Information for State Candidates, Their Controlled Committees, and Primarily Formed Committees for State Candidates Manual 1

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INTRODUCTION

The purpose of California's Political Reform Act ("Act") is to ensure that disclosure of political payments is accurate, timely, and made in a transparent manner. Clear and accurate disclosure is essential for making voters aware of who is paying for political messages so they can evaluate the content and make informed decisions when voting.

In California, the true source of a contribution must be disclosed. This manual sets out the campaign reporting requirements for:

- Candidates and controlled committees for State and Statewide offices (e.g., Governor, Superintendent of Public Instruction, Senate and Assembly)
- Candidates seeking election to the Board of Administration of the Public Employees' Retirement System (CalPERS) or the Teachers' Retirement Board (CalSTRS)
- Committees primarily formed to support or oppose State candidates

The following table summarizes the campaign forms and the chapters in which they are reviewed:

Campaign Forms		
Form	**Purpose**	**Chapter**
501	Candidate Intention Statement	2
410	Statement of Organization	2
460	Recipient Committee Campaign Statement	9
462	Verification of Independent Expenditures	12
470	Officeholder and Candidate Campaign Statement - Short Form	2
496	24-hour Independent Expenditure Report	12
497	24-hour Contribution Report	2
511	Paid Spokesperson Report	8
E-530	Issue Advocacy Report	7
T10	Top Ten Contributor List	12

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Local candidates and officeholders, their controlled committees, and committees primarily formed to support or oppose a local candidate(s) should refer to FPPC's Campaign Disclosure Manual 2.

Since the Political Reform Act was approved by California voters in 1974, there have been more than 200 amendments to the Act's campaign disclosure provisions. This manual has been prepared to assist committees in complying with the Act's numerous and often detailed rules. The manual is written in a "user friendly" format so that committees have a resource guide. Each chapter provides a list of statutes and regulations that provide authority for the information in that chapter. The statutes and regulations may be accessed on the FPPC website.

In addition, federal and state tax laws and other rules may also apply. The Appendix contains telephone numbers and website addresses for the Federal Election Commission, the Internal Revenue Service, the California Franchise Tax Board, and the Federal Communications Commission.

Controlling Law

This manual summarizes key campaign disclosure laws and regulations and draws from years of FPPC staff advice on complying with the Act's campaign disclosure laws. Each committee's activity 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, the Act and its regulations will control.

Need Help?

If you need assistance, the Fair Political Practices Commission (FPPC) provides advice by email and through a toll-free telephone advice line. The FPPC does not provide third party advice or advice on past conduct. The FPPC website (www.fppc.ca.gov) contains forms, manuals, and a wealth of other helpful information.

Email Advice	Telephone Advice
advice@fppc.ca.gov	1-866-ASK FPPC (1-866-275-3772)

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State Contribution and Expenditure Rules

This chapter contains information on contribution and expenditure rules for candidates and officeholders seeking a state elective office.

The chapter reviews:

- Contribution Limits
- Voluntary Expenditure Ceilings
- Transfers
- Post-Election Fundraising
- Officeholder Committees
- Legal Defense Committees
- Recall Committees

For information about ballot measure committees controlled by a state candidate or officeholder, see FPPC Campaign Disclosure Manual 3.

A. State Candidate Contribution Limits

A candidate seeking election to a state office is subject to contribution limits from a single source per election. For purposes of contribution limits, the primary, general, special, and special runoff elections are separate elections. The chart below shows the limits per contributor for the type of office sought. Contribution limits may increase or decrease every two years based on changes in the Consumer Price Index. Regulations that set forth the amounts are adopted by the Commission.

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Per Election Limits on Contributions to State Candidates

(For Elections Occurring from January 1, 2017 – December 31, 2018)

	Contributor Sources		
Candidate or Officeholder	**Person (individual, business entity, committee/PAC**	**Small Contributor Committee**	**Political Party**
Senate and Assembly	$4,400	$8,800	No Limit
CalPERS/CalSTRS	$4,400	$8,800	No Limit
Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equlization	$7,300	$14,600	No Limit
Governor	$29,200	$29,200	No Limit

Timing

There are no restrictions on when a candidate may begin to fundraise for a state office, and contributions for a general or special general election may be raised during or prior to a primary or special primary election for the same office.

A candidate who is defeated in the primary or special primary election, or who withdraws from the general or special general election, must return contributions received for the general or special general election to the contributors. The contributions are returned on a pro rata basis, less the cost of raising and administering the funds and expenses attributable to the general election paid prior to the primary election (e.g., media purchases). However, contributions (other than loans) made by a state candidate to his or her own campaign may not be returned to the candidate.

Loans

Loans are contributions subject to limits. However, if a loan has been repaid, the lender, guarantor, endorser, or cosigner may make additional contributions to the same committee up to the limit.

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Candidate's Personal Funds

Contribution limits do not apply to a candidate's personal funds contributed to his or her own campaign. However, a state candidate may not have loans to his or her campaign with an outstanding balance of more than $100,000 at any time. A candidate may not charge interest on a loan he or she makes to the campaign. The $100,000 limit on personal loans applies to loans from the candidate's personal funds as well as loans from a commercial lending institution which the candidate lends to his or her campaign. "Campaign" includes both the primary and general, or special and special runoff, elections. However, a candidate may loan each committee for a different office or term of office up to $100,000.

Ex 1.1 - In July, a State Senate candidate had an outstanding loan of $50,000 to his primary election campaign committee. The candidate may loan no more than $50,000 toward the general election. The candidate may loan $100,000 to his campaign committee for a future election to statewide office.

Extensions of Credit

When there is an agreement with the provider of goods or services that a state candidate or committee will pay for the goods or services at a later date, the value of the goods or services may become a contribution to the candidate and be subject to contribution limits if the payment is not made within 45 days. (See Regulation 18530.7.)

Contributions from a State Lobbyist or Lobbying Firm

Personal Contributions: A state lobbyist may not contribute to a state officeholder's 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 may not contribute to any other committee controlled by that state candidate, including a ballot measure committee, a local committee, a legal defense fund, or an officeholder account. A lobbyist may, however, contribute to a state candidate's federal election committee.

Fundraising Events: A fundraiser held in the home of a state lobbyist is considered a contribution; therefore, a lobbyist or a cohabitant of a lobbyist is prohibited from holding a fundraiser in his or her home for a state officeholder or candidate seeking election to a governmental agency that the lobbyist is registered to lobby. A similar prohibition applies to lobbying firms holding fundraisers in their offices.

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In addition, a lobbying firm owned by a registered lobbyist may not rent its firm's offices as a fundraising venue to an officeholder or candidate seeking election to an agency that the firm is registered to lobby or to one of its clients to benefit an officeholder or candidate seeking election to an agency that the firm is registered to lobby.

A lobbying firm may, however, host a meeting that is **not** a fundraising event in its office for the benefit of an officeholder or candidate if the total cost of the meeting is $500 or less, exclusive of the value of the office as a venue.

Contributions to Other State Candidate Committees

State candidate election committees are subject to contribution limits for contributions to another state candidate's election committee. The limit is the same contribution limit imposed on legislative candidates. This contribution limit applies to the aggregate total of contributions made from the personal funds or assets of the candidate and contributions made by all committees controlled by that candidate. For example, an Assembly member may not contribute more than $4,400 to a State Controller's 2018 election committee even though the limit for the statewide office from other contributors is higher.

Contributions Over the Limit

Committees are not in violation of the contribution limits if an "over the limit" contribution is not deposited and is returned to the contributor within 14 days of receipt. For nonmonetary contributions, the item itself, its monetary value, or the monetary amount which exceeds the limit must be returned to the contributor within 14 days of receipt.

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B. Voluntary Expenditure Ceiling

State candidates must declare on the Candidate Intention Statement (Form 501) whether they accept or reject the voluntary expenditure ceiling established for each election. Candidates who accept the ceiling may purchase space to place a statement of up to 250 words in either the state ballot pamphlet (statewide candidates) or the voter information portion of the sample ballot (Senate and Assembly candidates).

Quick Tip

The voluntary expenditure ceiling does not apply to a candidate for judicial office or a candidate for a state public employee retirement board.

The candidate must choose to accept or reject the expenditure ceilings for both the primary and general (or special primary and special general) elections at the time of filing Form 501. Until the deadline for filing nomination papers (Elections Code Section 8020), the candidate may amend the Form 501 up to two times to change his or her expenditure ceiling declaration, as long as the candidate has not exceeded the applicable expenditure ceiling. In addition, a candidate who declined the ceiling for the primary (or special primary) election but did not exceed it may amend his or her Form 501 within 14 days after the primary (or special primary) election to accept the ceiling for the general (or special runoff) election.

All expenditures for a state office election must be made by the candidate's designated campaign committee for that election. Campaign expenditures for a particular state office may not be made by any other committee controlled by the candidate.

Voluntary expenditure ceilings may increase or decrease every two years based on changes in the Consumer Price Index.

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Voluntary Expenditure Ceilings for Candidates for Elective State Offices

(For Elections Occurring from January 1, 2017 - December 31, 2018)

Office	Primary/Special Election	General/Special Runoff Election
Assembly	$584,000	$1,021,000
Senate	$875,000	$1,313,000
Board of Equalization	$1,459,000	$2,188,000
Lt. Governor, Attorney General, Insurance Commissioner, Controller, Secretary of State, Supt. of Public Instruction, Treasurer	$5,835,000	$8,753,000
Governor	$8,753,000	$14,588,000
CalPERS/CalSTRS (Section 85400)	N/A	N/A

Candidates who accept the voluntary expenditure ceiling must disclose on the Form 460 (Recipient Committee Campaign Statement) Summary Page, Section 22, the total amount of expenditures that are attributable to each election.

Expenditures that count toward the voluntary expenditure ceiling include only "campaign expenditures." Generally, these expenditures (including unpaid bills) must be counted toward the next election that follows the date of the expenditure. Expenditures made on the day of an election must be counted toward that election. Expenditures covered by this rule include the following:

- Purchase, mailing, or distribution of campaign literature, signs, buttons, bumper stickers, and similar items
- Telephone banks, including costs of design, operation, installation, or rental of telephone lines and equipment; toll charges; personnel costs; rental of office space; and associated consultants' fees

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- Professional services, including campaign consultants and pollsters, unless specific fees or costs are allocated to a different election under a contract with the person providing the services
- Overhead expenses, including office space, utilities, office equipment, furnishings, supplies, internal copying and printing, monthly telephone charges, personnel costs, and travel expenses

Expenditures for radio, television, newspaper, or other media advertising count toward the election following the date specified in the contract for dissemination of the advertisement. If the ad will be published or broadcast on the day of an election, the expenditure counts toward that election.

Expenditures for campaign fundraising are counted toward the election for which the funds were raised. If it is not possible to allocate fundraising costs using this method, the expenditures are allocated to the election following the date they were made.

Nonmonetary contributions received of the goods or services described above (except those received from a political party) must be counted if an expenditure for equivalent goods or services would have been made by the candidate's committee.

Expenditures made by a candidate's committee that do not count toward the voluntary expenditure ceiling include, but are not limited to:

- Contributions to other candidates or committees;
- Costs associated with preparing and filing campaign disclosure reports;
- Candidate filing fees;
- Costs of ballot pamphlet or sample ballot statements;
- Officeholder expenses, election night celebrations, and other non-campaign expenditures;
- Post-election expenditures made to raise funds to pay off net debts; and
- Nonmonetary contributions of goods or services received from a political party.

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Lifting the Voluntary Expenditure Ceiling

A candidate contributing personal funds to his or her own campaign in excess of the voluntary expenditure ceiling lifts the expenditure ceiling for all candidates seeking the same office who have accepted the voluntary expenditure ceiling, whether in the primary (or special) or general (or special runoff) election. This is the **only** event that lifts the expenditure ceiling. A candidate who accepts the expenditure ceiling and makes expenditures in excess of the ceiling has violated the Act.

A candidate who contributes personal funds in excess of the voluntary expenditure ceiling must amend the Form 501 within 24 hours of making the contribution and disclose the date on which the personal contributions exceeded the expenditure ceiling. Personal funds transferred from another committee controlled by the candidate must be counted for this purpose. The Form 501 must be filed with the Secretary of State by personal delivery or guaranteed overnight delivery. This amendment requirement is not necessary if no opponent accepted the voluntary expenditure ceiling.

Ex 1.2 - Dianne Sample is a candidate for State Senate and did not accept the voluntary expenditure ceiling. As her primary election approached, Dianne made several personal contributions and on May 12 her contributions to her own campaign totaled $1,000,000, more than the amount of the ceiling for the primary election that year. Even though Dianne did not accept the voluntary expenditure ceiling, within 24 hours she must amend her Form 501 and file it with the Secretary of State by personal delivery or by guaranteed overnight delivery, indicating May 12 as the date her personal contributions exceeded the voluntary expenditure ceiling. The ceiling is now lifted for all candidates running for State Senate in her district, including candidates of other parties, for the remainder of the primary election and the general election.

C. Transfers Between a Candidate's Controlled Committees

A state candidate may transfer funds from one of his or her controlled election committees to another. Except as discussed below, funds transferred from one of a state candidate's controlled election committees to another are subject to contribution limits. The transferred funds must be attributed to specific contributors of the committee making the transfer and count toward the amount those contributors may give to the committee receiving the transfer.

The committee making the transfer must choose between two attribution methods. The first is "LIFO" (last in, first out). This means that the amount to be transferred will be attributed to the most recent contributors to the transferring committee. The other method is "FIFO" (first in, first out), which means transferred funds will be attributed to the earliest contributors. Once the transferring committee has chosen LIFO or FIFO, it may not change the method of attribution.

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Example:

A city council member is running for State Senate in 2018. She uses the LIFO accounting method to transfer funds from her city council committee to her Senate committee as outlined in the table below. Because the 2018 contribution limit is $4,400, only $4,400 of X Corporation's original $5,000 contribution to the city council committee may be transferred to the Senate committee. Abbe Winkler has already contributed $3,900 to the Senate committee, so only $500 of her original $1,000 contribution to the city council committee may be transferred from the local committee to the Senate committee.

Quick Tip

Answers to common questions about transfers conclude the chapter.

Donor	Date of Original Contribution	Amount of Original Contribution	Funds Attributed to Contributor
Ted Smith	10/25/2012	$1,000	$1,000
X Corp.	11/02/2012	$5,000	$4,400
Abbe Winkler	12/5/2012	$1,000	$500

The committee making the transfer must report the transfer as an expenditure on Schedule E of the Recipient Committee Campaign Statement (Form 460). The committee receiving the transfer must report the transfer on Schedule A as follows:

- The date of the transfer and the name, address, and identification number of the committee making the transfer;
- The name, address and, if applicable, the occupation and employer or committee identification number of the contributor to whom the transferred funds are being attributed (as disclosed on the campaign statement filed when the contributions were originally received or as contained in the committee's records at the time of the transfer);
- The original date of the transferred contribution; and
- The amount of the transferred contribution, including the cumulative amount received from the contributor in the calendar year and the amount attributed to the contributor per election.

Some electronic filing formats may be different.

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Schedule A (Continuation Sheet)
Monetary Contributions Received

Amounts may be rounded to whole dollars.

SCHEDULE A (CONT.)

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page X of XX

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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)
10/XX/20XX	Greer for City Council 20XX (Transfer, see below) 10 J Street, Sacramento, CA 95814 (ID 1214287)	☐ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC				
10/25/20XX	Ted Smith 7239 Hawthorne Blvd. Rancho Palos Verdes, CA 90274	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Dentist, Smith Smiles	$1,000	$1,000	P20XX: $1,000
11/2/20XX	X Corporation 1500 8th Avenue Los Angeles, CA 90013	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		$4,400	$4,400	P20XX: $4,400
12/5/20XX	Abbe Winkler 1495 Spruce Street La Habra Heights, CA 90631	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Firefighter/Paramedic, La Habra Heights Fire Department	$500	$4,400	P20XX: $4,400

The committee making the transfer must maintain records that identify the specific contributors to whom any transferred contributions have been attributed. If the transferring committee is no longer required to maintain detailed records, the receiving committee shall maintain either:

- The full name of the contributor;
- The date and amount being transferred for each contributor, and if the contribution is a loan, the interest rate for the loan; and
- The cumulative amount of contributions transferred attributed to that contributor.

OR

- Copies of the transferring committee's original verified and filed campaign reports that show the original contribution received from each contributor to whom a transferred contribution is attributed.

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Exceptions:

- **Surplus Funds:** Campaign committee funds that are "surplus funds" may not be transferred to a future election committee. A defeated candidate's campaign committee funds become surplus 90 days after the post-election reporting period (either June 30 or December 31) following the election. An officeholder's campaign committee funds become surplus 90 days after leaving office for which the funds were raised. For specific guidance, refer to Regulation 18951.

- **Carryover:** A state candidate may carry over campaign funds from the primary election to the subsequent general election for the same elective office without attribution. Non-surplus campaign funds may also be carried over from one state election to the next election for the same office without attribution.

To carry over funds from one state election to the next election for the same office (e.g., from a 2016 Assembly election to the 2018 Assembly election), the funds must be transferred to a new campaign bank account and committee established for the next election, and the transfer must occur after the date of the election for which the funds were raised.

The transferring committee reports the transfer as an expenditure on Schedule E and the committee receiving the funds reports the transfer as an increase to cash on Schedule I.

A candidate that formed a campaign committee for a specific election and chooses not to seek the office and is not listed on the ballot may not "carryover" the funds, but may transfer the funds with attribution to another future election committee.

- **Transferring Assets:** It is not necessary to value and attribute a committee's usual assets (such as supplies, furnishings, and office equipment) that are being transferred from one controlled committee to another of the candidate's controlled committees. A committee must report the purchase or sale of these assets, but need not report the transfer.

Detailed records must be maintained on transfers.

Quick Tip

State candidates may raise funds after an election only to pay net debts outstanding. Campaign funds may not be carried over to a future election committee if the existing committee has net debt from the prior election.

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D. Post-Election Fundraising: Net Debts Outstanding

State candidate election committees may receive contributions after an election only to pay net debts outstanding from the election. The primary and general elections are separate elections for purposes of calculating net debt. In addition, the contribution limits applicable to the election apply to any new contributions received to pay debt.

To calculate net debts outstanding, the following are added together:

- The total amount of unpaid debts, loans, and accrued expenditures incurred with respect to the election; ~~and~~
- An amount necessary to cover the cost of raising funds to pay outstanding debts;
- Costs related to complying with post-election requirements, such as filing campaign statements, and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries, and office supplies; and
- Legal fees and expenses incurred in connection with monitoring a ballot recount or the counting of absentee or provisional ballots.

That amount is reduced by:

- The total cash on hand available to pay those debts and obligations, including: currency; balances on deposit in banks, savings and loan institutions, and other depository institutions; traveler's checks; certificates of deposit; treasury bills; and any other committee investments valued at fair market value; and
- The total amounts owed to the candidate controlled committee in the form of credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount based on the collectibility of those credits, refunds, returns, or receivables.

Ex 1.4 - Phil ran for State Assembly in 2016. After the primary election, he had $50,000 in cash left and owed $95,000 in unpaid loans and accrued expenses. He may raise $45,000 to pay this debt, plus an amount needed to cover fundraising expenses and other administrative costs. All contributions received are subject to the contribution limits that were in effect for the 2016 election.

Ex 1.5 - Larry ran for State Senate in 2016. After the general election, he had $85,000 in cash left and owed only $60,000 in accrued expenses from the primary election and none from the general election. He may not raise additional funds into the 2016 committee.

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As new funds are received, the amount of the net debts outstanding is reduced. The amount of new contributions may not exceed the amount of net debts outstanding on the date the contribution is received. Any contribution that exceeds the amount of net debts outstanding must be returned to the contributor within 14 days.

E. Officeholder Committees

An elected state officer may accept contributions after the date of the election for the purpose of paying expenses associated with holding the office to which the officer was elected. A separate bank account and committee must be established for this purpose. Officeholder contributions are subject to calendar year limits on both the amount per contributor and the aggregate total that may be raised. In addition, officeholder contributions must be cumulated (in full) with any other contributions from the same contributor(s) for any other future elective state office for which the officeholder maintains a controlled committee during the term of office in which the contribution is received. Officeholder contributions may not be used for contributions or transfers to any state or local committee or for any "election-related" activities.

Calendar Year Limits on Contributions to State Officeholder Committees
(In Effect January 1, 2017 – December 31, 2018)

	Contributor Sources	
Committee	Any Source (Person, Small Contributor Committee or Political Party	Aggregate From All Sources
Senate and Assembly	$3,600	$60,600
CalPERS/CalSTRS	$3,600	$60,600
Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization	$6,000	$121,100
Governor	$24,200	$242,300

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To determine the applicable contribution limit to an elected state officer's officeholder account, use the lower of the following:

1. The calendar year contribution limits applicable to the officeholder committee in the table above (aggregate and individual); or

2. The lowest per election contribution limit (the aggregate of the primary and general election limits) applicable to any future state office for which the officeholder maintains a controlled committee at any time during his or her term of office.

Officeholder funds must be held in a single bank account at a financial institution located in the State of California and must be separate from any campaign bank account established for election to office. A Statement of Organization (Form 410) must be filed when $2,000 or more is received. The committee is subject to the same reporting deadlines as an election committee.

If an officeholder committee receives a monetary contribution(s) exceeding the allowable contribution limit, the portion of the contribution that exceeds the limit must be returned to the contributor within 14 days of receipt.

A contribution must also be returned within 14 days when it exceeds the allowable contribution limit applicable to a future state election. The portion of the contribution that exceeds the limit must be returned within 14 days of receipt or within 14 days of the date the officeholder files a Statement of Organization (Form 410) for the future election, whichever is earlier. This situation may apply when a statewide elected officer seeks a legislative office.

Unlike controlled committees set up for election purposes, an officeholder account may be redesignated as an officeholder account for a future term of the same office by amending the officeholder committee's Statement of Organization (Form 410) prior to the date the officer's term of office ends.

Ex 1.6 - A Senator won election in 2016. In January 2017, the senator opened an officeholder committee and a committee to run for Lieutenant Governor in 2018. Contributions to the Senate officeholder committee count toward the contributors' contribution limit for the Lieutenant Governor election. Thus, a donor's single contribution of $3,600 to the officeholder committee is also counted toward the contribution limit for the Lieutenant Governor's election committee.

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Contributions may not be received after the officeholder's term of office ends or the date he or she leaves office, whichever is earlier. The officeholder must terminate the committee within 90 days of the earlier date. During the 90-day period, funds may only be used for:

- Paying outstanding officeholder expenses;
- Repaying contributions to contributors to the officeholder account;
- Making a donation to a bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organization, if no substantial part of the proceeds will have a material financial effect on the officeholder, a member of his or her immediate family, or the committee treasurer;
- Paying for reasonable professional and administrative services.

F. Other Committees

Legal Defense Committees

State candidates and officeholders may establish a legal defense fund to defray attorney's fees and other related legal costs incurred for the candidate's or officeholder's legal defense if the candidate or officeholder is subject to a civil or criminal proceeding, or an administrative proceeding arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officeholder's governmental activities and duties.

Quick Tip

The Form 410 must specify the legal dispute or disputes for which the legal defense fund was established.

A separate bank account and committee must be established. The legal defense committee will file campaign statements at the same times and in the same places as the candidate's election committee.

Contributions raised for a legal defense fund are not subject to contribution limits or the voluntary expenditure ceiling.

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Legal defense funds may only be raised in an amount reasonably calculated to pay attorney's fees and other legal costs related to the defense of the candidate or officeholder, as well as administrative costs directly related to compliance with recordkeeping and reporting requirements. Legal defense funds may not be used for fundraising, media or political consulting fees, mass mailings or other advertising, or for paying fines, penalties, judgments or settlements, or to return contributions. Refer to Regulation 18530.4.

Recall Election Committees

All candidates and committees that raise and spend funds in connection with a recall election have full reporting and disclosure obligations. The FPPC publishes filing schedules for these elections.

Target Officeholder: A state officeholder who is the target of a recall may form a separate committee to oppose the qualification of the recall measure and, if the recall petition qualifies, the recall election. The officeholder has the option of using his or her existing committee or a committee formed for a future election instead.

If a separate committee is formed, the following rules apply:

- The committee may be established only after the officeholder receives a notice of intent to recall under Elections Code Section 11021.
- A Statement of Organization (Form 410) must be filed and a separate bank account must be established.
- The committee name must include the word "recall" and the target officer's name.
- Contributions to the committee are not subject to limits and the voluntary expenditure ceiling does not apply.
- After the recall election, or if the recall petition fails, funds left over become restricted "surplus funds" and must be spent within 30 days (See Chapter 6.)

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Replacement Candidate: A candidate running to replace an officeholder who is the target of a recall is subject to the contribution limits and the voluntary expenditure ceiling provisions. A replacement candidate must file campaign forms (e.g., Form 501, Form 410, Form 497, Form 460) in the same manner as a candidate seeking a regular election.

Committee Primarily Formed to Support or Oppose a Recall: A committee formed to support or oppose a recall is considered to be a ballot measure committee. Refer to FPPC Campaign Disclosure Manual 3 for guidance.

Answering Your Questions

A. A state candidate's controlled ballot measure committee has a debt of $25,000. May the state candidate's election committee loan $25,000 to the ballot measure committee?

Yes. The candidate's election committee may loan or contribute to the state candidate's ballot measure committee, but not the other way around. Funds raised under limits (election committees) may be used for political, legislative or governmental purposes, such as a contribution or loan to the ballot measure committee. But, ballot measure committee funds are not raised under limits so they may not be contributed or loaned to a state candidate's election committee or used for that candidate's election. See Regulation 18521.5.

B. A statewide election committee plans to transfer, with attribution, funds to a future Senate election committee. May the committee allocate contributors' funds to only the primary election?

Yes. As long as the attribution method is consistent, a committee may allocate its funds to only the primary election.

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C. A legislator opened a committee for statewide office. During the campaign, the legislator transferred funds, using attribution, into the statewide committee. The attribution method used resulted in some contributors' funds being allocated to both the primary and the general statewide elections. If the legislator is defeated in the primary election, what are the rules on returning the contributions in the statewide committee that were allocated to the general election?

The funds in the statewide election committee must be returned to the contributors on a pro rata basis less any expenses associated with the raising and administration of contributions for the general election.

D. My campaign committee for the Assembly has no debt and a small amount of cash. May I continue to raise funds into that committee after the election?

No. You may not raise funds after an election for purposes other than paying net debt.

E. Must I open an officeholder account to raise funds to pay officeholder expenses after the election?

Officeholder expenses may be paid from an officeholder committee or any election committee established for the office held, including a future reelection committee. All contributions raised into the future election committee are subject to the contribution limits for that election.

F. I am a member of the Assembly and plan to run for State Senate. May I pay officeholder expenses for my Assembly seat from the campaign bank account set up for my Senate election?

No. Officeholder expenses may be paid only from an account established for the office you hold.

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G. I opened an officeholder committee following my election and I also control a ballot measure committee. May other state candidates contribute campaign funds from their election committee to my committees?

Yes. ~~Both committees are~~ However, the officeholder committee is subject to the contribution limits for contributions received from another state candidate. Refer to Regulation 18535.

H. Following my election to the Assembly, my committee had $25,000 in cash on hand and $75,000 in outstanding loans and accrued expenses. May I keep the $25,000 for officeholder expenses, or carry over the funds to a new committee for my reelection campaign, and raise new funds to pay the debt?

No. You may only raise new funds after the election to pay net debts outstanding. Your committee's net debt outstanding is $50,000 ($75,000 in outstanding loans and accrued expenses, less the $25,000 in cash on hand). Therefore, only $50,000 may be raised, plus amounts needed to raise the funds.

I. Are contributions received to pay debt from a prior Assembly election subject to contribution limits?

Yes. They are subject to the contribution limits established for that election.

J. I am a Senate candidate. If I receive a contribution on the day after the election that was mailed prior to the election, may I keep the contribution if my committee has no debt?

No. A contribution is "received" on the date the candidate or committee obtains possession or control of it. And, since there is no net debt, the contribution may not be deposited and must be returned within 14 days of receipt.

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K. I was a candidate for federal office. How much may I transfer from my federal campaign committee to my committee for State Senate?

Your federal committee may transfer funds to the State Senate committee subject to the attribution requirements described in this chapter. The funds must be attributed to individual donors to your federal committee and may not cause a donor to exceed the applicable contribution limit to the Senate committee.

L. I am a State Senator and will be seeking local office. If I transfer funds from my Senate committee to the local election committee, may I receive replacement contributions from contributors to the Senate committee?

No. The contributions may not be replaced because, under the Act, contributions that are transferred to a local committee are not required to be attributed to specific contributors.

M. A Senator opened a committee to run for statewide office. The statewide election committee received new contributions and funds were transferred from the Senate election committee using the LIFO attribution method. If a decision is made to close the statewide committee, may the funds be transferred back to the Senate committee?

Yes. The funds may be transferred, and must be attributed to specific contributors from the statewide committee using the LIFO or FIFO accounting method. The committee must ensure that no contributor, at any time, exceeded the applicable contribution limits to the Senate committee.

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N. I lost the primary election for State Assembly and my expenditures came very close to the voluntary expenditure ceiling ("VEC") which I accepted. May the remaining funds be used for a party for campaign volunteers and for a mailer refuting some lies told about me by my opponent? Will either of these expenditures count toward the VEC?

These expenditures do not count against the VEC and are permissible only before the funds become "surplus funds." See Chapter 6 for additional information.

O. An Assembly member opened a 2020 Senate election committee. Contributions from the Assembly committee were transferred, subject to attribution, to the 2020 Senate committee. In 2017, the Senate office became vacant and a special election was held for the office. The 2020 Senate committee transferred contributions, subject to attribution, to the 2017 special election committee. May a contributor whose contribution was transferred to the 2017 committee make new contributions to the 2020 committee?

Yes, so long as the contributor's new contribution does not exceed the applicable contribution limit for the 2020 election. (FPPC Advice Letter: *Scott*, No. A-06-172)

P. May a Senate candidate, who was successful in the primary election, use contributions that were designated for the general election to pay primary election debt?

The Senate committee may not use contributions that were designated for the general election to pay primary election debt, unless the aggregate of any contributions attributed to a single contributor, when combined with all the contributions made by that contributor to the primary election, do not exceed the applicable primary election contribution limit.
(FPPC Advice Letter: *Knight*, No. A-04-088)

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Authority

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

Government Code Sections

82015	Contribution.
82022.5	Election-Related Activities.
82024	Elective State Office.
82025	Expenditure.
82047	Person.
82053	Statewide Elective Office.
85203	Small Contributor Committee.
85204.5	Special Election Cycle and Special Runoff Election Cycle.
85205	Political Party Committee.
85301	Limits on Contributions from Persons.
85302	Limits on Contributions from Small Contributor Committees.
85303	Limits on Contributions to Committees and Political Parties.
85304	Legal Defense Fund.
85305	Restrictions on Contributions by Candidates.
85306	Transfers Between a Candidate's Own Committees; Use of Funds Raised Prior to Effective Date.
85307	Loans.
85314	Special Elections and Special Runoff Elections as Separate Elections.
85315	Elected State Officer Recall Committees.
85316	Post-Election Fundraising Restrictions; State Officeholder Accounts.
85317	Carry Over of Contributions.
85318	Contributions Received for Primary and General Elections.
85319	Returning Contributions.
85400	Voluntary Expenditure Ceilings.
85401	Candidate Acceptance or Rejection of Expenditure Ceilings.
85402	Lifting Expenditure Limits; Opponent's Use of Personal Funds.
85403	Violations of Voluntary Expenditure Limits.

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85600 Ballot Pamphlet Designation.
85601 Candidate Access to Ballot Pamphlet Statement.
85702 Contributions from Lobbyists.
89519 Use of Surplus Campaign Funds.

