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FEDERAL ELECTION COMMISSION

CAMPAIGN GUIDE

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CAMPAIGN GUIDE FOR COMMITTEES

INTRODUCTION

The Federal Election Campaign Act of 1971, as amended in 1974 and again in 1976 (hereinafter referred to as the Act), requires Federal candidates and committees supporting them to fully disclose their campaign receipts and expenditures and to abide by certain contribution limits and prohibitions.

To help the public comply with the Act, the Federal Election Commission (hereinafter referred to as the FEC) has prepared this guide as a basic reference tool. It summarizes parts of the law¹ and proposed regulations² which are pertinent to political committees, as follows:

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1. A double asterisk (**) in the margin denotes the 1976 amendments.
2. An asterisk (*) in the margin denotes any item which reflects a proposed regulation, as distinct from the Statute on which regulations are based. Once the regulations are promulgated, they will have the effect of law. At that time this guide will be revised accordingly and circulated among all those on the Commission's mailing list and to anyone else who requests a copy.

I. GENERAL GUIDELINES

- Review the law and disclosure regulations, available from the FEC. Note especially the definitions which give special meaning to key words such as "candidate," "person," "contribution," "expenditure," and "identification."
- Be guided by the purpose of the law -- to open campaign financing to full public view through disclosure and to reduce improper influence on the political process by limiting campaign contributions.
- Keep adequate records of receipts and expenditures.
- If a mistake is discovered, correct it promptly and straightforwardly by letter or an amended report.
- If in doubt as to what the law means or how it applies, seek help from the Federal Election Commission by calling 382-4733 in the Washington, D.C., area or toll free 800-424-9530 from any place in the United States. The FEC information, legal and auditing staffs want to assist all committees, candidates and the public at large in any way possible.

II. WHAT IS A POLITICAL COMMITTEE?

A. Definition

A political committee is any committee, club, association, or other group of persons which, during the calendar year, receives contributions or makes expenditures totalling more than \$1,000 to influence Federal elections.

B. Types of Committees

While reporting requirements and contribution limits apply to all political committees supporting Federal candidates, the application of legal provisions varies according to the particular type of committee. Political committees may be distinguished by:

- their function, and
- whether or not they have been authorized by a candidate.

1. Committees Distinguished by Function

- a. Principal Campaign Committee -- is a political committee designated by a candidate as his or her principal campaign committee to receive

contributions and make expenditures in connection with the candidate's campaign.

- (1) A candidate is required by law to designate a principal campaign committee.
- (2) A principal campaign committee may support only the candidate it has been designated to support.

** (3) It may, however, make occasional contributions to other Federal candidates.

b. Single Candidate Committee -- is a political committee, other than the candidate's principal campaign committee, which receives or makes contributions or makes expenditures on behalf of only one candidate. It may or may not be authorized by the candidate.

c. Multicandidate Committee -- is a political committee which has been:

- (1) Registered under the Act for at least six months; and
- (2) Has received contributions from more than 50 persons'; and
- (3) Except in the case of State party committees, has made contributions to five or more Federal candidates.

d. Party Committee -- is a political committee which is a part of the official party structure at the local, State, or national level.

- (1) It may or may not qualify as a multicandidate committee.
- (2) It may raise and spend a limited amount of funds on behalf of a Federal candidate without his or her authorization. (See Section VII, E, p.1.19.)

** 2. Committees Distinguished as Authorized or Unauthorized

The distinction between an authorized and an unauthorized committee is whether or not the

1. Under the Act, "Person" is defined to include: an individual, partnership, committee, corporation, labor organization, association, and any other organization or group of persons. Under the Act, however, corporations and unions may not make contributions from treasury funds.

candidate has authorized the committee in writing to receive or make contributions or make expenditures on his or her behalf.

III. REGISTRATION REQUIREMENTS

A. Which Committees Must Register?

All political committees (except those which have previously registered under the Act) which anticipate receiving contributions or making expenditures exceeding \$1,000 in a calendar year to influence Federal elections.

B. When Must A Committee Register?

Whichever is the later date:

1. Within 10 days after the date of its organization; or
2. Within 10 days after it anticipates receiving contributions or making expenditures exceeding \$1,000 in a calendar year for Federal candidates.

C. How Does A Committee Register?

** 1. General Procedure¹

- a. Committee obtains registration forms from the FEC, 1325 K Street, N.W., Washington, D.C. 20463.
- b. Committee files a Statement of Organization (FEC Form 1) with the FEC, the Secretary of the Senate, or the Clerk of the House, as appropriate,² identifying its officers, its bank depositories, and the candidate(s) it expects to support.

2. Special Procedure for an Authorized Single Candidate Committee (other than a Principal Campaign Committee)

If a candidate authorizes a committee, other than the principal campaign committee, to raise or spend on his/her behalf:

- a. The candidate files a Statement of Authorization (by letter or Form 2a) with the FEC, the Senate,

1. This procedure is applicable to principal campaign committees and all other political committees except for authorized single candidate committees.
2. Section V, D below, pl. 10, indicates where political committees must file their statements and reports.

or the House, as appropriate. The Statement:

- (1) Authorizes the committee to accept contributions or make expenditures on his or her behalf;
- (2) Designates its bank depository(ies); and
- (3) Identifies the principal campaign committee where the committee will file its reports.

b. The committee files a Statement of Organization (FEC Form 1) with the principal campaign committee of the candidate it supports.

c. The principal campaign committee, in turn, files a copy of the Statement of Organization with the FEC, the Senate, or the House, as appropriate.

* 3. Special Procedure for any Political Committee Supporting Both Federal and Non-Federal Candidates

a. Committee files a Statement of Organization with the FEC and indicates that the committee either:

- (1) Registers as a political committee reporting all transactions, divided into two accounts, Federal and non-Federal; or
- (2) Establishes a separate Federal campaign account or committee which, alone, reports under the Act.

b. In either case, the committee

- (1) May receive only those contributions intended for Federal campaigns; and
- (2) May receive transfers from another Federal account, but not from other State or local committees or accounts.

D. Modifying the Registration

Committees must report any change or correction in their registration (such as a change in address, names of candidates supported, bank depositories or affiliated committees) by writing a letter or filing an amended Statement of Organization. Any such change must be reported within 10 days after it is made.

E. Terminating the Registration

1. When?

- a. Once a committee has retired all outstanding

debts and obligations for Federal elections and does not expect to raise or spend more than \$1,000 during the calendar year; and

- * b. Additionally, in the case of a principal campaign committee

- (1) Only when all debts of its affiliated¹ committees have been extinguished; and
- (2) The candidate has ceased to be a candidate under the Act.

* 2. How?

File a final report (by letter or FEC Form 3) designated as a Termination Report, disclosing:

- a. All receipts and expenditures not previously reported;
 - b. Retirement of all debts and obligations; and
 - c. Disposition of residual funds, if the committee is also disbanding.
3. Until all debts are retired and a termination report is filed, a committee must continue to file reports.

IV. RECORDKEEPING REQUIREMENTS

- * A. A committee must have a Chairman and a Treasurer (held by two different individuals) at any time it accepts contributions or makes expenditures. A vice chairman and/or assistant treasurer may be designated to serve in the absence of a chairman or treasurer.

- B. A committee must keep records of all contributions. In addition, a committee must identify:

- ** 1. Contributions to the committee of more than \$50, by date, amount, and name and address of donor.
- 2. Contributions to the committee of more than \$100 (given in one transaction or in aggregate during a calendar year), by the donor's name, address, occupation, and principal place of employment. However, the Commission recommends that committees record this information for all contributions in order to meet the requirement that they report all

1. In the case of single candidate committees, affiliated committees are those authorized by the same candidate.

contributions from one source which total more than \$100.

- 3. All transfers (i.e., contributions from one committee to another committee or candidate) regardless of amount.

- 4. All expenditures, by date and amount of transaction and the name and address of recipient.

- 5. Additionally, expenditures over \$100 (made in one transaction or in aggregate during a calendar year) must be identified as to purpose.

- C. A committee must keep a receipted bill or comparable record for expenditures to one person which, in the aggregate, exceed \$100.

- ** D. Committee fundraisers and other individuals receiving contributions of \$50 or more must report them to the treasurer within five days after receiving them.

- E. All receipts, including contributions of less than \$50, must be deposited in the bank within 10 days after they have been received.

- F. Campaign funds must be separated from personal funds.

- G. No single cash disbursement may exceed \$100.

- H. A written record of petty cash disbursements must be kept if a petty cash fund is maintained.

- * I. If, prior to the primary election, a candidate's committee receives contributions designated for the general election, the committee must keep the primary and general election contributions distinct by using acceptable accounting methods (such as maintaining separate bank accounts, separate books or separate records for each election).

- * J. A contribution which appears to be illegal must either be:

- 1. Returned to the contributor, or
- 2. Deposited within 10 days after it is received. If it is deposited, the committee must retain a written record, noting the basis for concern, and determine the legality of the contribution. If the contribution proves illegal, the treasurer must return it and report the refund no later than in its next report.

K. Reporting committees must keep copies of all statements, reports and pertinent records for at least three years after the end of the year in which a report or statement was filed.

