

CHAPTER 5

Keeping Records

SSFs must keep records of their financial activities. Recordkeeping is the responsibility of the treasurer, even if the SSF appoints someone else to keep records of the committee's activity. 102.9.

I. Three-Year Retention of Records

A photocopy of each statement, disclosure report and notice filed by the SSF with the FEC, along with original back-up records relevant to the report or notice (such as bank statements, paid invoices, etc.), must be retained for three years after the document is filed. The SSF must also retain for three years a full-size photocopy or digital image of each check or written instrument by which a *contribution* of \$50 or more is made. The SSF must make these records available to the Commission for inspection upon request. 102.9(a)(4) and (c); 104.14(b)(2) and (3).

2. Receipts

Records Needed for Reporting

With respect to receipts, the Act only requires that records be kept for contributions. Nevertheless, committees are advised to keep records for all types of receipts in order to comply with the reporting requirements, detailed in Chapter 7.

The committee must maintain the following information for contributions and should maintain these records for other receipts:

- Amount received;
- Date of *receipt*; and
- Name and address of source.

100.12 and 102.9(a)(1).

Date of Receipt

The “date of *receipt*” of a *contribution* is the date on which a person receiving the *contribution* on behalf of the SSF obtains possession of it. This is the date used for recordkeeping and reporting. The date of

receipt may be earlier than the date the SSF treasurer receives the money, since a person collecting contributions has several days in which to forward them to the treasurer. (See “Forwarding Contributions,” below.) 102.8(c).

Credit Card Receipts

When the committee receives contributions through credit card charges, the date of *receipt* is the date on which the committee receives the contributor's signed authorization to charge the *contribution*. The treasurer should retain a copy of the authorization form in the committee's records. See, e.g., AOs 1995-9, 1991-1 and 1990-4.

Deposit of Receipts

Once the treasurer receives a *contribution*, he or she must either deposit it or return it within 10 days. 103.3(a). Contributions not deposited within 10 days must be returned to their donors. AO 1992-29.

3. Recording Contributions

Identifying Contributions

Contributions from individuals and from groups other than political committees must be recorded as follows:

Contributions Aggregating over \$200

For each *contribution* that exceeds \$200, either by itself or when aggregated with (i.e., added to) previous contributions from the same donor to the SSF during the same calendar year, records must identify the:

- Amount;
- Date of *receipt*;
- Donor's name and address; and
- Donor's occupation and employer.

100.12 and 102.9(a)(2).

Contributions of More Than \$50

Records must identify each *contribution* exceeding \$50 by noting the:

- Amount;
- Date of *receipt*; and
- Donor's name and address.

102.9(a)(1).

In addition, for any *contribution* over \$50, committees must retain a full-sized photocopy or digital image of the check. 102.9(a)(4).

Contributions of \$50 or Less

The Commission recommends two possible accounting methods:

- Keep the same records as those required for contributions that exceed \$50 (above); or
- In the case of small contributions collected at a fundraising event (such as gate receipts, cash contributions, etc.) keep a record of the name of the event, the date and the total amount of contributions received on each day of the event.

AO 1980–99; see AO 1981–48.

Contributions from Political Committees

Although SSFs may not solicit other political committees, they may receive unsolicited contributions from political committees. Records must identify all contributions from political committees regardless of amount by noting the amount, date of *receipt* and the name and address of the contributing committee. 102.9(a)(3).

Forwarding Contributions

A person who collects SSF contributions (including payroll deductions) must forward to the committee treasurer the contributions and the required records within certain time periods:

- Contributions of \$50 or less (and the required records) must be forwarded within 30 days of *receipt*.
- Contributions exceeding \$50 (and the required records) must be forwarded within 10 days of *receipt*.

102.8(b).

For more information on collecting contributions for SSFs, see “Collecting Agents,” page 28.

Possibly Illegal Contributions

A committee must keep a written record noting the basis for concern for each deposited *contribution* that:

- Requires a written reattribution from the contributor; or
- Requires confirmation that it is not from a prohibited source. 103.3(b)(5). See “Handling Illegal Contributions,” page 27.

4. Recording Other Receipts

The FEC recommends that SSFs keep records on the following receipts in order to fully comply with the reporting requirements (explained in Chapter 7):

- Transfers from *affiliated* SSFs;
- Bank loans;
- Interest and dividends received on invested committee funds; and
- Repayments on loans made by the SSF.

Committee records should contain the full name of the source and the date and amount of each *receipt*.

5. Recording Disbursements

The SSF's records must show figures for total disbursements by the SSF.

Disbursements by Check

All disbursements (except those made from a petty cash fund) must be made by check or similar draft drawn on an account maintained at the committee's designated campaign depository. 102.10 and 103.3(a).

Petty Cash Disbursements

A written record of petty cash disbursements must be kept if a petty cash fund is maintained. Payments from petty cash to one person for any one purchase or transaction may not exceed \$100. 102.11.

Recording Disbursements

All Disbursements

Each disbursement must be identified by:

- Date;
- Amount of the payment;
- Name and address of the payee; and
- Purpose of the disbursement (i.e., a brief explanation of why the disbursement was made, such as “dinner expenses” or “postage”). 102.9(b)(1).

Disbursements Exceeding \$200

For each disbursement of more than \$200, the SSF must keep a *receipt*, invoice or canceled check (in addition to the information listed above).

102.9(b)(2).

Disbursements for a Federal Candidate

An SSF must keep the following records on contributions and expenditures made on behalf of candidates, regardless of the amount of the disbursement:

- Date;
- Amount;
- Office sought by the *candidate*, including the state and Congressional district (102.9(b)(1)(iii)); and
- Election for which disbursement was made (to facilitate reporting).

Contribution Records

For all contributions, an SSF must maintain either a full-size photocopy or digital image of each check or written instrument by which a *contribution* of \$50 or more is made. 102.9(a)(4).

Credit Card Transactions

For all credit card transactions, a monthly billing statement or customer *receipt* for each transaction must be retained, as well as the canceled check used to pay the account. 102.9(b)(2)(ii).

Credit Union Checks or Share Drafts

Carbon copies of share drafts or checks drawn on credit union accounts may be used as records, provided the monthly account statement (showing that the draft or check was paid by the credit union) is also retained. 102.9(b)(2)(iii).

Transfers-Out

To facilitate reporting, records should identify each *transfer* of funds made to an *affiliated* SSF, regardless of amount, by the date and amount of the *transfer* and the name and address of the recipient committee. 104.3(b)(3)(ii).

6. Treasurer's Best Efforts

SSFs and their treasurers must make best efforts to obtain, maintain and report the information required by law with respect to itemized receipts and disbursements. When reporting information is incomplete, the committee and the treasurer will be in compliance with the law if they can demonstrate that they used “best efforts” in trying to obtain the

required information. 102.9(d) and 104.7(a). The criteria for making “best efforts” vary, depending on the type of transaction, as explained below.

Contributor Information

If an individual who has contributed more than \$200 during the calendar year fails to provide the required recordkeeping information (i.e., name, mailing address, occupation and employer), the committee must be able to show that it made “best efforts” to obtain and report that information. To demonstrate “best efforts,” the committee must be able to show that it requested the information—first, in the solicitation materials that prompted the *contribution* and, second, in a follow-up request. Furthermore, if requested information is not received until after the *contribution* has been reported, the committee must report the information using one of the procedures described under “File Amendments If Necessary,” below.

Solicitation Materials

To satisfy the “best efforts” standard, solicitation materials must include an accurate and clear statement of the law’s requirements of the collection and reporting contributor information. The following examples are acceptable wording that may be included in the solicitations (other statements of similar meaning may also be used):

- Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation and the name of employer of individuals whose contributions exceed \$200 in a calendar year.
- To comply with Federal law, we must use best efforts to obtain, maintain and submit the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 per calendar year. 104.7(b)(1)(i)(A).

The request and the statement must appear in a clear and conspicuous manner on any response material included in a solicitation. The request and statement will not be considered to be “clear and conspicuous” if:

- The request and statement are printed in smaller type than the solicitation and response materials;
- The printing is difficult to read; or
- The request and statement are placed where they may be easily overlooked.

104.7(b)(1)(ii).

Follow-Up Request Within 30 Days

If the contributor does not provide sufficient reporting information when making a *contribution*, the committee must make at least one request for the information after the *contribution* is received. This follow-up request must be made for any solicited or unsolicited *contribution* that exceeds the \$200 threshold and lacks the necessary information (see “Contributions Aggregating over \$200” on the previous page).

The request must be made within 30 days of receipt of the *contribution*; it may not include an additional solicitation or material on any other subject, but it may thank the contributor. The follow-up request may be made orally or in writing, but a written request must be accompanied by a pre-addressed envelope for the response. Requests made by telephone must be documented in a memorandum. Committees must retain records of follow-up requests. 104.7(b)(2).

Use of Information from Prior Records and the Connected Organization

If the contributor does not respond to the follow-up request, the committee must disclose any information it possesses in its contributor records, fundraising records or prior reports filed during the same *election cycle*, or any in contributor information maintained by the *connected organization*. 104.7(b)(3).

File Amendments If Necessary

If requested information about a *contribution* is received after the *contribution* has been disclosed on a report, the committee must either:

- File a memo Schedule A with its next regularly scheduled report, listing all contributions for which new contributor information has been received; or
- File amendments to the original reports.

In either case, the entries must cross-reference to the prior reports to which they relate. However, the committee is only required to submit the information for contributions received during the current two-year *election cycle*. 104.7(b)(4). See “Filing Amendments” on page 72 for instructions on filing amendments.

Documenting a Contribution’s Legality

In order to determine whether a *contribution* of questionable legality was made by a permissible source and was not excessive, the treasurer must make at least one written or oral request for evidence of the *contribution*’s legality. 103.3(b)(1). If the *contribution* cannot be determined to be legal, the treasurer must refund the *contribution* within 30 days of receiving it. See also page 27, “Handling Illegal Contributions.”

Documenting Disbursements

If a treasurer fails to receive a *receipt*, invoice or canceled check (required for disbursements exceeding \$200), he or she must make at least one written effort per transaction to obtain a duplicate copy of the needed documentation. 102.9(d).

CHAPTER 6

Filing FEC Reports

As explained in Chapter 1, a separate segregated fund (SSF) must register within 10 days of its establishment, regardless of how much money it raises or spends.

Once the committee has registered, the SSF must begin to file reports of *receipts* and *disbursements* according to the schedules described in this chapter. The first report filed by an SSF must disclose any financial activity that took place prior to registration. 104.3(a) and (b).

I. Treasurer's Duties

General

The treasurer of an SSF has the following responsibilities regarding filing FEC reports:

- Signing and filing complete, accurate reports and statements on time. 102.2, 104.14(a) and (d).
- Making “best efforts” to obtain and report required information. See page 43 for more information. 102.9(d); 104.7.
- Keeping the required records of receipts and disbursements. 102.9 and 104.14(d).
- Continuing to file required reports until the committee has filed a termination report, as explained in Chapter 8. 102.3(a).

In the treasurer's absence, only an assistant treasurer designated on the SSF's Statement of Organization may sign reports and assume the treasurer's duties. 102.7(a). See Chapter 1 for information on appointing an assistant treasurer.

Electronic Filing

The treasurer must obtain a password from the FEC and use it when filing any electronic report or statement. See also 104.18(g) and page 50 “Verification Requirements” for alternatives.

2. Filing Deadlines

Report on Time

Committee treasurers must file reports on time. The Commission cannot grant extensions to reporting deadlines. Filing reports late or not at all may result in enforcement action, including administrative fines. See below.

Filing Date

Unless sent by registered or certified mail, priority or express mail having a delivery confirmation or an overnight delivery service with an online tracking system, a report is considered to be filed on time if it reaches the appropriate federal and state filing offices by close of business on the filing date. 104.5(e). Thus, reports filed by first class mail or by hand delivery must be received by the FEC by the close of business on the filing date.

A filing date is not extended even if it falls on a weekend or holiday, when filing offices are closed. In such cases, the report should reach the filing offices by the close of business on the last working day before the filing date.

Registered, Certified, Priority or Express Mailing Date

If a report is sent by registered or certified mail, or by priority or express mail having a delivery confirmation, it is considered filed on time if postmarked by the filing date. Exception: In the case of a *pre-election* report, the report must be postmarked at least three days before the filing date. 100.19(b) and 104.5(e).

Overnight Delivery

Reports sent by overnight delivery service are considered timely if they are:

- Received by the delivery service on or before the filing date;
- Scheduled for delivery on the next business day; and

- Recorded in the delivery service's online tracking system. 100.19(b)

Committees should keep the mailing receipt with its postmark, or a similar document if a overnight delivery service is used, as proof of filing. 104.5(i). Exception: In the case of a pre-election report, the report must be delivered to the overnight service at least three days before the filing date. 100.19(b)(1)(c)(ii).

Electronic Filing

An electronic report is considered "filed" when it is received and validated by the Commission's computer system on or before 11:59 p.m. (in Washington, D.C.) on the filing date. Incomplete or inaccurate reports that do not pass the FEC's validation program will not be considered filed. The Commission will notify the filer if the report is not accepted. If the report is accepted, the Commission will send the filer a receipt. 100.19(c).

An electronic filer that files its report on paper, instead of electronically, is considered a nonfiler. 104.18(e)(2).

Administrative Fines for Late Filers and Nonfilers

The Commission has implemented an Administrative Fines Program, based on amendments to the *Federal Election Campaign Act*,¹ for assessing civil money penalties for violations involving:

- Failure to file reports on time;
- Failure to file reports at all; and
- Failure to file 48-hour notices.

If the Commission finds "reason to believe" (RTB) that a committee violated the law, the Commission will notify the committee in writing of its finding and the amount of the civil money penalty.² The committee will have 40 days to either pay the penalty or submit a written challenge to the Commis-

sion action. If the committee challenges the finding, the Commission will turn the case over to an independent reviewing officer. After the Commission considers the reviewing officer's recommendation and the committee's response to it, the Commission will make a final determination as to whether the committee violated 2 U.S.C. §434(a) and, if so, will assess a civil money penalty. If the committee does not respond to the Commission's original RTB finding, the Commission will make a final determination with an appropriate civil money penalty. The committee will then have 30 days to pay the penalty or seek court review of the case.³ After the Commission's final determination, the respondents can challenge the penalty by taking the matter to federal district court, but they cannot raise any new arguments not raised during the administrative process.

Deadline Information

To ensure timely filing, treasurers should consult the FEC's monthly newsletter, the *Record*, or the FEC web site (www.fec.gov) for up-to-date information on reports required for particular elections.

3. Election Year Filing

Election years are years in which there are regularly scheduled federal elections (i.e., even-numbered years).

During an election year, an SSF must file on either a quarterly or a monthly filing schedule.

Quarterly Filing

An SSF that opts to file quarterly must file a minimum of five (and possibly more) reports during an election year:

- April Quarterly
- July Quarterly
- October Quarterly
- Post-General
- Year-End; and possibly
- Pre-Election Reports

Three Quarterly Reports

Under the quarterly schedule, an SSF must file three quarterly reports, due respectively on the 15th of April, July and October. A quarterly report

1 On November 30, 2005, President Bush signed the, Transportation, Treasury, Housing and Urban Development, Judiciary, District of Columbia and Independent Agencies Act, 2006, which extended the Administrative Fine Program to cover violations of 2 U.S.C. §434(a) that relate to reporting periods through December 31, 2008.

2 The civil penalty is calculated according to a set schedule that may be viewed on the FEC web site (www.fec.gov/af.shtml). 111.43. In those cases where the report in question has not been filed, the civil money penalty included with the RTB finding will be based upon the estimated level of activity.

3 For more information on the Administrative Fines Program, see 111.30 to 111.46.

SSF Filing Schedule

Filing Schedule	Report	Filing Date
Quarterly (Election Years Only)	12-Day Pre-Primary	*
	First Quarterly	April 15
	Second Quarterly	July 15
	Third Quarterly	October 15
	12-Day Pre-General	**
	30-Day Post-General	**
	Year-End	January 31
Semiannual (Nonelection Years Only)	Mid-Year (January through June)	July 31
	Year-End (July through December)	January 31
Monthly	February (covering January)	February 20
	March (covering February)	March 20
	April (covering March)	April 20
	May (covering April)	May 20
	June (covering May)	June 20
	July (covering June)	July 20
	August (covering July)	August 20
	September (covering August)	September 20
	October (covering September)	October 20
	November (covering October)**	November 20
	December (covering November)**	December 20
	12-Day Pre-General***	***
	30-Day Post-General***	***
	Year-End	January 31

* Filing dates vary from state to state, according to the primary election dates in each state. Filing dates for all states are announced each election year in the *January Record*.

** Filing dates vary from year to year, according to the date of the general election. The general election is always held the Tuesday following the first Monday in November.

*** A monthly filer files November and December monthly reports only during a nonelection year. During an election year, a monthly filer files pre- and post-election reports instead of the November and December reports.

covers activity that occurred after the closing date of the previous report filed through the end of the calendar quarter (i.e., through March 31, June 30 and September 30).

