ Check if Loan |
| 10/29/XX | Megan Waters<br>100 Sandburg Street<br>Playa del Sol, CA 95888 | ☒ IND<br>☐ COM<br>☐ OTH<br>☐ PTY<br>☐ SCC | Realtor,<br>Waters Realty | $2,500<br>☐ Check if Loan |

Reason for Amendment: _____

## How to Complete Form 497

- Enter the committee's name, street address, city, state, zip code, and identification number.
- Indicate the date of filing this report.
- Assign a unique number to each late contribution report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.
- If this is an amendment to a report previously filed, assign a new unique identifying number as the Report Number, check the "Amendment" box, and indicate the number of the report being amended.
- For late contributions received, provide:
  - The date received;
  - The contributor's full name and mailing 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; and
  - The amount of the contribution and check the box if it was a loan.

The contributor code should accurately reflect the type of contributor from whom the committee received the contribution. For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, "other" such as a business entity), or a political party. (The code "SCC" is applicable only to state candidates and committees.)

**Form 497 Page 2 Late Contributions Made**

**Late Contribution Report**

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

LATE CONTRIBUTION REPORT
CALIFORNIA FORM 497
For Official Use Only

NAME OF FILER: Committee to Elect Waters Mayor
AREA CODE/PHONE NUMBER: 555/333-5432
I.D. NUMBER (if applicable): 1001234
STREET ADDRESS: 10 Parkway Plaza
CITY: Playa del Sol
STATE: CA
ZIP CODE: 95888

Date of This Filing: 10/28/20XX
Report No. 1
☐ Amendment to Report No. _____ (explain below)
No. of Pages 1

Date Stamp

**Late 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) |
|---|---|---|---|---|
| 10/27/XX | Stamos for Senate<br>1742 20th Avenue<br>Playa del Sol, CA 95888<br>ID #1002244 | Renaldo Stamos<br>State Senate, Dist. 41 | $1,000 | 11/7/XX |

- For late contributions made, provide:
  - The date made;
  - The recipient's full name and mailing address;
  - Office sought or held (if to a candidate);
  - Ballot measure number or letter and jurisdiction (if to a ballot measure committee); and
  - The amount of the contribution.

## Amendments

To amend a previously filed late contribution report, file a new Form 497 with the corrected information and the "Amendment" box checked. Or, disclose the required information on a piece of paper identified as an amendment. The "Report Number" of the report being amended should be included. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

## Answering Your Questions

Q: *Must a candidate file a late contribution report if, during the last 16 days before the election, she transfers campaign funds from one campaign committee established for a prior office to another campaign committee established for the office for which she is seeking election?*

A: No. Transfers between or among a candidate's own campaign committees for seeking elective office would be reported as miscellaneous increases to cash, not as contributions.

Q: *Must a candidate file a late contribution report if, during the last 16 days before the election, he transfers campaign funds from a ballot measure committee he controls to his campaign committee?*

A. Yes. Both committees must file late contribution reports.

Q: *Our committee will be receiving more than one nonmonetary late contribution from the same source during the final 16 days before the election. Rather than file several reports, may our committee file a 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.

Q: *Is a late contribution report required when a contributor forgives a loan during the late contribution reporting period?*

A: Yes. A loan of $1,000 or more which is forgiven during the late contribution reporting period triggers a late contribution report.

Q: *A candidate has two committees; one for a past election and one for the current election. If the committee for the past election receives $1,000 or more from a single source in the late contribution period in connection with the current committee's election, does it file a late contribution report?*

A: Yes.

## Paid Spokesperson Report (Form 511)

A Paid Spokesperson Report (Form 511) is filed by a committee that makes expenditures totaling $5,000 or more for an individual's appearance in a printed, televised, or radio advertisement, or in a telephone message, to support or oppose the qualification, passage, or defeat of a state or local ballot measure. (The advertisement itself must also disclose that the individual is paid.)

Example *In support of a local ballot measure, your committee hires a public relations firm to produce a television advertisement. A local celebrity is paid $5,000 or more to appear in the ad. Your committee is required to file the Form 511. In addition, the ad must state that the individual was paid to appear.*

**Form 511 must be filed in addition to any preelection or semi-annual campaign statements the candidate or committee is required to file.** Payments made to spokespersons also must be reported on the committee's next campaign statement (Form 450/460).

### When to File

File the Form 511 within 10 days of making or promising payments totaling $5,000 or more to the individual that will appear in the advertisement(s).

### Where to File

File the Form 511 in the same locations the committee files its campaign statements.

**Form 511**

**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: Waters for Mayor

ID # (If required): 1001234

AREA CODE/PHONE NUMBER: 555/333-5432

E-MAIL (Optional): Brogers@jps.net

☐ Amendment (explain)

STREET ADDRESS: 10 Parkway Plaza

CITY: Playa del Sol

STATE: CA

ZIP CODE: 95888

**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 |
|---|---|---|---|
| 6/17/XX | Sam Malone<br>455 Sky Park Drive<br>Century City, CA 90217 | Save The Oceans<br>Prop. 301, State<br>☒ Support ☐ Oppose | $6,000 |

**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 Required] (DATE)

By [Signature Required] (SIGNATURE OF TREASURER/ASSISTANT TREASURER/FILER)

## How to Complete Form 511

### Filer Information

Provide the committee's full name, street address, city, state, zip code, and telephone number. Also, list the committee's identification number, as provided by the Secretary of State.

### Payments Made

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 $5,000 or more to appear in the advertisement. 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.

### Verification

The Form 511 is not considered filed if it is not signed.

## Amendments

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.

## Special Odd-Year Report

During an odd-numbered year, a special odd-year report must be filed if the committee makes contributions totaling $10,000 or more to **elected state officers**, their controlled committees, or committees primarily formed to support or oppose any elected state officer during the first and third quarters of the year.

The special odd-year report is filed with the committee's regular filing officer(s) on its regular campaign disclosure form(s) (Forms 450 or 460).

| Period Covered | Filing Deadline |
|---|---|
| January 1 through March 31 | April 30 |
| July 1 through September 30 | October 31 |

**Exceptions:** For the period July 1 through September 30, local candidates and committees may be required to file a report for the March primary election to be held following year, as follows:

- A candidate who will be running in an election on the same day as the March statewide primary election, and committees primarily formed to support or oppose candidates running in the March election, must file a report on October 10 and would not file a special odd-year report for the same period. (See Chapter 7.)
- A local candidate not running in the March election who makes contributions totaling $5,000 or more to state candidates appearing on the March ballot, must file a report on October 10 and would not file a special odd-year report for the same period.

