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

Campaign Disclosure Manual 2

California Fair Political Practices Commission
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INTRODUCTION

~~Purpose of this Manual~~

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 may 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: ~~the following~~:

- Local candidates
- Superior and Appellate Court judges and candidates for Superior and Appellate Court
- Local candidate controlled committees
- Committees primarily formed to support or oppose a local candidate(s)

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 local candidates and committees in complying with the Act's numerous and often detailed rules. The manual is written in a "user friendly" format so that candidates and committees have a resource guide. At the end of each chapter, a list of statutes and regulations that provide authority for the information in that chapter is provided. The statutes and regulations may be accessed on the FPPC website.

This manual describes the state campaign finance and disclosure laws under the Act that apply to local candidates and committees. Many cities and counties have adopted local campaign ordinances that contain additional restrictions and requirements. Local candidates and committees should check with their local elections office or ethics agency to determine if there are additional local requirements and restrictions, such as contribution limits.

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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.

State candidates and officeholders, their controlled committees, and committees primarily formed to support or oppose a state candidate(s) should refer to FPPC's Campaign Disclosure Manual 1.

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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Getting Started

This chapter outlines the requirements for candidates and committees primarily formed to support or oppose a candidate(s) to start their campaigns. In the Political Reform Act (Act) and this manual, "candidates" includes non-incumbent candidates, officeholders, officeholders running for reelection, and officeholders running for election to another office.

Quick Tip

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

Before raising or spending money in connection with an election, candidates and committee treasurers should become familiar with the various campaign disclosure forms applicable to the type of campaign or committee involved.

The chapter is broken down by candidates who will raise and spend less than $2,000, candidates who will raise and spend more than $2,000, and committees primarily formed to support or oppose a candidate(s) that are not controlled by the candidate(s) being supported.

Quick Tip

The FPPC's website includes a comprehensive and user-friendly toolkit for new candidates.

In addition to filing the **campaign statements** described in this chapter, most candidates must also file a **Statement of Economic Interests** (Form 700). The Form 700 is used to disclose an individual's personal financial interests that could potentially be affected by the individual's decisionmaking. Candidates must disclose investments and interests in real property held on the day the declaration of candidacy is due, as well as income received during the 12 months prior to the date of filing the declaration of candidacy. The Form 700 candidate statement is due no later than the final filing date for the declaration of candidacy and is filed with the city clerk or county elections office where the declaration of candidacy is filed. The FPPC's website contains additional information about the Form 700.

A. Candidates Raising and Spending Less than $2,000

A candidate who does not plan to raise or spend $2,000 or more in a calendar year, including the candidate's personal funds, must file one or both of the following campaign statements.

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- **Form 501 (Candidate Intention Statement).** The Form 501 must be filed only if the candidate plans to raise or spend any money, including the candidate's personal funds.

- **Form 470 (Officeholder and Candidate Campaign Statement—Short Form).** The Form 470 may be filed by a candidate or officeholder who does not anticipate raising or spending $2,000 or more in a calendar year.

Personal funds used to pay filing or ballot statement fees are not counted toward the $2,000 committee qualification threshold. If a candidate does not raise any money and personal funds are used only to pay filing or ballot statement fees, the candidate is not required to file the Form 501.

If *any* monetary contributions will be received from others, a separate campaign bank account must be established.

If a candidate files the Form 470 covering a calendar year and later in that calendar year receives contributions totaling $2,000 or more, the candidate must file a Form 470 Supplement. The candidate must also file the Form 410 (Statement of Organization) and begin filing the Form 460 (Recipient Committee Campaign Statement). If a bank account has not already been established, the candidate must also establish a campaign bank account.

Quick Tip

Personal funds used to pay filing or ballot statement fees are not counted toward the $2,000 threshold.

Exception: A candidate for a county central committee of a qualified political party who receives contributions of less than $2,000 and who makes expenditures of less than $2,000 is not required to file any campaign statements, including the Form 501 and Form 470. County central committee candidates who raise or spend $2,000 or more in a calendar year are subject to the Act's campaign reporting requirements.

B. Candidates Raising and Spending $2,000 or More

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

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- File the **Form 501 (Candidate Intention Statement)**.
- Establish a campaign **bank account.**
- File the **Form 410 (Statement of Organization)**.

A candidate or officeholder who would like to use leftover campaign funds from a previous election must redesignate or transfer the funds before they become "surplus funds." (See Chapters 5 and 11.)

As discussed in detail later in the manual, once a candidate controlled committee has raised or spent $2,000 or more, the following reports must also be filed:

- **Form 497 (24-hour Contribution Report)**. Within 90 days before the election, including the date of the election, if a committee receives a contribution(s) of $1,000 or more from a single source, the Form 497 must be filed within 24 hours.
- **Form 460 (Recipient Committee Campaign Statement)**. The Form 460 contains an overview of the committee's activity during a specified period. It is used to file semi-annual and preelection statements.

Committees Controlled by Two or More Candidates

If two or more candidates form one committee to support their candidacies for elective office, such as a slate of candidates running for school board or city council, they must:

- Each file the **Form 501(Candidate Intention Statement)**.
- Establish **one bank account** for the committee (each candidate must deposit all contributions and make all expenditures from this bank account).
- File one **Form 410 (Statement of Organization)**.

Committees controlled by two or more candidates file only one **Form 460 (Recipient Committee Campaign Statement)** to disclose the committee's activity each time the statement is due.

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C. Candidate Controlled Committees – One Bank Account Rule

Under the Act, a candidate or officeholder must establish one controlled committee with one bank account for each election. All contributions must be deposited in and all expenditures must be made from the campaign bank account. The Act's one committee/ one bank account rule for candidates and elected officeholders gives clear disclosure of the candidate or elected officeholder's campaign finances and ensures compliance with applicable local contribution limits, if any. A committee set up by the candidate or officeholder for his or her election is the candidate's controlled committee.

Quick Tip

A candidate or officeholder may only have one committee with one bank account per election.

A candidate controls a committee if he or she has a significant influence on the actions or decisions of the committee or acts jointly with the committee in connection with its expenditures. Under the one committee/one bank account provisions of the Act, a candidate or officeholder who controls a committee for his or her election may not at the same time control a general purpose committee, such as an "Improve River City" committee. In limited circumstances, exceptions to the one committee/one bank account rule exist to permit a local candidate or officeholder to control a ballot measure committee, legal defense fund, or officeholder expense committee (if provided by local ordinance).

D. Committees Primarily Formed to Support or Oppose a Candidate

A "primarily formed committee" is formed to support or oppose a single candidate or a group of candidates all being voted on in the same election but is not controlled by the candidate(s) who is being supported. Primarily formed committees:

- Must file **Form 410 (Statement of Organization)**.
- Should establish a campaign **bank account**.

As discussed in detail later in the manual, once a committee has raised or spent $2,000 or more, the following reports must also be filed:

Quick Tip

A "primarily formed candidate committee" is a committee not ~~associated with the~~ controlled by a candidate and whose main activity is making independent expenditures for the candidate or against their opponent.

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- **Form 497 (24-hour Contribution Report).** Within 90 days before the election, including the date of the election, if a primarily formed committee makes a contribution(s) of $1,000 or more to a candidate or ballot measure committee or receives a contribution(s) of $1,000 or more from a single source, the Form 497 must be filed within 24 hours.

- **Form 496 (24-hour Independent Expenditure Report).** Within 90 days before the election, including the date of the election, if a primarily formed committee makes an independent expenditure of $1,000 or more, the Form 496 must be filed within 24 hours. The **Form 462 (Verification of Independent Expenditures)** must also be filed. See Chapter 10 for additional information on the Form 462.

- **Form 460 (Recipient Committee Campaign Statement).** The Form 460 contains an overview of the committee's activity during a specified period. It is used to file semi-annual and preelection statements.

A primarily formed committee is not required to file the Form 501. A primarily formed committee with little or no activity may be eligible to file the Form 450 or Form 425 instead of the Form 460. (See Chapter 8.)

Quick Tip

A candidate's own committee for election is not a "primarily formed" committee although it supports one candidate – it is a "candidate controlled" committee.

E. Establishing a Campaign Bank Account

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. The account may be established at any financial institution (i.e, bank, credit union) located in California. A candidate's personal funds used to pay the filing fee or the ballot statement fee do not count toward the $2,000 committee qualification threshold.

Under the Act's one bank account provisions discussed above, a candidate or officeholder may only have one controlled committee with one bank account per election. Candidates running for one office while holding another may establish a separate campaign bank account for each office, but may not have more than one bank account per office per election.

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Although primarily formed committees are not required to establish a campaign bank account, it is recommended that they do so. Pre-numbered and pre-printed checks with the committee's name are useful in meeting the recordkeeping requirements described in Chapter 2.

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.

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

Campaign funds must be kept separate from personal funds.

Exceptions:

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

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F. Form 501 – Candidate Intention Statement

Before soliciting or receiving any contributions or making expenditures from personal funds, a candidate must file the Form 501 with the filing officer who will receive the candidate's original campaign statements (i.e., city clerk or county elections). Judicial candidates file the Form 501 with the Secretary of State. A new Form 501 must be filed for each election, even if the candidate is running for reelection to the same office. The Form 501 is considered filed on the date it is postmarked or hand-delivered.

Candidate Intention Statement

Date Stamp

CALIFORNIA FORM 501

For Official Use Only

A

Check One: ☒ Initial ☐ Amendment (Explain) _____

1 Candidate Information:

NAME OF CANDIDATE (Last, First, Middle Initial): Cole, Rayna

DAYTIME TELEPHONE NUMBER: (707) 555-1234

FAX NUMBER (optional): (707) 555-1235

E-MAIL (optional): rcole@gmail.com

STREET ADDRESS: 1212 Fourth Avenue

CITY: Oakmont

STATE: CA

ZIP CODE: 95443

OFFICE SOUGHT (POSITION TITLE): City Council

AGENCY NAME: City of Oakmont

DISTRICT NUMBER, if applicable: 1

☒ NON-PARTISAN

PARTY:

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.)

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

(Check one box)

☐ I **accept** the voluntary expenditure ceiling for the election stated above.

☐ I **do not accept** the voluntary expenditure ceiling for the election stated above.

Amendment:

○ I did not exceed the expenditure ceiling in the primary or special election held on: ____/____/____ and I accept the voluntary expenditure ceiling for the general or special run-off election.

(Mark if applicable)

☐ On ____/____/____, I contributed personal funds in excess of the expenditure ceiling for the election stated above.

3 Verification:

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on [Date Required] *(month, day, year)*, Signature [Signature Required] *(Candidate)*

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state candidates only

Completing the Form 501

A Type of Statement

Check the appropriate box to indicate the type of statement being filed:

- Initial: If this is the first Form 501 being filed for the election.
- Amendment: If any changes occur on a previously filed Form 501 (e.g., a change of address). Provide a brief explanation of the change(s).

1 Candidate Information

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

Office Sought

Enter the title of the office sought (e.g., County Supervisor).

Agency Name

Enter the name of the agency (e.g., County of Riverside).

District Number

Enter the district number or letter, if applicable.

Office Jurisdiction

Check the appropriate box to indicate the jurisdiction of the office being sought:

- Multi-County: Candidates seeking an elective office where the jurisdiction of the agency contains parts of two or more counties (e.g., water district). Enter the name of the multi-county jurisdiction.
- County: Candidates seeking an elective county office (including Superior Court judge and most school board members).
- City: Candidates seeking an elective city office.

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Year of Election

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

2 State Candidate Expenditure Limit Statement

This section does not apply to local candidates. It applies only to candidates for State Senate and Assembly and candidates seeking a state office.

3 Verification

The Form 501 must be signed by the candidate. It is not considered filed if it is not signed.

Answering Your Questions

A. When may I begin to solicit and receive contributions for my election?

You may solicit and receive contributions once you have mailed or hand-delivered the Form 501.

B. I am only going to pay the required county election fees to get my name on the ballot. No additional money will be raised or spent. Must I file the Form 501?

No. As long as your only expenditures are for the ballot qualification fees and no money will be raised, the Form 501 is not required.

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

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

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

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

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

No. An officeholder who is the target of a recall is not required to file the Form 501.

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

Yes. Replacement candidates must file the Form 501.

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

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

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

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

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G. Form 470 – Officeholder and Candidate Campaign Statement – Short Form

The Form 470 must be filed by a candidate or officeholder who does not anticipate raising or spending $2,000 or more in a calendar year. Payments from the candidate's personal funds used to pay filing or ballot statement fees do not count toward the $2,000 committee qualification threshold.

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

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

Quick Tip

If the Form 470 is filed and the candidate then raises or spends $2,000 or more in that calendar year, the candidate must file the Form 470 Supplement, the Form 410, and begin filing the Form 460.

When to File the Form 470 in Connection With an Election

Non-Incumbent Candidates

Candidates on ballot in first six months of the calendar year. The Form 470 may be filed with the declaration of candidacy but must be filed no later than the deadline for the first preelection statement.

Candidates on ballot in last six months of the calendar year. If the candidate receives contributions or makes expenditures:

- Before June 30: Form 470 must be filed by July 31.
- After June 30: Form 470 may be filed with the declaration of candidacy but must be filed no later than the deadline for the first preelection statement.

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

Ex 1.1 - Non-incumbent judicial candidate Janice Chambers is listed on the November ballot. She does not intend to raise or spend $2,000 in connection with her election. By June 30, she had received no contributions and her only expenditures were for the filing and ballot statement fees paid for with her personal funds. Janice is required to file Form 470 by the first preelection filing deadline.

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Officeholders on the Ballot

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

Judges and Unpaid Elected Officeholders on the Ballot

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

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

Officeholders and Judges Not on a Ballot

See Chapter 11 for the reporting obligations of officeholders and judges who are not listed on the ballot.

Where to File Form 470

Candidate/Officeholder	Where to File	What to File
Judges	Secretary of State County of Domicile	Original and one copy One copy
Multi-County Offices (Local agencies with jurisdiction in more than one county)	County with largest number of registered voters County of Domicile, if different	Original and one copy One copy
County offices	County Elections Office	Original and one copy
City offices	City Clerk	Original and one copy

Ex 1.2 - A city council election will be held in February. The first preelection statement for this election is due in December of the previous year. A candidate that does not meet the $2,000 committee threshold must file the Form 470 by the first preelection statement due date. The second preelection statement is due in January. If the candidate will not raise or spend $2,000 or more during the year of the election, another Form 470 covering the entire calendar year of the election must be filed by the second preelection statement deadline since the Form 470 filed in December of the previous year covered the period ending December 31 of that calendar year.

Ex 1.3 - Judge Mercado is listed on the November ballot and anticipates raising and spending less than $2,000 for his reelection. By June 30, he had received no contributions since January 1 and his only expenditures were for the filing and ballot statement fees paid for with his personal funds. The judge is not required to file by the July 31 semi-annual filing deadline, but must file a Form 470 by the first preelection filing deadline.

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Officeholder and Candidate Campaign Statement - Short Form

A

Date of election if applicable: (Month, Day, Year)

6/6/XX

☐ **Amendment** (Explain Below)

Date Stamp

CALIFORNIA FORM 470

For Official Use Only

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1. Statement Covers Calendar Year 20 XX .

2

2. Officeholder or Candidate Information

NAME OF OFFICEHOLDER OR CANDIDATE: Rayna Cole

STREET ADDRESS: 1212 Fourth Avenue

CITY: Oakmont | STATE: CA | ZIP CODE: 95443

AREA CODE/DAYTIME PHONE NUMBER: 707-555-1234

OPTIONAL: FAX / E-MAIL ADDRESS: 707-555-1235/ rcole@gmail.com

3

3. Office Sought or Held

OFFICE SOUGHT OR HELD: City Council

JURISDICTION (LOCATION): City of Oakmont

DISTRICT NUMBER (IF APPLICABLE): 1

4

4. Committee Information

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

COMMITTEE NAME AND I.D. NUMBER	COMMITTEE ADDRESS	NAME OF TREASURER
Friends Supporting Rayna Cole for City Council 20XX ID Number 1533XX	1618 C Street Oakmont, CA 95443	Gabriel Stoll

5

5. Verification

I declare under penalty of perjury that to the best of my knowledge I anticipate that I will receive less than $2 ,000 and that I will spend less than $2,000 during the calendar year and that I have used all reasonable diligence in preparing this statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

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

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Completing the Form 470

A Date of Election

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

1 Period Covered

The period covered is always the calendar year.

2 Officeholder or Candidate Information

Provide the candidate/officeholder's full name, street address (a business address may be used), and a daytime telephone number. A fax number and email address may also be provided.

3 Office Sought or Held

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

4 Committee Information

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

Ex 1.4 - Rayna Cole's neighbors formed the Friends Supporting Rayna Cole for City Council 20XX committee. Ms. Cole is aware of the committee but has no involvement with its day-to-day activities. Ms. Cole must disclose the committee's information on her Form 470.

5 Verification

The Form 470 must be signed by the candidate/officeholder. It is not considered filed if it is not signed.

Answering Your Form 470 Questions

A. What reporting period does the Form 470 cover?

The Form 470 is filed once each calendar year and covers the entire calendar year. When you file the Form 470 covering the year of the election with your declaration of candidacy, or on or before the deadline for filing your first preelection statement, you do not need to file any additional campaign statements as long as you do not raise or spend $2,000 or more during the calendar year.

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

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

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C. If I am in a January election and will not raise or spend $2,000 in connection with that election, when am I required to file Form 470?

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

D. I am running as a non-incumbent candidate for city council in November. I filed a Candidate Intention Statement (Form 501) and Statement of Organization (Form 410) to form a committee on May 1, but I did not qualify as a committee by June 30th. Should I file the Form 470 or the Form 460 by the July 31 semi-annual due date?

Because you intend to raise $2,000 or more in the calendar year, you should file the Form 460. This allows you to avoid the requirement to file the Form 470 Supplement within 48 hours of raising or spending $2,000 or more. But, it is permissible to file the Form 470 since the committee qualification threshold was not met by June 30th.

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

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

F. I am in a June election this year and filed a Form 470 for last year because I started raising money in December. Am I required to file a 470 Supplement if I receive contributions totaling more than $2,000 in January?

No. The Form 470 Supplement is only required if you file the Form 470 and subsequently raise or spend $2,000 in the same calendar year. Since you filed the Form 470 last year, but did not meet the $2,000 committee qualification threshold until the following calendar year, you are not required to file the Form 470 Supplement. You must file the Form 410 (Statement of Organization) and begin filing the other applicable campaign reports (e.g., Form 460, Form 497).

Form 470 Supplement

If a candidate files a Form 470 covering a calendar year in which the candidate is running in an election (i.e., with the declaration of candidacy, in lieu of a first preelection statement, or for the June 30 semi-annual filing) and later receives contributions totaling $2,000 or more, or makes expenditures totaling $2,000 or more, the candidate must file a Form 470 Supplement.

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When and Where to File the Form 470 Supplement

The Form 470 Supplement must be filed within 48 hours of receiving or spending $2,000 or more.

The notification is sent to:

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

The notification must be sent by guaranteed overnight delivery, personal delivery, fax, or email.

The candidate must also file a Statement of Organization (Form 410) and begin filing the Recipient Committee Campaign Statement (Form 460). The 24-hour Contribution Report (Form 497) may also be required.

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Officeholder and Candidate Campaign Statement - Form 470 Supplement

SEE INSTRUCTIONS ON REVERSE

☐ **Amendment** (Explain Below)

Date Stamp

CALIFORNIA FORM 470

For Official Use Only

This form is written notification that the officeholder/candidate listed below has received contributions totaling $2,000 or more or has made expenditures of $2,000 or more during the calendar year.

1

1. Officeholder or Candidate Information

NAME OF OFFICEHOLDER OR CANDIDATE: Rayna Cole

STREET ADDRESS: 1212 Fourth Avenue

CITY: Oakmont | STATE: CA | ZIP CODE: 95443

AREA CODE/DAYTIME PHONE NUMBER: 707-555-1234

OPTIONAL: FAX / E-MAIL ADDRESS: 707-555-1235/ rcole@gmail.com

2

2. Office Sought

OFFICE SOUGHT: Oakmont City Council

DISTRICT NUMBER (IF APPLICABLE): 1

DATE OF ELECTION (MONTH, DAY, YEAR): 6/6/XX

3

3. Date Contributions Totaling $2,000 or More Were Received or Date Expenditures of $2,000 or More Were Made

4/1/XX

(MONTH, DAY, YEAR)

DRAFT

Completing the Form 470 Supplement

1 Officeholder or Candidate Information

Provide the candidate/officeholder's full name, street address (a business address may be used), and a daytime telephone number. A fax number and email address may also be provided.

2 Office Sought

Indicate the office being sought, the date of the election, and the district number, if applicable.

3 Date $2,000 Threshold Was Met

Provide the date contributions totaling $2,000 or more were received or the date expenditures of $2,000 or more were made.

H. Form 410 – Statement of Organization

A candidate controlled committee or a committee primarily formed to support or oppose a candidate (or group of candidates in the same election) that raises or spends $2,000 or more in a calendar year qualifies as a recipient committee and must file Form 410. The Form 410 identifies the name of the committee and provides the public with information regarding the committee's purpose and its officers.

Annual Committee Fees

All committees that file a Form 410 must pay a $50 fee to the Secretary of State no later than 15 days after the Form 410 is filed. Committees must pay the fee annually by January 15 until the committee terminates. If the annual fee is not paid by the January 15 deadline, the law imposes a $150 penalty, which will require the committee to pay a total of $200 (the $50 annual fee plus the $150 late penalty). Failure to pay the fine will result in a referral to the FPPC's Enforcement Division.

Note: Committees that are created and pay the initial $50 fee in the last three months of a calendar year are not subject to the annual fee in the subsequent year.

If the committee is going to terminate, in order to avoid the fee for the subsequent year, a committee must cease activity by December 31 of the current year and file the terminating Form 410 with the Secretary of State on or before January 31 of the next year. There is no provision for extension of the deadline and fee payment.

When and Where to File the Form 410

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.

Send the Form 410 to:

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

Ex 1.5 - On February 15, a candidate for mayor opened a campaign bank account with a personal loan of $2,500. By February 25, the Form 410 must be sent to the Secretary of State and a copy to the city clerk.

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In addition, candidates for local office and committees primarily formed to support or oppose local candidates must file a copy of the Form 410 with the local filing officer (i.e., city clerk or county elections) with whom the committee will file its original campaign statements.

The Form 410 may be filed prior to raising or spending $2,000, but then must be amended within 10 days of reaching the $2,000 threshold to disclose the date the committee qualified.

24-Hour Deadline for the Form 410

A committee that qualifies during the last 16 days before the election must file Form 410 within 24 hours of qualifying. The Form 410 must be provided to the filing officer with whom the committee will file its original campaign disclosure statements (e.g., Form 460) by fax, guaranteed overnight delivery, or personal delivery. In addition, an original Form 410 must be filed with the Secretary of State within 10 days of qualifying as a committee (regular mail may be used).

Committee ID Number

Upon receipt of the Form 410, the Secretary of State's office will assign the committee an identification number. This number is used on all reporting forms. After filing the Form 410, committees may go to the Cal-Access section of the Secretary of State's website to obtain the committee identification number. 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

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.

Ex 1.6 - Joe is seeking reelection to the city council. He wishes to use the same committee and bank account. In order to do so, Joe files a Form 410, checking the amendment box and indicating the year of the election. After filing the Form 501 for the new election, Joe is free to raise and deposit campaign contributions into the bank account.

Ex 1.7 - A group of neighbors joined forces to help elect a candidate for mayor. On March 1, the group received 10 checks of $200 each. Because they qualified as a committee on that date, they must mail or personally deliver a Form 410 to the Secretary of State and a copy to the city clerk no later than March 11.

Ex 1.8 - Fourteen days before a local election, a candidate who had previously filed a Form 470 received a contribution of $1,250, bringing the cumulative contributions received to date to $2,150. Because the candidate has now exceeded the $2,000 committee qualification threshold, the candidate must file the Form 410 with the local elections official within 24 hours. The Form 410 must also be filed within 10 days with the Secretary of State. The Form 470 Supplement must be filed within 48 hours as described ~~above~~ in this chapter.

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24-Hour Deadline for Amendments to the Form 410

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

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

The amendment provided to the filing officer with whom the committee files its original campaign statements must be delivered by personal delivery, guaranteed overnight delivery, fax, or online transmission (if online filing is available). The originally signed Form 410 amendment must be filed with Secretary of State within 10 days (regular mail may be used).

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Statement of Organization
Recipient Committee

Date Stamp

CALIFORNIA FORM 410

For Official Use Only

Statement Type (A)

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

○ Not yet qualified
or
○ Date qualified as committee 09 / 04 / 20XX

___/___/___ Date qualified as committee

___/___/___ Date of termination

1. Committee Information | **I.D. Number** *(if applicable)*

NAME OF COMMITTEE
Manuel Alvarez for Mayor 20XX

STREET ADDRESS (NO P.O. BOX)
225 Presley Street

CITY: Oakmont | STATE: CA | ZIP CODE: 95443 | AREA CODE/PHONE: (707) 555-6868

MAILING ADDRESS (IF DIFFERENT)
P.O. Box 1744, Oakmont, CA 95434

E-MAIL ADDRESS (REQUIRED) / FAX (OPTIONAL)
707-555-6869/ mrichards@oakmontmail.com

COUNTY OF DOMICILE: San Marino | JURISDICTION WHERE COMMITTEE IS ACTIVE: Oakmont

Attach additional information on appropriately labeled continuation sheets.

