

## Supplemental Form 410 Instructions for Multipurpose Organizations Including Nonprofits

### Qualifying as a Recipient Committee

Effective July 1, 2014, new rules address when a multipurpose organization that makes political expenditures in California must register as a recipient committee. Pursuant to Government Code Section 84222, the following groups qualify as recipient committees and must file a Statement of Organization (Form 410):

- Calendar Year Filers. Organizations that make contributions or expenditures in California totaling more than \$50,000 in a period of 12 months or more than \$100,000 in a period of four consecutive years.
- Federal or out-of-state political committees that make contributions or expenditures in California totaling at least \$1,000 in a calendar year.
- Organizations that solicit and receive payments from donors totaling at least \$1,000 for the purpose of making contributions or expenditures in California.
- Organizations that accept payments from donors totaling at least \$1,000 subject to a condition, agreement, or understanding with the donor that all or a portion of the payments may be used for making contributions or expenditures in California.
- Organizations that have existing funds from a donor and a subsequent agreement or understanding is reached with the donor that all or a portion of the funds may be used to make contributions or expenditures totaling at least \$1,000 in California.

#### **Exceptions:**

**Nondonor Funds.** A multipurpose organization that uses only “nondonor funds” (e.g., investment income, capital gains, income from providing goods or services) to make contributions or expenditures will not qualify as a recipient committee; however, the organization may qualify as a “major donor committee” or an “independent expenditure committee.” See [Campaign Disclosure Manuals 5 and 6](#) for additional information.

**Sponsored Committees.** A membership organization that is the sponsor of a recipient committee is not required to register as a separate committee so long as the organization does not receive payments of \$10,000 or more in a calendar year from a single source. Such organizations may report contributions and expenditures on their sponsored committee’s campaign statement.

## Committee Name Requirements

A multipurpose organization's committee name must be the full legal name of the organization. In addition, the following information must be included in the committee name:

- A nonprofit organization must include after its name in parentheses "nonprofit 501(c)( )," specifying the type of nonprofit organization from 501(c)(3) to 501(c)(10).
- A federal or out-of-state political committee must include after its name in parentheses "Fed PAC ID #" or the two letter state abbreviation such as "TX PAC ID #."
- Another type of multipurpose organization must include after its name in parentheses "MPO" or "multipurpose organization."

**Note:** These descriptions must be included at the end of the committee's name in parentheses on the Statement of Organization (Form 410) and all other campaign statements (i.e., Form 460); however, the description is not required to be included in the committee's name on advertisements and communications.

## Completing and Filing the Form 410

- **When to File:** Generally, the Form 410 must be filed within 10 days of qualifying as a committee. See page 1 of the Form 410 instructions for additional information.
  - **Expedited Filing.** A multipurpose organization identified as a contributor of more than \$50,000 by another multipurpose organization qualifies as a recipient committee and must register and file campaign statements of its own. The organization qualifies as a committee on the date it knows or has reason to know that it met the qualification thresholds by receiving notice from the first organization or being otherwise put on notice. Generally, the contributing organization must file a Form 410 and Form 460 disclosing its donors, if applicable, within 10 business days; however, during the 90-day period before an election, the Form 410 and Form 460 must be filed within three business days.
- **Where to File:** The Form 410 is filed with the Secretary of State; local committees also file a copy with the local filing officer that will receive its original campaign statements.

- **Date Qualified as Committee.** The “date qualified” is the date the organization met the recipient committee thresholds as described above. For a calendar year filer that reactivates its recipient committee status in a subsequent calendar year, the “date qualified” is the date the committee qualified in the current calendar year. The amendment box should be marked and the committee identification number issued previously will be used.
- **Type of Committee.** Complete the appropriate section for your type of committee. See FPPC Regulation 18247.5 and page 3 of the Form 410 instructions for additional information about primarily formed and general purpose committees. In determining the type of committee, the organization counts only its political contributions and expenditures made in California.
- **Description of Organization’s Political Activities.** On page 3 of the Form 410, in the “Provide Brief Description of Activity” field, the organization must describe its mission or most significant activities and describe its political activities. This requirement may be met by referencing where the organization’s IRS Return of Organization Exempt from Income Tax form may be accessed.
  - **Calendar Year Filers (“CY” Designation).** Organizations that qualify as a recipient committee because contributions or expenditures in California total more than \$50,000 in a period of 12 months or more than \$100,000 in a period of four consecutive years automatically terminate at the end of the calendar year in which they qualified. These organizations must indicate their calendar year status by adding “CY” at the end of the description of the organization’s political activities. The committee may elect to remain registered instead of automatically terminating at the end of the calendar year by stating its intent to remain open on its initial Form 410 or on an amended Form 410 filed prior to the end of the calendar year.
- **Committee Fees.** The committee must pay the \$50 annual filing fee. See page 1 of the Form 410 instructions for additional information.