The Commission will waive a quarterly report if a pre-election report (see below) is due between the 5th and the 15th of the month following the close of the calendar quarter. 104.5(c)(1)(i)(C). Committees should check with the FEC to verify whether a report has been waived.

12-Day Pre-Primary Reports⁴

An SSF must file pre-primary reports only if the committee has made previously undisclosed contributions or expenditures in connection with a primary election.

The report, due 12 days before the election, covers activity from the close of books of the most recent report filed through the 20th day before the primary election. The FEC must receive the report at least 12 days before the election—unless it is sent by registered, certified or overnight mail,⁵ in which case the report must be postmarked no later than the 15th day before the election. 104.5(c)(1)(ii).

Primary election dates vary from state to state, so a quarterly filer might have to file several pre-primary reports if the SSF contributes to primary candidates in several states. Filing dates for each state's primary election are published each election year in the January *Record* and posted on the FEC web site (<http://www.fec.gov>).

Note that the FEC does not automatically send committee treasurers notices and forms for pre-primary election reports. The treasurer is responsible for determining whether the SSF must file a pre-election report.

12-Day Pre-General Election Report

An SSF must file a pre-general election report covering activity from October 1 through the 20th day before the general election. The report is required only if the committee makes contributions or expenditures (including independent expenditures in connection with the general election) during that period; it must be received by the FEC no later than

the 12th day prior to the general election—unless sent by registered, certified or overnight mail in which case the report must be postmarked no later than the 15th day before the election. 104.5(c)(1)(ii).

30-Day Post-General Election Report

An SSF must file a post-general election report 30 days after the general election, regardless of activity. (Post-primary reports are not required.) A post-election report covers activity that occurred after the closing date of the last report through the 20th day after the general election. The report is due 30 days after the election. 104.5(c)(1)(iii).

Year-End Report

A year-end report, covering activity from the close of the post-general report through December 31, is due on January 31 of the following year.

Monthly Filing

SSFs contributing to federal candidates in several states may find it easier to file monthly reports, since monthly filers do not have to file pre-primary reports or special election reports.

Monthly Filing Schedule

During an election year, a report covering each month from January through September is due on the 20th of the following month. The last monthly report, covering September, is filed October 20. The committee also files a 12-day pre-general election report and a 30-day post-general election report (see the chart for information on filing dates). Finally, the committee files a year-end report on January 31 of the next year. 104.5(c)(3)(ii).

Changing Filing Schedule

During an election year, an SSF may change its filing schedule from quarterly to monthly (or vice versa). The treasurer must notify the FEC in writing before making such a change. Electronic filers must file the request electronically.

A committee may change its filing schedule only once per calendar year. 104.5(c).

Special Reports of Independent Expenditures

An SSF may have to file special reports of independent expenditures in addition to the regular reports. See page 65 for more information.

⁴ This section also applies to special and runoff elections, and to conventions that have the authority to select the nominee.

⁵ Overnight mail includes priority mail having a delivery confirmation, or express mail having a delivery confirmation, or an overnight delivery service with an on-line tracking system. 100.19(b)(1)(i).

4. Nonelection Year Filing

Nonelection years are years in which there are no regularly scheduled federal elections (i.e., odd-numbered years).

Semiannual Reports

During a *nonelection year*, quarterly filers automatically switch to a semiannual reporting schedule. Two semiannual reports are required:

- The mid-year report, covering activity from January 1 through June 30, must be filed by July 31; and
- The year-end report, covering activity from July 1 through December 31, must be filed by January 31 of the following year.

104.5(c)(2)(i).

Monthly Reports

Monthly Filing Schedule

Reports covering each month's activity are due on the 20th of the following month. The first monthly report, covering January, is due February 20; the final monthly report covers November and is due December 20. The committee reports December's activity in the year-end report, due the following January 31. 104.5(c)(3).

Changing Filing Schedule

An SSF that filed monthly reports during the *election year* continues to file monthly during the *non-election year*. However, the committee may change to a semi-annual filing schedule if it first notifies the FEC of that change in writing (committees filing electronically must file this notification electronically).

An SSF may change its filing schedule only once per calendar year. 104.5(c).

5. Special Elections

SSFs making contributions or expenditures in connection with a *special election* may be required to file *special election* reports, including reports of independent expenditures (if appropriate). Filing dates for special elections are published in the *Federal Register*, the *FEC Record* and on the FEC web site. (Committees filing on a monthly basis are not required to file *special election* reports.) 104.5(h).

If a regularly scheduled report is due within 10 days of the date a *special election* report is due, the Commission may waive the regular report. 104.5(h). Committees should check with the FEC to verify whether a report has been waived.

6. Electronic Filing

Under the Commission's mandatory electronic filing rules, a committee must file all reports and statements electronically if it raises or spends more than \$50,000 in any calendar year, or expects to do so. Committees that are required to file electronically, but that file on paper or fail to file, will be considered nonfilers and may be subject to enforcement action. 104.18(a)(2). See page 46, "Administrative Fines for Late Filers and Nonfilers."

Because electronic filing is more efficient and cost effective than paper filing, even committees that do not meet the \$50,000 threshold requirement are encouraged to voluntarily file their reports electronically. Please note, however, that voluntary electronic filers must continue to file electronically for the remainder of the calendar year unless the Commission determines that extraordinary and unforeseeable circumstances make continued electronic filing impractical. 104.18(b).

Methods of Electronic Filing

Most committees filing electronically find it convenient to do so via an Internet connection with a password (see "Treasurer's Duties" on page 45). Committees may, however, submit their electronic reports on 3.5" diskettes (either hand delivered or sent by other means such as U.S. Postal Service). Electronic filers must file all their reports electronically, and the reports must adhere to the FEC's Electronic Filing Specifications Requirements.⁶ 104.18(d). Committees filing electronically on diskette must also submit a written certification - signed by the treasurer or assistant treasurer - either on paper or as a separate file with the electronic report, verifying that the treasurer has examined the documents and that, to the best of his or her knowledge, the report is correct, complete and true. 104.18(d).

⁶ Available online at the FEC web site or on paper from the FEC.

Calculating the Threshold

Committees should use the following formulas to determine if their total expenditures or total contributions are over \$50,000 per calendar year:

Total Contributions Received⁷
- (Refunds of Contributions + Transfers from
Affiliated Committees)
= Total Contributions

or
Total Federal Operating Expenditures
+ Federal Contributions Made
+ Transfers to *Affiliated* Federal Committees
+ Independent Expenditures
= Total Expenditures

Have Reason to Expect to Exceed the Threshold

Once committees actually exceed the \$50,000 yearly threshold, they have “reason to expect to exceed” the threshold in the following two calendar years. 104.18(a)(3)(i). Consequently, committees must continue to file electronically for the next two calendar years (January through December).

Committees With No History

New committees with no history of campaign finance activity have reason to expect to exceed the \$50,000 yearly threshold if:

- The committee receives contributions or makes expenditures that exceed one-quarter of the threshold amount in the first calendar quarter of the calendar year (i.e., exceeds \$12,500 by the end of March); or
- The committee receives contributions or makes expenditures that exceed one-half of the threshold amount in the first half of the calendar year (i.e., exceeds \$ 25,000 by the end of June). 104.18(a)(3)(ii).

Verification Requirements

The *political committee's* treasurer must verify the electronically filed reports by:

- Using a personal password obtained from the FEC (see below);
- Submitting a signed certification on paper along with the diskette; or
- Submitting a digitized copy of the signed certification as a separate file in an electronic submission.

The signed verification must certify that the treasurer or assistant treasurer has examined the submitted report, and that, to the best of his or her knowledge, the report is true, correct and complete. 104.18(a).

Obtaining a Password

Requesting a Password

A committee's treasurer or assistant treasurer can obtain a password by faxing a request to the password office at 202/219-0674. Requests may also be mailed to the Federal Election Commission, 999 E Street N.W., Washington, DC 20463. A password request must:

- Include the committee's name and nine-digit FEC identification number;
- Be signed by the treasurer and also by the assistant treasurer if the assistant treasurer is the individual requesting the password;
- Include the treasurer's phone number and, if applicable, the phone number of the assistant treasurer; and
- Be printed on the committee's letterhead (if the committee has official letterhead).

A sample request can be viewed on the FEC's web site at <http://www.fec.gov/electfil/passwords.shtml>.

Requests sent by fax can usually be processed within a few hours. However, committees are encouraged to request a password as early as possible. Requests received near a filing deadline may not be processed in time for a committee to use the password to file a timely report.

Assigning the Password

Once the password office receives the letter requesting a password, it will verify that the requester is listed as the treasurer (and assistant treasurer, if applicable) of that committee on that committee's Statement of Organization (FEC Form 1). Only the committee's treasurer and assistant treasurer can receive a password. If the requester is not correctly listed on the committee's Form 1, then he or she must file an amended Statement of Organization before receiving a password.

If the requester is listed on the Statement of Organization, then a representative from the password office will call the requester and ask him or her to choose a password. This password will be assigned immediately. Passwords are case sensitive and must be entered exactly as initially assigned.

⁷ Including the outstanding balance of any loans.

Lost or Forgotten Password

The Commission cannot provide a treasurer's password to a treasurer or committee if a treasurer forgets or loses the password because the passwords are encrypted. Instead, the treasurer must ask for a new password, repeating the process described above.

New Treasurers

When a committee appoints a new treasurer, it must amend its Statement of Organization within 10 days of the appointment to disclose the change. In order to do so, the new treasurer must request a password. Since the treasurer's name and signature do not appear on the committee's existing Statement of Organization, the new treasurer must include the following sentence in the password request letter: "I represent that I am the duly appointed treasurer and have authority as such to sign FEC reports for the above committee."

Once a password is received, the new treasurer can file the amended Form 1 to indicate the change of position.

Special Requirements

The following documents have special signature and submission requirements:

- Schedule CI (Loans and Line of Credit), including copies of loan agreements;
- Schedule E (Independent Expenditures); and
- Form 8 (Debt Settlement Plan).

These three forms, in addition to being included in the electronic report, must be submitted on paper or in a digitized format (submitted as a separate file in the electronic report). 104.18(h).

7. Where to File

Committees must file all reports and statements simultaneously with the appropriate federal and state offices.

Federal Filing

SSFs generally file reports and statements with the Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463. 105.4.

Note, however, that quarterly reports of independent expenditures supporting or opposing Senate candidates must be filed with the Secretary of the Senate. (It is important to note, however, that 24-

hour and 48-hour reports of independent expenditures are filed with the FEC and not with the Secretary of the Senate even if the communication refers to a Senate *candidate*. 104.4(b)(2) and (c) and 104.5(g).

State Filing

State Filing Waiver

All 50 states participate in the FEC's state filing waiver program; therefore, SSFs no longer have to file copies of their federal reports and statements because the states:

- Have provided the public with the means to access and duplicate the reports available on the FEC web site; and
- Have been granted a waiver by the Commission exempting them from the requirement to receive and maintain copies of FEC reports.

See 108.1(b).

For elections in Guam and Puerto Rico, an SSF must file a report with the appropriate authority if it:

- Supports House or Senate candidates running in an *election* in that territory; or
- Maintains headquarters in that territory and supports Presidential candidates; or
- Supports a Presidential *candidate* whose headquarters are based in that territory.

See 108.2, 108.3 and 108.4.

8. Public Review of Reports

All reports, notices and statements filed by political committees are available for public inspection and copying (for a minimal fee) in the FEC's Public Records Office. The reports are also posted on the Commission web site at <http://www.fec.gov/disclosure.shtml>. Copies of reports may also be purchased by mail. For more information, call 800/424-9530 ext. 3 or 202-694-1120.

Reports are also available for public review in designated state election offices.

"Sale or Use" Restriction

The Act prohibits anyone from selling or using the names and addresses of individual contributors copied from FEC reports for commercial purposes or for the purpose of soliciting funds. This "sale or use" restriction, however, does not apply to the names

and addresses of political committees that are listed in FEC reports. 104.15. See also AOs 2004-24 and 2003-24.

“Salting” Reports to Detect Misuse

When preparing a report to be filed, a committee may “salt” the report with up to 10 fictitious names in order to detect impermissible uses of individual contributor information by other organizations. 104.3(e).

Salting can be done by taking a portion of the subtotal for unitemized contributions and allocating it, as itemized contributions, among several fictitious contributors. The committee itemizes each fictitious *contribution* on a Schedule A, providing a real address (such as the address of a campaign staff member) for each fictitious contributor. The committee must adjust its subtotals for itemized and unitemized contributions accordingly on the Detailed Summary Page. If a solicitation or commercial mailing is sent to one of the fictitious names, the committee will know that someone has illegally used the names of contributors disclosed on its reports. The committee may then file a complaint with the FEC.

When a committee files a report containing fictitious names, a list of the fictitious names must be sent under separate cover directly to the FEC’s Reports Analysis Division. The list will be kept confidential.

CHAPTER 7

Completing FEC Form 3X

I. Reporting Forms

Form 3X

FEC Form 3X is the form used by SSFs to disclose receipts and disbursements. The same form is used for all types of reports, including quarterly reports, semiannual reports, pre- and post-election reports and termination reports.

The Form 3X booklet includes:

- The Summary Page
- The Detailed Summary Page
- Schedule A: Itemized Receipts
- Schedule B: Itemized Disbursements
- Schedule C: Loans
- Schedule C-I: Loans and Lines of Credit from Lending Institutions
- Schedule D: Debts and Obligations
- Schedule E: Itemized Independent Expenditures
- Schedules H1-H6: Allocation of Federal and Nonfederal Expenses (See Appendix A for information on the allocation schedules.)

Information entered on the Summary Page and Detailed Summary Page is based on information from the schedules. The schedules, therefore, are normally filled out first. The instructions in this Chapter (starting in Section 2) begin with Schedule A.

Paper Forms

Paper versions of FEC Forms should be typed; printing in ink is also acceptable as long as the forms are legible. Because reports will be photocopied, it is important that paper filers submit original documents (not copies) with the FEC. Committees submitting illegible documents will be required to refile.

Electronic Filing

Committees filing with the FEC can take advantage of the electronic filing program. Reports can be filed electronically on a 3.5" disk, via modem or via the Internet. For more information about the electronic filing requirement, see page 49 of this guide or contact the FEC.

Computerized Forms

A committee may use computer-produced versions of FEC Forms, but they must first be submitted to the Commission for approval. This rule applies even if the committee is using commercial software designed for FEC reporting. 104.2(d). Committees may also submit computer-generated Summary and Detailed Summary Pages, but these pages must be reproductions of the original FEC forms. See AO 1992-11.

The committee must send samples of its proposed forms and schedules to the FEC's Reports Analysis Division. 104.2(d); FEC Directive 37 (available through the FEC's Office of Public Records).

Forms Available on Faxline and FEC Web Site

Faxline

The reporting forms are available on the FEC's fax-on-demand service, Faxline 202/501-3413. Below are the document numbers of the reporting forms for SSFs:

- Form I—Statement of Organization—#801
- Form 3X—Financial Reporting for SSFs Committees—#804
- Schedule A—Itemized Receipts—#825
- Schedule B—Itemized Disbursements—#826
- Schedule C and C-I—Loans—#827
- Schedule D—Debts and Obligations—#828
- Schedule E—Independent Expenditures—#829
- Schedule H1-H6 – Allocation -- #831

Web site

The forms mentioned above are also available on the FEC web site (www.fec.gov/info/forms.shtml).

2. Itemized Receipts: Schedule A

When to Itemize Receipts

Regardless of Amount

Several types of receipts must be itemized on

Schedule A regardless of amount. They include:

- Contributions from political committees and similar organizations;
- Transfers from affiliated SSFs;
- Loans received;
- Loan payments received; and
- Refunded contributions received from political committees.

\$200 Threshold

A receipt in any of the following categories must be itemized if it exceeds \$200 per calendar year, either by itself or when aggregated with other receipts from the same source:

- Contributions from individuals and groups other than political committees;
- Offsets to operating expenditures (rebates, refunds and returns of deposits), if the operating expenditures were paid by the SSF; and
- Other receipts (such as interest and dividends earned on invested funds).

Note that, although a committee only has to itemize contributions in its reports for persons (other than political committees) giving more than \$200 per year, the committee's records must identify the sources of contributions of more than \$50. See Chapter 5.

Itemizing Receipts When Not Required

A committee that chooses to itemize all its receipts, regardless of the \$200 threshold, should use a separate Schedule A to itemize the receipts that do not aggregate over \$200. The committee must include those receipts in the total for Line 11(a)(ii), "Unitemized Receipts," on the Detailed Summary Page.

Categorizing Receipts

Before beginning to itemize the committee's receipts, separate them into the different categories listed on the Detailed Summary Page ("Contributions from Individuals," "Contributions from Political Committees," etc.; an illustration of a completed Detailed Summary Page appears on page 68). The receipts in each category must be itemized on a separate Schedule A designated for that category.