2. Treasurer and Other Principal Officers

NAME OF TREASURER
Madeline Richards

STREET ADDRESS (NO P.O. BOX)
225 Presley Street

CITY: Oakmont | STATE: CA | ZIP CODE: 95443 | AREA CODE/PHONE: (707) 555-6868

NAME OF ASSISTANT TREASURER, IF ANY
Manuel Alvarez

STREET ADDRESS (NO P.O. BOX)
225 Presley Street

CITY: Oakmont | STATE: CA | ZIP CODE: 95443 | AREA CODE/PHONE: (707) 555-6868

NAME OF PRINCIPAL OFFICER(S)
N/A

STREET ADDRESS (NO P.O. BOX)

CITY | STATE | ZIP CODE | AREA CODE/PHONE

3. Verification

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

Executed on [Date Required] (DATE) By [Signature Required] (SIGNATURE OF TREASURER OR ASSISTANT TREASURER)

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

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

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

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Completing the Form 410

A Statement Type

Check the “Initial” box if this is the first filing and indicate the date on which the committee met the $2,000 threshold or check the “Not Yet Qualified” box. If the “Not Yet Qualified” box is checked, an amended Form 410 must be filed within 10 days of reaching or exceeding the $2,000 threshold to provide the date the committee qualified.

Check the “Amendment” box to amend information on an existing Form 410 (e.g., to report the date the committee qualified as a committee).

1 Committee Information

Provide the full name of the committee.

Candidate Controlled Committees. A committee controlled by a candidate must include in its name the last name of the candidate, the office sought, and the year of the election.

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

Primarily Formed Committees. A committee primarily formed to support or oppose a candidate(s) must include the last name of each candidate, the office sought, the year of the election, and must state whether the committee supports or opposes the candidate(s) (e.g., Committee to Support Sanchez for Kern County Supervisor 20XX).

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.

Committee Address

Provide the committee's street address and mailing address. A post office box may be used as a mailing address. The committee may have more than one mailing address.

Committee Fax/Email Address

Provide the committee's fax number and email address. The email address is required.

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~~ jurisdiction in which the committee is active. These may be different.

2 Treasurer and Other Principal Officers

The committee must have a treasurer and may have an assistant treasurer. Provide the names, street addresses, and telephone numbers of the treasurer and assistant treasurer. If a candidate chooses to be his or her own treasurer, list the name, street address, and telephone number of the candidate.

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A primarily formed committee must also list the name of the principal officer(s) and the principal officer's street address. If no individual other than the treasurer is a principal officer, the treasurer must be identified as both the treasurer and the principal officer. A principal officer is an individual that is responsible for the following types of activities:

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

A committee may have several principal officers. If there are more than three, a committee need only identify on the Form 410 three individuals serving as principal officers.

Quick Tip

See Chapter 2 for information about the responsibilities of a committee treasurer. The FPPC's website includes a list of committee treasurers that have been fined by the FPPC two or more times.

3 Verification

The treasurer or assistant treasurer must complete the verification. If the committee is controlled by a candidate, the candidate must also sign the verification. The Form 410 is not considered filed if it is not signed by both the treasurer or assistant treasurer and the candidate. If a candidate is his or her own treasurer, the candidate must sign on both lines.

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

Bank Account

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

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4 **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)
Manuel Alvarez	Oakmont City Council, District 1	20XX	✓	☐	
			Nonpartisan	Partisan	(list political party below)
			☐	☐	

4 Type of Committee

Controlled Committee

Candidate controlled committees must complete this section. A candidate or officeholder's own committee for election to office is his or her "controlled committee." Provide the name of the candidate, office sought (include district number, if applicable), year of the election and, since all local elections in California are non-partisan, check the "Non-Partisan" box in the "Party" column. If two or more candidates form one committee to support their candidacies for elective office, this information must be completed for each candidate.

Primarily Formed Committee

Complete this section for a committee that is not controlled by a candidate or officeholder whose principal activity is raising or spending money to make independent expenditures supporting or opposing a specific candidate or a group of specific candidates all being voted upon in the same election on the same date.

Sponsored Committee

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

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

- The committee receives 80% or more of its contributions from the entity or its members, officers, employees, or shareholders.
- The entity collects contributions for the committee through payroll deductions or dues from its members, officers, or employees.
- The entity, alone or in combination with other organizations, provides all or nearly all of the administrative services for the committee.
- The entity, alone or in combination with other organizations, sets the policies for contribution solicitation or payment of expenditures from committee funds.

Answering Your Questions

A. Must we wait until $2,000 or more is received to file a Form 410?

No. You may file a Form 410 prior to committee qualification. Check the "Not Yet Qualified" box. Once you have reached the $2,000 threshold, file an amendment to report the date the committee qualified.

B. May our committee use a mail receiving and forwarding service as the committee's street address on the Form 410?

No. Either the committee's street address or the treasurer's street address (home or business) must be provided. A post office box may be used as a mailing address.

C. As a candidate, may I be the designated treasurer on the Form 410?

Yes. You may be the treasurer or assistant treasurer.

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D. May more than one candidate control a single committee to run for office?

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

E. I am a school board candidate. Prior to attending an FPPC webinar and learning that it was not permitted, I used personal funds to pay for some of my start-up campaign expenses. How is this reported on the Form 460?

So that the activity is properly disclosed, the amount of personal funds used ~~may~~ should be reported on Schedule ~~C~~ A as ~~non~~monetary contributions and on Schedule E (itemize purchases of $100 or more). This provides clear disclosure to the public about where the funds were spent. If you wish to be reimbursed by the committee, you ~~may~~ should report the amount on Schedule F as an accrued expense. If you have already been reimbursed by the committee, the amount will be reported on Schedule E as an expenditure. Non-disclosure of the payments is a violation of the Act. All future payments must be made from the campaign bank account; personal funds must be deposited into the account before making expenditures.

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

You should complete both the Controlled Committee and Primarily Formed Ballot Measure Committee sections. Be sure to include the word “recall” in the name of the committee.

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

You should complete the Controlled Committee section.

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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.
82044	Payment.
82047.5	Primarily Formed Committee.
82048.7	Sponsored Committee.
84101	Statement of Organization; Filing.
84102	Statement of Organization; Contents.
84103	Statement of Organization; Amendments.
84106	Sponsored Committee; Identification.
84206	Candidates Who Receive or Spend Less than $2,000.
84207	County Central Committee Candidates Who Receive or Spend Less Than $2,000.
84215	Campaign Reports and Statements; Where to File.
85200	Statement of Intention to be a Candidate.
85201	Campaign Bank Account.
87201	Candidates (Statement of Economic Interests).

Title 2 Regulations

18247.5	Primarily Formed Committees.
18402	Committee Names.
18406	Short Form for Candidates or Officeholders Who Receive and Spend Less than $2,000 in a Calendar Year.
18419	Sponsored Committees.
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.
18531.5	Recall Elections.

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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) 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.

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.

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

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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 ~~Chapter 1~~ this manual, the treasurer must be identified as both the treasurer and the principal officer.

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.
- 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.

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- 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 ~~seminars~~ and webinars for candidates and treasurers. In addition, there are several instructive 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. Committee Audits

Each odd-numbered year, a total of 20 local jurisdictions are randomly selected for mandatory audit. All candidates in the selected jurisdiction are subject to audit if they have raised or spent $2,000 or more. Additionally, 25% of contested Superior Court offices are randomly selected. Candidates who raise or spend $15,000 or more in these selected races are subject to audit. In addition, the FPPC and the Franchise Tax Board are authorized to conduct discretionary audits.

Quick Tip

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

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. Pre-numbered and pre-printed checks with the committee's name are helpful in meeting the recordkeeping requirements discussed in this chapter. Committees may not commingle campaign contributions with any individual's personal funds.

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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 discussed in Chapter 1, 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.

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.

Exceptions:

- Candidates may use their personal funds to pay a filing fee, ~~or~~ 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.
- 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.

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.

Quick Tip

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

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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 2.1 -Thien Vu is a city council member and still has an open committee from the city council election. She is running for county supervisor in the next election and has opened another bank account and committee for that race. She must use the campaign bank account for her county supervisor campaign to pay for her yard signs and all other expenses related to the upcoming county supervisor election.

Redesignating the Bank Account

Officeholders: An officeholder seeking reelection to the **same office** may use the bank account that was established for the prior election. The account may be redesignated at any time prior to receiving contributions in connection with reelection. The officeholder must file a new Form 501 (Candidate Intention Statement) and an amended Form 410 (Statement of Organization).

Quick Tip

Campaign funds become surplus on the 90th day following the closing date for the postelection reporting period or on the 90th day following the date of leaving office, whichever occurs last. The postelection reporting period for an election held in the first six months of the year is June 30 and the postelection reporting period for an election held in the latter six months of the year is December 31. Once the funds become surplus, they may not be used for a future election. See Chapter 5 for the permissible uses of surplus funds.

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Defeated Candidates: A candidate that is defeated in an election may use the same bank account for a future election to seek the same office. The candidate must file a new Form 501 (Candidate Intention Statement) and an amended Form 410 (Statement of Organization). The funds must be redesignated before they become "surplus funds." Campaign funds become surplus on the 90th day following the closing date for the postelection reporting period.

Note: A campaign bank account may not be redesignated if the officeholder/candidate is seeking election to a **different office**. See Chapter 11 for the requirements that must be met in order to use leftover campaign funds for a future election to seek a different office.

Ex 2.2 -John Davis lost the city council election in June. John has $3,500 remaining in his campaign bank account and is considering seeking another city council position in two years. In order to use the remaining $3,500 for the future election, John must file a new Form 501 (Candidate Intention Statement) and redesignate the bank account to the future election by amending his Form 410 (Statement of Organization) to indicate the new office sought and year of election. This must be done within 90 days following the end of the postelection reporting period for an election held during the first six months of the year.

Investments

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

Credit ~~Accounts~~ 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.

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In lieu of establishing a new credit account, a candidate may designate an existing personal credit card with a zero balance as the campaign ~~bank account~~ credit card by listing the card number and date of designation in the campaign records. The candidate must ensure that no personal expenses are charged to this account until after 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.

Legal Defense Fund Committees

The Act permits a local candidate or elected officer to establish a legal defense fund if the candidate or officer is subject to civil, criminal or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officer's governmental duties. Contributions raised for legal defense **must be held in a separate bank account**. Any funds raised may only be spent to defray attorney's fees and other related legal costs, as defined in the Act. (See Regulation 18530.45 for additional information.)

The candidate and the treasurer of the legal defense fund committee are subject to the recordkeeping requirements discussed in this chapter. In addition, separate detailed accounts, records, bills, and

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receipts, for each legal proceeding, including documentation to support the basis and timing for raising legal defense funds, must be kept.

Recall Elections

An officeholder who is the subject of a recall may use an existing committee (set up for the office he or she currently holds) to receive contributions and make expenditures to oppose the qualification of the recall measure, and if the recall petition qualifies, the recall election.

The officeholder may instead choose to set up a separate committee with a separate bank account. The officeholder and committee treasurer are subject to the recordkeeping requirements discussed in this chapter. See Chapter 11 for additional information about recall elections.

F. Recordkeeping

An accurate and organized record must be kept of all campaign contributions and expenditures. 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, treasurer, and principal officer(s) as listed on the committee's Statement of Organization (Form 410), remain legally responsible for the accuracy of the records.

Record Retention

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

Ex 2.3 -Sharon Goldstein, a city council member, filed her first campaign statement on January 31, 2014. The records associated with completing that statement, such as receipts and information about contributors, must be retained until January 31, 2018.

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

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$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 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.

- 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

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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 of the 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.

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 Form 497, 24-hour Contribution Report).

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The Form 460 must be amended within 70 days from its closing date to disclose the missing contributor information unless the contribution is returned to the donor. The Form 497 need not be amended. 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 general fund of the local jurisdiction in which the committee is based. In the case of a Superior Court judge or a judicial candidate, the contribution must be paid to the Secretary of State for deposit in the State 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 amount must be paid within 30 days to the general fund of the local jurisdiction or to the Secretary of State for deposit in the State General Fund.

Ex 2.4 -Stanley Hughes, a city clerk candidate, received a contribution of $100 from Martha Andersen on June 1. The only information he received 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 notifying Martha, Stanley still did not have her 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 3), 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.

Affiliated Entities

Information from affiliated entities (see Chapter 3) 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 3.)

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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, the institution is reported as the source of the loan. The candidate does not have to be reported as the guarantor, even if he or she is personally liable.

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.

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, ~~and~~ street address and the last four digits of the card number.

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

Expenditures Made

Expenditures: Under $25

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

Expenditures: $25 or More

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

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

Contributions to Other Committees and Independent Expenditures

For expenditures that are contributions or independent expenditures, t~~o another candidate, officeholder, or committee, or independent expenditures to support or oppose a ballot measure,~~ the amount of the expenditure and the cumulative total paid in that calendar year in connection with the candidate, officeholder, committee, or ballot measure must be recorded.

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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 3 for a detailed discussion and examples of when a contribution is made. Chapter 6 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 5.)

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.

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- **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 has authority to approve expenditures of campaign funds.

Documentation for Expenditures

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

For expenditures of $25 or more, 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 also must be kept. Copies of canceled checks may be retained if the copies contain a legible image of the front and back of the canceled check and the copies are obtained from the financial institution.

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

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 6 and 7).
- **Mass Emails.** An original sample of each mass email, the date sent and the number of individual emails sent (see Chapter 7).
- **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 6).
- **Major Donor Notices**. A copy or record of all notifications to contributors of $5,000 or more (see Chapter 3).

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Answering Your Questions

A. May the candidate serve as the committee's treasurer?

Yes. The candidate may serve as the treasurer or assistant treasurer.

B. 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. ~~By entering a treasurer's name on the FPPC's website, information may be obtained about treasurers that have been fined in an FPPC administrative action or have received warning or advisory letters. There is also a list of committee treasurers that have been fined two or more times by the FPPC.~~

C. Are there any specific accounting qualifications for someone to be able to serve as treasurer?

No. However, no individual should accept the position as a mere figurehead.

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

To ensure that the statement is filed on time, the committee 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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E. I do not intend to raise any funds from others and I will not be spending any personal funds on my campaign other than the payments for the filing fee and ballot statement fee. Do I need to open a campaign bank account?

No.

F. I do not intend to raise any funds from others. I will be spending personal funds on my campaign, but I will not be spending $2,000 or more. Do I need to open a bank account?

No.

G. I do not intend to raise any funds from others. I will, however, be spending $2,000 or more of my personal funds on my campaign, not including the amount I spend on my filing fee. Do I need to open a bank account?

Yes. Since you plan to spend $2,000 or more for your campaign, you must open a campaign bank account.

H. I will be raising money from others for my campaign, but I do not intend to raise or spend $2,000 on my campaign during the calendar year. Do I need to open a bank account?

Yes. Since you are raising funds from others, even though you will not be raising or spending $2,000 or more, you are required to open a campaign bank account. Contributions received and personal funds you will use for your campaign must be deposited in the account.

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I. Are committee records and source documentation required to be kept on paper, or may the committee use an electronic recordkeeping system?

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

J. May a private service, such as PayPal, be used to collect contributions electronically?

Yes, so long as for each contribution of $100 or more, (a) the service is able to provide the name of the contributor, and (b) the committee reports all the information needed to meet the statutory recordkeeping requirements, including the name, address, occupation, and employer of individual contributors of $100 or more. Even if the company deducts a fee from the amount of the contribution, the entire amount of the contribution must be disclosed. The fees charged by the private service are reported as expenditures.

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Authority

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

Government Codes Sections

82047.6	Principal Officer.
84100	Treasurer.
84104	Recordkeeping.
84105	Notification of Contributors.
84302	Contributions by Intermediary of 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.
85304.5	Legal Defense Fund; Local Candidates and Elected Officeholders.
85700	Donor Information Requirements; Return of Contributions.
90000	Responsibility.
90001	Mandatory Audits and Investigations.
90002	Audits and Investigations; Time.
90003	Discretionary Audits.
90007	Auditing Guidelines and Standards.

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.

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18427.1	Notification to Contributors of Filing Obligations.
18432.5	Intermediary and Earmarked Funds Disclosure.
18440	Telephone Advocacy.
18524	Investment and Expenditure of Candidates' Campaign Funds.
18530.45	Legal Defense Funds – Local Candidates and Officers.
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.

The Act does not contain contribution limits for local candidates; however, many cities and counties have adopted campaign ordinances that include contribution limits and other restrictions. Check with your local elections or ethics agency.

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).
- Money, nonmonetary items, and loans from the candidate to his or her own committee or from the candidate's family.
- 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. When is a Contribution Received?

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.

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.
- Makes and delivers a post-dated check.

Ex 3.1 - A committee's campaign consultant received a hand-delivered check at a May 14, Friday evening fundraiser. The check was delivered to the committee's treasurer the following Monday, May 17. The contribution was received on May 14, the day the committee's agent obtained possession of the check.

Ex 3.2 - 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 onto the website service, the treasurer can accept the contribution and receive the funds. The committee reports receipt of the contribution on the date it receives the email because it controls the contribution on that date.

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- 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.

C. Contribution Exceptions

There are many exceptions to the definition of "contribution." In addition to the most common exceptions listed below, Chapter 6 discusses certain types of communications that are not considered contributions.

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. See "Employee Time" later in this chapter for additional information.

Home/Office Fundraisers: 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 goods must be counted to determine whether the total cost of the event is $500 or less.

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.

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Note: 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

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 ~~6~~ 7.

Member Communications: Payments made by an organization (including a political party, union, trade association) for certain communications that are sent only to the organization's members, employees, or shareholders, or their families, are not contributions to a candidate endorsed in the communications. 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

Ex 3.3 - Your neighbor holds a fundraiser in his home for your campaign. As long as the total cost of the event is $500 or less, your committee is not required to report the cost of the event as a nonmonetary contribution.

Ex 3.4 - 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 reportable nonmonetary contributions that must be reported by your committee.

Ex 3.5 - 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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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.

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.

The following contributions are aggregated:

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

Quick Tip

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

The following examples provide general guidance regarding aggregation of contributions. The FPPC may be contacted for advice related to your specific facts.

Ex 3.6 - 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 3.7 - EXtream Snowboards, Inc., made a contribution of $99 to the Johnson Committee. EXtream Snowboards, Inc., is a wholly-owned subsidiary of LeesureTech Industries, which also made a contribution of $99 to the Johnson Committee. If there was coordination between EXtream Snowboards and LeesureTech Industries, their contributions are considered to be from a single contributor. The Johnson Committee must itemize both contributions and report a cumulative amount received of $198 on its campaign statement.

Ex 3.8 - William Smith is a developer with four separate corporations. William makes political contributions from his personal funds and directs and controls the contributions of each of his corporations. William made a contribution of $1,000 from his personal funds and contributions of $2,000 from the funds of each of his corporations to the committee. Because he directed and controlled all of these contributions, they are considered to have been made by a single contributor. The committee must itemize each contribution and show a cumulative amount received of $9,000.

Ex 3.9 - Southwest TeleCom has a greater than 50 percent ownership interest in American TeleCom. Each entity, entirely on its own and with separate decisionmaking bodies, makes a contribution of $1,000 to a committee. The committee does not aggregate these contributions because Southwest TeleCom and American TeleCom acted independently in their decisions to make the contributions.

E. Reporting the Intermediary of a Contribution

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.

A committee receiving a contribution of $100 or more from an intermediary must report the true source and the intermediary. The campaign statement will identify both the intermediary's and the true source's name and address, and, if applicable, the occupation and employer.

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

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Ex 3.10 - Berry and Vienna each made a $100 contribution from their personal funds to support Tina Baker for city council, with the understanding that they would be reimbursed by their employer. Berry and Vienna must tell the committee that they are acting as intermediaries on behalf of their employer. The committee must itemize the $200 contribution from the employer and also disclose Berry and Vienna as intermediaries.

Ex 3.11 - 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.

Candidates and committees are required to check and, if necessary, correct any information regarding the true source of a contribution that a person of reasonable prudence would question based on all of the surrounding circumstances. If there is reason to question the source of a contribution (e.g., 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.

F. Reporting Various Types of Contributions

Electronic Receipt of Contributions: Contributions may be received by credit card, wire transfer, via the Internet, cell phone text message, telephone, debit account transaction, or similar electronic payment options. All of the reporting and recordkeeping requirements apply to these contributions. Some tips are:

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- 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.

- 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.

- Contributions made by text message are received on the date the mobile device company receives the funds from the contributor, not the date the text was sent.

Ex 3.12 - Your committee holds a golf fundraiser and charges $200 per person. After the event, you determine that it cost your committee $50 per person to pay the caterer, hall rental, entertainment, invitations, etc. The invitations state that half of the ticket cost will be donated to a charity and half will be contributed to your committee. Report on Schedule A of the Form 460 a $100 contribution from each of the ticket purchasers, as well as the contributor's name, address, occupation, and employer. Do not subtract the per person costs from each ticket sold. The expenses will be reported on Schedule E of the Form 460.

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.

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.

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- 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.

Fundraisers: The full amount (face value) of a fundraiser ticket is a reportable contribution, unless it is a joint committee/charity fundraiser advertised with specific attribution. The costs of the event are not subtracted when determining the amount of the contribution.

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 considered a "Miscellaneous Increase to Cash" and is reported as such. If any person or entity pays $100 or more, the payment is itemized.

Ex 3.13 - A restaurant donates a dinner for four worth $200 to your committee. At your committee's auction, Gloria Sanchez bids $300 and wins the dinner for four. Itemize $200 as a nonmonetary contribution from the restaurant on Schedule C of the Form 460. Itemize Ms. Sanchez on Schedule I of the Form 460 ($200 miscellaneous increase to cash) and on Schedule A of the Form 460 as a contributor of $100 (the amount over the fair market value).

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

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. Contact your county's district attorney for further information.)

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

Ex 3.14 - Linda and Jerry Nelson have a joint checking account. From this account, Linda signed a $100 check payable to Friends of Joshua Truman. The committee identifies Linda Nelson as the contributor of the full $100.

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

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

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

Ex 3.15 - Barbara Taylor was defeated in a June election. In order to use the leftover funds for a future election, she must transfer the remaining funds to a new account within 90 days of the postelection reporting period. If the funds are not transferred by that date, they are considered "surplus funds" and may not be used for a future election.

Text Contributions: For a contribution received by a text message, the contributor is the person who is subscribed to the cell phone number that texted the contribution.

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Transfers from a Prior Campaign: Candidates who have more than one campaign bank account and controlled committee may transfer funds from one account/committee to another so long as the funds are not "surplus funds."

Leftover funds become surplus upon the 90th day after leaving an elective office, or the 90th day following the end of the postelection reporting period following the defeat of a candidate for elective office, whichever occurs last. See Chapter 8 for information about how to report transferred funds.

Chapter 11 includes a discussion about the rules for using leftover campaign funds for a future election.

Quick Tip

There are restrictions on transfers of funds to run for state office. See FPPC's Information Manual for State Candidates (Manual 1) for further information. In addition, candidates and committees should check with the local elections office to determine if there are local contribution limits or other restrictions pursuant to a local campaign ordinance.

Contributions from the Candidate: A payment from a joint checking account that bears the name of the candidate and spouse is considered a contribution from the candidate. This is true even if the spouse signs the check.

A contribution received from a spouse's legally separate funds and signed by the spouse is considered to be made by the spouse and is subject to possible contribution limits and other applicable provisions of the Act.

A candidate's business, other than a sole proprietorship, is considered a separate legal entity. Therefore, contributions from the business are not considered to be the candidate's personal funds and may be subject to local contribution limits. Generally, contributions from a candidate's sole proprietorship to the candidate are not considered to be from a separate entity and are therefore not subject to contribution limits, if any. Note: Contributions to another candidate or committee from the candidate and his or her sole proprietorship are aggregated for purposes of contribution limits. (See *Burch* Advice Letter, No. A-14-032.)

Contributions from Other Candidates: Candidates and committees may receive contributions, subject to contribution limits, if any, from other candidates or officeholders.

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Undesignated Contributions: Candidates who are soliciting contributions for more than one office and receive a contribution that has not been designated for a specific office may deposit the contribution in any of their campaign bank accounts. An undesignated monetary contribution must be reported on the campaign statement for the reporting period in which it is received, and must be deposited in the campaign bank account for the controlled committee to which it is being allocated within 30 days of receipt.

Undesignated nonmonetary contributions must be allocated to a particular committee within 30 days of receipt or by the reporting deadline for the reporting period in which the contribution is received, whichever is earlier.

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 it is not possible to present all possibilities. Contact the FPPC for assistance.