V. REPORTING REQUIREMENTS

A. Who Reports?

1. Every committee which has registered (by filing a Statement of Organization) and has not yet filed a Termination Report.
2. Any committee, regardless of whether it has registered, making "independent expenditures"¹ exceeding \$100.

B. When Reports Are Filed

1. Quarterly Reports -- Filed by April 10, July 10, October 10 and January 31, disclosing transactions of the preceding calendar quarter if, during that quarter, the committee raised or spent more than \$1,000.
2. Annual Reports -- Filed by January 31, covering the transactions of the preceding year, in any non-election year in which an individual is a candidate.
3. Pre- and Post-Election Reports
 - a. Pre-election -- Filed by the 10th day before an election, disclosing transactions as of the 15th day before an election.
 - (1) If filed by registered or certified mail, report must be postmarked by the 12th day before the election.
 - (2) A contribution of \$1,000 or more received between 2 and 15 days before an election must be reported within 48 hours after it is received by telegram or hand-delivered letter.
 - (3) An independent expenditure of \$1,000 or more made between one and 15 days before an election must be reported within 24 hours after it is made.
 - b. Post-election -- Filed by the 30th day after an election, disclosing transactions as of the 20th day after an election.

1. For a discussion of "independent expenditures," see section VI, D, p.1.17.

- * c. When a multicandidate committee which does not report on a monthly basis (see below) makes a contribution to the national primary campaign of a Presidential candidate (rather than to a State primary campaign), the committee need only file a pre- and post-election report for the first primary occurring more than 15 days after the contribution is made.

4. Monthly Reports

- a. Monthly reports are required in an election year from any committee authorized by a Presidential candidate and operating in more than one State.
- * b. Monthly reports may be filed by any other political committee supporting candidates in two or more States if it has requested (and received) approval from the FEC.
- c. Reports must be filed by the 10th day of each month (except January, November and December), covering transactions of the preceding month. These reports replace the pre- and post-primary reports and the first three quarterly reports. However, the 4th quarter report and the pre- and post-general election reports are still required.

5. Due Dates

- a. If hand delivered or mailed first class, reports must be received by the filing date.
- b. If sent by registered or certified mail:
 - (1) Pre-election reports must be postmarked by the 12th day before the election.
 - (2) All other reports must be postmarked no later than the filing date.
- c. However, the Commission recommends that all reports be sent by registered or certified mail so that committees have proof of having mailed their reports.

C. Waiver of Reports

1. Quarterly Reports

- * a. Provided that a committee notifies the FEC (by letter or FEC Form 3a) at the end of the first

quarter it qualifies for this waiver and that it continues to file the pre-election, post-election and annual reports, the quarterly report may be waived:

- (1) In an election year, if a committee has not raised or spent more than \$1,000 during the quarter; or
- ** (2) In a non-election year, if an authorized single candidate committee has not raised and spent a total of more than \$5,000 during the quarter.
- * b. The quarterly report is automatically waived if it is due within 10 days before or after an election.
- * c. The first three quarterly and pre- and post-primary reports are waived if the committee supports candidates in more than one State and has requested (and received) the Commission's approval to report on a monthly schedule. However, the 4th quarter and the pre- and post-general election reports are still required.

2. All Reports

A political committee may request and receive approval from the FEC to waive all reports if the treasurer certifies that the committee:

- a. Primarily supports candidates seeking State or local office; and
- b. Does not operate in more than one State or does not operate on a statewide basis.

D. Where Reports Are Filed

All reports and statements are filed simultaneously with the Federal Government and the States.

1. With the Federal Government

Committees must file all reports and statements with either the Federal Election Commission, the Secretary of the Senate or the Clerk of the House, as indicated below:

<u>Committee</u>	<u>Where To File Reports</u>
a. <u>Principal campaign committees</u>	
- supporting a Presidential candidate	FEC
- supporting a Senate candidate	Secy. of Senate
- supporting a House candidate	Clerk of House
b. <u>Single Candidate Committees authorized by Federal candidates</u>	Principal Campaign Ctee. of Candidate'
c. <u>All other committees supporting</u>	
- Presidential candidates only	FEC
- Senate candidates only	Secy. of Senate
- House candidates only	Clerk of House
- Candidates for two or more different Federal offices	FEC
d. <u>Delegate-candidates to National Convention</u>	
- Financially authorized by Presidential candidate	Principal Campaign Ctee. of Candidate
- Financially unauthorized by Presidential candidate'	FEC

* 2. With State Officers

In addition, a copy of each report or statement must be filed simultaneously with the Secretary of State of the appropriate State as indicated below.

1. In case of pre-election report, the authorized committee files its report with the principal campaign committee and the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate, unless the principal campaign committee has received the committee's report early enough to file its consolidated report by the 10th day before an election.
2. Unauthorized delegate-candidates report only if they make expenditures in excess of \$100 that expressly advocate the election or defeat of a clearly identified candidate, excluding subsistence and travel expenses.

Committee

a. Committees authorized by Presidential candidates

Where To File State Copy of Report

State(s) in which committee makes expenditures during a reporting period

b. Committees, other than those authorized by a Presidential candidate, which make contributions to or independent expenditures which relate to Presidential candidates

State in which donor & recipient committees have their headquarters

c. All committees, authorized and unauthorized, supporting House or Senate candidate(s)

State in which candidate seeks election

* E. Notice of Reporting

Any literature, printed or broadcast advertisement, letter or pledge card issued by a political committee to solicit contributions must include on its front page or at the beginning or end of a broadcast the following statement:

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

F. Notices of Authorization

1. Any communication advocating the election or defeat of a "clearly identified candidate"¹ through any type of public advertising must:

a. If authorized by the candidate, state that the communication is authorized;

b. If not authorized by the candidate, state:

(1) That the communication is not authorized;
and

(2) The name of the person (and affiliated organization, if any) who financed the expenditure.

* 2. The statement must appear on the face or front page of printed matter, or at the beginning or end of a radio or television broadcast.

G. Liability

1. Each treasurer of a political committee, each candidate and any other person required to file reports or statements is personally responsible for the timely, complete and accurate filing of reports and statements.

** 2. They will be considered in compliance with the law when they have used their best efforts to obtain required information.

VI. CONTENTS OF REPORTSA. Reports of Receipts and Expenditures (FEC Form 3)1. Definitions

a. Contributions¹ include deposits of money, in-kind contributions (such as phone facilities, use of cars, compensated services), loans, earmarked funds, proceeds from mass collections or the sale of items, or anything of value given to candidates or committees for the purpose of influencing Federal elections.

b. Expenditures¹ include payments of money, transfers of funds to other political committees or candidates, loan repayments, or anything of value given by candidates or committees for the purpose of influencing Federal elections.

2. General Procedure

a. All receipts and disbursements, even those which need not be itemized, must be reported.

b. A contribution of more than \$100 (given in one transaction or in aggregate during a calendar year) must be identified by date and amount, as well as by name, address, occupation and prin-

1. Under the Act, a communication refers to a "clearly identified candidate" when the name of the candidate appears, a photograph or drawing appears, or the identity is apparent by unambiguous reference.

1. For a full discussion of contributions and expenditures, see the FEC Guide on Contributions and Expenditures.

cipal place of work of the donor. (All contributions over \$50 must be identified in committee records, but only those over \$100 must be reported.)

- * c. If contributions of \$100 or less are itemized (not required), they must be listed separately from other itemized contributions.
- d. An expenditure of more than \$100 (made in one transaction or in aggregate during a calendar year) must be identified by name and address of the individual or organization to whom the expenditure is made, together with date, amount and purpose of expenditure.
- e. All contributions from the same person during a calendar year must be listed under the same name.

3. Cash on Hand

- a. Cash on hand at the beginning of the reporting period must be disclosed on each report.
- * b. Cash on hand at the time of the committee's registration is subject to all the limits, prohibitions and disclosure requirements of the Act. If such funds exceed \$100 and their source has not been previously disclosed in any Federal campaign report, they must be identified on the first report.

* 4. In-Kind Contributions

- a. An in-kind contribution is reported by the recipient as both a contribution and an expenditure.
- b. Contributions of goods are valued at their retail price; services are valued at the piece-work or hourly rate.
- c. Stocks, bonds, art objects and other items to be liquidated are disclosed as follows:
 - (1) When the item is received, it is reported in a memo entry (not a cash entry) as a contribution by the donor, valued at the fair market price.
 - (2) When the item is sold by the committee, the proceeds are reported as a cash entry and,

if the purchaser is known, as a contribution by the purchaser. This transaction does not affect the value of the original donation.

5. Earmarked Funds

Funds that are earmarked for a specific candidate or his or her principal campaign committee, regardless of amount, must be fully reported as such by:

- a. The contributing and intermediary committees, to the principal campaign committee as well as to the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.
- b. The recipient candidate or committee, to the FEC, Secretary of the Senate or Clerk of the House, as appropriate.

6. Mass Collections and Sales of Items

- a. Total proceeds from mass collections or sales of tickets or other items are reported as contributions.
- b. Committees must record (but not report)... the name and address of any person whose purchase or donation to a mass collection exceeds \$50.
- c. Any such contribution exceeding \$100 must be fully itemized on the committee's report.
- * d. Contributions in the form of purchases are valued at the full purchase price, without regard to fundraising costs. However, contributions in the form of the purchase price of items of intrinsic and enduring value are not matchable with Federal funds.