Example *Between July 1 and September 30 of an odd-numbered year, your committee contributes $20,000 to the Governor's committee. Neither you or the Governor will appear on the ballot in March of the following year. You did NOT make contributions totaling $5,000 to state candidates appearing on the March ballot. Your committee is required to file a report covering the period July 1 through September 30, by October 31. It is not required to file a statement by October 10.*

### What to Report

The form is completed in the same manner as a regular preelection or semi-annual statement (see Chapter 6) and includes all of the committee's activity during the reporting period, not just contributions to elected state officers.

Example *County Supervisor Dominic Mesanovic is not on the ballot in 2003. During 2003, he makes four contributions on March 5 to four different assembly officeholders of $3,000 each. Dominic's committee will file a special odd-year report on a Form 460 covering the period January 1 through March 31. The report is due no later than April 30. Dominic's special odd-year report is filed with his regular filing officers. His next statement, the semi-annual, will cover April 1 through June 30, and is due no later than July 31.*

### Answering Your Questions

*Q. Are special odd-year reports filed for the 2nd and 4th quarters of an odd-numbered year as well as for the 1st?*

A. No. Semi-annual reports cover the 2nd and 4th quarters.

*Q. Is there a special form for filing a special odd-year report?*

A. No. Use the same forms you would ordinarily use to file preelection and semi-annual reports (Form 460 or 450).

## Communications Identifying State Candidates (Form E-530)

This form is only for committees that are required to file electronically with the Secretary of State. Therefore, most local candidate and primarily formed committees will not file Form E-530. However, a state candidate who controls both a state and local committee must file electronically with the Secretary of State for both committees if the state committee is required to file electronically.

A committee that spends $50,000 or more for a communication disseminated within 45 days of an election that clearly identifies a

state candidate, but does not expressly advocate the election or defeat of that candidate, must file electronically with the Secretary of State the Form E-530 within 48 hours of making a payment, or promising to make a payment, of $50,000 or more. (Contact the Secretary of State's office at (916) 653-6224 for information on electronic filing or go to http://www.ss.ca.gov/prd/electronic_filing_info.htm.) The report 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.

**Form E-530 must be filed in addition to any preelection or semi-annual campaign statements the candidate or committee is required to file.** Payments disclosed on Form E-530 also must be disclosed on the committee's next campaign statement (Form 450/460).

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:

> "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."

## Authority

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

### Government Code Sections

| | |
|---|---|
| 81004.5 | *Reports and Statements; Amendments.* |
| 82025 | *Expenditure.* |
| 82036 | *Late Contribution.* |
| 82036.5 | *Late Independent Expenditure.* |
| 82044 | *Payment.* |
| 84200.3 | *Odd-Year Reports in Connection with a Statewide Direct Primary Election Held in March of an Even-Numbered Year.* |
| 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 | *Late Contribution; Reports.* |
| 84203.3 | *Late In-Kind Contributions.* |
| 84203.5 | *Supplemental Independent Expenditure Report.* |
| 84204 | *Late Independent Expenditures; Reports.* |
| 84511 | *Ballot Measure Ads; Paid Spokesperson Disclosure.* |
| 85310 | *Communications Identifying State Candidates.* |
| 85501 | *Prohibition on Independent Expenditures by Candidate Controlled Committees.* |

### Title 2 Regulations

| | |
|---|---|
| 18116 | *Reports and Statements.* |
| 18402.5 | *Supplemental Pre-Election Statements.* |
| 18421.1 | *Disclosure of the Making and Receipt of Contributions.* |
| 18425 | *Late Contributions; Reports.* |
| 18450.11 | *Spokesperson Disclosure.* |
| 18539.2 | *Reporting Payments Pursuant to Government Code Section 85310.* |

# Chapter 8
# After the Election

After the election, a candidate's future filing obligations usually are determined by whether he or she won or lost. A primarily formed committee will often choose to close its committee. However, the law does not require any local candidate or committee to terminate. This chapter addresses the reporting requirements for successful candidates, defeated candidates, primarily formed committees, and the guidelines for terminating a campaign committee.

## Successful Candidates – Future Filing Obligations for Non-Election Years

### Filed Form 470 During Campaign

A candidate who filed the campaign statement short form, Form 470, in connection with an election may continue to file Form 470 as an officeholder, provided $1,000 or more is not raised or spent during any calendar year. The Form 470 is due by July 31 of each year.

### Judges and Unpaid Elected Officeholders

During non-election years, judges, unpaid elected officeholders (officeholders whose salaries from their elected positions are less than $200 a month), and their controlled committees are not required to file Form 460 or 470 during any six-month period in which they do not receive contributions or make expenditures. (See Chapter 5.)

### Filed Form 460 and Committee Stays Open

After the election, a successful candidate has the option of maintaining his or her committee and campaign bank account, or terminating the campaign committee and closing the bank account. An officeholder who maintains a committee may:

- Continue to receive contributions;
- Use campaign funds to offset officeholder expenses; or
- Hold funds for use in a future election. (See Chapter 1 for information on redesignating an account and committee for a future election.)

During non-election years, Form 460 is filed on a semi-annual basis as long as the committee remains open. In addition, other special reports may be required.

(Refer to Chapter 9 for a discussion on the permissible uses of campaign funds. Also, local candidates should check with their city or county for restrictions under any locally-adopted campaign rules.)

### Closing the Committee

If no funds are left in the campaign account and the candidate will not raise additional funds, the account and campaign committee should be closed. (Form 460 must be filed indicating a zero cash balance and Form 410 to terminate the committee.)

If the committee is terminated before the end of a calendar year, the candidate must continue to file the Form 460 for the remainder of that calendar year. However, the Form 460 may be filed as both a termination statement and a semi-annual statement. The Form 470 may be filed in future years while in office.

Example *At the end of November, after winning her election, Arlene decides to terminate her committee. To do so, she must file a termination Form 410 and a termination Form 460 showing that the committee has no cash left. On the Form 460 Cover Page, Type of Statement section, she will mark both the termination and semi-annual boxes and enter December 31 as the*

*closing date of the statement. Unless there is additional activity, Arlene is not required to file a semi-annual report on January 31, and may file Form 470 on July 31.*

**REPORT OF PAYMENT FOR LEGISLATIVE, GOVERNMENTAL, OR CHARITABLE PURPOSES**

Pursuant to Government Code section 82015, the following is a notice that a payment or payments aggregating $5,000 or more has been made principally for legislative, governmental, or charitable purposes in coordination with or at the request of the official listed below.

| | |
|---|---|
| Name of Official | Marshall Travers |
| Agency Address | City Hall 234 First Street, Oakmont, CA 95443 |
| Date(s) of Payment(s) | June 24, 2005 |
| Name of Payor | Wildwood Insurance Company |
| Address of Payor | 1253 Main Street, Oakmont, CA 95433 |
| Amount(s) of Payment(s) | $5,000 |
| Name of Payee | Boys and Girls Club of California |
| Address of Payee | 555 10th Street, Sacramento, CA 95814 |
| Description of Goods Or Services Provided | Charitable Donation |
| Specific Legislative, Governmental, or Charitable Purpose | Charitable Fundraiser |
| Date: 7/1/05 | [Signature Required]<br>Signature of Elected Official |

## Co-Sponsored Payment Reports

Elected officials often co-sponsor charitable, governmental, or legislative events with outside sources. Examples might include a job fair or a conference on health or educational issues co-sponsored by an elected official and business or non-profit entities.