Title 2 Regulations

18215 Contribution.
18215.1 Contributions; When Aggregated.
18421.1 Disclosure of the Making and Receipt of Contributions.
18421.4 Reporting Cumulative Amounts for State Elections and State Recipient Committees.
18503 Small Contributor Committees.
18521.5 Ballot Measure Committees Controlled by Candidates for Elective State Office.
18530.4 Legal Defense Funds — State Candidates and Officers.
18530.7 Extensions of Credit.
18530.8 Personal Loans.
18531 Return of Excessive Contributions.
18531.2 Refunding General Election Contributions.
18531.5 Recall Elections.
18531.61 Treatment of Debts Outstanding After an Election.
18531.62 Elective State Officeholder Bank Accounts.
18534 Required Committee Bank Accounts.
18535 Restrictions on Contributions Between State Candidates.
18536 Transfer and Attribution of Contributions.
18537 Contribution Limits and Application to Repaid Loans.
18537.1 Carry Over of Contributions.
18540 Voluntary Expenditure Ceilings.
18542 Notification of Personal Contributions in Excess of the Voluntary Expenditure Limits.
18543 Lifting of Voluntary Expenditure Limits.
18544 Campaign Contribution and Voluntary Expenditure COLA Formula.
18545 Contribution Limit and Voluntary Expenditure Ceiling Amounts.
18572 Lobbyist Contributions—Making a Contribution Defined.
18951 Surplus Funds.

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Getting Started

This chapter outlines the initial forms required to open a campaign committee for a candidate seeking a state office. The term "candidate" includes non-incumbent candidates, officeholders, officeholders running for reelection, and officeholders running for election to another office.

This chapter also includes the initial forms required of a committee primarily formed to support or oppose a single state candidate, but which is not controlled by the candidate who is being supported. These committees often make independent expenditures to either support or oppose the state candidate. The forms required when payments are made for independent expenditures are reviewed in Chapter 12.

In addition to the forms required when beginning a campaign, committees are required to file the **Form 460 (Recipient Committee Campaign Statement)**, as described in Chapters 9 and 10. Certain communications and ads may trigger additional reports, as described in Chapters 7 and 8.

Quick Tip

Committees must pay a $50 annual fee to the Secretary of State as described later in this chapter.

A. Candidates: No Election Committee

A state candidate listed on the ballot who does not plan to raise or spend $2,000 or more in a calendar year (including the candidate's personal funds) must file the Form 501 (Candidate Intention Statement) and the Form 470 (Officeholder and Candidate Campaign Statement — Short Form) with the Secretary of State.

- **Form 501 (Candidate Intention Statement):** The Form 501 must be filed prior to a candidate raising or spending any money, including the candidate's personal funds. For example, if the candidate will receive $500 from another source, the Form 501 must be filed and a campaign bank account established.

- **Form 470 (Officeholder and Candidate Campaign Statement — Short Form):** The Form 470 is used by

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candidates who do not anticipate raising or spending $2,000 or more in a calendar year. Generally, the Form 470 is due no later than the deadline for the first preelection statement. However, depending upon the specific facts, it may be required earlier if financial activity occurs prior to the opening of the election nomination period. Candidates should contact the FPPC for guidance. A Form 470 Supplement is required if, after filing the Form 470, the $2,000 threshold is met or exceeded in the calendar year. See instructions on the one-page form.

B. Candidate Controlled Election Committees

A state candidate who plans to raise or spend $2,000 or more in a calendar year (including the candidate's personal funds) must:

- File the **Form 501 (Candidate Intention Statement).**
- Establish a campaign **bank account.**
- File the **Form 410 (Statement of Organization) and pay a $50 annual committee fee to the Secretary of State.**
- File the **Form 497 (24-hour Contribution Report)** if contributions totaling in the aggregate $1,000 or more are received from a single source during the 90-day election cycle. An "election cycle" begins 90 days prior to an election, and ends on the date on the election.

Quick Tip

Elected officials are included as "candidates" under the Act until they have left elective office and terminate all committees.

C. Candidate Controlled Committees – One Bank Account Rule

A state candidate must establish a separate bank account and committee for each election. The same bank account and committee may be used for both the primary and general elections (or for the special and special runoff elections). The bank account must be established at a California financial institution.

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 campaign bank account before making campaign expenditures, even if the candidate does not expect to be reimbursed.

Quick Tip

The Political Reform Act does not require a federal tax ID number. But, most banks will require one in order to open a campaign bank account. A tax ID number may be obtained on the IRS website, www.irs.gov.

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Exceptions:

- Candidates may use their personal funds to pay a filing fee, a ballot statement fee, or the $50 Secretary of State fee, without first depositing the funds into the campaign account.

- An officeholder may use personal funds to pay officeholder expenses. (See Chapter 9.)

- A candidate may contract with a vendor or collecting agent to collect contributions prior to promptly transferring the funds to the candidate's campaign bank account without violating the requirement that the candidate have no more than one bank account. Fees deducted by the vendor are considered expenditures from the campaign bank account at the time they are deducted.

D. Committees Primarily Formed to Support or Oppose a State Candidate

A "primarily formed committee" is formed to support or oppose a single state candidate, but is not controlled by the candidate being supported. If a primarily formed committee supports or opposes more than one candidate, refer to Campaign Disclosure Manual 4 for general purpose committees. Primarily formed committees:

- Must file the **Form 410 (Statement of Organization) and pay a $50 annual committee fee to the Secretary of State.**

- Must file the **Form 497 (24-hour Contribution Report)** if contributions totaling in the aggregate $1,000 or more are received from a single source during the 90-day election cycle.

- Should establish a campaign **bank account.**

A primarily formed committee is not required to file a Form 501.

Committees primarily formed to support or oppose a state candidate should refer to Chapter 12 for information about the reports that are required to be filed when payments are made for independent expenditures.

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Candidate Intention Statement

Date Stamp	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)
Greer, Kim C.	(916) 111-2222	(916) 111-2221	Greer@gmail.com

STREET ADDRESS	CITY	STATE	ZIP CODE
10 J Street	Sacramento	CA	95814

OFFICE SOUGHT (POSITION TITLE)	AGENCY NAME	DISTRICT NUMBER, if applicable.	☐ NON-PARTISAN
Senator	State Senate	2	PARTY: Republican

OFFICE JURISDICTION

☒ State (Complete Part 2.)

☐ City ☐ County ☐ Multi-County: _____ (Name of Multi-County Jurisdiction) 20XX (Year of Election)

2. State Candidate Expenditure Limit Statement:

(CalPERS and CalSTRS candidates, judges, judicial candidates, and candidates for local offices do not complete Part 2.)

20XX (Year of Election) ***Primary/general election*** ~~20XX~~ (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.

E. Form 501 – Candidate Intention Statement

Candidates establishing an election committee must file Form 501 with the Secretary of State before soliciting or receiving any contributions (including the candidate's personal funds) or making campaign expenditures. File a Form 501 for each election, including reelection.

Completing the Form 501

Type of Statement

Mark the "initial" box for the first form filed. Future changes must be identified in the amendment section.

Candidate and Office Information

Enter the candidate's full name, street address (a business address may be used), and a daytime telephone number. A fax number and

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email address may also be provided. Enter the title of the office sought (e.g., State Assembly Member), the agency name (e.g., State Assembly), and the district number, if applicable. Enter the political party affiliation if seeking a partisan office, or check the "Non-Partisan" box. Check the "State" box and enter the year of the election for the office being sought. The month and day are not required.

State Candidate Expenditure Ceiling Statement

A state candidate must indicate whether he or she accepts or rejects the voluntary expenditure ceiling. A candidate who accepts the ceiling is designated in either the state ballot pamphlet (statewide candidates) or the voter information portion of the sample ballot (Senate and Assembly candidates) and may purchase space to place a 250-word statement in the pamphlet. The candidate's choice includes both the primary and general (or special primary and special general) elections at the time of filing Form 501.

Exception: The voluntary expenditure ceiling does not apply to judicial candidates, or candidates for the Board of the Public Employees' Retirement System (CalPERS) or the Teachers' Retirement Board (CalSTRS).

Amending Expenditure Ceiling Declaration

- Until the deadline for filing nomination papers (Elections Code Section 8020), a candidate may amend the Form 501 up to two times to change his or her expenditure ceiling declaration, as long as the candidate has not exceeded the expenditure ceiling.
- A candidate who declined the ceiling for the primary (or special) election, but did not exceed the ceiling, may amend the Form 501 within 14 days after the primary (or special) election to accept the ceiling for the general (or special runoff) election.

Personal Funds Notification

When a state candidate contributes personal funds to his/her own campaign that exceed the applicable expenditure ceiling, this date must be identified on an amended Form 501 within 24 hours by guaranteed overnight delivery, personal delivery or filing electronically.

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Verification

A candidate must sign the Form 501 under penalty of perjury.

F. Form 410 – Statement of Organization

All committees must file the Form 410, which identifies the committee's purpose and officers.

Ex 2.1 - On February 15, a state candidate opened a campaign bank account with a personal loan of $2,500. The Form 410 is due by February 25.

Annual Committee Fees

Committees must pay an annual $50 fee to the Secretary of State. Proceeds from the fee are dedicated for the Secretary of State's new online or electronic disclosure program.

New Committees: The $50 fee is due no later than 15 days after filing the Form 410 disclosing the committee qualification date.

Annual Fee: **The $50 fee is due no later than January 15 until the committee terminates.** This fee is waived when a new committee paid the fee in the last three months of the previous ~~a~~ calendar year.

Failure to pay the fee results in a $150 penalty, for a total assessment of $200. Failure to pay this fine will result in a referral to the FPPC's Enforcement Division and likely more penalties. The FPPC has established a specific violation program for committees that fail to pay the fee.

There is no provision for extension of the deadline to pay the fee. A committee that ceases activity by December 31 must file its terminating Form 410 with the Secretary of State on or before January 31 of the next year, otherwise the annual fee will be assessed.

When and Where to File the Form 410

10-Day Deadline: File the original ~~and one copy of the~~ Form 410 with the Secretary of State within 10 days of raising or spending $2,000 or more. The Form 410 may be filed earlier (before fundraising) and the committee will file an amendment when the $2,000 committee qualification threshold is met. File by mail or personal delivery.

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24-Hour Deadline: A new committee formed during the last 16 days before the election must file the Form 410 within 24 hours by fax, guaranteed overnight delivery, personal delivery, or online. An original with "wet" signatures (paper filing) must be filed in conjunction with filings sent by fax or online. A faxed copy is not considered filed until an exact paper filing with "wet" signatures is sent within 24 hours of the faxed copy.

File the original Form 410 with the office of:

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

Ex 2.2 - A group collecting contributions to oppose a candidate running for State Treasurer received 10 checks of $500 each on March 1. Because they qualified as a committee on that date, the Form 410 is due on or before March 11.

Quick Tip

If a person or group qualifies as a committee within 90 days before the election, a Form 497 (24-hour Contribution Report) must be filed within 24 hours of receiving contributions totaling in the aggregate $1,000 or more from a single source. A Form 497 may be required before the committee ID number is assigned.

Committee ID Number

The Secretary of State's office assigns each committee an identification number which is available on the Cal-Access section of the Secretary of State's website at http://cal-access.sos.ca.gov/. Contact the Secretary of State's office at (916) 653-6224 with any other questions about obtaining a committee identification number.

Amending the Form 410

10-Day Deadline: Generally, when any information on the Form 410 changes, an amendment must be filed within 10 days of the change. This is especially important if the committee has a new treasurer or principal officer(s) since the individuals listed on the most recently filed Form 410 are liable for the committee's activity.

24-Hour Deadline: If any of the following is changed in the last 16 days before the election, an amendment must be filed within 24 hours:

- 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 Form 410 amendment must be sent by fax, guaranteed overnight delivery, personal delivery, or online. An original with "wet" signatures (paper filing) must be filed in conjunction with filings sent by fax or online. A faxed copy is not considered filed until an exact paper filing with "wet" signatures is sent within 24 hours of the faxed copy.

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Statement of Organization
Recipient Committee

Statement Type ☑ **Initial** ☐ **Amendment** ☐ **Termination – See Part 5**

● Not yet qualified
or
○ Date qualified as committee ____/____/____

____/____/____ Date qualified as committee

____/____/____ Date of termination

Date Stamp

CALIFORNIA FORM 410

For Official Use Only

1. Committee Information	**I.D. Number** *(if applicable)*	**2. Treasurer and Other Principal Officers**

NAME OF COMMITTEE
Committee to Elect Greer Senate 20XX

STREET ADDRESS (NO P.O. BOX)
10 J Street

CITY | STATE | ZIP CODE | AREA CODE/PHONE
Sacramento | CA | 95814 | (916)111-2222

MAILING ADDRESS (IF DIFFERENT)

E-MAIL ADDRESS (REQUIRED) / FAX (OPTIONAL)
Greer@gmail.com

COUNTY OF DOMICILE: Sacramento
JURISDICTION WHERE COMMITTEE IS ACTIVE: Senate District 2

Attach additional information on appropriately labeled continuation sheets.

NAME OF TREASURER
Susan Hon

STREET ADDRESS (NO P.O. BOX)
10 J Street

CITY | STATE | ZIP CODE | AREA CODE/PHONE
Sacramento | CA | 95814 | (916)111-2222

NAME OF ASSISTANT TREASURER, IF ANY
Manuel Ramirez

STREET ADDRESS (NO P.O. BOX)
10 J Street

CITY | STATE | ZIP CODE | AREA CODE/PHONE
Sacramento | CA | 95814 | (916)111-2222

NAME OF PRINCIPAL OFFICER(S)

STREET ADDRESS (NO P.O. BOX)

CITY | STATE | ZIP CODE | AREA CODE/PHONE

Completing the Form 410

1. Statement Type

Initial: New committees indicate the date of qualification (reaching the first $2,000) or mark the "Not Yet Qualified" box.

Amendment: Amending information on a previously filed Form 410.

Termination: Closing a committee. See Chapter 11 for the requirements.

Quick Tip

Complete all required fields on the Form 410. An ID number may not be assigned if required fields are not completed.

2. Committee Information - Name of Committee

Candidate Controlled Committees: A candidate controlled committee must include in its name the last name of the candidate, the office sought, and the year of the election (e.g., Greer for Senate 20XX).

Primarily Formed Committees: A committee primarily formed to support or oppose a candidate must include the last name of the candidate, the office sought, the year of the election, and must state whether the committee supports or opposes the candidate (e.g., Committee Opposing Griffin for Governor 20XX).

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Sponsored Committees: If a primarily formed committee is sponsored by a business entity, organization, or association, the name of the sponsor must also be included in the name of the committee. See Government Code Sections 82048.7 and 84106, and Regulation 18419 for information about sponsored committees.

Provide the committee's street address (a business address may be used) and mailing address. A post office box may be used as a mailing address. The committee may have more than one mailing address. List the committee's fax number and email address.

Quick Tip

The Secretary of State's office ~~may~~ must reject the filing of a Form 410 if the committee's email address is not included.

County of Domicile and Jurisdiction Where Committee is Active

Indicate the county in which the committee is located and the county in which the committee is active. These may be different.

Ex 2.3 - Briana Bentley is running for Assembly in a district located in San Francisco, but the committee's address is in Marin County where the treasurer has her office. The Form 410 should indicate that the county of domicile is Marin County and the jurisdiction where the committee is active as San Francisco County.

Treasurer, Assistant Treasurer, and Other Principal Officers

All committees must have a treasurer and may have an assistant treasurer. There are no restrictions on who may be a treasurer or assistant treasurer, but no individual should assume the position of treasurer or assistant treasurer as a mere figurehead. 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.

If the committee treasurer is unavailable to carry out his or her duties for an extended time, a new treasurer should be designated and the committee's Statement of Organization (Form 410) must be amended.

A committee primarily formed to support or oppose a candidate must also identify the committee's principal officer(s). If the committee treasurer is the only principal officer of the committee, the treasurer must be identified as both the treasurer and the principal officer. A principal officer is an individual that is responsible for approving the committee's political activity, such as:

- Authorizing the content of the committee's communications.
- Authorizing expenditures, including contributions.
- Determining the committee's campaign strategy.

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3. Verification

The treasurer or assistant treasurer must complete the verification. A candidate must sign committee forms for candidate controlled committees. If a candidate serves as his or her own treasurer, the candidate must sign on both lines. All required signatures must be "wet" signatures.

When two or three candidates control a committee, each candidate must sign the verification. Only one candidate's signature is required if more than three candidates control the committee.

Quick Tip

The principal officer(s) is not required to sign the Form 410 verification.

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Statement of Organization
Recipient Committee
INSTRUCTIONS ON REVERSE

CALIFORNIA FORM 410

Page 2

COMMITTEE NAME: Committee to Elect Greer Senate 20XX

I.D. NUMBER:

- **All committees must list the financial institution where the campaign bank account is located.**

NAME OF FINANCIAL INSTITUTION	AREA CODE/PHONE	BANK ACCOUNT NUMBER	
Bank of Sacramento	(916)333-4444	987654321	
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
22 L Street	Sacramento	CA	95814

4. Type of Committee Complete the applicable sections.

Controlled Committee

- List the name of each controlling officeholder, candidate, or state measure proponent. If candidate or officeholder controlled, also list the elective office sought or held, and district number, if any, and the year of the election.
- List the political party with which each officeholder or candidate is affiliated or check "nonpartisan." Stating "No party preference" is acceptable.
- 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 CHECK ONE: Nonpartisan	Partisan	(list political party below)
Kim Greer	Senate District 2	20XX		✓	Republican
			Nonpartisan	Partisan	(list political party below)

4. Type of Committee

Controlled Committee

Provide the name of the candidate, office sought (include district number, if applicable), year of election, and, if the office sought is partisan, indicate the political party to which the candidate belongs. Check the "Non-Partisan" box for a nonpartisan office (e.g., CalSTRS or CalPERS office).

Primarily Formed Committee

Provide the name of the candidate, the office sought (include district number, if applicable), and indicate whether the committee supports or opposes the candidate. A sponsored committee must also complete the applicable section.

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G. Form 497 – 24-hour Contribution Report

A state candidate controlled committee, including those formed for a CalPERS or CalSTRS election, and a primarily formed committee for a state candidate must file Form 497 as follows:

- **Within 24 Hours:** Contributions that total in the aggregate $1,000 or more received from a single source during the 90-day election cycle.
- **Within 24 Hours:** Contributions that total in the aggregate $1,000 or more made to another candidate, ballot measure committee or political party during the 90-day election cycle.
- **Within 10 Business Days:** A candidate controlled committee receives a single contribution of $5,000 or more at any time other than during a 90-day election cycle. This report does not apply to committees primarily formed to support or oppose a state candidate.
- **Within 10 Business Days:** ~~A single contribution of~~ Contributions that total in the aggregate $5,000 or more ~~is~~ made to support or oppose a single state ballot measure at any time other than during a 90-day election cycle.

The Form 497 is filed electronically with the Secretary of State in the situations above. No paper copies of this report are required, and no copies are required to be filed with other filing officers.

- **Within 10 Business Days:** Contributions that total in the aggregate $5,000 or more made to support or oppose the qualification of a single local initiative or referendum ballot measure.

This Form 497 is required to be filed in the place(s) where the committee would be required to file campaign statements as if it were formed or existing primarily to support or oppose the local initiative or referendum ballot measure.

Reports due on a weekend or state holiday, other than the weekend before an election, are extended to the next business day. Committees receiving a late non-monetary contribution must file form 497 within 48 hours of the date the contribution was received.

Quick Tip

The 90-day election cycle includes the 90 days before an election and the date of the election.

Quick Tip

All controlled committees of a candidate must file the 24-hour and 10 day contribution reports.

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A committee that receives a contribution of $5,000 or more from a non-recipient committee (e.g., individual or business entity) must provide the donor with a notice. See Chapter 4.

Form 497 is not required when a transfer of funds is made from one candidate election committee to another committee controlled by the same candidate (e.g., a transfer from the candidate's current election committee to the candidate's re-election committee).

A single Form 497 may be filed showing the value of multiple nonmonetary contributions. If the actual value is not known at the time of filing, a good faith estimate of the value may be provided. If the value reported differs by 20 percent or more, amend the Form 497 within 24 hours from the time the committee knows that the estimated value is incorrect. For example, the value of phone banking services over a period of 10 days may be reported on a single Form 497. The form must be amended if the reported value changes by 20 percent or more.

Notes: During the 90-day primary election cycle, the Form 497 is required in the first two examples and is not required in the second two examples.

- A contribution of $1,000 or more is received by another committee controlled by the candidate (i.e., legal defense, ballot measure, prior election). A Form 497 is required to be filed by the committee receiving the contribution.
- A donor made two contributions on different dates, both in the 90-day election cycle, for the candidate's primary election; one contribution was for $750 and the second contribution was for $500. A Form 497 must be filed upon receipt of the second contribution.
- A donor made two contributions; a $500 contribution to the candidate's past election committee and a contribution of $500 to the current election committee. A Form 497 is not required as $1,000 or more was not received by one committee for a single election.
- A donor made two contributions; one was earmarked for the primary election for $750 and a second contribution of $500 was earmarked for the general election. A Form 497 is not required as ~~$1,000 or more was not received in connection with one~~

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497 Contribution Report

Amounts may be rounded to whole dollars.

NAME OF FILER		Date of This Filing	Date Stamp	CALIFORNIA FORM 497
Committee to Elect Greer Senate 20XX		11/3/20XX		For Official Use Only
AREA CODE/PHONE NUMBER: 916-111-2222	I.D. NUMBER *(if applicable)*: 1234567	Report No. 111		
STREET ADDRESS: 10 J Street		☐ Amendment to Report No. _____ (explain below)		
CITY: Sacramento	STATE: CA / ZIP CODE: 95814	No. of Pages _____		

1. 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
11/2/20XX	John Swig 10 Golden Gate Drive San Francisco, CA 94118	☒ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Retired	$4,000 ☐ Check if Loan _____% Provide interest rate
11/2/20XX	Solar Town 3 Chip Street Austin, TX 78701	☐ IND ☐ COM ☒ OTH ☐ PTY ☐ SCC		$2,000 ☐ Check if Loan _____% Provide interest rate
11/2/20XX	CA Energy Association Small Contributor Committee 2 L Street Sacramento, CA 95814 (ID 1239782)	☐ IND ☐ COM ☐ OTH ☐ PTY ☒ SCC		$5,000 ☐ Check if Loan _____% Provide interest rate

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

Reason for Amendment: _____

497 Contribution Report

Amounts may be rounded to whole dollars.

NAME OF FILER		Date of This Filing	Date Stamp	CALIFORNIA FORM 497
Committee to Elect Greer Senate 20XX		11/3/20XX		For Official Use Only
AREA CODE/PHONE NUMBER: 916-111-2222	I.D. NUMBER *(if applicable)*: 1234567	Report No. 111		
STREET ADDRESS: 10 J Street		☐ Amendment to Report No. _____ (explain below)		
CITY: Sacramento	STATE: CA / ZIP CODE: 95814	No. of Pages _____		

2. Contribution(s) Made

DATE MADE	FULL NAME, STREET ADDRESS AND ZIP CODE OF RECIPIENT (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CANDIDATE AND OFFICE OR MEASURE AND JURISDICTION	AMOUNT OF CONTRIBUTION	DATE OF ELECTION (IF APPLICABLE)
11/2/20XX	Yes on Props 10 and 12 - A Coalition Supporting Green Energy, Sponsored by Solar Companies 1968 Bercut Ct., Rancho Cordova, CA 95670 (ID 1246666)	Props 10 and 12 - State	$10,000	20XX

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~~election~~ the second contribution was earmarked for a different election even ~~if~~ though the contributions were deposited in the same bank account.

H. A Multipurpose Organization May Qualify as a Committee

A multipurpose organization that makes contributions or independent expenditures may qualify as a recipient committee and be required to register and disclose donors whose funds were used for political purposes. If the organization's only contributions or independent expenditures are made to support or oppose a candidate, the organization may qualify as a committee primarily formed to support or oppose that candidate. For purposes of the Act, multipurpose organizations include:

- Nonprofit organizations with tax exempt status under 501(c)(3) to 501(c)(10) of the Internal Revenue Code
- Federal and out-of-state political action committees (PACs)
- Trade and professional associations
- Civic and religious organizations
- Fraternal societies
- Educational institutions

Such organizations should review Government Code Section 84222 and Regulation 18422 for more information. An organization may also seek advice from the FPPC if specific facts are provided.

In addition to filing the Form 410, the Form 460, and the Form 497, a committee primarily formed to support or oppose a candidate that makes independent expenditures must file the reports reviewed in Chapter 12.

Ex 2.4 - A trade association raises money from member donors for charitable and civic events in the state. One year, the association, from its general fund of membership dues, makes $60,000 in independent expenditures to support a candidate for Governor. The association had not raised the money for political purposes and did not reach an agreement with its donors that their payments may be used for political purposes. Under Section 84222, the association qualifies as a recipient committee primarily formed to support the Governor.

Ex 2.5 - A federal political action committee ("PAC") files disclosure reports with the FEC and made a single contribution in the amount of $10,000 to a committee primarily formed to oppose a candidate for State Superintendent. Under Section 84222, the federal PAC also qualifies as a California recipient committee. If this is the federal PAC's only contribution, it must register as a committee primarily formed to oppose the candidate for State Superintendent.

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Authority

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

Government Code Sections

81004	Reports and Statements; Perjury; Verification.
81004.5	Reports and Statements; Amendments.
81007	Mailing of Report or Statement.
82007	Candidate.
82013	Committee.
82016	Controlled Committee.
82025	Expenditure.
82036	Late Contribution.
82044	Payment.
82047.5	Primarily Formed Committee.
82047.6	Principal Officer.
82048.7	Sponsored Committee.
84101	Statement of Organization; Filing.
84101.5	Annual Fees.
84102	Statement of Organization; Contents.
84103	Statement of Organization; Amendment.
84106	Sponsored Committee; Identification.
84203	Late Contribution; Reports.
84203.3	Late In-Kind Contributions.
84204.5	Ballot Measure Contributions and Expenditures; Reports.
84206	Candidates Who Receive or Spend Less than $2,000.
84222	Multipurpose Organizations.
85200	Statement of Intention to be a Candidate.
85201	Campaign Bank Account.
85203	Small Contributor Committee.
85204	Election Cycle for 24-Hour Reports.
85309	Online Disclosure of Contributions.
85400	Voluntary Expenditure Ceilings.
85401	Candidate Acceptance or Rejection of Expenditure Ceilings.

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Title 2 Regulations

18247.5	Primarily Formed Committees.
18402	Committee Names.
18402.1	Principal Officers.
18406	Short Form for Candidates or Officeholders Who Receive and Spend Less than $2,000 in a Calendar Year.
18419	Sponsored Committees.
18422	Multipurpose Organization Political Activity Transparency.
18426.1	Assistant Treasurer.
18430	Committees Controlled by More Than One Candidate.
18520	Statement of Intention to Be a Candidate.
18521	Establishment of Separate Controlled Committee for Each Campaign Account.

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FINANCES/RECORDKEEPING

One of the fundamental purposes of the Political Reform Act ("Act"), an initiative passed by the voters, is to ensure that receipts and expenditures in election campaigns are truthfully and fully disclosed. In order to do so, an individual that chooses to act as a committee treasurer, assistant treasurer, or principal officer must know and practice the finance and recordkeeping requirements and responsibilities discussed in this chapter.

A. Committee Treasurer and Principal Officer

Every committee must have a treasurer before the committee may accept contributions or make expenditures. Although there are no restrictions on who may be a treasurer, in order to adequately perform the duties, the treasurer must understand the campaign finance laws and his or her responsibilities under the Act. The candidate controlling the committee may be the treasurer or assistant treasurer for his or her own committee. **No individual should accept the position of a committee treasurer as a mere figurehead.**

Contributions may not be accepted and expenditures may not be made if the treasurer's post is vacant at any time, even if the committee has an assistant treasurer. If the treasurer is unavailable to carry out his or her duties, a new treasurer must be designated and the committee's Statement of Organization (Form 410) must be amended. The individual listed on the most recent Form 410 filed with the Secretary of State continues to be liable until an amendment is filed to designate a new treasurer.

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

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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 is subject to late fines.

Exception:

If a candidate's committee makes independent expenditures in connection with a ballot measure, FPPC Form 462 must be signed by the candidate. The treasurer is not a signatory.

Treasurer Responsibilities

A committee treasurer is required to:

- Establish a system of recordkeeping sufficient to ensure that contributions and expenditures are recorded promptly and accurately in compliance with the Act's recordkeeping and disclosure requirements. (Following the recordkeeping guidelines in this manual ordinarily constitutes compliance with this requirement.)
- Maintain campaign records personally or monitor records kept by others.
- Take steps to ensure all of the Act's requirements are met regarding receipt, expenditure, and reporting of campaign funds.
- Prepare campaign statements personally or carefully review the statements and underlying records prepared by others.
- Correct any inaccuracies or omissions, and inquire about any information that would cause a person of reasonable prudence to question the accuracy of the campaign statements. Among the circumstances that might give rise to an inquiry regarding a contribution are: the size of the contribution; the reported source; the likelihood of that source making a contribution of that size; the manner in which the contribution is recorded in the campaign records; and all other circumstances surrounding receipt of the contribution.

Quick Tip

Reconciling the committee's bank statement with the committee's records regularly will ensure accuracy and make completing the campaign forms easier.

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Assistant Treasurer Responsibilities

An assistant treasurer may be designated on the Statement of Organization (Form 410). In the event that the treasurer is unavailable, 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 the assistant treasurer.

Principal Officer(s) Responsibilities

A primarily formed committee must designate a principal officer(s) on the Statement of Organization (Form 410). The principal officer is also responsible for maintaining detailed accounts, records, bills and receipts necessary to prepare campaign statements. If no individual other than the treasurer has the primary responsibility for approving the political activity of the committee as described in this manual, the treasurer must be identified as both the treasurer and the principal officer.

Quick Tip

Campaign committees should adopt internal controls and best practices to protect the committee's funds against fraudulent activities and the misappropriation of funds.

B. Candidate/Officeholder Responsibilities

A candidate or officeholder is required to:

- Carefully review the campaign statements prepared for filing by the committee and ensure that the statements are properly filed.
- 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.

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- 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 or officeholder knows, or has reason to know, that the treasurer is not exercising all reasonable diligence in the performance of his or her duties.

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

C. Education

The FPPC provides educational workshops for candidates and treasurers. In addition, there are numerous instructional materials available on the website. Candidates and treasurers may also seek advice from FPPC staff by calling the toll-free advice line (866-275-3772) or emailing questions to advice@fppc.ca.gov.

D. Audits

The Act authorizes audits. Most of the mandatory audits of candidates, their controlled committees, and primarily formed committees that support or oppose candidates are conducted by the Franchise Tax Board. Committees established for officeholder expenses and legal defense are also subject to mandatory audits under the Act if the controlling candidate's or officeholder's election committee is selected for audit.

Mandatory audits for the office of State Controller and members of the Board of Equalization are conducted by the Fair Political Practices Commission. Discretionary audits of any candidate and committee may be conducted by the Franchise Tax Board or the Fair Political Practices Commission.

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Statewide Candidates

All candidates for statewide office who raise or spend $25,000 or more in a primary or general election are subject to audit. In addition, ten percent of such candidates who raise and spend less than $25,000 are selected for audit on a random basis.

Supreme Court, Court of Appeal, and Members of the Board of Equalization

Candidates for Supreme Court, Court of Appeal, or Board of Equalization who raise or spend $25,000 or more in a primary or general election are subject to audit.

State Legislature

Twenty-five percent of the Senate districts, twenty-five percent of the Assembly districts and twenty-five percent of contested Superior Court Judge offices are randomly selected. Only candidates who raised or spent $15,000 or more in the selected races are subject to audit.

Primarily Formed Committees for State Candidates

Primarily formed committees are subject to audit if the committee has spent more than $10,000. Certain committees, found to be in substantial compliance, may be subject to random based audits.

Pre-Election Audits

The FPPC and FTB at the direction of the FPPC may audit any record required to be maintained under the Act to ensure compliance even if the record is related to a report that has not yet been filed.