7. Transfers

- a. All transfers (contributions from committees to other committees and candidates), regardless of amount, must be fully identified by both the donor and recipient committees.
- b. All transfers (except those between committees authorized by the same candidate) are subject to the contribution limits.

8. Loans

- ** a. Loans made by banks in the regular course of business do not count as contributions, but they must be fully reported.

- b. Loans made by other persons count as contributions until they are retired.
- * 9. Outstanding Debts and Obligations (FEC Schedule 3c or 6c)
- a. Loans, guarantees and endorsements of loans, written contracts to make expenditures and any other outstanding debts are reported regularly on FEC Schedules 3c or 6c until they are extinguished.
- b. Unpaid bills in amounts of \$500 or less need not be reported until outstanding for more than 60 days.
- * B. Short Form (FEC Form 6)
- Any principal campaign committee which has not received contributions or made expenditures in excess of \$50,000 per election may file reports on the Short Form (6) provided that the candidate has not authorized any other campaign committee.
- C. Consolidated Report of Receipts and Expenditures (FEC Form 3b)
1. General Procedure
- a. For each reporting period, only a principal campaign committee must consolidate (on FEC Form 3b) its report, the candidate's report (unless waived) and that of any other authorized committee.
- b. The consolidated report is usually filed together with all the individual reports.
- * c. If there are no authorized committees, other than the principal campaign committee, the consolidated report is not required.
- * 2. Special Procedure for Pre-Election Report
- A principal campaign committee may file the pre-election consolidated report without the individual reports if:
- a. The authorized committee, in addition to submitting its report to the principal campaign committee, files a copy of its report with the FEC, the Clerk of the House or the Secretary of the Senate, by the 10th day before an election; and

- b. The principal campaign committee subsequently files a complete consolidated report (including all individual reports of authorized committees) no later than 5 days before the election.
- D. Independent Expenditures (FEC Form 3)
- ** 1. Definition
- a. An independent expenditure is one which is:
- (1) Made to advocate the election or defeat of a clearly identified candidate;¹ and
- (2) Not made in cooperation, consultation or concert with, nor at the request or suggestion of, nor with the consent of any candidate or his/her authorized committee or agent.
- b. When an individual requests and receives from a candidate FEC guidelines on independent expenditures, he/she is not considered to have conferred, cooperated or consulted with the candidate.
- c. Expenditures which do not qualify as "independent expenditures":
- (1) Any expenditure made in cooperation, consultation or concert with the candidate or as a result of his/her request or suggestion counts as a contribution in-kind to the candidate by the person making the expenditure.
- (2) Any expenditure to finance a broadcast or publication of materials prepared by a candidate (or his/her authorized committee or agent) is considered a contribution in-kind to the candidate.
2. Reporting Requirements
- a. What
- Any independent expenditures exceeding \$100 made by a committee on behalf of a single candidate must be fully identified. In addition, reports must include:
- (1) Whether the expenditure is made in support of or in opposition to a candidate;

1. See footnote at bottom of page 1.12.

- * (2) Certification, under penalty of perjury, that the expenditure was not made "in cooperation, etc." and that the communication was not prepared by the candidate or his/her committee or agent.

b. When

- (1) Reports are filed in any reporting period (pre- or post-election, quarterly, year-end) during which a political committee makes an independent expenditure exceeding \$100.
- (2) In addition, any independent expenditure of \$1,000 or more made between one and 15 days before an election must be reported to the FEC within 24 hours after it is made.

* c. Where

- (1) All reporting committees file reports of independent expenditures (on FEC Form 3) in the same place they file all other reports.
- (2) Groups which otherwise do not report under the Act file reports of independent expenditures (on FEC Form 5) with the FEC.

E. Report of Contributions to Unauthorized Delegate-Candidates¹ (FEC Form 3)

Any committee which contributes more than \$100 in aggregate to one or more unauthorized delegate-candidates in a calendar year must itemize the contribution in a report (FEC Form 3a) to the FEC. Reports must be filed in any quarter during which such a contribution is made.

VII. PROHIBITIONS AND LIMITS ON CONTRIBUTIONS AND EXPENDITURES

A. Prohibitions on Certain Kinds of Contributions

1. No committee may accept contributions from corporation, union or bank treasuries. However, committees may accept contributions from political action committees or separate segregated funds established by any corporation, trade association or union, consisting of voluntary contributions.

1. This provision is based, not on proposed regulations, but on an FEC policy statement on Delegate Selection, issued February 1976. Unauthorized delegate-candidates are those who maintain no financial relationship of any kind with a Presidential candidate.

2. No committee may accept contributions from organizations or individuals who have been awarded Federal contracts. However, this limit does not apply to employees, shareholders, or officers of corporations or unions with Government contracts.
3. No committee may accept contributions from foreign nationals who do not have permanent residence in the United States.
4. No committee may accept or make cash contributions for the benefit of a campaign of any Federal candidate which, in the aggregate, exceed \$100.

* B. Limits on Matchable Contributions to Presidential Candidates

The only contributions which can be matched with public funds by the U.S. Treasury are those made by individuals.

C. Limits on Contributions Made by Affiliated Committees

1. For purposes of determining appropriate contribution limits:

- ** a. All committees which are established, financed, maintained or controlled by any corporation, labor union or any other person (e.g., parent company, subsidiary, branch or division) are considered one committee.
- b. All committees established, financed, maintained or controlled by a national party committee are considered one committee.
- c. All committees established, financed, maintained or controlled by a State party committee are considered one committee.

2. However, for reporting purposes, each affiliated committee is considered a single committee which reports independently to the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.

** D. Contribution Limits (See Chart in Appendix, p.1.21)

E. Limits on Expenditures¹ Made by Party Committees in

1. Limits reflect the 9.1 percent cost-of-living adjustment.

General Elections¹

1. On behalf of House candidates, \$10,900.
2. On behalf of Senate candidates, 2.18¢ x VAP² or \$21,820, whichever is greater.
3. On behalf of Presidential candidates, 2.18¢ x VAP (\$3,203,768.90).

VIII. AID FROM THE FEDERAL ELECTION COMMISSION

A. Additional Materials Available

1. The Federal Election Campaign Act of 1971, as amended in 1974 and 1976.
2. Summary of major provisions of the Campaign Finance Law.
3. Registration forms.
4. Reporting forms.
5. Campaign Guide: Candidates.
6. Campaign Guide: Contributions and Expenditures.

B. Clarification of Law

1. Routine Assistance

The information, legal and auditing staffs at the Federal Election Commission wish to help the public in any way possible. Contact the Commission in Washington, D.C. at 382-4733 or toll free 800-424-9530.

2. Advisory Opinions

For more complicated questions, Federal office-holders, candidates and political committees may request an advisory opinion in writing. Advisory opinions are made public. A requesting person who in good faith acts in accordance with the advisory opinion is presumed to be in compliance with the Act.

1. The expenditure limits apply separately to the national and State committees (including local committees). However, within a given State, only one limit applies to the State and local committees. They may determine how to allocate the limit among the several committees.
2. VAP -- Voting Age Population

IX. APPENDIX: LIMITS ON CAMPAIGN CONTRIBUTIONS

CONTRIBUTION FROM:	TO CANDIDATE OR HIS/HER AUTHORIZED COMMITTEE	** TO NATIONAL PARTY COMMITTEES ⁵ Per Calendar Year ⁶	** TO ANY OTHER COMMITTEE Per Calendar Year ⁶	TOTAL CONTRIBUTIONS Per Calendar Year ⁷
INDIVIDUAL	\$1000 Per Election ³	\$20,000	\$5000	\$25,000
MULTICANDIDATE COMMITTEE ¹	\$5000 Per Election	\$15,000	\$5000	No Limit
PARTY COMMITTEE	\$1000 or \$5000 ⁴ Per Election	No Limit	\$5000	No Limit
* REPUBLICAN OR DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE, ² OR THE NATIONAL PARTY COMMITTEE, OR A COMBINATION OF BOTH	\$17,500 to Senate candidate per calendar year ⁶ in which candidate seeks election.	Not Applicable	Not Applicable	Not Applicable
ANY OTHER COMMITTEE	\$1000 Per Election	\$20,000	\$5000	No Limit

1. A multicandidate committee is any committee with more than 50 contributors which has been registered for at least six months and, with the exception of State party committees, has made contributions to five or more Federal candidates.
2. Republican and Democratic Senatorial Campaign committees are subject to all other limits applicable to a multicandidate committee.
3. Each of the following elections is considered a separate election: primary election, general election, run-off election, special election, and party caucus or convention which, instead of a primary, has authority to select the nominee.
4. Limit depends on whether or not party committee is a multicandidate committee.
5. For purposes of this limit, National Party Committees include a party's national committee, the Republican and Democratic Senate and House Campaign committees and any other committee established by the party's national committee, provided they are not authorized by any candidate.
6. In 1976 only, and solely in the case of contribution limits established in the 1976 amendments (indicated by double asterisk in margin), the calendar year extends from May 11 (date of enactment of the Act) through December 31, 1976.
7. Calendar year extends from January 1 through December 31, 1976. Individual contributions made or earmarked before or after 1976 to influence the 1976 election of a specific candidate are counted as if made during 1976.