Payments made by outside sources in connection with these events generally are not considered gifts or contributions to the elected official who is co-sponsoring the event, although meals, lodging, and travel payments received by an official in connection with a co-sponsored event may be reportable gifts. If an outside source pays $5,000 or more in a calendar year in connection with one or more such events, the co-sponsoring elected official must file a special report disclosing the payment(s). The report is required to be filed with the elected official's agency within 30 days following the date of the payment and is a public record. The report then must be forwarded to the filing officer who receives the elected official's campaign statements.

The report also must be filed by an elected official if an individual or entity donates $5,000 or more in a calendar year to a charitable organization or event at the request of the elected official.

There is no specific form for reporting payments for co-sponsored events. The report must contain all of the information shown in the example above.

Example *At the mayor's request, a catering establishment donated refreshments for a city sponsored job faire. The cost exceeded $5,000. The mayor must file a report with the city clerk.*

# Defeated Candidates – Future Filing Obligations

## Form 470 Filers

A candidate who filed the campaign statement short form, Form 470, has no further reporting obligations after the election as long as less than $1,000 was raised or spent during the calendar year.

### Form 460 Filers

There is no deadline for terminating the committee or disposing of remaining funds. Form 460 continues to be filed on a semi-annual basis as long as the committee remains open. In addition, other special reports may be required. (See Chapter 7.)

To use money remaining in the campaign bank account for a future election to the same office, a candidate must file a new Candidate Intention Statement, Form 501 and amend the Statement of Organization, Form 410. To use the funds for election to a different office, the candidate must file a new Form 501, open a new campaign bank account, and file a new Form 410 for the future election. **In either event, this must be done no later than the closing date for the post-election filing period or the date of leaving office (defeated incumbents), whichever occurs last, or the funds will become "surplus" campaign funds and be subject to restrictions.** (See Chapter 9.)

Example *John Davis lost the city council election in June. John has $3,500 remaining in his campaign bank account and is considering seeking another city council position in two years. In order to use the remaining $3,500 for the future election, John must file a new Candidate Intention Statement, Form 501, and redesignate the bank account to a future election by amending his Statement of Organization, Form 410, to indicate the new office sought and year of election. This must be done no later than June 30, which is the end of the post-election reporting period for an election held during the first six months of the year.*

## Primarily Formed Committees – Future Filing Obligations

Generally, a committee established primarily to support or oppose a particular candidate(s) will terminate after the election. However, the committee may remain open to:

- Raise funds to pay debts.
- Support or oppose other candidates or measures. The committee will need to amend its Statement of Organization (Form 410) to reflect the change in committee type.

After the election, the committee primarily formed to support candidate Jones decides to support candidate Lopez in the next election. In order to do so, it will amend its Statement of Organization.

Form 460, 450, or 425 must be filed on a semi-annual basis as long as the committee remains open. Preelection statements and other special reports may be required depending on the committee's activities.

## Termination

There is no deadline for terminating a committee controlled by a local candidate or officeholder unless the controlling candidate/ officeholder becomes a state officeholder (in which case, refer to FPPC's Information Manual for State Candidates (Manual 1) for termination requirements). Primarily formed committees also do not have a deadline to terminate. However, the committee, by its nature, may need to change its committee status if it remains open after the election.

**A committee may terminate only if the committee:**

- Has ceased receiving contributions or making expenditures and does not anticipate receiving contributions or making expenditures in the future;
- Has no remaining campaign funds;
- Has filed all required campaign statements, disclosing all reportable transactions, including the disposition of leftover funds; and

- Has eliminated all debts, or has no intention or ability to discharge debts.

Use the Form 410 to terminate the committee. Check the "Termination" box, and report the committee's identification number and the date of termination; the date of termination generally is the date all funds have been expended. In addition, identify the name of the committee and have the treasurer or assistant treasurer sign the verification. If this is a controlled committee, the controlling officeholder(s)/candidate(s) also signs the verification.

Form 450 or 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.

File the original and a copy of the Form 410 with the Secretary of State and a copy with the committee's local filing official. File the Form 450 or 460 in the committee's regular filing locations. (See Chapter 5.)

## Answering Your Questions

Q: *May I terminate my committee even if I have outstanding debt owing to creditors?*

A: Yes. When you file your termination statements showing outstanding debt, you are declaring that you do not have the ability to discharge debts, loans, or other obligations. However, if you plan to raise additional funds, or pay the outstanding debt with personal funds, you may not terminate.

## Authority

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

### Government Code Sections

82015 *Contribution.*
84103 *Statement of Organization; Amendment.*
84200 *Semi-Annual Statements.*
84206 *Candidates Who Receive or Spend Less than $1,000.*
84214 *Termination.*

### Title 2 Regulations

18215 *Contribution.*
18404 *Termination of Candidate's and Committees' Filing Requirements.*
18406 *Short Form for Candidates or Officeholders Who Receive and Spend Less than $1,000 in a Calendar Year.*
18426 *Semi-Annual Statement Early Filing.*

# Chapter 9
# Restrictions

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

In addition, while the receipt of campaign contributions generally will not create a conflict of interest for an elected officeholder in the performance of his or her elected duties, contributions may be the source of a conflict of interest for officeholders or candidates who also sit on appointed boards or commissions. The section on "Disqualification and Campaign Contributions" covers this area of the law.

## Restrictions on Contributions

### Laundered Funds

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. If the information for both the true source and the intermediary are not provided, this is considered laundering, a serious violation of the Political Reform Act. Any laundered contributions must be paid to the Secretary of State for deposit in the state general fund. If required under local rules, the funds may be deposited in the general fund of the local jurisdiction.