Compel Disclosure

The FPPC may seek injunctive relief in Superior Court to compel disclosure.

Quick Tip

The candidate and the treasurer may be fined by the FPPC if reporting and recordkeeping requirements are not met. Violations of the Act are punishable by fines of up to $5,000 per violation.

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E. Campaign Bank Accounts

Primarily Formed Committees

A non-candidate controlled "primarily formed committee" is not required to maintain a separate bank account; however, it is recommended that they do so. Committees may not commingle campaign contributions with any individual's personal funds.

Candidate Controlled Committees

Candidates who anticipate soliciting or receiving contributions from others, or who anticipate spending $2,000 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 or the ballot statement fee do not count toward the $2,000 threshold.

Establishing the Account

The account may be established at any financial institution (i.e., bank, credit union) located in California. Under the Act's one bank account rule, a candidate or officeholder may only have one controlled committee with one bank account per election. Candidates running for one office while holding another must establish a separate campaign bank account for each office, but may not have more than one bank account per office per election.

State candidates may establish a separate bank account and committee for the primary and general elections, but are not required to do so. However, a separate bank account and committee are required each time a candidate runs for reelection or for a different elective state office. State candidates may not redesignate a campaign bank account for a different election, even if it is for the same office.

All campaign contributions must be deposited into the campaign bank account and all campaign expenditures must be made from the campaign bank account. Candidates must deposit **personal funds** to be used for the campaign in the campaign bank account **before** making campaign expenditures.

Quick Tip

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

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Exceptions:

- Candidates may use their personal funds to pay a filing fee, a ballot statement fee or the $50 Secretary of State fee, without first depositing the funds into the campaign account.

- An officeholder may use personal funds to pay officeholder expenses. (See Chapter 9.)

- A candidate may contract with a vendor or collecting agent to receive contributions. Funds must be promptly transferred to the candidate's campaign bank account. Fees deducted by the vendor are reportable expenditures on the date they are deducted.

Quick Tip

The Political Reform Act does not require a federal tax ID number. However, most banks will require one in order to open a campaign bank account. A tax ID number may be obtained on the IRS website, www.irs.gov.

Expenditures from Multiple Accounts

A candidate who has more than one campaign committee 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 are either:

    1. For a communication that makes reference to the candidate's future election or status as a candidate; or

    2. 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 elections official, or any other documents necessary to be listed on the ballot for an elective office.

Ex 3.1 - Marshall Wu, a State Assemblymember, still has an open committee from the Assembly election. Marshall is running for State Senate in the next election and has opened another bank account and committee for that race. He must use the campaign bank account for the Senate campaign to pay for mailers and all other expenses related to the upcoming Senate election.

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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 Cards

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.

In lieu of establishing a new credit account, a candidate may designate an existing personal credit card with a zero balance as the campaign credit card (list 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 so long as the following conditions are met:

- 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.

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Officeholder Committees, Legal Defense Committees, and Recall Elections

State candidates and officeholders may establish separate accounts and committees to raise funds for officeholder expenses, legal defense, and opposition to the officeholder's recall. (See Chapter 1.) All of these committees are subject to the recordkeeping requirements discussed in this chapter. In addition, legal defense committees must keep separate detailed accounts, records, bills, and receipts for each legal dispute.

A treasurer for a candidate controlled ballot measure committee should refer to FPPC Campaign Manual 3 for guidance.

F. Recordkeeping

An accurate and organized record must be kept of all campaign contributions received and expenditures made. All individuals who handle contributions and make expenditures must be aware of and practice the recordkeeping procedures required by the ~~Political Reform~~ Act and FPPC regulations outlined in this manual. While others may be involved, the candidate and treasurer remain legally responsible for the controlled committee's records. Moreover, the treasurer and each principal officer, as listed on the committee's Statement of Organization (Form 410), remain legally responsible for the records of a committee primarily formed for a state candidate.

Record Retention

Candidates and committees must keep all records, including original source documentation and copies of completed campaign statements, for a period of four years from the date the campaign statement relating to the records was filed.

Exceptions:

- Elected state officers serving a four-year term must keep for five years records associated with the campaign statements they filed during the first year following their election.
- The electronic filing declaration required to be filed with Form E-530 must be kept for five years following the date the report is filed.

Ex 3.2 - Sharon Goldstein, a State Assemblymember, filed her first campaign statement on January 31, 2015. The records associated with completing that statement, such as receipts and information on contributors, must be retained until January 31, 2019.

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Records of Contributions Received and Other 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 on 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.

Date Received

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 electronic methods such as wire transfer, credit card, or debit account transactions are also received on the date the candidate or committee obtains possession or control of the funds. The following list provides examples:

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

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

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

- A contributor makes a contribution by text message. The contribution is "received" by the committee on the date that the mobile fundraising vendor, acting as agent of the committee, obtains possession or control of the contribution.

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

Receipts Under $25

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

Contributor Records

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 street address, including zip code, of the contributor must be documented. In addition, the total amount received from the contributor over the course of the current calendar year (the "cumulative amount") must be recorded.

Contributions: $100 or More

If contributions totaling $100 or more are received from an individual, in addition to the information required for contributions of $25 or more as described above, the contributor's occupation and employer must be recorded. If the contributor is self-employed, that fact also must be noted along with the name of his or her business. If a check is received from a business entity, generally 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, street address, and, if the contributor is an individual, his or her occupation and employer are not in the committee's records within 60 days from receipt of the contribution.

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Such 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 the $5,000 and $1,000 reports - Form 497).

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. The $5,000 and $1,000 reports – Form 497 need not be amended. The committee also must note in its records the date the contributor information is received, if that date is different than the date the contribution is received.

When a contribution cannot be returned to the contributor within 60 days from the date the contribution was received, the contribution amount must be paid to the Secretary of State for deposit in the state's general fund.

If a contribution is returned to the contributor by check and the check is not cashed by the contributor within 90 days, the contribution must be paid to the Secretary of State within the following 30 days for deposit in the state's general fund.

Ex 3.3 - Stanley Hughes, a State Senate 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 information. The committee must return $100 to Martha.

Intermediaries and Earmarked Funds

For contributions of $25 or more made through an intermediary (See Chapter 4), records with the above information for both the intermediary and the contributor are required.

Records must also include the amount of earmarked funds, a notation that the funds have been earmarked, and the specific ballot measure, candidate or committee for which the funds have been earmarked.

A committee making contributions with earmarked funds must maintain documentation showing which earmarked funds were contributed.

For purposes of Sections 84501(c)(3)(A) and 85704(d) if a primarily formed committee that received earmarked funds makes contributions and still has earmarked or non-earmarked funds remaining, it must retain documentation showing how a determination of which top contributors to disclose on its advertisements was made. (See Chapter 8.) This determination must be done using a reasonable accounting method such as, but not limited to, the last in first out accounting

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method. Earmarked funds must be taken into account first before non-earmarked funds.

Affiliated Entities

Information from affiliated entities (See Chapter 4) that describes the connection of affiliated contributors must be maintained in the records.

Nonmonetary Contributions

If the contribution is nonmonetary and valued at $25 or more, a description and the fair market value of the contribution must be recorded. (See "Valuing Nonmonetary Contributions" in Chapter 4.)

Loans Received

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

- Interest rate of the loan, if any;
- Due date of the loan, if any; and
- Name and street address of any guarantor and the amount guaranteed, if any. 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, both the institution and the candidate are reported as the source of the loan.

State candidates who make loans to their own campaign committee from personal funds may not charge the committee interest. In addition, state candidates may not have personal loans, including loans from a commercial lending institution, outstanding to their campaigns exceeding $100,000 at any one time. (See Chapter 1.)

Documentation for Contributions Received and Other Receipts

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

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The following documents produced or received by the committee also must be kept for receipts of $25 or more: copies of contributor checks, contributor cards, letters of transmittal, notices received from contributors, memoranda or other records that describe the method used to determine the fair market value of donated goods or services (nonmonetary contributions), and loan agreements or other documents that reflect indebtedness.

Documentation for electronic transactions must include information collected when debiting the contributor's account, such as itemized transaction reports (including the credit card confirmation number), debit/credit account transaction records, and credit card receipts or vouchers. Documentation of contributions received over the Internet must include a record of the transaction created and transmitted by the cardholder including the cardholder's name, street address and the last four digits of the card number.

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 Made

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 payments 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.

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Contributions to Other Candidates or Committees and Independent Expenditures

For expenditures that are contributions or independent expenditures, the amount of the expenditure and the cumulative amount paid in that calendar year in connection with the officeholder, candidate, committee, or ballot measure must be recorded.

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

- Date the contribution or independent expenditure was made;
- Whether the expenditure was 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 the number or letter of the measure and the jurisdiction in which the measure is to be voted on; and
- Cumulative amount spent on behalf of the candidate, measure, or committee.

Quick Tip

See Chapter 9 for a detailed discussion and examples of when a contribution is made. Chapter 7 describes communications that are considered independent expenditures.

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 6.)

Transfers to Another Controlled Committee of the Candidate

A state candidate's controlled committee that transfers funds using the LIFO or FIFO method must keep records of the specific contributors attributed to each transfer. In the event that a transferring committee is no longer required to keep such documents, the receiving committee may use copies of the transferring committee's campaign statements or other available records that confirm the identity of the original contributors. (See Chapter 1.)

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Expenditures by Agents and Independent Contractors

Agents must provide the treasurer information and documentation related to campaign expenditures made on behalf of the committee so that all of the reporting requirements are met.

Deadlines to provide the treasurer information:

- No later than three working days of the deadline for filing a campaign statement other than the Form 496 or Form 497.
- Within 24 hours of the time for reporting the expenditure on Form 496 or Form 497.

Expenditure Limits

Candidates who have accepted the voluntary expenditure ceiling must maintain records identifying how campaign expenditures that count toward the ceiling were allocated. (See Chapter 1 for information on the voluntary expenditure ceiling and to determine which expenditures count toward the ceiling.)

Expenditures for Gifts, Meals and Travel

A candidate controlled committee that makes an expenditure of $100 or more for a gift, meal, or travel, must keep a dated memorandum or some other form of dated written record containing a brief description of the political, legislative, or governmental purpose of the expenditure, as well as the information described below:

- **Gifts:** The date of the expenditure, a description of the gift, and the name of any recipient who received a benefit of $50 or more.
- **Meals:** The date of the meal, the name of each individual who attended the meal, and whether he or she is a member of the candidate's household or someone who has authority to approve expenditures of campaign funds.
- **Travel:** The dates of travel, the destination, the name of each individual who traveled, and whether he or she is a member of the candidate's household or someone who as authority to approve expenditures of campaign funds.

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Documentation for Expenditures

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

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

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

Quick Tip

Expenditures may be made electronically using a bank account, credit card, debit card, or electronic payment service (e.g., PayPal) so long as detailed records are kept.

G. Mass Mailings, Mass Emails, Telephone Calls, and Notices to Contributors of $5,000 or More

The following must be retained for a period of four years following the date the campaign statement relating to the records is filed:

- **Mailers.** A copy of any mass mailing sent by the committee (See Chapters 7 and 8)
- **Mass Emails.** An original sample of each mass email, the date sent and the number of individual emails sent (See Chapter 8)
- **Political Calls.** A script of the call or a copy of the recorded phone message when the committee coordinates on and pays for ~~more than~~ 500 or more telephone calls to expressly advocate support for ~~or opposition to~~ a candidate or ballot measure (See Chapter 8)
- **Major Donor Notices**. A copy or record of all notifications to contributors of $5,000 or more (See Chapter 4)

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Answering Your Questions

A. 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?

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

B. 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?

No.

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

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.

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Authority

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

Government Code Sections

82015	Contribution.
82018	Cumulative Amount.
82025	Expenditure.
82044	Payment.
82047.5	Primarily Formed Committee.
82047.6	Principal Officer.
84100	Treasurer.
84101.5	Annual Fees.
84104	Recordkeeping.
84105	Notification to Contributors.
84300	Cash and In-Kind Contributions; Cash Expenditures.
84302	Contributions by Intermediary or Agent.
84305	Requirements for Mass Mailing.
84306	Contributions Received by Agents of Candidates or Committees.
84307	Commingling with Personal Funds.
84310	Identification Requirements for Telephone Calls.
84501	Advertisement.
85201	Campaign Bank Account.
85304	Legal Defense Fund.
85307	Loans.
85315	Elected State Officer Recall Committees.
85318	Contributions Received for Primary and General Elections.
85501	Prohibition on Independent Expenditures by Candidate Controlled Committees.
85700	Donor Information Requirements; Return of Contributions.
85704	Prohibition on Earmarking.
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.

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90007 Auditing Guidelines and Standards.

Title 2 Regulations

18401 Required Recordkeeping for Chapters 4 & 5.
18402.1 Principal Officers.
18421.1 Disclosure of the Making and Receipt of Contributions.
18421.2 Street Address.
18421.3 Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents.
18421.31 Text Message Contributions.
18421.7 Reporting an Expenditure for a Gift, a Meal, or Travel.
18426.1 Assistant Treasurer.
18427 Duties of Treasurers and Candidates with Respect to Campaign Statements.
18427.1 Notification to Contributors of Filing Obligations.
18428 Reporting of Contributions and Independent Expenditures Required to be Aggregated.
18432.5 Intermediary and Earmarked Funds Disclosure.
18440 Telephone Advocacy.
18521 Establishment of Separate Controlled Committee for Each Campaign Account.
18521.5 Ballot Measure Committees Controlled by Candidates for Elective State Office.
18523 Nondesignated Contributions or Loans.
18524 Investment and Expenditure of Candidates' Campaign Funds.
18525 Incumbent Candidates' Election Expenses and Officeholder Expenses.
18530.4 Legal Defense Funds - State Candidates and Officers.
18530.8 Personal Loans.
18531.5 Recall Elections.
18531.62 Elected State Officeholder Bank Accounts.
18534 Required Committee Bank Accounts.
18536 Transfer and Attribution of Contributions.
18570 Return of Contributions with Insufficient Donor Information.
18994 Auditing and Investigations.
18995 Standards and Guidelines for Auditing Statements and Reports.

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Contributions

This chapter begins with the definition of "contribution" and provides guidelines necessary for proper reporting, including a discussion on valuing nonmonetary contributions. Contributions to state candidates and committees are subject to the limits described in Chapter 1.

A. 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. A contribution may take any of the following forms:

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

Quick Tip

Contributions of $100 or more may never be made or received in cash.

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B. Reporting a Contribution Received

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 the candidate, committee, or an agent of the committee obtains possession or control of the cash, check, or other item that constitutes the contribution.

When an agent of the committee, such as a campaign consultant, receives a contribution for the committee, the agent must notify the treasurer no later than the closing date of the next campaign statement due. The date of the contribution is the date the agent obtained possession of the contribution. (See Chapter 3.)

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

- The date funds were expended by the contributor for the goods or services;
- The date the 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.

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

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 make a payment. A person makes an "enforceable promise to make a payment" if he or she:

- Guarantees, furnishes security for, endorses or cosigns a loan;

Ex 4.1 - A committee's campaign consultant received a hand-delivered check at a May 14, Friday evening fundraiser. The check was delivered to the committee's treasurer the following Monday, May 17. The contribution was received on May 14, the day the committee's agent obtained possession of the check.

Ex 4.2 - The committee also contracts with a website service to receive contributions over the Internet. The website service sends the committee's treasurer an email each time a contributor logs on to the website service and enters his or her donor information and credit card number. By logging on to the website service, the treasurer can accept the contribution and receive the funds. The committee reports receipt of the contribution on the date it receives the email because it controls the contribution on that date.

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- Makes and delivers a post-dated check; or
- Establishes a line of credit at a bank or other commercial lending institution for a candidate or committee.

Exceptions:

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

An **extension of credit** is a contribution when there is an agreement between the provider of goods or services and a state candidate or his or her controlled committee that payment for goods or services provided to the candidate or committee will be made at a later date. An extension of credit does not become a contribution if the candidate or committee pays for the goods or services on or before the earlier of:

- 45 days after the date of the invoice;
- 45 days from the date the goods or services are delivered; or
- For ongoing services, 45 days after the date of the invoice as long as the services are billed no less frequently than on a three-month billing cycle.

If the candidate or committee does not pay for the goods or services within 45 days as described above, an extension of credit does not become a contribution if **all** of the following requirements are met:

- The credit arrangement is recorded in writing;
- It is the regular business of the provider of the goods or services to provide similar goods or services;
- The goods or services are provided in the ordinary course of business and on the same terms and conditions offered to customers generally;

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- The provider enters into the agreement with the intent that the candidate or committee will pay in accordance with the terms of the written agreement and the provider does not know that the candidate or committee would not be able to pay; and

- The provider makes reasonable efforts to collect the full amount of the payment within four months of the date that the payment is due under the terms of the written agreement.

C. Contribution Exceptions

There are many exceptions to the definition of "contribution." Exceptions for certain types of political communications are also discussed in detail in Chapter 7. Some of the most common exceptions include:

Volunteer Personal Services

If an individual donates his or her personal or professional services to a campaign (including a volunteer's travel expenses), no contribution has been made or received as long as there is no understanding of reimbursement.

However, if an employer donates employee services to a campaign, and any employee spends more than 10 percent of his or her compensated time in a calendar month performing campaign activity for one or more campaigns, the employer has made a nonmonetary contribution to the committee. Determine the contribution amount by allocating the gross salary to the time spent on campaign activity.

Home/Office Fundraisers (Other than a Lobbyist or Lobbying Firm)

If a person, other than a lobbyist (or a cohabitant of a lobbyist) or lobbying firm, 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. In addition, the donated

Ex 4.3 - Katz Construction, Inc. has agreed to let an Assembly candidate use some empty offices in its building for her campaign headquarters. The company does not normally rent space in its building, but they have estimated the fair market value of the space rental at $1,000 per month. The company and the candidate have a written agreement stating that the rent is due on the first of each month. Because Katz Construction does not provide rental office space in the normal course of business, if the candidate does not pay each month's rent within 45 days of the first of the month, the $1,000 will become a nonmonetary contribution to her campaign on the 46th day and will be reportable on Schedule C of Form 460 and subject to contribution limits.

Ex 4.4 - Your neighbor holds a fundraiser in his home for your committee. He spends $250 on decorations, food, and drinks for the event. A coworker brings some door prizes with a fair market value of $50. Since the total cost of the event is under $500, your neighbor's $250 is not reportable. However, since your coworker is not the occupant of the home, her nonmonetary contribution of $50 is reportable.

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goods must be counted to determine whether the total cost of the event is $500 or less.

Ex 4.5 - A business hosts a campaign fundraiser in its conference room. The business spends $450 for beverages. A separate business entity provides the food valued at $200. Since the total cost of the event now exceeds $500, both businesses have made nonmonetary contributions that must be reported by your committee.

Home/Office Fundraisers – Restrictions on Lobbyists and Lobbying Firms

The home/office fundraiser exception does not apply to a state lobbyist or to a cohabitant of a state lobbyist. A registered state lobbyist may not make a contribution to an elected state officer or candidate for elective state office if the lobbyist is registered to lobby the official's agency or the agency for which the candidate is seeking election.

A fundraiser held in the home of a lobbyist is considered a contribution; therefore, a lobbyist is prohibited from holding a fundraiser in his or her home for a candidate seeking election to a governmental agency that the lobbyist is registered to lobby. A similar prohibition applies to lobbying firms holding fundraisers at their offices.

Quick Tip

For the home/office fundraiser contribution exception to apply, the total cost of the event must be $500 or less no matter how many candidates or committees benefit from the event.

Note:

- A lobbying firm may host a campaign meeting that is not a fundraising event in the firm's office for the benefit of an officeholder or candidate if the total cost is $500 or less, exclusive of the value of the office as a venue.
- A lobbying firm owned by a lobbyist may not rent its firm's office as a fundraising venue to an officeholder or candidate the firm is registered to lobby.
- A lobbying firm owned by a lobbyist may not rent its firm's offices as a fundraising venue to one of its clients (a lobbyist employer) to benefit an officeholder or candidate the firm is registered to lobby.

Quick Tip

A state lobbyist may not hold a fundraiser for a local candidate/officeholder who is seeking election to a state office.

Social Media – Internet Communications

Uncompensated Internet activity by an individual, such as sending or forwarding electronic messages, social networking, blogging, creating or hosting a website, to support or oppose a candidate or ballot measure is not considered a contribution or expenditure. Certain Internet communications require advertisement disclaimers as outlined in Chapter ~~7~~ 8.

Ex 4.6 - Your friends send emails to their family and friends and post on their personal social networking sites communications supporting your campaign. Since your friends are not being compensated, these activities are not reportable even if you provided your friends with campaign materials.

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Member Communications

Payments made by an organization (including a political party, union or trade association) for certain communications that are sent only to the organization's members, employees, shareholders, or their families, are not contributions to a candidate endorsed in the communications. For example, if a union sends a mailing to only its membership, supporting your campaign, the cost of the mailing is not a reportable contribution.

Gifts

A payment or other benefit to a candidate or official that is made principally for personal purposes (not political purposes) is a gift unless the candidate or official provides payment or services of equal or greater value. Generally, gifts are subject to annual limits and must be disclosed by the candidate or official on a Form 700 (Statement of Economic Interests). For additional information about gifts, see the fact sheet on the FPPC's website entitled*, Limitations and Restrictions on Gifts, Honoraria, Travel and Loans.*

Payments for Legislative, Governmental, or Charitable Purposes

Behested payments made in connection with a legislative, governmental, or charitable purpose, are not considered to be made for political or personal purposes; therefore, they are not considered contributions or gifts. However, if the payment is made at the behest of an elected official and the payment(s) totals $5,000 or more from a single source in a calendar year, the official is required to file a Form 803 (Behested Payment Report) as described in Chapter 11.

Contribution Restrictions

- There are contribution limits for state candidates and committees that make contributions to state candidates. (See Chapter 1.)

- There are restrictions on receiving contributions applicable to all committees. For example, contributions of $100 or more must be made by written instrument and may not be made or received in cash. (See Chapter 5.)

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- 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 3.)

D. Aggregating Contributions

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. These rules apply for purposes of the contribution limits and reporting.

The following are aggregated:

- Contributions from the personal funds of an individual and contributions made by an entity when the same individual directs and controls the entity's contributions
- Contributions from two or more entities if a majority of the same persons 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

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.

Quick Tip

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

Ex 4.7 - 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.

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Ex 4.8 - EXtream Snowboards, Inc., made a contribution of $250 to the Johnson Committee. EXtream Snowboards, Inc., is a wholly-owned subsidiary of LeesureTech Industries, which also made a contribution of $250 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 $500 on its campaign statement.

Ex 4.9 - William Smith is a developer with four separate corporations. William makes political contributions from his personal funds and directs and controls the contributions of each of his corporations. William made a contribution of ~~$1,600~~ $2,400 from his personal funds and contributions of $2,000 from the funds of one of his corporations to the Perez for Assembly Committee for the ~~2008~~ 2018 primary election. The committee may not receive any additional contributions from Smith or his corporations for the primary election.

Ex 4.10 - 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 Senator Yadon. The senator does not aggregate these contributions because Southwest TeleCom and American TeleCom acted completely independently in their decisions to make the contributions.

E. Reporting Various Types of Contributions

Credit Card, Electronic, and Other Types of Contributions

Contributions may be received by credit card, wire transfer, debit account transaction, or similar electronic payment options (including contributions received via the Internet or telephone). All of the reporting and recordkeeping requirements apply to these contributions. (See Chapter 3.) 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 to the contributor is reported as a contribution.

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- Fees associated with this type of fundraising, or deducted by the vendor before the contributions are sent to the committee, are reported as expenditures; the fees are not deducted from the amount of each contribution reported.

Fundraisers

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

Ex 4.11 - Your committee holds a fundraiser and charges $1,000 per person. After the event, you determine that it cost your committee $60 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 $1,000 per ticket contribution. Do not subtract $60 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. 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.

Ex 4.12 - 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.)

Earmarked Contributions

A contribution to a committee that is earmarked for a contribution to any other particular committee, ballot measure, or candidate is required to be disclosed as outlined below.

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A contribution is earmarked if it is made under any of the following circumstances:

- The committee or candidate receiving the contribution solicited the contribution for the purpose of making a contribution to another specifically identified committee, ballot measure, or candidate, requested the contributor to expressly consent to such use, and the contributor consents to such use.

- The contribution was made subject to a condition or agreement with the contributor that all or a portion of the contribution would be used to make a contribution to another specifically identified committee, ballot measure, or candidate.

- After the contribution was made, the contributor and the committee or candidate receiving the contribution reached a subsequent agreement that all or a portion of the contribution would be used to make a contribution to another specifically identified committee, ballot measure, or candidate.

However, there is an exception for dues, assessments, fees, and similar payments made to a membership organization or its sponsored committee in an amount less than five hundred dollars ($500) per calendar year from a single source for the purpose of making contributions or expenditures. Such funds are not considered to be earmarked by each individual contributor, instead the membership organization is to be reported as the source for these funds.

The committee making an earmarked contribution shall provide the committee receiving the earmarked contribution with the name and address and, if applicable, the occupation and employer of the contributor who earmarked their funds and the amount of the earmarked contribution at the time it makes the contribution. If the committee making the contribution received earmarked contributions that exceed the amount contributed, or received contributions that were not earmarked, the committee making the contribution shall use a reasonable accounting method to determine which contributors to identify, but in no case shall the same contribution be disclosed more than one time to avoid disclosure of additional contributors who earmarked their funds.

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Reporting Earmarked Contributions

A committee that makes a contribution to another committee earmarked for a third specifically identified committee must disclose the specifically identified committee as the recipient of the contribution and the other committee as an intermediary at the time the earmarked contribution is made. The specifically identified committee must disclose the contributor and intermediary at the time the funds are received from the intermediary. The intermediary must disclose receipt of the funds as a miscellaneous increase to cash on Schedule I of Form 460 at the time the funds are received and must disclose the expenditure as the transfer of an earmarked contribution from the contributor to the specifically identified committee at the time the funds are given to the specifically identified committee.

A committee that makes a contribution to another committee and subsequently reaches an agreement with that committee that all or a portion of the contribution would be used for another committee, ballot measure or candidate must include a notation on its next statement that the original contribution was subsequently earmarked, including the name of the specifically identified committee, ballot measure, or candidate. The committee that initially received the funds must also include a notation on its next statement that the original contribution was subsequently earmarked and must disclose the original contributor to any new committee to which it transfers the earmarked funds. The new committee shall disclose the true source of the contribution with a notation that the contribution was earmarked to the specific ballot measure or candidate.

A committee that makes a contribution earmarked for a specifically identified ballot measure or candidate must disclose a contribution to the committee that received the contribution with a notation that the contribution was earmarked to the specific ballot measure or candidate. The committee receiving the earmarked contribution must disclose the contributor with a notation that the contribution was earmarked for the specific ballot measure or candidate when the contribution is received. This committee is solely responsible for disclosing the ultimate use of the earmarked contribution, whether by contribution or expenditure, at the time the funds are used. If the

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committee receiving the earmarked contribution contributes any portion of the contribution to another committee to support or oppose the specifically identified ballot measure or candidate, that committee shall disclose the true source of the contribution to the new committee receiving the earmarked funds for disclosure on the new committee's campaign report. The new committee shall disclose the true source of the contribution with a notation that the contribution was earmarked to the specific ballot measure or candidate.

Intermediary

An intermediary is a person or entity that makes a contribution on behalf of another person. For example, an employee who is reimbursed for a contribution by his/her employer is not the true source of the funds, but the intermediary of the employer's 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 and the intermediary.

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

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, i.e., 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.

This manual cannot address all scenarios that may need to be questioned, but it is prudent to question unusually large contributions from sources unfamiliar with the candidate or his/her agents; a series of contributions from a single employer; and, significant contributions from a nonprofit organization or multipurpose organization that is not registered as a political committee on the Secretary of State's website.

Ex 4.13 - Berry Barr and Vienna Waltz each made a $100 contribution from their personal funds to support Tina Baker for State Treasurer, 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.

Ex 4.14 - A ~~An organization~~ business collects ten contributions of $200 each earmarked for a candidate's campaign. The ~~organization~~ business deposits the contributions and provides the campaign committee one check from the ~~organization~~ business rather than providing ten individual checks. The committee reports the ~~organization~~ business as an intermediary and the individuals as the contributors.

Ex 4.15 - 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.

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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.

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.

Transfers and Carryover from a Prior Campaign

A state candidate may carry over funds from one election to the next election for the same office, and may transfer funds from one controlled committee to another committee for a different office, subject to certain restrictions. (See Chapter 1.)

Contributions from Other Candidates

Candidates and committees may receive contributions, within the applicable contribution limits, from other candidates or officeholders. (See Chapter 1.)

Undesignated Contributions

Candidates soliciting contributions for more than one office that receive an undesignated contribution may deposit the contribution in any of their campaign bank accounts.

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Undesignated monetary contributions must be deposited in a campaign bank account within 30 days of receipt. Nonmonetary contributions must 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.

F. $5,000 Major Donor Notice

Committees receiving 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 have a filing obligation.

Generally, the notice must be mailed, faxed or emailed to the contributor within two weeks of receiving contributions totaling $5,000 or more. But, if a contribution of $10,000 or more is received in the 90 days prior to the election, the notice must be mailed, faxed or emailed to the contributor within one week.

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

The notice is not required:

- for a subsequent contribution from the same contributor in the same calendar year; or
- if the contribution was from a candidate or campaign committee.

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

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Major Donors

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

Multipurpose Organizations Including Nonprofits

If your organization is a multipurpose group, it may qualify as a major donor committee required to file Form 461 or as a recipient committee required to file the Form 460 disclosing donors. Refer to Government Code Section 84222 and FPPC Regulation 18422. Additional information is on the FPPC's website.

24 Hour Reports

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

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

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

Electronic Filing

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

Late Filing Penalties and Fines

Failure to timely file campaign statements may result in the Secretary of State assessing late filing penalties of $10/day (state committees may be fined $20/day if they must file electronically and on paper). In addition, the FPPC's Enforcement Division may impose fines of up to $5,000 per violation of the Political Reform Act.

FPPC Assistance

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

Ex 4.16 - 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.

G. Valuing Nonmonetary Contributions

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

Fair Market Value

When a nonmonetary contribution is received, the fair market value of the goods or services must be reported. If the committee does not

Ex 4.17 - 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.

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.

Employee Time

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

Discounts

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.

Private Air Transportation

A person who provides a candidate with a flight in a private airplane is making a nonmonetary contribution. The value is determined by using either the commercial rate to the destination, if available, or the charter rate divided by the number of passengers on the flight.

Email Lists

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

Corporate Stock

The contribution of corporate stock must be reported and valued as listed on the stock exchange on the date of receipt. When the stock is sold, the total proceeds of the sale are reported on Schedule I as a

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miscellaneous increase to cash. If the purchaser is unknown, report the brokerage firm as the source with a notation that the payment represents the sale of stock. Broker's fees must be reported on Schedule E.

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.

Multiple Candidates and Measures

If a mailer expresses support of 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.

Ex 4.18 - Your committee receives a 50% discount on a printing job that normally costs $1,200. The committee receives a contribution of $600.

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.

Quick Tip

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

Political and Non-Political Material

The cost of a mailing containing both express advocacy in support of 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 more than 10% 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.

Ex 4.19 - A Chamber of Commerce produces and mails a one-page flyer urging voters to vote for a gubernatorial candidate and against two ballot measures. Half of the flyer is devoted to supporting the candidate and the other half equally opposes the measures. The Chamber coordinates the mailing with candidate. The total cost of producing and mailing the flyer is $14,000. The candidate received a nonmonetary contribution valued at $7,000.

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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 7.)

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

The use of business telephones for phone banking is a non-monetary contribution. The fair market value of the use of the phones is calculated to determine the amount reported as a nonmonetary contribution, even if only local calls are made. One method to determine the fair market value is to contact organizations that provide phone banks as a business.