Indicate the type of receipt itemized on a particular Schedule A by checking the box for the corresponding line number from the Detailed Summary Page where indicated in the upper right corner of the schedule. The appropriate category of receipt may also be written at the top of each page.

Some categories may require several pages. The total for each category should be entered on the bottom line of the last page for that category.

Itemized Information

For each itemized *contribution*, provide:

- The full name and address (including zip code) of the contributor or other source;
- The name of the contributor's employer (if the contributor is an individual);
- The contributor's occupation (if the contributor is an individual);
- The date of receipt;
- The amount; and
- The aggregate year-to-date total of all receipts (within the same category) from the same source. 104.3(a)(3).

The space indicating the *election* for which an itemized *contribution* was made ("Receipt For") does not apply to SSFs; leave those boxes blank.

Special Employer Information

If a contributor is self-employed, that should be recorded in the Employer space. If a contributor is not employed, the Employer space should be left blank, but the Occupation space should always be completed (e.g., "unemployed," "retired," "homemaker").

Best Efforts Required

Note that committees and their treasurers must use "best efforts" to obtain and report the information listed above. See page 43 for more information.

Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, type "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

EXAMPLE: During an *election* year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(ii) in the April quarterly report.

Payroll Deductions

SCHEDULE A (FEC Form 3X)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE OF	
ITEMIZED RECEIPTS				<input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12		<input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC							
Full Name (Last, First, Middle Initial) A. Kant, Immanuel				Date of Receipt payroll deduction* MM / DD / YYYY			
Mailing Address 3 Critiques Ave.							
City Konigsburg		State VA		Zip Code 33333			
FEC ID number of contributing federal political committee. C				Amount of Each Receipt this Period 90.00 (\$15.00 biweekly)**			
Name of Employer Critical Reason Inc.		Occupation Brand Manager					
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Aggregate Year-to-Date 285.00					

*Adding Extra Text/Explanation: When using FECFile electronic filing software, this information can be entered using the “memo text” window. To make a memo text entry, select the “view” menu on the FECFile toolbar. Select “All Transactions.” Single click (highlight) the transaction to which the memo text will be attached. Then select the “Edit” menu on the toolbar and select “memo text.”

**When using FECFile electronic filing software, enter this information in the “description” field.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the manager’s aggregate contributions are \$195—still below the \$200 itemization threshold. The manager’s second-quarter contributions again are included in “unitemized contributions” in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the manager’s contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See the illustration above.)

In-Kind Contributions

When determining whether to itemize an *in-kind contribution* received, follow the same guidelines listed above under “When to Itemize Receipts.” See page 9 for information on how to determine the dollar value of an *in-kind contribution*.

In addition, add the value of the *in-kind contribution* to the operating expenditures total on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2).

If the *in-kind contribution* must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration on page 56.

Appreciated Goods

When a committee receives an *in-kind contribution* whose value may appreciate over time, such as stock or artwork, special reporting rules apply:

- Itemize the initial gift, if necessary, as a *memo entry* on Schedule A (see “When to Itemize Receipts,” on page 53). Under “Amount,” report the fair market value of the *contribution* on the date the item was received. Do not include that amount in the total for Line 11(a)(i) on the Detailed Summary Page.
- Once the item is sold, report the sale price as a *contribution* on Line 11(a)(i) if the purchaser is known or as an “other receipt” on Line 15 if the purchaser is unknown.

Itemize the transaction on Schedule A if necessary. 104.13(b). See also AO 1989–6.

Joint Contributions

A *joint contribution* is made by a single check that bears two signatures. A check with one signature may also be a *joint contribution* if an accompanying form or letter, signed by both contributors, instructs the committee to treat it as a *joint contribution*. (A check drawn on a joint bank account but signed by only one person does not qualify as a *joint contribution*. Attribute the full amount of such a check only to the person who signed it. Alternatively, a reattribution may be sought using the procedures described below.)

For the purposes of itemization, report a *joint contribution* as though the joint contributors had given separately.

A *joint contribution* is itemized in items A and B in the illustration on page 57. In this case, the committee received a \$1,000 check from a married couple, signed by both spouses. Because there were no

In-Kind Contributions Received

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			<input checked="" type="checkbox"/> 11a <input type="checkbox"/> 13	<input type="checkbox"/> 11b <input type="checkbox"/> 14	<input type="checkbox"/> 11c <input type="checkbox"/> 15	<input type="checkbox"/> 12 <input type="checkbox"/> 16 <input type="checkbox"/> 17
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC						
Full Name (Last, First, Middle Initial) A. Hume, David			Date of Receipt 08 / 19 / 2006			
Mailing Address 1711 Empirical Ave. City: Alexandria State: VA Zip Code: 33333			Amount of Each Receipt this Period 3990.00			
FEC ID number of contributing federal political committee. C			In-kind (raffle prize)*			
Name of Employer Critical Reason Inc.			Occupation Systems Analyst			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			Aggregate Year-to-Date			

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			<input checked="" type="checkbox"/> 21b <input type="checkbox"/> 27	<input type="checkbox"/> 22 <input type="checkbox"/> 28a	<input type="checkbox"/> 23 <input type="checkbox"/> 28b	<input type="checkbox"/> 24 <input type="checkbox"/> 28c
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC						
Full Name (Last, First, Middle Initial) A. Hume, David			Date of Disbursement 08 / 19 / 2006			
Mailing Address 1711 Empirical Ave. City: Alexandria State: VA Zip Code: 33333			Amount of Each Disbursement this Period 3990.00			
Purpose of Disbursement Raffle Prize			Category/Type In-kind			
Candidate Name						
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
State: District:						

*When using FECFile electronic filing software, enter this information in the "description" field.

instructions as to how to attribute the check, the committee must divide it equally between the two spouses—\$500 from each. 110.1(k)(2).

By contrast, if the committee received instructions to attribute \$100 to the husband and \$900 to the wife, the committee would itemize the wife's contribution. The husband's \$100 contribution would have to be itemized only if he had previously given more than \$100 in the same calendar year, since his total contributions would then aggregate over \$200.

Reattributions

This section describes how to report contributions which the committee has presumptively reattributed or for which the committee has requested reattributions from contributors. (See Chapter 3, Section 8.)

Receipt of Original Contribution

When itemizing a contribution that must be reattributed to correct an excessive amount, include a statement on Schedule A noting that a reattribution has been requested. 103.3(b)(5).

Receipt of Reattribution

In the report covering the period during which the reattribution is received, itemize as memo entries:

- Information on the contribution as it was previously disclosed; and
- Information on the contribution as it was reattributed, including the date the reattribution was received; and
- For presumptive reattributions, note "presumptive reattribution". 104.8(d)(3).

An example of how to report a reattribution is in the illustrations on pages 57 and 58. The excessive contribution (\$6,000) is recorded in the reporting period in which it was received (July report). Then, in the report covering the period during which the reattribution is received (the October report) the initial contribution (\$6,000) is reported as a memo entry followed by the portions reattributed between the original contributor (Gottfried Leibniz) and his spouse (Tina Leibniz).

Refund of Excessive Portion

If the SSF does not receive the reattribution, the committee must refund the excessive portion within 60 days of the treasurer's receipt of the contribution. Disclose the refund on the next report. 103.3(b)(3) and (5); 104.8(d)(4). See also "Refunds Made by the SSF," later in this chapter.

Keep Verification Records

The SSF must also keep documentation for each reattribution to verify it was received within the 60-day time limit. Documentation for a reattribution must include one of the following:

Joint Contributions

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
<small>Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.</small>		<input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17			
NAME OF COMMITTEE (In Full) Absolute Spirit Inc. PAC					
Full Name (Last, First, Middle Initial) A. Hegel, George			Date of Receipt MM / DD / YYYY 07 / 08 / 2005		
Mailing Address 33 Dialectic Circle			Amount of Each Receipt This Period 500.00		
City Arlington					
State VA					
Zip Code 33333					
FEC ID number of contributing federal political committee. C					
Name of Employer Absolute Spirit Inc.			Occupation System Designer		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			Aggregate Year-to-Date 575.00		
Full Name (Last, First, Middle Initial) B. Hegel, Marie			Date of Receipt MM / DD / YYYY 07 / 08 / 2005		
Mailing Address 33 Dialectic Circle			Amount of Each Receipt This Period 500.00		
City Arlington					
State VA					
Zip Code 33333					
FEC ID number of contributing federal political committee. C					
Name of Employer Prussian State Wine Shop			Occupation Proprietor		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			Aggregate Year-to-Date 500.00		

Memo Entries

Use a *memo entry* on a schedule to provide information that is not included in the schedule's total dollar figure. Memo entries are used, for example, to disclose a reattribution of a *contribution*.

Filers should exercise caution not to confuse "memo entries" with the "memo text" function used to supply additional information when filing electronically on FECFile.

Bounced Checks

If a committee reports the *receipt* of a check and later finds it cannot be negotiated because of insufficient funds in the donor's account, the committee deducts the amount from its next report as follows:

- If the *receipt* was not itemized in a previous report, deduct the amount of the check from the total for unitemized contributions (Line 11(a)(ii) on the Detailed Summary Page).
- If the *receipt* was itemized previously, itemize the return of the check as a *negative entry* on a Schedule A for the appropriate line number.

Checks received and returned by the bank in the same reporting period do not need to be reported.

Negative Entry

A *negative entry* is usually shown as a dollar amount with a negative sign in front. The amount is

always deducted from the total for that schedule (and the corresponding line number on the Detailed Summary Page). A *negative entry* is used, for example, when a contributor's check bounces or is returned to the contributor without having been deposited in the committee's account.

Reattributions (July Report)

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
<small>Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.</small>		<input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17			
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC					
Full Name (Last, First, Middle Initial) A. Leibniz, Gottfried			Date of Receipt MM / DD / YYYY 06 / 14 / 2006		
Mailing Address 111 Monad Street.			Amount of Each Receipt This Period 6000.00		
City Strasburg					
State VA					
Zip Code 33333					
FEC ID number of contributing federal political committee. C					
Name of Employer Rationalist Solutions.			Occupation Vice President		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			Aggregate Year-to-Date 6000.00		
(Reattribution requested)*					

*For FECFile, use the "description" field.

- A copy of the postmarked envelope bearing the contributor's name, return address or other identifying code;
- A copy of the signed statement reattributing the *contribution* with a date stamp showing the date of the SSF's *receipt*; or
- A copy of the written reattribution dated by the contributor. 110.1(l)(6).

Reattributions (October Report)

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 16 <input type="checkbox"/> 17			
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC					
Full Name (Last, First, Middle Initial) A. <u>Leibniz, Gottfried</u>			Date of Receipt 06 / 14 / 2006		
Mailing Address 111 Monad Street.			Amount of Each Receipt this Period 6000.00		
City Strasburg State VA Zip Code 33333			MEMO* Originally reported 6/14/06 \$1,000 reattributed below**		
FEC ID number of contributing federal political committee. C					
Name of Employer Rationalist Solutions. Occupation Vice President					
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			Aggregate Year-to-Date 6000.00		
Full Name (Last, First, Middle Initial) B. <u>Leibniz, Gottfried</u>			Date of Receipt 07 / 11 / 2006		
Mailing Address 111 Monad Street.			Amount of Each Receipt this Period - 1000.00		
City Strasburg State VA Zip Code 33333			MEMO Reattribution below		
FEC ID number of contributing federal political committee. C					
Name of Employer Rationalist Solutions. Occupation Vice President					
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			Aggregate Year-to-Date 5000.00		
Full Name (Last, First, Middle Initial) C. <u>Leibniz, Tina</u>			Date of Receipt 07 / 11 / 2006		
Mailing Address 111 Monad Street.			Amount of Each Receipt this Period 1000.00		
City Strasburg State VA Zip Code 33333			MEMO Reattribution		
FEC ID number of contributing federal political committee. C					
Name of Employer The Best of All Possible Firms Occupation Attorney					
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			Aggregate Year-to-Date 1000.00		

*When using FECfile, this is entered automatically by checking the memo dialog box. For entries of more than 40 characters, use the memo text function.

**When using FECfile, enter this information in the "description" field.

Line 11(a). Contributions from Individuals and Other Persons/Groups

Itemize contributions from individuals and other groups on Schedule A for Line 11(a)(i). Rules concerning when to itemize contributions from individuals are explained on page 54.

Line 11(b). Political Party Committees

If the committee has received any unsolicited contributions from party committees (including party organizations that do not qualify as political committees), itemize them on Schedule A for Line 11(b) and enter the total on the Detailed Summary Page.

Line 11(c). Other Political Committees

If the committee has received any unsolicited contributions from other types of political committees (including SSFs, nonconnected committees and committees that do not qualify as political committees), itemize them on Schedule A for Line 11(c) and enter the total on Line 11(c) of the Detailed Summary Page. Transfers of funds received from *affiliated* SSFs, however, are reported on Line 12.

Line 11(d). Total Contributions

Enter the total of Lines 11(a), (b) and (c).

Line 12. Transfers-In

Itemize any transfers of funds received from *affiliated* SSFs on Schedule A for Line 12. See the example at right. Enter the total on Line 12.

Line 13. Loans Received

Itemize any loans received on Schedule A for Line 13. Enter the total amount on Line 13. Committees receiving loans must also file Schedule C. See Section 8 for more information.

Line 14. Loan Repayments Received

Itemize any repayments received on loans made by the SSF on Schedule A for Line 14. Enter the total on Line 14. Committees receiving loan repayments

3. Reporting Receipts: The Detailed Summary Page

Listed below are the categories of receipts found on the Detailed Summary Page. For each category, enter a total for the current period and for the calendar year to date. An illustration of a completed Detailed Summary Page can be found on page 68.

Line 11. Contributions Received

Report total monetary and in-kind contributions received, both itemized and unitemized.

Contributions Received (By Check)

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17			
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC					
Full Name (Last, First, Middle Initial) A. Schopenhauer, Arthur					
Mailing Address 50 Maya Ln.					
City Leesburg		State VA	Zip Code 33333	Date of Receipt 01 / 19 / 2006	
FEC ID number of contributing federal political committee. C		Amount of Each Receipt this Period 300.00			
Name of Employer Critical Reason Inc.		Occupation Executive			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Aggregate Year-to-Date 300.00			

Line 16. Refunds of Contributions
Itemize refunds of contributions made by the SSF on Schedule A for Line 16 regardless of their amount. See Section 5 for more information on how to report them. Enter the total on Line 16.

Line 17. Other Receipts
This category includes interest and dividends earned on investments. Itemize these receipts on Schedule A for Line 17 once the committee receives more than \$200 from the same source during a calendar year. Enter the total under this category on Line 17. See Section 6 for more information on interest and dividends.

Line 18. Transfers from Nonfederal Account for Joint Activity
If the committee maintains a *nonfederal account* for state and local *election* activities and pays its own administrative expenses, the federal account (the SSF) may accept a *transfer* of funds from the *nonfederal account* for the sole purpose of covering its portion of a shared federal and nonfederal expense. 106.6(e)(1)(i). Report the total amount transferred from the *nonfederal account* during the period (i.e., the total from Schedule H3) on Line 18(a).

Other rules concerning these transfers are explained in Appendix A.

Transfers

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input checked="" type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17			
NAME OF COMMITTEE (In Full) Alabama Moral Business Association PAC					
Full Name (Last, First, Middle Initial) A. National Moral Business Association PAC					
Mailing Address 211 Fair Deal Ln.					
City Kingdom of Ends		State VA	Zip Code 33333	Date of Receipt 07 / 30 / 2006	
FEC ID number of contributing federal political committee. C		Amount of Each Receipt this Period 2140.30			
Name of Employer		Occupation			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Aggregate Year-to-Date 5695.45			

must also file Schedule C. See Section 8 for information.

Line 15. Offsets to Operating Expenditures

Refunds, rebates and returns of deposits are considered offsets to operating expenditures. Report them only if the SSF (not the *connected organization*) paid the original expenses.

Itemize offsets on Schedule A for Line 15 once the committee receives more than \$200 from the same source during a calendar year. Enter the total on Line 15.

If the *connected organization* made the original operating expenditure with its own funds, then the offset must be given to the *connected organization* and is not reportable.

4. Itemized Disbursements: Schedule B

When to Itemize Disbursements

Regardless of Amount

Several types of disbursements must be itemized regardless of amount:

- Transfers to *affiliated* SSFs;
- Contributions to candidates and political committees;

- Expenditures for allocated federal/nonfederal activity (on Schedule H4);
- Loan repayments; and
- Loans made by the SSF.

Note that refunds of contributions (Line 28 on the Detailed Summary Page) must be itemized on Schedule B only if the incoming *contribution* had to be itemized on Schedule A, as explained earlier in this chapter.

Other Disbursements: \$200 Threshold

A disbursement that does not fall under one of the categories listed above (such as a donation to a non-federal *candidate*) must be itemized if it exceeds \$200 when aggregated with other disbursements made to the same payee during the calendar year.