Fair Market Value: When a nonmonetary contribution is received, the fair market value of the goods or services (the amount it would cost a member of the public to purchase the goods or services) must be reported. If the committee does not know the fair market value of a nonmonetary contribution (e.g., an original piece of artwork), the committee may send an email or a letter requesting that the contributor provide the value of the contribution in writing. The contributor is legally required to provide an amount if the value of the contribution is $100 or more.

Ex 3.16 - The owner of an electronics store donates an iPad valued at $550 to your committee for sale at an upcoming auction. Although the cost to the owner is less than $550, the nonmonetary contribution is reported at the fair market value amount of $550 (the amount it would cost a member of the public to purchase the iPad).

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,

Ex 3.17 - An accounting firm provides your committee with the services of an accountant. The accountant spends 25 percent of her time working for the campaign. This percentage of her gross compensation is $2,000. The amount of the nonmonetary contribution reported from the accounting firm is $2,000.

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

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 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.

Ex 3.18 - Your committee treasurer knows the owner of a printing shop and the owner provides your committee a 50 percent discount on the printing of a brochure that normally would cost $1,200. Your committee must report a nonmonetary contribution of $600 from the printing shop.

H. Valuing Mailings, Telephone Banks, Polls

Generally, the fair market value of a communication is reported as a contribution when it expressly advocates support of or opposition to a candidate and was made at the behest of (or in coordination with) the affected candidate or primarily formed committee.

Multiple Candidates/Measures: If a communication 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 3.19 - The Express Paper Company agrees to produce a mailing for your committee. The value of the nonmonetary contribution is the amount it would have cost your committee if it had paid fair market value for the mailing, which is likely more than what the actual costs were to the company.

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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.

Ex 3.20 - A Chamber of Commerce produces and mails a one-page flyer urging voters to vote for supervisor candidate Smith and vote against two ballot measures. Half of the flyer is devoted to supporting candidate Smith and the other half equally opposes the two measures. The Chamber coordinates the mailing with candidate Smith. The total cost of producing and mailing the flyer was $10,000. Candidate Smith must report a nonmonetary contribution of $5,000 from the Chamber.

Political and Non-Political Material: The cost of a communication containing both express advocacy in support of or opposition to a candidate, as well as non-political material, may 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 percent of their compensated time in a calendar month producing or mailing the political materials, and the pro rata cost of paper, envelopes, and postage. The allocation may be based on the comparative number of pages or the comparative amount of weight between the political and non-political materials.

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.

Quick Tip

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 amount it would have cost to pay for the mailing using regular mail or the cost of the bulk rate mailing plus the cost of a permit should be reported as a nonmonetary contribution.

Phone Banks: Businesses and other entities will sometimes allow a committee to use their phones to call prospective voters during non-business hours. The fair market value of the use of the phones is calculated to determine the amount reported as a nonmonetary contribution, even if only local calls are made. One method to determine the fair market value is to contact organizations that provide phone banks as a business. Note: Disclaimers are required on certain paid telephone calls. (See Chapter 7.)

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. Standards used by the Federal Election Commission (11 CFR 106.4) may be used for

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valuing polling or survey data. The formula is 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 or committee, the nonmonetary contribution is the prorated portion of the total value of the survey.

Ex 3.21 - A local business association commissioned a public opinion poll to determine voters' attitudes about candidates running for ~~Governor~~ Supervisor and candidates ~~in a Senate district~~ running for City Council. The association provided the poll results to a candidate for ~~Governor~~ Supervisor and certain ~~Senate~~ City Council candidates. Since only a limited number of questions pertained to ~~the Senate district~~ City Council issues, the candidates for ~~Senate~~ Supervisor who received the poll results may prorate the poll costs to determine the nonmonetary contribution amount they must report.

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

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

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

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

Major Donors

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

Multipurpose Organizations Including Nonprofits

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

24-Hour Reports

Major donors, nonprofits, and other multipurpose organizations that trigger reporting obligations must also file a 24-hour Contribution Report (Form 497) if ~~you~~ 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 ballot measure is being voted on; or*
- *Make contributions totaling $1,000 or more to state or county political party committees during the 90 days prior to a state election, or on the date of the election, including state special elections.*

Quick Tip

Once contributions of $10,000 or more are made, the major donor may be required to immediately file Form 497 (24-hour Contribution Report). Committees should provide donors the link to the appropriate FPPC filing schedule.

Electronic Filing

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

Late Filing Penalties and Fines

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

FPPC Assistance

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

J. Returning Contributions

There are several provisions in the Act and FPPC regulations that regulate the return of contributions. The general rule is that a committee may return all or part of a contribution to the contributor so long as the return is reasonably related to a political, legislative, or governmental purpose.

General Rules: If a contribution is deposited, cashed or negotiated, it must be disclosed on the next campaign statement, even if it is subsequently returned. If a contribution is not deposited, cashed, or negotiated, it is not required to be reported under the following circumstances:

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

- **During the 90-Day Election Period:** A contribution of $1,000 or more received during the 90 days before an election, including the date of the election, is not required to be reported (by the donor or the committee receiving the funds) if it is not deposited, cashed, or negotiated and it is returned to the contributor within 24 hours of receipt.

Missing Contributor Information: A contribution of $100 or more must be returned within 60 days of receipt if the committee has not obtained the contributor's name, address, and, in the case of a contributor who is an individual, his or her occupation and employer. If the committee returns the contribution for lack of information, and the check is not cashed by the contributor within 90 days, the committee must, within the next 30 days, forward the amount to the general fund of the local jurisdiction.

Answering Your Questions

A. Our committee is holding a $200 per person dinner fundraiser. The actual cost of the event to our committee will be $75 per person. When someone pays $200 to attend the dinner, do we subtract the $75 cost to our committee and report receiving a $125 contribution?

No. Report the full amount paid for the fundraiser ticket ($200) as the contribution. The costs to the committee will be reported on Schedule E (Expenditures) of the Form 460.

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 include the committee identification number, but it is highly recommended. Many campaigns do so because others need the information for their own reporting forms.

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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 certain raffles. The Penal 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.

E. If I hold a fundraiser in my home for my candidacy, and the total cost is $500 or less, would the home/office fundraiser exception apply, meaning nothing would need to be reported on the Form 460?

No. A candidate must deposit any personal funds that will be used to promote his or her election into the campaign bank account. Therefore, any expenditures made for the fundraiser must be reported on your Form 460.

F. May a nonprofit organization hold a joint fundraiser with a political committee?

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

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G. Is volunteer work provided by some people considered a nonmonetary contribution because of the volunteer's profession, such as free legal advice provided by a lawyer or bookkeeping done by a CPA?

No. Volunteer personal services, regardless of the profession of the individual, are not reportable so long as the individual providing the services is not paid by a third party.

H. 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.

I. A committee receives a contribution from a joint checking account signed by one of the individuals. The contribution exceeds local limits. If the committee later receives a document stating that the contribution is from both individuals, may the contribution be reported that way?

No. A document must accompany the contribution at the time the contribution is received in order for the contribution to be reported from both individuals. This is true for contributions made by check or electronic means.

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J. If a potential donor takes me out to dinner to discuss my school board campaign and pays for my meal, do I report the meal as a nonmonetary contribution?

No. Because there is a personal benefit to you, the payment for the meal would be considered a gift to you, not a contribution.

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.
82018	Cumulative Amount.
82025	Expenditure.
82025.5	Fair Market Value.
82036	Late Contribution.
82041.3	Made at the Behest of.
82047	Person.
84105	Notification of 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 and Committees.
85308	Family Contributions.
85311	Affiliated Entities; Aggregation of Contributions.
85312	Communications to Members of an Organization.
85700	Donor Information Requirements; Return of Contributions.
85704	Prohibition on Earmarking.

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Title 2 Regulations

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.
18421.3	Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents.
18421.31	Text Message Contributions.
18423	Payments for Personal Services as Contributions and Expenditures.
18427.1	Notification to Contributors of ~~$5,000 or More~~ Filing Obligations.
18428	Reporting of Contributions and Independent Expenditures Required to be Aggregated.
18430	Committee Controlled by More Than One Candidate.
18432.5	Intermediary and Earmarked Funds Disclosure.
18523	Nondesignated Contributions or Loans.
18531.7	Payments for Communications – Section 85312.
18533	Contributions from Joint Checking Accounts.

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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 "Disqualification and Campaign Contributions" covers this area of the law.

A. Local Contribution Limits

The ~~Political Reform~~ Act does not contain contribution limits for local candidates, but provides that cities and counties may adopt contribution limits applicable to their elections. Many California cities and counties have adopted campaign ordinances that include contribution limits and other disclosure provisions.

Quick Tip

Check with your local elections office to determine if local campaign finance rules apply to your campaign.

The FPPC's website lists cities and counties with local campaign finance rules and links to the ordinances. For questions about local contribution limits, candidates and committees should contact their city clerk, county elections office, or their City Attorney's or County Counsel's office.

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B. 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. (See Chapter 3 for additional information about intermediaries.)

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. When the action is brought under a local campaign ordinance, a local committee may pay the contribution to the local jurisdiction for deposit in its general fund.

Ex 4.1 - A committee receives contributions of $1,000 each from ten different individuals in the same week. The committee treasurer and campaign fundraiser did not make specific solicitations to the individuals. Upon the treasurer's request, the individuals state that they all work for the same employer. The committee treasurer has a duty to inquire to determine if the employer reimbursed the employees.

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Cash Contributions

The 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, including the date of 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.

Anonymous Contributions

Anonymous contributions of $100 or more are prohibited. If ~~the~~ 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.

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.

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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. (See Chapter 5 for information about the use of campaign funds.)

Quick Tip

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

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.)~~

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~~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~~
- ~~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.

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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.

Soliciting Contributions from Public Employees

Government Code Section 3205 prohibits a local candidate from knowingly, directly or indirectly, soliciting a political contribution from any employees of his or her agency or from a person on an employment list of that agency. There is an exception for solicitations that are made to a significant segment of the public. For further information, contact the Attorney General's office at (800) 952-5225 or the local district attorney.

C. 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.

Quick Tip

Using public resources for campaign purposes is prohibited.

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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.)

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 4.2 - Three city councilmembers and two county supervisors serve on the Local Agency Formation Commission (LAFCO). Since the councilmembers and supervisors were appointed to the commission, they may not vote on a LAFCO issue if they have received a contribution in the last 12 months of more than $250 from someone who is a party, participant, or agent in the proceeding.

D. 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.

Ex 4.3 - A planning commissioner serves as the treasurer for a councilmember's campaign. The planning commissioner may not solicit, accept, or direct a campaign contribution of more than $250 for the councilmember's campaign from a party, participant, or agent whose proceeding is pending before the planning commission.

Ex 4.4 - Sarah is a city council candidate. She also is an appointed member of the city's planning commission. Christopher has a permit request pending before the planning commission. Under Section 84308, Sarah is prohibited from soliciting or receiving any contribution of more than $250 from Christopher or Christopher's agent.

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- 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.

Ex 4.5 - Sarah wins the election and resigns her position on the planning commission. Since she is now serving solely in an elected position, she is not required to disqualify herself from making decisions on the city council by virtue of receiving contributions of more than $250 from any person.

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)

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- 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)

In determining whether a board or commission is exempt for purposes of Section 84308, the focus should be on the actual make-up of the board or commission. For example, the governing board of a sanitation district may consist of both elected and appointed members, but which, in fact, consists solely of the board of supervisors, is exempt under Section 84308.

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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.
84307	Commingling with Personal Funds.
84308	Contributions to Officers; Disqualification.
84309	Transmittal of Campaign Contributions in State Office Buildings.
85700	Donor Information Requirements; Return of Contributions.
85701	Laundered Contributions.
85702	Contributions from Lobbyists.
85704	Prohibition on Earmarking.

Title 2 Regulations and Opinion

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.

Pelham Opinion (2001) 15 FPPC Ops. 1

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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 specific facts to advice@fppc.ca.gov.

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:

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

Reimbursements

If a bank account is required (see Chapter 1), 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 8 for specific reporting rules and deadlines for reimbursements.)

Ex 5.1 - The candidate's spouse buys bagels for the morning shift of volunteer workers. After providing the treasurer with a receipt for bagels, the treasurer may reimburse the spouse 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, 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.

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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, the Internal Revenue Service may be contacted at (800) 829-1040 (www.irs.gov).

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 5.2 - 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.

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, 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).

Ex 5.3 - A fundraiser will be held to raise funds 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.

Ex 5.4 - 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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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.

Ex 5.5 - When the printer breaks down, the treasurer goes out and buys a new one. While shopping, the treasurer finds a great buy on a big screen TV. While the printer is a permissible expense, since it will be used to communicate with the voters, the television does not serve a directly-related political, legislative, or governmental purpose and, therefore, may not be paid for with campaign funds.

Fines, Penalties, Judgments, and Settlements

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

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

But 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.

Ex 5.6 - Your treasurer was two days late in filing the committee's first preelection statement and the filing officer fined the committee $20. The committee may pay the fine with campaign funds.

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 8.

Ex 5.7 - 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.

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Future Election

Campaign funds leftover after an election may be redesignated for a future election to seek the **same office** so long as the funds are not "surplus funds." In addition, campaign funds leftover after an election may be transferred to a new bank account for a future election to seek a **different office** so long as the funds are not "surplus funds." There is a discussion on when leftover funds become "surplus funds" at the end of this chapter. See Chapter 11 for the other requirements that must be met in order to use the funds for election to a future office.

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 8.

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.

Independent Expenditures

~~Candidates are prohibited from using campaign funds to make independent expenditures to support or oppose other candidates, or to make contributions to other committees for the purpose of making independent expenditures to support or oppose other candidates.~~

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.

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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.

Loans

Campaign funds may be used to make loans to other political committees, subject to applicable limits, if any. Transfers from a local candidate's committee to his or her state committee must be attributed to the original contributors. See Campaign Disclosure Manual 1 for State Candidates for more information on transfers and attribution.

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.

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.)

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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 is permitted.

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 2.)

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.

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

Ex 5.8 - Paula Greene, a member of Supervisor Howard's staff, is also the treasurer of the Supervisor's campaign committee. Ms. Greene does all recordkeeping for the committee and completes the committee's campaign reports. She also has authority to approve committee expenditures. Campaign funds may be used to pay Ms. Greene for services she provides as committee treasurer. Funds may not be used to supplement or pay her government salary.

Ex 5.9 - Candidates for the office of mayor have been offered the chance to speak during half-time at the local college football game. Campaign funds may be used to purchase tickets for the candidates and committee staff to attend, but only because they will be speaking.

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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 for more information. When a candidate controlled committee reports itemized expenditures for gifts, meals, or travel, specific details must be included as described in Chapter 8.

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.

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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.
- 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 committee, so long as the funds are not used to make contributions in support of or opposition to a candidate for elective office. (~~The funds must be used for the party's or committee's~~ For example, funds earmarked for overhead expenses.)

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- 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 for a local office. It appears that I won't have any problem winning my seat. I would like to return some of my contributions to my contributors. May I do this?

At any time during the campaign, you may return all or part of a contribution to your contributors.

C. 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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D. 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.

E. 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.

F. 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.

G. 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.

H. 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 $250 per calendar year.

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I. I lost my election and have funds remaining. May I, a non-incumbent, use the leftover funds to run again in two years?

If you wish to use funds left over from an unsuccessful race for a future election to the same office, file a new Form 501 and amend your existing Form 410 within 90 days after the end of the postelection reporting period. 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. If you plan to run for a different office, file a new Form 501, transfer the funds to a new campaign bank account, and file a new Form 410. If 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 Activities.
82025	Expenditure.
82044	Payment.
84307.5	Fundraising Payments Made to a Spouse or Domestic Partner.
85201	Campaign Bank Account.
85501	Prohibition on Independent Expenditures by Candidate Controlled Committees.
85700	Donor Information Requirements; Return of Contributions.
89511	Campaign Funds Held by Candidates and Committees.
89511.5	Use of Personal Funds for Incumbent Elected Officers.
89512	Expenditures Associated with Seeking or Holding Office.
89513	Use of Campaign Funds for Specific Activities.
89514	Use of Campaign Funds for Attorney's Fees.
89515	Use of Campaign Funds for Donations and Loans.
89516	Use of Campaign Funds for Vehicle Expenses.
89517	Use of Campaign Funds for Real Property, Appliances or Equipment.
89517.5	Use of Campaign Funds for Security System.
89518	Use of Campaign Funds for Compensation.
89519	Use of Surplus Campaign Funds.

Title 2 Regulations

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 6

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 7 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 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 8.

Quick Tip

Communications paid for by a candidate's controlled committee to support the candidate's own election are direct campaign expenditures, reported on Form 460 Schedule E.

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, which 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; however, the person making the independent expenditure 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. However, it is impossible 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 paid for by a non-candidate controlled committee primarily formed to support or oppose a candidate are considered contributions or 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:

- **Committee's Needs.** It is based on information about the candidate's or committee's campaign needs or plans provided by the candidate or committee 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.

- **~~Photograph or Press Release~~ Candidate Material.** The person making the expenditure has obtained a photograph, biography, position paper, press release, or similar material from the candidate or the candidate's agents.

- **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.

- **~~Meeting with Members or Employees~~ 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.

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

- **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 ballot measure committee.

FPPC 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.

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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."

- **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.

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.

Ex 6.1 - 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. ~~made at the candidate's behest.~~

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

Ex 6.2 - 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 6.3 - During Curt Anthony's campaign, two newspaper advertisements supporting Mr. Anthony were published without his knowledge or consent. ~~Since~~ 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. 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 6.4 - The president of a police officers' association announces at its annual meeting that the association endorses John Law for county sheriff. Merely making an oral endorsement is not a contribution 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. ~~Since~~ Because the mailing was made at the behest of the candidate, the association has now made a nonmonetary contribution to John Law.

Ex 6.5 - A city council candidate paid for a mailing which quoted the mayor's verbal endorsement of his candidacy. Although the mayor was also on the ballot, the flyer was not a contribution to the mayor.

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Ex 6.6 - Emmelyn Chin, a city council member running for reelection, sent out a flyer to registered voters in her district asking them to support her candidacy. The flyer also encouraged the voters to vote for Lorraine Sweet for Governor, although this endorsement was not made at Ms. Sweet's behest. Because the gubernatorial election and city council 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 Ms. Sweet.

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.

Quick Tip

See Chapter 7 for the disclaimer and sender identification requirements for mass mailings sent by a candidate-controlled committee or a committee primarily formed to support or oppose a candidate.

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.

Ex 6.7 - John is running for ~~State Assembly~~ school board 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.

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.

Ex 6.8 - Camille is running for local 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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D. 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 6.9 - The League of Women Voters invited all candidates for city council 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 6.10 - 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 no contribution was made.

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 payments, the committee would report the payments as being made for general member communications.

Ex 6.11 - 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 6.12 - 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 6.13 - 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 city council. 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 non-monetary 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 county supervisor about issues affecting the environment. Later, the candidate learned that the organization paid for a radio advertisement advocating the election of that candidate. 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.

C. I was elected to the city council in November. May I assist an independent expenditure committee that supported my candidacy in retiring its debt now that the election is over?

No. An "independent expenditure" is made without the coordination, cooperation, or consultation of the candidate. If you assist the committee, the expenditures are not considered independent.

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D. I am a law enforcement officer running for city council. Is it permissible to wear my law enforcement uniform in my campaign literature?

The Political Reform Act does not contain restrictions related to a candidate wearing a law enforcement uniform; however, other laws may apply. Candidates should contact the District Attorney or City Attorney.

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.
~~84310~~	~~Identification Requirements for Telephone Calls.~~
~~84503~~	~~Advertisement for or Against Ballot Measures~~.
~~84506~~	~~Independent Expenditures; Advertisements.~~
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.

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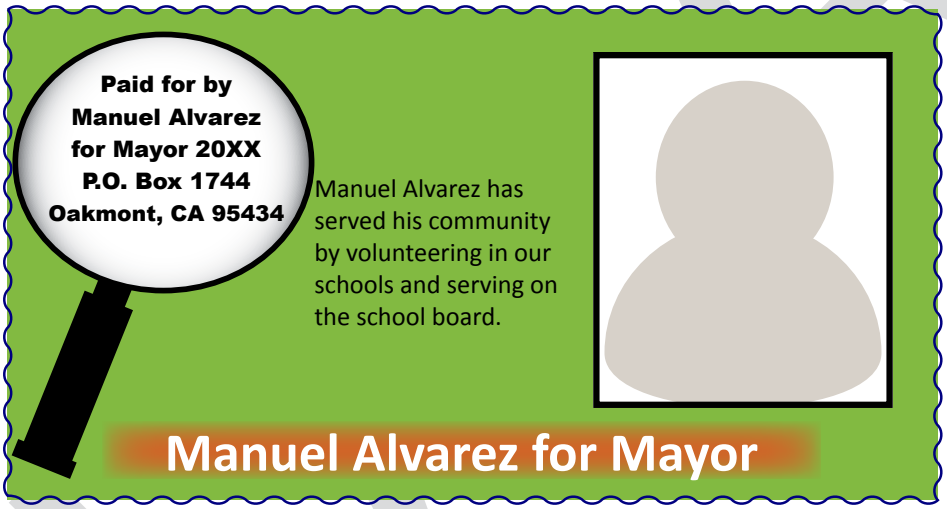
Advertisement Disclaimers

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 ~~person or entity who~~ committee that 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
- Paid telephone calls
- Radio ads
- Television ads
- 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 local advertisement disclaimer 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 Mayor 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 contributors. ~~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.

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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
	• **"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* o 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 o **"Committee major funding from"** and **"Not authorized by"** disclaimers may not appear in all capital letters o 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 o **"Committee major funding from"** and **"Not authorized by"** disclaimers may not appear in all capital letters o 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 o **"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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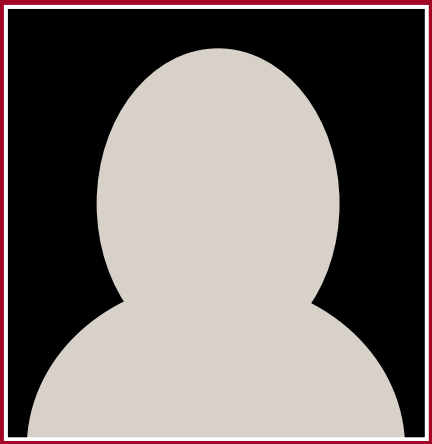
Print Advertisement Disclaimer Example:

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 Supervisor Woods 20XX

Committee major funding from:
International Workers Association
State Safety Workers Association

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.

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 City Council 20XX

Don't forget to vote for Reynolds on Tuesday! This message was paid for by Reynolds for City Council 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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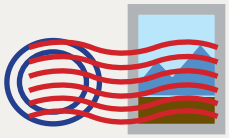
Paid For By
Roxie Reynolds for City Council 20XX
1615 Skate Street
Torrance, CA 90503



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.

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.

Committees Primarily Formed to Support or Oppose a Local 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."~~

~~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 of the envelope may appear in 6-point type. For a one-page mailer,~~

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~~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.~~

Quick Tip

A mass mailing paid for by an independent expenditure must include a statement that the mailing was not authorized by a candidate or a committee controlled by a candidate.

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

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.

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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.

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.

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

If a primarily formed committee pays for a telephone call ~~**more than 200** similar telephone calls~~ 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 f~~or 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.

Quick Tip

Anonymous robocalls 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 7.1 - City Councilmember Reitz pays a vendor to make calls to 1,500 local voters to encourage them to reelect her to the city council. 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 City Councilmember Reitz 20XX."

Ex 7.2 - At City Councilmember 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 Councilmember Reitz to the city council. 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 Councilmember Reitz."

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.

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~~

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~~(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.~~

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.

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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 following situations.

$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.

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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.

Quick Tip

If the committee pays for a spokesperson in an advertisement to support or oppose a ballot measure, the committee may also be required to file the Form 511 (Paid Spokesperson Report). See Chapter 10.

J. Updating a Disclaimer

Advertisement disclaimers must be revised if a committee's name changes, if the order of the top contributors changes, 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.

K. 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.

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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 must 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. 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~~	~~Independent Expenditures; Advertisements.~~
84506.5	Disclaimer; Independent Expenditure Ads; Not Authorized by Candidate.
84509	Amended Disclaimers.
84511	Ballot Measure Ads; Paid Spokesperson Disclosure.
~~85312~~	~~Communications to Members of an Organization.~~

Title 2 Regulations

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

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18401	Required Recordkeeping for Chapters 4 & 5.
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.
~~18531.7~~	~~Payments for Communications – Section 85312.~~

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Committee Reports – Form 460

Generally, candidate controlled committees and committees primarily formed to support or oppose a candidate(s) use the Recipient Committee Campaign Statement (Form 460) to report campaign activity for all semi-annual and preelection statements. The Form 460 is the main campaign disclosure statement and provides the public with an overview of the committee's activity, including money coming in and money going out, during a specified reporting period.

The statement must include all activity during the specified reporting period, even if it was previously reported. For example, a contribution that was already reported on the Form 497 (24-hour Contribution Report) must still be reported on the committee's next Form 460.

A primarily formed committee may file the Form 450 (Committee Campaign Statement – Short Form) instead of the Form 460 if, during the reporting period, the committee:

- Has not received a contribution that must be itemized (a cumulative amount of $100 or more from a single source);
- Has not received any other payment of $100 or more (miscellaneous increases to cash);
- Has no outstanding loans made or received; and
- Has no accrued expense (unpaid bills).