CAMPAIGN GUIDE SERIES

This pamphlet is the first in a new series-- the FEC Campaign Guide. Designed as a basic reference tool, each guide will have a specific focus. The first three guides are:

- Number One - Committees
- Number Two - Contributions/Expenditures
- Number Three - Candidates

The Campaign Guide on Committees replaces an earlier version printed in May 1976. It is based on the 1976 amendments and proposed regulations. From time to time, it will be necessary to revise one or more pages. In that event, the FEC will mail the revised pages to all those who have been sent this guide. The new pages will be coded by number, date and color so they can easily be substituted for the obsolete pages.



FEDERAL ELECTION COMMISSION

CAMPAIGN GUIDE

1325 K STREET, N.W., WASHINGTON, D.C.

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NUMBER TWO

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CAMPAIGN GUIDE ON CONTRIBUTIONS AND EXPENDITURES



INTRODUCTION

The Federal Election Campaign Act (the Act) requires disclosure of Federal campaign receipts and expenditures; it imposes limits on contributions to Federal candidates and political committees; and it limits expenditures made by Presidential candidates who accept public financing of their elections. (The Act does not apply to campaigns for State or local office.)

Under the Act, certain common words--such as contributions and expenditures--take on very precise meanings. A candidate or a committee must be familiar with these special definitions in order to comply with the reporting requirements and the restrictions on campaign contributions and expenditures.

The Federal Election Commission (FEC) has therefore prepared this guide to focus on the special definitions and requirements relating to contributions and expenditures. It should be read in conjunction with either of the more comprehensive FEC guides on campaign activity: the Campaign Guide for Committees or the Campaign Guide for Candidates.

This guide is based on the Federal Election Campaign Act of 1971, as amended in 1974 and 1976, and regulations proposed by the FEC.

- A double asterisk (**) in the margin denotes a provision contained in the 1976 amendments.
- A single asterisk (*) in the margin denotes any item based on a regulation proposed by the FEC, as distinct from the statute on which regulations are based.



Once the regulations have been reviewed by Congress, they will have the effect of law. At that time, this guide will be revised accordingly and distributed to all those on the Commission's mailing list and anyone else who requests a copy.

Material is presented as follows:

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I. BASIC DISTINCTION BETWEEN CONTRIBUTIONS AND EXPENDITURES

A contribution is one way to provide support for a Federal candidate. Individuals and groups may support candidates directly by contributing to their campaigns, or indirectly by contributing to political committees which, in turn, support the candidates of their choice. In addition to contributions, support can be provided in two other ways. Individuals may volunteer their services or limited use of property for the benefit of a Federal candidate. Finally, individuals and groups may make independent expenditures (not to be confused with regular expenditures) which favor or oppose a specific candidate.

An expenditure, on the other hand, usually represents the utilization of contributions received by a candidate or a political committee. Thus, candidates, their authorized committees and political party committees seek votes by expending the financial resources which have been contributed to them.

II. SUPPORT ACTIVITY BY INDIVIDUALS AND GROUPS

A. CONTRIBUTIONS

Individuals and groups may support Federal candidates directly by contributing to their campaigns or indirectly by contributing to political committees which, in turn, support the candidates of their choice. The Act regulates campaign contributions in two ways:

- It requires full disclosure of contributions received by all Federal candidates; and by all political committees (supporting Federal candidates) which accept contributions or make expenditures exceeding \$1,000 during a calendar year; and
- It limits the size of contributions to Federal candidates and committees supporting Federal candidates. (See Chart, p. 2.22.)

1. What is a Campaign Contribution?

A campaign contribution is anything of value given to a candidate, political committee, political party or any other person to influence the outcome of a nomination or election of any individual to Federal office. A contribution can take many forms, including:

- a. A gift of money.
- b. A loan.
 - * However, once repaid, a loan no longer counts against a person's contribution limit. Furthermore, bank loans made according to applicable banking laws do not count as contributions by the bank, but still must be reported by the recipient.
 - **
- c. Endorsements and guarantees of loans.

Once a loan is repaid, the endorsement or guarantee no longer counts against the guarantor's or endorser's contribution limit.
- * d. Extension of credit.

Unless a creditor has made a commercially reasonable attempt to collect a campaign debt, the extension of credit beyond normal business practice counts as a contribution.
- e. In-kind contributions.
 - 1) Examples
 - a) Securities, facilities, equipment, personnel, membership lists, etc.
 - b) Payment of a candidate's campaign bill by an individual or organization other than the candidate and his authorized committees.
 - ** c) Any other expenditure a person makes in cooperation, consultation or concert with, or at the request or suggestion of the candidate, his authorized committees or authorized agents.
 - 2) Value
 - a) Goods are valued at the usual retail price.

- b) Services performed by individuals are valued at the hourly or piecework rate when compensated by a person other than the candidate or his authorized committees.^{1/} (When not compensated, such services are considered "voluntary activity." See below, Section II, B, p. 2.10.)
- f. Mass collections.

Proceeds from mass collections or from the sale of tickets or items are contributions.
- g. Transfer of funds.^{2/}

The transfer of funds from one committee to another committee or candidate is reported as a contribution by the recipient committee (and as an expenditure by the transferring committee).
- ** h. Written contracts.
 - * A written contract, pledge or promise to make a contribution is counted as a debt owed when the written instrument is made, and as a contribution when something of value is actually received.
- 2. What is NOT a Campaign Contribution?

Some kinds of activity might be confused with campaign contributions. The Act makes clear, therefore, that the following transactions are not contributions and need not be reported (unless otherwise noted below).

^{1/} However under certain circumstances, legal and accounting services can be rendered a candidate or committee without counting as a contribution. See Section II, A, 2, c and d, p. 2.6.

^{2/} See also Section II, A, 2, e, p. 2.6.

- ** a.** An honorarium paid to an incumbent candidate for a speech, appearance or article, as well as reimbursed travel and subsistence costs and any agent's fees related to the speech, appearance or article.^{1/}
- b. Certain types of volunteer activity described below, Section I, B, p. 2.10.
- ** c.** Legal or accounting services rendered to a national party committee, provided the services are not attributable to any activity directly influencing the election of a candidate and the person paying for the services is the regular employer of the individual rendering the services.^{2/}
- ** d.** Legal or accounting services rendered to a candidate or a political committee, provided the services are performed to ensure compliance with the Act and the person paying for the services is the regular employer of the individual rendering the services.
(Note: However, the value of such services must be reported as receipts and disbursements by candidates and committees.)
- e. Certain types of transfers, as listed below.^{3/}
(Note: However, these transfers must be reported by both the transferring and recipient committees.)
- 1) Transfers between authorized committees of the same candidate.
 - 2) Transfer of unused primary election funds from the primary campaign to the general election campaign of one candidate.
 - 3) Transfer of funds intended for Federal elections between committees within the same political party.

- 4) Transfer between political committees of funds raised through their joint efforts.
- 5) Transfers between a candidate's previous campaign committee and his/her currently registered committee, as long as none of the transferred funds contain contributions which would be illegal under the Act.

3. Prohibited Contributions

The Act prohibits certain types of contributions made in connection with any Federal election. The following prohibitions apply equally to contributions made to Federal candidates, to political committees supporting Federal candidates, or to any other person who makes either a contribution to or an "independent expenditure"^{1/} on behalf of a Federal candidate.

- a. Contributions from treasuries of national banks, corporations and unions.
(However, contributions can be made from separate segregated funds or political action committees, established by corporations or unions, consisting of voluntary contributions.)^{2/}
- b. Contributions from Government contractors.
* (This limit does not apply to personal contributions of employees, shareholders or officers of corporations with Government contracts, nor to
** segregated funds established by corporations or unions with Government contracts.)^{3/}
- c. Contributions of currency to benefit any Federal candidate which, in the aggregate, exceed \$100 during the entire campaign period.^{4/}

^{1/} However, House and Senate rules require members to report honorariums to those bodies. In addition, the Act sets limits on honorariums paid to any Federal official: \$2,000 for each speech, appearance or article and \$25,000 for all such activities during a calendar year. See FEC proposed Regulations on Honorariums, Section 110.12.

^{2/} A partnership is considered the regular employer of a partner rendering such services.

^{3/} For specific rules, see FEC proposed Regulations on Contributions and Expenditures, Section 110.3.

^{1/} For a definition of "independent expenditure," see, below, Section II, C, p. 2.11.

^{2/} For specific rules affecting such activity, see FEC proposed Regulations on Corporate and Labor Organization Activity, Part 114.

^{3/} For specific rules affecting such activity, see FEC proposed Regulations on Government Contractors, Part 115.

^{4/} If a candidate (or his/her authorized committee) receives an anonymous contribution of currency, he or she may not use the amount exceeding \$50 for campaign-related activities. That amount, however, may be used for any other legal purpose not related to the campaign.

- d. Contributions from foreign nationals who do not have permanent residence in the United States.

4. Contribution Limits

- a. Under the Act, individuals and groups are limited in the amounts they may contribute to Federal candidates, to political committees which support Federal candidates, or to any person making an "independent expenditure" on behalf of a Federal candidate.
- b. For specific limits, see CHART ON CONTRIBUTION LIMITS (Appendix, p. 2.22).