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Polls and 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 has advised that a formula utilized by the Federal Election Commission may be used for valuing polling or survey data, as long as the formula is used in a reasonable manner to provide a fair estimate. The formula calculates the value based on the age of the data. The chart below illustrates the fair market value of data based on the number of days that pass from the date the entity originally received the data to the date the data were provided to the 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.

Ex 4.20 - A 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 may prorate the poll's cost by determining the questions/responses relevant to the particular candidate or measure.

H. Common Political Party Expenditures

State candidates often work closely with state and county political party committees. Political party committees are not subject to contribution limits for monetary and non-monetary contributions made to state candidates, however, the contributions must be reported and made from the party's state candidate support account which is subject to contribution limits.

The following chart provides guidance on common political party activity coordinated with a state candidate. Non-monetary contributions are reported on Form 460 – Schedule C.

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Activity	Reporting by Candidate
Renting office space	Yes.
Volunteer precinct walking	Yes, if the party is paying expenses for the individuals.
Phone banks	Yes. See Chapter 8 for disclaimer requirements.
Voter identification	Yes. Payments for poll research and similar work are contributions.
Employee services	Yes. See earlier discussion of 10% employee rule.
Voter registration	No, as long as the registration material does not do any of the following: • Expressly advocate for a candidate's election; • Solicit contributions for a candidate; or • Make reference to the candidate's election.

I. Returning Contributions

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

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 90 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.

Contributions in Excess of the Contribution Limits

A monetary contribution that exceeds the contribution limits on its face, or when aggregated with other contributions from the contributor, may not be deposited, cashed, or negotiated and must be returned to the donor within 14 days of receipt. In the case of a nonmonetary contribution, the contribution must be returned or a monetary refund must be given to the contributor within 14 days of receipt.

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Defeated Candidates

If a state candidate is defeated in a primary election or withdraws from the general election, general election funds must be refunded to contributors on a pro rata basis, less any expenses associated with raising and administering the funds, and any general election expenses that were paid prior to the primary election or the candidate's withdrawal (e.g., media purchases). See Chapter 1.

Returning Contributor Contributions

A committee may return a donor's contribution at any time, unless the donor is the state candidate. Candidate loans are also restricted. See Chapter 1.

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Answering Your Questions

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

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

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

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

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

The Political Reform Act does not restrict raffles. However, Penal Code 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.

D. If 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?

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

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

Yes. However, any costs incurred by the non-profit organization 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.

F. 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?

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.

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Authority

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

Government Code Sections

82004.5	Behested Payments.
82015	Contribution.
82018	Cumulative Amount.
82025	Expenditure.
82025.5	Fair Market Value.
82041.3	Made at the Behest of.
82047	Person.
84105	Notification to Contributors.
84211	Contents of Campaign Statement.
84216	Loans.
84300	Cash and In-Kind Contributions; Cash Expenditures.
84302	Contributions by Intermediary or Agent.
84306	Contributions Received by Agents of Candidates or Committees.
85305	Restrictions on Contributions by Candidates.
85308	Family Contributions.
85311	Affiliated Entities; Aggregation of Contributions to State Candidates.
85312	Communications to Members of an Organization.
85319	Returning Contributions.
85700	Donor Information Requirements; Return of Contributions.
85704	Prohibition on Earmarking.

Title 2 Regulations and Advice Letter

18215	Contribution.
18215.1	Contributions; When Aggregated.
18215.2	Uncompensated Internet Activity by Individuals that is not a Contribution or Expenditure.
18216	Enforceable Promise to Make a Payment.
~~18225~~	~~Expenditure.~~
18421.1	Disclosure of the Making and Receipt of Contributions.

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18421.3 Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents.
18423 Payments for Personal Services as Contributions and Expenditures.
18427.1 Notification to Contributors of Filing Obligations.
18428 Reporting of Contributions and Independent Expenditures Required to be Aggregated.
18432.5 Intermediary and Earmarked Funds Disclosure.
18523 Nondesignated Contributions or Loans.
18530.7 Extensions of Credit.
18531 Return of Excessive Contributions.
18531.2 Refunding General Election Contributions.
18531.7 Payments for Communications—Section 85312.
18533 Contributions from Joint Checking Accounts.

Olson Advice Letter, No. I-15-065 (Lobbying Fundraising)
Opinion: In Re Rios (2017) FPPC Ops. No. O-17-001 (Contributions by State Candidates)

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Contribution Restrictions

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

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 duties, contributions may be the source of a conflict of interest for officeholders or candidates who are also appointed to certain boards or commissions. The section on "Campaign Contributions and Disqualification" covers this area of the law.

The Act also imposes the following restrictions on state candidates. These issues are reviewed in Chapter 1.

- Contribution limits
- Voluntary expenditure ceilings
- Loans
- Transfers of committee funds for future elections
- Post election fundraising limits

A. Restrictions under the Political Reform Act

Reporting the True Donor

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.

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Failure to disclose the true source of a contribution is often referred to as campaign money laundering, which is a serious violation of the Act. One type of common violation is when an employer reimburses individual employees for contributions so that the committee receiving the contributions discloses the employees rather than the true source of the contribution (the employer) on campaign disclosure reports.

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

Committee treasurers must inquire about any information that a person of reasonable prudence would question based on all available information. It is not possible to describe every situation that might trigger a duty for a treasurer to inquire if a contribution is identified correctly. Some examples are the size of the contribution, the reported source, and the likelihood of that source making a contribution of the size reported.

If it is discovered that a committee received a contribution and the donor and intermediary were not properly identified, the contribution must be paid to the Secretary of State for deposit in the State General Fund.

Ex 5.1 - A committee receives contributions of $1,000 each from six different individuals in the same week. The committee treasurer and campaign fundraiser did not make specific solicitations to the individuals. Upon the treasurer's request, the individuals state that they all work for the same employer. The committee treasurer has a duty to inquire to determine if the employer reimbursed the employees and should be reported as the donor.

Cash Contributions

A committee may not accept a cash contribution of $100 or more. Such a contribution will not be deemed "received" if it is not deposited or spent and is returned to the contributor prior to the end of the reporting period of the campaign statement on which the contribution would otherwise be reported. Even if the contribution is inadvertently deposited, it is not deemed "received" if it is refunded within 72 hours of receipt. However, a cash contribution of $1,000 or more that is received in the 90 days before the election that is inadvertently deposited must be refunded within 48 hours in order to not be deemed "received."

Quick Tip

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

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Anonymous Contributions

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

Quick Tip

Campaign contributions must be kept separate from personal funds and may not be used for personal expenses.

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 3.)

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

Contributions of $100 or more made by money order, cashier's check, or traveler's cheque are prohibited and must be returned to the contributor, or, if made anonymously, sent to the Secretary of State for deposit in the State General Fund.

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 may also be received by credit card (including over the Internet), wire transfer, or other electronic means. (See Chapter 3.)

Contributor's Legal Name

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

Commingling Funds

Campaign funds may not be commingled with any individual's personal funds; they must be kept in an account separate from any account that contains personal funds. In general, campaign funds may not be used for personal expenses.

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Contributions Delivered in State Office Buildings

A contribution may not be delivered to or received by 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. "Personally delivered" includes the delivery of a copy or facsimile of a contribution, and the original or a copy of a contribution transmittal letter. This prohibition does not apply to contributions received or delivered in a legislative district office or those sent by postal mail.

Contributions from State Lobbyists

A state lobbyist may not make a contribution to an elected state officer or a candidate for elective state office if the lobbyist is registered to lobby the governmental 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 officer or candidate for elective state office.

State Lobbyist and Lobbying Firm Fundraisers

A fundraiser held in the home of a state lobbyist is considered a contribution; therefore, a lobbyist or a cohabitant of a lobbyist is prohibited from holding a fundraiser in his or her home for a candidate seeking election to a governmental agency that the lobbyist is registered to lobby. This includes a local candidate/officeholder that is seeking election to a state office. A similar prohibition applies to lobbying firms holding fundraisers at their offices.

~~Contributions from Foreign Governments or Foreign Principals~~

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

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

- ~~A foreign political party~~
- ~~An individual outside the United States, unless the individual is a United States citizen~~

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- ~~A corporation outside of the United States, unless it is organized or created by the laws of the United States or any place subject to the jurisdiction of the United States, and its principal place of business is within the United States~~
- ~~A foreign partnership, association, corporation, or organization~~
- ~~A domestic subsidiary of a foreign corporation if the decision to contribute or expend funds is made by an officer, director, or management employee of the foreign corporation who is not a citizen of the United States or a lawfully-admitted permanent resident of the United States~~

~~Contributions, expenditures, or independent expenditures made by a lawfully-admitted permanent resident (e.g., a "green card" holder) of the United States are permitted.~~

Federal Law Prohibitions: Contributions from Foreign Nationals (including Foreign Principals and Foreign Governments)

Committees may not solicit or accept contributions from foreign nationals. Federal law prohibits contributions and expenditures solicited, directed, received or made directly or indirectly by or from foreign nationals in connection with any election — federal, state or local. This prohibition includes contributions made to political committees. Furthermore, it is a violation of federal law to knowingly provide substantial assistance in the making, acceptance or receipt of contributions or in connection with federal and nonfederal elections to a political committee. This prohibition includes, but is not limited to, acting as an intermediary for foreign national contributions. (52 USCS Section 30121).) Contact the Federal Election Commission for information at (800) 424-9530 or info@fec.gov.

Federal Law Prohibitions: Contributions from National Banks or Federally-Chartered Corporations

National banks and federally-chartered corporations are subject to federal law prohibiting particular contributions and expenditures in connection with local, state, or federal elections. (The Federal Election Campaign Act, 52 USCS Section 30101, et seq. and specifically Section 30118; and see 11 C.F. R. Section 114.2.) Contact the Federal Election Commission for information at (800) 424-9530 or info@fec.gov.

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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 or the local district attorney.

B. Public Funds and Public Resources

~~The Political Reform Act prohibits the payment of public moneys, in the form of matching funds or cash subsidiaries, for the financing of elections, except for elections in charter cities and counties.~~

Under Government Code Section 85300, the use of public moneys for the purpose of seeking elective office is prohibited unless:

- The governmental entity establishes a dedicated fund for this purpose by statute, ordinance, resolution, or charter; and
- Public moneys held in the fund are available to all qualified, voluntarily participating candidates for the same office without regard to incumbency or political party preference; and
- The state or local governmental entity has established criteria for determining a candidate's qualification by statute, ordinance, resolution, or charter.

Please note that at the time of this publication, recently enacted provisions of Section 85300 are currently the subject of a court challenge. (See *Howard Jarvis Taxpayers Assn. v. Brown,* Super. Ct. Sacramento County, 2016, No. 34-2016-80002512.)

In addition, laws outside the Act prohibit the use of public resources, such as office equipment, staff time, etc., for campaign or personal purposes. (Education Code Section 7054; Gov. Code Section 8314; Penal Code Section 426; and *Vargas v. City of Salinas* (2009) 46 Cal 4th 1.)

Quick Tip

Using public resources for campaign purposes is prohibited.

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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 candidate or ballot measure. For further information about laws outside the Act, contact the Attorney General's office at (800) 952-5225 or the local district attorney.

Ex 5.2 - A planning commissioner serves as the treasurer for a legislator's campaign. The planning commissioner may not solicit, accept, or direct a campaign contribution of more than $250 for the legislator's campaign from a party, participant, or agent whose proceeding is pending before the planning commission.

C. Campaign Contributions and Disqualification

Generally, campaign contributions received in connection with an elective office do not serve as the basis for disqualifying an official from voting on a matter affecting the contributor. However, if an elected official or candidate also holds a position on an appointed board or commission, he or she may be restricted from soliciting or receiving campaign contributions from persons with business before the board or commission. He or she may be subject to Government Code Section 84308 which:

- Prohibits an officer 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 involving a license, permit, or other entitlement for use is pending before the officer's agency and for three months following the date of that decision. This prohibition applies even when the contribution is for another candidate.

- 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 the official has received more than $250 in campaign contributions from a party or participant within 12 months preceding the decision.

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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

Exempted Agencies

Section 84308 does not apply to the following agencies:

- Judicial branch
- Legislature
- Board of Equalization (Gov. Code Section 15626 applies)
- 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)

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Authority

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

Government Code Sections

82015	Contribution.
84300	Cash and In-Kind Contributions; Cash Expenditures.
84301	Contributions Made Under Legal Name.
84302	Contributions by Intermediary or Agent.
84304	Anonymous Contributions; Prohibition.
84307	Commingling with Personal Funds.
84308	Contributions to Officers; Disqualification.
84309	Transmittal of Campaign Contributions in State Office Buildings; Prohibition.
85700	Donor Information Requirements; Return of Contributions.
85701	Laundered Contributions.
85702	Contributions from Lobbyists.
85704	Prohibition on Earmarking.

Title 2 Regulations

18215	Contribution.
18432.5	Intermediary and Earmarked Funds Disclosure.
18438.1	Officers and Agencies Under Government Code Section 84308.
18438.5	Aggregated Contributions 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.”
18572	Lobbyist Contributions – Making a Contribution Defined.

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Use of Campaign Funds

The use of campaign funds by candidates, elected officials, and others who control the expenditure of campaign funds, is strictly regulated. The expenditure of campaign funds must be reasonably related to a political, legislative, or governmental purpose.

If an expenditure confers a substantial personal benefit on the candidate, officeholder, or any individual authorized to approve campaign expenditures, the expenditure must be directly related to a political, legislative, or governmental purpose. A substantial personal benefit means an expenditure of campaign funds which results in a direct personal benefit with a value of more than $200.

The following are examples of specific expenditures and the rules regarding the use of campaign funds for such purposes. If the examples are not helpful, contact the FPPC for assistance about whether or not a specific use of campaign funds is permissible by sending an email with detailed facts to advice@fppc.ca.gov. Political expenditures to other committees are discussed elsewhere in this manual.

Quick Tip

The FPPC has fined committees for payments made from a campaign account that were used for the following personal purposes: auto care services, doctor visits, clothing, and personal life insurance premiums.

A. Campaign Expenditures

Election Night Celebrations

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

Attorneys' Fees

Generally, attorneys' fees and other costs related to administrative, civil, or criminal litigation may only be paid with campaign funds if the litigation is directly related to activities of the committee that are consistent with its primary objectives. Campaign funds may be used to pay for expenses related to the following:

- Action to halt defamation;

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- 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).

NOTE: "Attorneys' fees and other costs" does not include expenses for fundraising, media or political consulting fees, mass mailing or other advertising, or a payment or reimbursement for a fine, penalty, judgment or settlement, or a payment to return or disgorge contributions made to any other committee controlled by the candidate or officer, except as expressly authorized by the Act.

Reimbursements

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 (e.g., a volunteer or campaign worker) may make expenses from personal funds and be reimbursed, so long as the expenses are incurred for political, legislative, or governmental purposes and repayment is made within 45 days. An officeholder may use personal funds and be reimbursed for "officeholder" expenses. (See Chapter 9 for specific reporting rules and deadlines for reimbursements.)

Ex 6.1 - A volunteer buys bagels for the morning shift of volunteer workers. After providing the treasurer with a receipt for bagels, the treasurer may reimburse the volunteer for his expenses so long as the reimbursement is made within 45 days of the payment.

Automobile Lease or Purchase

When making payments associated with leasing, purchasing, or operating a vehicle, such as insurance, maintenance, and repairs, the campaign committee must be the lessee or hold title to the vehicle. Additional titleholders may not be the candidate, officeholder,

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treasurer, or any other person who may approve campaign expenditures, or a member of any such person's immediate family (spouse or registered domestic partner and dependent children). Additional lessees may not be the candidate, officeholder, treasurer, or a member of any of these persons' immediate family.

Reimbursed Automobile Expenses

Campaign funds may be used to reimburse an officeholder, candidate, immediate family member, treasurer, and committee staff 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, contact the Internal Revenue Service at (800) 829-1040 (www.irs.gov).

Ex 6.2 - 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 since the event is directly related to a political purpose.

Clothing

The purchase of clothing is a personal expense. The committee may not use campaign funds to 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.

Ex 6.3 - A fundraiser will be held for a veteran's memorial at the local civic center. The committee is permitted to donate campaign funds because the payment has a political, legislative, or governmental purpose.

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, nonprofit organizations as long as the donation or loan is reasonably related to a political, legislative, or governmental purpose. In addition, the donation may not personally benefit the officeholder, candidate,

Ex 6.4 - Your committee would like donate funds to a homeless shelter where your spouse is a salaried employee. It is determined that a substantial part of the proceeds would benefit your spouse; therefore, this expenditure is not permissible.

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committee treasurer, or any individual with authority to approve the expenditure of campaign funds, or any such person's immediate family member (spouse or registered domestic partner and dependent children).

Equipment and Appliances

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

Fines, Penalties, Judgments, and Settlements

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

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

Quick Tip

The committee may use campaign funds to pay a fine assessed by the Secretary of State for a late campaign statement.

Prohibited Payments

- Campaign funds of any amount may not be used to pay a fine, penalty, judgment, or settlement relating to an improper use of campaign funds or an action involving bribery under Penal Code Section 86.
- Campaign funds cannot be used to pay a fine, penalty, judgment or settlement, if the action was related to using campaign funds for personal purposes. See Government Code Section 89513 for specific explanations.

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Food

A committee may use campaign funds to purchase a meal with a cost of $200 or less, so long as the expenditure 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. When a candidate controlled committee reports itemized expenditures for gifts, meals, or travel, specific details must be included as described in Chapter 9.

Ex 6.5 - 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 if the total cost is more than $200.

Gifts

Unless directly related to a political, legislative, or governmental purpose, personal gifts may not be paid for with campaign funds. However, gifts of less than $250 in a calendar year to campaign employees or workers are permitted because they are considered to be directly related to a political, legislative, or governmental purpose. When a candidate controlled committee reports itemized expenditures for gifts, meals, or travel, specific details must be included as described in Chapter 9.

Health-Related Expenses

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

Loans

Campaign funds may be used to make loans to other political committees, subject to applicable limits, if any.

Campaign funds may also be used to make loans to bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organizations, so long as the loan does 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.

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Professional Services

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

Real Property

The committee may not purchase real property. It may, however, lease property for up to one year, so long as its use is directly related to a political, legislative, or governmental purpose. The candidate, officeholder, committee treasurer, any individual with authority to approve the committee's expenditures, or an immediate family member of any of these persons may not be a lessee or sublessor, or hold legal title to the leased property.

Refunding Contributions

The return of contributions to contributors, other than the state candidate, is permitted. A state candidate may provide the committee a personal loan which does not exceed $100,000.

Returning Contributions Lacking Contributor Information

When a contribution of $100 or more is received in a calendar year from a single contributor, the committee must disclose 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 to the contributor. (See Chapter 3.)

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.

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

A committee may pay for the professional services of a public employee, if the employee's services are rendered while on vacation, leave or outside of compensated public time.

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

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

Tickets to Political Fundraisers

A committee may purchase tickets to political fundraisers (subject to any applicable contribution limits) for the candidate, officeholder, or his or her immediate family, or an officer, director, employee, or staff of the committee or the officeholder's governmental agency.

Travel

A committee may use campaign funds to pay for travel or accommodations for the candidate or officeholder, any individual with authority to approve the committee's expenditures, or staff of the committee so long as the standards set by Internal Revenue Code Sections 162 and 274 (deduction of travel expenses for tax purposes) are complied with. Contact the Internal Revenue Service at (800) 829-1040 or for more information. When a candidate controlled

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committee reports itemized expenditures for gifts, meals, or travel, specific details must be included as described in Chapter 9.

Airline Mileage Programs

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

B. 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 11 for information about all requirements that must be met in order to use leftover campaign funds for a future election before the funds become surplus.

Campaign funds held by an officeholder become surplus on the 90th day after the officeholder leaves the office for which the funds were raised, or on the 90th day after the end of the postelection reporting period following his or her defeat, whichever occurs last. Campaign funds held by a non-incumbent defeated candidate or a candidate that withdrew become surplus on the 90th day after the postelection reporting period following the election. The end of the postelection 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.

Surplus funds may only be used to make the following expenditures:

- Payments for outstanding campaign debts or officeholder expenses.
- Refunds to contributors.

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- Donations to a bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit 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 or registered domestic partner and children), 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. (For example, funds earmarked for 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.

- Payments for professional services or attorneys' fees for litigation that arises out of campaign or election activities.

- Payment for an electronic security system. Contact the FPPC for information about specific requirements that must be met.

Answering Your Questions

A. Are there private firms that provide treasurer or campaign reporting services?

Yes. The FPPC does not endorse or recommend any particular private firm. Candidates may find useful information on the websites of the California Political Attorneys' Association and the California Political Treasurers' Association.

B. 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?

When the bill arrives and there are additional charges that can be directly attributed to the campaign activity, the committee should pay for that portion. If the personal charges are not changed by the campaign activity, there is no reporting required.

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C. May I use campaign funds to pay a babysitter for the evenings that I am out campaigning?

You may use campaign funds to pay a babysitter, but only up to $200 per event.

D. 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?

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

E. May I use campaign funds to have an additional telephone line put in my home?

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.

F. Is it permissible to use campaign funds to pay an independent contractor (e.g., the campaign consultant) additional money if I win my election?

Yes. You may use campaign funds to pay a contractor for fees that are part of the written contract.

G. May I host a victory party or give bonuses to my campaign workers?

Yes. In most cases, the bonuses would be considered gifts and would be limited to less than $250 per calendar year.

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H. I lost my state election and have funds remaining. May I use the leftover funds to run again in two years for the same office?

You may use funds left over from an unsuccessful race for the next election to the same office so long as the funds are not "surplus." To do this, file a new Form 501 and new Form 410 within 90 days after the end of the postelection reporting period following your defeat. For elections occurring in the first six months of the calendar year, the end of the postelection reporting period is June 30. For elections occurring in the last six months of the calendar year, the end of the postelection reporting period is December 31. You must also transfer the funds to a new campaign bank account. For information on reporting the transferred funds, see Chapter 1. Once the funds become "surplus," they may not be used for a future election.

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Authority

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

Government Code Sections

82022.5	Election-Related Activites.
82025	Expenditure.
82044	Payment.
84307.5	Fundraising Payments Made to a Spouse or Domestic Partner.
85201	Campaign Bank Account.
85319	Returning Contributions.
85700	Donor Information Requirements; Return of Contributions.
89510	Contributions Held in Trust.
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

18526	Reimbursement of Expenditures.
18570	Return of Contributions with Insufficient Donor Information.
18951	Surplus Funds.
18960	Direct Personal Benefit Defined.
18961	Incidental Use.

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Communications

CHAPTER 7

Campaigns reach the voters through political communications including television, radio, and Internet advertising, mailers, billboards, precinct-walking, and flyers. The Political Reform Act ("Act") requires that committees report most payments in connection with political communications as direct expenditures, nonmonetary contributions to the campaign, or independent expenditures. As discussed below, however, certain types of communications may not be reportable at all, or may be subject to special reporting requirements. This chapter reviews common communications in a campaign and how payments for the communications are reported.

The Act also requires "paid for by" disclaimers on campaign ads to inform voters who is paying for the communication. Chapter 8 discusses the disclaimer requirements that apply to communications, including mass mailings, made by candidate controlled committees for their own election and communications made by non-controlled committees that are primarily formed to support or oppose a candidate.

A. Payments for Communications Made by a Candidate's Campaign

In most cases, a candidate's campaign committee will be funding the bulk of the communications to elect that candidate to office. When a candidate's campaign committee makes expenditures for communications in furtherance of the candidate's election, the committee simply reports these direct expenditures. The expenditures are reported on the committee's Form 460, Schedule E, as described in Chapter 9.

Quick Tip

Communications that a candidate's controlled committee pays for to support the candidate's own election are direct campaign expenditures, reported on Form 460.

B. Payments for Communications Made by Others

Generally, when someone other than the candidate or his or her committee pays for a communication that expressly advocates support of the candidate, and the communication is coordinated with or "made at the behest" of the affected candidate, the candidate has received a **nonmonetary contribution** that must be reported by the candidate's controlled committee.

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Payments for communications expressly advocating support of or opposition to a candidate, that are not coordinated with or made at the behest of the candidate, are **independent expenditures**, and the affected candidate is not required to report the payments. The person making the independent expenditure, however, may have reporting obligations.

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

Quick Tip

If a third party pays for communications supporting or opposing the election of a candidate, these may be nonmonetary contributions to the candidate, if coordinated with the candidate, or independent expenditures.

Communications paid for by a candidate's controlled committee to support his or her own candidacy, or to oppose his or her opponent, are direct campaign expenditures, not contributions or independent expenditures.

In most cases, communications that a non-candidate controlled committee primarily formed to support or oppose a candidate pays for are considered independent expenditures.

Coordinated Communications - Nonmonetary Contributions

When someone other than the candidate or his or her committee pays for a communication that is coordinated with or "made at the behest" of the candidate or his or her committee, the payment for the communication is a nonmonetary contribution to the affected candidate.

Coordination - "Made at the Behest"

A payment is coordinated with or "made at the behest" of the candidate or committee under each of the following situations:

- It is made at the request, suggestion, or direction of, or in cooperation, arrangement, consultation, concert, or coordination with the candidate or committee on whose behalf, or whose benefit the expenditure is made.

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- The candidate or committee has made or participated in making any decision about the content, timing, location, mode, intended audience, volume of distribution, or frequency of placing the communication.
- A creator, producer, or distributor of the communication, or the person paying for the communication has had a discussion with the candidate or committee regarding the content, timing, location, mode, intended audience, volume of distribution, or frequency of placing the communication.

There is a rebuttable presumption that an expenditure funding a communication is **coordinated with or "made at the behest"** of a candidate or committee if:

- **Campaign's Needs.** It is based on information about the candidate's or committee's campaign needs or plans that the candidate or committee provides to the person making the expenditure, such as information concerning campaign messaging, planned expenditures, or polling data.
- **Agent.** It is made by or through any agent of the candidate or committee in the course of the agent's involvement in the current campaign."Current campaign" means the period beginning 12 months prior to the date of the primary or special election in which the candidate is on the ballot for an elective office and ending on the date of the general or special runoff election for that office.
- **Common Consultants**. The person making the expenditure retains the services of a person who provides the candidate or committee with professional services related to campaign or fundraising strategy for the current campaign.
- **Republication.** The communication replicates, reproduces, republishes, or disseminates, in whole or substantial part, a communication, including video footage, designed, produced, paid for, or distributed by the candidate or committee.
- **Fundraising.** The committee making the expenditure is primarily formed to support the candidate or oppose their opponent and in the course of the current campaign, the candidate who benefits from the expenditure solicits funds for or appears as a speaker at a fundraiser for the committee making the expenditure.

Quick Tip

When a communication that expressly advocates support of a candidate is paid for by someone other than the candidate or his or her committee, and the communication is "made at the behest" of the affected candidate, the candidate must report the payment as a nonmonetary contribution.

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- **Former Staff.** The person making the expenditure is established, run, or staffed in a leadership role, by an individual who previously worked in a senior position or advisory capacity on the candidate's or officeholder's staff within the current campaign.

- **Candidate's Family.** The person making the expenditure is established, run, staffed in a leadership role, or principally funded by an individual who is an immediate family member of the candidate.

However, an expenditure is **not considered to be coordinated** with or made at the behest of a candidate or committee based solely on any of the following circumstances:

- **Interview.** A person interviews the candidate on issues affecting the person making the expenditure.

- **Candidate Material.** The person making the expenditure has obtained a photograph, biography, position paper, press release, or similar material from the candidate or his or her committee.

- **Prior Contribution.** The person making the expenditure has made a contribution to the candidate or committee.

- **General Request for Support.** The person makes the expenditure in response to a general, non-specific 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.

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

- **Informed after the Expenditure is Made.** 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.

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- **Expenditure Benefits Another Candidate or Committee.** The expenditure is made at the request or suggestion of the candidate or committee for the benefit of another candidate or committee.

- **Hyperlink.** The communication includes a hyperlink to the Internet website or other social media page of a candidate or measure committee.

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

Independent Expenditures

An independent expenditure is a payment for a communication that:

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

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

Clearly Identified Candidate

A communication clearly identifies a candidate when it uses the candidate's name, photograph, or status as a candidate or officeholder. If a communication includes a group of candidates and refers to some well-defined characteristic of the group, the candidates are clearly identified even if it does not use specific names.

Express Advocacy

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

- **Magic Words.** The communication uses words such as "vote for," "elect, "support," "cast your ballot," "vote against," "defeat," or "reject."

Quick Tip

When a communication that expressly advocates support of a candidate is not "made at the behest" of the affected candidate, the payment is considered an independent expenditure and the candidate does not report the payment. The person making the payment may have reporting obligations.

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- **Unambiguously Urges.** The communication is made within 60 days prior to an election, it refers to a clearly identified candidate, and when taken as a whole, it unambiguously urges a particular result in an election. The message must be susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate.

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

Ex 7.1 - A legislative candidate paid for a mailing that quoted the Governor's verbal endorsement of his candidacy. Although the Governor was also on the ballot, the flyer did not ask voters to vote for the Governor. Therefore, the flyer was not to a contribution to the Governor's committee.

Ex 7.2 - An individual paid $4,000 for a newspaper ad stating "Vote for Autumn Gomez." 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 as an independent expenditure if it was not.

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.

Ex 7.3 - Friends of Gomez, a non-candidate-controlled committee primarily formed to support Autumn Gomez's candidacy, printed campaign literature stating, "Vote for Autumn Gomez." The communication included a copy of a photograph the committee obtained from the public information counter at Ms. Gomez's campaign headquarters. Ms. Gomez did not in any way coordinate with the committee in producing the campaign literature. Therefore, the committee made an independent expenditure, not a contribution to Ms. Gomez's campaign.

On the other hand, if the committee contacted Ms. Gomez and arranged for a professional photographer to meet with her for the purpose of taking photographs for the mailer, the committee would be making a nonmonetary contribution to her campaign.

Ex 7.4 - During Curt Anthony's campaign, two newspaper advertisements supporting Mr. Anthony were published without his knowledge or consent. Because the payments for these communications were not coordinated with him or made at his behest, they were independent expenditures by the person(s) funding the ads and were not reportable by Mr. Anthony's campaign. The person(s) who paid for the ads may have a filing obligation.

C. Issue Ads: E-530

When a committee produces an advertisement featuring a state candidate but the message does not expressly advocate the election or defeat of the candidate, the committee has made what is commonly referred to as an "issue ad." For example, an advertisement in a newspaper might state "Thank you Governor Nyland, for Supporting California's Children."

When a committee spends $50,000 or more for such a communication and the ad is disseminated during the 45 days before an election and the ad clearly identifies a state candidate appearing on the ballot, the Form E-530 must be filed electronically with the Secretary of State within 48 hours.

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.

The ~~report~~ form is available on the Secretary of State's website.

Contribution limits apply to a committee that makes these issue ads. Refer to Section 85310 and Regulation 18539.2.

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D. Other Communications

Endorsements

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

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.

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 or independent expenditure made in connection with the ballot measure.

If a candidate pays for a communication that supports another candidate, and the payment is not made at the behest of the endorsed candidate, the payment is not considered to be an independent expenditure if: (1) the candidate paying for the communication also is included in the communication; (2) the non-paying candidate is listed on the same ballot as the paying candidate; and (3) the communication is targeted only to potential voters in the paying candidate's district.

Ex 7.5 - The president of a state association announces at its annual meeting that the association endorses John Law for Attorney General. Merely making an oral endorsement is not a contribution to or independent expenditure for 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. Because the mailing was made at the behest of the candidate, the association has now made a nonmonetary contribution to John Law.

Ex 7.6 - Emmelyn Chin, a State Senator 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 Lorraine Sweet for Governor, although this endorsement was not made at Ms. Sweet's behest. Because the gubernatorial election and State senate election would appear on the same ballot for those living in Ms. Chin's district (and the flyer was sent only to voters in that district), the payment for the flyer is not an independent expenditure supporting Lorraine Sweet.