Example *Barry owns a music store and supports Julie's campaign for city council. Since Barry was going to be out of town when Julie was holding a fundraiser, he asked an employee of his to attend on behalf of the store. The employee attended the fundraiser using a personal check to pay $100. Upon his return, Barry reimbursed the employee the $100. At the time the employee made the contribution to the campaign, he informed them that Barry's music store was the true source of the funds. Julie's campaign report must itemize both Barry's store and the employee. The name of Barry's store and its address, along with the employee's name, address, occupation, and employer are reported.*

*Barry's employee attended another fundraiser for Julie, but this time Barry wrote a company check to the campaign, which the employee used to attend the fundraiser. In this case, Julie's campaign report must only report Barry's store as the source of the contribution; the employee is not an intermediary.*

### Cash

The 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. A cash contribution that is inadvertently deposited into the campaign bank account must be refunded within 72 hours of receipt, except a cash contribution of $1,000 or more from a single source made during the late contribution reporting period (the last 16 days before the election) must be returned to the contributor within 48 hours of receipt.

### Anonymous

Anonymous contributions 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's General Fund.

### Commingling

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 which contains personal funds.

### 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's general fund.

### Legal Name

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

### Delivered in State Office Buildings

A contribution may not be received, or delivered to another person, 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.

This prohibition does not apply to contributions received or delivered in a legislative district office or through the mail.

### From Foreign Nationals, National Banks, and National Corporations

Committees may not receive contributions from foreign nationals, national banks, or national corporations. The Federal Election Campaign Act (2 U.S.C. Section 441b) prohibits contributions from national banks and national corporations (corporations established by an Act of Congress) in connection with any local, state, or federal election to political office.

For further information, the Federal Election Commission may be contacted at (800) 424-9530 (www.fec.gov).

### From State Lobbyists

State lobbyists may not contribute to a state officeholder or candidate's campaign if the lobbyist is registered to lobby the agency of the elected officer or the agency to which the candidate is seeking election. The lobbyist also may not contribute to a local committee controlled by a state candidate.

### Misuse of Public Resources

The Political Reform Act prohibits public financing of campaigns, 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. (Gov. Code Section 8314; Penal Code Section 426.)

Government Code section 54964 prohibits 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 on laws outside the Act, contact the Attorney General's office at (800) 952-5225 or your district attorney.

### Soliciting Contributions from Public Employees

Government Code section 3205 prohibits a local candidate from knowingly, directly or indirectly, soliciting a political contribution from any employees of his or her agency or from a person on an employment list of that agency. There is an exception for solicitations that are made to a significant segment of the public. For further information, contact the Attorney General's office at (800) 952-5225 or your district attorney.

## Use of Campaign Funds

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 the candidate or elected officer, a member of their household, or any individual authorized to approve campaign expenditures.

Example *Kathi Sonenfeld for Supervisor Committee buys pizzas for its volunteers every Thursday when a group gathers to stuff envelopes for the campaign. This is allowed, since there is a political purpose for this expenditure.*

*Kathi has decided to enter a Master's degree program at her local college. While the program may enhance her qualifications as a candidate, she may not use campaign funds for this purpose; a Master's degree would confer a personal benefit to her that is not considered directly related to a political, legislative, or governmental purpose.*

After an election, a successful candidate may use left over campaign funds for officeholder expenses or for a future election. **Campaign funds held by officeholders who leave office or by defeated candidates are subject to the "surplus funds" restrictions discussed below.** Equipment and other non-cash assets held by a candidate or committee may not be used for personal purposes.

Example *Following the election, unsuccessful candidate Robin Welles decides to give the committee's computer to his son. Because the computer was purchased with campaign funds, Welles must purchase the computer from the committee, at fair market value, in order to do this.*

### Election Night Celebrations

Costs associated with election night celebrations or similar campaign events may be paid by the committee.

### Attorneys' Fees

Generally, attorneys' fees and other costs related to administrative, civil, or criminal litigation may not be paid with campaign funds. However, there are exceptions. Some expenses that may be paid with campaign funds include:

- 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;
- Contested election;
- Election recount; and
- Compliance expenses (for example, completing campaign disclosure reports).

### Reimbursements

If a bank account is required (see Chapter 4), the candidate must deposit personal funds in the campaign bank account and make expenditures from that account instead of spending personal funds for the campaign and later seeking reimbursement from campaign funds. However, any other individual may make expenses from personal funds and be reimbursed, as long as the expenses are incurred for political, legislative, or governmental purposes and repayment is made within 45 days. In addition, an officeholder may use personal funds and be reimbursed for "officeholder" expenses. (See Chapter 6 for specific reporting rules and deadlines for reimbursements.)

Example *The candidate's spouse buys a roll of stamps for the campaign at the post office using a personal check. In addition, he frequently buys bagels for the morning shift of volunteer workers. After providing the treasurer with a receipt for the stamps and bagels, the treasurer may reimburse the spouse for his expenses.*

### Automobile Expenses

**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 candidate, officeholder, treasurer, or any other person who may approve campaign expenditures, or a member of any such person's immediate family (spouse and children under age 18 who are claimed as deductions for tax purposes). Additional lessees may not be the candidate, officeholder, treasurer, or a member of any of these persons' immediate family.

**Reimbursed Automobile Expenses:** An officeholder, candidate, or immediate family member, committee staff, and staff of an elected officer's governmental agency 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 which 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.ustreas.gov).

### Clothing

Clothing is a personal expense. The committee may NOT pay for a candidate's business or casual clothing. Specialty clothing, such as formal wear worn by an officeholder or candidate, may be purchased with campaign funds if the use of such clothing is directly related to a political, legislative, or governmental purpose.

Example *A candidate has been asked to attend a formal event honoring the mayor. Since he does not own a tuxedo, he may rent one with campaign funds.*

### Contributions to Other Candidates and Committees

Candidates may make contributions to other candidates and committees unless prohibited by local rules. Contributions to certain state committees are subject to limitations.

### 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 officeholder, candidate, committee treasurer, or any individual with authority to approve the expenditures of campaign funds, or any such person's immediate family member (spouse and children under age 18 who are claimed as deductions for tax purposes).

Examples *A controlled committee wants to contribute to a homeless shelter. However, since the candidate's husband draws a salary from the shelter and it is determined that a substantial part of the proceeds would benefit him, this expenditure by the committee is not allowed.*

*A fundraiser is held to raise funds for a veteran's memorial at the local civic center. The committee is permitted to contribute because the payment has a political, legislative, or governmental purpose.*

### 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, on the equipment; no individual may be listed as owner or lessee.

Example *When the printer breaks down, the treasurer goes out and buys a new one. While shopping, the treasurer finds a great buy on a big screen TV. While the printer is a permissible expense, since it will be used to communicate with the voters, the television does not serve a directly-related political, legislative, or governmental purpose and, therefore, may not be paid for with campaign funds.*

### Food

A campaign may pay for a meal when the expenditure is $200 or less as 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.