How to Itemize Disbursements

Categorizing Disbursements

Before beginning to itemize the committee's disbursements, separate them into the different categories listed on the Detailed Summary Page ("Operating Expenditures," "Contributions to Federal Candidates," etc; an illustration of a completed Detailed Summary Page appears on page 68). The disbursements in each category must be itemized on a separate Schedule B designated for that category.

Indicate the type of disbursement itemized on a particular Schedule B by checking the appropriate box for the corresponding line number from the Detailed Summary Page in the upper right corner of the schedule.

Some categories may require several pages. The total for each category should be entered on the bottom line of the last page for that category.

Itemized Information

Itemized disbursement information includes:

- Name of payee;
- Address of payee;
- Purpose of disbursement (a brief but spe-

Contributions to Candidates (By Check)

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
			21b 22 23 24 25 26 27 28a 28b 28c 29 30b		
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC					
Full Name (Last, First, Middle Initial) A. Friends of Karl Popper			Date of Disbursement MM / DD / YYYY 07 / 12 / 2006		
Mailing Address 51 Open Society Ln.					
City Albany State NY Zip Code 33333					
Purpose of Disbursement Contribution			011		
Candidate Name Karl Popper			Category/ Type		
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State: NY District: 21			Amount of Each Disbursement this Period 1000.00		
Full Name (Last, First, Middle Initial) B. Wittgenstein for Congress			Date of Disbursement MM / DD / YYYY 08 / 10 / 2006		
Mailing Address 1661 Duckrabbit Ln.					
City Alexandria State VA Zip Code 22222					
Purpose of Disbursement Contribution			011		
Candidate Name Ludwig Wittgenstein			Category/ Type		
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State: ND District: 00			2000 General debt		

Itemize contributions to federal candidates regardless of amount. See Chapter 2, Section 4 on "Designation" for contributions to retire debt.

cific description of why the disbursement was made—see Schedule B instructions and 104.3(b)(3)(i)(B));

- Category Code (see Instructions for Schedules B and E);
- Date of payment; and
- Amount. 104.3(b)(3); 104.9.

Additional Information on Candidates

Further information is required when itemizing a *contribution* to a *candidate committee* on Schedule B. Include the *candidate's* name and the office sought (including the state and, if applicable, Congressional district). When itemizing a *contribution* or loan to a *candidate committee*, specify the *election* for which the payment was made by checking the appropriate category in the *election* designation box. 104.3(b)(3)(v). See illustrations above.

Redesignations of Contributions Made

Use memo entries to show any redesignations of contributions made.

If a *contribution* to a *candidate* is redesignated after the close of books, show the redesignation on the next report and indicate the report on which the original *contribution* was itemized.

In the illustration on page 62, the committee originally made a \$5,000 *contribution* to a *candidate's* campaign, intending it to count toward the primary *election*. The committee itemized the *contribution* in its year-end report. The following month, the campaign requested that the SSF redesignate \$4,500 to help retire debts from the previous general *election* campaign. The committee itemized the redesignation in its April quarterly report.

Return or Refund of Contributions Made

If an SSF receives a refund of a *contribution* it has made, it must report the refund in one of two ways, depending on the circumstances described below.

Contribution Made by SSF: Original Check Not Deposited

If a check to a *candidate committee* or other *political committee* is not deposited (e.g., if it is returned uncashed or is lost), report the amount as a *negative entry* on a Schedule B for Line 23, "Contributions to Federal Candidates and Other Political Committees." (The amount is subtracted from the total for Line 23.) An example is illustrated on page 63.

Refunded by Recipient's Check

If the recipient committee deposits the *contribution* and then refunds it with its own check, itemize the refund, regardless of amount, on a Schedule A for Line 16, "Contribution Refunds."

In-Kind Contributions to Candidates

Disclosure of In-Kind Contribution Made:

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
			<input type="checkbox"/> 21b 27 <input type="checkbox"/> 22 28a <input checked="" type="checkbox"/> 23 28b <input type="checkbox"/> 24 28c <input type="checkbox"/> 25 29 <input type="checkbox"/> 26 30b		
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC					
Full Name (Last, First, Middle Initial) A. Prytaneum Hotel			Date of Disbursement MM / DD / YYYY 08 / 19 / 2006		
Mailing Address 399 Agora Ave.					
City Athens State GA Zip Code 33333					
Purpose of Disbursement Meals			011		
Candidate Name John Socrates			Category/ Type		
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State: GA District: 4			Amount of Each Disbursement this Period In-kind 975.00		

Additional Reporting of Payment to Vendor --- If Made After Goods/Services Provided.

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
			<input type="checkbox"/> 21b 27 <input type="checkbox"/> 22 28a <input checked="" type="checkbox"/> 23 28b <input type="checkbox"/> 24 28c <input type="checkbox"/> 25 29 <input type="checkbox"/> 26 30b		
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC					
Full Name (Last, First, Middle Initial) A. Prytaneum Hotel			Date of Disbursement MM / DD / YYYY 08 / 19 / 2006		
Mailing Address 399 Agora Ave.					
City Athens State GA Zip Code 33333					
Purpose of Disbursement Meals			011		
Candidate Name John Socrates			Category/ Type		
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State: GA District: 4			Amount of Each Disbursement this Period MEMO (in-kind: see Schedule B, Line 23) 975.00		

Refunds Made by the SSF

When an SSF refunds a *contribution* to a donor, the committee must include the disbursement in the total for the appropriate category of refund on the Detailed Summary Page (Line 28(a), (b) or (c)). If the SSF previously itemized the incoming *contribution* on Schedule A, then it must itemize the refund on a Schedule B for the appropriate line number. 104.8(d)(4).

(An SSF may return a *contribution* to the donor without depositing it, although the return must be made within 10 days of the treasurer's *receipt* of the *contribution*. 103.3(a). In this case, the committee

does not have to report either the receipt or the return of the contribution.)

5. Reporting Disbursements: The Detailed Summary Page

Line-by-line instructions for filling out the Disbursements portion of the Detailed Summary Page are given below. See Section 4 for information on how to itemize disbursements on Schedule B. An example of a completed Detailed Summary Page appears on page 68. More information on reporting loans, debts and independent expenditures appears later in this chapter.

Line 21. Operating Expenditures

Operating expenditures—also called *administrative expenses* and fundraising expenses—are only reportable if the SSF pays for them. (Normally, the *connected organization* pays these expenses.)

Line 21(a)

Report the federal and nonfederal shares of allocable activities separately on Lines 21(a)(i) and (ii). These numbers will be transferred from Schedule H4 (see Appendix A). Note, however, that Line 21(a) is rarely used by SSFs. See Appendix A.

Line 21(b)

Report the total of operating expenditures for unshared SSF activities (i.e., activities paid for exclusively from a federal account) on Line 21(b).

Itemize them on Schedule B for Line 21(b) once payments to any payee exceed \$200 in a calendar year.

Redesignation

Original Designation: Year-End Report

SCHEDULE B (FEC Form 3X)		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
ITEMIZED DISBURSEMENTS			21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input checked="" type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b		
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
NAME OF COMMITTEE (In Full) Stoic Solutions Inc. PAC					
Full Name (Last, First, Middle Initial)					
A. Committee to Elect Marcus Aurelius		Date of Disbursement		MM / DD / YYYY 08 / 12 / 2005	
Mailing Address 109 Via Sacra Ln.		City Rome		State NY	
Zip Code 33333		Purpose of Disbursement Contribution		Category/Type 011	
Candidate Name Marcus Aurelius		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State: NY District: 23		Amount of Each Disbursement this Period		5000.00	

April Report

SCHEDULE B (FEC Form 3X)		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
ITEMIZED DISBURSEMENTS			21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input checked="" type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b		
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
NAME OF COMMITTEE (In Full) Stoic Solutions Inc. PAC					
Full Name (Last, First, Middle Initial)					
A. Committee to Elect Marcus Aurelius		Date of Disbursement		MM / DD / YYYY 11 / 12 / 2005	
Mailing Address 109 Via Sacra Ln.		City Rome		State NY	
Zip Code 33333		Purpose of Disbursement Contribution		Category/Type 011	
Candidate Name Marcus Aurelius		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State: NY District: 23		Amount of Each Disbursement this Period		5000.00	
MEMO* (As disclosed in 2005 year-end report)**					
Full Name (Last, First, Middle Initial)					
B. Committee to Elect Marcus Aurelius		Date of Disbursement		MM / DD / YYYY 02 / 12 / 2006	
Mailing Address 109 Via Sacra Ln.		City Rome		State NY	
Zip Code 33333		Purpose of Disbursement Contribution		Category/Type 011	
Candidate Name Marcus Aurelius		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> Other (specify) 2004 General debt	
State: NY District: 23		Amount of Each Disbursement this Period		4500.00	
MEMO (Redesignation of above contribution)					

*When using FECfile, this is entered automatically by checking the memo dialog box. For entries of more than 40 characters, use the memo text function.

**When using FECfile, enter this information in the "description"

Line 22. Transfers-Out

Itemize transfers to *affiliated SSFs*, regardless of amount, on Schedule B for Line 22. Enter the total from that schedule on the Detailed Summary Page on Line 22.

Line 23. Contributions to Federal Candidates and Other Political Committees

Itemize all monetary and in-kind contributions made to *candidate* committees and other political committees, regardless of amount, on Schedule B for Line 23. Report the total from that schedule on Line 23 of the Detailed Summary Page. Examples of itemized contributions to candidates are provided on pages 60-61.

Line 24. Independent Expenditures

Unlike other categories of disbursements, independent expenditures are itemized on Schedule E, as explained on page 66. Enter the total from Schedule E, line (c), on Line 24.

Line 26. Loan Repayments Made

See Section 8 for information on how to itemize the payments on Schedules B and C. Enter the total paid on loans on Line 26.

Line 27. Loans Made

See Section 8 for information on how to report loans made by the committee on Schedules B and C. Enter the total amount loaned during the period on Line 27.

Line 28. Refunds of Contributions

Itemize a refund made by the committee only if the original *contribution* was itemized. Other rules for reporting *contribution* refunds made by an SSF are described in Section 5. Enter the total amount refunded during the period on Line 28.

Line 29. Other Disbursements

“Other disbursements” include donations made by the SSF to nonfederal candidates and committees. Itemize “other disbursements” on Schedule B for Line 29 when they exceed \$200 to the same payee

Returned or Voided Contributions

SCHEDULE B (FEC Form 3X)		FOR LINE NUMBER:		PAGE		OF	
ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page		(check only one)			
		<input type="checkbox"/> 21b	<input type="checkbox"/> 22	<input checked="" type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26
		<input type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c	<input type="checkbox"/> 29	<input type="checkbox"/> 30b
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) Delian League Association PAC							
Full Name (Last, First, Middle Initial) A. Al Cibiades for Congress				Date of Disbursement MM / DD / YYYY 08 / 12 / 2005			
Mailing Address 2020 Hubris Street							
City Syracuse		State NY		Zip Code 00000			
Purpose of Disbursement Contribution				011			
Candidate Name Al Cibiades				Category/ Type			
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)					
State: NY		District: 25					
				Amount of Each Disbursement this Period - 5000.00 (check returned or voided)			

Refunded Contribution

SCHEDULE A (FEC Form 3X)		FOR LINE NUMBER:		PAGE		OF	
ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page		(check only one)			
		<input type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c	<input type="checkbox"/> 12	<input type="checkbox"/> 13	<input type="checkbox"/> 14
		<input type="checkbox"/> 15	<input type="checkbox"/> 16	<input checked="" type="checkbox"/> 17	<input type="checkbox"/> 18	<input type="checkbox"/> 19	<input type="checkbox"/> 20
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC							
Full Name (Last, First, Middle Initial) A. Hegel for Congress				Date of Receipt MM / DD / YYYY 07 / 19 / 2006			
Mailing Address 33 Dialectic Ln.							
City Leesburg		State VA		Zip Code 33333			
FEC ID number of contributing federal political committee. C							
Name of Employer				Occupation			
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)				Aggregate Year-to-Date 1000.00			
				Amount of Each Receipt this Period 1000.00 (Contribution itemized in the July quarterly report)			

during a calendar year. Enter the total of itemized and unitemized other disbursements on the Detailed Summary Page.

6. Investments

Principal

When the committee invests funds in a savings account, money market fund, certificate of deposit or similar type of account, the principal deposited must be included in the committee's cash-on-hand total. (Investment properties, such as shares of stock, are not included in cash-on-hand.) The

Operating Expenditures

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input checked="" type="checkbox"/> 21b <input type="checkbox"/> 27		22	23
NAME OF COMMITTEE (In Full) Delian League Association PAC		28a		28b	28c
Full Name (Last, First, Middle Initial) A. Graphos Printing		29		30a	30b
Mailing Address 2345 Papyrus Street		Date of Disbursement 11 / 12 / 2005			
City Alexandria		State VA		Zip Code 00000	
Purpose of Disbursement PAC letterhead		Category/ Type 001		Amount of Each Disbursement This Period 500.00	
Candidate Name		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		In-kind	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		State: District:			

Funds Invested with Other Establishments

If committee funds are invested in an account that is not operated by a bank (such as a money market account operated by a brokerage firm), no amendment to the Statement of Organization is required. However, before disbursing the funds in the account (principal and interest), the committee must first *transfer* them to a designated campaign checking account. 102.10 and 103.3(a). See also AOs 1999-8, 1997-6, 1986-18 and 1980-39.

Investment Income

Report interest income received during the reporting period in the "Other Receipts" category (Line 17) of the Detailed Summary Page. If investment income received from one source aggregates over \$200 during a calendar year, itemize the interest on a Schedule A for Line 17. 104.3(a)(4)(vi).

Income Tax

Report taxes paid by the SSF as operating expenditures on Line 21. Itemize income tax payments on Schedule B only if they aggregate over \$200 per year to the same payee—i.e., the local, state or federal government.

Unlike other operating expenditures, taxes on an SSF's earnings are not payable by the *connected organization*. AO 1977-19.

Nonfederal Contributions

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input type="checkbox"/> 21b <input type="checkbox"/> 27		22	23
NAME OF COMMITTEE (In Full) Delian League Association PAC		28a		28b	28c
Full Name (Last, First, Middle Initial) A. Lycurgus for Governor		29		30a	30b
Mailing Address 10 Archon Street		Date of Disbursement 02 / 17 / 2006			
City Sparta		State IL		Zip Code 00000	
Purpose of Disbursement Nonfederal Contribution		Category/ Type 011		Amount of Each Disbursement This Period 500.00	
Candidate Name		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		In-kind	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		State: District:			

committee does not report this type of investment as a disbursement because the money is still a committee asset. 104.3(a)(1). See also AO 1990-2. (See page 18 for more information on committee investments.)

Additional Depositories

Funds Invested with Banks

If the committee invests its funds in an account at a bank that was not previously identified as a campaign depository on the SSF's Statement of Organization (FEC Form 1), the SSF must file an amended Statement disclosing the name and address of the additional depository. The amendment must be filed within 10 days of opening the account. 102.2(a)(2).

7. Independent Expenditures

Schedule E

Itemize any *independent expenditure* which, by itself or when added to other independent expenditures made to the same payee during the same calendar year, exceeds \$200. Independent expenditures are itemized on Schedule E. A subtotal for itemized independent expenditures is entered on Line (a). Independent expenditures made (i.e., publicly dis-

Credit Card Transactions

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
			<input checked="" type="checkbox"/> 21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b		
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
NAME OF COMMITTEE (In Full) Critical Reason Inc. PAC					
Full Name (Last, First, Middle Initial)					
A. Credit Card Corp.			Date of Disbursement M / D / Y 12 / 30 / 2006		
Mailing Address 101 Charge Street					
City Alexandria			State VA		
Zip Code 33333					
Purpose of Disbursement Credit Card Payment (see below)			Amount of Each Disbursement this Period 504.50		
Candidate Name 011			Category/ Type		
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State: District:					
Full Name (Last, First, Middle Initial)					
B. Prime Cut Steakhouse			Date of Disbursement M / D / Y 11 / 01 / 2006		
Mailing Address 1643 Calbert Street					
City Washington			State DC		
Zip Code 33333					
Purpose of Disbursement Fundraising Luncheon			Amount of Each Disbursement this Period 237.25		
Candidate Name John Amenable			Category/ Type		
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State: ND District: 00			MEMO* See Schedule B, Line 23		
Full Name (Last, First, Middle Initial)					
C. Zack's House of Cakes			Date of Disbursement M / D / Y 11 / 01 / 2006		
Mailing Address 1223 Connecticut Ave					
City Washington			State DC		
Zip Code 33333					
Purpose of Disbursement Fundraising Luncheon			Amount of Each Disbursement this Period 267.25		
Candidate Name John Amenable			Category/ Type		
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State: ND District: 00			MEMO See Schedule B, Line 23		

*In FECFile, click "memo" in the dialog box.

to and including the 20th day before an *election*—must disclose this activity within 48 hours each time that the expenditures aggregate \$10,000 or more. This reporting requirement is in addition to the requirement to file 24-hour reports of independent expenditures each time that disbursements for independent expenditures aggregate to or above \$1,000 during the last 20 days—up to 24-hours—before an *election*. 2 U.S.C. §§434(b), (d) and (g). For information on such last-minute *independent expenditure* reports, see below.