5. Limits on Matchable Contributions to Presidential Candidates^{1/}

- a. The FEC will match with public funds the first \$250 of every contribution made by any individual to a Presidential primary candidate (or his/her authorized committees) once the candidate has received contributions in amounts of \$250 or less, totalling more than \$5,000 from individuals who are residents in each of at least 20 States.
- * b. Contributions from committees, organizations or other groups cannot be matched with public funds.
- c. Each matchable contribution must be identified by date and amount as well as by the name and address of the donor.
- d. Matchable contributions must be made by a written instrument such as a check, money order or a written record of a cash gift (not exceeding \$100).
- * e. The amount of a contribution which is matchable is determined without regard to fundraising costs. However, a contribution in the form of the purchase price paid for an item with intrinsic and enduring value is not a matchable contribution.

^{1/} For more detail on Matching Funds, see 26 U.S.C. 9031-9042 and FEC proposed Regulations on Presidential Primary Matching Fund, Parts 130-134.

6. Application of Contribution Limits to Affiliated Committees

* a. Party Committees

- 1) The national party committee and each House and Senate Campaign committee has a separate contribution limit.^{1/}

- * 2) The State party committee and each "independent"^{2/} subordinate party committee (e.g., county, district or local) has a separate contribution limit.

- 3) For reporting purposes, each registered party committee is considered a single committee which reports independently to the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.

b. Political committees affiliated with unions, corporations, trade associations and other organizations.

- ** 1) For purposes of determining limits on contributions made by a committee, committees which are established, financed, maintained or controlled by any corporation (e.g., parent company, subsidiary, branch or division), labor union or any other person are all considered one committee.

- 2) For reporting purposes, however, each registered affiliated committee is considered a single committee which reports independently to the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.

^{1/} However, during an election year the Democratic or Republican Senate Campaign committee or the national party committee or a combination of both may contribute up to \$17,500 to each Senate candidate.

*^{2/} A subordinate committee is considered "independent" if it has not received funds from any other party unit and if its contributions are not made in cooperation or at the suggestion of any other party unit. If it is not independent, the committee must share the limit with the State party. (See FEC proposed Regulations on Contributions and Expenditures, Section 110.3.)

B. VOLUNTEER ACTIVITY

Subject to the following provisions, individuals may also volunteer their services and property, without counting such activity against the contribution ceilings.

1. An individual may volunteer any personal service provided he or she is not compensated by any other committee, individual or organization.
2. An individual may spend up to \$500 per candidate, per election, for food, beverage and invitations in connection with campaign-related activity conducted in his/her home.
3. An individual may spend up to \$500 per candidate, per election, for his/her own travel expenses related to the campaign.
- * 4. An individual may spend any amount for his/her personal living expenses related to the campaign.
- * 5. An individual may provide the use of his/her home for campaign-related activities.
- * 6. A vendor, whether or not incorporated, may sell to a candidate, at cost, food and beverage to be used in connection with the campaign, as long as the cumulative value of the discounts does not exceed \$500 per election.
7. Volunteers may spend beyond the limits listed above. However, any expenses exceeding the limits must be reported as a contribution-in-kind or, if they qualify, as an independent expenditure.

C. INDEPENDENT EXPENDITURES^{1/}

In addition to making contributions and volunteering, an individual or group may support candidates by making independent expenditures on their behalf.

The Supreme Court struck down the limits on "independent expenditures"^{2/} to preserve the First Amendment right of citizens to freely express, on their own, their preferences for or against

^{1/} For specific rules on "independent expenditures," see FEC proposed Regulations on Independent Expenditures, Part 109.

^{2/} Buckley v. Valeo, 424 U.S. 1, 96 S.Ct. 612, 46 L.Ed.2d 36 (1976).

candidates. However, the Court also recognized the need to avoid circumvention of the Act's contribution and expenditure limitations. It laid out, therefore, certain criteria to distinguish between "independent expenditures" and "contributions."

Following the Court's guidance, Congress redefined (in the 1976 amendments) "independent expenditures" in very precise terms. Any expenditure that meets the specific qualifications (outlined below) is independent. However, when an individual or group makes an expenditure on behalf of a candidate which is not truly independent--as defined by the Act--that expenditure is regarded as a contribution-in-kind and is subject to the contribution limits.

1. What is an Independent Expenditure?

- * a. An independent expenditure is a disbursement for communications made expressly to advocate the election or defeat of a clearly identified candidate^{1/} and is NOT made with the cooperation or prior consent of, or in consultation with or at the request or suggestion of, any candidate or his/her authorized committees or agents.
- * b. When an individual requests and receives from a candidate FEC guidelines on independent expenditures (such as this guide), he/she is not considered to have conferred, cooperated or consulted with the candidate.
- ** c. Expenditures which do not qualify as independent expenditures:
 - 1) Any expenditure made in cooperation, consultation or concert with the candidate or as a result of his/her request or suggestion counts as a contribution-in-kind by the person making the expenditure and as an expenditure by the candidate.^{2/}

^{1/} A "clearly identified candidate" is one whose name, photograph or drawing appears or whose identity is apparent by unambiguous reference.

*^{2/} Current and former officers or employees of a candidate's committee must be especially careful to establish that their expenditures are truly independent. (See FEC proposed Regulations on Independent Expenditures, Subsection 109.1(b)(4).)

- 2) Any expenditure to finance a broadcast or publication of materials prepared by a candidate (or his/her authorized committee or agent) is considered a contribution-in-kind and as an expenditure by the candidate if he/she approves the expenditure.

2. Reporting Requirements

- ** a. A reporting political committee must itemize each independent expenditure exceeding \$100 (on FEC Form 3) at the end of any reporting period in which the expenditure was made.
- * b. A political committee otherwise not reporting must itemize each independent expenditure exceeding \$100 (on FEC Schedule E)^{1/} at the end of any reporting period in which the expenditure was made.
- ** c. Any other person must report independent expenditures (on FEC Form 5) at the end of the first reporting period in which these expenditures exceed \$100 and in any succeeding period in which additional independent expenditures are made.
- ** d. Any expenditure of \$1,000 or more made between one and fifteen days before an election must be reported, within 24 hours after they are made, to the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.
- ** e. Contents of Report on Independent Expenditures

Reports on independent expenditures must include:

- 1) Under penalty of perjury, certification that the expenditure meets the above standard of independence (see above, p. 2.11);
- 2) The amount, date and purpose of the expenditure, as well as the name and address of the person to whom it was made;

- 3) Indication of whether the expenditure is in support of, or in opposition to, a candidate;
- 4) Identity of the candidate and the office he/she seeks; and
- 5) Name, address, occupation and principal place of work of the person making the expenditure.

* 3. Limits on Contributions to Persons Making Independent Expenditures

- a. An individual, committee or group may not give more than \$5,000 per calendar year to another person making independent expenditures on behalf of a Federal candidate.
- b. In the case of individuals, such contributions count against the annual \$25,000 limit on all contributions.
- c. The prohibitions on contributions (see Section II, A, 3, p. 2.7) also apply to contributions made by an individual, committee or group to another person making independent expenditures on behalf of a Federal candidate.

4. Advertising Notice

- a. Any communication advocating the election or defeat of a clearly identified candidate through any type of public advertising must:
 - 1) State that the communication is not authorized by the candidate; and
 - * 2) Identify the name of the person who financed the expenditure and, in the case of a political committee making the expenditure, list the names of any affiliated organizations.
- * b. The notice must appear on the face or front page of printed matter, or at the beginning or end of a radio or television broadcast.

^{1/} Until Schedule E is issued by the FEC, committees may file reports on Schedule B.

III. EXPENDITURE ACTIVITY BY CANDIDATES AND POLITICAL COMMITTEES

Although the Supreme Court ruled that there are no limits on expenditures made by candidates (except Presidential candidates who accept public financing), the Act requires full disclosure of expenditures by all candidates; and by all political committees which accept contributions or make expenditures exceeding \$1000 during a calendar year.

In addition, the Act, as recently amended, places a ceiling on expenditures made:

- ** -- by Presidential candidates (and their authorized committees and agents) who accept public financing of elections (either primary matching or general election funds);
- ** -- from personal funds of a Presidential candidate who accepts public financing;
- by political party committees spending on behalf of (and perhaps in cooperation with) a Federal candidate in the general election; and
- ** -- by national party committees which accept public financing for the Presidential nominating conventions.

A. WHAT IS A CAMPAIGN EXPENDITURE?

A campaign expenditure is a disbursement made by a candidate, a political committee or a political party to influence the nomination or election of any individual to Federal office. Expenditures take many forms, including:

1. Purchases.
2. Payments.
3. Loans or direct contributions to other candidates or committees.
4. A written contract or agreement to make an expenditure.
* (However, only written agreements for making expenditures over \$500 are reported when the agreement is made; all others are reported when payment is made or no later than 60 days after the agreement is made.)