A primarily formed committee that has not received any contributions and has not made any expenditures during the six-month period covered by a semi-annual statement may file the Form 425 (Semi-Annual Statement of No Activity).

Quick Tip

A committee controlled by a candidate must use the Form 460 to report its campaign activity – the short Form 450 or Form 425 may not be used.

This chapter discusses how to complete the Form 460 and provides examples for each type of campaign activity that may have to be reported. The Forms 450 and 425 are available on the FPPC's website and include detailed instructions for completing the forms.

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Recipient Committee Campaign Statement Cover Page

COVER PAGE

Date Stamp

CALIFORNIA FORM **460**

Page XX of XX

For Official Use Only

SEE INSTRUCTIONS ON REVERSE

A Statement covers period
from 7/1/XX
through 12/31/XX

B Date of election if applicable: (Month, Day, Year)

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

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

2 **Type of Statement:**

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

3 **Committee Information**

I.D. NUMBER: 12344XX

COMMITTEE NAME (OR CANDIDATE'S NAME IF NO COMMITTEE): Manuel Alvarez for Mayor 20XX

STREET ADDRESS (NO P.O. BOX): 225 Presley Street

CITY: Oakmont | STATE: CA | ZIP CODE: 95443 | AREA CODE/PHONE: 707-555-6868

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET OR P.O. BOX: P.O. Box 1744

CITY: Oakmont | STATE: CA | ZIP CODE: 95434 | AREA CODE/PHONE: 707-555-6868

OPTIONAL: FAX / E-MAIL ADDRESS: 707-555-6869/mrichards@oakmontmail.com

Treasurer(s)

NAME OF TREASURER: Madeline Richards

MAILING ADDRESS: 225 Presley Street

CITY: Oakmont | STATE: CA | ZIP CODE: 95443 | AREA CODE/PHONE: 707-555-6868

NAME OF ASSISTANT TREASURER, IF ANY: Manuel Alvarez

MAILING ADDRESS: 225 Presley Street

CITY: Oakmont | STATE: CA | ZIP CODE: 95443 | AREA CODE/PHONE: 707-555-6868

OPTIONAL: FAX / E-MAIL ADDRESS: 707-555-6869/mrichards@oakmontmail.com

4 **Verification**

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

Executed on [Date Required] (Date) By [Signature Required] (Signature of Treasurer or Assistant Treasurer)

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

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

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

DRAFT

A. Completing the Form 460 Cover Page

A Statement Covers Period

If this is the first statement of the calendar year, the "from" date should be January 1. Otherwise, this date should be the day after the closing date of the most recently filed campaign statement. The closing date depends on the type of statement being filed (e.g., semi-annual, preelection). The period covered will be identified on the filing schedule for the specific election.

B Date of Election

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

1 Type of Recipient Committee

Check the appropriate box to indicate the type of committee:

- Officeholder/Candidate Controlled Committee: Complete Cover Page Parts 1, 2, 3, 4, and 5.
- Primarily Formed Candidate/Officeholder Committee: Complete Cover Page Parts 1, 2, 3, 4, and 7.

2 Type of Statement

Check the appropriate box to indicate the type of statement being filed (e.g., semi-annual, preelection).

3 Committee Information and Treasurer(s)

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

4 Verification

All campaign statements are signed under penalty of perjury and must be verified by the committee treasurer or the assistant treasurer named on the committee's Statement of Organization (Form 410). The verification states that the signer has used all reasonable diligence in its preparation, and that to the best of his or her knowledge, it is true and complete. The Form 460 is not considered filed if it is not signed.

If an officeholder or candidate controls the committee, he or she also must sign the verification. If two or three officeholders or candidates control the committee, each of them must sign the verification. If more than three officeholders or candidates control the committee, one may sign the verification on behalf of the others.

Some local agencies may require local candidates and committees to file campaign statements electronically. The electronic filing system must include a procedure for filers to comply with the requirement that they sign the statements under penalty of perjury.

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Recipient Committee Campaign Statement Cover Page — Part 2

COVER PAGE - PART 2

CALIFORNIA FORM **460**

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5. Officeholder or Candidate Controlled Committee

NAME OF OFFICEHOLDER OR CANDIDATE: Manuel Alvarez

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

RESIDENTIAL/BUSINESS ADDRESS (NO. AND STREET): 4245 McDow Street | CITY: Oakmont | STATE: CA | ZIP: 95443

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
Friends Supporting Alvarez for Mayor 20XX	12399XX
NAME OF TREASURER: Karen Lucci	CONTROLLED COMMITTEE? ☐ YES ☑ NO

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

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Oakmont	CA	95443	707-111-2222

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

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

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

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B. Completing the Form 460 Cover Page – Part 2

5 Officeholder or Candidate Controlled Committee

Provide the name of the officeholder or candidate controlling the committee and indicate the office sought or held, including the location and district number, if any. If more than one candidate controls the committee, include the required information for all controlling candidates in an attachment.

Related Committees Not Included in this Statement

If the officeholder or candidate controls any other committees (i.e., ballot measure committee, legal defense fund committee, another election committee), those committees must be listed. If the candidate is aware of any primarily formed committees that exist to

receive contributions or to make expenditures on behalf of his or her candidacy, those committees must also be listed.

6 Primarily Formed Ballot Measure Committee

Candidate controlled committees and primarily formed candidate/officeholder committees do not complete Part 6.

7 Primarily Formed Candidate/Officeholder Committee

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

DRAFT

Campaign Disclosure Statement
Summary Page

Amounts may be rounded to whole dollars.

SUMMARY PAGE

Statement covers period
from 7/1/XX
through 12/31/XX

CALIFORNIA FORM 460

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER
Manuel Alvarez for Mayor 20XX

I.D. NUMBER
12344XX

1 **Contributions Received**

		A Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	B Column B CALENDAR YEAR TOTAL TO DATE
1. Monetary Contributions	*Schedule A, Line 3*	$ 6,773	$ 100,000
2. Loans Received	*Schedule B, Line 3*	9,000	11,000
3. SUBTOTAL CASH CONTRIBUTIONS	*Add Lines 1 + 2*	$ 15,773	$ 111,000
4. Nonmonetary Contributions	*Schedule C, Line 3*	6,500	6,500
5. TOTAL CONTRIBUTIONS RECEIVED	*Add Lines 3 + 4*	$ 22,273	$ 117,500

2 **Expenditures Made**

6. Payments Made	*Schedule E, Line 4*	$ 40,950	$ 75,750
7. Loans Made	*Schedule H, Line 3*	1,000	1,000
8. SUBTOTAL CASH PAYMENTS	*Add Lines 6 + 7*	$ 41,950	$ 76,750
9. Accrued Expenses (Unpaid Bills)	*Schedule F, Line 3*	1,550	3,550
10. Nonmonetary Adjustment	*Schedule C, Line 3*	6,500	6,500
11. TOTAL EXPENDITURES MADE	*Add Lines 8 + 9 + 10*	$ 50,000	$ 86,800

3 **Current Cash Statement**

12. Beginning Cash Balance	*Previous Summary Page, Line 16*	$ 39,500
13. Cash Receipts	*Column A, Line 3 above*	15,773
14. Miscellaneous Increases to Cash	*Schedule I, Line 4*	3,000
15. Cash Payments	*Column A, Line 8 above*	41,950
16. **ENDING CASH BALANCE**	*Add Lines 12 + 13 + 14, then subtract Line 15*	$ 16,323

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

4 17. LOAN GUARANTEES RECEIVED ... *Schedule B, Part 2* $ 10,000

5 **Cash Equivalents and Outstanding Debts**

18. Cash Equivalents ... *See instructions on reverse* $ 1,000

6 19. Outstanding Debts ... *Add Line 2 + Line 9 in Column B above* $ 14,550

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

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

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

Expenditure Limit Summary for State Candidates

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

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

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

DRAFT

C. Completing the Form 460 Summary Page

The Summary Page provides an overview of the committee's financial activities, including all contributions received and expenditures made during the period covered by the statement. The Summary Page also includes the cumulative totals for contributions received and expenditures made during the calendar year. Although the Summary Page is located at the beginning of the Form 460, it should be completed last. Totals from certain schedules are carried forward to the Summary Page.

Quick Tip

Complete the Summary Page after all other schedules have been completed. Totals from some of the schedules are carried forward to the Summary Page.

A Column A – Total This Period

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

B Column B – Total to Date

This column generally reflects the cumulative totals since January 1 of the current calendar year. However, there is an exception if a 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. In this case, 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.

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

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

Quick Tip

Loans and accrued expenses must be reported on each campaign statement until the amounts are paid off or forgiven.

1 Lines 1-5 (Contributions Received)

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

DRAFT

2 Lines 6-11 (Expenditures Made)

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

3 Lines 12-16 (Current Cash Statement)

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

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

Line 12 (Beginning Cash Balance)

The beginning cash balance must be the same as the ending cash balance reported on Line 16 of the previously filed statement. If this is the first statement of the calendar year and no previous statement has been filed but money was raised or spent in the previous reporting period, enter the amount of cash on hand on December 31. Otherwise, enter zero.

Line 13 (Cash Receipts)

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

Line 14 (Miscellaneous Increases to Cash)

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

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

Line 15 (Cash Payments)

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

Line 16 (Ending Cash Balance)

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

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

4 Line 17 (Loan Guarantees Received)

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

5 Line 18 (Cash Equivalents)

This amount 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. These amounts should be part of the ending cash figure reported on Line 16.

6 Line 19 (Outstanding Debts)

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

DRAFT

Lines 20, 21, & 22

These lines are for certain state candidates only. Local committees do not complete these sections.

Answering Your Summary Page Questions

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

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

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

Yes. When 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?

Since the Political Reform Act does not provide for filing deadline extensions, complete the form as accurately as you can and file by the deadline. You should file an amendment with the corrections as soon as possible.

D. What is the most common mistake made on the Form 460 Summary Page?

Loan repayments are often reported twice, once on Schedule B and again on Schedule E. When the committee makes a loan repayment, it should only be reported on Schedule B.

DRAFT

D. General Rules for Reporting Contributions Received on Schedule A

Chapter 3 provides detailed information on the following topics, as well as other contribution reporting rules. The information below is a short summary of some of the most common reporting rules.

$5,000 Contributor – Major Donor Notice

If contributions totaling $5,000 or more are received from a single source in a calendar year, a "major donor" notice must be sent to the contributor within two weeks. If a contribution of $10,000 or more is received from a single source within 90 days before the election or on the date of the election, the notice must be sent within one week. Do not send the notice if the contribution is from another recipient committee.

Joint Checking Account

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

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.

Ex 8.1 -Sarah Gomez made a $500 contribution to your committee and notified you that she would later be reimbursed by her employer, Hilltop Dairy. Your committee will report Hilltop Dairy as the source of the contribution and must also disclose Sarah as the intermediary.

DRAFT

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 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.

Ex 8.2 -Temple Construction is a subsidiary of Temple Enterprises. Contributions made by the two entities must be aggregated and they qualify as a major donor. Your committee receives a contribution from Temple Construction. Temple Construction is required to notify you that its contribution is reported on a campaign statement filed under the name of Temple Enterprises. Your committee must identify both names on its report and, if you receive contributions from both entities, the contributions must be aggregated for purposes of reporting cumulative amounts.

Intermediary

If a contribution of $100 or more is received from a person who is acting as an intermediary for the true source of the contribution, disclose both the true source of the contribution and the intermediary. Failure to report the true source of a contribution is a serious violation of the ~~Political Reform~~ Act.

Contributions from Family Trusts

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

Aggregating Contributions

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

If contributions that must be aggregated are received from a major donor (i.e., an individual or business entity that makes contributions totaling $10,000 or more in a calendar year), the major donor must notify each committee to which it makes a contribution of the name under which the major donor is filing its campaign statement (Form 461). When reporting the contribution received, the recipient of the contribution must identify the name under which the major donor is filing its Form 461 and the name of the contributor, if it is different.

Contributor Information

If a committee receives a contribution of $100 or more, but does not receive the required contributor information (name, address, and if the contributor is an individual, his or her occupation and employer) within 60 days of receiving the contribution, the committee must return the contribution to the contributor. Contributions may be deposited in the committee's bank account pending receipt of the information, in which case they must be reported on the next campaign statement (Form 460) filed. The campaign statement must be amended within 70 days from its closing date to disclose the missing contributor information, unless the contribution was returned to the donor.

DRAFT

See the chart below for examples of acceptable ways to report an individual's occupation and employer.

Individual Donor Information

(Contributors of $100 or more)

Complete

- Retired
- Consultant, A Better Business Agency
- Self-Employed, No Separate Business Name
- Homemaker or Student
- Private Investor: stocks & bonds
- Lawyer, Ortiz & Smith

Incomplete

- Manager
- Next Door Neighbor
- Friend
- ABBA (no acronyms)
- Business Person
- Entrepreneur
- Investor

Contributions of $100 or more **must be returned within 60 days** if individual's name, street address, occupation, and employer are not obtained.

Calendar Year Cumulation Exception

The cumulation period for a statement is generally January 1 through December 31 of the current calendar year. However, there is an exception if a committee is required to file a preelection statement in one calendar year in connection with an election held in the next calendar year, such as elections held in January or early February. In this case, 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.

Ex 8.3 - A city calls a February 4 special election to fill a vacant city council position. Candidates running in the February 4 election are required to file two preelection statements in connection with the election. The first preelection statement is due in December of the year prior to the year in which the election will be held. In this case, the cumulation period begins on January 1 of the year before the election and ends on the closing date of the semi-annual statement filed after the election.

Returned Contributions

Not Deposited: A contribution need not be reported if it is not cashed, negotiated, or deposited and is returned to the contributor before 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 prior to the election, or on the date of the election, need not be reported if it is not cashed, negotiated, or deposited and is returned to the contributor within 24 hours of receipt.

DRAFT

Deposited, Negotiated, or Returned After Closing Date: A contribution that is cashed, negotiated, or deposited, and is not returned prior to the closing date of the campaign statement, must be reported on Schedule A. If the contribution is returned within 30 days of receipt, and within the reporting period, the return may be shown as a negative figure on Schedule A. Otherwise, the return of the contribution must be reported on Schedule E.

Returned for Insufficient Funds: If the committee deposits a check and the check is returned from the bank due to insufficient funds, 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.

Transfers

If campaign funds are transferred from one of a candidate's controlled local election committees to another, the transfer is reported by the receiving committee on Schedule I, not on Schedule A.

Enforceable Promises

If a contribution is received in the form of an "enforceable promise" that has not been paid during the period, report the contribution as a memo entry on Schedule A.

Disclose the date of the promise, all of the required information about the contributor, and the amount promised, but do not include the amount in the summary totals. When the contributor makes the actual payment, fully disclose the contribution on Schedule A, if the payment is made to the committee, or on Schedule C, if the contributor pays the vendor directly, and include the amount in the appropriate summary section.

DRAFT

Installment Payments

Contributions may be received as installment payments made at regular intervals over a period of time via credit card, debit card, wire transfer, or similar electronic means. When a contributor authorizes a series of installment payments, the contribution is reported as received when the committee, or agent of the committee, obtains possession or control of the funds for each installment payment.

DRAFT

Schedule A
Monetary Contributions Received

Amounts may be rounded to whole dollars.

SCHEDULE A

Statement covers period
from 7/1/XX
through 12/31/XX

CALIFORNIA FORM 460

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

1 DATE RECEIVED	2 FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	3 CONTRIBUTOR CODE *	4 IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	5 AMOUNT RECEIVED THIS PERIOD	6 CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	7 PER ELECTION TO DATE (IF REQUIRED)
9/2/XX	Joey's Super Market 500 North Mesa Street Oakmont, CA 95443	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		$5,000	$5,000	
10/15/XX	Martin Developers 1650 Wingfield Road Oakmont, CA 95443	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		$198	$198	
	Intermediaries: Marcus Brown $99 325 Richmond Road, Oakmont, CA 95443	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Bookkeeper, Martin Developers			
	Ashley Green $99 448 Harbor Drive Oakmont, CA 95443	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Sales Representative, Martin Developers			
12/15/XX	Angel Trujillo 6688 Fourth Avenue Oakmont, CA 95443	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Requested	$75	$300	
			SUBTOTAL $	5,273		

8 **Schedule A Summary**

1. Amount received this period – itemized monetary contributions. (Include all Schedule A subtotals.) ..... $ 5,273
2. Amount received this period – unitemized monetary contributions of less than $100 ..... $ 1,500
3. Total monetary contributions received this period. (Add Lines 1 and 2. Enter here and on the Summary Page, Column A, Line 1.) ..... TOTAL $ 6,773

*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

E. Completing the Form 460 Schedule A (Monetary Contributions Received)

Schedule A is used to report monetary contributions received by the committee, except for loans received, which are reported on Schedule B. Payments received for repayments on loans made to others are reported on Schedule H. Payments received that are not contributions, loans, or repayments of loans made to others, are reported as miscellaneous increases to cash on Schedule I.

DRAFT

1 Date Received

Enter the date the committee obtained possession or control of the contribution. For instance, in the case of a check, report the date the check was received, which may differ from the date the check was written and the date the check was deposited.

For contributions received by electronic transaction (such as credit card, debit account, or wire transfer, including those received over the Internet), report the date the committee received or had control of the credit/debit account information or other payment information, or the date the committee received or had control of the funds, whichever is earlier. Chapter 2 provides several examples of different types of contributions and when they are deemed "received."

2 Contributor Information

Itemize persons that have contributed to the committee a cumulative amount of $100 or more during the calendar year. Provide each contributor's full name, street address, city, state, and zip code. ~~**Note:**~~ Many local agencies require itemization at a lower threshold so check with your elections office.

If the contributor is a recipient committee, report that committee's identification number. If an identification number has not yet been assigned or is unknown, report the full name, street address, city, state, and zip code of that committee's treasurer.

If a contribution is received through an intermediary, provide the name, street address, city, state, zip code, and, if applicable, occupation and employer, of both the intermediary and the true source of the contribution. (See Chapter 3.)

Ex 8.4 - Wade Murphy contributed $25 to your committee during the first reporting period of the calendar year. On your committee's first campaign statement, Wade's contribution was not required to be itemized. During the second reporting period, Wade contributed $99 to your committee. Since his cumulative contributions for the calendar year are now $100 or more, Wade must be itemized on the ~~next~~ second campaign statement. The $99 contribution will be reported under "amount received this period" and $124 will be reported as the "cumulative to date" total. His name, address, occupation, and employer must also be disclosed.

3 Contributor Code

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

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4 Occupation and Employer Information

If the contributor is an individual, provide the individual's occupation and the name of his or her employer. If the individual is self-employed, provide the name of his or her business. Do not leave this column blank. If the information has not yet been obtained, enter "requested" or similar language and amend Schedule A when the information has been received.

As explained in Chapter 2, 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 of receipt of the contribution.

5 Amount Received This Period

Report the amount of the contribution.

6 Cumulative to Date

Enter the cumulative amount of contributions (including monetary contributions, nonmonetary contributions, loans, and loan guarantees) received from the contributor. Contributions from a single source are generally cumulated from January 1 through December 31 of the current calendar year. However, there is an exception to calendar year cumulation if the committee is required to file a preelection statement in one calendar year in connection with an election held in the next calendar year. See "Calendar Year Cumulation Exception" under Section D., General Rules for Reporting Contributions Received on Schedule A.

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 the calendar year. Once a committee has received $100 or more from a contributor in a calendar year, all future contributions received from that contributor in that calendar year, regardless of the amount, must be itemized.

Quick Tip

Once a committee has received $100 or more from a contributor in a calendar year, all future contributions received from that contributor in that calendar year, regardless of the amount, must be itemized.

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7 Per Election to Date

The “Per Election to Date” column is generally for state candidates and committees that are subject to contribution limits. The ~~Political Reform~~ Act does not contain contribution limits for local candidates and committees; however, local ordinances may include limits and other restrictions and reporting requirements. Local candidates and committees should check with the local elections office about reporting obligations under local laws.

8 Schedule A Summary

Complete the Schedule A Summary section by entering the total amount of itemized contributions ($100 or more) received this period on Line 1 and the total amount of unitemized contributions (less than $100) received this period on Line 2. Add Lines 1 and 2 and enter that amount on Line 3. The amount on Line 3 is carried forward to the overall Summary Page, Column A, Line 2.

DRAFT

Schedule B – Part 1
Loans Received

Amounts may be rounded to whole dollars.

SCHEDULE B - PART 1

Statement covers period from 7/1/XX through 12/31/XX

CALIFORNIA FORM 460

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SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

1 FULL NAME, STREET ADDRESS AND ZIP CODE OF LENDER (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	a (a) OUTSTANDING BALANCE BEGINNING THIS PERIOD	b (b) AMOUNT RECEIVED THIS PERIOD	c (c) AMOUNT PAID OR FORGIVEN THIS PERIOD *	d (d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD	e (e) INTEREST PAID THIS PERIOD	f (f) ORIGINAL AMOUNT OF LOAN	g (g) CUMULATIVE CONTRIBUTIONS TO DATE
American Credit Union 350 South Park Street Oakmont, CA 95443 † ☐ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC		$ 0	$ 10,000	☐ PAID $ 0 ☐ FORGIVEN $ 0	$ 10,000 7/1/XX DATE DUE	5 % RATE $ 250	$ 10,000 7/1/XX DATE INCURRED	CALENDAR YEAR $ N/A PER ELECTION** $ N/A
Manuel Alvarez 4245 McDow Street Oakmont, CA 95443 † ☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Editor, Oakmont Weekly	$ 2,000	$ 0	☑ PAID $ 1,000 ☐ FORGIVEN $ 0	$ 1,000 N/A DATE DUE	0 % RATE $ -0-	$ 2,000 1/15/XX DATE INCURRED	CALENDAR YEAR $ 2,000 PER ELECTION** $ N/A
		SUBTOTALS $	10,000	$ 1,000	$ 11,000	$ 250 (Enter (e) on Schedule E, Line 3)		

3 **Schedule B Summary**

1. Loans received this period ..... $ 10,000
   (Total Column (b) plus unitemized loans of less than $100.)
2. Loans paid or forgiven this period ..... $ 1,000
   (Total Column (c) plus loans under $100 paid or forgiven.)
   (Include loans paid by a third party that are also itemized on Schedule A.)
3. Net change this period. (**Subtract** Line 2 from Line 1.) ..... NET $ 9,000
   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

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

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F. Completing the Form 460 Schedule B – Part 1 (Loans Received)

Schedule B is used to report activity on loans received by the committee. Outstanding loans are reported on each campaign statement until they are paid off or forgiven. 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, if any.

Quick Tip

If the committee has drawn on a line of credit, it is reported as a loan.

1 Lender Information and Contributor Code

Provide the full name, street address, city, state, and zip code, of each lender of $100 or more. For each itemized lender, check the appropriate box to indicate whether the lender is an individual, a committee, "other" (such as a business entity), or a political party. (The code "SCC" is for small contributor committees and is applicable only to state candidates and committees.)

Financial Institution

If a financial institution (i.e., bank or credit union) has made a loan to the committee, or the committee has drawn on a line of credit from a financial institution, report the institution as the lender, even if the candidate has established the line of credit.

Quick Tip

A loan received from a commercial lending institution in the normal course of business is reportable on Schedule B but is not considered a contribution. Contributor codes and cumulative amounts are only required for loans that are contributions.

2 Individual Lender

If the lender is an individual (including a candidate or officeholder using personal funds to make a loan to his or her committee), provide the individual's occupation and the name of his or her employer. If the individual is self-employed, provide the name of his or her business. Do not leave this column blank. If this information has not yet been obtained, enter "requested" or similar language and amend Schedule B, Part 1, when the information is received. (See Chapter 2 for information about the requirement to return contributions/loans if the name, address, occupation, or employer information is not received.)

Quick Tip

A candidate or officeholder who deposits personal funds into his or her own campaign bank account may report the funds as a loan on Schedule B or as a contribution on Schedule A.

Quick Tip

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

Loan Amounts

a Outstanding Balance Beginning This Period

Enter the outstanding loan balance at the beginning of this reporting period (Column (d) of the last report filed). If the loan was received this period, enter zero.

b Amount Received This Period

Enter the amount received from the lender during this reporting period. If this loan was received in a previous reporting period, enter zero.

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c Amount Paid or Forgiven This Period

Enter the amount of any reduction of the loan during this reporting period. Check the appropriate box to indicate whether the reduction was a payment or forgiveness. When the lender forgives all or part of a loan, or a third party makes a payment on a loan, also report the lender or third party on Schedule A as a contributor. Enter zero if no payments were made during 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 during this reporting period. If the lender is not charging interest, indicate "none" on the "interest rate" line. Interest paid is reported separately from payments made on the loan principal. Interest payments are also transferred to the Schedule E Summary.

f Original Amount of Loan

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

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.

g Cumulative Contributions to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received from the lender. Contributions from a single source are generally cumulated from January 1 through December 31 of the current calendar year. However, there is an exception to calendar year cumulation if the committee is required to file a preelection statement in one calendar year in connection with an election held in the next calendar year. See "Calendar Year Cumulation Exception" under Section D., General Rules for Reporting Contributions Received on Schedule A.