Example *An officeholder attends a dinner sponsored by the police department to honor a local good samaritan. Since the expenditure is directly related to a governmental purpose, the campaign may pay for her attendance, even though the total cost is over $200.*

### Fines, Penalties, Judgments, and Settlements

Only the following fines, penalties, judgments, and settlements may be paid with campaign funds:

- 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).

Example *Your treasurer was two days late in filing the committee's first preelection statement and the filing officer fined the committee $20. The committee may pay the fine with campaign funds.*

### Gifts

Unless directly related to a political, legislative, or governmental purpose, personal gifts may not be paid for from campaign funds. However, as long as no one individual receives a total of $250 or more in a calendar year, gifts to campaign employees or workers are permitted because they are considered directly related to a political, legislative, or governmental purpose. If the campaign pays for a gift to a member of the immediate family (spouse and children under age 18 who are claimed as deductions for tax purposes) of a campaign employee or worker, it should be considered a gift to the employee or worker when calculating whether the $250 per person limit has been met.

Example *On election night, key campaign volunteer are presented with thank-you gift certificates for their hard work. Each certificate is worth $150. In addition, the spouses of the volunteers are presented with certificates for their support at home during the campaign. The certificates to the spouses may not be worth more than $100 each.*

### Health-Related Expenses

A committee may pay for health care benefits for its employees or independent contractors.

However, no other health-related expenses may be paid with campaign funds; a committee may not pay for the candidate's health club dues, special dietary foods, or medical check-ups.

### Independent Expenditures

Candidates are prohibited from using campaign funds to make independent expenditures to support or oppose other candidates, or to make contributions to other committees for the purpose of making independent expenditures to support or oppose other candidates.

### Loans

Campaign funds may be loaned to other political committees. (Loans to state candidate committees are subject to limits. Transfers from a local candidate's committee to his or her state committee must be attributed to the original contributors. See the information manual for state candidates for more information on transfers and attribution.) In addition, campaign funds may be used to make loans to bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organizations. However, the loan may not personally benefit the officeholder, candidate, committee treasurer, or any individual with authority to approve the expenditure of campaign funds, or any such person's immediate family member. The loan must be reasonably related to a political, legislative, or governmental purpose. Campaign funds may not be loaned to an individual or to an entity other than those described above.

### Professional Services

When the committee reasonably requires the services of professionals, such as accountants or attorneys, their fees may be paid with campaign funds. (See below for restrictions on salary and compensation paid to a candidate or officeholder.)

### Real Property

The committee may NOT purchase real property. It may, however, lease property for up to one year, as long as its use is directly related to a political, legislative, or governmental purpose. Neither the candidate or officeholder, committee treasurer, any individual with authority to approve the committee's expenditures, or an immediate family member of any of these persons may be a lessee or sublessor, or hold legal title to the leased property.

### 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 of the contribution, it must be returned.

### Salary and Compensation

The 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.

Example *Paula Greene, a member of Supervisor Howard's staff, also is the treasurer of the Supervisor's campaign 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. Funds may not be used to supplement or pay her government salary.*

### Security Systems

A candidate may use campaign funds to purchase an electronic security system. To do so, the candidate must have received threats to his or her physical safety because of his or her status as a candidate or elected official and the incidents must be verified by an appropriate law enforcement agency. No more than $5,000 may be spent and a report to the FPPC is required.

### Tickets for Entertainment and Sporting Events

The committee may purchase entertainment and sporting event tickets for use by the candidate or officeholder, or officer, director, employee, or staff of the committee, as long as attendance is directly related to a political, legislative, or governmental purpose.

Example *Candidates for the office of mayor have been offered the chance to speak during half-time at the local college football game. Campaign funds may be used to purchase tickets for the candidates and committee staff to attend, but only because they will be speaking.*

### Tickets to Political Fundraisers

A committee may purchase tickets to political fundraisers (subject to any applicable contribution limits) for the candidate or officeholder, or officer, director, employee, or staff of the committee.

### Travel

A committee that pays for travel or accommodations for the candidate or officeholder, any individual with authority to approve the committee's expenditures, or employees or staff of the committee must comply with the standards set by Internal Revenue Code Sections 162 and 274 (deduction of travel expenses for tax purposes). The Internal Revenue Service may be contacted at (800) 829-1040 or www.irs.gov for more information.

### 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.

## Use of Surplus Funds

There are restrictions on how campaign funds held by an elected officeholder or candidate may be spent once the funds become "surplus." Surplus funds may not be used for a future election. See Chapter 1 for information about using campaign funds for a future election before they become surplus.

Campaign funds held by an officeholder become surplus when the officeholder leaves the office for which the funds were raised, or at the end of the semi-annual reporting period following his or her defeat, whichever occurs last. Campaign funds held by a nonincumbent defeated candidate or a candidate who withdraws from an election become surplus at the end of the semi-annual reporting period following the election. (The end of the semi-annual reporting period is June 30 for elections held during the first six months of the calendar year, and December 31 for elections held during the last six months of the calendar year.) If a candidate or officeholder dies, campaign funds held by the candidate or officeholder become surplus on the earlier of either June 30 or December 31 following his or her death.

**Surplus funds may only be spent in the following manner:**

- Payment of outstanding campaign debts or officeholder expenses;
- Refunds to contributors;
- Donation to a bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organization, provided no substantial part of the proceeds will have a material financial effect on the candidate, on any member of the candidate's immediate family (spouse and children under age 18 who are claimed as deductions for tax purposes), or the campaign treasurer;
- Contributions to a political party or committee, so long as the funds are not used to make contributions in support of or opposition to a candidate for elective office. (The funds must be used for the party's or committee's overhead expenses.)
- Contributions to support or oppose any candidate for federal office, any candidate for elective office in a state other than California, or any ballot measure;
- Payment for professional services or attorneys' fees for litigation which arises out of campaign or election activities; or
- Payment for an electronic security system. Contact the FPPC for information about specific requirements that must be met.

## Answering Your Questions

Q: *I am a candidate for a local office. It appears that I won't have any problem winning my seat. I would like to return some of my contributions to my contributors. May I do this?*

A: You may return to each individual contributor up to the total amount they contributed any time during the campaign.

Q: *I am a candidate. I make long-distance phone calls on my home phone to request support from organizations statewide. How may I pay for them?*

A: When the bill arrives, calculate the portion that is campaign-related. 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.

Q: *Very often, I need to get a babysitter for those evenings that I am out campaigning. May I use campaign funds to pay a babysitter?*

A: You may use campaign funds to pay a babysitter, but only up to $200 per event.

Q: *As a candidate, 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?*

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

Q: *May I use campaign funds to have an additional telephone line put in my home?*

A: Yes, as long as the additional phone line is used for campaign purposes only. If, after the campaign, you choose to retain the additional phone line for personal purposes, you must pay the campaign what it would cost to install an additional line at that time.