B. WHAT IS NOT A CAMPAIGN EXPENDITURE?

Some kinds of activity might be confused with campaign expenditures. The Act and regulations make clear, therefore, that the following transactions are not campaign expenditures and need not be reported (unless otherwise noted below):

1. Money spent by volunteers in support of their activities described in Section II, B, p. 2.10.
2. Routine living and noncampaign-related travel expenses of the candidate paid from noncampaign funds.
- * 3. Payments made to determine whether an individual should become a candidate, provided the individual does not become a candidate. (If he does, the payments will count as expenditures.)
4. Nonpartisan activity designed to encourage citizens to register to vote, or to vote. (In the case of a political committee already reporting, however, such activity must be reported as a disbursement.)
5. Preparation and distribution of a sample ballot or printed list of three or more candidates by a political party, provided no public media (e.g., billboards, T.V., newspapers) is used. (In the case of a party committee already reporting, however, such activity must be reported as a disbursement.)
- ** 6. Legal or accounting services rendered to a national party committee provided the services are not attributable to any activity directly influencing Federal elections^{1/} and the person paying for the services is the regular employer of the individual rendering the services.^{2/}

^{1/} However, in the case of a national Presidential convention, such legal and accounting services may be rendered for any purpose to a national party committee, without counting the services against the limits on convention expenditures.

^{2/} A partnership is considered the regular employer of a partner who renders such services.

- ** 7. Legal or accounting services rendered to a candidate or political committee provided they are rendered to ensure compliance with the Act and the person paying for the services is the regular employer of the individual rendering the services. (Note: However, the value of such services must be reported as receipts and disbursements by candidates and committees.)
- ** 8. In the case of Presidential primary candidates who accept public matching funds, and are therefore subject to expenditure ceilings, fundraising expenses which do not exceed 20 percent of the expenditure limit. (Note: However, such disbursements must be reported by candidates and their committees.)
9. Any communication, expressly advocating the election or defeat of a candidate, made by a membership organization or corporation to its members or stockholders, as long as the organization is not organized primarily to influence Federal elections.^{1/} (Note: However, disclosure^{2/} is required only when costs exceed \$2,000 per election^{3/} and when they relate to a communication expressly advocating the election or defeat of a clearly identified candidate.)
- * 10. Limited expenditures by State and subordinate party committees, which influence Presidential elections. (See Section C, 3, below.) (However, registered party committees must report such activity.)

C. EXPENDITURE LIMITS

Expenditure limits are prescribed as a flat amount or determined by a specific formula. Each calendar year, the limits are adjusted by the average annual increase in the cost of living. The expenditure limits listed below reflect the 1975 increase of 9.1 percent.

- 1/ However, if a communication is primarily devoted to subjects other than the express advocacy of election or defeat of a candidate (such as a regularly published newsletter) the expenditure need not be reported.
- 2/ Until the FEC issues Form 7, reports may be made by letter.
- 3/ In this provision "election" has a special meaning. It refers to each of two processes: The first process includes all Federal primaries, wherever held; the second process includes all Federal general elections, wherever held.

1. Expenditures by national party committees on behalf of clearly identified candidates in the general election.
- a. Presidential candidates -- \$3,203,786.96
- b. House candidates -- \$ 10,910.00
- c. Senate candidates -- \$ 21,820.00 or 2.182¢ x State VAP^{1/}, whichever is greater.
2. Expenditures by State party committees, including subordinate party committees (e.g., county, district or local), on behalf of clearly identified candidates in the general election.^{2/}
- a. House candidates -- \$10,910.00
- b. Senate candidates -- \$21,820.00 or 2.182¢ x State VAP, whichever is greater.
- * 3. Expenditures by State party committees and subordinate party committees which benefit Presidential candidates in the general election.
- State, county, city and congressional district committees may each make expenditures up to \$1,000 which further the campaign of a Presidential candidate as long as they are made primarily to influence the general election of the party's other nominees.^{3/}
4. Expenditures by Presidential primary candidates (and their authorized committees and agents) who accept public financing of elections.
- a. Per State limit -- \$218,200.00 or 17.456¢ x State VAP, whichever is greater.
- b. National limit -- \$10,910,000.00
- c. Additional spending -- \$ 2,182,000.00 (20% of national limit) for fundraising
- ** 5. Expenditures made from personal funds^{4/} by Presidential candidates who accept public financing of elections:

- 1/ Voting Age Population.
- 2/ All expenditures made on behalf of a clearly identified candidate by local and State committees are subject to one ceiling. State and local party committees within a State may determine how to apportion the limit among the several committees.
- 3/ See FEC proposed Regulations on Contributions and Expenditures, Subsection 110.7(b)(5).
- 4/ "Personal funds" include any funds which the candidate controlled or had access to prior to becoming a candidate.

- a. For each campaign (primary and general), \$50,000.
- b. Spending by the Vice-Presidential candidate from his personal funds counts against the personal expenditure limit of the Presidential candidate, in the general election.
- c. Expenditures made between January 29 and May 11, 1976, do not count against this limit.

IV. THE ACT IN OPERATION: SOME EXAMPLES

The following examples illustrate the differences between contributions, contributions-in-kind, independent expenditures and expenditures by candidates:

A. DEFINITIONS

Citizen Smith wants to support Candidate Jones. He may do so in a variety of ways. He could make a contribution of \$200 to Jones' campaign by writing a check payable to the "Committee for Jones" and mailing it to the campaign headquarters. After receiving that contribution, Candidate Jones could pay a printer \$200 to purchase bumper stickers. Such a payment would constitute an expenditure by Candidate Jones. Or, Smith himself could buy \$200 worth of bumper stickers and deliver them to Jones. This would be a contribution-in-kind (the bumper stickers) valued at \$200. A third alternative would be for Citizen Smith to decide on his own, without the cooperation, consent or even the suggestion of Candidate Jones, to purchase and distribute \$200 worth of bumper stickers. If he does this, he has made an independent expenditure.

B. LIMITS

Citizen Smith may make any number of independent expenditures as long as they are in no way directed, controlled or suggested by Candidate Jones. However, he may contribute no more than \$1,000 to Jones' campaign, in the form of either money or a contribution-in-kind. Candidate Jones may make any number of expenditures, in any amount (as long as he is NOT a Presidential candidate accepting public funds for his campaign).

C. REPORTING REQUIREMENTS

All expenditures, contributions and independent expenditures over \$100 must be reported. Citizen Smith's contribution of money or of bumper stickers would have to be reported by Candidate Jones and his campaign committee. Jones would also have to report his expenditure to purchase bumper stickers.

However, if Citizen Smith purchased and distributed the bumper stickers entirely on his own, he (not Jones) would have to report his independent expenditure to the Federal Election Commission.

V. SUMMARY OF ACTIVITY PERMITTED EACH ELECTION PARTICIPANT^{1/}

A. CANDIDATES

1. Make expenditures from contributions received.
2. Make expenditures from candidate's personal funds.
3. Make limited contributions to other candidates or committees to benefit the campaigns of other candidates.

B. COMMITTEES AUTHORIZED BY CANDIDATES

1. Make expenditures from contributions received.
2. Make limited contributions to other candidates or committees to benefit the campaigns of other candidates.

C. INDIVIDUALS

1. Make limited contributions to candidates and committees.
2. Volunteer services and property to candidates and committees.
3. Make unlimited independent expenditures to advocate the election or defeat of a clearly identified candidate.

^{1/} For a full explanation of the types of activities listed in this section, see Sections II and III, above, pp. 2.3-2.18. See also Contribution Chart, p. 2.22.

D. NATIONAL, STATE AND LOCAL PARTY COMMITTEES

1. Make limited contributions to any Federal candidate.
2. Make limited expenditures on behalf of specific Federal candidates for the general election.

E. ALL OTHER POLITICAL COMMITTEES

1. Make limited contributions to candidates and their authorized committees.
2. Make limited contributions to other committees which are not authorized by any candidates.
3. Make unlimited independent expenditures to advocate the election or defeat of a clearly identified candidate.

VI. APPENDIXA. AID FROM THE FEDERAL ELECTION COMMISSION1. Additional Materials Available

- a. Registration forms.
- b. Reporting forms.
- c. The Federal Election Campaign Act of 1971, as amended in 1974 and 1976.
- d. Summary of the 1976 amendments.
- e. Campaign Guide for Political Committees.
- f. Campaign Guide for Federal Candidates.

2. Clarification of the Law1. Routine Assistance

The information staff at the Federal Election Commission wishes to help the public in any way possible. Contact the Commission in Washington, D.C. at 382-4733 or call toll free 800-424-9530.

2. Advisory Opinions

For more complicated questions relating to a specific, factual situation, candidates, Federal officeholders and political committees may request an advisory opinion in writing. Requests for opinions and the opinions themselves are made public. A requesting person who in good faith acts in accordance with the advisory opinion will not be subject to any penalties with regard to the activity in question.