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The “Per Election to Date” column is generally for state candidates and committees that are subject to contribution limits. The ~~Political Reform~~ Act does not contain contribution limits for local candidates and committees; however, local ordinances may include limits and other restrictions and reporting requirements. Local candidates and committees should check with the local elections office about reporting obligations under local laws.

3 Schedule B Summary

Complete the Schedule B Summary by entering the total amount of loans **received** this period on Line 1 and the total amount of loans **paid or forgiven** on Line 2. Subtract Line 2 from Line 1 and enter the difference (net change this period) on Line 3. The amount on Line 3 will be a negative amount when the loans paid or forgiven this period are more than the amount of new loans received. The amount on Line 3 is carried forward to the overall Summary Page, Column A, Line 2.

Outstanding Loans Received (Summary Page – Column B, Line 2)

Loans received are carried forward on future statements until they are paid off or forgiven. To determine the amount for Column B, Line 2 of the overall Summary Page, add the amount from Column A, Line 2 of this statement to the amount of Column B, Line 2 of the previous statement. If the amount in Column A, Line 2 is a negative number, subtract it from the amount in Column B, Line 7 of the previous statement.

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Schedule B – Part 2
Loan Guarantors

Amounts may be rounded to whole dollars.

SCHEDULE B - PART 2

Statement covers period
from 7/1/XX
through 12/31/XX

CALIFORNIA FORM 460

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

1 FULL NAME, STREET ADDRESS AND ZIP CODE OF GUARANTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 CONTRIBUTOR CODE	3 IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	4 LOAN	5 AMOUNT GUARANTEED THIS PERIOD	6 CUMULATIVE TO DATE	7 BALANCE OUTSTANDING TO DATE
Joseph Alvarez 445 C Street Oakmont, CA 95443	☑ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Realtor, Alvarez and Mitchell Realty	LENDER: American Credit Union DATE: 7/1/XX	$10,000	CALENDAR YEAR $ 10,000 PER ELECTION (IF REQUIRED) $ N/A	$10,000
			SUBTOTAL $	10,000	Enter on Summary Page, Line 17 only.	

G. Completing the Form 460 Schedule B – Part 2 (Loan Guarantors)

1 Guarantor Information

If someone other than the controlling candidate co-signs, endorses, or provides security for a loan of $100 or more, enter the full name, street address, city, state, and zip code, of the guarantor.

Lines of Credit

If a third party establishes a line of credit of $100 or more for the committee, enter the third party's full name, street address, city, state, and zip code, as the guarantor.

2 Contributor Code

For each itemized guarantor, check the appropriate box to indicate whether the guarantor is an individual, committee, "other" (i.e., business entity), or a political party. (The code "SCC" is for small contributor committees and is applicable only to state candidates and committees.)

3 Individual Loan Guarantor

If the guarantor is an individual, provide the individual's occupation and the name of his or her employer. If the individual is self-employed, provide the name of his or her business. Do not leave this column

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blank. If this information has not yet been obtained, enter "requested" or similar language and amend Schedule B, Part 2, when the information is received.

4 Loan/Lender

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.

5 Amount Guaranteed This Period

Enter the amount guaranteed this period, if applicable. For lines of credit, enter the full amount established or secured by the guarantor during the period. (Report amounts **drawn** on a line of credit on Schedule B — Part 1.)

6 Cumulative to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received from the guarantor. Contributions from a single source are generally cumulated from January 1 through December 31 of the current calendar year. However, there is an exception to calendar year cumulation if the committee is required to file a preelection statement in one calendar year in connection with an election held in the next calendar year. See "Calendar Year Cumulation Exception" under Section D., General Rules for Reporting Contributions Received on Schedule A.

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.

The "per election" information is generally only required for state candidates and committees that are subject to contribution limits. The ~~Political Reform~~ Act does not contain contribution limits for local candidates and committees; however, local ordinances may include limits and other restrictions and reporting requirements. Local candidates and committees should check with the local elections office about reporting obligations under local laws.

7 Balance Outstanding to Date

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

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H. General Rules for Reporting Nonmonetary Contributions Received on Schedule C

Schedule C is used to report nonmonetary contributions received by the committee. Nonmonetary contributions are goods or services provided to the committee for which it does not pay the fair market value.

The fair market value is the amount the committee would pay for the goods or services on the open market – whatever it would cost any member of the general public to obtain the same goods or services. (See Chapter 3 for assistance in determining the fair market value of a nonmonetary contribution.)

Ex 8.5 - A restaurant donates food for a committee fundraiser. The cost of the food if purchased by the committee would be $1,000. The committee must report $1,000 as the fair market value of the contribution even though the cost to the restaurant was less than the fair market value.

Examples of Nonmonetary Contributions

- Items donated for a garage sale, raffle, or auction
- Poll results
- Signs, postage, and printing
- Food and entertainment provided for a fundraiser
- Discounts or rebates that are not extended to the general public
- Mailing lists, mailings, and other advertising
- Forgiveness of an accrued expense by the creditor
- Use of an office, automobile, or airplane
- Mail production, postage, printing, shipping, data and graphics
- Phone banking and public communications
- Media consulting services
- Video services
- Staff time and expenses
- Banner ads

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- Precinct walking and door hangers
- Food for volunteers
- Slate mailer/slate cards
- Campaign materials, flyers for rally, buttons, t-shirts
- Corporate stock
- Compensation paid by an employer to an employee who spends more than 10 percent of his or her compensated time in a calendar month working on campaign activities for one or more campaigns. Compensation includes gross wages paid and any benefits in lieu of wages, such as stock options or an annuity purchase. Compensation does not include standard benefits, such as the employer's payments to a retirement or health plan.

See Chapter 3 for exceptions, such as volunteer personal services, home/office fundraisers, and member communications.

Quick Tip

If corporate stock is received as a contribution, the amount reported on Schedule C is the value listed on the stock exchange on the date of receipt. When the stock is sold, the proceeds are reported on Schedule I as a miscellaneous increase to cash. See Chapter 3 for additional information.

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Schedule C
Nonmonetary Contributions Received

Amounts may be rounded to whole dollars.

SCHEDULE C
CALIFORNIA FORM **460**

Statement covers period
from 7/1/XX
through 12/31/XX

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

1 DATE RECEIVED	2 FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	3 CONTRIBUTOR CODE *	4 IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	5 DESCRIPTION OF GOODS OR SERVICES	6 AMOUNT/ FAIR MARKET VALUE	7 CUMULATIVE TO DATE CALENDAR YEAR (JAN 1 - DEC 31)	8 PER ELECTION TO DATE (IF REQUIRED)
9/25/XX	Genesis Insurance Company 850 F Street Oakmont, CA 95443	☐ IND ☐ COM ☑ OTH ☐ PTY ☐ SCC		Food for Fundraiser	$1,500	$1,500	N/A
10/1/XX	Citizens for Improving Oakmont (ID 116787XX) 1275 Main Street, Oakmont, CA 95443	☐ IND ☑ COM ☐ OTH ☐ PTY ☐ SCC		Employee Compensation for Campaign Activities	$5,000	$5,000	N/A
Attach additional information on appropriately labeled continuation sheets.				SUBTOTAL $	6,500		

9 Schedule C Summary

1. Amount received this period – itemized nonmonetary contributions. (Include all Schedule C subtotals.) ..... $ 6,500
2. Amount received this period – unitemized nonmonetary contributions of less than $100 ..... $ 0
3. Total nonmonetary contributions received this period. (Add Lines 1 and 2. Enter here and on the Summary Page, Column A, Lines 4 and 10.) ..... TOTAL $ 6,500

*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

I. Completing the Form 460 Schedule C (Nonmonetary Contributions Received)

1 Date Received

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

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

Ex 8.6 - A general purpose committee, in coordination with your committee, printed a brochure advocating your election to the school board. The committee delivered the brochures to your committee headquarters on February 22 and paid the printing bill on March 15. Your committee received the nonmonetary contribution on February 22.

2 Contributor Information

Itemize persons who have contributed to the committee a cumulative amount of $100 or more during the calendar year. Provide each contributor's name, street address, city, state, and zip code. Remember to maintain the names and addresses of contributors of $25 or more in your records. (See Chapter 2.)

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3 Contributor Code

For each itemized ~~guarantor~~ contributor, check the appropriate box to indicate whether the ~~guarantor~~ contributor is an individual, committee, "other" (i.e., business entity), or a political party. (The code "SCC" is for small contributor committees and is applicable only to state candidates and committees.)

4 Occupation and Employer

If the contributor is an individual, provide the individual's occupation and the name of his or her employer. If the individual is self-employed, provide the name of his or her business. Do not leave this column blank. If this information has not yet been obtained, enter "requested" or similar language and amend Schedule C when the information has been received.

5 Description of Goods or Services

Provide a brief description of the goods or services received.

6 Amount/Fair Market Value

Report the value of the nonmonetary contribution received.

7 Cumulative to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received from the contributor. Contributions from a single source are generally cumulated from January 1 through December 31 of the current calendar year. However, there is an exception to calendar year cumulation if the committee is required to file a preelection statement in one calendar year in connection with an election held in the next calendar year. See "Calendar Year Cumulation Exception" under Section D., General Rules for Reporting Contributions Received on Schedule A.

Quick Tip

If an individual donates his or her personal or professional services to a campaign (including his or her travel expenses), no contribution has been made or received as long as the individual is not paid or reimbursed.

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8 Per Election to Date

The "Per Election to Date" column is generally for state candidates and committees that are subject to contribution limits. The ~~Political Reform~~ Act does not contain contribution limits for local candidates and committees; however, local ordinances may include limits and other restrictions and reporting requirements. Local candidates and committees should check with the local elections office about reporting obligations under local laws.

9 Schedule C Summary

Complete the Schedule C Summary section by entering the total amount of itemized nonmonetary contributions ($100 or more) received this period on Line 1 and the total amount of unitemized nonmonetary contributions (less than $100) received this period on Line 2. Add Lines 1 and 2 and enter the total on Line 3. The amount on Line 3 is carried forward to the overall Summary Page, Column A, Lines 4 and 10. **Reminder:** Once a contributor has contributed $100 or more in a calendar year, all future contributions received from that person, regardless of the amount, must be itemized.

Answering Your Nonmonetary Contributions Questions

A. What is the value of the time provided by a graphic artist who volunteers to design a logo for my committee?

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

B. How do I determine the fair market value of a mailing list provided by another committee?

The most common way for a committee to determine the value is to contact a business from which a similar mailing list may be obtained.

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C. ~~**Before I was aware that I must deposit personal funds used for campaign purposes into my campaign bank account, I made some purchases for letterhead, signs and mailing lists from my personal funds. I do not plan to be reimbursed for the purchases. Must I report a nonmonetary contribution?**~~

~~Yes. The Act requires a candidate to deposit personal funds into the campaign bank account prior to using the funds for campaign expenditures. This provides a clear audit trail of campaign expenditures. However, when campaign expenditures are made with personal funds, the payments must still be reported. Since you will not be reimbursed, the amount of personal funds used should be reported on Schedule C A as nonmonetary contributions and the expenditures would be reported on Schedule E. Purchases of $100 or more must be itemized.~~

J. General Rules for Reporting Expenditures Supporting/ Opposing Other Candidates, Measures, and Committees on Schedule D

Schedule D provides 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. Such payments include:

- Monetary contributions or loans to other candidates and committees.
- Payments to vendors for goods or services for other candidates and committees (nonmonetary contributions).
- Donations to other candidates and committees of goods on hand, or the payment of salary or expenses for a campaign employee who spends more than 10 percent of his or her compensated time in a calendar month on campaign activities for other candidates or committees (nonmonetary contributions).

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- Payments for communications (e.g., mailings, billboards, radio ads) that expressly advocates support of or opposition to a clearly identified candidate or ballot measure, but the payments are not made to, or at the behest of, the candidate or ballot measure committee (independent expenditures).

Candidate Controlled Committees

Payments made to support the controlling candidate's own candidacy, or to oppose the candidate's opponent(s), are not reported on Schedule D. These payments are direct campaign expenditures and are reported only on Schedule E.

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

Primarily Formed Committees

Payments made for communications that support or oppose the candidate for which the committee is primarily formed are required to be reported on Schedule D as either contributions or independent expenditures, depending on whether the payments were made at the behest of the candidate. These payments are also reported on Schedule E or F.

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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 7/1/XX
through 12/31/XX

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

1 DATE	2 NAME OF CANDIDATE, OFFICE, AND DISTRICT, OR MEASURE NUMBER OR LETTER AND JURISDICTION, OR COMMITTEE	3 TYPE OF PAYMENT	4 DESCRIPTION (IF REQUIRED)	5 AMOUNT THIS PERIOD	6 CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	7 PER ELECTION TO DATE (IF REQUIRED)
10/1/XX	Committee for Bike Lanes in Oakmont Yes on Measure E (ID 12456XX) City of Oakmont ☑ Support ☐ Oppose	☑ Monetary Contribution ☐ Nonmonetary Contribution ☐ Independent Expenditure	Loan	$1,000	$1,000	N/A
10/12/XX	Del Norte County Independent Central Committee (ID 11852XX) ☑ Support ☐ Oppose	☑ Monetary Contribution ☐ Nonmonetary Contribution ☐ Independent Expenditure		$500	$500	N/A
	☐ Support ☐ Oppose	☐ Monetary Contribution ☐ Nonmonetary Contribution ☐ Independent Expenditure				
			SUBTOTAL $	1,500		

8

Schedule D Summary

1. Itemized contributions and independent expenditures made this period. (Include all Schedule D subtotals.) ..... $ 1,500
2. Unitemized contributions and independent expenditures made this period of under $100 ..... $ 0
3. Total contributions and independent expenditures made this period. (Add Lines 1 and 2. Do not enter on the Summary Page.) ..... **TOTAL** .. $ 1,500

K. Completing the Form 460 Schedule D (Summary of Expenditures Supporting/Opposing Other Candidates, Measures and Committees)

1 Date

Report the date the contribution or independent expenditure was made. A monetary contribution is made on the date it is mailed, delivered, or otherwise transmitted to the officeholder, candidate, or committee.

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

- The date an expenditure is made for the goods or services;
- The date the committee or an agent of the committee obtained possession or control of the goods or services; or
- The date the committee otherwise received the benefit of the expenditure.

A payment made in connection with the development, production, or dissemination of a communication that is an **independent expenditure** must be reported no later than the date the communication is mailed, broadcast, or otherwise disseminated to the public.

A payment for a communication that is never disseminated to the public is not considered an independent expenditure and need not be reported on Schedule D. The payment must be reported on Schedule E as an expenditure.

Ex 8.7 - Your committee, working on behalf of the Friends of the Forest committee, arranged for the mailing of a campaign piece supporting their issue. The mailer is sent to voters directly from the mail house on September 4. On September 6, the mail house submits an invoice for payment to your committee. Your committee made a nonmonetary contribution to the Friends of the Forest committee on September 4 (the date they received the benefit of the expenditure).

Quick Tip

Schedule D is a summary of payments made by the committee that were contributions to other candidates and committees or independent expenditures to support or oppose other candidates and ballot measures. The payments are also reported on Schedule E, F, or H.

2 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.

Ex 8.8 -The Committee to Elect Waters for Seaside Mayor 20XX made a contribution of $100 to the Committee to Support Growth in Seaside, Yes on Measure C. In addition to reporting the contribution on Schedule D, the expenditure must also be reported on Schedule E.

3 Type of Payment

Check the appropriate box to indicate whether the payment was a monetary contribution, nonmonetary contribution, or independent expenditure.

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4 Description of Nonmonetary Contribution Where No Payment is Made

Because payments must be described when they are reported on Schedule E or F, a description is not required on Schedule D for payments reported on Schedule 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 (i.e., office supplies) are contributed to another candidate or committee, a description must be included.

5 Amount This Period

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

6 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's election committee with contributions made to other committees controlled by the candidate, such as a ballot measure committee or a legal defense fund committee. Contributions and independent expenditures are cumulative separately.

7 Per Election to Date

If contributions of $100 or more were made to state candidates during a state election cycle, the cumulative amount contributed during the election cycle is reported in this column.

In addition, a local ordinance may require committees in that jurisdiction to report the cumulative amount contributed to a local candidate during a specified period. Check with the local elections office.

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8 Schedule D Summary

Complete the Schedule D Summary by entering the total amount of itemized contributions and independent expenditures of $100 or more (Line 1), the total amount of unitemized contributions and independent expenditures of less than $100 (Line 2), and the total amount for both (Line 3). Totals from the Schedule D Summary are **not** carried forward to the overall Summary Page.

Answering Your Major Donor Questions

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

No. A candidate's contributions to his or her own election committee do not trigger the requirement to file the Form 461. But, if a candidate otherwise qualifies as a major donor committee by making personal contributions of $10,000 or more to other candidates or committees, the Form 461 must also include personal contributions made to his or her own controlled committees.

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

If the contributions are made from community funds, neither the spouse nor the candidate will qualify as a major donor. But, if the candidate's spouse makes contributions from legally separate funds, the spouse will become a major donor and must file the Form 461.

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

Yes.

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D. Using personal funds, a candidate made contributions totaling $9,000 to other candidates and committees. She also contributed $3,000 to her own election committee. Since the total amount of all contributions made is $12,000, must the candidate file the Form 461 as a major donor?

No. Contributions to a candidate's own election committee are not counted toward the $10,000 major donor threshold.

L. General Rules for Reporting Payments Made on Schedule E and Accrued Expenses (Unpaid Bills) on Schedule F

Schedule E is used to report money spent by the committee during the reporting period, except for payments made on loans received by the committee or payments made ~~to make~~ in the form of loans to other candidates or committees. Use Schedule B (Part 1) to report repayments on **loans received** by the committee. Use Schedule H to report **loans made** to other candidates and committees.

An expenditure is "made" on the date the payment is made or the date the committee receives the goods or services, whichever is earlier. 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.

Quick Tip

Expenditures of campaign funds must have a political, legislative, or governmental purpose. (See Chapter 5.)

Ex 8.9 - During October and November, ~~you~~ your committee:

(a) Paid a deposit on a room for a fundraiser to be held January 10;

(b) Ordered and received the fundraiser invitations for which you were billed but had not made a payment by December 31; and

(c) Ordered, but did not receive, flowers for the fundraiser for which you will be billed at the end of January.

On your semi-annual statement covering the period ending December 31, report the payment for the room deposit on Schedule E. Because you received the invitations but had not paid for them by December 31, report the outstanding amount on Schedule F. The cost of the flowers will not be reported until the next reporting period because you did not pay for nor receive the flowers during the period covered by the statement.

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The committee's unpaid administrative overhead expenses, 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.

Ex 8.10 - On June 15, your committee received two bills for June services. One bill was from the restaurant where your committee held a fundraiser and the other was for office rent. The due date for both invoices is July 15. If, on June 30, the committee has not paid the two bills, the bill from the restaurant is reported on Schedule F as an accrued expense on your semi-annual statement. Since the rent bill is a regular administrative overhead expense, it does not need to be reported as an accrued expense.

Information Required

Itemize each payment or accrued expense of $100 or more to a single payee, and any payments totaling $100 or more for a single product or service made during the period.

If the committee has entered into an agreement to make payments over time for a product or service, other than general administrative expenses such as rent and utilities, the unpaid balance may be reportable on Schedule F as an accrued expense.

Payments for Online Communications

Additional expenditure reporting is required when a committee pays a person to provide favorable or unfavorable content about a candidate or ballot measure on an Internet site other than the committee's own website. The committee must specifically describe amounts the committee paid to provide favorable or unfavorable content on a candidate or ballot measure by:

- Providing such content for or posting on a website or blog, whether one's own or another's.
- Providing such content for or posting on a social media platform.
- Providing such video content for posting online.

Content means that which is offered on a website or other digital platform in writing, picture, video, photograph or other similar format.

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Payments made to an individual, either directly or through a third party, must be reported on Schedule E or F using the code "WEB." In addition, the following information must be included: the amount of the payment, the payee, the name of the individual providing content, and the name of the website or the URL on which the communication is published in the first instance. The committee is not required to know where the content is shared or passed on to after the initial post. The additional reporting is not required if the fact that the campaign paid for the content is posted in a clearly conspicuous manner with the posted content. (See Regulation 18421.5 for additional information.)

Savings Accounts/Certificates of Deposit/Money Market Accounts

Do not report on Schedule E the transfer of campaign funds into a savings account, certificate of deposit, money market account, or the purchase of any other asset that can be readily converted to cash. Report these amounts as cash on hand on the Summary Page, Line 16.

Transfers

If a candidate controlled committee transfers funds to another committee controlled by the candidate, the transfer is reported on Schedule E. The receiving committee reports the transfer on Schedule I (Miscellaneous Increases to Cash). There are restrictions on transfers of surplus funds (see Chapter 5) and on transfers of funds to run for state office. (See Campaign Disclosure Manual 1 for State Candidates.)

Contributions and Independent Expenditures

If the committee makes contributions and/or independent expenditures to support or oppose other candidates, officeholders, or committees, in addition to reporting the payments or accrued expenses on Schedule E or F, they must also be reported on 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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When a primarily formed committee makes a payment for a communication that expressly advocates support for or opposition to the candidate for whom the committee is formed, the payment is reported as a contribution or independent expenditure. As discussed in Chapter 6, the determination is based on whether the payment was made at the behest of the candidate. If the payment is an independent expenditure, additional forms, such as the Verification of Independent Expenditures (Form 462) and the 24-hour Independent Expenditure Report (Form 496), may be required. (See Chapter 10 for additional information.)

If a primarily formed committee makes payments for contributions or independent expenditures to support or oppose **other** candidates, officeholders, committees, or ballot measures, it may qualify as a different type of committee (i.e., a general purpose committee), which has different reporting obligations. Contact the FPPC for assistance.

Subvendor Payments (often reported on Schedule G)

When an agent or independent contractor (such as a campaign worker, consulting firm, or advertising agency) makes an expenditure, or incurs a debt, of $500 or more on behalf of the committee, the expenditure must be reported in the same detail as if it had been made directly by the committee. These are commonly known as "subvendor payments." The committee must also obtain and keep receipts, invoices, and other documentation for subvendor payments. (See Chapter 2.)

Examples of subvendor payments that must be itemized include:

- Development of campaign strategy;
- Media placements – television, radio, cable, digital (specifically listing the TV or radio stations);
- Commissions paid to media firms for media placements;
- Travel expenses, such as a commercial airline or hotel paid $500 or more;

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- Print or online advertisements;
- Polling and survey research;
- Talent and media services, production costs;
- Voter canvas program, including individuals paid $500 or more;
- Robocalls;
- Printing and literature; and
- Design or management of campaign literature or advertising.

Generally, agents and independent contractors must provide the committee with the required payment information no later than **three working days** prior to the deadline for filing the campaign statement; however, an expenditure of $1,000 or more made for a contribution or independent expenditure in the 90 days before an election, including the date of the election, must be reported to the committee **within 24 hours**. Expenditures made by the agent or independent contractor for its own overhead and operating expenses need not be itemized.

In many cases, funds paid to an agent or independent contractor in one reporting period will not be used by the agent or contractor until a subsequent reporting period. Payments to an agent or contractor are reported on Schedule E of the campaign statement covering the period in which the payments are made. When the agent or contractor spends the money, subvendor payments are reported on the campaign statement covering the period in which the expenditures are made. Payments of $500 or more must be itemized.

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 or contractor. When itemizing subvendor payments on Schedule E or F, do not include the payments in the "Amount Paid" column, as this will inflate expenditure totals.

Quick Tip

Payments made to subvendors may be itemized on Schedule E or Schedule G. Accrued expenses owed to a subvendor are reported on Schedule F.

Ex 8.11 - An agent purchased $535 worth of flowers, $250 worth of postage, and $100 worth of balloons for a fundraiser. Itemize the agent on Schedule E (or Schedule F if the agent was not reimbursed during the reporting period). Provide the agent's name and address, a code or a description of the expenditures, and the amount being reimbursed ($885). In addition, since the payment to the florist was $500 or more, the florist must also be itemized. Provide the name and address of the florist, a code or description of the expenditure, and the amount paid to the florist ($535).

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Credit Card Payments

When reporting payments to a credit card company, provide 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 itemized vendor, and a code or description of the payment.

If a payment has not been made on the credit card by the end of the reporting period, or only partial payment has been made, report the amount outstanding to the credit card company on Schedule F. Payments to the credit card company should be reflected on Schedule E when payments are made and Schedule F when there is a balance still owing at the end of the reporting period. Vendors are not required to be listed more than one time, on either Schedule E or Schedule F. Schedule G may also be used to disclose vendors.

Ex 8.12 - Sandra's committee for city council used the campaign credit card on December 28 at two different vendors to purchase office supplies and to have invitations to a fundraiser printed. The printing job cost $560, while the office supplies were under $100. Since the committee did not make a payment on the credit card by December 31, the end of the reporting period, the amount owed is reported on Schedule F. In addition to the total amount owed to the financial institution that issued the credit card, the committee also itemizes the printer, since the amount owed is $100 or more. The committee will report payments it makes to the financial institution, but does not reitemize any vendors.