Note: expenditures that have already been disclosed in a previous report do not have to be included on the 48-hour report.

The SSF must report a last-minute *expenditure* a second time on a Schedule E filed with its next regular report. 104.4(a). Electronic filers must file these reports electronically. Paper filers may file by fax or email. Additionally, electronic filers and paper filers may file 48-hour reports using the FEC web site's online program. 104.4(b)(2), 109.10(c) and 100.19(d)(3).

Independent expenditures

aggregating less than \$10,000.

SSFs must report on Schedule E, as part of their regularly scheduled filing, independent expenditures

that aggregate less than \$10,000 with respect to a given *election* during the calendar year that are made up to and including the 20th day before an *election*. 104.4(a) and (b)(1).

Independent expenditures aggregating \$10,000 and above.

Once an SSF's independent expenditures in connection with a given *election* reach or exceed \$10,000 in the aggregate at any time up to and including the 20th day before an *election*, they must be reported within 48 hours of the date that the *expenditure* is publicly distributed. All 48-hour reports must be filed with and received by the Commission at the end of the second day after the *independent expenditure* is publicly distributed.

seminated) prior to payment should be disclosed as "memo" entries on Schedule E and as reportable debt on Schedule D. 104.11.


Independent expenditures of \$200 or less do not need to be itemized, though the committee must report the subtotal of those expenditures on Line (b). 104.3(b)(3)(vii)(C) and 104.4(a).

Enter the total of itemized and unitemized independent expenditures on Line (c) of Schedule E and on Line 24 of the Detailed Summary Page.

48-Hour Independent Expenditure Reports

SSFs and other persons who make independent expenditures at any time during a calendar year—up

Independent Expenditures

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE _____ OF _____ FOR LINE 24 OF FORM 3X
NAME OF COMMITTEE (In Full) Delian League Association PAC		FEC IDENTIFICATION NUMBER C 000000001
Check if <input type="checkbox"/> 24-hour notice <input type="checkbox"/> 48-hour notice		
Full Name (Last, First, Middle Initial) of Payee The Spartan Herald		Date MM / DD / YYYY 08 / 09 / 2006
Mailing Address 10 Archon Street		Amount 2500.00
City Sparta	State IL	Zip Code 00000
Purpose of Expenditure Newspaper Ad	Category/Type 004	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President State: GA District: 03
Name of Federal Candidate Supported or Opposed by Expenditure: Al Cibiades		Check One: <input type="checkbox"/> Support <input type="checkbox"/> Oppose
Calendar Year-To-Date Per Election for Office Sought 2500.00		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____
Full Name (Last, First, Middle Initial) of Payee Image Communications Inc.		Date MM / DD / YYYY 08 / 22 / 2006
Mailing Address 123 Glossy Street		Amount 5000.00
City Chicago	State IL	Zip Code 00000
Purpose of Expenditure Billboard Ads	Category/Type 004	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President State: GA District: 03
Name of Federal Candidate Supported or Opposed by Expenditure: Al Cibiades		Check One: <input type="checkbox"/> Support <input type="checkbox"/> Oppose
Calendar Year-To-Date Per Election for Office Sought 2500.00		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____
(a) SUBTOTAL of Itemized Independent Expenditures		7500.00
(b) SUBTOTAL of Unitemized Independent Expenditures		0
(c) TOTAL Independent Expenditures		7500.00
Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or authorized committee or agent of either, or (if the reporting entity is not a political party committee) any political party committee or its agent.		
Signature 		Date MM / DD / YYYY 10 / 02 / 2006

candidate in the primary, and an additional \$5,000 in independent expenditures with respect to the same *candidate* in the general, then again no 48-hour report is required and the expenditures are disclosed on the SSF's next report.

- If the SSF makes \$6,000 in independent expenditures supporting a Senate *candidate* in the primary election and \$4,000 opposing that Senate *candidate's* opponent in the same election, then the SSF must file a 48-hour report.

The date that a communication is publicly disseminated serves as the date that an SSF must use to determine whether the total amount of independent expenditures has, in the aggregate, reached or exceeded the threshold reporting amounts of \$10,000. A 48-hour report is required for each additional \$10,000 in aggregate expenditures.

The calculation of the aggregate amount of the independent expenditures must include both disbursements for independent expenditures and all contracts obliging funds for disbursements of independent expenditures. 11 CFR 104.4(f). Expenditures that have already been disclosed in a previous report do not have to be included on the 48-hour report.

Aggregating independent expenditures for reporting purposes.

Independent expenditures are aggregated toward the various reporting thresholds on a per-election and per-office sought basis within the calendar year. Consider, as examples, the following scenarios, all of which occur outside of the 20-day window before an election when 24-hour reports are required:

- If an SSF makes \$5,000 in independent expenditures with respect to a Senate *candidate*, and \$5,000 in independent expenditures with respect to a House *candidate*, then the SSF is not required to file 48-hour reports, but must disclose this activity on its next regularly-scheduled report.
- If the SSF makes \$5,000 in independent expenditures with respect to a clearly-identified

Last-Minute Independent Expenditure Reports (24 Hour Notices)

Any independent expenditures aggregating \$1,000 or more and made after the 20th day but more than 24 hours before the day of an election must be reported and the report must be received by the Commission within 24 hours after the expenditure is made. A 24-hour report is required for each additional \$1,000 that aggregates. The 24-hour report must be filed on a Schedule E. 104.4(c) and 104.5(g). The date that a communication is publicly disseminated serves as the date that an SSF must use to determine whether the total amount of indepen-

dent expenditures has, in the aggregate, reached or exceeded the threshold reporting amount of \$1,000.

The SSF must report a last-minute *expenditure* a second time on a Schedule E filed with its next regular report. 104.4(a).

Electronic filers must file these reports electronically, and paper filers may file by fax or email. Additionally, electronic filers and paper filers may file 24-hour reports using the FEC web site's online program. 11 CFR 104.4(c) and 109.10(d).

Certification

All 24- and 48-hour reports must contain, among other things, a verification under penalty of perjury as to whether the *expenditure* was made in cooperation, consultation or concert with a *candidate*, a *candidate's committee*, a *political party committee* or an agent of any of these. 11 CFR 104.4(d)(1) and 109.10(e)(1)(v).

For reports filed on paper, the treasurer must sign the Schedule E. For reports filed by email, the treasurer must type his or her name on the Schedule E following the certification.

8. Reporting Loans

Continuously itemize all loans received and made by the SSF until they are repaid. All repayments made or received on a loan must also be itemized. 104.3(a)(4)(iv); 104.3(b)(3)(iii) and (vi); 104.3(d); 104.11. Procedures for reporting loans and loan repayments are explained below.

Reminder: Loans are considered contributions to the extent of the outstanding balance of the loan. 100.52(b). Loans from banks, however, are not considered contributions if made in the ordinary course of business. Endorsements and guarantees of bank loans, however, do count as contributions. 100.52(b) and 100.82(a) through (d).

Loans Received by the SSF— Schedule A: Initial Receipt of Loan

Itemize the *receipt* of a loan, regardless of amount, on a separate Schedule A for Line 13 ("Loans Received").

Schedule B: Interest and Principal Payments

Report the interest paid on a loan as an operating *expenditure*, itemizing the payment on a Schedule

B for Line 21(b) ("Operating Expenditures") once interest payments to the payee aggregate over \$200 in a calendar year. 100.111(b) and 104.3(b)(3)(i).

Payments to reduce the principal must be itemized, regardless of amount, on a separate Schedule B for Line 26 ("Loan Repayments Made"). 104.3(b)(3)(iii).

Schedule C: Continuous Reporting

In addition, report both the original loan and payments made to repay the loan on Schedule C each reporting period until the loan is repaid. 104.3(d) and 104.11. Instructions on the back of Schedule C explain what information must be disclosed. Use separate Schedule C forms to itemize loans received and loans made.

The Schedule C balance of the total amount owed on loans is entered on line 10 of the Summary Page ("Debts and Obligations Owed by the Committee") or, if the committee has other debts, the balance is carried over to Schedule D (see Section 9).

Schedule C-1: Additional Information for Bank Loans

A committee that obtains a loan from a bank must also file Schedule C-1 with the first report due after a new loan or line of credit has been established. 104.3(d)(1). A new Schedule C-1 must also be filed with the next report if the terms of the loan or line of credit are restructured.

Additionally, in the case of a committee that has obtained a line of credit, a new Schedule C-1 must be filed with the next report whenever the committee draws on the line of credit. 104.3(d)(1) and (3).

Line-by-line instructions for filling out the schedule appear on the back of Schedule C-1. The committee treasurer or designated assistant treasurer must sign the schedule on Line G and attach a copy of the loan agreement. 104.3(d)(2).

Finally, an authorized representative of the lending institution must sign the statement on Line I.

Loans Made by the SSF

Schedule B: Outgoing Loan

When making a loan to another organization, itemize the disbursement, regardless of amount, on a Schedule B for Line 27 ("Loans Made"). 104.3(b)(3)(vi).

Schedule A: Interest and Principal Payments Received

Report interest received on a loan on a Schedule A

Detailed Summary Page

DETAILED SUMMARY PAGE of Receipts		
FEC Form 3X (Rev. 02/2003)		Page 3
Write or Type Committee Name Critical Reason Inc. PAC		
Report Covering the Period: From: 07 / 01 / 2006 To: 09 / 30 / 2006		
I. Receipts	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
11. Contributions (other than loans) From:		
(a) Individuals/Persons Other Than Political Committees		
(i) Itemized (use Schedule A)	10562.27	
(ii) Unitemized	9982.57	
(iii) TOTAL (add Lines 11(a)(i) and (ii)	20544.84	97967.46
(b) Political Party Committees	0	0
(c) Other Political Committees (such as PACs)	0	0
(d) Total Contributions (add Lines 11(a)(iii), (b), and (c)) (Carry Totals to Line 33, page 5)	20544.84	97967.46
12. Transfers From Affiliated/Other Party Committees	2156.85	5605.69
13. All Loans Received	0	0
14. Loan Repayments Received	0	0
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.) (Carry Totals to Line 37, page 5)	250.00	250.00
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees	1000.00	1000.00
17. Other Federal Receipts (Dividends, Interest, etc.)	181.69	851.88
18. Transfers from Non-Federal and Levin Funds		
(a) Non-Federal Account (from Schedule H3)	0	0
(b) Levin Funds (from Schedule H5)	0	0
(c) Total Transfers (add 18(a) and 18(b))	0	0
19. Total Receipts (add Lines 11(d), 12, 13, 14, 15, 16, 17, and 18(c))	24133.38	105675.03
20. Total Federal Receipts (subtract Line 18(c) from Line 19)	24133.38	105675.03

for Line 17 ("Other Federal Receipts") if the payments aggregate over \$200 from the same source during the calendar year.

Itemize payments received that reduce the principal owed on a separate Schedule A for Line 14 ("Loan Repayments Received").

Schedule C: Continuous Reporting

The original amount loaned and repayments received on it must be itemized on Schedule C each reporting period until the loan is repaid in full. Schedule C instructions (see the back of the page) explain what information must be disclosed. (Note that separate Schedule C forms are used to itemize loans received and loans made.)

The Schedule C balance of the total outstanding loans owed to a committee is entered on Line 9 of the Summary Page ("Debts and Obligations Owed to the Committee") unless other types of debts are owed to the committee. In that case, the Schedule C total is carried over to Schedule D (see below).

9. Reporting Debts Other Than Loans

Unpaid bills and written contracts or agreements to make expenditures are considered debts. 100.112. Report debts and obligations (other than loans) on Schedule D according to the following rules:

- A debt of \$500 or less is reportable once it has been outstanding 60 days from the date incurred (the date of the transaction, not the date the bill is received). The debt is disclosed on the next regularly scheduled report.
- A debt exceeding \$500 must be reported on the next report filed after the debt is incurred.¹ 104.3(d) and 104.11.

Use separate Schedule D forms for debts owed by the committee and debts owed to the committee. Label each schedule accordingly.

Debts Owed by an SSF

Use Schedule D to report:

- The outstanding amount owed on a debt or obligation; and
 - Payments made to reduce the debt.
- Schedule D instructions explain what additional information is required.

Enter the Schedule D total of outstanding debts,

¹ Regularly recurring administrative expenses like rent and salaries, if paid by the SSF and not by the connected organization, do not have to be reported until payment is due. 104.11(b); see 116.6(c)

Detailed Summary Page (Page 2)

FEC Form 3X (Rev. 02/2003)			DETAILED SUMMARY PAGE of Disbursements		Page 4
II. Disbursements		COLUMN A Total This Period	COLUMN B Calendar Year-to-Date		
21. Operating Expenditures:					
(a) Allocated Federal/Non-Federal Activity (from Schedule H4)					
(i) Federal Share		0		0	
(ii) Non-Federal Share		0		0	
(b) Other Federal Operating Expenditures		1195.00		2542.91	
(c) Total Operating Expenditures (add 21(a)(i), (a)(ii), and (b))		1195.00		2542.91	
22. Transfers to Affiliated/Other Party Committees		0		0	
23. Contributions to Federal Candidates/Committees and Other Political Committees		24200.00		60975.00	
24. Independent Expenditures (use Schedule E)		18751.88		18751.88	
25. Coordinated Party Expenditures (2 U.S.C. §441a(d)) (use Schedule F)		0		0	
26. Loan Repayments Made		0		0	
27. Loans Made		0		0	
28. Refunds of Contributions To:					
(a) Individuals/Persons Other Than Political Committees		120.00		120.00	
(b) Political Party Committees		0		0	
(c) Other Political Committees (such as PACs)		0		0	
(d) Total Contribution Refunds (add Lines 28(a), (b), and (c))		120.00		120.00	
29. Other Disbursements		500.00		990.00	
30. Federal Election Activity (2 U.S.C. §431(20))					
(a) Allocated Federal Election Activity (from Schedule H6)					
(i) Federal Share		0		0	
(ii) "Levin" Share		0		0	
(b) Federal Election Activity Paid Entirely With Federal Funds		0		0	
(c) Total Federal Election Activity (add Lines 30(a)(i), 30(a)(ii) and 30(b))		0		0	
31. Total Disbursements (add Lines 21(c), 22, 23, 24, 25, 26, 27, 28(d), 29 and 30(c))		50966.88		88579.79	
32. Total Federal Disbursements (subtract Line 21(a)(ii) and Line 30(a)(ii) from Line 31)		50966.88		88579.79	

Special Debt Reporting Problems

Debts of Unknown Amount

If the exact amount of a debt is not known, report the estimated amount of the debt. The committee should amend the report once a correct figure is known or include the correct figure in a later report. 104.11(b).

Unpayable Debts

If a debt cannot be paid because the creditor has gone out of business or cannot be located, the SSF may write to the FEC to request permission to discontinue reporting the debt. The letter must demonstrate that the debt is at least two years old and that efforts to reach the creditor have been made. The committee must continue to report the debt until the Commission determines that the debt is unpayable. See 116.9.

Disputed Debts

A disputed debt is a bona fide disagreement between the creditor and the committee as to the existence of a debt or the amount owed by the committee. 116.10. Until the creditor and committee resolve the dispute (assuming the creditor did provide something of value), the SSF must disclose:

- The amount the committee admits it owes;
- The amount the creditor claims is owed; and
- Any amounts the committee has paid the creditor.

plus the balance of loans owed by the committee (carried over from Schedule C, as explained above) on Line 10 of the Summary Page. Note that payments to reduce debts must also be reported under the appropriate category of disbursement on the Detailed Summary Page (for example, Line 21(b) for a payment on a bill for an operating expenditure).

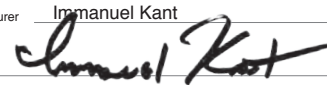
Settlement of Debts

Special rules apply to debts that are forgiven or settled for less than their full amount. See Chapter 8 for more information.

Debts Owed to an SSF

Continuously report a debt owed to an SSF on Schedule D if the debt exceeds \$500 or has been outstanding 60 days. 104.3(d) and 104.11. Payments received on the debt are also reported on Schedule D until the debt is retired. The payments must also be reported on the appropriate line number of the Detailed Summary Page and itemized on Schedule A if necessary.