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Social Media – Internet Communications

Paid Advertisements on the Internet. A paid advertisement that a candidate or committee places on the Internet is reportable under the Act. A candidate or committee that pays to place a communication on another person's website must report the expenditure on a campaign statement. Similarly, a candidate must report a payment to purchase email addresses or any payment for general or public advertisements on Internet sites.

Uncompensated Individuals' Internet Activity. When an individual who is not compensated by a candidate or committee sends communications over the Internet (e.g., emails, social networking, blogging, website postings, and hyperlinks) that support or oppose a candidate or measure, these activities do not constitute reportable contributions or expenditures. Regulation 18215.2 creates a "safe harbor" for uncompensated individuals' political activity on the Internet.

Paid Blogger. The safe harbor for an individual's uncompensated Internet activity does not apply to a blogger a committee pays to support or oppose a candidate or measure. The committee must report payments to that individual. The safe harbor also does not apply to a blogger who receives a majority of his or her advertisement revenue from a single candidate or committee because he or she is not considered to be providing uncompensated personal services.

Quick Tip

See Chapter 8 for the disclaimer and sender identification requirements for mass mailings that a candidate controlled committee or a committee primarily formed to support or oppose a candidate sends.

Ex 7.7 - John is running for State Assembly and his neighbor George posts his support for John's candidacy on Facebook. In his Facebook post, George includes a picture of John that he got from John's website. The communication is not reportable because George was not paid for his Facebook post.

Ex 7.8 - Camille is running for state office and she pays Julia to post a message on Julia's blog supporting Camille's candidacy. Camille's committee must report the payment as an expenditure on the Form 460.

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E. Non-Contributions

There are some communications that are not considered to be contributions to the candidate or the candidate's controlled committee.

Debates

If a nonpartisan organization hosts a debate or other forum and invites at least two opposing candidates, a payment for the event is not a contribution to the candidates.

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.

Ex 7.9 - The League of Women Voters invited all candidates for Assembly District 80 to speak at a forum. Only one candidate attended, but since at least two candidates running for the same office were invited, the cost of the forum is not a contribution to the candidate who attended.

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.

Ex 7.10 - 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 the union made no contribution.

Non-Political Communications

A payment made at the behest of a candidate 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;
- Does not refer to the candidate's election campaign, 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 or opposition to the candidate.

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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 the organization's sponsored committee makes the payment, the committee would report the payments as being made for general member communications.

Ex 7.11 - 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. The party must report the payments, however, as if they were contributions or independent expenditures.

Ex 7.12 - 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 Form 497 (24-hour 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.

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 support of or opposition to the candidate.

Ex 7.13 - 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.

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Answering Your Questions

A. A labor union pays for a mailing advocating the election of a candidate for state senate. The mailing list includes both union members and non-union members and 20% of the mailing costs are attributed to non-union members. Must the candidate report the full cost of the mailing as a nonmonetary contribution?

No. The candidate may pro-rate the cost and report as a nonmonetary contribution only the mailing costs for the non-union members.

B. A representative of an environmental organization interviewed a candidate for Assembly about issues affecting the environment. Later, the candidate learned that the organization paid for a radio advertisement advocating the candidate's election. Must the candidate report a nonmonetary contribution?

No. An expenditure is not made at the behest of a candidate just because a person interviews the candidate on issues affecting the person making the expenditure. As long as the candidate did not coordinate with the organization to produce the advertisement in any other way, the organization made an independent expenditure, not a contribution to the candidate.

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Authority

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

Government Code Sections

82015	Contribution.
82025	Expenditure.
82031	Independent Expenditure.
82041.3	Made at the Behest of.
82044	Payment.
82047	Person.
84211	Contents of Campaign Statement.
85310	Communications Identifying State Candidates.
85312	Communications to Members of an Organization.

Title 2 Regulations

18215	Contribution.
18215.2	Uncompensated Internet Activity by Individuals that is not a Contribution or Expenditure.
~~18225~~	~~Expenditure.~~
18225.7	Made at the Behest ~~of.~~; Independent versus Coordinated Expenditures.
18421.5	Reporting an Expenditure for Paid Online Communications.
18450.1	Definitions. Advertisement Disclosure.
18531.7	Payments for Communications – Section 85312.
18539.2	Reporting Payments Pursuant to Government Code Section 85310.

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Advertisement Disclaimers

This chapter describes the disclaimers required by the Political Reform Act ("Act") on mass mailings and other advertisements made by candidate controlled committees and committees primarily formed to support or oppose a candidate. A disclaimer is the portion of a political message that identifies the committee that ~~person or entity who~~ paid for ~~or~~ and authorized the communication. The basic disclaimer for most communications is "paid for by [committee name]." The disclaimer ensures that the committee paying for the ad is identified. The Act does not regulate the truth or accuracy of political communications given that the First Amendment provides broad protection for political speech.

Disclaimer Example:

A. Which Communications Require an Ad Disclaimer?

Candidate Controlled Committees

Under the Act, a candidate controlled committee must include a disclaimer on mass mailings and certain telephone calls advocating the candidate's own election. In addition, radio and television advertisements require a "paid for by" disclaimer. ~~or sponsor identification under Federal Communications Commission (FCC) rules.~~ The Act does not require a specific disclaimer on other communications, such as billboards and yard signs, when they are paid for by a candidate controlled committee in support of the

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candidate's own campaign. However, the FPPC recommends placing "paid for by [committee name]" and the committee's ID number on all public campaign materials.

Primarily Formed Committees Making Independent Expenditures

Under the Act, committees that are primarily formed to support or oppose a candidate must include a disclaimer on the following communications:

- ~~Mass~~ Mailings, including emails ~~(must identify the sender)~~
- Paid telephone calls ~~(must identify the candidate or committee who paid for or authorized the call)~~
- Radio ads ~~(must include "paid for by" FCC disclaimer)~~
- Television ads ~~(must include "paid for by" FCC disclaimer)~~
- Electronic media ads, including audio only ads
- Newspaper ads
- Billboards
- Yard signs
- Door hangers
- Flyers
- Posters

Quick Tip

Check with your local elections office for rules on the placement of campaign signs and any other applicable local rules. Also check the rules on placing temporary political signs in California's Outdoor Advertising Act Sec. 5405.3, on the Department of Transportation's website.

Advertisement Disclaimer Exceptions

Generally, a disclaimer is not required on the following advertisements:

- Regular-size campaign buttons and bumper stickers, pins, or magnets
- Pens, pencils, rulers, mugs, potholders, key tags, golf balls and similar small campaign promotional items where a disclaimer cannot be conveniently printed
- T-shirts, caps, hats, and other articles of clothing

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- Skywriting and airplane banners
- Committee checks and receipts

B. How Must the Disclaimer Appear?

Disclaimers on political ads must be clear and conspicuous so they may be easily understood by the public. Written disclaimers must be printed clearly and legibly. Spoken disclaimers must be clearly audible and intelligible. Disclaimers must also be written or spoken in the same language used in the advertisement. The charts on the following pages specify requirements for color contrast, print font size, placement location, and the amount of time the disclaimer is required to appear on screen.

C. Advertisement Disclaimers for Communications by Candidate Committees for their own Election

The disclaimer on a communication made by a candidate's committee for his or her own election must include "paid for by [committee name]," unless otherwise noted in the chart below.

Communication	Disclaimer and Manner of Display
All mass mailings – more than 200 substantially similar pieces of mail sent within a calendar month	• **Candidate's committee name and address** (on file with Form 410) on outside of mailing (if no Form 410 on file, use candidate's name and address) • **"Paid for by"** must be in the same color and font as the committee name and address and immediately in front of or above the name and address • If sent by more than one candidate or committee: ○ Also on at least one insert in the mailing • No less than 6-point type and in a contrasting print or color • Return envelopes (if included in solicitation) – committee's name, address and ID number are recommended but not required
All mass electronic mail – more than 200 substantially similar emails sent within a calendar month	• **"Paid for by [name of candidate or committee]"** must be in at least the same size font as a majority of the text (no address is required on mass electronic mailings)

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Communication	Disclaimer and Manner of Display
Newspaper ads	• Refer to the Elections Code for newspaper ad disclaimer requirements
Telephone calls advocating candidate's own election - 500 or more calls similar in nature and made by: • Vendors ("robo" calls) or • Paid individuals other than the candidate, campaign manager or volunteers	• Must identify the candidate's committee that authorized or paid for the call or an organization authorizing the call that files campaign reports • Must state that the call is "paid for by" or "authorized by" the identified candidate or organization ○ *Examples: This call was paid for by Senator Jones; This call was authorized by [name of committee]* • Any time during the call • No ID required on telephone calls personally dialed by candidate, campaign manager or volunteers
Radio and television ads	• **Radio:** "Paid for by" followed by name of committee as it appears on most recent Form 410 at the beginning or end of advertisement read in a clearly spoken manner with pitch and tone substantially similar to the rest of advertisement • **Television:** "Paid for by" followed by name of committee as it appears on most recent Form 410 shown for at least four seconds. Letters must be in a type size greater than or equal to four percent of the height of the screen
Electronic Media ads (Websites, blogs, Twitter feeds, social media pages – e.g., Facebook)	• "Paid for by *committee name*" and committee ID number are recommended but not legally required
Billboards, signs (including yard signs), faxes, business cards, door hangers, flyers, and posters	• "Paid for by *committee name"* and committee ID number are recommended but not legally required

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D. Advertisement Disclaimers for Independent Expenditure Ads Made by Committees Primarily Formed to Support or Oppose a Candidate

When a committee primarily formed to support or oppose a candidate pays for an advertisement that is an independent expenditure, the advertisement disclaimer must include the information contained in the chart below, including the names of the committee's top three contibutors. ~~all of the following, unless otherwise noted:~~

- ~~"Paid for by [committee name]";~~
- ~~A list of the committee's top two donors of $50,000 or more during the 12-month period prior to the expenditure, if any; and~~
- ~~The following statement: "This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office."~~

Top Contributors

"Top contributors" means the persons from whom the committee paying for an advertisement has received its three highest cumulative contributions of fifty thousand dollars ($50,000) or more. If two or more contributors of identical amounts qualify as top contributors, the most recent contributor of that amount must be listed as the top contributor.

When a committee primarily formed to support or oppose a state candidate contributes funds to another committee primarily formed to support or oppose the same state candidate and the funds used for the contribution were earmarked to support or oppose that candidate, the committee receiving the earmarked contribution shall disclose the contributor who earmarked their funds as the top contributor if the definition of top contributor is met. If the committee receiving the earmarked contribution contributes any portion of the contribution to another committee primarily formed to support or oppose the specifically identified state candidate, that committee must disclose the true source of the contribution to the new committee receiving the earmarked funds. The new committee must disclose the contributor on its advertisements if the definition of top contributor is met.

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Communication	Disclaimer and Manner of Display

Print ads designed to be individually distributed including mailings, door hangers, flyers, faxes, posters, newspaper and magazine ads and oversized campaign buttons and bumper stickers (buttons 10 inches in diameter or larger and stickers 60 square inches or larger)	• **"Paid for by [committee's name]"** (on file with Form 410 or 461)
	• **"Committee major funding from [names of top three donors of $50,000 or more]"** each listed on a separate horizontal line, centered horizontally, in descending order, beginning with the largest contributor *(not applicable to non-recipient committees)*
	  ○ Newspaper, magazine or other print advertisements that are 20 square inches or less must only disclose the single top contributor of $50,000 or more
	• **"Funding Details at www.fppc.ca.gov"** must be shown immediately below the top three donor text for state primarily formed ballot measure and candidate committees that raise $1,000,000 (see Section 84223)
	• **"This advertisement was not authorized by a candidate or a committee controlled by a candidate"**
	• **Disclaimer Format:** Text must be in Arial equivalent font, in at least 10-point size, in a contrasting color, and located in a printed or drawn box with a solid white background at the bottom of at least one page and set apart from other printed matter
	  ○ **"Committee major funding from"** and **"Not authorized by"** disclaimers may not appear in all capital letters

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Communication	Disclaimer and Manner of Display
Billboards and signs (including yard signs)	• **"Paid for by [committee's name]"** (on file with Form 410 or 461) • **"Committee major funding from [names of top three donors of $50,000 or more]"** Top contributors must be displayed from largest to smallest appearing either on: (1) separate horizontal lines, centered horizontally or (2) one line separated by commas *(not applicable to non-recipient committees)* • **"This advertisement was not authorized by a candidate or a committee controlled by a candidate"** • **Disclaimer Format:** Text must be in Arial equivalent font with a height of at least five percent of the advertisement on a solid background with sufficient contrast that is easily readable by the average viewer ○ **"Committee major funding from"** and **"Not authorized by"** disclaimers may not appear in all capital letters
Radio ads, telephone calls and audio only electronic media ads	• **"Paid for by [committee's name]"** (on file with Form 410 or 461) • **"Committee major funding from [names of top three donors of $50,000 or more]"** in descending order, beginning with the largest contributor *(not applicable to non-recipient committees)* • **"This advertisement was not authorized by a candidate or a committee controlled by a candidate"** • **Disclaimer Format:** Must be spoken clearly for at least three seconds at the beginning or end of the ad or call, in a pitch and tone substantially similar to the rest of the advertisement o Radio and prerecorded telephone ads must disclose only the top two contributors of $50,000 or more unless the ad lasts 15 seconds or less or the disclaimer statement would last more than eight seconds, in which case only the single top contributor must be disclosed

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Communication	Disclaimer and Manner of Display
Television and video ads (including those disseminated over the Internet)	• **"Paid for by [committee's name]"** (on file with Form 410 or 461) • **"Committee major funding from [names of top three donors of $50,000 or more]"** in descending order, beginning with the largest contributor *(not applicable to non-recipient committees)* • **"This advertisement was not authorized by a candidate or a committee controlled by a candidate"** • **Disclaimer Format:** Text must be in a contrasting color and in Arial equivalent type and must be underlined unless specified below The size for the smallest letters in the disclaimer must be four percent of the height of the display screen unless this causes the name of any top contributors to exceed the width of the screen or causes the disclaimers to exceed one-third of the display screen, the type size of the name of the top contributor shall be reduced until the name fits on the width of the screen or the entire disclaimer fits within one-third of the display screen, but in no case shall the type size be smaller than 2.5 percent of the height of the screen. Disclaimer must appear on a solid black background on the entire bottom third of the display screen, or bottom one-fourth of the screen if the committee has no top contributors Disclaimer must be displayed at the beginning or end of the ad for at least five seconds of a broadcast of 30 seconds or less or for at least 10 seconds of a broadcast longer than 30 seconds Each top contributor must be disclosed on a separate horizontal line and centered horizontally and is not required to be underlined The "Not authorized by" disclaimer must appear below all other text in the solid black background in a contrasting color, in Arial equivalent type, and in no less than 2.5 percent of the height of the display screen and is not required to be underlined ○ **"Committee major funding from"** and **"Not authorized by"** disclaimers may not appear in all capital letters

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Communication	Disclaimer and Manner of Display
Electronic media ads not covered below (except video ads, see above), and email	• **"Who funded this ad"** text as a hyperlink in a contrasting color and font size that is easily readable by the average viewer* ○ Must hyperlink to a website containing the **"Paid for by," "Committee major funding from,"** and **"Not authorized by"** disclaimers in a contrasting color and in no less than 8-point font ○ **"Committee major funding from"** and **"Not authorized by"** disclaimers may not appear in all capital letters ○ Must remain online until 30 days after the date of election
Social media ads	• **"Paid for by," "Committee major funding from,"** and **"Not authorized by"** disclaimers in a contrasting color and in no less than 8-point font on the committee's profile, landing page, or similar location and is not required to include disclaimers on each individual post or comment ○ **"Committee major funding from"** and **"Not authorized by"** disclaimers may not appear in all capital letters ○ Not required when the only expense or cost of the communication is compensated staff time unless the social media account was created only for the purpose of advertisements under the Act
Website	• **"Paid for by," "Committee major funding from,"** and **"Not authorized by"** disclaimers in a contrasting color and in no less than 8-point font
Electronic media ads that are audio only	• See disclaimer requirements for radio ads above ○ **"Committee major funding from"** and **"Not authorized by"** disclaimers may not appear in all capital letters *This text is not required if including it is impracticable. In such circumstances the ad need only include a hyperlink to a website containing the website disclaimers.

~~Note: Two display rules exist for mass mailings paid for by an independent expenditure. A mass mailing must have the committee name and address on the outside of an envelope in 6-point type; while the manner of display for the ad disclaimer requires the committee name in no less than 14-point, bold, sans serif type. A one-page mailer may combine the display rules with both the committee name and address in no less than 14-point, bold, sans serif type although the address may be at 6-point type.~~

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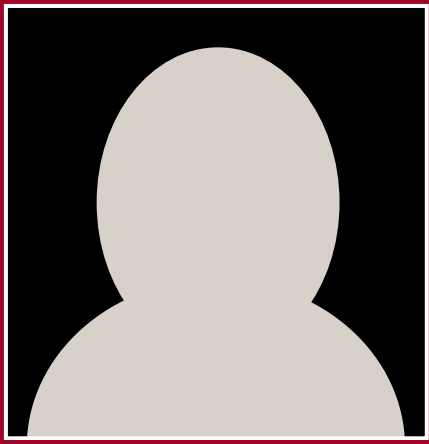
Print Advertisement Disclaimer Example:

Jason Woods has our back in Sacramento



Fighting to Restore Public Safety

Working to Expand Quality Early Education Programs

Working Across Party Lines to Achieve Results

Paid For by Public Safety Workers and Educators to Re-Elect Senator Woods 20XX

Committee major funding from:
International Workers Association
State Safety Workers Association
Funding Details at www.fppc.ca.gov

This advertisement was not authorized by a candidate or a committee controlled by a candidate.

E. Mass Mailings – Emails and Postal Mailings

A "mass mailing" is made when more than 200 substantially similar pieces of mail have been sent within a calendar month. A mass mailing also includes more than 200 substantially similar messages distributed to the public within a calendar month through electronic mail ("email"). 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.

Quick Tip

The committee ID number is not required to be included on mass mailings, but the FPPC recommends that committees include the committee name and ID number on all public campaign materials.

~~Email~~ Disclaimers for Emails Sent by a Candidate for their own Election

Emails must include the committee's name ~~and~~ preceded by the words "Paid for by" in at least the same size font as a majority of the text in the email. ~~immediately adjacent to and above, or immediately adjacent to and in front of, the required identification. The disclaimer must be in no less than 6-point type and in a color that contrasts with the background (Example: no light blue disclaimers on a blue background).~~

From: Rreynolds@yahoo.com
To: Voter1@gmail.com
Cc:
Subject: Reynolds for Assembly 20XX

Don't forget to vote for Reynolds on Tuesday! This message was paid for by Reynolds for Assembly 20XX.

~~Postal Mailing~~ Disclaimers for Postal Mailings Sent by a Candidate for their own Election

A mass mailing sent by a candidate controlled committee must include the words "paid for by" immediately adjacent to and above, or immediately adjacent to and in front of, the name and address of the committee on the outside of each piece of postal mail. The disclaimer must be in no less than 6-point type and in a color that contrasts with the background (Example: no light blue disclaimers on a blue background). 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.

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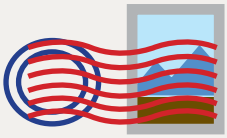
Paid For By
Roxie Reynolds for Senate 20XX
1615 Skate Street
Torrance, CA 90503



Jordan Cooper
315 S. Fairfield Street
Torrance, CA 90503

Mailings Sent by More than One Candidate Controlled Committee

A mass mailing sent by more than one candidate controlled committee must include the words "paid for by" immediately adjacent to and above, or immediately adjacent to and in front of, the name and address of the committee that is paying the greatest share of the mass mailing including costs for designing, printing, and postage. This disclaimer must appear on the outside of each piece of mail. If two or more committees pay equally for the mailer, the name and address of at least one of the committees must be shown on the outside and the names and addresses of all committees must appear on at least one insert. The disclaimer must be in no less than 6-point type and in a color that contrasts with the background (Example: no light blue disclaimers on a blue background). 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.

Mailings (including Emails) Sent by Committees Primarily Formed to Support or Oppose a Candidate

~~A mass mailing paid for by a primarily formed committee as an independent expenditure supporting or opposing a candidate must include the words "paid for by" immediately adjacent to and above, or immediately adjacent to and in front of, the name and address of the committee. It must also include the following statement: "This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office." See the chart on page 8.5 for the display requirements for this statement.~~

~~Two display rules exist for mass mailings paid for by an independent expenditure. The committee name must appear in no less than 14-point, bold, sans serif type, but the address required on the outside~~

Quick Tip

If two or more candidate controlled committees pay equally for a mass mailing, the names and addresses of each of the committees must appear on at least one insert.

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~~of the envelope may appear in 6-point type. For a one-page mailer, committees may combine the display rules and use 14-point, bold, sans serif type for both the committee name and address even though the address may be displayed in 6-point type.~~

~~The disclaimer must also list the committee's top two contributors of $50,000 or more during the 12-month period prior to the expenditure, if any. If the committee can show that contributions received from the two highest contributors have been used for expenditures unrelated to the candidate featured in the communication, the committee may disclose the contributors making the next largest cumulative contributions of $50,000 or more.~~

Postal Mailings. Any mailing (regardless of the number of pieces sent) paid for by a primarily formed committee as an independent expenditure supporting or opposing a candidate must include the disclaimers below in Arial equivalent font, in at least 10-point size, in a contrasting color and located in a printed or drawn box with a solid white background at the bottom of at least one page and set apart from other printed matter.

- "Paid for by [committee's name]"

- "Committee major funding from [names of top three donors of $50,000 or more]" each listed on a separate horizontal line, centered horizontally, in descending order, beginning with the largest contributor. Mailings that are 20 square inches or less must only disclose the single top contributor of $50,000 or more.

- "Funding Details at www.fppc.ca.gov" must be shown immediately below the top three donor text for state primarily formed candidate committees that raise $1,000,000 (see Section 84223)

- "This advertisement was not authorized by a candidate or a committee controlled by a candidate"

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Emails. Emails sent by a primarily formed committee supporting or opposing a candidate must include the text "Who funded this ad" as a hyperlink in a contrasting color and font size that is easily readable by the average viewer. The text must hyperlink to a website containing the "Paid for by," "Committee major funding from," and if an independent expenditure, "Not authorized by" disclaimers provided above in a contrasting color and in no less than 8-point font. The website information must remain online until 30 days after the date of election.

Recordkeeping for Mass Mailings (including Emails)

For each mass mailing and electronic mailing, the following information must be retained in the committee's records for a period of four years:

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

Quick Tip

An independent expenditure is a payment for a communication expressly advocating support of or opposition to a candidate, which is not coordinated with or made at the behest of the candidate.

F. Telephone Calls

Calls Made by Candidate Controlled Committees for their own Election

If a candidate controlled committee pays for **500 or more** similar telephone calls made by vendors ("robo" calls) or paid individuals advocating the candidate's own election, the name of the organization that authorized the call must be disclosed to the recipient of the call. If the organization authorizing the call does not have filing obligations under the Act, the name of the candidate that paid for the call must be disclosed to recipients. The disclosure must include the words "paid for by" or "authorized by." The disclaimer is not required for telephone calls personally dialed by the candidate, campaign manager, or volunteers.

Quick Tip

Anonymous "robo" calls are a violation of the Act. Committees are prohibited from contracting with a vendor for political calls that does not disclose who paid for or authorized the calls.

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Ex 8.1 - Senator Reitz pays a vendor to make calls to 1,500 local voters to encourage them to reelect her to Senate. The disclaimer must state that the telephone calls were paid for by the candidate's committee. For example, "[t]his call was paid for by Reelect Senator Reitz 20XX."

Ex 8.2 - At Senator Reitz's request, Citizens for Better Schools (a general purpose committee) pays a vendor to make calls to 1,500 local voters to encourage them to reelect Senator Reitz. The disclaimer must identify the committee paying for the call or the candidate authorizing the call. For example, "[t]his call was paid for by Citizens for Better Schools" or "[t]his call was authorized by Senator Reitz."

Calls Made by Committees Primarily Formed to Support or Oppose a Candidate

If a primarily formed committee pays for ~~more than 200 similar~~ a telephone call that expressly advocates support for or opposition to a candidate, the name of the committee must be disclosed to recipients. The disclosure must include the words "paid for by." ~~or "authorized by."~~ If the call is an independent expenditure, the disclaimer must also include the following statement: "This advertisement was not authorized ~~or paid for~~ by a candidate ~~for this office~~ or a committee controlled by a candidate ~~for this office~~." The disclaimer must also include the committee's top ~~two~~ three contributors of $50,000 or more during the 12-month period prior to the expenditure, if any.

Recordkeeping for Telephone Calls

A committee must retain for a period of four years the following records for each telephone call:

- If the message was live, a script of the call.
- If the message was recorded, a copy of the recording.

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G. Electronic Media Ads

The Act does not require a specific disclaimer on electronic media ads, including websites, Internet ads, and mobile ads paid for by a candidate's committee for his or her own election. However, the FPPC recommends placing "paid for by [committee name]" and the committee ID number on all public campaign materials.

Committees primarily formed to support or oppose a candidate making independent expenditures for electronic media ads are subject to the "paid for by [committee name]" requirement and additional disclaimer requirements as described in the chart earlier in this chapter. ~~In general, the required disclaimer must be displayed in full. For example, a Facebook post must include the full disclaimer.~~

~~An abbreviated disclaimer may be used in electronic media messages only if it is impracticable or extremely difficult to include the full disclaimer information (such as severe size, space, or character-limits constraints) and when other methods of displaying the information (such as a rollover display or click through to a webpage with disclosure information) are not available. For example, an abbreviated disclaimer may be used if a campaign sends blast text messages to voters.~~

H. Newspaper, Radio and Television Ads

~~The Act does not require a specific disclaimer on newspaper, radio, and television ads paid for by a candidate's committee for his or her own election. However, the FCC requires that radio and television ads include "paid for by" or sponsor identification. Committees primarily formed to support or oppose a candidate making independent expenditures for a newspaper, radio, or television ad to support or oppose a candidate are subject to the "paid for by [committee name]" disclaimer and other requirements as described in the chart earlier in this chapter. For newspaper ad requirements, candidates and committees should also check the Elections Code.~~

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Radio and television ads paid for by a candidate's committee for their own election must include the following disclaimers:

- Radio: "Paid for by" followed by name of committee as it appears on most recent Form 410 at the beginning or end of advertisement read in a clearly spoken manner with pitch and tone substantially similar to the rest of advertisement.

- Television: "Paid for by" followed by name of committee as it appears on most recent Form 410 shown for at least four seconds. Letters must be in a type size greater than or equal to four percent of the height of the screen.

The Act does not require a specific disclaimer on newspaper ads paid for by a candidate's committee for their own election. For newspaper ad requirements, candidates and committees should check the Elections Code.

Committees primarily formed to support or oppose a candidate making independent expenditures for a newspaper, radio, or television ad to support or oppose a candidate are subject to the "paid for by [committee name]" disclaimer and other requirements as described in the chart earlier in this chapter.

I. Paid Spokespersons for Ballot Measure Ads

Generally, candidate controlled committees and primarily formed committees spend campaign funds only in connection with the candidate's election. However, there may be times when a committee wants to pay for an advertisement to support or oppose a ballot measure.

The Act requires specific disclosure when any committee uses a paid spokesperson in an advertisement to support or oppose a ballot measure. The committee must (1) file a Paid Spokesperson Report, Form 511, for an individual's appearance in a ballot measure advertisement and (2) include a disclaimer on the ad in the situations below.

DRAFT

$5,000 payment to an individual in an ad: The committee makes expenditures totaling $5,000 or more for an individual's appearance in an advertisement to support or oppose the qualification, passage or defeat of a state or local ballot measure.

> **Disclaimer on ad:** "(Spokesperson's name) is being paid by this campaign or its donors."

Any payment to an individual in an ad portraying a professional (nurse, doctor, firefighter, scientist, engineer, lawyer, etc.): The committee makes expenditures of any amount to an individual for his or her appearance in an ad supporting or opposing the qualification, passage or defeat of a state or local ballot measure that states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training to engage in that occupation.

> **Disclaimer on ad:** "Persons portraying members of an occupation in this advertisement are compensated spokespersons not necessarily employed in those occupations."

> ***Note:*** If the individual in the ad is actually a member of the occupation portrayed, the committee may omit this disclaimer, and shall maintain documentation of the individual's license or certification for the occupation. Upon request from the FPPC, the committee must provide documentation of an individual's occupation by electronic means within 24 hours.

The advertisements include print, television, video, and radio ads, as well as telephone messages. The disclaimers on the ads must be shown in highly visible font for print, ~~or~~ television or video ads, or spoken in a clearly audible manner for radio ads or telephone messages.

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J. Form 511 – Paid Spokesperson Report

In addition to the disclosure requirements when a committee pays for a spokesperson to appear in an advertisement to support or oppose a ballot measure, the committee may also be required to file the Form 511 (Paid Spokesperson Report). The Form 511 must be filed in the following situations:

Payments of $5,000 or More: The committee makes expenditures totaling $5,000 or more to an individual for his or her appearance in an advertisement to support or oppose the qualification, passage, or defeat of a state or local ballot measure.

Payments of Any Amount: The committee makes expenditures of any amount to an individual for his or her appearance in an advertisement to support or oppose the qualification, passage, or defeat of a state or local ballot measure and the advertisement states or suggests that the individual is a member of an occupation that requires licensure or certification or other specialized documented training as a prerequisite to engage in that occupation (nurse, doctor, firefighter, scientist, engineer, lawyer, etc.).

DRAFT

Paid Spokesperson Report

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

Date Stamp

CALIFORNIA FORM 511

For Official Use Only

NAME OF FILER	ID # *(If required)*
Committee to Elect Greer for Senate 20XX	1234567

AREA CODE/PHONE NUMBER	E-MAIL *(Optional)*
(916) 111-2222	Greer@gmail.com

STREET ADDRESS: 10 J Street

CITY	STATE	ZIP CODE
Sacramento	CA	95814

☐ Amendment (explain)

Payments Made ***Attach additional information on appropriately labeled continuation sheets.***

DATE	NAME AND ADDRESS OF SPOKESPERSON (OCCUPATION MAY BE REQUIRED - SEE INSTRUCTIONS)	BALLOT MEASURE SUPPORTED OR OPPOSED (INCLUDE BALLOT NUMBER OR LETTER AND JURISDICTION)	AMOUNT
10/XX/20XX	Jerry Nelson, Teacher 34 Rio Circle, Sacramento, CA 95826	Prop 10 - STATE ☑ Support ☐ Oppose	$2,500

When and Where to File Form 511

File Form 511 with the Secretary of State within 10 days of making or promising payments to the individual that will appear in the ballot measure advertisement(s). Electronic filers must also file a paper copy.

How to Complete Form 511

Complete the address fields and the treasurer or assistant treasurer must sign the verification. Amendments must be filed as soon as possible along with an explanation.

Payments Made

Date: List the date the payments were made or the services were received, whichever is earlier.

Spokesperson:

- List the name and address of the individual who was paid $5,000 or more to appear in the ballot measure advertisement; or

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- List the name of an individual paid any amount for his or her appearance in a printed, televised or radio advertisement or in a telephone message that supports or opposes a state or local measure **and** the advertisement states or suggests that the individual is a member of an occupation that requires licensure, certification or other specialized, documented training as a prerequisite to engage in that occupation.

Ex 8.3 - A candidate's election committee will file Form 511 as it hired a public relations firm to produce a television advertisement opposing a state ballot measure and a teacher was paid $500 to appear in the ballot measure ad.

Ballot Measure: Identify the measure, jurisdiction and mark support or oppose.

Amount: Provide the amount paid to the spokesperson.