Q: *Is it permissible to have an agreement with an independent contractor (e.g., the campaign consultant) to pay additional money if I win my election?*

A: Yes, under the Act you may make contingency agreements that you will not pay a contractor unless you win the election, or that you will pay an additional amount to the contractor if you win. The arrangement should be made part of the written contract.

*Q: May I host a victory party or give bonuses to my campaign workers?*

A: Yes. In most cases, the bonuses would be considered gifts and would be limited to $250 per calendar year.

*Q: I lost my election and have funds remaining. May I use my excess funds to run again in two years?*

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. If you plan to run for a different office, file a new Form 501 and transfer the funds to a new campaign bank account, for which you must file a new Form 410. If you do nothing, the campaign funds will become "surplus" at the end of the post-election reporting period and may not be used to run for office.

*Q: I withdrew my name from the election. When do my funds become "surplus?"*

A: Even though you withdrew your name, you are treated the same as a defeated candidate. Your funds will become "surplus" unless they are redesignated for a future election by the end of the semi-annual reporting period in which the election occurs.

## Disqualification and Campaign Contributions

Generally, campaign contributions received in connection with an elective office cannot serve as the basis for disqualifying the official from voting on a matter affecting the contributor. However, if the official holds an appointed position and receives contributions for an elective office, he or she may be subject to the provisions of Government Code Section 84308 which:

- Prohibits soliciting, directing, or receiving campaign contributions in excess of $250 from parties, participants, or their agents during proceedings regarding licenses, permits, or other entitlements for use, or for 90 days after the decision.
- Requires disclosure of all such campaign contributions and also requires an official's disqualification from making decisions in certain proceedings in which the official is acting in an appointed position if more than $250 in campaign contributions has been received from a party or participant within 12 months preceding the decision.

**Example** *Three city councilmembers and two county supervisors serve on the Local Agency Formation Commission. Since the councilmembers and supervisors were appointed to the commission, they may not vote on a LAFCO issue if they have received a contribution in the last 12 months of more than $250 from someone who is a party, participant, or agent in the proceeding.*

### Who is Covered?

Generally, appointed board members, commissioners, or individuals who head state or local government agencies and who make decisions in proceedings involving licenses, permits, or other entitlements for use are subject to Section 84308. Common positions include:

- Planning Commissioners
- Local Agency Formation Commission (LAFCO) members
- Members of redevelopment agencies which are not entirely comprised of elected members of the same agency
- Transportation Authority members
- Air Quality Management District members
- Waste Management Authority members
- California Coastal Commissioners

Example *Sarah Fisher is a candidate for the Williamson City Council. She also is an appointed member of the Williamson Planning Commission. Christopher Bradley has a permit request pending before the planning commission. Under Section 84308, Sarah is prohibited from soliciting or receiving any contribution of more than $250 from Christopher or Christopher's agent.*

*Sarah Fisher was elected to the Williamson City Council and resigned her position on the Williamson Planning Commission. Since she is now serving solely in an elected position, she is not required to disqualify herself from making decisions on the Williamson City Council by virtue of receiving contributions of more than $250 from any person.*

### Exempted Agencies

Section 84308 does not apply to the following agencies:

- Judicial branch
- Legislature
- Board of Equalization (Gov. Code Section 15626 does apply)
- Constitutional officers
- Local agencies whose members are elected by the voters (e.g., board of supervisors, city council, or school board)
- Committees of an agency that are comprised solely of elected members of the same agency (e.g., city councilmembers who serve on the city's budget and finance committee)
- Elected members of an agency, all of whom also serve as the governing body of another agency (i.e., city councilmembers who also serve on the city's redevelopment agency board)

Section 84308 specifically prohibits officers from soliciting, accepting, or directing campaign contributions of more than $250 from any party, participant, or agent of a party or participant while a proceeding is pending before the officer's agency and for 90 days following the decision. This prohibition applies even when the contribution is for another candidate.

Example *Sunny Shine, a planning commissioner, serves as the treasurer for Councilmember Claude E. Sky's campaign. Sunny may not solicit, accept, or direct a campaign contribution of more than $250 for Claude's campaign from a party, participant, or agent whose proceeding is pending before the planning commission.*

The FPPC's fact sheet entitled "Campaign Contributions May Cause Conflicts for Appointees and Commissioners" may be consulted for further information concerning Section 84308.

## Authority

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

### Government Code Sections

82025 *Expenditure.*
82044 *Payment.*
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.*
84308 *Contributions to Officers; Disqualification.*
84309 *Transmittal of Campaign Contributions in State Office Buildings.*
85201 *Campaign Bank Account.*
85501 *Prohibition on Independent Expenditures by Candidate Controlled Committees.*

85700 *Donor Information Requirements; Return of Contributions.*
85701 *Disgorgement of Laundered Contributions.*
85702 *Contributions from Lobbyists.*
85704 *Prohibition on Earmarking.*
89510 *Acceptable Contributions.*
89511 *Campaign Funds Held by Candidates and Committees.*
89511.5 *Use of Personal Funds for Incumbent Elected Officers.*
89512 *Expenditures Associated with Seeking or Holding Office.*
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.*
89519 *Use of Surplus Campaign Funds.*

### Title 2 Regulations

18432.5 *Intermediary.*
18438.1 *Officers and Agencies Under Government Code Section 84308.*
18438.6 *Solicitation, Direction, and Receipt of Contributions Under Government Code Section 84308.*
18438.7 *Prohibitions and Disqualification Under Government Code Section 84308.*
18438.8 *Disclosure Under Government Code Section 84308.*
18439 *Definition of "Personally Deliver."*
18526 *Reimbursement of Expenditures.*
18570 *Return of Contributions with Insufficient Donor Information.*
18572 *Lobbyist Contributions – Making a Contribution Defined.*
18951 *Surplus Funds.*
18960 *Direct Personal Benefit Defined.*
18961 *Incidental Use.*

# Appendix 1
# Definitions

## Candidate
(Sections 82007; 84214)

An individual becomes a candidate in California under the following circumstances:

- The individual's name is listed on a primary, general, special, or recall election ballot; or
- The individual is qualified to have election officials count write-in votes on his or her behalf for nomination or election to any state or local elective office.

An individual who receives a contribution or makes an expenditure (or gives consent for any other person to receive a contribution or make an expenditure) for his or her nomination or election to any state or local elective office also is a candidate under the Political Reform Act, even if:

- The specific elective office the individual will seek is not known when the contribution is received or the expenditure is made. (However, section 85200 requires the candidate to provide this information (Form 501) prior to receiving any contributions or making any expenditures.)
- The individual has not announced his or her candidacy.
- A declaration of candidacy has not been filed.