Contingency Payments

If the committee has entered into an agreement to pay a contingency fee, such as a bonus to a consultant if the campaign is successful, report the fee amount on Schedule F only if it is outstanding at the end of the campaign. The fee is not required to be reported as an accrued expense until it is due.

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.

Reimbursements – 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;

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- The reimbursement is paid within 45 calendar days after the expenditure is made; and

- There is a written contract between the committee and the agent or 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, agent or independent contractor, unless the person seeking reimbursement has made a good faith effort to obtain reimbursement and is unable to collect from the committee.

Reimbursements – Officeholders

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

- The expenditures are not campaign expenditures;

- The committee's treasurer is provided with a dated receipt and a written description of the expenditure; and

- Reimbursement occurs:

  - For a monetary expenditure: Within 90 calendar days after the officeholder incurs the expense.

  - For a credit card or charge account: Within 90 calendar days of the end of the billing period.

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

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

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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 used.

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 8.13 -The mayor's 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, Linda Davis ($50), and Richard Bailey ($50)."

Meals: When reporting an itemized expenditure for a meal (other than a meal reported as an itemized expenditure for travel, as discussed below), the committee must briefly describe the political, legislative, or governmental purpose of the expenditure. In addition, the committee must provide the date of the meal, the number of individuals who were present at the meal, and whether the candidate, a member of his or her household, or an individual with authority to approve expenditures of campaign funds was present at the meal. It is not necessary to include the names of individual attendees on the report. However, the names of the attendees must be maintained in the committee's records. (See Chapter 2.)

Ex 8.14 -The committee's controlling candidate and campaign manager discuss the election campaign during a lunch meeting at a restaurant. The 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 – Lunch meeting regarding campaign attended by campaign manager and candidate.

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Travel Payments: When reporting an itemized expenditure for travel, including lodging and meals, the committee must briefly describe the political, legislative, or governmental purpose of the expenditure. In addition, the committee must also provide the date or dates of the travel, the destination, and the goods or services purchased. The description must also include the number of individuals for whom the payment was made and whether the trip included the candidate, a member of his or her household, or an individual with the authority to approve expenditures of campaign funds. The names of individuals who traveled are not required to be disclosed on the report. However, the names of the travelers must be maintained in the committee's records. (See Chapter 2.)

Ex 8.15 - A San Diego elected officeholder attended a fundraiser in Sacramento for a state ballot measure committee. The officeholder's 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 Sacramento for officeholder to attend ballot measure committee fundraiser."

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SCHEDULE E

Schedule E
Payments Made

Amounts may be rounded to whole dollars.

Statement covers period
from 7/1/XX
through 12/31/XX

CALIFORNIA FORM 460

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

CODES: If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP	campaign paraphernalia/misc.	MBR	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	postage, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
LIT	campaign literature and mailings	PRT	print ads	WEB	information technology costs (internet, e-mail)

1 NAME AND ADDRESS OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 CODE	OR DESCRIPTION OF PAYMENT	3 AMOUNT PAID
Del Norte County Bank (Visa) 8995 Pine Street, Crescent City, CA 95531			$15,000
Subvendor: Mailings and More $14,500 855 Redwood Street, Oakmont, CA 95443	LIT		
Lam and Pettit Consultants 2720 P Street Crescent City, CA 95531	PRO	See Schedule G for subvendors	$20,000

* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

SUBTOTAL $ 35,000

4 Schedule E Summary

1. Itemized payments made this period. (Include all Schedule E subtotals.) ..... $ 37,200
2. Unitemized payments made this period of under $100 ..... $ 3,500
3. Total interest paid this period on loans. (Enter amount from Schedule B, Part 1, Column (e).) ..... $ 250
4. Total payments made this period. (Add Lines 1, 2, and 3. Enter here and on the Summary Page, Column A, Line 6.) ..... **TOTAL $** 40,950

SCHEDULE E (CONT.)

Schedule E
(Continuation Sheet)
Payments Made

Amounts may be rounded to whole dollars.

Statement covers period
from 7/1/XX
through 12/31/XX

CALIFORNIA FORM 460

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

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
Del Norte County Independent Central Committee (ID 11852XX) 18885 Ocean Blvd. Crescent City, CA 95531	CTB		$500
Manuel Alvarez 4245 McDow Street Oakmont, CA 95443		Reimbursement of filing fee	$1,500
Nelson Legal Group, LLC 4950 Professional Blvd. Crescent City, CA 95531	PRO		$200

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M. Completing the Form 460 Schedule E (Payments Made)

1 Name and Address of Payee

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

Quick Tip

The spouse or registered 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.

2 Code or Description of Payment

When itemizing payments, provide either a code or a description of the payment. Expenditure codes are explained in detail in the Form 460, Schedule E instructions. If none of the codes listed on Schedule E fully explains the expenditure, leave the code column blank and provide a brief description of the goods or services purchased.

If several expenditures are made to one vendor during the same reporting period, all of the payments to the vendor may be reported in a single record. When coding the expenditures, use the code that represents the largest share of the expenditures, and the description field for the other codes or a description. Alternatively, each expenditure may be reported separately by category.

For expenditures that are nonmonetary contributions or independent expenditures, provide the applicable code ("CTB" or "IND") and disclose the name of the candidate or committee that received the contribution, or the name of the candidate or ballot measure supported or opposed by the independent expenditure. Also include a brief description of the contribution or independent expenditure. These expenditures must also be disclosed on Schedule D.

Quick Tip

Campaign funds may be used only for certain types of legal payments. See Chapter 5 for information about the permissible uses of campaign funds.

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3 Amount Paid

Enter the total amount paid to the payee during the reporting period.

Payment of Accrued Expenses

When paying for accrued expenses previously reported on Schedule F, report all payments on Schedule E, itemizing each payment of $100 or more. Subvendor information does not need to be reitemized if it was disclosed on Schedule F of a previous statement.

4 Schedule E Summary

Complete the Schedule E Summary by entering the total amount of itemized payments of $100 or more (Line 1) and the total amount of unitemized payments of less than $100 (Line 2). If the committee is paying interest on loans, enter the amount from Schedule B, Part 1, Column (e) on Line 3. The total amount of all payments made is entered on Line 4. The amount on Line 4 is carried forward to the overall Summary Page, Column A, Line 6.

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SCHEDULE F

Schedule F
Accrued Expenses (Unpaid Bills)

Amounts may be rounded to whole dollars.

Statement covers period
from 7/1/XX
through 12/31/XX

CALIFORNIA FORM 460

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

CODES: If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP	campaign paraphernalia/misc.	MBR	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	postage, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
LIT	campaign literature and mailings	PRT	print ads	WEB	information technology costs (internet, e-mail)

1 NAME AND ADDRESS OF CREDITOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 CODE OR DESCRIPTION OF PAYMENT	3 (a) OUTSTANDING BALANCE BEGINNING OF THIS PERIOD	(b) AMOUNT INCURRED THIS PERIOD	(c) AMOUNT PAID THIS PERIOD (ALSO REPORT ON E)	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
Nelson Legal Group, LLC 4950 Professional Blvd. Crescent City, CA 95531	PRO	$2,000	0	$200	$1,800
Tri Cities Bank (Mastercard) 9650 Main Street Crescent City, CA 95531		0	$1,750	0	$1,750
Subvendor: Home Depot $750 750 Industrial Way, Oakmont, CA 95443	CMP				
	SUBTOTALS	$ 2,000	$ 1,750	$ 200	$ 3,550

* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

4 Schedule F Summary

1. Total accrued expenses incurred this period. (Include all Schedule F, Column (b) subtotals for accrued expenses of $100 or more, plus total unitemized accrued expenses under $100.) ..... **INCURRED TOTALS $** 1,750
2. Total accrued expenses paid this period. (Include all Schedule F, Column (c) subtotals for payments on accrued expenses of $100 or more, plus total unitemized payments on accrued expenses under $100.) ..... **PAID TOTALS $** 200
3. Net change this period. (**Subtract** Line 2 from Line 1. Enter the difference here and on the Summary Page, Column A, Line 9.) ..... **NET $** 1,550 (May be a negative number)

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N. Completing the Form 460 Schedule F – Accrued Expenses (Unpaid Bills)

1 Name and Address of Creditor

Itemize each accrued expense of $100 or more owed to a single creditor. Provide the name, street address, city, state, and zip code of the creditor. Do not use post office box numbers. Continue to list an unpaid bill until it is paid off.

2 Code or Description of Payment

When itemizing accrued expenses, provide either a code or a description of the outstanding payment. Expenditure codes are

explained in detail in the Form 460, Schedule E instructions. If none of the codes listed on Schedule F fully explains the outstanding payment, leave the code column blank and provide a brief description of the goods or services.

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. The code that represents the largest share of the accrued expenses should be used, and the description field may be used for other codes or descriptions. Alternatively, each accrued expense may be reported separately by category.

For accrued expenses in connection with nonmonetary contributions or independent expenditures, provide the applicable code ("CTB" or "IND") and disclose the name of the candidate or committee that received the contribution, or the name of the candidate or ballot measure supported or opposed by the independent expenditure. Also include a brief description of the contribution or independent expenditure. **These expenditures also must be disclosed on Schedule D.**

3 Amount Columns

For each itemized accrued expense, report any outstanding balance remaining for the accrued expense from the previous period in column (a), the amount of new accrued expenses incurred this period in column (b), the amount paid this period in column (c), and any outstanding balance at the close of the period in column (d).

When payments on accrued expenses are made, in addition to itemizing payments of $100 or more on Schedule F, **itemize the payments on Schedule E.** Include unitemized payments on accrued expenses on Line 2 of the summary section of Schedule E.

Estimating Accrued Expenses

If the exact amount of a debt or obligation is unknown, an estimate may be reported. When the committee is made aware of the exact amount, the committee must 1) amend the statement on which the estimated amount was reported; or 2) make an adjustment on the next

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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.

Ex 8.16 - On its second preelection statement, the committee's treasurer 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 the amount paid this period in column (c), with a zero balance in column (d).

Forgiven Accrued Expenses or Third Party Payments

If a creditor reduces or forgives a debt previously reported on Schedule F, or if another person pays a debt for the committee:

- Indicate that the debt was forgiven, reduced, or paid by a third party and enter "see Schedule C" in the "Description of Payment" column. Also report the creditor or payor and the amount as a nonmonetary contribution on Schedule C.

- Report the amount forgiven, reduced, or paid by a third party in the "Amount Paid This Period" column and indicate that it was a forgiveness or third party payment **or** report the amount as a negative number in the "Amount Incurred This Period" column. Do not report the amount on Schedule E.

If the decision to forgive or reduce the debt is based on a bona fide business judgment that all or part of the debt is uncollectible, the creditor may not be making a contribution. Contact the FPPC for assistance.

4 Schedule F Summary

Complete the Schedule F Summary by entering the total amount of accrued expenses **incurred** on Line 1 and the total amount of accrued expenses **paid** on Line 2. Subtract Line 2 from Line 1 and enter the difference (net change this period) on Line 3. The amount on Line 3 will be a negative amount when the accrued expenses paid are more than the amount of new accrued expenses. The amount on Line 3 is carried forward to the overall Summary Page, Column A, Line 9.

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Outstanding Accrued Expenses (Summary Page, Column B, Line 9)

Accrued expenses are carried forward on future statements until they are paid off. To determine the amount for Column B, Line 9 of the overall Summary Page, add the amount from Column A, Line 9 of the current statement to the amount of Column B, Line 9 of the previous statement. If the amount in Column A, Line 9 is a negative number, subtract it from the amount in Column B, Line 9 of the previous statement.

Answering Your Accrued Expenses 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 our committee has not yet received an invoice from the vendor ~~yet~~?

If you have received the goods or services, you must report the accrued expense on Schedule F even if you have not received an invoice. If you do not know the actual amount, you may report an estimate. Once the committee is made aware of the actual amount, the committee must either amend the statement on which the estimated amount was reported or make an adjustment on the next campaign statement by showing the difference between the estimated amount and the actual amount. When reporting estimated amounts or corrections to estimated amounts, note that fact on Schedule F.

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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 of 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.

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E. Prior to attending an FPPC webinar and learning that it was not permitted, I used personal funds to pay for some of my campaign expenses before I opened a campaign bank account. How do I report these expenditures on the Form 460?

So that the activity is properly disclosed, you ~~may~~ should report the amount of personal funds used on Schedule ~~C~~ A as ~~nonmonetary~~ ~~contributions~~ a contribution and Schedule E as an expenditure (~~itemize purchases~~ itemizing subvendors of $100 or more). If you wish to be reimbursed by the committee, you may report the amount on Schedule F as an accrued expense. If you have already been reimbursed by the committee, you will report the amount on Schedule E as an expenditure itemizing subvendors of $100 or more. Non-disclosure of the payments is a violation of the Act. All future payments must be made from the campaign bank account; personal funds must be deposited into the account before making expenditures.

O. General Rules for Reporting Payments Made by an Agent or Independent Contractor on Schedule G

Schedule G is used to report payments made by agents (such as campaign workers) and independent contractors (such as consulting firms or advertising agencies) on behalf of the committee. This schedule may be used in lieu of itemizing these amounts on Schedule E or F. See the general rules for Schedules E and F for additional information.

Schedule G may be completed by the committee from information provided by the agent or independent contractor or it may be completed by the agent or independent contractor. Agents and independent contractors must provide the committee with the required payment information **no later than three working days prior to the filing deadline** of the campaign statement. If an agent or independent contractor makes an expenditure of $1,000 or more for a contribution or independent expenditure in the 90 days before an election, including the date of the election, they must provide the committee with the required payment information **within 24 hours.**

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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 7/1/XX
through 12/31/XX

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER
Manuel Alvarez for Mayor 20XX

I.D. NUMBER
12344XX

NAME OF AGENT OR INDEPENDENT CONTRACTOR
Lam and Pettit Consultants

CODES: If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP	campaign paraphernalia/misc.	MBR	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	postage, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
LIT	campaign literature and mailings	PRT	print ads	WEB	information technology costs (internet, e-mail)

* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

1 NAME AND ADDRESS OF PAYEE OR CREDITOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	2 CODE	OR DESCRIPTION OF PAYMENT	3 AMOUNT PAID
KXTL Radio 5656 Westside Way Oakmont, CA 95443	RAD		$2,000
Good Day Oakmont 2620 H Street Oakmont, CA 95443	TEL		$7,000
Northwest Airlines 2500 Crosby Circle Chicago, IL 60606	TRC	10/15/XX: Sacramento, Airfare to Attend Meeting (1, Consultant)	$155
Albino's Italian Eats 1325 Sicily Street Oakmont, CA 95443	MTG	7/10/XX: Committee Staff Meeting (4, Candidate and Treasurer)	$125

Attach additional information on appropriately labeled continuation sheets. **TOTAL* $** 9,280

P. Completing Form 460 Schedule G (Payments Made by an Agent or Independent Contractor)

1 Name and Address of Payee or Creditor

Itemize each payment of $500 or more made by the agent or independent contractor. Provide the name, street address, city, state, and zip code of the payee or creditor. Do not use a post office box number.

2 Code or Description of Payment

When itemizing each payment, provide either a code or a description of the payment. If none of the codes listed on Schedule G fully

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explains the payment, leave the code column blank and provide a brief description of the payment. Payments that are contributions or independent expenditures must also be reported on Schedule D.

3 Amount Paid

Enter the total amount paid to the payee during the reporting period.

Schedule G totals are not transferred to any other schedule or to the Summary Page.

Q. General Rules for Reporting Loans Made to Others on Schedule H

~~Schedule H is used to report loans made by the committee. Except for committees controlled by a candidate for state elective office, campaign funds may be used to make loans to other political committees. (Loans to state candidate committees are subject to limits.)~~

~~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.~~

Schedule H is for reporting loans **made** by the committee. Campaign funds may 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.

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.

Outstanding loans are reported on each campaign statement until they are paid.

Quick Tip

Most local committees will not make loans to others. If there is nothing to report on Schedule H, the schedule does not need to be included with the Form 460. Simply enter a zero or the word "none" on Line 7 of the overall Summary Page.

Quick Tip

If a primarily formed committee makes contributions (including loans) to candidates, officeholders, or committees (other than to the candidate for which the committee is primarily formed), it may qualify as a different type of committee with different reporting obligations. Contact the FPPC for assistance.

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SCHEDULE H

Schedule H
Loans Made to Others*

Amounts may be rounded to whole dollars.

Statement covers period from 7/1/XX through 12/31/XX

CALIFORNIA FORM **460**

Page XX of XX

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

1 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 (a) OUTSTANDING BALANCE BEGINNING THIS PERIOD	b (b) AMOUNT LOANED THIS PERIOD	c (c) REPAYMENT OR FORGIVENESS THIS PERIOD*	d (d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD	e (e) INTEREST RECEIVED	f (f) ORIGINAL AMOUNT OF LOAN	g (g) CUMULATIVE LOANS TO DATE
Committee for Bike Lanes in Oakmont, Yes on Measure E (ID 12456XX) 1500 D Street Oakmont, CA 95443		$ 0	$ 1,000	☐ PAID $ 0 ☐ FORGIVEN $ 0	$ 1,000 None DATE DUE	5 % RATE $ 0	$ 1,000 7/15/XX DATE INCURRED	CALENDAR YEAR $ 1,000 PER ELECTION** $ N/A
*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	$ 1,000	$ 0	$ 1,000	$ 0 (Enter (e) on Schedule I, Line 3)		

2 Schedule H Summary

1. Loans made this period ..... $ 1,000
   (Total Column (b) plus unitemized loans of less than $100.)
2. Payments received on loans ..... $ 0
   (Total Column (c) plus unitemized payments of less than $100.)
3. Net change this period. (**Subtract** Line 2 from Line 1.) ..... NET $ 1,000 (May be a negative number)
   (Enter the net here and on the Summary Page, Column A, Line 7.)

**If Required

R. Completing the Form 460 Schedule H (Loans Made to Others)

1 Recipient Information

For each loan of $100 or more that was made or outstanding during the reporting period, provide the recipient's full name and street address, including the zip code. If the recipient is an individual, provide the individual's occupation and the name of his or her employer. If the individual is self-employed, provide the name of his or her business.

Loan Amounts

a Outstanding Balance Beginning This Period

Enter the outstanding loan balance at the beginning of this reporting period (Column (d) of the last report filed). If the loan was received this period, Column (a) should be left blank.

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b Amount Loaned This Period

Enter the amount loaned to the recipient during this reporting period. If the 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 Schedule I Summary.

f Original Amount of Loan

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

g Cumulative Loans to Date

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

DRAFT

2 Schedule H Summary

Complete the Schedule H Summary by entering the total amount of loans **made** on Line 1 and the total amount of loan payments **received** on Line 2. Subtract Line 2 from Line 1 and enter the difference (net change this period) on Line 3. The amount on Line 3 will be a negative amount when the loan payments received this period are more than the amount of new loans made. The amount on Line 3 is carried forward to the overall Summary Page, Column A, Line 7.

Outstanding Loans Made (Summary Page – Column B, Line 7)

Loans made are carried forward on future statements until they are paid off. To determine the amount for Column B, Line 7 of the overall Summary Page, add the amount from Column A, Line 7 of this statement to the amount of Column B, Line 7 of the previous statement. If the amount in Column A, Line 7 is a negative number, subtract it from the amount in Column B, Line 7 of the previous statement.

S. General Rules for Reporting Miscellaneous Increases to Cash on Schedule I

Schedule I is used to report increases to the committee's cash position that are not monetary contributions, loans, or repayments of loans made to others. Examples include:

- Proceeds, up to the fair market value, of items sold at a garage sale or auction.
- Contributions returned to the committee.
- Refunds received on deposits, such as a telephone or room rental deposit or from over-payment of bills.
- Interest received or credited to a checking or savings account or other time deposit.
- Interest payments received on loans made to others.
- Receipts from the sale of committee assets.

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- Transfers of funds received by a controlled committee from another committee controlled by the same candidate. There are special rules for transferring funds to a committee for state office. (See Campaign Disclosure Manual 1.)

- Receipt of earmarked funds when acting as an intermediary. (See Chapter 8.)

Donated Items

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 reported as a contribution on Schedule A.

Ex 8.17 - A television was donated by Seaside TV Sales for your committee's auction. The television's fair market value was $1,000. A person paid $1,500 for the television. Report the purchaser information and report $1,000 in the amount column of Schedule I. On Schedule A also report the purchaser as a contributor of $500, the amount over the fair market value. Seaside will be reported as a contributor of $1,000 on Schedule C for the nonmonetary contribution of the television.

Uncashed Checks

If the committee writes a check that is never deposited or negotiated, report the amount of the uncashed check on Schedule I.

Decreases to Cash

All decreases to cash must be reported as expenditures on Schedule E or H.

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Schedule I
Miscellaneous Increases to Cash

Amounts may be rounded to whole dollars.

SCHEDULE I
CALIFORNIA FORM **460**

Statement covers period
from 7/1/XX
through 12/31/XX

Page XX of XX

SEE INSTRUCTIONS ON REVERSE
NAME OF FILER: Manuel Alvarez for Mayor 20XX

I.D. NUMBER: 12344XX

1 DATE RECEIVED	2 FULL NAME AND ADDRESS OF SOURCE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	3 DESCRIPTION OF RECEIPT	4 AMOUNT OF INCREASE TO CASH
7/5/XX	Alvarez for City Council 20XX 225 Presley Street Oakmont, CA 95443	Transferred funds (ID 12257XX)	$3,000

Attach additional information on appropriately labeled continuation sheets. **SUBTOTAL $** 3,000

5 **Schedule I Summary**

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

T. Completing the Form 460 Schedule I (Miscellaneous Increases to Cash)

1 Date Received

Report the date the committee received the miscellaneous receipt.

2 Source Information

Itemize sources of $100 or more. Provide the full name, street address, city, state, and zip code of the source. Post office box numbers are not acceptable.

3 Description of Receipt

Provide a description of the receipt (e.g., refund on room deposit for fundraiser, interest earned on loans made to others).

4 Amount of Increase

Enter the amount of the receipt.

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5 Schedule I Summary

Complete the Schedule I Summary by entering the total amount of itemized increases to cash of $100 or more on Line 1 and the total amount of unitemized increases to cash on Line 2. Enter the total of all interest received this period on loans made to others (from Schedule H, Column (e)) on Line 3. Add Lines 1,2, and 3 to determine the total miscellaneous increases to cash this period and enter the amount on Line 4. The amount on Line 4 is carried forward to the overall Summary Page, Line 14.

U. Amending the Form 460

To change or provide information missing from a previously filed Form 460, complete a new Cover Page and check the "Amendment" box under "Type of Statement." Also check the box indicating the type of statement being amended (e.g., semi-annual, preelection) and enter the period covered by the statement being amended. Provide a brief explanation of the reason for the amendment and attach the schedule(s) being amended, including the Summary Page, if applicable. The amendment is filed with each of the filing officers that received the original filing.

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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.
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.
84615	Campaign Reports and Statements – Electronic Filing for Local Agencies.
85201	Campaign Bank Account.
85700	Donor Information Requirements; Return of Contributions.
89511.5	Use of Personal Funds for Incumbent Elected Officers.
89515	Use of Campaign Funds for Donations and Loans.

Title 2 Regulations

18215	Contribution.
18215.1	Contributions; When Aggregated.
18216	Enforceable Promise to Make a Payment.
~~18225~~	~~Expenditure.~~

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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.
18421.5	Reporting an Expenditure for Paid Online Communications.
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 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.
18533	Contributions from Joint Checking Accounts.
18570	Return of Contributions with Insufficient Donor Information.

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When and Where to File the 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. The Form 460 includes payments previously reported on forms such as the 24-Hour Contribution Report (Form 497). All reports and statements filed under the Political Reform Act (Act) are public records available for public inspection.

Candidates and officeholders who do not have an open committee during a calendar year are not required to file the Form 460, but may be required to file the Officeholder/Candidate Campaign Statement—Short Form (Form 470). Review Chapter 1 for information about the Form 470, including when and where to file.

Primarily formed committees that have minimal activity in a reporting period may be eligible to use the Recipient Committee Campaign Statement—Short Form (Form 450) or the Semi-Annual Statement of No Activity (Form 425) instead of the Form 460. These forms are filed at the same time and locations as the Form 460.

A. General Information

Filing Schedules: The FPPC posts on its website filing schedules for specific election dates (~~i.e~~ e.g., June and November elections). In addition, county elections offices and city clerks often post filing schedules. Local candidates and committees should contact their local filing officer as some local jurisdictions may require filings in addition to what is required by the ~~Political Reform~~ Act.

Quick Tip

If the FPPC's website does not have a filing schedule for your specific election date, contact your local elections office for information about the filing deadlines.

The committee treasurer is responsible for meeting all applicable filing deadlines. Filing officers are not required to send reminder notices about upcoming deadlines; however, they are required to notify committees that have missed a filing deadline.