K. Paid Online Communication Disclosure

The Act requires recipient committees to provide additional expenditure reporting under Regulation 18421.5 when the committee pays a person to provide favorable or unfavorable content about a candidate or ballot measure. This rule applies whenever the committee: (1) pays for online communications on an Internet site other than the committee's own website or web log ("blog"), whether one's own or another's; (2) provides content for or posting on a social media platform or service; or (3) provides video content for posting online. Committees must report specific details of the payment, including the amount of the payment, the payee, the name of the individual providing content, and the name of the website or the URL on which the communication is published in the first instance. See Chapter 9 – Committee Reports for specific reporting requirements.

In lieu of the additional reporting requirement, a disclaimer may be posted instead so long as it is presented in a clearly conspicuous manner with the paid online content, and included each time the content appears on the Internet or other digital platform. For example, the following disclaimer would satisfy this requirement: "The author was paid by the Committee to Re-Elect Senator Santos in connection with this posting."

DRAFT

L. Updating a Disclaimer

Advertisement disclaimers must be revised if a committee's name changes, if the order of the top contributors change, or if there is a new $50,000 donor. Television, radio, electronic media, or "robo"calls must be amended within five ~~calendar~~ business days. Print media, mass mailings, or other tangible items must be amended every time an order to reproduce is placed.

M. Penalties

Failure to comply with the Act's disclaimer requirements may result in fines of up to $5,000 per violation. In addition, any person who violates the disclaimer requirements for ballot measure and independent expenditure advertisements may be liable for fines of up to three times the cost of the advertisement, including placement costs.

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Answering Your Questions

A. Are the disclaimer rules the same for candidate controlled committees and committees primarily formed for candidates that will be making independent expenditures?

No. Stricter disclaimer rules apply to independent expenditure advertisements because it is less clear to the public who is responsible for these ads. The Act requires disclaimers on a broader range of advertisements when they are paid for by a committee making independent expenditures. See the ad disclaimer charts in this chapter for additional information.

B. A committee primarily formed for a candidate has agreed to pay for several types of communications (yard signs, a billboard, door hangers) to advocate support of the candidate. The advertisements are prepared by the candidate's campaign consultant. What disclaimers are required, if any?

~~The Act does not require a disclaimer for these advertisements since they are not independent expenditures. The primarily formed committee must provide the candidate with the value of the advertisements and both committees must report the amount as a nonmonetary contribution.~~ The same disclaimers are required as those for a primarily formed committee making independent expenditures except for the "not authorized by" disclaimer.

C. 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?

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

DRAFT

D. If a committee has more than one address, can any of the addresses be used on mass mailings?

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

E. A committee pays for a candidate's mailing as a nonmonetary contribution. Must the committee paying for the mailing or the candidate's committee be identified on the outside of the mailing?

The committee that pays for the mailing must be identified on the outside of the mailing.

F. If a candidate's committee is sending a postcard-type mailing, may the name of the committee appear only once?

Yes. The name may appear only once. The committee's address must also be included.

G. Where on the outside of the mailing must the candidate ~~or committee~~ identification be placed?

There is no specific requirement for the location of the sender identification as long as it appears on the outside of the mailing. The words "paid for by" must be immediately adjacent to and above, or immediately adjacent to and in front of, the committee name and address.

H. ~~A committee is sending out blast text messages with ads opposing a candidate. Is a disclaimer required?~~

~~Yes. SMS text messages sent by a committee making independent expenditures must, at a minimum, include the abbreviated disclosure consisting of the committee's ID number (e.g., FPPC #1234567). If possible, the text should include a link to the committee's campaign statement on the Secretary of State's website.~~

DRAFT

I. ~~What type of disclosure is required for a paid political consultant who sends independent expenditure ads through Twitter?~~

~~Full disclosure information is required on the sender's landing page on Twitter. (Example: "This ad was paid for by Sarah Johnson and was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office.") If applicable, the top two $50,000 donors must also be listed. Alternatively, the tweet may include a link to a webpage with the full disclosure information or the tweet may include the committee ID number, and if technically possible, a link to the committee's campaign statement on the Secretary of State's website.~~

H. What type of disclaimer is required for a committee that sends independent expenditure ads through Twitter?

Committees making independent expenditures via electronic media ads on Twitter may satisfy the Act's disclaimer requirements in one of two ways: (1) providing its full disclaimer statement on its Twitter profile/landing page or (2) including the phrase "Who funded this ad" on its Twitter profile/landing page immediately followed by a hyperlink to an Internet Web site containing the full disclaimer statement.

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Authority

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

Government Code Sections

82025	Expenditure.
82031	Independent Expenditure.
82041.5	Mass Mailing.
82044	Payment.
82047	Person.
84305	Requirements for Mass Mailing.
84310	Identification Requirements for Telephone Calls.
84501	Advertisement.
84502	Disclaimer; Committee Name.
84503	Top Contributor Disclosure.
84504	Disclaimer; Radio and Telephone Ads.
84504.1	Disclaimer; Television Ads.
84504.2	Disclaimer; Print Ads.
84504.3	Disclaimer; Electronic Media Ads.
84504.4	Disclaimer; Radio and Television Ads; Political Parties and Candidates.
84504.5	Disclaimer; Independent Expenditure Ads; Political Parties and Candidates.
84505	Avoidance of Disclosure.
~~84506~~	~~Disclaimer; Independent Expenditure Ads.~~
84506.5	Disclaimer; Independent Expenditure Ads; Not Authorized by Candidate.
~~84507~~	~~Disclaimer; Legible and Audible.~~
84509	Amended Disclaimers.
84511	Ballot Measure Ads; Paid Spokesperson Disclosure.

Title 2 Regulations

18215	Contribution.
~~18225~~	~~Expenditure.~~
18225.7	Made at the Behest; Independent versus Coordinated Expenditures.
18247.5	Primarily Formed Committees.

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18401	Required Recordkeeping for Chapters 4 & 5.
18421.5	Reporting an Expenditure for Paid Online Communications.
18435	Definition of Mass Mailing. ~~and Sender~~.
18440	Telephone Advocacy.
18450.1	Definitions. Advertisement Disclosure.
~~18450.4~~	~~Content of Disclosure Statements. Advertisement Disclosure.~~
18450.5	Amended Advertising Disclosure.
18450.11	Spokesperson Disclosure.
18523.1	Written Solicitation for Contributions.

DRAFT

Committee Report – Form 460

Candidate controlled committees, including legal defense fund and officeholder committees, use the Campaign Statement (Form 460) to report campaign financial activity. This chapter provides instructions on how to complete the form.

Key provisions:

- Reports are due by specified deadlines. Filing schedules are posted on the FPPC website.
- State committees with financial activity of $25,000 or more must file electronically. Software programs are available as well as a free program provided by the Secretary of State's Office: *www.sos.ca.gov.*
- As this manual version goes to press, all campaign statements must be filed on paper with a "wet" signature including those that are also filed electronically. The FPPC website will post a notification if paper copies are not required.
- Generally, one of the first campaign reports filed by a candidate seeking office is the Form 497 (24-Hour Contribution Report) reviewed in Chapter 2. The Form 460 also includes the information disclosed on a Form 497 in addition to other expenditures and receipts.

DRAFT

COVER PAGE

Recipient Committee Campaign Statement Cover Page

Date Stamp

CALIFORNIA FORM 460

Page X **of** XX

For Official Use Only

SEE INSTRUCTIONS ON REVERSE

Statement covers period
from X/X/20XX
through X/X/20XX

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

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

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

2. Type of Statement:

- [ ] Preelection Statement
- [x] Semi-annual Statement
- [ ] Termination Statement (Also file a Form 410 Termination)
- [ ] Amendment (Explain below)
- [ ] Quarterly Statement
- [ ] Special Odd-Year Report

3. Committee Information

I.D. NUMBER: 1234567

COMMITTEE NAME (OR CANDIDATE'S NAME IF NO COMMITTEE): Committee to Elect Greer for Senate 20XX

STREET ADDRESS (NO P.O. BOX): 10 J Street

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Sacramento	CA	95814	916-111-2222

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

CITY	STATE	ZIP CODE	AREA CODE/PHONE

OPTIONAL: FAX / E-MAIL ADDRESS

Treasurer(s)

NAME OF TREASURER: Susan Hon

MAILING ADDRESS: 10 J Street

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Sacramento	CA	95814	916-111-2222

NAME OF ASSISTANT TREASURER, IF ANY: Manuel Rameriz

MAILING ADDRESS: 10 J Street

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Sacramento	CA	95814	916-111-2222

OPTIONAL: FAX / E-MAIL ADDRESS

A. Completing the Form 460 Cover Page

Statement Covers Period

If this is the first report of the calendar year, the "from" date should be January 1. Otherwise, this date should be the day after the closing date of the most recently-filed campaign statement. See the applicable filing schedule for the "through" date.

Date of Election

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

DRAFT

Parts 1 and 2: Type of Committee and Type of Statement

Candidate controlled committees and committees primarily formed to support or oppose state candidates will mark the relevant boxes to identify the statement type. A complete replacement filing is required when amending a report filed electronically with the Secretary of State. A committee that only files paper reports may submit only the cover page and the amended schedules. Provide an explanation when filing an amendment.

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 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 committee treasurer or the assistant treasurer named on the committee's Statement of Organization, Form 410, must review and sign the statement. If the committee is a candidate controlled committee, the officeholder or candidate must also sign the verification. Only the treasurer or assistant treasurer must sign the statement for a committee primarily formed to support or oppose a state candidate.

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Recipient Committee Campaign Statement Cover Page — Part 2

COVER PAGE - PART 2

CALIFORNIA FORM **460**

Page X of XX

5. Officeholder or Candidate Controlled Committee

NAME OF OFFICEHOLDER OR CANDIDATE: Kim Greer

OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE): Senate District 2

RESIDENTIAL/BUSINESS ADDRESS (NO. AND STREET): 10 J Street | CITY: Sac, CA | STATE | ZIP

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

COMMITTEE NAME	I.D. NUMBER
Greer for Assembly 20XX	1245567
NAME OF TREASURER	CONTROLLED COMMITTEE?
Susan Hon	☑ YES ☐ NO

COMMITTEE ADDRESS — STREET ADDRESS (NO P.O. BOX): 10 J Street

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Sacramento	CA	95814	916-111-2222

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

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

Attach continuation sheets if necessary

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. List other committees the candidate controls and any primarily formed committees supporting the candidate's election.

Part 7: Primarily Formed Candidate/Officeholder Committee

Committees primarily formed to support or oppose a state candidate complete this section.

DRAFT

Campaign Disclosure Statement
Summary Page

Amounts may be rounded to whole dollars.

SUMMARY PAGE

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page X of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER
Committee to Elect Greer for Senate 20XX

I.D. NUMBER
1234567

Contributions Received

		Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B CALENDAR YEAR TOTAL TO DATE
1. Monetary Contributions	*Schedule A, Line 3*	$ 25,700	$ 500,000
2. Loans Received	*Schedule B, Line 3*	(2,000)	2,000
3. SUBTOTAL CASH CONTRIBUTIONS	*Add Lines 1 + 2*	$ 23,700	$ 502,000
4. Nonmonetary Contributions	*Schedule C, Line 3*	13,020	13,020
5. TOTAL CONTRIBUTIONS RECEIVED	*Add Lines 3 + 4*	$ 36,720	$ 515,020

Expenditures Made

6. Payments Made	*Schedule E, Line 4*	$ 91,846	$ 200,000
7. Loans Made	*Schedule H, Line 3*	-0-	10,000
8. SUBTOTAL CASH PAYMENTS	*Add Lines 6 + 7*	$ 91,846	$ 210,000
9. Accrued Expenses (Unpaid Bills)	*Schedule F, Line 3*	2,400	2,400
10. Nonmonetary Adjustment	*Schedule C, Line 3*	13,020	13,020
11. TOTAL EXPENDITURES MADE	*Add Lines 8 + 9 + 10*	$ 107,266	$ 225,420

Current Cash Statement

12. Beginning Cash Balance	*Previous Summary Page, Line 16*	$ 750,000
13. Cash Receipts	*Column A, Line 3 above*	23,700
14. Miscellaneous Increases to Cash	*Schedule I, Line 4*	1,000
15. Cash Payments	*Column A, Line 8 above*	91,846
16. **ENDING CASH BALANCE**	*Add Lines 12 + 13 + 14, then subtract Line 15*	$ 682,854

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

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

Cash Equivalents and Outstanding Debts

18. Cash Equivalents	*See instructions on reverse*	$ -0-
19. Outstanding Debts	*Add Line 2 + Line 9 in Column B above*	$ 4,400

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	$ 200,000	$ 315,020
21. Expenditures Made	$ 100,000	$ 125,420

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
06 / XX / XX	$ 130,000
11 / XX / XX	$ 107,266

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

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B. Completing the Form 460 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.

Quick Tip

There should be no blank lines in Column A or Column B. If there is nothing to report, enter a zero or N/A.

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, enter a zero or N/A 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. (Note: The amounts reported on Lines 2, 7, and 9 of Column B should be the same as the total outstanding amounts disclosed in column (d) of Schedules B, H, and F respectively, of the current report.)

The figures in Column B reflect the cumulative amounts received since January 1 of the current calendar year. There should be no blank lines. If there is nothing to report, enter zero or N/A.

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 all contributions received: monetary, nonmonetary, and loans.

Lines 6-11

These lines together represent all 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~~ position at the end of the reporting period. If deposits or expenditures have been made that have not cleared the account, the committee's bank balance may not match the ending cash balance.

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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

This figure should be 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 year that did not meet or exceed the committee qualification threshold, enter the amount of cash on hand as of December 31. Otherwise, enter zero.

Line 13

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

Line 14

This amount represents all items that increase the cash position but are not considered contributions (e.g., interest on a bank account). 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.

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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

If an officeholder or candidate is being voted upon in both the state primary and general elections, and the statement covers a period during the last six months of the year, the committee is required to report a lump sum amount of contributions received and expenditures made. Complete this section for the preelection statements filed in connection with the November election, as well as the semi-annual statement due in January after the election.

Contributions Received: Under 1/1 through 6/30, report the total contributions received using Column B, Line 5 from the Summary Page of the statement that ended 6/30. Subtract this figure from the total contributions reported on the Summary Page for the current period using Column B, Line 5. Enter this amount under 7/1 to Date.

Expenditures Made: Under 1/1 through 6/30, report the total expenditures made using Column B, Line 11 from the Summary Page of the statement that ended 6/30. Subtract this figure from the total expenditures reported on the Summary Page for the current period using Column B, Line 11. Enter this amount under 7/1 to Date.

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Line 22

Candidates who have accepted the voluntary expenditure ceiling for a particular election must disclose on that election committee's report the total amount of expenditures made through the end of the reporting period that are subject to the expenditure ceiling for the election. Report the date of the election and the total amount expended for that election. Report totals for the primary and general elections separately. This information is not required if the expenditure ceiling has been lifted. Include nonmonetary contributions received, except for those received from a political party. In addition, goods or services received during a reporting period for which no payment has been made (accrued expenses, Schedule F) must be counted. Once an accrued expense has been reported on Line 22, do not count the expense again when it is paid. It is not necessary to amend a previously-reported expenditure total to reflect any subsequent adjustments, such as refunds. (See Chapter 1 for information on voluntary expenditure ceilings, including what expenditures must be included.)

Answering Your Questions

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

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

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

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

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

The Act does not provide for deadline extensions. Complete the statement as accurately as you can and file by the deadline. File an amended statement as soon as possible.

DRAFT

General Rules for Reporting Contributions Received

Refer to Chapter 4 for specific reporting rules related to receiving contributions. Among other important issues, Chapter 4 reviews:

- Major donor notices
- Joint checking account reporting
- Intermediary reporting
- Affiliated entity rules
- Home/office fundraisers
- Aggregating contributions

Detailed Reporting Rules

Contributor Information: A committee must always report the true source of a contribution. A committee must have in its records for each contribution of $100 or more, the contributor's name, address, and, if the contributor is an individual, his or her occupation and employer. Contributions may be deposited in the committee's bank account pending receipt of the information. 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. A contribution must be returned within 60 days of receipt if contributor information is not obtained.

DRAFT

Individual Donor Information (Contributors of $100 or More)

The chart below provides examples of acceptable ways to report an individual's occupation and employer.

Complete	Incomplete
Retired	Next Door Neighbor
Consultant, A Better Business Agency	Owner
Self Employed, No Separate Business Name	ABBA (no acronyms)
Homemaker or Student	Friend
Private Investor: stocks and bonds	Investor
Lawyer, Ortiz and Smith	Attorney

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

Quick Tip

A committee must pay to the State General Fund the amount of a returned contribution not cashed by the donor. See Regulation 18570.

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

Reporting Cumulative Amounts: Contributions from the same source (including aggregated contributions) 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 contributor.

When a committee must file a preelection statement in one year in connection with an election held in another year (e.g., a January special election), 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.

DRAFT

Returned Contributions

Not Deposited: A contribution need not be reported if it is not cashed, negotiated, or deposited and is returned to the contributor prior to the closing date of the campaign statement on which it would otherwise be reported. A contribution of $1,000 or more received in the 90 days before the election is not required to be reported if it not deposited, negotiated, or cashed and is returned to the contributor within 24 hours of receipt.

List on Schedule A contributions deposited or negotiated, or which were not returned prior to the closing date of the campaign statement. A committee must report a contribution even if it was not honored by a financial institution due to insufficient funds. In those cases, both the receipt and the return of the contribution may be reported on Schedule A (the return will be reported as a negative amount) if the committee returns the check to the contributor during the same reporting period. Otherwise, the return of the contribution must be reported on Schedule E.

Quick Tip

A state candidate may not return his or her personal contributions reported on Schedule A.

DRAFT

Schedule A
Monetary Contributions Received

Amounts may be rounded to whole dollars.

SCHEDULE A

CALIFORNIA FORM 460

Statement covers period
from X/X/20XX
through X/X/20XX

Page X of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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)
11/2/20XX	John Swig 10 Golden Gate San Francisco, CA 94118	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Retired	$4,000	$8,000	P20XX: $4,000 G20XX: $4,000
11/2/20XX	Solar Town 3 Chip Street Austin, TX 78701	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		$2,000	$2,000	G20XX: $2,000
11/2/20XX	CA Energy Association Small Contributor Committee 2 L Street, Sacramento, CA 95814 (ID 1239782)	☐ IND ☐ COM ☐ OTH ☐ PTY ☑ SCC		$5,000	$5,000	G20XX $5,000
11/4/20XX	Sierra Central Committee 4 Sattley Rd, Sattley, CA 96126 (ID 1237896)	☐ IND ☐ COM ☐ OTH ☑ PTY ☐ SCC		$9,000	$9,000	G20XX $9,000
11/4/20XX	Sanchez for Assembly 20XX 44 Alhambra St, Sacramento, CA 95815 (ID 1244990)	☐ IND ☑ COM ☐ OTH ☐ PTY ☐ SCC		$500	$500	G20XX: $500
			SUBTOTAL $	20,500		

C. Completing the Form 460 Schedule A – Monetary Contributions Received

Most monetary contributions are listed on Schedule A. However, loans received are reported on Schedule B and payments received on loans made to others are reported on Schedule H. Miscellaneous receipts (e.g., interest received from a bank) are 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. For contributions received by electronic transaction (such as credit card, debit account, or wire transfer, including those received over the Internet), report the date the committee received or had control of the credit/debit account information or other payment information, or the date the committee received or had control of the funds, whichever is earlier. See Chapter 3 for detailed information.

Ex 9.1 - Duncan contributed $99 during the year's first reporting period and his contribution was reported with other contributors who donated less than $100. During the second reporting period, Duncan contributed another $99 and now must be listed on Schedule A. Show $99 as received "this period" and report a "cumulative amount" of $198.

DRAFT

Schedule A (Continuation Sheet)
Monetary Contributions Received

Amounts may be rounded to whole dollars.

SCHEDULE A (CONT.)

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page x of xx

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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)
10/XX/20XX	Greer for City Council 20XX (Transfer, see below) 10 J Street, Sacramento, CA 95814 (ID 1214287)	☐ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC				
10/25/20XX	Ted Smith 7239 Hawthorne Blvd. Rancho Palos Verdes, CA 90274	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Dentist, Smith Smiles	$1,000	$1,000	P20XX: $1,000
11/2/20XX	X Corporation 1500 8th Avenue Los Angeles, CA 90013	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		$4,400	$4,400	P20XX: $4,400

Contributor Information

Itemize persons who contribute 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.)

Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, "other" (such as a business entity), political party, or small contributor committee.

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 is received. Contributions of $100 or more must be returned within 60 days of receipt if this information is not obtained.

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.

DRAFT

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 the same source during in 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

State candidates must complete the "Per Election to Date" column. For each itemized contribution, disclose the type of election, the year of the election, and the amount received from the contributor for that election. For example, an Assembly candidate who receives an $8,800 check intended for both the primary and general elections would disclose per election amounts of $4,400 P-year of the election and $4,400 G-year of the election. These figures may include amounts received in different calendar years.

Ex 9.2 - In April 2016, Stella contributed $1,000 for a candidate's primary election, and in July 2016, she contributed $1,000 for the general election. In October 2016, she contributed $2,000 to pay debt from the primary election. When itemizing the October contribution, disclose per election totals as: $3,000 P-16 and $1,000 G-16.

Abbreviations for Disclosing Per Election Cumulative Amounts

P=Primary
G=General
S=Special
R=Runoff

DRAFT

Schedule A Summary

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

DRAFT

SCHEDULE B - PART 1

Schedule B – Part 1
Loans Received

Amounts may be rounded to whole dollars.

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page X of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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
Sierra Bank 200 Main Street Portola, CA 96122 † ☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		$ 0	$ 2,000	☐ PAID $ 0 ☐ FORGIVEN $ 0	$ 2,000 6/30/20XX DATE DUE	2 % RATE $ 20	$ 2,000 11/1/20XX DATE INCURRED	CALENDAR YEAR $ N/A PER ELECTION** $ N/A
Mary Greer 300 Gulling Street Portola, CA 96122 † ☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Greer Hair Styles, self employed	$ 4,000	$ 0	☑ PAID $ 4,000 ☐ FORGIVEN $ 0	$ 0 DATE DUE	0 % RATE $	$ 4,000 7/1/20XX DATE INCURRED	CALENDAR YEAR $ 4,000 PER ELECTION** $ P20XX: $4,000
† ☐ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC		$	$	☐ PAID $ ☐ FORGIVEN $	$ DATE DUE	% RATE $	$ DATE INCURRED	CALENDAR YEAR $ PER ELECTION** $
		SUBTOTALS $ 2,000		$ 4,000	$ 2,000	$ 20 (Enter (e) on Schedule E, Line 3)		

Schedule B Summary

1. Loans received this period ..... $ 2,000
   (Total Column (b) plus unitemized loans of less than $100.)
2. Loans paid or forgiven this period ..... $ 4,000
   (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** $ (2,000)
   Enter the net here and on the Summary Page, Column A, Line 2. (May be a negative number)

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

D. Completing the Form 460 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 off. Schedule B has two parts:

- Part 1 lists loans received or outstanding, and the repayment, forgiveness, or payment by a third party of a loan previously received.
- Part 2 lists information about loan guarantors.

DRAFT

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 the lender is a financial institution, such as a bank, 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. If the candidate has obtained a loan from a commercial lending institution for which he or she is personally liable, report both the candidate and the institution as the lender.

Individual

If the lender is an individual, also provide the individual's occupation and employer, or, if the contributor is self-employed, provide the name of the business. Do not leave this column blank. If this information has not been obtained, put "requested" or similar language in this column and amend Schedule B, Part 1, once the information has been obtained.

Officeholder/Candidate

Officeholders and candidates may report personal funds as a loan on Schedule B. A state candidate may not have an outstanding personal loan of more than $100,000 to an election committee at any one time, including loans from a commercial lending institution for which the candidate is personally liable.

Contributor Codes

For each itemized lender, check the box indicating whether the lender is an individual, committee, "other" (such as a business entity), political party, or small contributor committee.

Quick Tip

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

Quick Tip

Do not report the repayment of a loan on Schedule E. Only the "Interest Paid This Period" should be reported on Schedule E.

DRAFT

(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 the appropriate box indicating 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.

Quick Tip

State candidates may not charge their committees interest for the use of their personal funds.

DRAFT

(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.

State candidates are also required to report the amount received per contributor per election. For each itemized loan, disclose the type of election, the year of the election, and the amount received from the contributor for that election. For example, an Assembly candidate who receives an $8,800 loan intended for both the primary and general elections would disclose per election amounts of $4,400 P-year of the election and $4,400 G-year of the election. These figures may include amounts received in different calendar years. 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.

DRAFT

SCHEDULE B - PART 2

Schedule B – Part 2
Loan Guarantors

Amounts may be rounded to whole dollars.

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page X of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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
Bob Hurt Systems 10 Oak Street Sacramento, CA 95822	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		LENDER: Sierra Bank DATE: 11/1/20XX	$2,000	CALENDAR YEAR $ 2,000 PER ELECTION (IF REQUIRED) $ G20XX: 2,000	$2,000
			SUBTOTAL	$ 2,000	Enter on Summary Page, Line 17 only.	

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 Code

For each itemized guarantor, check the box indicating whether the guarantor is an individual, committee, “other” (such as a business entity), political party, or small contributor committee.

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.

DRAFT

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 from the guarantor during the calendar year covered by the statement.

State candidates are also required to report the amount guaranteed per contributor per election. For each itemized loan guarantee, disclose the type of election, the year of the election, and the amount guaranteed by the contributor for that election. For example, an Assembly candidate who receives a $7,200 loan guarantee where the loan is intended for both the primary and general elections would disclose per election amounts of $3,600 P-year of the election and $3,600 G-year of the election. These figures may include amounts received in different calendar years.

Quick Tip

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

Balance Outstanding to Date

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

DRAFT

Schedule C
Nonmonetary Contributions Received

Amounts may be rounded to whole dollars.

SCHEDULE C

CALIFORNIA FORM 460

Statement covers period
from X/X/20XX
through X/X/20XX

Page X **of** XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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)
11/3/XX	State Central Committee 10 L Street Sacramento, CA 95814 (ID 777888)	☐ IND ☐ COM ☐ OTH ☑ PTY ☐ SCC		Mailing	$6,420	$500,000	G20XX: $500,000
11/1/XX	Smith for Governor 20XX 80 I Street Sacramento, CA 95814 (ID 1239000)	☐ IND ☑ COM ☐ OTH ☐ PTY ☐ SCC		Email List	$300	$300	G20XX: $300
10/27/XX	Sam Richards 89 West Avenue Piedmont, CA 94611	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Principal Richards LLC	Private flight	$2,300	$4,600	P20XX: $2,300 G20XX: $2,300
10/25/XX	Gold Springs Golf Course 78 Newport Way Auburn, CA 94622	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		Discount on golf fees for fundraiser	$4,000	$4,000	G20XX: $4,000
Attach additional information on appropriately labeled continuation sheets.				**SUBTOTAL $**	13,020		

E. Completing the Form 460 Schedule C – Nonmonetary Contributions Received

Use Schedule C to report nonmonetary contributions received by the committee. Nonmonetary contributions (also referred to as in-kind contributions) are goods or services provided to the committee for which it does not pay fair market value. The fair market value is the amount the committee would pay for the goods or services on the open market (whatever it would cost any member of the general public to obtain the same goods or services). Chapter 4 includes a discussion about nonmonetary contributions and how to value them. Common examples include:

- Items donated to your campaign such as laptops and printers
- Signs, postage, and printing
- Use of office equipment, including office telephones used after hours, for phone banking

DRAFT

- Food and entertainment provided for a fundraiser
- Use of an airplane
- Discounts or rebates that are not extended to the general public
- Mailing lists, including email lists
- Compensation paid by an employer to an employee who spends more than 10% of his or her compensated time in a calendar month working on behalf of a committee
- Forgiveness of an accrued expense by the creditor
- An extension of credit that has become a contribution

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.

For the date an extension of credit becomes a contribution, see Chapter 4.

Ex 9.3 - A PAC printed a brochure supporting the candidate's election and delivered the brochures to the candidate on February 22. The candidate will report February 22 as the date the contribution was received even if the brochures are not mailed to voters for several days.

Contributor Information, Occupation/Employer, and Amount Columns

Itemize contributors of $100 or more. If the contributor is an individual, in addition to his or her street address, city, state, and zip code, provide his or her occupation and employer information, the amount received this period, and the cumulative amount to date.

Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, committee, "other" (such as a business entity), political party, or small contributor committee.

DRAFT

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.

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

State candidates are also required to report the amount received per contributor per election. For each itemized contribution, disclose the type of election, the year of the election, and the amount received from the contributor for that election. For example, an Assembly candidate who receives an $8,800 check intended for both the primary and general elections would disclose per election amounts of $4,400 P-year of the election and $4,400 G-year of the election. These figures may include amounts received in different calendar years.

Schedule C Summary

The total amount of nonmonetary contributions reported on Line 3 of the Schedule C Summary, is reported on the overall Summary Page as both a contribution (Line 4, Column A) and an expenditure (Line 10, Column A).

Quick Tip

An artist's personal time to design advertising is not a contribution but the amount paid to an employee who spends over 10% of his or her time in a calendar month to design campaign advertising is a contribution. See Chapter 4.

DRAFT

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

Amounts may be rounded to whole dollars.

SCHEDULE D
CALIFORNIA FORM **460**

Statement covers period
from X/XX20XX
through X/X/20XX

Page X of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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)
11/2/20XX	Prop 10, Statewide Measure ☑ Support ☐ Oppose	☑ Monetary Contribution ☐ Nonmonetary Contribution ☐ Independent Expenditure		$10,000	$10,000	
10/23/20XX	Prop 22, Statewide Measure ☐ Support ☑ Oppose	☐ Monetary Contribution ☑ Nonmonetary Contribution ☐ Independent Expenditure	Mailing List	$500	$500	
	☐ Support ☐ Oppose	☐ Monetary Contribution ☐ Nonmonetary Contribution ☐ Independent Expenditure				
			SUBTOTAL $	10,500		

F. Completing the Form 460 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. Do not report payments made to support the controlling candidate's own candidacy, or to oppose the candidate's opponent(s) on Schedule D.

Quick Tip

Contributions from a state candidate to another state candidate's election committee are subject to limits.

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 (i.e., a nonmonetary contribution)

DRAFT

- A donation to a candidate or committee of goods on hand, or the payment of salary or expenses for a campaign employee who spends more than 10% 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

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.

Quick Tip

A committee pays for a campaign mailing for a local candidate. The mailing is sent to voters on September 4 and the invoice is paid October 15. Report September 4 as the date the contribution was made.

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, committee, or an agent obtains possession or control of the goods or services.

An independent expenditure is made on the date the communication is mailed, delivered, broadcast, or otherwise disseminated to the public. A 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.

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Type of Payment

Check the appropriate box to indicate whether the payment was a monetary contribution, nonmonetary contribution, or independent expenditure.

Description of Nonmonetary Contribution Where No Payment is Made

Because payments must be described when they are reported on Schedules E or F, a description is not required on Schedule D for payments reported on Schedules E or F that are nonmonetary contributions or independent expenditures. However, if no payment was made, describe the goods or services. For example, if goods on hand (e.g., office supplies) are contributed to another candidate or committee, a description must be included.

Amount This Period

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

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.

Per Election to Date

Report the cumulative amount per election that has been contributed to each candidate that is subject to state contribution limits.

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G. Expenditure Rules

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 6.)

Use Schedule E to report money spent by the committee during the reporting period (other than loans and loan repayments). 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.

Ex 9.4 - During November, your committee:

- Paid a deposit on a room for a fundraiser to be held January 10;
- Ordered and received the fundraiser invitations for which you were billed but had not made a payment by December 31; and
- 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.

Semi-Annual Statements: 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 services, campaign consulting, and public relations.

Preelection Statements: When the period covered ending date falls in the middle of a month, it is not necessary to list services, including legal and accounting, as outstanding expenses if the services are regularly invoiced at the end of the month.

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Ex 9.5 - On June 30, your committee received two bills for June services. One bill was from an outside accounting firm and the other 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.

Itemization

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.

Transfers to Savings 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 overall Summary Page, Line 16.