Summary Page

FEC FORM 3X		REPORT OF RECEIPTS AND DISBURSEMENTS For Other Than An Authorized Committee		Office Use Only
1. NAME OF COMMITTEE (in full)		TYPE OR PRINT		Example: If typing, type over the lines.
Critical Reason Inc. PAC				12FE4M5
ADDRESS (number and street)		101 Apriori Street		
<input type="checkbox"/> Check if different than previously reported. (ACC)		Alexandria		VA 00000
2. FEC IDENTIFICATION NUMBER		CITY	STATE	ZIP CODE
C 000000001				
3. IS THIS REPORT		<input checked="" type="checkbox"/> NEW (N) OR <input type="checkbox"/> AMENDED (A)		
4. TYPE OF REPORT (Choose One)		(b) Monthly Report Due On:		
(a) Quarterly Reports:		<input type="checkbox"/> Feb 20 (M2) <input type="checkbox"/> May 20 (M5) <input type="checkbox"/> Aug 20 (M8) <input type="checkbox"/> Nov 20 (M11) <input type="checkbox"/> Mar 20 (M3) <input type="checkbox"/> Jun 20 (M6) <input type="checkbox"/> Sep 20 (M9) <input type="checkbox"/> Dec 20 (M12) <input checked="" type="checkbox"/> Apr 20 (M4) <input type="checkbox"/> Jul 20 (M7) <input type="checkbox"/> Oct 20 (M10) <input type="checkbox"/> Jan 31 (YE)		
<input type="checkbox"/> April 15 Quarterly Report (Q1) <input type="checkbox"/> July 15 Quarterly Report (Q2) <input checked="" type="checkbox"/> October 15 Quarterly Report (Q3) <input type="checkbox"/> January 31 Year-End Report (YE) <input type="checkbox"/> July 31 Mid-Year Report (Non-election Year Only) (MY) <input type="checkbox"/> Termination Report (TER)		(c) 12-Day PRE-Election Report for the: <input type="checkbox"/> Primary (12P) <input type="checkbox"/> General (12G) <input type="checkbox"/> Runoff (12R) <input type="checkbox"/> Convention (12C) <input type="checkbox"/> Special (12S) Election on: M / M / D / D / Y / Y / Y / Y in the State of		
		(d) 30-Day POST-Election Report for the: <input type="checkbox"/> General (30G) <input type="checkbox"/> Runoff (30R) <input type="checkbox"/> Special (30S) Election on: M / M / D / D / Y / Y / Y / Y in the State of		
5. Covering Period		07 / 01 / 2006 through 09 / 30 / 2006		
I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.				
Type or Print Name of Treasurer		Immanuel Kant		
Signature of Treasurer		 Date: 10 / 13 / 2006		
NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.				
Office Use Only		FEC FORM 3X (Rev. 02/2003)		

Line 2. ID Number

Enter the committee's FEC identification number on Line 2. If the SSF is filing its first report, it may not have yet received an ID number; in that case, the committee should leave this space blank.

Once a committee has received its FEC identification number, it must include that number in all reports, statements, notices and other written communications with the FEC.

Line 3. New or Amended Report

Check the appropriate box to indicate whether the report is new (N) or amended (A).

Line 4. Type of Report

Check the appropriate box under (a) indicating the type of disclosure report being filed (quarterly, monthly, pre-election or post-election); see Chapter 6.

Line 5. Coverage Dates

The period covered by the report begins the day after the close of books of the last report filed by the SSF. If the report is the first one filed by a committee, then the reporting period begins with the date of the committee's first activity.

Enter the Schedule D total of outstanding debts owed to a committee, plus the balance of outstanding loans carried over from Schedule C, on Line 9 of the Summary Page.

10. The Summary Page

Line 1. Name and Address

Fill in the SSF's full name (including any abbreviations used) and mailing address. (See "Naming the SSF" on page 2.)

Line 6. Cash on Hand

What Is Cash on Hand

Cash on hand includes funds held in checking and savings accounts, certificates of deposit, petty cash funds, traveler's checks, treasury bills and other investments valued at cost. 104.3(a)(1).

Line 6(a)

On this line enter cash on hand as of January 1st of the reporting year.

Summary Page (Page 2)

SUMMARY PAGE OF RECEIPTS AND DISBURSEMENTS			
FEC Form 3X (Rev. 02/2003)		Page 2	
Write or Type Committee Name Critical Reason Inc. PAC			
Report Covering the Period: From: 07 / 01 / 2006 To: 09 / 30 / 2006			
	COLUMN A This Period	COLUMN B Calendar Year-to-Date	
6. (a) Cash on Hand January 1, 2006		87820.25	
(b) Cash on Hand at Beginning of Reporting Period	118894.35		
(c) Total Receipts (from Line 19)	30333.38	111875.03	
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	149227.73	199695.28	
7. Total Disbursements (from Line 31)	57166.88	107634.43	
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	92060.85	92060.85	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	0		
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	0		
<input checked="" type="checkbox"/> This committee has qualified as a multicandidate committee. (see FEC FORM 1M)			
For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-694-1100			

committee may have to itemize contributions and other receipts included in the beginning cash-on-hand balance. See “When to Itemize Receipts,” on page 53. 104.12.

Treasurer's Name and Signature

The treasurer must sign and date Form 3X at the bottom of the cover page. Only a treasurer or assistant treasurer designated on Form I (Statement of Organization) may sign the report. 104.14(a). See Chapter I for more information on the treasurer's responsibilities. See also Chapter 6, Section 5 “Electronic Filing.”

II. Filing Amendments

The committee must file an amended report if it:

- Discovers that an earlier report contained erroneous information; or
- Does not obtain required reporting information concerning a particular transaction until after the transaction has been reported.

Paper Filers

When filing an amendment to an original report, complete the Summary Page (including the treasurer's signature), indicating on #3 by checking the appropriate box that the document is an amended report. In addition to the Summary Page, submit a corrected version of the schedule that contained the incomplete or incorrect itemized information in the earlier report, along with a revised Detailed Summary Page, if appropriate. Transactions originally reported correctly do not have to be itemized again. The Commission recommends that the treasurer attach a cover letter explaining the change.

Line 6(b) Cash on Hand at Beginning of Reporting Period.

The amount entered on this line should be the same as your cash on hand at the close of books of your last report.

First Report

Beginning cash on hand—i.e., money that the committee had in its possession at the time of registration—is subject to the *contribution* limits, prohibitions and disclosure requirements of federal law. (The committee must exclude any contributions that are not permissible under federal law.) The

Electronic Filers

Electronic filers must electronically resubmit the entire report, not just the amended portions. The amendments must be formatted to comply with the Electronic Filing Specifications Requirements mentioned in Chapter 6, Section 5.

CHAPTER 8

Termination and Debt Settlement

I. Committees with No Outstanding Debts

An SSF may terminate its registration and reporting obligations by filing a termination report, provided that:

- The committee no longer intends to receive contributions or make expenditures;
- The committee has no outstanding debts or obligations (102.3); and
- The committee is not involved in an enforcement action (MUR), an audit or litigation with the FEC.

Termination Report

When filing a termination report, the treasurer checks the “Termination Report” box on Line 4(a) of the Summary Page of Form 3X.

The termination report must disclose:

- All receipts and disbursements not previously reported, including an accounting of debt retirement; and
- The purposes for which any remaining SSF funds will be used. 102.3(a).

The committee’s reporting obligation ends when the Commission notifies the committee that the termination report has been accepted.

Disposal of Remaining Funds

An SSF may use its remaining funds for any lawful purposes, including turning them over to the *connected organization’s* treasury, refunding them to their donors or giving them to charity. See AOs 1992-10, 1991-21, 1986-32, 1983-4 and 1979-42.

2. Committees with Outstanding Debts: Debt Settlement

Eligibility for Debt Settlement

A committee that has outstanding debts but wants to terminate may settle its debts for less than the

full amount owed to the creditors.¹ This option is available only to a *terminating committee*—i.e., a committee which no longer intends to support candidates and which receives contributions and makes expenditures only for the purpose of paying winding-down *administrative expenses* (if any) and retiring debts. 116.1(a) and 116.2(a).

(An *ongoing committee*—i.e., an SSF that does not qualify as a *terminating committee*—is not eligible for debt settlement and must continuously report debts until they are extinguished. 104.3(d), 116.1(b) and 116.2(b).)

Debt Settlement Rules

A *commercial vendor* (incorporated or unincorporated) may forgive or settle debts owed by an SSF without incurring a *contribution* if:

- Credit was initially extended in the ordinary course of business;
- The terms of the credit were substantially similar to terms extended to nonpolitical debtors of similar risk and of similar size of obligation. 116.3(a) and 116.4(d)(1);
- The SSF undertook all reasonable efforts to satisfy the outstanding debt, such as fundraising, reducing overhead costs and liquidating assets. 116.4(d)(2); and
- The vendor made the same efforts to collect the debt as those made to collect debts from a nonpolitical debtor in similar circumstances. Remedies might include, for example, late fee charges, referral to a debt collection agency or litigation. 116.4(d)(3).

Creditor’s Rights

No *commercial vendor* or other creditor is required to forgive or settle debts owed by SSFs. 116.4(e). A creditor is also not required to pursue activities that are unlikely to result in the reduction of the debt.

¹ Debt settlement plans are subject to FEC approval. 116.2(a) and 116.8(c).

Debt Settlement Plans

Once a terminating SSF has reached an agreement with a creditor, the treasurer should file a debt settlement plan on FEC Form 8. The treasurer may use a separate form for each debt or may combine several debt settlements in one plan.

Debts Subject to Settlement

The types of debts that are subject to debt settlement requirements include:

- Amounts owed to commercial vendors;
- Debts arising from advances by the SSF staff and other individuals;
- Salary owed to SSF employees (if the SSF uses its own funds to pay salaries); and
- Loans owed to political committees or individuals, including candidates. 116.7(b).

Debts Not Subject to Settlement

The debt settlement rules do not apply to disputed debts, which are covered by other rules. 116.7(c)(2). See below. The rules also do not apply to bank loans.

Completing Form 8

Step-by-step instructions for completing Form 8 are available as a separate packet. The treasurer must sign and date the first page of Form 8. The terminating SSF must either have the creditor sign and date the second page of Form 8, or attach a copy of the signed agreement between the creditor and the SSF. 116.7(e)(2).

Commission Review

The Commission reviews each debt settlement plan to ensure compliance with the rules discussed above. 116.8(c). Once the plan has been approved, the Commission sends a written notification to the committee.

The committee must postpone payment to the creditor until the Commission has completed its review of that plan. 116.7(a).

Reporting Debts Undergoing Settlement

General Rule

Debts undergoing settlement must be continuously reported until the Commission has completed its review of the committee's debt settlement plan. 116.4(f), 116.5(e) and 116.6(c). The committee may

file a termination report once all debts have been paid, settled, forgiven or otherwise extinguished. 102.3(a). Payments to creditors should be disclosed on this report.

Disputed Debts

A disputed debt is a bona fide disagreement between the creditor and the committee as to the existence of a debt or the amount owed by the committee. See Chapter 7 for information on how to report a disputed debt on Schedule D.

When filing a debt settlement plan, a *terminating committee* must describe any disputed debts and the committee's efforts to resolve them on Part III of Form 8. 116.10(b). Disclosure of a disputed debt does not constitute an admission of liability or a waiver of any claims the SSF may have against the creditor. 116.10(a).

3. Committees with Outstanding Debts: Administrative Termination

An inactive SSF that wants to terminate but still has outstanding debts must make efforts to settle the debts under the procedures described above. If debt settlement efforts fail, however, such a committee may seek administrative termination by the FEC. (The Commission may also, at its own initiative, administratively terminate a committee's reporting status.)

Criteria for Administrative Termination

When determining a committee's eligibility for administrative termination, the Commission will consider the following factors:

- The SSF is not involved in any matter before the Commission (such as a MUR or an audit).
- The SSF's aggregate reported financial activity in one year is less than \$5,000.
- The SSF's reports disclose no *receipt* of contributions for the previous year.
- The SSF's last report disclosed minimal expenditures.
- The SSF's primary purpose for filing its reports has been to disclose outstanding debts and obligations.
- The committee has failed to file reports for the previous year.

- The SSF's last report disclosed that the debts owed to the committee were not substantial.
- The committee's outstanding debts and obligations do not appear to present a possible violation of the Act's *contribution* prohibitions and limitations.
- The SSF's outstanding debts and obligations exceed the total of the committee's reported cash on hand balance.

102.4(a) and FEC Directive 45, available from the Public Records Office.

Procedures for Requesting Administrative Termination

When requesting administrative termination, the SSF's treasurer should set forth the committee's eligibility in writing, based on the factors listed above. In addition, with respect to any outstanding debts, the committee's request should describe:

- The terms and conditions of the initial extension of credit;
- Steps taken by the committee to repay the debt; and
- Efforts made by the creditors to obtain payment.

Requests should be addressed to the Reports Analysis Division.

Once the Commission completes its review of the request, the committee will be sent a written notification of the Commission's approval or disapproval. Committees must continue to file regular reports until the request for administrative termination has been approved.

For more information, see FEC Directive 45.

Corporations and labor organizations are generally prohibited from using their treasury funds to make contributions or expenditures in connection with a federal *election* or campaign. 2 U.S.C. §441b. (There is a limited exception for Qualified Non-profit Corporations. See p. 35.) However, corporations and labor organizations may undertake other activities that, because they are outside the Act's definitions of *contribution* and *expenditure*, are allowed by the Act and Commission regulations. This part discusses two broad areas of permissible activity: communications and use of facilities.

CHAPTER 9

Communications

I. Introduction: Basic Terms

While corporations and labor organizations may pay for certain *election*-related communications, the content of those communications is determined by the audience for which they are intended. When a *corporation* or *labor organization* communicates with its restricted class (as defined below), it may issue communications that contain *express advocacy* and solicitations for candidates and parties, and it may coordinate its communications with the *candidate* or party. However, when those organizations communicate with an audience that is beyond its restricted class, *express advocacy* or *coordination* with the *candidate* or party (beyond that *coordination* specifically permitted by the regulations) will result in a prohibited *expenditure* or *contribution*. The following paragraphs define several terms that are key to understanding corporate/labor communications.

Restricted Class

Corporations and Labor Organizations

For purposes of sending communications, the restricted class of corporations (except trade associations) and labor organizations includes the same people who may be solicited for contributions to the *corporation/labor organization's* separate segregated fund. See Chart, page 78 and Chapter 3.

Trade Associations

For purposes of communications, the *trade association's* restricted class is comprised of:

- Noncorporate members and their families;
- In the case of corporate members, the individual corporate representatives with whom the *trade association* normally conducts the association's activities (114.8(h)); and
- Executive and administrative personnel and their families. 114.8(l). See Chart, page 78.

Express Advocacy

Express advocacy is a communication advocating the *election* or defeat of a *clearly identified* federal *candidate*. Express advocacy can be accomplished either by using certain "explicit words of advocacy

of *election* or defeat" or by structuring the message in such a manner that reasonable minds could not differ as to the advocacy of the message. See page 33.

Coordination with Candidate or Political Party

Communications with the Restricted Class

Communications to the restricted class may be *coordinated* with a *candidate* or agent of a *candidate*. 114.3(a)(1). See "Determining Coordination," below. While *coordination* does not transform the restricted class communication into an *in-kind contribution*, it may jeopardize the independence of future communications to those outside the restricted class by the corporate/*labor organization* or its SSF. 114.2(c).

Communications Beyond the Restricted Class

When making a communication beyond the restricted class, corporations and labor organizations may consult with a *candidate* or agent of a *candidate* or *political party* only to the extent expressly permitted in FEC regulations as explained below. Coordination may result in a prohibited corporate or labor *in-kind contribution*. 109.20.

Coordination Defined

A communication is *coordinated* if it is made in cooperation, consultation or concert with, or at the request or suggestion of, a *candidate*, a *candidate's* authorized committee or their agents, or a *political party committee* or its agents. 109.20(a).

Determining Coordination¹

There is a three-pronged test to determine whether a communication is *coordinated*. PACs are subject to the same *coordination* test that would be applied to communications paid for by other persons. 109.21(a)(1) and 109.22.

¹ As of the date of this publication, several aspects of the coordinated communication rules are being challenged in the U.S. District Court for the District of Columbia. *Shays v. FEC III*, 1:06CV01247.

Definition of Restricted Class

	Corporations	Labor Organizations	Membership Organizations	Trade Associations
Solicitation for SSF	<div>Executive and Administrative Personnel and Families</div> <div>Stockholders and Families</div>	<div>Executive and Administrative Personnel and Families</div> <div>Members and Families</div>	<div>Executive and Administrative Personnel and Families</div> <div>Noncorporate Members and Families</div>	<div>Executive and Administrative Personnel and Families</div> <div>Noncorporate Members and Families</div> <div>With Prior Approval, Corporate Members' Executive and Administrative Personnel and Families</div>
Express Advocacy Communication or Solicitation for Candidate or Party	Same as Above	Same as Above	Same as Above	<div>Executive and Administrative Personnel and Families</div> <div>Noncorporate Members and Families</div> <div>Individuals, Representing Corporate Members, with Whom the Association Normally Conducts Association Business</div>

A communication must satisfy all three prongs of the test to be considered a “coordinated communication.” The three prongs of the test consider:

- The source of payment (“payment prong”);
- The subject matter of the communication (“content prong”); and
- The interaction between the person paying for the communication and the *candidate* or *political party committee* (“conduct prong”). 109.21(a).