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Deadlines: Except where noted, statements filed on paper must be hand-delivered or postmarked ~~and sent by first-class mail~~ by the due date. Deadlines that fall on a Saturday, Sunday, or official state holiday are extended to the next business day; however, this extension does not apply to the 24-hour Independent Expenditure Reports (Form 496) or to the 24-hour Contribution Reports (Form 497) required the weekend before an election. For example, if a committee receives a $1,000 contribution on the Saturday before the election, the deadline is not extended to the next business day. The committee must file a Form 497 within 24 hours. There are no other provisions for extending a deadline.

Late Fines: A late filing penalty of up to $10 per day may be assessed for each day the statement is late. The FPPC or a local filing officer cannot extend a filing deadline. A committee may request a waiver of late fines assessed by the local filing officer or the Secretary of State.

Failure to File: Filing officers must refer committees to the FPPC or another enforcement agency if a committee fails to file a campaign statement. Administrative penalties of up to $5,000 per violation may be assessed. (See Government Code Section 83116.) Committees fined by the FPPC Enforcement Division are listed on the FPPC website.

Ex 9.1 - A county supervisor has a controlled committee. The supervisor is not seeking reelection and the committee did not raise or spend any funds during the calendar year. The committee must file a semi-annual statement for the period covering January 1 through June 30, due on or before July 31, and a semi-annual statement for the period July 1 through December 31, due on or before January 31.

B. When to File

Semi-Annual Statements

Most committees file a semi-annual statement for each half of the year, whether or not they receive contributions or make expenditures during the six-month period. An existing committee or a committee newly formed during the first six months of the year must file a semi-annual statement due on or before July 31 for the period covering January 1 through June 30.

Committees must also file a semi-annual statement due on or before January 31 of the following year for the period covering July 1 through December 31. The period covered for a committee newly formed during the last six months of the year will be January 1 through December 31.

Ex 9.2 - A primarily formed committee is formed in May to support a city council candidate in the November election. The committee must file a semi-annual statement for the period covering January 1 through June 30, due on or before July 31. In October, the committee must file the two required preelection statements (due dates and periods covered are listed on the filing schedule). The committee must continue to file semi-annual statements until it terminates.

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Exception: Unpaid Elected Officeholders, Judges, and Judicial Candidates

Unpaid officeholders (defined in the Act as those who receive less than $200 per month for serving in office) and judges are not required to file semi-annual statements (i.e., Form 460 or Form 470) during any six-month period in which they have not received any contributions or made any expenditures.

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

Non-incumbent judicial candidates that will not be listed on a ballot and incumbent judges that will not be listed on a ballot who do not receive any contributions or make any expenditures in a six-month period are not required to file the Form 460 or Form 470.

Preelection Statements

In addition to semi-annual statements, candidate controlled committees and primarily formed committees must file two preelection statements before the election in which the candidate is listed on the ballot. For specific reporting periods and filing deadlines, refer to the filing schedules on the FPPC's website or contact the local filing officer. The second preelection statement must be filed by personal delivery or guaranteed overnight delivery.

Quick Tip

Some local agencies require additional statements before and after an election. Local committees should contact the county elections office or city clerk to determine if additional statements are required. Local campaign ordinances are also posted on the FPPC website.

Exception: Candidates Not on a Ballot

A candidate who will not appear on the ballot because he or she is running unopposed is not required to file preelection statements. In addition, a candidate who withdraws from an election and will not be listed on the ballot is not required to file preelection statements.

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Recall Elections – Quarterly Reports

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

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

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

Ex 9.3 - The local district attorney is the subject of a recall election being held in September. In March, he formed a separate committee to oppose the recall. The committee must file quarterly statements on April 30 and July 31. During the period covering July 1 through December 31, the committee must file two preelection statements in connection with the election, and a semi-annual statement for the period ending December 31, due on or before January 31 of the following year. After the January 31 filing, the committee will file semi-annual statements until it terminates.

Amendments

Except for amendments required to provide missing contributor information (see Chapter 2), there is no specified deadline for filing amendments to campaign statements. However, amendments should be filed as soon as practicable in the same location(s) as the original.

Faxing and Emailing Statements

Campaign statements that contain 30 pages or less may be faxed or emailed (if the local filing officer will accept an emailed statement) provided that the transmitted copy of the campaign statement is the exact copy of the original version. The original statement (with an original signature) must be sent by first-class mail, guaranteed overnight delivery, or personal delivery within 24 hours of the filing deadline.

C. Where to File

Candidates, candidate controlled committees, and primarily formed committees file statements based on the office sought by the candidate. The following chart summarizes the locations where campaign statements (i.e., Forms 450, 460, 470) are generally filed.

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Certain campaign activity may trigger reports that must be filed in another location (see Chapter 10.) An "original" campaign statement is one containing the original signature of the officeholder or candidate and/or the treasurer or assistant treasurer.

Candidate/Officeholder/ Primarily Formed Committee	Where to File	What to File
City Offices	City Clerk	Original and one copy
County Offices	County Elections Offices	Original and one copy
Multi-County Offices Local agencies with jurisdiction in more than one county	County with the largest number of registered voters in the jurisdiction County of Domicile, if different	Original and one copy One copy
Judges and Judicial Candidates	**Electronic Filers** Secretary of State **Non-Electronic Filers** Secretary of State County of Domicile	 Electronically and ~~one copy~~ one paper original Original and one copy One copy

Electronic Filing

Judges and judicial candidates (including Superior Court judges and candidates) that have raised or spent $25,000 or more must file electronically with the Secretary of State. The Act does not require other local candidates and committees to file electronically with their local jurisdictions. Some local agencies may require that campaign statements be filed electronically pursuant to a local ordinance. In those jurisdictions, paper copies may not be required, but most committees must submit a paper copy with a "wet signature" to the filing officer.

Multiple Controlled Committees in Same Jurisdiction

In general, a candidate or elected officer may only control one committee and have one bank account per election under the Act's one bank account rule. (See Chapter 1.) However, if a candidate or elected officer controls more than one committee in the same jurisdiction (i.e., different terms of the same elective office, officeholder

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account, legal defense fund, or ballot measure committee), each of the committees must file preelection statements on the dates the candidate or elected officer is required to file in connection with his or her election. (See FPPC Regulation 18405.) This provides the voters with a complete summary of the contributions received and expenditures made by the candidate.

Note: A candidate's election committee is not required to file based on the ballot measure committee schedule if he or she is not also being voted on in the election.

Multiple Controlled Committees in Different Jurisdictions

When an individual is simultaneously a candidate for elective state office and elective local office, or for elective office in two different local jurisdictions, he or she must file campaign statements for all committees he or she controls with both jurisdictions on the dates the candidate is required to file semi-annual and preelection statements. The original statement should be filed with the relevant jurisdiction and a copy with the other jurisdiction. If a local candidate or officeholder also controls a state committee that is required to file electronically, the local committee must file the Form 460 electronically with the Secretary of State each time the Form 460 is due for either committee.

Ex 9.4 - A school board member has an open committee from the school board election. The school board member opens a committee to run for mayor in her city. As an incumbent school board member and a candidate for mayor, she must file campaign statements for both committees with both the county elections office and the city clerk. Preelection statements and semi-annual statements required to be filed in connection with the mayoral election are filed as follows:

- Mayoral Committee
  - City Clerk – Original and one copy
  - County Elections Office – One copy
- School Board Committee
  - County Elections Office – Original and one copy
  - City Clerk – One copy

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Ex 9.5 - A city council member has an open committee from the city council election. The council member opens a committee to run for State Assembly. Semi-annual and preelection statements required in connection with the State Assembly election are filed as follows:

- Assembly Committee
  - **Electronic Filers:** Secretary of State only – Electronically and one ~~copy~~ paper original
  - **Non-Electronic Filers:** Secretary of State – Original and one copy
    ~~**Non-Electronic Filers:**~~ City Clerk – One copy
- City Council Committee
  - City Clerk – Original and one copy
  - Secretary of State – One copy (the copy must be filed **electronically** if the Assembly Committee is an electronic filer)

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

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Answering Your Questions

A. I am currently a city council member without a campaign committee. I intend to run for the board of supervisors in the November election and will open a committee in July for that race. When must I file the first Form 460?

As a city council member, you must file a semi-annual statement for the period January 1 through June 30 on or before July 31. Since you do not have an open city council committee, you may file the Form 470 instead of the Form 460. By the first preelection deadline for the county election, file the Form 460 with the county elections officer, as well as a copy with the city clerk.

B. In June, I was elected to the city council. After filing the semi-annual statement due on July 31, I paid off my remaining bills and terminated my committee in August by filing a terminating Form 410 and Form 460. I will not engage in any further campaign activities. Am I required to file another Form 460 by January 31 of the following year as a semi-annual statement?

As an elected officer, you must file semi-annual statements each year. You may designate the Form 460 you file in August as a terminating statement and a semi-annual statement, covering the period through December 31. However, if you subsequently receive any contributions or make any expenditures through December 31, file an amendment to your statement no later than January 31 of the following year. If you receive $200 or more in a calendar month for your elected position, you will be required to file the Form 470 by July 31 every year, even though you have terminated your committee.

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Authority

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

Government Code Sections

81004.5	Reports and Statements; Amendments.
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.
~~84200.7~~	~~Time for Filing Preelection Statements for Elections Held in June or November of an Even-Numbered Year.~~
84200.8	Time for Filing Preelection Statements for Elections Not Held in June or November of an Even-Numbered Year.
84206	Candidates Who Receive or Spend Less Than $2,000.
84215	Campaign Reports and Statements; Where to File.
84605	Who Shall File Online.
84615	Electronic Filing for Local Agencies.
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.
18531.5	Recall Elections.

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Additional Reports

In addition to the forms associated with starting a campaign (Forms 501 and 410) and the main campaign disclosure form (Form 460), there are several other forms that may be required, depending on the committee's activity. For example, most committees must file the 24-hour Contribution Report (Form 497).

Primarily formed committees making independent expenditures must file the independent expenditure reports discussed below. A candidate's controlled committee for his or her election will likely not be filing independent expenditure reports because it is making direct campaign expenditures for the candidate's election to office.

This chapter reviews the following special reports that may be required.

- 24-Hour Contribution Reports (Form 497)
- 24-Hour Independent Expenditure Reports (Form 496)
- Verification of Independent Expenditures (Form 462)
- Special Odd-Year Reports (Form 460)
- Paid Spokesperson Reports (Form 511)
- Reports of Communications Identifying State Candidates (Form E-530)

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FPPC Reporting Forms	
Your Committee	**File**
Receives Contributions:	
Receives contributions totaling $1,000 or more from a single source during the 90 days before the election or on the date of the election	Form 497
Makes Independent Expenditures:	
Makes independent expenditures totaling ~~of~~ $1,000 or more to support or oppose a single candidate or ballot measure during the 90 days before the candidate or measure's election or on the date of the election	Form 496
Makes independent expenditures totaling $5,000 or more to support or oppose the **qualification** of a single local measure	Form 496
Makes independent expenditures totaling ~~of~~ $1,000 or more to support or oppose a single candidate or ballot measure	Form 462
Makes Payments:	
Makes contribution(s) totaling $10,000 or more to **state** officeholders during the first or third quarter of an odd-numbered year	Form 460
Makes contributions totaling $1,000 or more to another candidate or ballot measure committee during the 90 days before the candidate or measure's election or on the date of the election, or to a state or county political party committee during the 90 days before any state election or on the date of the election	Form 497
Makes contributions totaling $5,000 or more to support or oppose the **qualification** of a single local measure	Form 497
Makes expenditures for an individual to appear in a ballot measure advertisement	Form 511
Makes payments of $50,000 or more to "feature" a **state** candidate within 45 days before the candidate's election	Form E-530

A. 24-Hour Contribution Report (Form 497)

The 24-hour contribution report provides immediate reporting of contributions received or made near or on the election date. The Form 497 must be filed if a candidate controlled committee or a primarily formed committee:

- **Receives** contributions that total in the aggregate $1,000 or more from a single source during the 90 days before the candidate's election, including the date of the election; or

- **Makes** contributions that total in the aggregate $1,000 or more to a candidate or a committee primarily formed to support a

Quick Tip

When aggregating contributions from a single source, monetary contributions, nonmonetary contributions, and loans are included.

candidate(s) or ballot measure(s) during the 90 days before the candidate's or measure's election, including the date of the election; or

- **Makes** contributions that total in the aggregate $1,000 or more to a state or county political party committee during the 90 days before any state election, including the date of the election.

- **Makes** contributions that total in the aggregate $5,000 or more to support or oppose the **qualification** of a single local initiative or referendum ballot measure.

  This Form 497 is required to be filed within 10 business days 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.

Contributions reported on the Form 497 must also be reported on the committee's next Form 460.

Ex 10.1 - Thirty days before the candidate's election, the candidate's committee received a $500 contribution. Four days later, the same person contributed $600. The candidate's committee must file a Form 497 since $1,000 or more was received from a single source during the 90-day period before the election. The same person must contribute another $1,000 or more in order for a subsequent Form 497 to be required.

Quick Tip

If a committee makes a nonmonetary contribution, it must notify the recipient of the contribution's value within 24 hours.

Ex 10.2 - In June, the candidate's election committee for a November election received a contribution of $2,000. The Form 497 is not required because it was not received during the 90-day period before the November election. In October, the same person made a contribution of $600 to the candidate's committee. The Form 497 is not required until that person contributes $1,000 or more in the 90 days before or on the date of the November election. Contributions received prior to the 90 days before the November election are not aggregated with contributions received during the 90-day period.

Quick Tip

The 90-day, 24-hour reporting period includes the date of the election.

In some local elections, a candidate's name will not appear on a ballot if no other individual runs for that office. Following the determination by the elections official that the candidate's name will not appear on the ballot, the Form 497 is not required to be filed by the candidate even if the candidate's committee receives $1,000 or more during the 90 days before the election, including the date of the election.

DRAFT

When and Where to File the Form 497

The Form 497 must be filed **within 24 hours** of **receiving or making** contributions as described above. A contribution is received on the date the candidate, committee, or an agent of the committee obtains possession or control of the check or nonmonetary item that constitutes a contribution. (See Chapter 2.) A contribution is made on the date it is mailed, delivered, or otherwise transmitted. A committee that makes a nonmonetary contribution must notify the recipient of the contribution's value within 24 hours by personal delivery, fax, or guaranteed overnight delivery.

Quick Tip

Contributions reported on the Form 497 must also be disclosed on the committee's next regular campaign statement (Form 460 or Form 450).

Exceptions:

- The Form 497 must be filed **within 48 hours** of **receiving** a nonmonetary contribution.

- The Form 497 must be filed within 10 business days when contributions that total $5,000 are made to support or oppose the qualification of a single local measure.

Filing deadlines are extended to the next business day when they fall on a Saturday~~s~~, Sunday~~s~~, ~~and~~ or official state holiday~~s~~. However, the extension does not apply on the Saturday, Sunday, or an official state holiday immediately prior to an election. For example, a fundraiser held on a Friday evening results in several individuals making contributions of $1,000 or more. Generally, the committee must file the Form 497 on the following Monday. However, if the fundraiser is held the Friday evening of the week before the election, the "next business day" deadline extension does not apply, so the Form 497 must be filed within 24 hours.

Except for the Form 497 triggered at $5,000, the Form 497 is filed in the same location the committee files its regular campaign statements (Form 460 or Form 450) and must be filed by fax, guaranteed overnight delivery service, or personal delivery. Regular mail may not be used. Some local agencies may have an electronic filing system or may accept the Form 497 via email.

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Reporting Multiple Nonmonetary Contributions

If a committee anticipates that more than one nonmonetary contribution will be made to another committee or received from a single contributor during the 90 days before the election (including the date of the election), it may, on or before the deadline, file a single Form 497 covering the period in which the nonmonetary contributions will be made or received. The report must disclose the total value of nonmonetary contributions that will be made, or, if the actual value of nonmonetary contributions is not known at the time of filing, a good faith estimate of the value. If an estimated value differs from the reported amount by 20 percent or more, the committee must amend the Form 497 within 24 hours from the time the committee knows that the estimated value is incorrect.

497 Contribution Report

Amounts may be rounded to whole dollars.

A

NAME OF FILER: Manuel Alvarez for Mayor 20XX

AREA CODE/PHONE NUMBER: 707-555-6868

I.D. NUMBER *(if applicable)*: 12344XX

STREET ADDRESS: 225 Presley Street

CITY: Oakmont

STATE: CA

ZIP CODE: 95443

B

Date of This Filing 11/01/20XX

Report No. 1

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

No. of Pages 1

Date Stamp

CALIFORNIA FORM 497

For Official Use Only

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
10/30/XX	Loretta Stone 28 Hemlock Street Oakmont, CA 95434	☒ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Nurse - Oakmont Hospital	$2,000 ☐ Check if Loan _____% Provide interest rate
10/30/XX	ABC Company 220 R Street Oakmont, CA 95434	☐ IND ☐ COM ☒ OTH ☐ PTY ☐ SCC		$3,000 ☐ Check if Loan _____% Provide interest rate

Completing the Form 497

A Filer Information

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

DRAFT

B Date, Report Number, Number of Pages

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

1 Contributions Received

For contributions received, provide:

- The date received.
- The contributor's full name, street address, and zip code.
- The contributor code. For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, "other" (such as a business entity), a political party, or a small contributor committee.
- If the contributor is an individual, his or her occupation and employer must be provided. If the individual is self-employed, the name of the business must be provided.
- The amount of the contribution. Check the box if it was a loan.

Contributions Made

For contributions made, provide:

- The date made.
- The recipient's full name, street address, and zip code.
- The office sought or held (if the contribution is made to a candidate).
- The ballot measure number or letter and jurisdiction (if the contribution is made to a ballot measure committee).
- The amount of the contribution.
- The date of election.

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Amending the Form 497

To amend a previously filed Form 497, file another Form 497 with the corrected or missing information, assign a new unique identifying number as the Report Number, check the "Amendment" box, and enter the identifying number of the report being amended. Describe the reason for the amendment in the space provided at the bottom of the form. There is no specified deadline for filing amendments; however, amendments should be filed as soon as practicable. Amendments are filed in the same location as the original.

Answering Your Form 497 Questions

A. Must a candidate file a Form 497 if, during the 90 days before the election, or on the date of the election, she loans her campaign committee $1,000?

Yes. A candidate's personal funds that are loaned to or contributed to the committee trigger the Form 497 requirement.

B. Must a candidate file a Form 497 if, during the 90 days before the election (or on the date of the election), she transfers campaign funds totaling $1,000 or more from a campaign committee established for a prior office to the campaign committee established for the office she is currently seeking election to?

No. Transfers among a candidate's own local campaign election committees are reported as miscellaneous increases to cash, not as contributions.

C. A committee will receive nonmonetary contributions from a single source during the 90 days before the election, including the date of the election. The contributions involve several days of telephone banking by paid individuals. Rather than filing several reports, may the committee file one Form 497 with an estimated value of the nonmonetary contributions anticipated to be received from this source during the 90 days before the election?

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Yes. The committee may make a good faith estimate of the value that will be received during the period. The Form 497 must be filed within 48 hours of receiving the first $1,000 in nonmonetary contributions. If the actual value differs from the estimated amount by 20 percent or more, the estimated report must be amended within 24 hours of determining the correct amount.

D. Must a committee file a Form 497 when a contributor forgives a loan of $1,000 or more during the 90 days before the election, including the date of the election?

Yes. A loan forgiveness is reported as a contribution and triggers the Form 497 requirement.

E. A candidate has one open committee for a past election and one for the current election. If the committee for the past election receives $1,000 or more from a single source in the 90-day, 24-hour reporting period for the current committee, must the committee for the past election file a Form 497?

Yes. When a candidate is in a 90-day reporting period, contributions totaling $1,000 or more to any of the candidate's committees trigger the Form 497 requirement.

B. Independent Expenditure Reporting

As described in Chapter 6, a payment for a communication that expressly advocates support of or opposition to a candidate or ballot measure, which is not made at the behest of the candidate or measure committee, is an "independent expenditure." Chapter 6 defines in detail "expressly advocates" and "made at the behest of" and provides examples to assist committees in determining whether a payment made for a communication is considered an independent expenditure.

Ex 10.3 - City council candidate Martinez's controlled committee for election to office does not file independent expenditure reports when it pays for mailers for the candidate's election, because these payments are direct campaign expenditures made by the candidate. An independent group sending mailers attacking council candidate Martinez's opponent, without the cooperation, knowledge or consent of council candidate Martinez, will file independent expenditure reports.

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The Act requires committees making independent expenditures to file several forms so that voters are fully informed about who is paying for the communications that urge voters to support or oppose a particular candidate or ballot measure. Because the affected candidate or measure committee will not report the expenditures, the committee making the independent expenditures must file certain forms at the same time the candidate is required to file. In addition, a verification form that identifies an individual who is responsible for ensuring that the campaign committee's independent expenditures were not coordinated with the listed candidate or ballot measure (or the opponent) must be filed.

A committee that makes an independent expenditure of $1,000 or more ~~is reported on each of~~ must also file the forms listed below. ~~The forms are reviewed in the order they will likely be required.~~

- Form 496 (24-Hour Independent Expenditure Report)
- Form 462 (Verification of Independent Expenditures)

What is the Date an Independent Expenditure is Made?

A payment made in connection with the development, production, or dissemination of a communication that is an independent expenditure must be reported no later than the date the communication is mailed, broadcast, or otherwise disseminated to the public. If the communication is never disseminated to the public, it need not be reported.

Candidate Controlled Election Committees

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

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 considered a contribution or independent expenditure made in connection with the ballot measure.

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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 the potential voters in the paying candidate's district.

Primarily Formed Committees

A committee that is primarily formed to support or oppose a candidate is not associated with the candidate. Therefore, payments made for communications that expressly advocate support or opposition of the candidate are considered to be independent expenditures because they are not made at the behest of the candidate.

Ex 10.4 - A committee is primarily formed to support a mayoral candidate. The committee must act totally independent of the mayoral candidate's campaign. Seven days before the election, the committee paid $5,000 for an advertisement in a local newspaper urging voters to support the candidate. The primarily formed committee must file the Form 496.

Filing Deadlines for Independent Expenditure Forms

This chart summarizes the deadlines and filing locations for each of the independent expenditure forms. Each of the forms is discussed in detail below.

Deadline	Form	Filing Location
Within 24 hours	496	Filing officer where election is held
10 days after first independent expenditure	462	FPPC

24-Hour Independent Expenditure Report (Form 496)

The 24-hour Independent Expenditure Report provides immediate disclosure of independent expenditures made near or on the election date. The Form 496 must be filed if a committee makes independent expenditures totaling $1,000 or more to support or oppose a single candidate or a single ballot measure during the 90 days before the candidate's or measure's election, including the date of the election.

Note: The Sacramento Superior Court ruled in *Charles R. "Chuck" Reed v. Fair Political Practices Commission* that San Jose Mayor Reed was not subject to independent expenditure restrictions. For more information, contact the FPPC's Legal Division.

Ex 10.5 - Ten days before an election, a committee spent $1,700 on a mailing that equally advocated support of two candidates. The mailing was done completely independent of the candidates. Since the value to each candidate was only $850 (less than $1,000), the committee is not required to file the Form 496 for either candidate.

Three days before the election, the committee independently spent $400 for lawn signs advocating support of one of the candidates included in the earlier mailing. Because the total spent on behalf of this candidate is now $1,000 or more in the 90 days before the election including the date of the election, the committee must file the Form 496 in connection with this candidate.

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Expenditures reported on the Form 496 must also be reported on the committee's next regular campaign statement (Form 460). The Form 462 (Verification of Independent Expenditures) must also be filed.

When and Where to File the Form 496

The Form 496 must be filed **within 24 hours** of making an independent expenditure of $1,000 or more **during the 90 days** preceding the election, including the date of the election, in which the candidate or measure will be voted on. An independent expenditure is made when the communication is disseminated to the public. There is no deadline extension for filing the Form 496. It must be filed within 24 hours regardless of the day of the week. A separate Form 496 must be filed for each candidate or ballot measure supported or opposed.

The Form 496 is filed with the filing officer that receives the campaign statements for the candidate or measure supported or opposed. (See the chart below.) This allows voters in the affected jurisdiction to have access to reports disclosing who is spending funds attempting to influence them.

Local Elections: The Form 496 must be filed by fax, guaranteed overnight delivery, personal delivery, or email, if available. Regular mail may not be used. A local ordinance may require that the form be filed electronically. Contact the local filing officer to determine if electronic filing or email is available.

State Elections: The Form 496 must be filed electronically with the Secretary of State's office when it is filed in connection with a state candidate or measure. No paper copies are accepted. If the Form 496 is filed in connection with a CalPERS or CalSTRS election, a copy must also be filed with the relevant board's office.

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.

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Jurisdiction of Candidate or Measure Supported/ Opposed	Location of Filing Form 496
Statewide	Secretary of State – Electronically only
Senate or Assembly District	Secretary of State – Electronically only
CalPERS/CalSTRS	Secretary of State – Electronically only Also file a copy at CalPERS/ CalSTRS board office
Multi-County	County with the largest number of registered voters in the jurisdiction
County	County in which the candidate or measure will appear on the ballot. LAFCO proposals: County where measure likely to appear on the ballot and the LAFCO.
City	City in which the candidate or measure will appear on the ballot

Ex 10.6 - A city councilmember's election committee made an independent expenditure of $8,000 to support a county ballot measure. The Form 496 must be filed with the county elections office.