Transfers

Report transfers of funds to another committee controlled by the candidate on Schedule E.

Contributions and Independent Expenditures

If the committee makes contributions 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.

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Subvendor Payments

An expenditure(s) made by an agent or independent contractor (such as a campaign worker, consulting firm, or advertising agency) of $500 or more on behalf of the committee, must be reported in the same detail as if it was paid directly by the committee. These are commonly known as "subvendor payments." Following are some examples:

- 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.

Quick Tip

Committees may be fined for not reporting subvendors.

Agents and independent contractors must provide the committee with the required payment information **no later than** three working days prior to when the campaign statement must be filed (or within 24 hours for a contribution or independent expenditure made within 90 days of the date of the election). Do not report the agent or independent contractor's own overhead and operating expenses. The committee records must have receipts, invoices, and other documentation of subvendor payments.

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.

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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.

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.

Quick Tip

On December 31 a state committee received goods but had not paid the financial institution that issued the credit card. Report the vendor and the financial institution on the semi-annual report, Schedule F.

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.

Reimbursements

Candidates

Candidates may not use their personal funds for campaign expenses (except for filing and ballot statement fees and the $50 Secretary of State fee) without first depositing them into the campaign bank account.

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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:

- 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.

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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 the controlled committee campaign bank account established for election to the incumbent's term of office, from an officeholder account established for that office, or from a controlled committee bank account established for a future 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.

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Schedule E
Payments Made

Amounts may be rounded to whole dollars.

SCHEDULE E
CALIFORNIA FORM **460**

Statement covers period
from X/X/20XX
through X/X/20XX

Page X **of** XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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
Modler Strategic Services, LLC 1200 12th Avenue Studio City, CA 91604	TEL			$40,000
Yes on Prop 10 A Coalition Supporting Green Energy, Sponsored by Solar Companies 4 J Street, Sacramento, CA 95814 (ID 1246666)	CTB			$10,000
Party Rentals 20 R Street West Sacramento, CA 95691	FND			$456

* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

SUBTOTAL $ 50,456

H. Completing the Form 460 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 or 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.

DRAFT

Schedule E
(Continuation Sheet)
Payments Made

Amounts may be rounded to whole dollars.

SCHEDULE E (CONT.)

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page X of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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
Nelson, Copren and Lucci, LLP 10 Washington Street Los Angeles, CA 90071	PRO		$5,489
Southwest Airlines 10 S Street Dallas, TX 77523	TRS	RT SMF to LAX Candidate 10/28/XX	$456
Brown and Brown Services 20 Washington Blvd. Daly City, CA 94015	POL		$35,000
Supper Club 1800 J Street Sacramento, CA 95814		Dinner for 4 including Candidate and Treasurer 10/30/XX	$320
State General Fund 1500 11th Street Sacramento, CA 95814	RFD	Contribution was returned for insufficient donor information and never negotiated by donor.	$125

* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

SUBTOTAL $ 41,390

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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 expenditure. 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 provide a description. Alternatively, each expenditure may be reported separately by category.

Expenditures Made for Gifts, Meals, and Travel Payments

A candidate controlled committee that makes an expenditure of $100 or more for a gift, meal, or travel must further explain the expenditure in the "Description of Payment" column as described below. The explanation must be provided even if an expenditure code is provided.

Gifts: When reporting an itemized expenditure for a gift, the committee must briefly describe the political, legislative, or governmental purpose of the expenditure. In addition, the committee must provide the date of the gift and a description of the gift. If the gift was made to an individual recipient, the name of the recipient must be included. If a gift was made to a group of recipients, the name of each recipient who received a benefit of $50 or more is required. When the recipient of a gift with a value of $50 or more is not known at the time the payment is required to be reported, the committee must report that the gift was for an "undetermined recipient." Once the gift has been given to the recipient, the campaign statement must be amended within 45 calendar days to disclose the name of the recipient.

Ex 9.6 - A Senator's re-election committee purchased $50 restaurant gift certificates for two volunteer campaign workers. On Schedule E, the payment must be itemized. In the "Description of Payment" column, the following would adequately describe the payment: "12/5/XX – gift certificates for campaign workers, Jimmy Sims ($50), and Cameron Bailey ($50)."

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Meals: When reporting an itemized expenditure for a meal (other than a meal reported as an itemized expenditure for travel, as discussed below), the committee must briefly describe the political, legislative, or governmental purpose of the expenditure. In addition, the committee must provide the date of the meal, the number of individuals who were present at the meal, and whether the candidate, a member of his or her household, or an individual with authority to approve expenditures of campaign funds was present at the meal. It is not necessary to include the names of individual attendees on the report. However, the names of the attendees must be maintained in the committee's records (see Chapter 3.)

Ex 9.7 - The committee's controlling candidate and campaign manager discuss the election campaign during a dinner meeting at a restaurant. The $125 meal was charged to the campaign credit card. On Schedule E, the payment to the credit card company and the restaurant must be itemized. In the "Description of Payment" column, the following would adequately describe the payment: "9/1/XX – Dinner meeting regarding campaign; attended by campaign manager and candidate."

Travel Payments: When reporting an itemized expenditure for travel, including lodging and meals, the committee must briefly describe the political, legislative, or governmental purpose of the expenditure. In addition, the committee must also provide the date or dates of the travel, the destination, and the goods or services purchased. The description must also include the number of individuals for whom the payment was made and whether the trip included the candidate, a member of his or her household, or an individual with the authority to approve expenditures of campaign funds. The names of individuals who traveled are not required to be disclosed on the report. However, the names of the travelers must be maintained in the committee's records (see Chapter 3.)

Ex 9.8 - An Assembly Member attended a fundraiser in San Diego for a state ballot measure committee. The Assembly Member's officeholder committee paid for the travel expenses. On Schedule E, the payment to the airline must be itemized. In the "Description of Payment" column, the following would adequately describe the payment: "8/1/XX and 8/3/XX – Round trip airfare to San Diego for Assembly Member to attend ballot measure committee fundraiser."

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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 overall 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.

DRAFT

SCHEDULE F

Schedule F
Accrued Expenses (Unpaid Bills)

Amounts may be rounded to whole dollars.

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page X **of** XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer to Senate 20XX

I.D. NUMBER: 1234567

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
Wells Fargo Bank (credit card) 10 Front Street Palo Alto, CA 94301		0	$2,400	0	$2,400
Subvendors: Carolyn's Sweets, 2 T St., Sacramento, CA 95814 $500 Party Time, 10 Auburn Rd., Sacramento, CA 95826 $600	FND				
(itemize subvendors at $100+)					
	SUBTOTALS	$	$ 2,400	$	$ 2,400

* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

I. Completing the Form 460 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 off.

Code or Description of Payment

When itemizing accrued expenses, provide either a code (see Schedule E instructions for expenditure code details) or a description of the outstanding payment. If none of the codes fully explains the outstanding payment, leave the code column blank and provide a brief description of the goods or services.

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If several accrued expenses are owed to one vendor during the same reporting period, all of the accrued expenses to the vendor may be reported in a single record. When coding accrued expenses, use the code that represents the largest share of the accrued expenses, and the description field for the other codes or a description. Alternatively, each accrued expense 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.

Ex 9.9 - On its second preelection statement, the 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).

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.

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

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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.

Extensions of Credit as Contributions

When there is an agreement with the provider of goods or services that the committee will pay for the goods or services on credit, the goods or services may become a contribution to the candidate and be subject to contribution limits if the debt remains unpaid after 45 days. If a contribution in the form of an extension of credit has previously been reported on Schedule F as an accrued expense, disclose the creditor and the amount as a nonmonetary contribution on Schedule C.

On Schedule F, indicate that the debt has become a contribution, showing the amount as a negative number in the "Amount Incurred This Period" column.

Outstanding Accrued Expenses

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

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.

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Answering Your Questions

A. When are unpaid bills reportable as accrued expenses?

The basic rule is that you must report an accrued expense any time you have received goods or services but have not paid for them by the end of the reporting period.

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

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 owed, you may estimate the amount. When reporting an estimate, note that fact on Schedule F.

C. We have a contract to pay our campaign consultant $1,000 per month. If the closing date of the campaign statement falls during the middle of the month, for example March 17, must we report an accrued expense for the period March 1 through March 17?

No. When you have agreed in writing to pay a contractor a set amount at regular intervals, it is not necessary to prorate the amount owed to the contractor if the reporting period closes before the end of the contract period. The payment will be reported on the campaign statement for the period in which the payment is made.

D. When an accrued expense is owed and there are subvendor payments, when are the subvendors reported? For example, if we report an accrued expense owed on a credit card and list the subvendors, must we reitemize the subvendors again on Schedules E and F when the accrued expense is paid?

No. It is not necessary to reitemize subvendors when payments are made on accrued expenses, or if an accrued expense is reported on more than one statement. In this example, the subvendors must be reported on the first statement disclosing the accrued expense owed to the credit card company. On subsequent statements, only the credit card company must be itemized.

DRAFT

Schedule G
Payments Made by an Agent or Independent Contractor (on Behalf of This Committee)

Amounts may be rounded to whole dollars.

SCHEDULE G
CALIFORNIA FORM 460

Statement covers period
from X/X/20XX
through X/X/20XX

Page X **of** XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER
Committee to Elect Greer for Senate 20XX

I.D. NUMBER
1234567

NAME OF AGENT OR INDEPENDENT CONTRACTOR
Modler Strategic Services

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
KCRA TV 10 Broadway Sacramento, CA 95814	TEL			$12,400
KFMB TV 2 Ocean Street San Diego, CA 92111	TEL			$24,300

Attach additional information on appropriately labeled continuation sheets. **TOTAL* $** 36,700

J. Completing the Form 460 Schedule G – Payments Made by an Agent or Independent Contractor

Use Schedule G to report payments made on behalf of the committee by agents (such as campaign workers) and independent contractors (such as a consulting firm or an advertising agency). This schedule may be used in lieu of itemizing these amounts on Schedules E or F.

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 contribution or independent expenditure of $1,000 or more made during the 90-day election cycle).

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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 instructions for additional information.

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

DRAFT

SCHEDULE H

Schedule H
Loans Made to Others*

Amounts may be rounded to whole dollars.

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page X **of** XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

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
Friends of Strand Citrus Heights City Council 2016 10 K Street Sacramento, CA 95814 (ID 1244332)		$ 10,000	$ 0	☐ PAID $ 0 ☐ FORGIVEN $ 0	$ 10,000 N/A DATE DUE	0 % RATE $ N/A	$ 10,000 1/1/20XX DATE INCURRED	CALENDAR YEAR $ 10,000 PER ELECTION** $ N/A
		$	$	☐ PAID $ ☐ FORGIVEN $	$ DATE DUE	% RATE $	$ DATE INCURRED	CALENDAR YEAR $ 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**	$ 0	$ 0	$ 10,000	$ 0		

K. Completing the Form 460 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. 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.

Because a loan is considered a contribution, loans to other candidates and committees are subject to applicable state or local contribution limits. Loans to other candidates and committees must also be reported on Schedule D.

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.

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(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 and, if the recipient of the loan is a candidate or committee, report the forgiveness as a contribution on Schedule D.

(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 summary section of Schedule I.

(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).

DRAFT

(g) Cumulative Loans to Date

For each loan made during this reporting period 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. (Loans to candidates or other committees must also be reported on Schedule D.)

Line 3 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 this statement's Column B, Line 7 of this statement.

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Schedule I
Miscellaneous Increases to Cash

Amounts may be rounded to whole dollars.

SCHEDULE I

Statement covers period
from X/X/20XX
through X/X/20XX

CALIFORNIA FORM 460

Page X **of** XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Committee to Elect Greer for Senate 20XX

I.D. NUMBER: 1234567

DATE RECEIVED	FULL NAME AND ADDRESS OF SOURCE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	DESCRIPTION OF RECEIPT	AMOUNT OF INCREASE TO CASH
10/31	Wells Fargo 10 Front Street Palo Alto, CA 94301	Interest Earned	$105
11/30	Wells Fargo 10 Front Street Palo Alto, CA 94301	Interest Earned	$130
12/31	Wells Fargo 10 Front Street Palo Alto, CA 94301	Interest Earned	$140
10/4	Lacey Smith 2 Kip Street Sacramento, CA 95814	Returned Contribution	$125
11/2	Embassy Suites 40 Capitol Mall Sacramento, CA 95814	Deposit Return	$500
Attach additional information on appropriately labeled continuation sheets.		**SUBTOTAL $**	1,000

L. Completing the Form 460 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

- Refunds received on deposits, such as a room rental deposit, or from overpayment of bills
- Refunds for overpayment of election filing fees
- Interest received from financial institutions

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- The amount of a check that was never negotiated by the recipient
- Interest payments received on loans made to others
- Receipts from the sale of committee assets
- Proceeds, up to the fair market value, of items sold at a garage sale or auction
- Transfers of "carryover" funds received by a controlled committee from another committee controlled by the same candidate. An example of a "carryover" transaction would show the prior committee in the "Name of Source" field (e.g., Friends of Molleda for Assembly 20XX") and in the "Description" field a notation such as "carryover funds." There is no requirement to list donors to the prior committee. See FPPC Regulation 18537.1 for specific guidance.
- Receipt of earmarked funds when acting as an intermediary. (See Chapter 3.)

Report the date the committee received the miscellaneous receipt. 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. Provide a description of the receipt and the amount.

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

Quick Tip

When reporting sources who have purchased donated items, e.g., items sold at an auction, 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.

Quick Tip

All decreases to cash must be reported as expenditures on Schedule E or H.

DRAFT

Authority

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

Government Code Sections

81004	Reports and Statements; Perjury; Verification.
81004.5	Reports and Statements; Amendments.
82013	Committee.
82015	Contribution.
82018	Cumulative Amount.
82025	Expenditure.
82025.5	Fair Market Value.
82044	Payment.
84105	Notification of Contributors.
84203	Late Contribution; Reports.
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.
85306	Transfers Between a Candidate's Own Committees; Use of Funds Raised Prior to Effective Date.
85307	Loans.
85319	Returning Contributions.
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.

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Title 2 Regulations

18215	Contribution.
18215.1	Contributions; When Aggregated.
18216	Enforceable Promise to Make a Payment.
~~18225~~	~~Expenditure.~~
18401	Required Recordkeeping for Chapters 4 & 5.
18421	Cash Equivalents.
18421.1	Disclosure of the Making and Receipt of Contributions.
18421.2	Street Address.
18421.3	Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents.
18421.4	Reporting Cumulative Amounts for State Elections and State Recipient Committees.
18421.6	Reporting Accrued Expenses.
18421.7	Reporting an Expenditure for a Gift, a Meal or Travel.
18421.9	Reporting Expenditures Charged to a Credit, Debit or Charge Card by a Candidate or Committee.
18423	Payments for Personal Services as Contributions and Expenditures.
18427	Duties of Treasurers and Candidates with respect to Campaign Statements.
18427.1	Notification to Contributors of ~~$5,000 or More~~ Filing Obligations.
18428	Reporting of Contributions and Independent Expenditures Required to be Aggregated.
18431	Reporting of Expenditures by an Agent or Independent Contractor.
18432.5	Intermediary and Earmarked Funds Disclosure.
18526	Reimbursement of Expenditures.
18530.7	Extensions of Credit.
18533	Contributions from Joint Checking Accounts.
18536	Transfer and Attribution of Contributions.
18537.1	Carry Over of Contributions.
18570	Return of Contributions with Insufficient Donor information.

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When and Where to File Form 460

This chapter reviews when and where committees file the Recipient Committee Campaign Statement (Form 460). The Form 460 is the comprehensive report that discloses all receipts and expenditures of a committee, including payments previously reported on a Form 497. State committees must file the Form 460 with the Secretary of State, the committee's filing officer. The candidate and treasurer or assistant treasurer sign the Form 460 under penalty of perjury.

A. General Information

Public Documents

All reports filed under the Political Reform Act are public records. Most state committee reports may be viewed at http://cal-access.sos.ca.gov/campaign/.

Filing Schedules

The FPPC posts on its website filing schedules for state elections. A filing officer is not required to send reminder notices about upcoming filing deadlines.

Deadlines

Deadlines that fall on a Saturday, Sunday or official state holiday are extended to the next business day. There is no provision in the Political Reform Act for the FPPC or the SOS to extend a filing deadline.

Amendments

A committee must amend a Form 460 to report missing contributor information no later than 70 days from the close of the reporting period in which the contribution was disclosed. Amendments for other purposes should be filed as soon as possible.

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Late Fines

A fine of $10 per day may be assessed for each day a statement is late. A committee that must file both a paper and electronic report may be fined $20 a day. A committee may request a waiver.

Failure to File

The SOS must refer committees that do not file campaign statements to the FPPC's Enforcement Division. Administrative penalties of up to $5,000 per violation may be assessed.

B. When to File

Semi-Annual Statements

A committee must file a semi-annual statement whether or not it received contributions or made expenditures. The first day of a reporting period always begins the day after the closing date of the last Form 460 filed, or January 1 if no previous statement has been filed. The filing schedules include specific dates.

A semi-annual statement may be filed early; however, an amendment must be filed before the deadline if all contributions and expenditures were not disclosed on the early filing.

Semi – Annual Period	Deadline
January 1 – June 30	July 31
July 1 – December 31	January 31

Preelection Statements

In addition to semi-annual statements, candidate controlled committees and committees primarily formed to support or oppose a candidate must file two preelection statements before the election in which the candidate is listed on the ballot. For example, a committee formed for a legislative race in a June primary election will file two preelection statements and a semi-annual statement. All together, the three reports show all financial activity between January 1 - June 30.

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Exceptions:

Candidates Raising and Spending Less Than $2,000

A candidate who will be listed on a state election ballot, but does not raise or spend $2,000 or more in a calendar year, may file the one-page Form 470 (Campaign Statement Short Form). Generally, the Form 470 must be filed by the first preelection deadline for a June election.

A candidate who is not listed on the June ballot but is listed on the November ballot must file Form 470 by July 31 or by the first preelection deadline. Refer to the form instructions and relevant filing schedule.

State Officeholders Not on a Ballot

A state officeholder who will not appear on the ballot is not required to file preelection statements unless the committee makes a contribution or an independent expenditure of $500 or more in connection with the statewide primary or general election during the preelection reporting period.

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Fair Political Practices Commission
Filing Schedule for
State Candidate Controlled Committees
Listed on the June 5, 2018 Ballot

Deadline	*Period*	*Form*	*Notes*
Jan 31, 2018 *Semi-Annual*	*** – 12/31/17**	460	▪ All committees must file this report.
Within 10 Business Days *$5,000 Report*	**Ongoing – file any time other than 90-day election cycle**	497	**Only e-filers file this report:** ▪ File if a contribution of $5,000 or more is received from a single source. ▪ No paper copy is required.
Within 24 Hours *Election Cycle Reports*	**3/7/18 – 6/5/18**	497	▪ File if a contribution of $1,000 or more in the aggregate is received from a single source. ▪ File if a contribution of $1,000 or more in the aggregate is made in connection with a candidate or ballot measure being voted on the June 5 ballot, or made to a political party committee. ▪ The recipient of an in-kind contribution must file a Form 497 within 48 hours from the time the in-kind or non-monetary contribution is received. ▪ E-file only – no paper copy is required.
Apr 26, 2018 *1st Pre-Election*	**1/1/18 – 4/21/18**	460	▪ All committees must file this report.
May 24, 2018 *2nd Pre-Election*	**4/22/18 – 5/19/18**	460	▪ All committees must file this report. ▪ Paper copies must be filed by personal delivery or guaranteed overnight service only.
Jul 31, 2018 *Semi-Annual*	**5/20/18 – 6/30/18**	460	▪ All committees must file this report.

Additional Reports

Depending on committee activity, one or more of the following reports may also be required:

- **Payments Related to a State Ballot Measure (E-Filers only):** File Form 496 (24-hour Independent Expenditure Report) or Form 497 (24-hour Contribution Report) within 10 business days of making payments totaling $5,000 or more in connection with a single state ballot measure. No paper copy is required.
- **Form 511:** File within 10 days of making either of the following expenditures related to an advertisement to support or oppose a ballot measure: 1) A payment totaling $5,000 or more to an individual to appear in an advertisement, or 2) A payment of any amount to an individual portraying a member of a licensed occupation (i.e., nurse, doctor, firefighter). E-Filers also file online.
- **Form E-530:** File within 48 hours of making a payment of $50,000 or more during the 45 days prior to an election for a communication that identifies a state candidate being voted upon in the election but does not expressly advocate the election or defeat of the candidate. No paper copy is required.

Ex 10.1 - The illustration above shows a portion of an FPPC filing schedule. Check the FPPC's website for the schedule applicable to your election.

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C. Where to File

State committees file campaign statements with the Secretary of State ("SOS"). A candidate controlled committee that does not file electronically must also file a copy of the Form 460 with the candidate's county of domicile. In addition, a state candidate who does not file electronically and who also maintains a local committee must file a copy of the Form 460 with the local filing officer (i.e., city clerk or elections official).

Electronic Filing

Once a state committee has received contributions totaling $25,000 or more, or made expenditures totaling $25,000 or more, it is required to file campaign reports electronically in addition to paper format with the Secretary of State. To determine if the $25,000 electronic filing threshold is met, a candidate must include contributions and expenditures for all of his or her controlled committees.

Until a committee triggers the electronic filing threshold, the Form 460 is filed in paper format only. Once the electronic filing requirements are triggered, all future statements filed by the candidate's controlled committees must be filed electronically, including statements filed by a local committee controlled by a state candidate. The Form 460 filed by state candidates is filed with:

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

Quick Tip

Non-E-filers may fax a Form 460 that is 30 pages or less. However, the paper Form 460, with a wet signature, must be mailed or personally delivered within 24 hours of the filing deadline.

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Multiple Controlled Committees

A state candidate or elected officer may have only one controlled committee and one bank account per election. But, a candidate may control other committees, such as a committee for a different term of the same elective office or a committee for a different elective office. A state candidate or elected officer may also control committees for purposes such as supporting or opposing a ballot measure, preparing for a legal defense or for officeholder expenses. Each of the candidate's controlled committees must file statements when the state candidate's election committee files preelection statements. This rule provides voters with a complete summary of the contributions received and payments made by the candidate.

CalPERS/CalSTRS Elections

Elected members of the Board of Administration of the CalPERS and CalSTRS, candidates for these offices, their controlled committees and committees formed to support or oppose these candidates must file the original Form 460 and a copy with the Secretary of State and one copy with the relevant board's office in Sacramento. Committees must also file electronically if contributions or expenditures total $25,000 or more.

CalPERS and CalSTRS candidates and officeholders that have a controlled committee must file semi-annual statements and preelection statements. The preelection filing schedule is different from other state candidates as it relates to the ballot period determined by the relevant board. The FPPC publishes filing schedules for these elections.

Judicial Candidates, Officeholders, and Primarily Formed Committees

Judges, judicial candidates, and committees primarily formed to support or oppose a judicial candidate file the Form 460 with the Secretary of State. The committees must file reports electronically and on paper if contributions or expenditures reach $25,000 or more. A committee that is not required to file electronically must file a copy of the Form 460 with the candidate's county of domicile. For detailed information about a judicial candidate, see Campaign Manual 2.

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Superior Court Elections

Although committees formed for superior court judicial elections must file campaign reports with the Secretary of State, they are not considered "state committees" as such offices are not listed in the Act's definition of "elective state office." See FPPC Campaign Manual 2 for more information.

Committees Primarily Formed to Support or Oppose a State Candidate

Committees primarily formed to support or oppose a state candidate must file semi-annual and preelection statements (Form 460) in the same manner as the candidate's election committee. Because these committees frequently make independent expenditures, treasurers should refer to Chapter 12.

DRAFT

Authority

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

Government Code Sections

81004.5	Reports and Statements; Amendments.
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.
84200.5	Preelection Statements.
84200.8	Time for Filing Preelection Statements for Elections Not Held in June or November of an Even-Numbered Year.
84200.9	Time for Filing Preelection Statements for Candidate for CalPERS and CalSTRS.
84206	Candidates Who Receive or Spend Less Than $2,000.
84215	Campaign Reports and Statements; Where to File.
84605	Who Shall File Online.
91013	Late Filing of Statement or Report; Fees.

Title 2 Regulations

18110	Duties of Filing Officers – Campaign Statements.
18116	Reports and Statements; Filing Dates.
18405	Candidates with Multiple Controlled Committees.
18406	Short Form for Candidates or Officeholders Who Receive and Spend Less than $2,000 in a Calendar Year.
18426	Semi-Annual Statement Early Filing.

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After the Election

After the election, a candidate's future filing obligations are determined by whether or not the candidate was elected to office. The Political Reform Act ("Act") requires a state candidate controlled election committee that has no "net debts outstanding" after the election to terminate within 24 months after the earliest of the date the candidate is defeated, leaves office, or the term of office for which the committee was formed ends or, for withdrawn candidates, no later than 24 months after the election from which the candidate withdrew. The Act does not require a state candidate controlled election committee with "net debts outstanding" or a committee primarily formed to support or oppose a candidate to terminate within a specific timeframe. However, a committee that remains open must continue to file semi-annual statements and pay the $50 annual committee fee until it terminates.

This chapter addresses the reporting requirements for successful candidates, defeated candidates, primarily formed committees, and the guidelines for terminating a campaign committee.

For information about officeholder expense accounts, legal defense funds, and recall elections, see Chapter 1. For information about ballot measure committees controlled by a state candidate or officeholder, see Campaign Disclosure Manual 3.

A. Defeated Candidates

Form 470 Filers

Following the election, a defeated candidate who filed the Form 470 (Officeholder and Candidate Campaign Statement – Short Form) has no further reporting obligations as long as less than $2,000 was raised or spent during the calendar year.

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Form 460 Filers

Following the election, a defeated candidate must continue to file the Form 460 (Recipient Committee Campaign Statement) on a semi-annual basis and pay the $50 annual committee fee as long as the committee remains open. In addition, other special reports may be required depending on the committee's activity. As discussed below, a state candidate controlled committee that has **no "net debt outstanding" must terminate no later than 24 months** after the election in which the candidate was defeated.

A candidate who is defeated in the primary or special primary election, or who withdraws from the general or special general election, must return contributions received for the general or special general election to contributors on a pro rata basis, less the cost of raising and administering the funds and general election expenses paid prior to the primary election. See Chapter 1 for additional information.

If there are leftover funds and the candidate wants to use the funds for a future election, the funds must be transferred before they become surplus as discussed later in this chapter.

Quick Tip

A candidate who is defeated in the primary or special primary election must return contributions received for the general or special general election. See Chapter 1.

B. Successful Candidates

The requirements discussed below apply to candidates/officeholders immediately following the election and for subsequent non-election years. An officeholder retains his or her status as a "candidate" under the Act and must continue to file campaign reports – either the Form 470 (Officeholder and Candidate Campaign Statement – Short Form) or the Form 460 (Recipient Committee Campaign Statement) – until the officeholder has left elective office and terminated his or her committee. See "Future Election: Transfers" below for the requirements that must be met in order for a candidate/officeholder to use leftover campaign funds to run for reelection or to run for election to a different office.

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Officeholders Who Filed Form 470 During Campaign

After the election, a candidate who filed the Form 470 (short form) in connection with the election has no additional filing obligations that calendar year as long as less than $2,000 was raised or spent. So long as a candidate/officeholder does not have an open committee, a Form 470 must be filed by July 31 of each subsequent non-election year. This may apply to CalPERS and CalSTRS elected officers.

Officeholders Who Filed Form 460 During Campaign

After the election, a successful candidate with a controlled committee must continue to file the Form 460 on a semi-annual basis and pay the $50 annual committee fee until the committee terminates. In addition, the committee must file the Form 497 for contributions received of $5,000 or more. If the committee makes contributions and independent expenditures, other reports may be required.

Quick Tip

Candidates/ officeholders should consult the applicable filing schedule on the FPPC's website.

Once an officeholder terminates the committee, the officeholder will be required to file the Form 470 the following year. However, if a candidate/officeholder has an open committee at any time during a calendar year, the Form 460 must be filed.

An election committee controlled by a state candidate may receive contributions after an election only to pay "net debts outstanding" from the election. An elected state officer may open an officeholder account for the purpose of paying expenses associated with holding the office to which the officer was elected. See Chapter 1 for additional information about net debts outstanding and officeholder accounts.

$5,000 Electronic Reports

A state officeholder committee that files campaign reports electronically must continue to file the $5,000 reports (Form 497) discussed in Chapter 2 until the 90-day election cycle before the candidate's next election.

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Behested Payment Reports (Form 803)

A state elected officer who fundraises for worthy causes in his or her community (such as for a local school, to build a new community center or restore a historic building), may have to file a "behested payment" report. Behested payments are donations made to a charity or a government agency at the request of an elected official for a legislative, governmental or charitable purpose. These payments are not made for personal purposes (i.e., gifts) or campaign purposes (i.e., contributions).

A common example is when an elected officer co-sponsors a charitable, governmental, or legislative event, such as a job fair or a conference on public policy issues, with outside sources. Payments made by outside sources in connection with these events generally are considered behested payments.

Form 803 Filing Procedures:

- File the Form 803 when a person donates $5,000 or more in a calendar year to charitable organizations or events at the request of an elected officer.
- Once a source has made a behested payment(s) of $5,000 or more during the calendar year, subsequent payments of any amount from that source during the calendar year must be reported.
- File the Form 803 with the elected officer's agency (e.g., Statewide office, Legislature) within 30 days following the date of the payment.
- The agency must send a copy of the Form 803 to the FPPC. The FPPC posts the reports on its website.

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Form 803 Exceptions:

- A Form 803 is not required of a non-elected officer.
- A payment is not subject to behested payment reporting if the payment is made in response to a fundraising solicitation from a charitable organization requesting a payment where the solicitation does not "feature an elected officer," even if the solicitation includes an elected officer's name. A solicitation "features an elected officer" when it includes the officer's photograph or signature, or singles out the elected officer. An elected officer is also "featured" in a solicitation if the roster or letterhead listing the governing body contains a majority of elected officers. See Regulation 18215.3 for additional information.
- A payment is not subject to behested payment reporting if the elected officer makes a request for a payment from a local, state, or federal government agency.

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Behested Payment Report — A Public Document

Behested Payment Report

California Form 803

For Official Use Only

Date Stamp

1. Elected Officer or CPUC Member *(Last name, First name)*

Kim Greer

Agency Name

California State Senate

Agency Street Address

State Capitol, Room 2055

Designated Contact Person *(Name and title, if different)*

Austin Florez, Chief of Staff

Area Code/Phone Number

916-555-3434

E-mail *(Optional)*

aflorez@casenatemail.com

☐ **Amendment** *(See Part 5)*

Date of Original Filing: _____ *(month, day, year)*

2. Payor Information *(For additional payors, include an attachment with the names and addresses.)*

ABC Insurance Company

Name

Address	City	State	Zip Code
456-250 Stockton Street	Rancho Cordova	CA	95670

3. Payee Information *(For additional payees, include an attachment with the names and addresses.)*

Boys and Girls Club of California

Name

Address	City	State	Zip Code
555 10th Street	Sacramento	CA	95814

4. Payment Information *(Complete all information.)*

Date of Payment: 08/15/XX *(month, day, year)*

Amount of Payment: *(In-Kind FMV)* $ 5,000 *(Round to whole dollars.)*

Payment Type: ☒ Monetary Donation **or** ☐ In-Kind Goods or Services *(Provide description below.)*

Brief Description of In-Kind Payment: _____

Purpose: *(Check one and provide description below.)* ☐ Legislative ☐ Governmental ☒ Charitable

Describe the legislative, governmental, charitable purpose, or event: Charitable fundraiser to support the Boys and Girls Club.

5. Amendment Description and/or Comments

_____

6. Verification

I certify, under penalty of perjury under the laws of the State of California, that to the best of my knowledge, the information contained herein is true and complete.