An elected officeholder also is considered to be a candidate under the Act.

Individuals running for federal office, such as United States President, Senator, or Representative, are not candidates under the Act.

An individual retains his or her status as a candidate (even if defeated in an election) until all campaign activity requiring disclosure has ended. A controlled committee must file a Statement of Organization, Form 410, with the "Termination" box checked.

## Contribution
(Section 82015; Regulations 18215 and 18225.7)

A contribution is a payment, including a loan, a forgiveness of a loan, a third party payment on a loan, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received, unless it is clear from the surrounding circumstances that it is not made for political purposes. An expenditure made at the behest of an officeholder, candidate, or committee is a contribution to the officeholder, candidate, or committee unless full and adequate consideration is received for making the expenditure.

A payment is "made at the behest of" an officeholder, candidate, or committee if it is made under the control or at the direction of the officeholder, candidate, or committee. It is also made at the behest if it is made in cooperation, consultation, coordination, or concert with, or at the request or suggestion of the officeholder, candidate, controlled committee, official committee of a political party, or organization formed or existing primarily for political purposes.

### Election Activities

Payments for the following election-related activities are considered to be related to a candidate's candidacy for office:

- Communications that contain express advocacy for the nomination or election of the candidate or the defeat of his or her opponent.
- Communications that contain reference to the candidate's candidacy, the candidate's election campaign, or the candidate or his

or her opponent's qualifications for elective office.

- Solicitation of contributions to the candidate or to third persons for use in support of the candidate or in opposition to his or her opponent.
- Arranging, coordinating, developing, writing, distributing, preparing, or planning of any election-related communication or activity.
- Recruiting or coordinating campaign activities of campaign volunteers on behalf of the candidate.
- Preparing campaign budgets.
- Preparing campaign finance disclosure statements.
- Communications directed to voters or potential voters as part of activities encouraging or assisting persons to vote if the communication contains express advocacy for the nomination or election of the candidate or the defeat of his or her opponent.

### Common Contributions

- Tickets purchased for political events such as dinners, luncheons, rallies, and similar fundraising events.
- The officeholder or candidate's own money or property.
- Discounts or rebates not generally extended to the public.
- Television, radio, or newspaper discounts or rebates not equally extended to all candidates for the same office.
- Payments made to someone for their services by another on behalf of a candidate or committee. However, if an individual is paid by his or her employer, those payments are not contributions unless employees spend 10% or more of their compensated time during a calendar month working on behalf of an officeholder, candidate, or committee.
- Transfer of anything of value a committee receives from another committee, unless the committee pays the fair market value.

### Contributions; Exceptions

- A home or office meeting or fundraising event held in an occupant's home or office, if the total costs for the meeting or event are $500 or less. If more than $500 is spent, the total amount is a contribution.
- Any individual's volunteered personal services or payments for his or her own travel expenses if the payments are made voluntarily and without any understanding or agreement that the individual will be repaid or reimbursed.
- A candidate's personal funds used to pay a filing fee for a declaration of candidacy or a candidate statement prepared pursuant to Section 13307 of the Elections Code.
- Certain payments made principally for legislative, governmental, or charitable purposes (co-sponsored events) unrelated to a candidate's candidacy for elective office.
- Gifts made for personal purposes unrelated to a candidate's candidacy for elective office.
- An expenditure by a political party or a political committee that is made at the behest of a candidate or officeholder if the expenditure is made in connection with voter registration activities and does not clearly identify or expressly advocate the election or defeat of any candidate for elective office.
- A payment made at the behest of a candidate for a communication that does not expressly advocate for the candidate; does not refer to the candidate's candidacy for elective office, the candidate's election campaign, or the

candidate's or his or her opponent's qualifications for office; and does not solicit contributions to assist in the candidate's campaign.

- A payment made by a candidate or committee for another candidate to attend the paying candidate or committee's fundraiser.
- A payment made by a candidate to let voters know that another candidate has endorsed him or her, except that no express advocacy may be made on behalf of the endorsing candidate, or opposition to his or her opponent. (See Chapter 3 for the definition of "express advocacy.")
- A payment made by a ballot measure committee telling the voters which candidates support or oppose the ballot measure, as long as there is no express advocacy on behalf of the endorsing candidate, or opposition to his or her opponent.
- Payments for a news story, commentary, or editorial by a regularly-published newspaper, magazine, or other periodical of general circulation which routinely carries news articles, and commentary of general interest.
- Payments for a news story, commentary, or editorial by a federally-regulated broadcast outlet (radio or television).
- A payment by an organization for its regularly-published newsletter or periodical, if the circulation is limited to the organization's members, employees, shareholders, or other affiliated individuals who request or purchase the publication. This regulatory exception has been largely subsumed by a broader statutory provision concerning communications by an organization to its members (See Member Communications, below).
- A payment for a debate or other forum sponsored by a nonpartisan organization in which at least two candidates appearing on the ballot for the same elective office are invited to participate.
- A payment for a debate or other forum in which the proponent of a ballot measure and at least one opponent, or their respective representatives, are invited to participate in equal numbers.
- A payment for a debate or other forum sponsored by a political party or affiliated committee in which a majority of the candidates for that party's nomination are invited to participate.
- A payment made by a bona fide service, social, business, trade, union, or professional organization or group for reasonable overhead expenses associated with the organization's regularly-scheduled meeting at which a candidate or an individual representing either side of a ballot measure speaks, if the organization pays no additional costs in connection with the speaker's attendance.
- A payment made by a candidate for a communication in support of or opposition to a ballot measure, if the communication features the endorsing candidate or clearly identifies him or her as the sponsor of the communication. This exception does not include a monetary contribution from a candidate or his or her controlled committee to a ballot measure committee.
- A payment by a sponsoring organization for the establishment and administration of a sponsored committee, provided such payments are reported. Any monetary payment made to the sponsored committee shall be made by separate instrument. "Establishment and administration" 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.

- When a candidate requests that someone else make a contribution to another candidate or committee not controlled by the candidate making the request, a contribution has not been made to the candidate making the request.
- Payments for communications to members, employees, shareholders, or families of members, employees, or shareholders of an organization for the purpose of supporting or opposing a candidate or a ballot measure, provided these payments are not made for general public advertising, such as broadcasting, billboards, and newspaper advertisements. Payments are reportable by the organization if made by the organization's sponsored committee.

## Controlled Committee
(Section 82016)

If an officeholder, candidate, or state measure proponent exerts significant influence on the actions or decisions of a recipient committee, he or she controls the committee. In almost all cases, officeholders or candidates control the primary committee that is set up to support their officeholder or candidacy status. Committees can even be controlled indirectly through agents of candidates and officeholders.