Ex 10.7 - A county supervisor's election committee made an independent expenditure of $10,000 to support a state ballot measure. The Form 496 must be filed electronically with the Secretary of State's office.

DRAFT

496 Independent Expenditure Report

Amounts may be rounded to whole dollars.

A

NAME OF FILER: Friends Supporting Alvarez for Mayor 20XX

AREA CODE/PHONE NUMBER: 707-111-2222

I.D. NUMBER *(if applicable)*: 12399XX

STREET ADDRESS: 10 Main Street

CITY: Oakmont | STATE: CA | ZIP CODE: 95443

B

Date of This Filing: 11/1/20XX

Report No.: 2

☐ Amendment to Report No. _____ (explain below)

No. of Pages _____

Date Stamp

CALIFORNIA FORM **496**

For Official Use Only

1

1. List Only One Candidate or Ballot Measure

NAME OF CANDIDATE SUPPORTED OR OPPOSED			
Manuel Alvarez			
OFFICE SOUGHT OR HELD	DISTRICT NO.	SUPPORT	OPPOSE
Mayor		X	

NAME OF BALLOT MEASURE SUPPORTED OR OPPOSED			
BALLOT NO./LETTER	JURISDICTION	SUPPORT	OPPOSE

2

2. Independent Expenditures Made *Attach additional information on appropriately labeled continuation sheets.*

DATE	DESCRIPTION OF EXPENDITURE	AMOUNT
10/31/20XX	Newspaper Advertisement (cumulative total: $6,000)	$2,000

3

3. Contributions of $100 or More Received*

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE **	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED	INTEREST RATES
10/28/20XX	Joe Brown 1800 Second Street Oakmont, CA 95443	☒ IND ☐ COM ☐ OTH ☐ PTY ☐ SCC	Retired	$200	If loan, enter interest rate, if any _____%

Completing the Form 496

A Filer Information

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

B Date, Report Number, Number of Pages

Indicate the date the report is being filed; assign a unique number to each Form 496, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.; and, indicate the number of pages included in the report.

1 Name of Candidate or Ballot Measure Supported or Opposed

Provide the name of the candidate supported or opposed and the office sought or held (and district, if applicable). Or, provide the name of the ballot measure supported or opposed, the jurisdiction in which the measure is being voted upon, and its number or letter if it has been assigned. Indicate whether the independent expenditure supported or opposed the candidate or ballot measure.

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2 Independent Expenditures Made

Provide the date the committee made the independent expenditure. In the "Description of Expenditure" field, include a description of the independent expenditure (e.g., radio advertisement, billboard, mailing) and the cumulative-to-date total for independent expenditures relating to each candidate or measure. List the amount of the specific expenditure in the "Amount" column.

Quick Tip

Generally, the "cumulative amount" means the amount of independent expenditures made in the current calendar year.

3 Contributions of $100 or More Received

Disclose contributions of $100 or more received since the closing date of the last campaign statement filed through the date of the independent expenditure. If no previous campaign statement has been filed, disclose contributions of $100 or more received since January 1 of the current calendar year.

Disclose the name and street address of the contributor and, if the contributor is an individual, his or her occupation and the name of his or her employer. If the individual is self-employed, disclose the name of the business. Also disclose the date and amount of the contribution, the contributor code, and type of contribution. If the contribution is a loan, enter the interest rate. Once you have disclosed a contribution on the Form 496, it is not necessary to report that contribution on any additional Form 496 filings; however, it must be reported on the committee's next regular campaign statement (Form 460 or Form 450).

Amending the Form 496

To amend a previously filed Form 496, file another Form 496 with the corrected or missing information, assign a new unique identifying number as the Report Number, check the "Amendment" box, and enter the identifying number of the report being amended. Describe the reason for the amendment in the space provided at the bottom of the form. There is no specified deadline for filing amendments; however, amendments should be filed as soon as practicable. Amendments are filed in the same location as the original.

DRAFT

Verification of Independent Expenditures (Form 462)

The Form 462 must be filed if the committee makes an independent expenditure of $1,000 or more in a calendar year to support or oppose a single candidate or a single ballot measure. The purpose of the Form 462 is for officers of the committee making the independent expenditure to verify that the committee's expenditures are indeed independent and have not been coordinated with the affected candidate or ballot measure committee (or the opponent). The form also verifies that the committee has not received any unreported contributions or reimbursements to make the independent expenditures.

Ex 10.8 - A committee primarily formed to oppose a candidate made independent expenditures of $20,000 to oppose the candidate in the primary election. A Form 462 is required for the primary election. If the committee makes independent expenditures of $1,000 or more to oppose the candidate in the general election, another Form 462 must be filed.

When and Where to File the Form 462

The Form 462 must be filed within 10 days from the date of the committee's first independent expenditure of $1,000 or more to support or oppose a candidate or measure in a calendar year. An independent expenditure is made when the communication is disseminated to the public. A candidate or measure is listed only once for each election. Primary, general, and runoff elections are considered separate elections.

The Form 462 must be filed via email with the FPPC (form462@fppc.ca.gov). The originally signed form must be maintained with the committee's campaign records for four years.

Ex 10.9 - A committee primarily formed to support a candidate on a November ballot made its first independent expenditure of $1,000 or more in September and filed the Form 462 listing the candidate. In October, the committee made several more independent expenditures to support the candidate. No additional Form 462s are required for that candidate for the November election.

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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 #
Friends Supporting Alvarez for Mayor 20XX			12399XX
STREET ADDRESS		CITY	
10 Main Street		Oakmont	
STATE	ZIP CODE	E-MAIL	TELEPHONE NUMBER
CA	95443	kluuci@hotmail.com	(707) 111-2222

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
Manuel Alvarez	✓		Mayor	Oakmont	11/4/20XX

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** Karen Lucci **Signed on** [Date Required] *(month, day, year)*

(Check One): ☑ **Principal Officer** ☐ **Candidate/Officeholder** ☐ **State Ballot Measure Proponent**

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Completing the Form 462

1 Name of Committee

Enter the name and street address of the committee that is making the independent expenditure(s). The address should be the same as the address listed on the committee's Statement of Organization (Form 410). Provide the committee's assigned committee ID number.

2 Candidates or Measures

List the name of the candidate(s) or ballot measure(s) and mark the applicable support or oppose box. For candidates, list the office sought or held. The candidate's or measure's jurisdiction (and district if applicable) and the date of the election must also be listed.

3 Verification

The form must be reviewed and signed by the committee's principal officer. A principal officer is an individual primarily responsible for approving the political activity of the committee. (See Chapter 1.) If the committee has more than one principal officer, only one individual must sign the Form 462. The individual must be listed on the committee's Statement of Organization (Form 410). The same individual is not required to sign each Form 462. In the case of a controlled committee, the candidate or officeholder must sign the form.

Amending the Form 462

To amend a previously filed Form 462, file another Form 462 with the corrected or missing information, check the "Amendment" box, and describe the reason for the amendment in the space provided. Amendments to the Form 462 must be filed within 10 days of the change. Like the original, the amendment must be signed and dated and filed via email with the FPPC (form462@fppc.ca.gov).

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Answering Your Independent Expenditure Questions

A. How frequently must the Form 462 be filed?

The Form 462 is required to identify the candidate or measure supported or opposed only once for each election. Once a candidate or measure is listed on the Form 462, no further filings are required for that candidate or measure for that election. If a committee makes independent expenditures related to a candidate in the primary election and later makes independent expenditures related to the same candidate in the runoff election, two Form 462s must be filed as they are separate elections.

B. Is an independent expenditure reportable by the committee for the candidate or the ballot measure named in the communication?

No. Because the communication is not made at the behest of the candidate or ballot measure committee, the expenditure for the communication is not reported by the affected candidate or measure committee. The person making the independent expenditure has the reporting obligations.

C. Is a candidate's controlled committee making an independent expenditure when it pays for a communication that supports the controlling candidate and supports or opposes a ballot measure listed on the same ballot?

No. This type of expenditure considered to be a direct campaign expenditure to promote one's own election.

D. May a committee pro-rate the value of a communication that contains both an independent expenditure and a non-political message?

Yes. The committee should value the independent expenditure as the portion of the costs directly associated with sending the message that expressly advocates support or opposition of a candidate or ballot measure.

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C. Special Odd-Year Report (Form 460 or 450)

The odd-year report is designed to timely show if a committee is making large contributions to a number of state legislators or elected state officers during an off-election year when important issues such as the state budget or controversial legislation is being considered. The odd-year report must be filed, if during any odd-numbered year, the committee makes contributions totaling $10,000 or more to **elected state officers**, their controlled committees, or committees primarily formed to support or oppose any elected state officer during the first and third quarters of the year.

The special odd-year report is completed in the same manner as a regular preelection or semi-annual statement (see Chapter 8) and includes all of the committee's activity during the reporting period, not just contributions to elected state officers.

Ex 10.13 - Between July 1 and September 30 of an odd-numbered year, a local candidate's election committee contributes $6,000 to the Governor's ballot measure committee and $6,000 to the Secretary of State's election committee. The local committee must file a special odd-year report covering the period July 1 through September 30, by October 31.

When and Where to File the Special Odd-Year Report

The special odd-year report is filed where the committee files its regular campaign statements and is filed on the committee's regular campaign disclosure statement (Form 460 or Form 450).

Period Covered	Filing Deadline
January 1 through March 31	April 30
July 1 through September 30	October 31

D. Advertisement Reports

Paid Spokesperson Report (Form 511)

Promoting "truth in advertising," the Act requires that when a teacher, firefighter, doctor, or other person is in a ballot measure advertisement giving their expert views for or against the measure, the advertisement must disclose if the person has been paid. The Form 511 must be filed if a committee pays an individual for his or her appearance in a ballot measure advertisement in the following situations:

Ex 10.14 - In support of a local ballot measure, a committee hires a public relations firm to produce a television advertisement. A local celebrity is paid $5,000 or more to appear in the ad. The committee must include the ad disclaimer described in Chapter 7 and must file the Form 511.

DRAFT

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.).

Committees that pay a spokesperson to appear in a ballot measure advertisement may be required to include specific disclaimers on the advertisements. (See Chapter 7.)

Ex 10.15 - A committee pays $200 for a doctor to appear in a television advertisement supporting a local ballot measure. The ad will clearly identify the individual as a doctor. The committee is not required to include an ad disclaimer, but it must file the Form 511.

Quick Tip

Chapter 7 contains the requirements for advertisement disclaimers, including the specific disclaimers that may be required if a committee pays a spokesperson to appear in a ballot measure advertisement.

When and Where to File the Form 511

The Form 511 must be filed within 10 days of making an expenditure identified above. An expenditure is made on the date the payment is made or the date the services are received, whichever is earlier. The Form 511 is filed in the same location the committee files its regular campaign statements (Form 460 or Form 450). Instructions for completing the Form 511 are provided on the FPPC's website.

Communications Identifying State Candidates (Form E-530)

The Act requires reporting of electioneering communications for state candidates, such as billboards on Interstate 5 saying "Thank you Senator Kim for your support of Central Valley Agriculture" placed right before the election. The Form E-530 must be filed if a committee makes a payment or a promise of a payment totaling $50,000 or more for a communication disseminated within 45 days of an election that clearly identifies a candidate for elective state office, but does not expressly advocate the election or defeat of the candidate.

DRAFT

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 report must include the name and address of the contributor, as well as the date and amount received or promised. If the contributor is an individual, the individual's occupation and employer must also be included.

The report must be verified by a written "electronic filing declaration" signed, dated, and verified on the same date the report is transmitted to the Secretary of State. This declaration must be retained in the committee's records for five years following the date that the campaign report to which it relates is filed. The statement must include the following language:

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

When and Where to File the Form E-530

The Form E-530 must be filed electronically with the Secretary of State **within 48 hours** of making or promising to make a payment of $50,000 or more. There is no paper version of the Form E-530. To access the online form, go to the Secretary of State's website (www.sos.ca.gov). If the committee has not previously filed electronically with the Secretary of State, the committee will need to request a filer ID and password. The request form (Electronic Filing Password Request) is located on the Secretary of State's website under Campaign Finance.

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.
82025	Expenditure.
82031	Independent Expenditure.
82036	Late Contribution.
82036.5	Late Independent Expenditure.
82044	Payment.
84200.6	Special Campaign Statements and Reports.
84202.7	Time for Filing by Committees of Odd-Numbered Year Reports.
84203	Late Contribution; Reports.
84203.3	Late In-Kind Contributions.
84204	Late Independent Expenditures; Reports.
84204.5	Ballot Measure Contributions and Expenditures; Reports.
84213	Verification.
84511	Ballot Measure Ads; Paid Spokesperson Disclosure.
85310	Communications Identifying State Candidates.
85501	Prohibition on Independent Expenditures by Candidate Controlled Committees.

Title 2 Regulations

18116	Reports and Statements; Filing Dates.
18421.1	Disclosure of the Making and Receipt of Contributions.
18425	24-Hour Contribution Reports.
18428	Reporting of Contributions and Independent Expenditures Required to be Aggregated.
18450.11	Spokesperson Disclosure.
18465.1	Verification of Online Filers.
18531.10	Communications Identifying State Candidates.
18539.2	Reporting Payments Pursuant to Government Code Section 85310.
18550	24-Hour Independent Expenditure Reports.

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Filing Obligations After the Election and Terminating the Committee

After the election, a candidate's future filing obligations are determined by whether he or she was elected to office or not. Generally, a committee primarily formed to support or oppose a candidate will terminate after the election. The Political Reform Act (Act) does not require any local candidate or primarily formed committee to terminate; however, campaign statements must continue to be filed as long as the committee remains open. In addition, the $50 annual fee must be paid to the Secretary of State.

This chapter addresses the reporting requirements for successful candidates, defeated candidates, primarily formed committees, and the guidelines for terminating a campaign committee.

A. 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 full Form 460 or the short Form 470 – until they have left elective office and terminated their committee. See "Candidates Using Campaign Funds for a Future Election" below to determine the requirements for a candidate/officeholder running for reelection or running for election to a different office.

Officeholders Who Filed Form 470 During Campaign

After the election, a candidate who filed the Form 470 (Officeholder and Candidate Campaign Statement – Short Form) in connection with the election has no additional filing obligations that calendar year provided $2,000 or more is not raised or spent during that calendar year. 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.

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Officeholders Who Filed Form 460 During Campaign

After the election, a successful candidate who filed the Form 460 (Recipient Committee Campaign Statement) in connection with the election must continue to file the Form 460 semi-annually as long as the committee remains open. In addition, other special reports may be required. The candidate/officeholder has the option of maintaining his or her committee and campaign bank account or terminating the campaign committee and closing the bank account. An officeholder who maintains a committee may:

- Continue to receive contributions;
- Use campaign funds to offset officeholder expenses; or
- Use funds for a future election. (See "Candidates Using Campaign Funds for a Future Election" below.)

Once an officeholder terminates the committee, he or she may 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 470 (short form) may not be filed instead of the Form 460.

Exception: Judges and Unpaid Officeholders

Unpaid officeholders (defined in the Act as those who receive less than $200 per month for serving in office) and judges are not required to file Form 460 or Form 470 for any semi-annual period in which they are not listed on a ballot and do not receive any contributions or make any expenditures. This exception applies even if a judge or unpaid officeholder has a controlled committee so long as the committee has not received any contributions or made any expenditures (excluding bank fees and interest).

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

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Judges and unpaid officeholders who are listed on a ballot must file the Form 470.

Behested Payment Reports (Form 803)

An 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 payments" report. Behested payments are donations made to a charity or a government agency at the request of an elected officer 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 within 30 days following the date of the payment.
- The elected officer's agency must forward the Form 803 to the filing officer who receives the elected officer's campaign statements within 30 days of receiving the form. The Form 803 is a public record. See the Form 803 example below.

Quick Tip

Although behested payments are not considered gifts or contributions to the elected official, meals, lodging, and travel payments received by an official in connection with a co-sponsored event may be reportable gifts.

Ex 11.1 - At the mayor's request, a catering company donated refreshments valued at $5,000 for a city sponsored job fair. The mayor must file a Form 803 with the city clerk to report the behested payment.

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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)*

Alvarez Manuel

Agency Name

City of Oakmont

Agency Street Address

225 Presley Street, Oakmont, CA 95443

Designated Contact Person *(Name and title, if different)*

Madeline Richards

Area Code/Phone Number

707-555-6868

E-mail *(Optional)*

mrichards@oakmontmail.com

☐ **Amendment** *(See Part 5)*

Date of Original Filing: 6/30/XX *(month, day, year)*

2. Payor Information *(For additional payors, include an attachment with the names and addresses.)*

Wildwood Insurance Company

Name

Address	City	State	Zip Code
1022 Main Street	Oakmont	CA	95443

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: 6/24/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 6/30/XX (DATE) By [Signature Required] (SIGNATURE OF ELECTED OFFICER OR CPUC MEMBER)

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Legal Defense Committees

The Act permits a local candidate or elected officer to establish a legal defense fund, if the candidate or officer is subject to civil, criminal or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officer's governmental duties. Contributions raised for legal defense must be held in a separate account, they may be subject to contribution limits if provided by local ordinance, and they must be fully reported. Any funds raised may only be spent to defray attorneys fees and other related legal costs, as defined in the Act. (See Regulation 18530.45 for additional information.)

Recall Elections

Under state law, an officeholder who is the subject of a recall may use an existing committee (set up for the office he or she currently holds) to receive contributions and make expenditures to oppose the qualification of the recall measure, and if the recall petition qualifies, the recall election.

An alternative option is to form a separate recall committee. A recall committee may be established once the officeholder receives a notice of intent to recall under Elections Code Section 11201. The committee must set up a separate bank account at a financial institution in California, file a Statement of Organization (Form 410), and, in addition to the officeholder's name, must include the word "recall" in the name of the committee. See Campaign Disclosure Manual 3 as a recall committee is considered a ballot measure committee. (FPPC Regulation 18531.5 contains specific guidance on recall elections.)

B. 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 so 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 on a semi-annual basis and pay the annual committee fee as long as the committee remains open. In addition, other special reports may be required.

There is no deadline for terminating the committee or disposing of leftover funds; however, if there are leftover funds and the candidate wants to use the funds for a future election, the funds must be redesignated or transferred as discussed below.

C. Candidates Using Leftover Campaign Funds for a Future Election

A local candidate or officeholder may use leftover campaign funds for a future election so long as the funds are not considered "surplus funds" and the requirements below are met. **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 5, and may not be used for a future election.

Ex 11.2 - John Davis lost the city council election in November. John has $3,500 remaining in his campaign bank account and is considering seeking another city council position in two years. In order to use the remaining $3,500 for the future election, John must file a new Form 501 (Candidate Intention Statement) and redesignate the bank account to a future election by amending his Form 410 (Statement of Organization) to indicate the new office sought and year of election. This must be done within 90 days after the end of the postelection reporting period for the November election.

Running for the Same Office

To use money remaining in the campaign bank account for a future election to the **same office** before the funds become surplus, a local candidate may redesignate his or her committee and campaign bank account by:

- Filing a **new Form 501 (Candidate Intention Statement)** for the specific future election; and,
- Filing an **amended Form 410 (Statement of Organization)** to reflect the redesignation for the future election.

Quick Tip

Candidates should also check with the city or county to determine if there are local restrictions for redesignating or transferring campaign funds.

Running for a Different Office

To use money remaining in the campaign bank account for a future election to a different office before the funds become surplus, a local candidate must:

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- File a **new Form 501 (Candidate Intention Statement)** for the specific future election;
- File a **new Form 410 (Statement of Organization)**; and,
- Open a **new bank account**. So long as the funds are not surplus and there are no local restrictions, the campaign funds from the other account may be transferred to the new bank account.

Ex 11.3 - Jayna Chacon is a city council member who plans to run for county supervisor in the next election. She would like to use the remaining funds in her city council committee bank account for the county election. Jayna must file a new Form 501 before she solicits or receives contributions for the county supervisor election. She must also file a new Form 410 and open a new bank account. The city council committee campaign funds must be transferred to the county supervisor campaign bank account within 90 days after the date Jayna leaves the city council position.

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 annual committee fee as long as the committee remains open.

Ex 11.4 - 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.

E. Terminating the Committee

There is no deadline for terminating a committee controlled by a local candidate or officeholder unless the controlling candidate/officeholder becomes a state officeholder. In that case, the candidate should refer to Campaign Disclosure Manual 1 for State Candidates for the termination requirements.

A primarily formed committee also does not have a deadline to terminate. However, the committee, by its nature, may need to change its committee status if it remains open after the election. A committee that remains open must continue to file semi-annual campaign statements (i.e., Form 460 or Form 450) and pay the annual

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fee, as described in Chapter 1, until it terminates. There are specific requirements that must be met in order for a committee to terminate.

A committee may terminate only if the committee:

- Has ceased receiving contributions or making expenditures and does not anticipate receiving contributions or making expenditures in the future;
- Has no remaining campaign funds;
- Has filed all required campaign statements, disclosing all reportable transactions, including the disposition of leftover funds; and
- Has eliminated all debts, or has no intention or ability to discharge debts.

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 officeholder(s)/candidate(s) also must sign the verification.

Form 450 or 460 also must be filed showing that all funds have been expended and the committee has no cash on hand. Check the "Termination" box on the cover page.

File the original ~~and a copy of the~~ Form 410 with the Secretary of State and a copy with the committee's local filing officer who receives the committee's original campaign statements. File the Form 450 or 460 in the committee's regular filing locations.

Ex 11.5 - At the end of November, after winning her election, Arlene decides to terminate her committee. To do so, she must file a Form 410 termination and a Form 460 termination 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 statement on January 31, and may file Form 470 by July 31 of the next year.

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F. Receiving a Refund After the Committee Has Terminated

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.~~ However, a candidate controlled committee that has terminated may accept a refund from a governmental entity (such as an overpayment of filing fees) without reopening. A committee may also accept a refund from a vendor or other person without reopening if the committee did not know of its entitlement to the refund prior to termination and the refund or refunds total no more than $10,000.

To report this type of refund, 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 of the Form 460 and as an expenditure on Schedule E when the funds are spent. See Chapter 5 for the permissible uses of campaign funds. For the rules related to transferring the refund to another committee. see Regulation 18404.1.

Ex 11.6 - A candidate was defeated in a November election and closed her campaign committee in December. In February of the following year, she received a $1,500 refund from the county elections office for an overpayment of her filing fees. 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 5, such as to pay outstanding debts or to make a donation to a charity, and disclosed on Schedule E. If the candidate used personal funds to pay the filing fee, she may keep the refund without disclosing it on the Form 460.

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Answering Your Questions

A. Must I file the Form 470 even if I waive my $200 per month salary as a school board member?

Yes. The exception for unpaid officeholders (less than $200 per month) does not apply when an officeholder waives his or her salary.

B. May I terminate my committee even if I have outstanding debt?

Yes. When you file your termination statement 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.

C. ~~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. A request to reopen your committee must be submitted to the FPPC's Executive Director. If the request is approved, you must reopen the committee and deposit personal funds into the committee's bank account before paying the invoice. 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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C. After terminating my committee, I received a refund from the city clerk for an overpayment of my filing fees. How do I report this?

If you used campaign funds to pay for the filing fees, you must file a Form 460 to report the refund as a miscellaneous increase to cash (on Schedule I). You must also report the expenditure of the funds on Schedule E. See Chapter 5 for the permissible uses of campaign funds.

If you used personal funds to pay for the filing fees, you may keep the refund and you are not required to report it on a campaign statement.

D. A nonprofit group paid for a survey they conducted and published. The group is claiming that my committee owes them for part of the costs of the survey, but my position is that, since they conducted the survey without my authorization, my committee does not owe them for the survey. The group has indicated that it may seek a small claims court judgment. I would like to close my committee, but should the committee remain open until the issue is resolved?

One of the requirements that must be met in order for a committee to terminate is for the treasurer to state, under penalty of perjury, that the committee has eliminated all debts or has declared that it has no intention or ability to discharge all of its debts, loans received, and other obligations.

~~Under very limited circumstances (e.g., to receive a refund), a committee may request approval from the FPPC's Executive Director to reopen a terminated committee, but this issue does not appear to meet these circumstances. So,~~ If your treasurer does not want to declare that the committee has no intention or ability to discharge all of its debts, loans received, and other obligations, we recommend that the committee remain open until the issue is resolved.

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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.
82041.3	Made at the Behest of.
82015	Contribution.
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.
85304.5	Legal Defense Fund; Local Candidates and Elected Officeholders.
89519	Use of Surplus Campaign Funds.

Title 2 Regulations

18215	Contribution.
18215.3	Behested Payments Reporting.
18402	Committee Names.
18404	Termination of Candidate's and Committees' Filing Requirements.
18404.1	Termination and Reopening of 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.
18530.45	Legal Defense Funds – Local Candidates and Officers.
18531.5	Recall Elections.
18951	Surplus Funds.

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APPENDIX – 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 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:

- State candidates and officeholders, and committees primarily formed to support/oppose state 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.

Federal Election Commission
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. (See Chapter 9.)

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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