B. LIMITS ON CAMPAIGN CONTRIBUTIONS

CONTRIBUTION FROM:	TO CANDIDATE OR HIS/HER AUTHORIZED COMMITTEE	**TO NATIONAL PARTY COMMITTEES ¹ Per Calendar Year ²	**TO ANY OTHER COMMITTEE Per Calendar Year ²	TOTAL CONTRIBUTIONS Per Calendar Year ³
INDIVIDUAL	\$1,000 Per Election ⁴	\$20,000	\$5,000	\$25,000
MULTICANDIDATE COMMITTEE ⁵	\$5,000 Per Election	\$15,000	\$5,000	No Limit
PARTY COMMITTEE	\$1,000 or \$5,000 ⁶ Per Election	No Limit	\$5,000	No Limit
**REPUBLICAN OR DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE, ⁷ OR THE NATIONAL PARTY COMMITTEE, OR A COMBINATION OF BOTH	\$17,500 to Senate candidate per calendar year ² in which candidate seeks election.	Not Applicable	Not Applicable	Not Applicable
ANY OTHER COMMITTEE OR GROUP ⁸	\$1,000 Per Election	\$20,000	\$5,000	No Limit

- 1 For purposes of this limit, National Party Committees include a party's national committee, the Republican and Democratic Senate and House Campaign committees and any other committee established by the party's national committee, provided they are not authorized by any candidate.
- 2 In 1976 only, and solely in the case of contribution limits established in the 1976 amendments (indicated by double asterisk in margin), the calendar year extends from May 11 (date of enactment of the Act) through December 31, 1976.
- 3 Calendar year extends from January 1 through December 31, 1976. Individual contributions made or earmarked before or after 1976 to influence the 1976 election of a specific candidate are counted as if made during 1976.
- 4 Each of the following elections is considered a separate election: primary election, general election, run-off election, special election, and party caucus or convention which, instead of a primary, has authority to select the nominee.
- 5 A multicandidate committee is any committee with more than 50 contributors which has been registered for at least six months and, with the exception of state party committees, has made contributions to five or more Federal candidates.
- 6 Limit depends on whether or not party committee is a multicandidate committee.
- 7 Republican and Democratic Senatorial Campaign committees are subject to all other limits applicable to a multicandidate committee.
- 8 Group includes an organization, partnership or group of persons.

CAMPAIGN GUIDE SERIES

This pamphlet is the second in a new series -- the FEC Campaign Guide. Designed as a basic reference tool, each guide will have a specific focus. The first three guides are:

- Number One -- Committees
- Number Two -- Contributions/Expenditures
- Number Three -- Candidates

The Campaign Guide on Contributions and Expenditures replaces an earlier version which appeared in February 1976. It is based on the 1976 amendments and proposed regulations.

From time to time, one or more pages may be revised. In that event, the FEC will mail the revised pages to all those who have been sent this guide. The new pages will be coded by number, date and color so they can easily be substituted for the obsolete pages.



FEDERAL ELECTION COMMISSION CAMPAIGN GUIDE

1325 K STREET, N.W., WASHINGTON, D.C.

20463

NUMBER THREE

AUGUST 1976

CAMPAIGN GUIDE FOR FEDERAL CANDIDATES



INTRODUCTION

Under the Federal Election Campaign Act of 1971, as amended in 1974 and 1976 (hereinafter referred to as the Act), candidates for the Presidency, the U.S. Senate and House of Representatives and their authorized committees^{1/} are required to disclose all receipts and expenditures made with regard to Federal elections. They are also subject to certain contribution limits and prohibitions.

To help candidates and campaign personnel comply with the Act, the Federal Election Commission (hereinafter referred to as the FEC) has prepared this guide as a basic reference tool. It summarizes parts of the law and proposed regulations which are pertinent to candidates and their authorized committees.^{2/}

- A double asterisk (**) in the margin denotes the 1976 amendments.
- A single asterisk (*) in the margin denotes items based on regulations proposed by the FEC, as distinct from the statute on which regulations are based. Once the regulations have been reviewed by Congress, they will have the effect of law. At that time, this guide will be revised accordingly and distributed to all registered candidates and any other person who requests a copy.

^{1/} An authorized committee is one which a candidate has empowered in writing to raise contributions or make expenditures on his/her behalf.

^{2/} See also FEC Campaign Guide on Contributions and Expenditures.

Material is presented as follows:

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I. GENERAL GUIDELINES

- Review the law and proposed regulations available from the FEC. Note especially the definitions which give special meanings to key words such as "candidate," "contribution," "expenditure," "identification," or "clearly identified candidate."

- Be guided by the purpose of the law: to open campaign financing to full public view through disclosure and to reduce improper influence on the political process by limiting campaign contributions.
- Keep adequate records of all receipts and expenditures.
- If a mistake is discovered, correct it promptly and straightforwardly.
- If in doubt as to what the law means or how it applies, seek help from the FEC. (See Appendix, p. 3.19.)

II. WHO IS A CANDIDATE?

A candidate is an individual who seeks nomination or election to Federal office by:

- A. Taking action under State law to qualify for running for office;
- B. Accepting contributions or making expenditures for the purpose of seeking a nomination or election, even if the intention to seek public office has not been publicly announced;^{1/}
- C. Authorizing someone else to solicit contributions or make expenditures on his/her behalf; or
- * D. Failing to disavow an unauthorized person's efforts to solicit contributions or make expenditures on his/her behalf. Disavowal should be made in writing within 30 days after the FEC notifies the individual of such activity.

^{1/} Spending money to determine whether or not an individual should become a candidate (e.g., conducting a poll) does not automatically constitute a "contribution" or an "expenditure." However, if an individual who tests the waters later becomes a candidate, he must report any money raised and spent for that purpose as contributions and expenditures.

III. WHAT A CANDIDATE MUST DO TO COMPLY WITH THE ACT

A. ESTABLISH CANDIDACY

1. Candidate Registers

- a. Within 30 days after becoming a candidate, a candidate is required to file a Statement of Candidate (by FEC Form 2 or letter) designating:
 - 1) A principal campaign committee as the principal committee to receive contributions and make expenditures on the candidate's behalf.
 - 2) At least one national or state bank as a campaign depository where contributions are deposited and from which expenditures (except those from a petty cash fund) are made through a checking account.
- b. Statement is filed with the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.^{1/}

2. Principal Campaign Committee Registers

- a. Within ten days after being designated by the candidate, the principal campaign committee must file a Statement of Organization on FEC Form 1, identifying its officers, scope of jurisdiction, bank depositories, and affiliated organizations.
- b. Statement is filed with the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.
- c. Upon receipt of the Statement of Organization, the FEC will issue an identification number to the committee.

^{1/} See Section III, C, 5, p. 3.9, for where candidates and their authorized committees file statements and reports.

3. Other Authorized Committees Register

- a. If a candidate wants any other committee to work on behalf of his/her campaign, he must file a Statement of Authorization (by FEC Form 2a or letter) empowering it to raise or spend money on his/her behalf.
 - 1) The statement designates the authorized committee's bank depositories and identifies the principal campaign committee where the authorized committee will file its reports.
 - 2) Copies of the Statement are filed with the candidate's principal campaign committee which, in turn, files them with the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.
- b. An authorized committee expecting to receive contributions or make expenditures of more than \$1,000 in a calendar year must file a Statement of Organization (by FEC Form 1) with the candidate's principal campaign committee which, in turn, files a copy of the Statement with the FEC, the Secretary of the Senate or the Clerk of the House, as appropriate.
- c. Upon receipt of the Statement of Organization, the FEC will issue an identification number to the authorized committee.

B. KEEP RECORDS^{1/}

1. A committee must have a chairman and a treasurer (two different individuals) at any time it accepts contributions or makes expenditures. A vice chairman and/or assistant treasurer may be designated to serve in the absence of a chairman or treasurer.

^{1/} Under the Act, the information required for records is, in some instances, more detailed than the information required in reports. For a full discussion of recordkeeping, see the FEC proposed Disclosure Regulations, Parts 100-108.

2. The candidate, his/her principal campaign committee and any other authorized committee must keep an account of all contributions and expenditures. In addition, the committee must record:

- ** a. Any contribution to the candidate or authorized committee of more than \$50, by date, amount, and name and address of donor;^{1/}
- b. Any contribution to the candidate or authorized committee of more than \$100 (given in one transaction or in aggregate during a calendar year), by date, amount, and the donor's name, address, occupation, and principal place of employment; (However, the Commission recommends that committees record this information for all contributions in order to meet the requirement that they report all contributions from one source which total more than \$100 in a calendar year.)
- c. All transfers (i.e., contributions from one committee to another committee or candidate), regardless of amount, by date, amount and the name and address of the donor or recipient committee;
- d. All expenditures, by date and amount of transaction and the name and address of recipient; and
- e. Additionally, expenditures over \$100 (made in one transaction or in aggregate during a calendar year) must be identified as to their purpose.

3. A receipted bill or comparable record must be kept for expenditures to one person which, in the aggregate, exceed \$100.

** 4. Committee fundraisers and other individuals receiving contributions of more than \$50 must report them to the treasurer within five days after receiving them.

^{1/} An anonymous contribution of currency exceeding \$50 may not be used for campaign-related expenses, but may be used for other legal purposes.

5. All receipts, including contributions of \$50 or less, must be deposited in the bank within 10 days after they have been received.

6. Campaign funds must be separated from personal funds.

7. No single cash disbursement may exceed \$100.

8. A written record of petty cash disbursements must be kept, if a petty cash fund is maintained.

* 9. If, prior to the primary election, a candidate (or authorized committee) receives contributions designated for the general election, the primary and general election contributions must be kept distinct by using acceptable accounting methods (such as maintaining separate bank accounts, separate books or separate records for each election).