Payment Prong

A *coordinated* communication is paid for, in whole or in part, by a person other than the *candidate*, an authorized committee or a *political party committee* with whom the communication is *coordinated*. 109.21(a)(1).

Content Prong

A communication that meets any one of these four standards meets the content prong:

- A communication that is an “electioneering communication” (see above);
- A *public communication* that republishes, disseminates or distributes *candidate* campaign materials, unless the activity meets one of the exceptions at 109.23(b) discussed in the conduct standards below;
- A *public communication* that expressly advocates the *election* or defeat of a *clearly identified candidate* for *federal office*; or
- A *public communication* that:
 - Refers to a *clearly identified* House or Senate *candidate* and is publicly distributed in the

identified *candidate's* jurisdiction within 90 days of the *candidate's* primary or general election;

- Refers to a *clearly identified* Presidential *candidate* and is publicly distributed during the period starting 120 days before the primary election and ending on the date of the general election;
- Refers to a *political party* in a midterm election cycle, is coordinated with a *party committee* and is publicly distributed within 90 days of a primary or general election;
- Refers to a *political party* in a Presidential election cycle, is coordinated with a *party committee*, and is publicly distributed during the period starting 120 days before the primary and ending on the date of the general election;
- Refers to a *political party*, is coordinated with a House or Senate *candidate* and is publicly distributed in that *candidate's* jurisdiction within 90 days of the primary or general election; or
- Refers to a *political party*, is coordinated with a Presidential *candidate* and is publicly distributed during the period starting 120 days before the primary until the date of the general election.

For communications that refer to both a party and a *clearly identified* Federal *candidate*, see 109.21(c)(4)(iv). 109.21(c)(4)(i)-(iv).

Conduct Prong

A communication that satisfies any one of the six standards described below meets the conduct prong. If the communication also meets the content and payment prongs, it is *coordinated*. 109.21(a).

Request or Suggestion

This conduct standard may be met in two ways:

- If the person creating, producing or distributing the communication does so at the request or suggestion of a *candidate*, authorized committee, *political party committee* or agent of any of these; or
- If a person paying for the communication suggests the creation, production or distribution of the communication to the *candidate*, authorized committee, *political party committee* or agent of any of the above, and the *candidate* or *political party committee* assents to the suggestion. 109.21(d)(1).

Material Involvement

This conduct standard is met if a *candidate*, *candidate committee*, *political party committee* or an agent of any of these was “materially involved in decisions” regarding any of the following aspects of a *public communication* paid for by someone else:

- Content of the communication;
- Intended audience;
- Means or mode of the communication;
- Specific media outlet used;
- Timing or frequency of the communication; or
- Size or prominence of a printed communication or duration of a communication by means of broadcast, cable or satellite. 109.21(d)(2).

Substantial Discussion

A communication meets this standard if it is created, produced or distributed after one or more substantial discussions between the person paying for the communication, or the person's agents, and the *candidate clearly identified* in the communication or that *candidate's* committee, that *candidate's* opponent or opponent's committee, a *political party committee*, or an agent of the above. A discussion would be “substantial” if information about the plans, projects, activities or needs of the *candidate* or *political party committee* that is material to the creation, production or distribution of the communication is conveyed to the person paying for the communication. 109.21(d)(3).

Employment of Common Vendor

The conduct standard provides that the use of a common vendor in the creation, production or distribution of a communication satisfies the conduct standard if:

- The person paying for the communication contracts with, or employs, a *commercial vendor* to create, produce or distribute the communication.²
- The *commercial vendor*, including any officer, owner or employee of the vendor, has a previous or current relationship with the *candidate* or *political party committee* that puts the *commercial vendor* in a position to acquire information about the campaign plans, projects, activities or needs of the *candidate* or *political party committee*. This previous relationship is defined in terms of nine specific services related to

2 The term “commercial vendor” is defined at 116.1(c).

campaigning and campaign communications. Note that these services would have to have been rendered within 120 days of the purchase of the communication.

- The *commercial vendor* uses or conveys information about the campaign plans, projects, activities or needs of the *candidate* or *political party committee*, or information previously used by the *commercial vendor* in serving the *candidate* or *political party committee*, to the person paying for the communication, and that information is material to the creation, production or distribution of the communication. 109.21(d)(4). See “Safe Harbor for Use of a Firewall,” below.

Former Employee/Independent Contractor.

This standard applies to communications paid for by a person who has previously been an employee or an independent contractor of a *candidate’s* campaign committee or a *political party committee* during the 120 days prior to the production of the communication.

The standard requires that the former employee use or convey material information about the plans, projects, activities or needs of the *candidate* or *political party committee*, or material information used by the former employee in serving the *candidate* or *political party committee*, to the person paying for the communication, and the information is material to the creation, production or distribution of the communication. 109.21(d)(5).³ See “Safe Harbor for Use of a Firewall,” and “Safe Harbor for Publicly Available Information” below.

Dissemination, Distribution or Republication of Campaign Material

A communication that republishes, disseminates or distributes campaign material only satisfies the first three conduct standards on the basis of the *candidate’s* conduct—or that of his or her committee or agents—that occurs after the original preparation

of the campaign materials that are disseminated, distributed or republished. 109.21(d)(6).⁴

Agreement or Formal Collaboration

Neither agreement (defined as a mutual understanding on any part of the material aspect of the communication or its dissemination) nor formal collaboration (defined as planned or systematically-organized work) is necessary for a communication to be a *coordinated* communication. 109.21(e).

Safe Harbor for Responses to Inquiries about Legislative or Policy Issues

A *candidate’s* or *political party committee’s* response to an inquiry about that *candidate’s* or party’s positions on legislative or policy issues, which does not include discussion of campaign, plans, projects, activities or needs, will not satisfy any of the conduct standards. 109.21(f).

Safe Harbor for Endorsements and Solicitations by Federal Candidates

A communication in which a *candidate* endorses or solicits funds for another federal or nonfederal *candidate* is not a *coordinated* communication with respect to the endorsing federal *candidate* unless the communication promotes, supports, attacks or opposes the endorsing *candidate* or another *candidate* seeking election to the same office as the endorsing *candidate*. 109.21(g).

Safe Harbor for the Use of a Firewall

None of the conduct standards is satisfied if the vendor, *political committee*, former employee or contractor implements a firewall. The firewall must effectively prevent the flow of information between employees or consultants providing service to the person paying for the communication and those employees or consultants providing services to a *political party committee* or to the *candidate* who is *clearly identified* in the communication or to the campaign of the *candidate* opposing the *candidate* *clearly identified* in the communication. 109.21(h).

³ A candidate or political party committee would not be held responsible for receiving or accepting an in-kind contribution that resulted only from conduct described in the “Employment of Common Vendor” and “Former Employee/Independent Contractor” sections. 109.21(d)(4) and (d)(5). However, the person paying for a communication that is coordinated because of conduct described in these sections would still be responsible for making an in-kind contribution for purposes of the contribution limitations, prohibitions and reporting requirements of the Act. 109.21(b)(3)

⁴ Please note that the financing of the distribution or republication of campaign materials, while considered an in-kind contribution by the person making the expenditure, is not considered an expenditure by the candidate’s authorized committee unless the dissemination, distribution or republication of campaign materials is coordinated. Additionally, republications of campaign materials coordinated with party committees are in-kind contributions to such party committees, and are reportable as such. 109.23(a).

Safe Harbor for Publicly Available Information

The standard for substantial discussion, material involvement, use of a common vendor and involvement of a former employee are not satisfied if the information used in creating or distributing the communication was obtained from a publicly available source. Publicly available sources include, but are not limited to:

- Newspaper or magazine articles;
- Candidate speeches or interviews;
- Transcripts from television shows;
- Press releases;
- A *candidate* or *political party's* web site; and
- Any publicly available web site. 109.21(d)(3).

2. Paying for Communications to the Restricted Class

Either the *connected organization* or its SSF may pay for communications to the restricted class.

Connected Organization Pays

When the *connected organization* pays for such communications, it (rather than the SSF) must report the payments on FEC Form 7, once the payments exceed \$2,000 for all candidates running in the same *election* (primary or general). The payments are not considered contributions. 104.6(a).

SSF Pays

In an *advisory opinion*, the Commission permitted the SSF of a membership organization to pay for a *candidate* appearance – a type of communication to the restricted class. The payment was not considered a *contribution* and the SSF had to report it as “other disbursements” on FEC Form 3X. For any payments requiring itemization on Schedule B, the SSF was to:

- Describe the type of expense;
- Name the *candidate* making the appearance;
- Indicate that the payment was for an internal communication; and
- Cite the *advisory opinion* on the report.

The \$2,000 reporting threshold (for filing Form 7) did not apply. AO 2000-3.

3. Candidate and Party Appearances

Corporations and labor organizations may sponsor an appearance by a *candidate*, a *candidate's* representative or a party representative. The preparations and activities undertaken by the *corporation* or *labor organization* in connection with the appearance vary with the type of audience. The three types of audience are:

- The restricted class of the *corporation* or *labor organization*;
- Other employees and their families; and
- The general public.

The rules for *candidate* and party representative appearances before each type of audience are discussed below.

Appearances Before Restricted Class

Location of Appearance

The *corporation* or *labor organization* may allow the appearance at a meeting, at a convention or at some other function of the *corporation* or *labor organization*. 114.3(c)(2)(i).

Express Advocacy

Both the *candidate/party* representative and the *corporation* or *labor organization* may expressly advocate the *election* or defeat of the *candidate*, other candidates or the party. 114.3(c).

Coordination with the Candidate

The *corporation* or *labor organization* may confer with the *candidate/party* representative on the structure, format and timing of the appearance. However, *coordination* with the *candidate/party* representative may compromise the independence of future communications to individuals beyond the restricted class by either the *corporate/labor organization* or its SSF. See “Determining Coordination” above. 109.21, 114.2(c), 114.3(a) and (c)(2).

Solicitation by the Candidate

The *candidate/party* representative may solicit and accept contributions before, during or after the appearance. This includes leaving telephone numbers, addresses and mailing envelopes at the appearance site. 114.3(c)(2)(ii).

Solicitation by the Corporation or Labor Organization

The *corporation* or *labor organization* may, at a *candidate/party* representative appearance, suggest that

its restricted class make contributions to a *candidate* or party, but may not collect any contributions, as detailed below.

Contributions Sent Directly to Candidate/Party

The *corporation* or *labor organization* can instruct the audience to send their contributions directly to the *candidate*/party if they follow these guidelines:

- The *corporation*/labor organization's directors, officers and other representatives may not collect contributions before, during or after the appearance. I 14.3(c)(2)(iii); and
- The *corporation* or *labor organization* may provide the address but it may not provide stamps or envelopes addressed to the *candidate*/party. I 14.2(f)(2)(ii).

Contributions Earmarked Through the SSF

In addition to soliciting contributions to be sent directly to the *candidate*/party, a *corporation* or *labor organization* may solicit contributions earmarked for a particular *candidate*. These earmarked contributions must be collected by and forwarded through the separate segregated fund (SSF) of the *corporation*/labor organization and must be considered contributions both to and from the SSF. They will count, therefore, against the limits of both the contributor and the SSF. For information on SSF solicitation and collection of earmarked contributions, see page 31. I 14.2(f)(2)(iii).

Presence of People Outside the Restricted Class

The *corporation* or *labor organization* may, to a limited degree, allow the attendance of the following individuals who are outside the restricted class:

- Employees who are outside the restricted class but who are necessary to administer the meeting;
- Other guests who are being honored, are speaking or are participating in the event; and
- News media (see "Allowing Media Coverage," below). I 14.3(c)(2)(i) and (iv).

Appearances by Other Candidates/Party Representatives

Because the appearance is before the restricted class and *express advocacy* (*candidate* advocacy) is allowed, the *corporation* or *labor organization* may grant or deny other candidates and parties the opportunity to appear, as the organization desires. I 14.3(c)(2)(i).

Allowing Media Coverage

If the *corporation* or *labor organization* allows more than one *candidate* for the same office to appear and permits the media to cover the appearance of one *candidate*, it must permit media coverage of the other *candidate*(s) for that office as well. Similarly, if one party's representative is permitted media coverage, then an appearance by any other party's representative must also be permitted media coverage. I 14.3(c)(2)(iv).

Reporting Appearances Before the Restricted Class⁵

When Reporting Required

Corporations and labor organizations must report disbursements for communications to the restricted class if:

- The communication (e.g., appearance) contains *express advocacy* (*candidate* advocacy) (Note, however, if the communication is primarily devoted to subjects other than *express advocacy* (e.g., issue advocacy), then no reporting is required.); and
- The costs for all candidates running in the same *election* aggregate over \$2,000. 100.134(a).

If the above two criteria are met, the *corporation* or *labor organization* must report the costs of the communications on FEC Form 7. 104.6(a).

Frequency of Filing

FEC Form 7 must be filed quarterly during a calendar year in which a regularly scheduled general *election* is held, beginning with the first reporting period the aggregate costs for all candidates running in the same *election* exceed \$2,000. The *corporation* or *labor organization* must continue to file quarterly and pre-general *election* reports if it makes additional disbursements for communications (containing *express advocacy*) in connection with the same primary, general, special or run-off *election*. 104.6(b).

Content of Report

For each communication the report must contain:

- The type of communication (e.g., *direct mail*, appearance, telephone);
- The date(s) of the communication;
- The *candidate*'s name, office sought and whether the communication was for a primary or a general *election*;

⁵ These reporting requirements also apply to Distributing Publications to the Restricted Class on page 85.

- Whether the communication was in support of, or in opposition to, a particular *candidate*; and
- The cost of the communication. 104.6(c).

Exception When SSF Pays Costs

Note, however, that communications costs (described in this chapter) that are paid for by the SSF (instead of the *connected organization*) do not count as contributions or expenditures. In such instances, the SSF, rather than the *connected organization*, reports the communications costs as “other disbursements” (Form 3X, line 29), and the *connected organization* does not report the expense on Form 7.AO 2000-3. See “Using the SSF’s Own Funds” on page 8.

Appearances Before All Employees and Their Families

Who May Attend

A *corporation/labor organization* may sponsor *candidate/party* representative appearances that are attended by all corporate/*labor organization* employees and their families, corporate stockholders or *labor organization* members and their families, as well as other honored guests, speakers, participants and the news media (if invited). 114.4(b)(1).

Location of Appearance

The *corporation* or *labor organization* may allow the appearance at a meeting, at a convention or at some other function of the *corporation* or *labor organization*. 114.4(b)(1) and (2).

Express Advocacy

The *candidate* may expressly advocate his/her *election*, but the *corporation* or *labor organization* may not; nor may it encourage its employees to do so. Such *express advocacy* by the *corporation* or *labor organization* to an audience beyond the restricted class will result in a prohibited corporate/*labor organization* contribution to the *candidate* or party. 114.4(b)(1)(v) and (b)(2)(ii).

Coordination with the Candidate

The *corporation* or *labor organization* may coordinate with the *candidate/party* representative concerning the timing, structure and format of the appearance and on the *candidate*’s position on issues. Coordination regarding the campaign’s plans, projects and needs, however, will result in a prohibited *in-kind* contribution. See “Determining Coordination” above. 109.21, 114.2(c) and 114.4(b)(1)(vii).

Solicitation by the Candidate/Party Representative

While attending the event, the *candidate/party* representative may solicit but may not accept contributions before, during or after the appearance. The *candidate/party* representative may, however, leave envelopes and campaign materials for members of the audience. 114.4(b)(1)(iv) and (b)(2)(i).

Solicitation by the Corporation or Labor Organization

The *corporation* (any employees) or *labor organization* (any officials, members or employees) may not solicit, direct or control contributions in conjunction with any *candidate* or party appearance before those outside the restricted class. 114.4(b)(1)(iv) and (b)(2)(i).

Equal Opportunity

The organization also must allow other candidates for the same office to appear, if they request to do so. The following guidelines apply:

- If a *candidate* for the House or Senate is allowed to make an appearance, all other candidates for that seat must be given a similar opportunity, upon request. 114.4(b)(1)(i).
- If a Presidential or Vice Presidential *candidate* is allowed to make an appearance, all candidates for that office meeting the pre-established objective criteria for *candidate* debates under 110.13 must be given a similar opportunity, upon request. 114.4(b)(1)(ii). See also “Public Debates,” next page.
- If representatives of a *political party* are allowed to make an appearance, representatives of all political parties that either had a *candidate* on the ballot in the last general election, will have a *candidate* on the ballot in the next general election or are actively engaged in placing a *candidate* on the ballot in the next general election must be given a similar opportunity upon request. 114.4(b)(1)(iii).
- The term “similar opportunity” means similar circumstances and amount of time for the appearances, except if such similarity is clearly impractical. 114.4(b)(1)(vi).