Executed on 8/31/XX (DATE) By [Signature Required] (SIGNATURE OF ELECTED OFFICER OR CPUC MEMBER)

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C. Future Election: Transfers

A candidate or officeholder may transfer leftover campaign funds to another committee for a future election to the same office or to a different office so long as the funds are not considered "surplus funds" and the committee does not have "net debts outstanding."

Campaign funds become surplus on the 90th day after the closing date for the postelection reporting period or upon the 90th day after the date of leaving office, whichever occurs last.

Surplus campaign funds are subject to restrictions, as described in Chapter 6, and may not be used for a future election.

In order for a candidate to use leftover (non-surplus) campaign funds for a future election, the candidate must:

- File a new **Form 501** (Candidate Intention Statement) for the specific future election;
- File an initial **Form 410** (Statement of Organization) to obtain a new committee identification number; and,
- Open a **new bank account.** Transfers to a committee for a different state office must be attributed to specific contributors as described in Chapter 1.

D. Primarily Formed Committees

Generally, a committee established primarily to support or oppose a particular candidate(s) will terminate after the election, but 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.

A primarily formed committee must continue to file semi-annual campaign statements (i.e., Form 460 or Form 450) and pay the $50 annual fee as long as the committee remains open.

Ex 11.1 - 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, the committee must file an amended Form 410 (Statement of Organization) and will continue to file campaign statements.

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E. When to Terminate the Committee

Certain committees (e.g., state candidate controlled committees with no "net debts outstanding") have specific deadlines, discussed below, for terminating the committee. Other committees (e.g., state candidate controlled committees **with** "net debts outstanding" and primarily formed candidate committees) are not required to terminate within a specific timeframe. All committees must meet the criteria specified in the "Requirements to Terminate a Committee" section below.

State Candidate Controlled Election Committees with No Net Debts Outstanding

A state candidate controlled election committee that has **no** "net debts outstanding" must be terminated **no later than 24 months** after the earliest of the date the candidate is defeated, leaves office or the term of office for which the committee was formed ends or, for withdrawn candidates, no later than 24 months after the election from which the candidate withdrew.

State Officeholder with a Local Committee

A candidate who is elected to state office must terminate any controlled committees that were formed for local elections held concurrent with or prior to their election to state office. The local committee(s) must be terminated **within 24 months** of the candidate's election to state office.

Ex 11.2 - Paulina Kinder was elected to the State Assembly on November ~~4~~ 8, ~~2014~~ 2016. She must terminate her local committee formed for the county board of supervisors by November ~~4~~ 8, ~~2016~~ 2018.

Requests for Extension

A committee may, for good cause, seek an extension of time to comply with the termination requirements. Such a request must be submitted to the FPPC's Executive Director prior to the original due date for the committee's termination, and must include evidence of good cause for the request.

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State Candidate Controlled Election Committees with Net Debts Outstanding

A state candidate controlled election committee that has "net debts outstanding" after the election does not have a deadline to terminate. The committee must continue to file semi-annual campaign statements (Form 460) and pay the $50 annual committee fee until the committee terminates.

Committees Primarily Formed to Support or Oppose a State Candidate

Primarily formed committees do not have a deadline to terminate. However, the committee may need to change its committee status if it remains open after the election. The committee must continue to file semi-annual campaign statements (i.e., Form 460 or Form 450) and pay the $50 annual committee fee until the committee terminates.

F. Requirements to Terminate a Committee

A committee may terminate only if **all** of the following criteria are met:

- The committee has ceased receiving contributions or making expenditures and does not anticipate receiving contributions or making expenditures in the future;
- The committee has no remaining campaign funds;
- The committee has filed all required campaign statements, disclosing all reportable transactions, including the disposition of leftover funds; **and**
- The committee has eliminated all debts, or has no intention or ability to discharge debts.

A committee must file a Form 410 and a final Form 460 or Form 450. On the Form 410, the "Termination" box must be checked. List the committee's identification number and the date of termination. The date of termination generally is the date all funds have been expended. Complete Section 1 and the treasurer or assistant treasurer must sign the verification. For candidate controlled committees, the controlling candidate/officeholder also must sign the verification.

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Either a Form 450 or a Form 460 also must be filed showing that all funds have been expended and the committee has no cash on hand. Check the "Termination" box on the cover page.

File the original ~~and a copy of the~~ Form 410 with the Secretary of State. File the Form 450 or Form 460 in the committee's regular filing locations.

Terminating with Debt and Notice to Creditors

A committee may terminate with debt, but must dispose of all cash prior to closing its bank account. The committee must give at least a 60-day notice of its impending termination to all creditors. The notice must include the date the committee expects to file its Form 410 termination statement. No new contributions may be received and no further expenditures may be made once the committee has been terminated.

Ex 11.3 - At the end of November, after winning her election, Arlene decides to terminate her committee. She files a Form 410 termination statement and a Form 460 termination statement showing that the committee has no remaining cash. 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.

G. Reopening of Terminated Candidate Controlled Committees

Generally, once a committee has terminated, no transactions may be made by the committee unless a request to reopen the committee is submitted to and approved by the FPPC's Executive Director.

Ex 11.4 - A defeated candidate in a November election closed the campaign committee in December. In February of the following year, a $1,500 refund from the county elections office for an overpayment of filing fees was received. The candidate must disclose receipt of the refund on Schedule I of the Form 460. The refund must be used for a permissible expenditure as described in Chapter 6, such as to pay outstanding debts or to make a donation to a charity, and disclosed on Schedule E. The Form 460 is filed with the SOS. If the candidate paid the filing fee with personal funds, no disclosure is required.

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Exceptions:

- Receipt of a refund from a governmental entity (such as an overpayment of filing fees).

- Receipt of a refund from a vendor or other person if the committee did not know of its entitlement prior to termination and the refund(s) totals no more than $10,000.

To report the refunds described above, the terminated committee must file a Form 460 for the period in which the refund was received and report the refund as a miscellaneous increase to cash on Schedule I and as an expenditure on Schedule E when the funds are spent. (See Chapter 6 for the permissible uses of campaign funds.) For the rules related to transferring the refund to another committee, see Regulation 18404.1. The refund of a filing fee paid by personal funds does not need to be reported.

A state candidate controlled committee may submit a request to the FPPC's Executive Director to reopen a terminated committee for any of the following reasons:

- To pay a fine as permitted under Government Code Section 89513(c);

- To pay expenses incurred in connection with an audit or investigation of the committee;

- To pay litigation expenses as permitted under Government Code Sections 89513 and 89514, other than expenses subject to the legal defense fund provisions;

- For any other good cause shown that would further the disclosure requirements or contribution limits of the Act; or

- To receive a refund or similar payment received after termination of the committee (other than a refund described above that the committee is allowed to accept without reopening).

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H. Administrative Termination by the FPPC's Enforcement Division

The FPPC's Enforcement Division may terminate a committee if the committee failed to:

- File a campaign statement in the previous 12 months, and the committee had an ending cash balance of $3,000 or less on its last campaign statement;
- File a campaign statement in the previous 12 months, and had an ending cash balance of $5,000 or less on its last campaign statement, and owes $2,000 or more to the controlling candidate;
- File a campaign statement in the previous 48 months; or
- Respond to the Enforcement Division's reasonable efforts to contact the committee regarding the committee's failure to file campaign statements or failure to pay annual fees.

The Enforcement Division must provide the committee with written notice of a proposed termination 45 days prior to terminating the committee. The Enforcement Division will not terminate a committee if the committee files a written objection to the termination. If no written objection is received within 45 days, the committee automatically terminates without further notice. See Regulation 18404.2 for information about reinstating an administratively terminated committee and prohibited activity after termination.

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Answering Your Questions

A. I lost in the June primary election so I need to refund the general election contributions, less administrative and fundraising expenses. Must I refund the general election contributions to all donors who contributed to the general election, or may I choose to return the contributions of some donors while allocating general election expenses to others, thereby reducing or eliminating the refunds payable to particular donors?

You must refund the general election funds on a pro rata basis, less any expenses associated with the raising and administration of general election contributions. You may not allocate expenses to particular donors – the expenses must be distributed proportionally among all donors. See Government Code Section 85318.

B. I lost in the June primary election. I am in the process of refunding the general election contributions, less administrative and fundraising expenses. If I am unable to locate some of the donors, may the refunds be donated to a 501(c)(3) nonprofit organization?

No. If you are unable to locate a donor or a donor fails to accept his or her refund, the committee must pay the funds to the State General Fund.

C. May I terminate my committee even if I have outstanding debt owing to creditors?

Yes. When you file your termination Form 460 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.

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D. After terminating my committee, I received an invoice for legal services that needs to be paid. Is it permissible to pay the invoice with my personal funds without reopening the committee?

No. You must reopen the committee and deposit personal funds into the committee's bank account before paying the invoice. A request to reopen your committee must be submitted to the FPPC's Executive Director. The only transactions that may occur without reopening a committee are receipt of a refund from a governmental entity, or receipt of a refund from a vendor or other person if the committee did not know of its entitlement prior to termination and the refund is no more than $10,000. (See Regulation 18404.1.)

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Authority

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

Government Code Sections

82004.5	Behested Payment.
82015	Contribution.
82041.3	Made at the Behest of.
84103	Statement of Organization; Amendment.
84200	Semi-Annual Statements.
84206	Candidates Who Receive or Spend Less than $2,000.
84214	Termination.
84224	Behested Payment Disclosure.
85200	Statement of Intention to be a Candidate.
85201	Campaign Bank Account.
85318	Contributions Received for Primary and General Elections.
89513	Use of Campaign Funds for Specific Activities.
89514	Use of Campaign Funds for Attorney's Fees.
89519	Use of Surplus Campaign Funds.

Title 2 Regulations

18215	Contribution.
18247.5	Primarily Formed Committees.
18215.3	Behested Payments Reporting.
18404	Termination of Candidate's and Committees' Filing Requirements.
18404.1	Termination and Reopening of Committees.
18404.2	Administrative Termination.
18406	Short Form for Candidates or Officeholders Who Receive and Spend Less than $2,000 in a Calendar Year.
18426	Semi-Annual Statement Early Filing.
18951	Surplus Funds.

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Primarily Formed Committees Reporting Independent Expenditures

This chapter discusses the general requirements for committees primarily formed to support or oppose a state candidate. In addition, the forms that are required when a committee makes an independent expenditure are reviewed. An independent expenditure is a payment for a communication that expressly advocates support or opposition of a candidate or measure but is not made at the behest of the candidate or measure committee (or the candidate's or measure committee's agent(s).) See Chapter 7 for additional information about independent expenditures.

Generally, independent expenditures are made by committees primarily formed to support or oppose a candidate, not by candidate controlled committees. Most payments made by candidate controlled committees are direct expenditures. But, there is a brief discussion at the end of this chapter about candidate controlled committees making independent expenditures.

A. General Rules for Committees Primarily Formed to Support or Oppose a State Candidate

As described in Chapter 2, a "primarily formed committee" is formed to support or oppose a single state candidate, but is not controlled by the candidate being supported. Generally, the requirements and restrictions outlined in this manual apply to primarily formed committees, including the following:

- The recordkeeping rules and the duties imposed on the committee treasurer and assistant treasurer. (See Chapter 3.)
- The notification to major contributors of $5,000 or more. (See Chapter 4.)

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- Mandated committee advertisement disclaimers, including the names of the top ~~two~~ three donors of $50,000 or more. (See Chapter 8.)

- The requirement that committee funds must be used for a political, legislative or governmental purpose. (See Chapter 6.)

A primarily formed committee is not subject to the following:

- Contribution limits.

- The requirement to complete the Form 501 (Candidate Intention Statement).

- The requirement to terminate by a specific deadline. (See Chapter 11 for information about terminating a committee.)

The following forms, which are required to be filed by primarily formed committees, are discussed in previous chapters:

- **Form 410 (Statement of Organization):** See Chapter 2.

- **Form 497 (24-hour Contribution Report):** See Chapter 2.

- **Form 460 (Recipient Committee Campaign Statement):** See Chapter 9.

Primarily formed committees making independent expenditures must also file the forms listed below, which are discussed in this chapter:

- **Form 496 (24-hour Independent Expenditure Report)**

- **Form 462 (Verification of Independent Expenditures)**

- **Form T10 (Top Ten Contributors)** – Only required if the committee raises $1,000,000 or more and has received contributions of $10,000 or more from a single contributor.

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B. Form 496 – 24-Hour Independent Expenditure Report

The Form 496 is required when independent expenditures totaling $1,000 or more are made during the 90-day election cycle.

The Form 496 is filed electronically with the Secretary of State within 24 hours of making the independent expenditure(s). No paper copies of this report are required, and no copies are required to be filed with other filing officers.

Quick Tip

The 90-day election cycle includes the 90 days before an election and the date of the election.

Reporting examples:

- A committee makes an independent expenditure by paying for an advertisement opposing two candidates. The ad costs $40,000 and features the candidates equally. The committee must file a separate Form 496 for each candidate and disclose $20,000 for each candidate.

- A committee makes a $500 independent expenditure 60 days before the election and a second independent expenditure of $600, 20 days before the election. A Form 496 is required within 24 hours of the second payment.

- A committee makes a $1,500 independent expenditure 60 days before the election and files a Form 496. A second independent expenditure of $600 is made 20 days before the election. Another Form 496 is not required unless additional independent expenditures of $400 or more are made.

10-day Independent Expenditure Report (Form 496)

Additionally, a Form 496 is required to be filed within 10 business days when a committee makes independent expenditures that total in the aggregate $5,000 or more to support or oppose the **qualification** of a single local initiative or referendum ballot measure.

Completing Form 496

- **Name of Filer.** Enter the committee's name, phone number, ID number, and address. Provide the date of filing, the report number, and the number of pages. If an amendment is being filed, mark the "Amendment" box.

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- **Part 1. Candidate or Measure Supported or Opposed.** Enter the name of the candidate supported or opposed by the independent expenditure, the office sought or held by the candidate, and the district number, if applicable. Mark the applicable "Support" or "Oppose" box. A separate Form 496 must be filed for each candidate or measure.

Note: A committee must review the communication to determine the candidate(s) or committee(s) that should be identified on the Form 496. For example, if a communication only advocates opposition to Candidate Hill, Candidate Hill's information is listed and the "Oppose" box is marked. But, if a communication supports Candidate Jones and opposes Candidate Lieu, two separate Form 496s must be filed – one for Candidate Jones and one for Candidate Lieu. The value for each is determined by prorating the costs among the candidates and/or committees supported or opposed.

- **Part 2. Independent Expenditures Made.** Enter the date the independent expenditure was made. In the "Description of Expenditure" field, enter the type of expenditure (e.g., radio advertisement, billboard, or mailing) and the cumulative-to-date total for that candidate or measure. In the amount field, enter the amount of the specific expenditure disclosed in the description field.

- **Part 3. Contributions of $100 or More Received.** Disclose contributions of $100 or more received since the closing date of the last campaign statement (Form 460) filed through the date of the independent expenditure. Enter the date received, the name and address of the contributor, the contributor code (e.g., IND), and the amount received. If the contributor is an individual, enter the individual's occupation and employer. If the individual is self-employed, enter the name of the business. If the contribution received is a loan, enter the interest rate, if any.

Once a contribution is reported, it is not necessary to report that contribution on any additional Form 496 but it must be reported on the next Form 460.

Cumulative-To-Date Totals. If the cumulative-to-date total is accurate on the most recently filed Form 496, the committee is not required to amend the cumulative-to-date total amount on previous reports.

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496 Independent Expenditure Report

1. List Only One Candidate or Ballot Measure

NAME OF CANDIDATE SUPPORTED OR OPPOSED				NAME OF BALLOT MEASURE SUPPORTED OR OPPOSED			
David Johnson							
OFFICE SOUGHT OR HELD	DISTRICT NO.	SUPPORT	OPPOSE	BALLOT NO./LETTER	JURISDICTION	SUPPORT	OPPOSE
Governor	N/A		X				

2. Independent Expenditures Made *Attach additional information on appropriately labeled continuation sheets.*

DATE	DESCRIPTION OF EXPENDITURE	AMOUNT
XX/XX/20XX	Research and consulting services	$5,300
XX/XX/20XX	Mailer	$37,263
	Cumulative to Date: $222,900	

496 Independent Expenditure Report

CALIFORNIA FORM 496

NAME OF FILER: Committee to Oppose David Johnson for Governor

I.D. NUMBER *(If applicable)*: 1234567

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
XX/XX/20XX	Advocates for Fair Housing - ID 741857 4200 K Street Sacramento, CA 95814	☐ IND ☒ COM ☐ OTH ☐ PTY ☐ SCC		$10,000	If loan, enter interest rate, if any _____%
XX/XX/20XX	Mary Ann Morris 5615 Market Street Sacramento, CA 95826	☒ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Retired	$2,000	If loan, enter interest rate, if any _____%
XX/XX/20XX	ABC Company 7919 Main Street Lansing, Michigan 48901	☐ IND ☐ COM ☒ OTH ☐ PTY ☐ SCC		$23,000	If loan, enter interest rate, if any _____%

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C. Form 462 – Verification of Independent Expenditures

The Form 462 is filed when a committee makes an independent expenditure(s) totaling in the aggregate $1,000 or more in a calendar year to support or oppose a single candidate or measure. The Form 462 identifies the committee's principal officer. The officer acknowledges, under penalty of perjury, that the committee's independent expenditures were not coordinated with the listed candidate (or the opponent) and that the committee will report all contributions and reimbursements as required by law.

Principal Officer. A principal officer is an individual primarily responsible for approving the political activity of the committee such as:

- Authorizing the content of communications.
- Authorizing independent expenditures.
- Determining the committee's campaign strategy.

Filing Form 462

Email the Form 462 to the FPPC (form462@fppc.ca.gov) within 10 days from the date of the first independent expenditure of $1,000 or more. A specific candidate must be identified only once per election. The primary and general elections are separate elections. Thus two forms are required if a committee makes independent expenditures supporting/opposing a candidate listed on both the primary and general election ballots. Maintain the originally signed form for four years.

Completing Form 462

This one page form identifies the committee making the independent expenditure, the candidate or measure supported or opposed by the independent expenditure, and the name of the committee's principal officer. If the committee's Form 410 lists more than one principal officer, any of those officers may sign the Form 462.

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Form 462
Verification of Independent Expenditures

CALIFORNIA FORM 462

This verification form identifies the individual responsible for ensuring that a campaign committee's independent expenditures were not coordinated with the listed candidate (or the opponent) or measure committee and that the committee will report all contributions and reimbursements as required by law. An independent expenditure is not subject to state or local contribution limits.

☐ Amendment (Explain)

1. Name of Committee:

NAME OF RECIPIENT COMMITTEE, ENTITY OR INDIVIDUAL			COMMITTEE ID #
Committee to Oppose Smith for Senate District 2 20XX			12123XX
STREET ADDRESS		CITY	
11 K Street		Sacramento	
STATE	ZIP CODE	E-MAIL	TELEPHONE NUMBER
CA	95814	ssss@xxxxx.com	(916) 111-1111

2. Candidate or Measures:

This committee has reported an independent expenditure(s) to support or oppose the candidate(s) or measure(s) listed on a ballot for the election date identified below. (Note: The reporting of an independent expenditure may occur after this form is filed if an independent expenditure is made before the 90 day, 24-hour reporting period of Government Code Sections 84204 and 85500.)

NAME OF CANDIDATE (First/Last) OR BALLOT MEASURE	SUPPORT	OPPOSE	OFFICE SOUGHT OR HELD/ BALLOT NO./LETTER	JURISDICTION AND DISTRICT, IF ANY	ELECTION DATE
Susan Smith	☐	✓	Senate	2	6/07/20XX
	☐	☐			
	☐	☐			
	☐	☐			

3. Verification:

I have not received any unreported contributions or reimbursements to make these independent expenditures. I have not coordinated any expenditure made during this reporting period with the candidate or the opponent of the candidate who is the subject of the expenditure, with the proponent or the opponent of the state measure that is the subject of the expenditure, or with the agents of the candidate or the opponent of the candidate or the state measure proponent or opponent. I certify under penalty of perjury under the laws of the State of California that the following is true and correct.

Signature [Signature Required] **Printed Name** John Doe **Signed on** X/XX/20XX *(month, day, year)*

(Check One): ☑ **Principal Officer** ☐ **Candidate/Officeholder** ☐ **State Ballot Measure Proponent**

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D. Form T10 – Top Ten Contributor List

A committee primarily formed to support or oppose a state candidate that receives $1,000,000 or more, and has received contributions of $10,000 or more from a single source, must file the Form T10 with the FPPC by email (T10@fppc.ca.gov).

File the Form T10:

- Within *two business days* of meeting or exceeding the $1,000,000 threshold if the threshold is met within the 16-day period before the election, or

- Within *three business days* of meeting or exceeding the $1,000,000 threshold if the threshold is met at any time other than during the 16-day period before the election.

Completing Form T10:

- **Part 1. Committee Information.** Enter the committee's name, ID number, date of submittal, report number (e.g.,1, 2), contact information, treasurer's name, and the date of election.

- **Part 2b. Candidate Supported or Opposed.** List the candidate supported or opposed, office sought, district number (if any), and mark "Support" or "Oppose."

- **Part 3. Reasons for Update.** Indicate the reason for an updated submission (e.g., new person qualified, ranking order changed).

- **Part 4. Top Contributors – $10,000 or More.** Identify the contributor, type of committee (if applicable), ID number (if any), city, state and cumulative amount. To determine the cumulative amount received from a contributor, the committee must count the cumulative amount of contributions from a single source for the primary and general elections combined.

- In the "Part 5 Completed" Column, select "yes" if the contributor is a state recipient committee that has received $50,000 or more from a single source. Otherwise, select "no."

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- **Part 5. State Recipient Committees – Top Two Contributors of $50,000 or More.** Complete Part 5 when a state recipient committee is listed as a top 10 contributor and the state recipient committee has received contributions aggregating $50,000 or more, from a single source, during the current two-year election period as displayed on the Secretary of State's Cal-Access system: http://cal-access.sos.ca.gov/. List only the contributors' names, not the amounts or addresses. Disclose the most recent contributor when two or more contributors of identical amounts qualify as the top two contributors.

Note: Update Part 5 when the state recipient committee makes additional contributions to the primarily formed committee completing the Form T10.

Ex 12.1 - A primarily formed candidate committee for a November election received over $1 million in total contributions and listed five separate donors of $10,000 or more in Part 4; one donor is a state recipient committee. The committee must access the Secretary of State's Cal-Access database, enter the committee's ID number, select contributions received and late contributions received, and list in Part 5 the top two largest contributors of $50,000 or more. If two or more contributors of identical amounts are included in the top two, disclose the most recent contributor(s).

Subsequent Submissions:

File an updated Form T10 when any of the following occurs:

- A new person qualifies as a top 10 contributor.
- A person who is an existing top 10 contributor makes additional contributions.
- The relative ranking order of the top 10 contributors changes.
- The reporting committee changes its name to add or delete a candidate.

Note: Part 5 is updated only if the state recipient committee makes additional contributions to the committee completing the Form T10.

The deadlines to file a subsequent submission are:

- Within *two business days* of the change if there are changes to the top 10 list within the 16-day period before the election.
- Within *three business days* of the change if there are changes to the top 10 list at any time other than during the 16-day period before the election.

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Committees Primarily Formed for State Ballot Measures or Candidates Top Ten Contributor List
(Government Code Section 84223)

CALIFORNIA FORM T10

Part 1: Committee Information		
Committee Name: Businesses Supporting John Doe for Senate 20XX, sponsored by the Local Business Association in San Diego County		
ID Number: 13750XX	**Date Submitted:** May 20, 20XX	**Report Number:** 1
Contact Name (last, first)**:** Nelson, Linda	**Phone Number:** 916-222-2222	
Email Address: lnelson@nelsonmail.com	**Treasurer's Name** (last, first)**:** Nelson, Linda	
Date of Election: June 5, 20XX	**Primarily Formed Ballot Measure** ☐	**Primarily Formed Candidate** ☑

Part 2a: Measure(s) Supported or Opposed

Measure # (or A.G. #)	Support	Oppose
	☐	☐
	☐	☐
	☐	☐
	☐	☐
	☐	☐

Part 2b: Candidate Supported or Opposed

Candidate Name (last, first)	Office Sought	District, if any	Support	Oppose
Doe, John	Senate	XX	☑	☐
			☐	☐
			☐	☐
			☐	☐

Part 3: Reason For Update *(Check at least one box)*

- ☐ **A new person qualified as a top 10 contributor.**
- ☐ **A person who is an existing top 10 contributor made additional contributions.**
- ☐ **The relative ranking order of the top 10 contributors changed.**
- ☐ **The reporting committee changed its name to add or delete a ballot measure or candidate.**
- ☐ **Other (explain):**

Part 4: Top Contributors – $10,000 +

Contributor	Recipient Committee or Major Donor, if applicable	ID Number of Recipient Committee or Major Donor, if any	Part 5 Completed	City	State	Cumulative Amount
Citizens to Support Free Enterprise	Recipient Committe	12345XX	Yes	San Diego	CA	$60,000
Small Business Organization PAC	Recipient Committe	13865XX	Yes	San Diego	CA	$50,000
ABC Company	Major Donor	19920XX	No	San Diego	CA	$12,000
John Jacobs	Major Donor	12777XX	No	San Diego	CA	$11,000
Sally Hon	Major Donor	13256XX	No	Escondido	CA	$10,000
Golfers Association of San Diego	Major Donor	18927XX	No	Oceanside	CA	$10,000
Retired Naval Community Volunteers Association	Major Donor	12386XX	No	San Diego	CA	$10,000
Hector Gomez	Major Donor	16777XX	No	San Diego	CA	$10,000
Emily Howard	Major Donor	14426XX	No	San Diego	CA	$10,000
Williams and Williams LLP	Major Donor	15321XX	No	Coronado	CA	$10,000

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Committees Primarily Formed
for State Ballot Measures or Candidates
Top Ten Contributor List
(Government Code Section 84223)

CALIFORNIA FORM T10

Part 5: State Recipient Committee Top Contributors – $50,000+

Recipient Committee:	Recipient Committee:
ID Number: 12345XX	ID Number: 13865XX
List Names of Top Two Contributors	List Names of Top Two Contributors
1. Californians for Free Enterprise	1. Californians for Small Businesses
2.	2.

Recipient Committee:	Recipient Committee:
ID Number:	ID Number:
List Names of Top Two Contributors	List Names of Top Two Contributors
1.	1.
2.	2.

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E. Candidate Controlled Committees

Government Code Section 85501 states that a candidate controlled committee may not make independent expenditures and may not contribute funds to another committee for the purpose of making independent expenditures to support or oppose other candidates.

However, a recent Sacramento County Superior Court decision in *Charles R. "Chuck" Reed v. Fair Political Practices Commission* found Section 85501 unconstitutional and enjoined the Commission from enforcing that provision.

Before making an independent expenditure to support or oppose another candidate, committees should seek advice from the FPPC. An advice letter (*Downing*, No. A-14-148) has been issued on the matter.

A candidate controlled committee for elective office may make independent expenditures to support or oppose a ballot measure.

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Authority

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

Government Code Sections

82031	Independent Expenditure.
82036.5	Late Independent Expenditure.
82047.5	Primarily Formed Committee.
82047.6	Principal Officer.
84204	Late Independent Expenditures; Reports.
84204.5	Ballot Measure Contributions and Expenditures; Reports.
84213	Verification.
84223	Top Ten Contributor Lists.
84501	Advertisement.
85501	Prohibition on Independent Expenditures by Candidate Controlled Committees.

Title 2 Regulations

18225.7	Made at the Behest ~~of~~; Independent versus Coordinated Expenditures.
18247.5	Primarily Formed Committees.
18422.5	Top Contributor Disclosure by Committees Primarily Formed for State Ballot Measures or Candidates.
18428	Reporting of Contributions and Independent Expenditures Required to be Aggregated.
18550	24-Hour Independent Expenditure Reports.

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ABOUT THE POLITICAL REFORM ACT/HOW TO GET HELP

The Political Reform Act of 1974

The Political Reform Act (the "Act") was a voter-approved initiative on the 1974 primary election ballot. One of the major provisions of the Act requires the truthful and accurate disclosure of campaign contributions and expenditures during elections.

The Fair Political Practices Commission

The Fair Political Practices Commission (FPPC) is the independent, nonpartisan state agency authorized to implement, interpret, and enforce the provisions of the Act. 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 member serves a four-year term and no more than three members may be from the same political party. FPPC staff is comprised of five divisions: Executive, Administration and Technology, Enforcement, Legal, and ~~Technical Assistance~~ External Affairs and Education.

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 ~~18109~~ 18110.

Opinions and Advice Letters

The FPPC 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.

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In addition, FPPC staff issues written advice letters as to the applicability of the Political Reform Act and regulations to a particular factual situation. Refer to the information on requesting written advice from the FPPC available on the FPPC website.

Contact Information for the FPPC

Fair Political Practices Commission
1102 Q Street, Suite 3000
Sacramento, CA 95811
(916) 322-5660
(866) 275-3772 – Toll-free
www.fppc.ca.gov

Twitter: @CA_FPPC
Facebook: CA FPPC

FPPC Website

Visit the FPPC website (www.fppc.ca.gov) to get copies of specific advice letters, sign up for RSS feeds, or to be put on mailing lists. The Commission's website also contains a wealth of helpful information, including:

- The Political Reform Act and its corresponding regulations
- Commission opinions
- Notices of Commission meeting dates, agendas, 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, webinars and educational workshops

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Additional Campaign Manuals

Additional copies of this manual, and manuals for other types of campaign committees are available from the FPPC, the Secretary of State, and many city clerks and county elections offices. Manuals are available for:

- Local candidates, Superior Court judges, their controlled committees, and committees primarily formed to support/oppose local 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

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: "CA Fair Political Practices Commission"
(Advice letters from 1990 to present)

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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 the local elections office, depending on whether the filer is a state or local candidate or committee.

Secretary of State

The Secretary of State is also responsible for issuing campaign committee identification numbers.

(916) 653-6224
www.sos.ca.gov

Federal Election Commission

The Federal Election Commission answers questions regarding federal elections and contributions to all candidates from national banks, national corporations, and foreign nationals.

999 E Street, NW
Washington, DC 20463
(800) 424-9530
www.fec.gov

Franchise Tax Board

The California Franchise Tax Board is responsible for responding to questions regarding tax status, tax-deductibility of political contributions, 501(c)(3) groups, audits, or any tax-related questions.

(800) 852-5711 or (800) 338-0505
www.ftb.ca.gov

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Internal Revenue Service

The Internal Revenue Service provides assistance regarding federal tax laws and obtaining a taxpayer identification number.

(877) 829-5500 (located in Washington, D.C.)
(800) 829-3676 (taxpayer ID number)
www.irs.gov

Federal Communications Commission

The Federal Communications Commission answers questions regarding rates for purchasing broadcast time and equal access to broadcast media.

(888) 225-5322 (located in Washington, D.C.)
www.fcc.gov
Email: fccinfo@fcc.gov

Local Campaign Ordinances

A city or county officeholder, candidate, or committee may be subject to additional reporting or other requirements under a local campaign ordinance. Common examples include the requirement to file campaign statements electronically, local contribution limits, lower itemization thresholds, or the requirement to file an additional preelection statement. A city or county campaign ordinance may never preempt state law.

Privacy Information Notice

Information required on all FPPC forms is used by the FPPC to administer and enforce the Political Reform Act (Government Code sections 81000 – 91014 and California Code of Regulations sections 18110 – 18997). All information required by these forms is mandated by the Political Reform Act. Failure to provide all of the information required by the Act is a violation subject to administrative, criminal or civil prosecution. All reports and statements provided are public records open for public inspection and reproduction.

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If you have any questions regarding this Privacy Notice, please contact the FPPC at:

General Counsel
1102 Q Street, Suite 3000
Sacramento, CA 95811
(916) 322-5660

Campaign statements are filed with the Secretary of State and city and county filing officers, depending upon the type of committee.

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 of up to $5,000 per violation of the Political Reform Act may be imposed.

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