**Example:** The National Alliance of Widget Manufacturers used funds from its general membership dues account to make a single contribution of \$100,000 to a committee primarily formed to oppose a state ballot measure. The Alliance does not plan to make any other contributions or expenditures in California this calendar year. The Alliance qualifies as a primarily formed ballot measure committee and must file the Form 410. Even though the organization is a primarily formed committee, it must also complete the Brief Description of Activity field in the General Purpose Committee section and indicate that it is a committee that will automatically terminate at the end of the calendar year by including “CY” after the brief description of the organization’s activities. If it elects to remain open instead of automatically terminating at the end of the calendar year, it may state that on the initial Form 410 or an amended Form 410 filed prior to the end of the calendar year. The organization must also file the applicable campaign reports and meet the specified filing deadlines.

## Committee Termination

### Calendar Year Filers

A multipurpose organization that qualifies as a recipient committee because its political expenditures were more than \$50,000 in a period of 12 months or more than \$100,000 in a four consecutive calendar year period automatically terminates on December 31 of the year in which it qualified. If there are undisclosed contributions or expenditures to report, the committee must file a year-end semi-annual statement due by January 31. An organization may elect to remain registered as a committee instead of terminating automatically by stating its intent to remain registered on its initial Form 410 or on an amended Form 410 filed prior to the end of the calendar year. If the organization elects to remain registered, it will terminate in the same manner as other recipient committees.

### Other Multipurpose Organizations

Any other multipurpose organization that qualifies as a recipient committee terminates in the same manner as other recipient committees. A final Form 460 must be filed and a Form 410 termination statement must also be filed. See the Form 410 instructions for the requirements that must be met in order for a committee to terminate.

## FAQs

**Q:** Our trade association has never before made a political expenditure; however, this year the association made a single \$45,000 contribution to a committee primarily formed to support a county ballot measure. Is our association required to register as a recipient committee?

**A:** No, since the contribution was not more than \$50,000, the association does not qualify as a recipient committee so long as the funds were not raised for political purposes and there was no agreement with the donors that their payments may be used for political purposes. The association does, however, qualify as a major donor committee and must file the applicable campaign reports and meet the specified filing deadlines.

**Q:** Our organization provides a variety of services to its members, including insurance coverage which results in income to the organization. The organization makes its political expenditures from the income producing account (nondonor funds), not from its membership dues account. Is our organization required to register as a recipient committee?

**A:** No. Since nondonor funds are used, the organization does not qualify as a recipient committee. If the organization makes contributions of \$10,000 or more or independent expenditures of \$1,000 or more in a single calendar year, the organization will qualify as a major donor committee or an independent expenditure committee and must file the applicable campaign reports and meet the specified filing deadlines.

**Q:** Our association receives its funds exclusively from its members. The members do not designate their funds for political purposes. This year, the association made a \$55,000 contribution to a committee primarily formed to support a county ballot measure. The association will not make additional political expenditures this calendar year. Is our association required to register as a recipient committee?

**A:** Yes. The association must file the Form 410 and since its only contribution was to a county ballot measure committee, it must register as a county primarily formed ballot measure committee. In Part 4, the committee will note it is a calendar year filer (“CY”) and describe the organization’s mission or significant activities (a reference to its IRS tax form is permissible). The association must also file all applicable campaign reports and meet the specified filing deadlines. Unless the association elects to remain registered as a recipient committee, the committee will automatically terminate at the end of the calendar year.

**Q:** Our federal political action committee (PAC) made a \$40,000 contribution to a state ballot measure. Since the contribution was not more than \$50,000, is the PAC required to register as a California recipient committee?

**A:** Yes, a federal PAC that makes contributions or expenditures in California totaling \$1,000 or more in a calendar year must file the Form 410 and register as a California recipient committee.

For additional guidance for multipurpose organizations, refer to the Multipurpose Organizations Reporting Political Spending fact sheet [\[link\]](#).