Appearances Before the General Public

Corporate/*labor*-sponsored appearances by a *candidate* or party representative before the general public are divided into three categories:

- Officeholder/professional (i.e., noncampaign-related) appearances;
- Public debates; and
- Public appearances at educational institutions.

These three categories are discussed below.

Officeholder/Professional Appearance at Corporation or Labor Organization

Under certain circumstances, a *corporation* or *labor organization* may sponsor an appearance by a *candidate* before the general public. AOs 2004-14, 1999-2, 1996-11 and 1992-6. This type of appearance can occur under the following circumstances:

Speaker Not Appearing as Candidate

The speaker is NOT appearing in his capacity as a federal *candidate* but rather as a current federal officeholder or as a lecturer.

Issue Topics

The speaker may speak about issues of interest to the sponsoring organization, including legislative issues, but must avoid reference to the campaign.

No Express Advocacy

Neither the speaker nor the *corporation* or *labor organization* may expressly advocate the *election* or defeat of a *clearly identified candidate*.

No Solicitation

Neither the speaker nor the *corporation* or *labor organization* may solicit contributions before, during or after the event.

Similar Opportunity Not Required

Corporations and labor organizations need not provide other candidates with similar opportunities to speak because the speaker is appearing in his/her professional capacity rather than as a *candidate*.

Proximity to Election Day

The appearance may occur at any time, even shortly before an *election*, because the speaker is not appearing to promote his/her candidacy.

Press Coverage

The speaker may participate in a press conference at or near the site of the event. The speaker may speak at the press conference regarding the issues discussed at the event under the following conditions:

- The sponsoring organization may identify—but may not use the press conference to endorse—the speaker as a *candidate*.
- Neither the speaker nor the sponsoring organization may expressly advocate the *election* or defeat of any *candidate* during the press conference.
- The disbursements for the press conference must be de minimis. That means that

the sponsoring organization may contact only those news organizations it customarily contacts when holding press conferences for other purposes.

Payment of Travel Expenses

The sponsoring organization may pay the speaker's travel expenses as long as no part of the his/her trip is campaign related. If any campaign-related activity is conducted at a stop, the entire stop is campaign related and travel expenses cannot be paid by the sponsoring organization.⁶ AO 1996-11.

Public Debates

Sponsorship

Candidate debates may be sponsored by a broadcaster, a bona fide newspaper, a magazine or other periodical publication, or a tax-exempt nonprofit organization (a 501(c)(3) or 501(c)(4) organization) that neither supports nor opposes any *candidate* or party. 110.13(a) and 114.4(f)(2).

Corporate Donations

A *corporation* or *labor organization* may donate funds to a tax-exempt nonprofit organization (a 501(c)(3) or 501(c)(4) organization) that neither supports nor opposes any *candidate* or party to defray the cost of staging a *candidate* debate. 114.4(f)(1) and (3).

Debate Structure

The debates must be structured such that they do not promote or advance one *candidate* over another; and they must include at least two candidates, meeting face to face. 110.13(b).

Candidate Selection

The organization staging the debate must select the candidates based on pre-established objective criteria. For primary elections, the organization may restrict candidates to those seeking the nomination of one party. For general elections, the staging organization may not use nomination by a particular party as the sole objective criterion. 110.13.

⁶ In AO 1996-11, the corporation sponsoring the appearances of two officeholders who were running for re-election could not pay the officeholders' travel expenses because the organization had knowledge that the officeholders' campaigns were planning campaign-related events at the site of the appearance. Payment of their travel expenses would have constituted a prohibited corporate contribution.

Appearance at Educational Institutions

Any school, college or university (incorporated nonprofit tax exempt “private” school⁷ or unincorporated tax exempt “public” school) may make its facilities available to any *candidate/political committee* or, in some cases, *political party* representatives. The institution may make its facilities available at either the usual and normal cost for campaign events or at a discount or for free for academic events. Note that if the institution makes its facilities available at a discount or for free, it must make reasonable efforts to ensure that the appearance does not constitute a campaign appearance or event. The following paragraphs further explain this concept.

Facility Rental for Campaign Events: Usual and Normal Fee

Any school, college or university may make its facilities available to any *candidate/political committee* in the normal course of business for the usual and normal rental fee. 110.12 and 114.4(c)(7)(i).

Facility Use for Academic Events: Discount or Free

Any public or private educational institution may allow groups associated with the institution to invite candidates/*political party* representatives to address students, faculty, the academic community and the general public on the institution’s premises free or at a discounted cost provided it:

- Makes reasonable efforts to ensure that the appearances constitute communications in an academic setting (speeches, question and answer sessions) and are not conducted as campaign rallies or events;
- Does not expressly advocate the election or defeat of any *clearly identified candidate(s)* or any candidates of a *clearly identified political party*; and
- Does not favor any one *candidate* or party over any other in allowing such appearances. 110.12 and 114.4(c)(7)(ii).

Hosting Candidate Debates

Educational institutions may also host *candidate* debates, as described on page 84.

Hosting Officeholder/Professional Appearances

Educational institutions may also host officeholder/professional appearances as described on page 84.

⁷ Tax exempt nonprofit institutions are advised to review the Internal Revenue Service requirements regarding the effect of political activity and continuing nonprofit status.

Media Coverage

Corporations and labor organizations may invite the media to cover any of the appearances discussed above. However, if any media coverage occurs, the *corporation* or *labor organization* must give equal access to all news media representatives. This means providing to its customary media contacts advance information regarding the appearance and allowing all representatives of news media to cover the event, using a pooling arrangement if necessary. 114.3(c)(2)(iv) and 114.4(b)(1)(viii). See also Endorsements, page 87.

4. Publications

A *corporation* or *labor organization* may distribute publications (e.g., print, broadcast, video, computer based materials) to its restricted class and to the general public. As with campaign appearances, however, the rules are more restrictive for distributing publications to the general public than to the restricted class. The rules for distributing publications to both audiences are discussed in greater detail below. See also AOs 1999-25, 1997-16 and 1996-21.

Distribution of Publications to Restricted Class

Express Advocacy

A *corporation* or *labor organization* may distribute publications to its restricted class on any subject. This includes publications expressly advocating the election or defeat of a *clearly identified candidate(s)* or a party’s *candidate*. 114.3(a).

Coordination with Candidate or Political Party

The *corporation* or *labor organization* may discuss campaign issues at length with the *candidate* or *political party*; however, discussion concerning how to contour a communication for the benefit of the campaign would constitute *coordination* and may jeopardize the independence of future corporate/*labor organization* communications to individuals beyond the restricted class. See “Determining Coordination” above. 109.21 and 114.3(a). See also AO 1996-1.

Solicitation

The material may solicit contributions for a *candidate* or a party. The rules for soliciting contributions from the restricted class through a publication are the same as those for soliciting during a *candidate* appearance before the restricted class. See page 81. 114.2(f)(4)(ii).

Content

The views communicated in the publication must be those of the *corporation* or *labor organization* and must not be a republication or reproduction of the *candidate's* campaign materials including broadcasts and written or graphic materials. The *corporation* or *labor organization* may, however, use brief quotations from *candidate* materials and speeches that demonstrate the *candidate's* position as part of the *corporation's* or *labor organization's* expression of its own views. 114.3(c)(1)(ii).

Reporting Requirements

Disbursements for communications to the restricted class that aggregate over \$2,000 for any *election* must be reported if the communications contain *express advocacy* and are not primarily devoted to other subjects. See Reporting Appearances Before the Restricted Class, page 82 for specific requirements and processes. 100.134(a) and 104.6.

Distribution of Publications to General Public: General Guidelines

No Express Advocacy

A *corporation* or *labor organization* may distribute certain publications to the general public as long as the publications do not expressly advocate the *election* or defeat of a *clearly identified candidate* or the candidates of a *clearly identified party*.

No Coordination

Except as discussed below, the publications may not be *coordinated* with any candidates or political parties. This action would result in a prohibited corporate or labor *in-kind contribution*. See “Determining Coordination” above.

No Solicitation

Additionally, the publications may not solicit contributions for a *candidate* or party. This action would result in a prohibited corporate or labor *contribution* or *expenditure*.

Voting Records of Incumbent Candidate

A *corporation* or *labor organization* may distribute the factual voting records of incumbent candidates on legislative matters.

No Express Advocacy

Neither the voting records nor any accompanying materials may expressly advocate the *election* or defeat of a *clearly identified candidate(s)* or the candidates of a *clearly identified party*. 114.4(c)(4).

No Coordination

Decisions as to content and distribution of a voting record must be made by the *corporation* or *labor organization* without *coordination* with the *candidate* or *political party*. See “Determining Coordination” above. 109.21 and 114.4(c)(4).

Voter Guides

Voter guides are publications consisting of candidates' positions on campaign issues. Corporations and labor organizations may obtain and distribute voter guides prepared by nonprofit (26 U.S.C. §501(c)(3) or (c)(4)) organizations or they may prepare and distribute their own voter guides. See also “Nonpartisan Candidate Information on the Internet” on page 87.

There are two types of voter guides that corporations/labor organizations can develop under 114.4(c)(5):

- One is based solely on news articles, voting records or other noncampaign sources (Type 1). 114.4(c)(5)(i).
- The other is based on answers to questions submitted by the organization to the candidates (Type 2). 114.4(c)(5)(ii).

Rules for Preparing and Distributing Either Type of Voter Guide⁸

- Distribution of the guides may not be *coordinated* with the *candidate*. 109.21.
- The guides must include at least two candidates in the same *election*.
- The guides cannot contain *express advocacy*.
- They may include biographical information such as education, employment, offices held and community involvement. 114.4(c)(5).

Further Rules for Preparing and Distributing Type 2 Voter Guides

Type 2 Voter Guides are subject to the following further restrictions:

- No *candidate's* response may receive greater prominence or substantially more space than any other *candidate's* response. 114.4(c)(5)(ii)(C). All candidates for a particular Congressional seat must be given equal opportunity to respond. 114.4(c)(5)(ii)(B).
- Questions must be sent, in the case of the primary elections, to all Presidential candidates in one party; and, for the general *election*, to all on the ballot in the state where the guides are distributed or to those candidates who are on the ballot in enough states to win a majority of electoral votes. All of these candidates must be given equal opportunity to respond. 114.4(c)(5)(ii)(B).
- The guides may not contain an electioneering message. 114.4(c)(5)(ii)(D).
- The guides may not contain scores or ratings of responses in such a way as to convey an electioneering message. 114.4(c)(5)(ii)(E).

⁸ In June 1997, the First Circuit Court of Appeals, in *Clifton v. FEC* (114 F.3d 1309 (1st Cir. 1997)) found invalid the voter guide regulation "only insofar as it limits any contact with candidates to written inquiries and replies and imposes an equal space and prominence restriction." The court remanded to the district court the issue of whether the part of the regulation prohibiting and "electioneering message" is unconstitutionally vague. The district court declared the electioneering message provision governing voter guides to be invalid because it was unseverable from those struck down by the appeals court. (*Clifton v. FEC*, No. 96-66-P-H (D. Maine, April 30, 1998)). See also the Commission's clarification of the "safe harbor" for coordination with candidates. 68 Fed Reg 440-441 (1/3/03).

Nonpartisan Candidate Information on the Internet

In *Advisory Opinions* 1999-25 and 1999-24, the Commission allowed nonprofit corporations and a nonpartisan LLC (treated as a partnership for tax purposes and not *affiliated* with any *political action committee*, *candidate* or party) to place on their web sites material containing information provided by candidates about their positions on issues. The Commission determined that the web sites constituted exempt nonpartisan political activities designed to encourage individuals to vote or to register to vote. 2 U.S.C. §431(9)(B)(ii). The web sites fell within the exemption because, among other factors, they gave equal time and space on the site to all qualified candidates and did not:

- Attempt to determine the party or *candidate* preference of the viewers;
- Score or rate the candidates or expressly advocate their *election* or defeat; or
- Coordinate with the candidates. (For a discussion of Internet use by employees, see "Individual Volunteer Activity" in Chapter 10.)

5. Endorsements

A *corporation* or *labor organization* may endorse a *candidate* and may communicate the endorsement:

To the Restricted Class

At Appearance by Candidate/Party Representative or in Publication

A *corporation* or *labor organization* may announce its *candidate* endorsement at an appearance by a *candidate* or party representative before, or in a publication sent to, its restricted class (see pages 81 and 85) (no more than a de minimis number of copies of the publication that includes the endorsement may be distributed beyond the restricted class). 114.4(c)(6). For examples, see AOs 2000-10, 1999-16, 1997-22, 1997-16, 1996-21 and 1996-1.

Reporting Requirements

Expenditures for communications to the restricted class that aggregate over \$2,000 for any *election* must be reported if the communications contain *express advocacy* (*candidate* advocacy) and are not primarily devoted to other subjects. See "Reporting Appearances Before the Restricted Class," page 82 for specific requirements and processes. 100.134(a) and 104.6.

To the Public, by Press Release or Press Conference

Usual Media Contacts

A *corporation* or *labor organization* may publicly announce an endorsement that has already been made, and it may state the reasons for it through a press release or a press conference, as long as the press release or notice of the press conference is distributed only to the organization's usual media contacts. 114.4(c)(6)(i).

Coordination with the Candidate

The *corporation* or *labor organization* may communicate with candidates only for the purpose of deciding which, if any, *candidate* to endorse. For example, the *corporation* or *labor organization* may discuss issues with the *candidate* in determining whether or not to make an endorsement. The actual announcement may not be *coordinated* with the *candidate*, *candidate's* agents or the *candidate's* authorized committee. 114.4(c)(6)(ii). See also 109.21.

6. Registration and Get-Out-the-Vote Drives

To the Restricted Class

Express Advocacy

Corporations and labor organizations may conduct voter registration and get-out-the-vote (GOTV) drives urging the restricted class to register with a particular party or to vote for a particular *candidate*. 114.3(c)(4).

Transportation

The *corporation* or *labor organization* may provide transportation to the place of registration or to the polls but cannot condition that service on support of a particular *candidate* or party. 114.3(c)(4).

Phone Banks

A *corporation* or *labor organization* may establish and operate phone banks to communicate with its restricted class, urging them to register and/or vote for a particular *candidate* or candidates or to register with a particular *political party*. 114.3(c)(3).

Beyond the Restricted Class

Express Advocacy

When registration and GOTV drives are directed to people outside the restricted class (other employees, their families and the general public), the *corporation* or *labor organization* may not expressly advocate the *election* or defeat of a *clearly identified candidate* or the candidates of a *clearly identified party*. 114.4(d)(1).

No Coordination

Registration and GOTV drives beyond the restricted class cannot be *coordinated* with any *candidate* or any *political party*. 109.21 and 114.4(d)(2).

No Targeting

The *corporation* or *labor organization* may not aim the drive primarily at those voters registered with, or intending to register with, the party favored by the *corporation* or *labor organization*. 114.4(d)(3).

Services Available to Everyone

The services and voter information must be made available regardless of the voter's political preference. 114.4(d)(4).

Written Notification

During the drive, the *corporation* or *labor organization* must provide written notice of the nonpreferential nature of the service to those who receive the information or assistance. 114.4(d)(6).

Payments to Individuals Conducting the Activity

The *corporation* or *labor organization* may not pay the individuals conducting the drive based on the number of persons assisted who support a particular *candidate* or *political party*. 114.4(d)(5).

7. Voter Education

In addition to providing rules on voter drives, Commission Regulations apply to the dissemination of voter information.

Voter Advertisements

A *corporation* or *labor organization* may pay for public advertisements urging voter registration and voting as long as they do not expressly advocate the *election* or defeat of a *clearly identified candidate* or party's *candidate*. The advertisement may not be *coordinated* with any *candidate* or *political party*. 109.21 and 114.4(c)(2) and (3).

Distribution of Official Voter Information

A *corporation* or *labor organization* may distribute voter information produced by official election administrators, as described below.

Types

- Absentee ballots, if permitted by state law;
- Registration-by-mail forms; and
- Instructional materials. I 14.4(c)(3)(i) and (ii).

No Express Advocacy

The voter information may not contain *express advocacy* (*candidate* advocacy) and may not encourage registration with a particular party. I 14.4(c)(3)(iv).

No Coordination

Corporations and labor organizations may not coordinate the content, reproduction or distribution of the information with any *candidate* or *political party*. 109.21 and I 14.4(c)(3)(v).

Donations for Official Publications

The *corporation* or *labor organization* may make a donation to state and local government agencies administering the elections to help defray the costs of printing or distributing registration or voting information and forms. I 14.4(c)(3)(iii).

8. Exception: Independent Expenditures by Qualified Nonprofit Corporations

There is one very limited exception to the Act's prohibition on corporate and *labor organization* independent expenditures. A Qualified Nonprofit Corporation (QNC) may make independent expenditures that support (or oppose) *clearly identified* federal candidates. Such independent expenditures by QNCs are not subject to the prohibition on corporate expenditures in 2 U.S.C § 441b. I 14.2(b) and I 14.10. This very limited exception is explained on page 35.