## Elective Office
(Section 82023)

Any state, regional, county, municipal, district, or judicial office that is filled at an election. Although membership on a county central committee of a qualified political party is considered an elective office, alternate members of county central committees and chairpersons of assembly district committees are not subject to the Act's disclosure requirements. Those appointed to an elective office, however, are subject to the Act. Membership on the Board of Administration of the Public Employees Retirement System is also an elective office.

## Independent Expenditure
(Section 82031)

"Independent expenditure" means an expenditure made by any person in connection with a communication which expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage, or defeat of a clearly identified measure, or taken as a whole and in context, unambiguously urges a particular result in an election but which is not made to or at the behest of the affected candidate or committee.

## Person
(Section 82047)

An individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.

## Primarily Formed Committee
(Section 82047.5)

A recipient committee that is formed or exists primarily to support or oppose:

(a) A single candidate; or

(b) A single measure; or

(c) A group of specific candidates being voted upon in the same city, county, or multicounty election; or

(d) Two or more measures being voted upon in the same city, county, multicounty, or state election.

Also see the definition of "controlled committee," above. A primarily formed committee is one that is not controlled by the candidate or officeholder the committee supports.

# Appendix 2
# 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 disclosure of campaign contributions and expenditures during elections.

## The Fair Political Practices Commission

The Fair Political Practices Commission is the independent, nonpartisan state agency authorized to implement, interpret, and enforce the provisions of the Political Reform Act. The Commission is comprised of a full-time chair 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. Each serves a four-year term and no more than three members may be from the same political party. Commission staff members are divided into four divisions: Administration, Enforcement, Legal, and Technical Assistance.

### Governing Statutes

The Political Reform Act is contained in Government Code sections 81000-91014.

### Regulations

Regulations interpreting the Political Reform Act are located at Title 2, Division 6 of the California Code of Regulations, beginning at section 18000.

### Opinions and Advice Letters

The Commission periodically issues opinions interpreting provisions of the Political Reform 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. See the FPPC publication "How Do I Get Advice From the FPPC?" available on our website.

FPPC staff does not provide advice by e-mail.

## Obtaining Information from the FPPC

Write, call, or visit the FPPC to get copies of specific opinions and advice letters or to be put on our mailing lists.

Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814
(916) 322-5660 – Toll-free (866) 275-3772

### Website

The Commission's website (www.fppc.ca.gov) contains a wealth of helpful information, including:

- The Political Reform Act and its corresponding regulations
- 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 offices, the Secretary of State's offices, and many local clerks' offices)
- Manuals, fact sheets, and useful summaries of the law

- 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 Commission, 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)
- Ballot measure committees
- Major donor and independent expenditure committees
- Slate mailer organizations

### Commission Bulletin

The Commission publishes a free bulletin. Information regarding enforcement cases, legislation and litigation updates, workshop announcements, Commission meeting summaries, campaign statement filing schedules, and advice letter summaries are regularly included. Persons interested in obtaining the Bulletin may contact the Commission to be placed on the e-mail Bulletin mailing list by sending an email request to jmatthews@fppc.ca.gov, or access the Bulletin via the website at www.fppc.ca.gov.

### Computer Generated Statements

Interactive campaign forms may be found at the Commission's website at www.fppc.ca.gov.

In lieu of using official FPPC forms, candidates and committees may produce their own computer- generated form using FPPC's format.

If filers choose to produce their own form, they must obtain Commission approval before it may be filed. Approval will be granted on forms that contain all of the required information in a format substantially similar to the Commission's forms. If substantive changes are made to a previously-approved form, the amended form should be submitted for approval. Also, each January, the Commission should be contacted to determine if there have been changes to the disclosure statements that may require changes to computerized forms.

In addition, the Commission maintains a list of commercial software vendors who have received Commission approval for their software packages. Contact the Commission if you are interested in obtaining this list. The list is also available on the Commission's website (www.fppc.ca.gov).

Local candidates are not required to file campaign statements electronically unless they are running for state office. However, some local jurisdictions require electronic filing. Check with your local filing officer.

## Need Help Fast?

Assistance may be obtained regarding filing requirements, forms, or an upcoming issue by calling the Commission's Technical Assistance Division at (916) 322-5660, or toll-free at (866) 275-3772, ext. 2.

*For even more information!* The Commission periodically conducts educational workshops on various topics. Contact the Technical Assistance Division or the website to see if a workshop is coming to your area.

## 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)

Lexis-Nexis (800) 227-9597
Database: "CAFAIR" under California Library
(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 candidate, a candidate running for local election, or a state or local committee.

### Secretary of State

The Secretary of State is also responsible for issuing campaign committee identification numbers. Contact that office regarding the availability and processing of ID numbers.
(916) 653-6224
(916) 653-5045 fax
www.ss.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.
(800) 424-9530 (located in Washington, D.C.)
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

### 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 or (202) 418-1440 (located in Washington, D.C.)
www.fcc.gov
email: campaignlaw@fec.gov

## Local Ordinances

A city or county officeholder, candidate, or committee may be subject to additional reporting or other requirements. This is because cities and counties may enact ordinances that impose additional or different disclosure requirements. For example, there may be contribution limits, lower itemization thresholds, or an additional preelection statement, just to mention a few.
A city or county campaign ordinance may never pre-empt state law. Enforcement and interpretation of a local ordinance is the responsibility of the local jurisdiction. The Commission is not empowered to give advice concerning local ordinances.

## Information Collection and Access

The Information Practices Act of 1977 requires that the following information be provided when information is collected from individuals, including officeholders, candidates, and committees:

### Agency Name

Secretary of State
Manager, Political Reform Division
1500 11th Street, Sacramento, CA 95814
(916) 653-6224
(916) 653-5045 fax

City and county filing officers also maintain certain statements.

### Authority for Maintenance

Government Code Sections: 81002, 81004, 81004.5, 81007, 81007.5, 81008, 81009, 81010, 82026, 82027, 83112, 83113, 84101-84108, 84200-84218, 84400, 84600-84610, 85100-85307, 90001, 91000-91001.5, 91004, 91010, 91013; California Code of Regulations Sections 18401-18452.

### Public Inspection & Audit

All reports and statements required by the Political Reform Act are public records open for public inspection and reproduction, and are subject to audit by the Franchise Tax Board and the Fair Political Practices Commission.

## 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 for not filing campaign statements may be imposed up to $5,000 per violation.

Additional information on the Commission's enforcement procedures is available on the website at www.fppc.ca.gov. In addition, the Commission maintains a toll-free number for reporting suspected violations of the Political Reform Act. The number is (800) 561-1861.