10. A contribution which appears to be illegal must either be:

- a. Returned to the contributor; or
- b. Deposited and reported. If the legality of the contribution cannot be determined within a reasonable period of time, the treasurer must return it and report the refund no later than in the next report.

11. Reporting committees and candidates must keep copies of all statements, reports and supporting records for at least three years after the end of the year in which a report or statement was filed.

C. COMPLY WITH REPORTING REQUIREMENTS

1. Who reports?

All Federal candidates (except those receiving waivers^{1/}), their principal campaign committees^{2/} and any other authorized committee which has registered with a principal campaign committee must report.

^{1/} For candidate waivers, see Section III, C, 7, below, p. 3.12.

^{2/} Even if the principal campaign committee does not raise or spend funds, under the Act it is required to report.

2. Reporting Formsa. Long Form

Candidates and their authorized committees generally report all receipts and expenditures on the standard FEC Form 3.

b. Short Form

A candidate and his/her principal campaign committee may report on the short FEC Form 6, provided the committee has not raised or spent more than \$50,000 per election and the candidate has not authorized any other campaign committee.

3. Contents of Reports Filed by All Federal Candidates^{1/} and Their Authorized Committees

Under the Act, the information required in reports is, in some instances, less detailed than the records which candidates and their authorized committees are required to keep. For a full discussion of what must be included in reports, see the FEC Campaign Guide for Committees, Section VI.^{2/}

4. Contents of Additional Reports Filed by Incumbent Candidatesa. Recording Services

- 1) During an election year, candidates who are Members of Congress must report the cost of recording services furnished by the Senate and House recording studios or paid for by the Republican or Democratic Senatorial Campaign Committees, the Democratic National Congressional Committee or the National Republican Congressional Committee.

- * 2) This report must be submitted in a letter attached to the principal campaign committee's report, but need not be included in the committee's summary of contributions and expenditures.

^{1/} Federal candidates who are also State or Federal officeholders are required, additionally, to report office accounts. (See Section 4, b, below.)

^{2/} See also FEC proposed Disclosure Regulations, Parts 100-108.

* b. Office Accounts^{1/}

- 1) Federal officeholders (and State officeholders who are candidates for Federal office) maintaining office accounts must disclose these accounts by filing reports:
 - a) On April 15, covering transactions from September 1 of the preceding year through March 31; and
 - b) On October 15, covering transactions from April 1 through September 30.
- 2) Any contributions to, or expenditures from, an office account made to influence Federal elections are subject to the contribution and expenditure limitations of the Act.

5. Where Reports and Statements Are Filed

Under the Act, candidates and their authorized committees must report simultaneously with Federal and State governments, as indicated below:

a. With Federal Government

- 1) Senate candidates and their principal campaign committees file with the Secretary of the Senate, Washington, D.C. 20510.
- 2) House candidates and their principal campaign committees file with the Clerk of the House of Representatives, Washington, D.C. 20515.
- 3) Presidential and Vice-Presidential candidates and their principal campaign committees file with the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

^{1/} An "office account" is one established to support activities of a Federal or State officeholder, consisting of funds other than government appropriations or the candidate's personal funds. For more specific information on the reporting of office accounts, see FEC Proposed Regulations on Office Accounts, Part 113.

4) Authorized single candidate committees file:^{1/}

- a) With the principal campaign committee of the candidate they support (which consolidates the report and transmits it to the Senate, House or FEC, as appropriate); or
- b) In the case of the pre-election report, with the FEC as well as with the principal campaign committee, unless the committee files its report with the principal campaign committee early enough to permit the principal campaign committee to file its consolidated report by the 10th day before an election.

b. With State officers

- 1) Presidential candidates and their authorized committees file with the Secretary of State^{2/} of the State in which the candidate (or authorized committee) makes an expenditure during a reporting period.
- 2) House and Senate candidates and their authorized committees file with the Secretary of State of the State in which the candidate seeks election.

6. When Reports Are Filed

- a. Quarterly Reports -- Filed by the candidate^{3/} and each authorized committee by April 10, July 10, October 10, and January 31, disclosing transactions of the preceding calendar quarter if, during that

^{1/} In addition, if a multicandidate committee is authorized by a candidate, it must report contributions received and expenditures made on behalf of that candidate to the principal campaign committee.

^{2/} Or equivalent State officer.

^{3/} Unless waived. See, below, Section III, C, 7, p. 3.12.

quarter, the candidate or all the authorized committees, taken collectively, raised or spent more than \$1,000.^{1/}

- b. Annual Reports -- Filed by January 31, covering the transactions of the preceding year in any nonelection year in which an individual is a candidate.

c. Pre- and Post-Election Reports

- 1) Pre-election -- Filed by the 10th day before an election, disclosing transactions as of the 15th day before an election.

- a) If filed by registered or certified mail, report must be postmarked by the 12th day before the election.

- b) A contribution of \$1,000 or more received between two and 15 days before an election must be reported by telegram or hand-delivered letter within 48 hours after it is received.

- c) An independent expenditure of \$1,000 or more made between one and 15 days before an election must be reported by telegram or hand-delivered letter within 24 hours after it is made.

- 2) Post-election -- Filed by the 30th day after an election, disclosing transactions as of the 20th day after an election.

d. Monthly Reports

- 1) Monthly reports are required in an election year from each Presidential

^{1/} During a nonelection year, a candidate or an authorized committee must file the quarterly report only if the candidate or all the authorized committees, taken collectively, raised and spent a total of more than \$5,000 during the quarter.

candidate^{1/} operating in more than one State, and from his or her authorized committees.

- * 2) Reports must be filed by the 20th day of each month (except January, November and December), covering transactions of the preceding month. These reports replace the pre- and post-primary reports and the first three quarterly reports. However, the fourth quarter report and the pre- and post-general election reports are still required.

e. Due Dates

- 1) If mailed first class, reports must be received by the filing date.
- 2) If sent by registered or certified mail:
 - a) Pre-election reports must be postmarked by the 12th day before the election.
 - b) All other reports must be postmarked no later than the filing date.
- 3) However, the Commission recommends that all reports be sent by registered or certified mail so that committees have proof of having mailed their reports.

7. Waiver of Reports

* a. Candidate's Reports

Once the disclosure regulations are put into effect, a candidate will not have to file any reports if he or she files a statement (by letter or FEC Form 2) with the FEC, pledging to refrain from making any unreimbursed expenditures and to

^{1/} Unless waived. See, below, Section 7.

forward all contributions to the principal campaign committee within five days after receiving them.^{1/}

b. Quarterly Reports

- 1) If the FEC is notified (by FEC Form 3a or letter) at the end of the first quarter in which this waiver applies, the candidate or committee does not have to file the quarterly report:
 - ** a) In a nonelection year, if the candidate or all his/her authorized committees, taken collectively, did not raise and spend a total of more than \$5,000 during the quarter.
 - b) In an election year, if the candidate or all his/her authorized committees, taken collectively, did not raise or spend more than \$1,000 during the quarter. However, if the candidate or committee has outstanding debts at the end of the fourth quarter, it must file the fourth quarter report even if neither contributions nor expenditures exceeded \$1,000.
- * 2) The quarterly report is automatically waived if it is due within 10 days before or after an election.
- 3) Even when quarterly reports are waived, the pre- and post-election and annual reports must be filed.

* 8. Fundraising Notice

Any literature, advertisement, letter or pledge card issued by a political committee to solicit contributions must include on its front page or at the beginning or end of a broadcast the following statement:

^{1/} A candidate receiving a waiver may, however, contribute personal funds to his/her principal campaign committee. Such funds must be reported by the committee as a contribution received.

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

9. Advertising Notices

- a. Any communication advocating the election or defeat of a "clearly identified candidate"^{1/} through public advertising (such as a broadcast, billboard, newspaper, magazine or direct mailing) must:
- 1) If authorized by the candidate (or authorized agent), state:
 - a) That the communication is authorized by the candidate; and
 - * b) The name of the candidate or committee which financed the expenditure.
 - 2) If not authorized by the candidate (or authorized agent), state:
 - a) That the communication is not authorized; and
 - * b) The name of the person who financed the expenditure and, in the case of a political committee, the names of its affiliated organizations.
- * b. The statement must appear on the face or front page of printed matter, or at the beginning or end of a radio or television broadcast.

^{1/} Under the Act, a communication refers to a "clearly identified candidate" when the candidate's name, photograph or drawing appears, or when the identity of the candidate is apparent by unambiguous reference.

10. Liability

- a. Each candidate, each treasurer of a political committee and any other person required to file reports or statements is personally responsible for the timely, complete and accurate filing of reports and statements.
- ** b. They will be considered in compliance with the law when they have used their best efforts to obtain required information.

IV. WHAT A CANDIDATE MAY NOT DO UNDER THE ACT

Candidates and their authorized agents may not:

- A. Accept contributions of currency amounting to more than \$100 from a single source during the campaign period.^{1/}
- B. Accept contributions from the treasury of any corporation or labor organization. However, a candidate may accept funds from separate segregated funds or political action committees established by corporations or unions, consisting of voluntary contributions.
- C. Accept contributions from organizations or individuals who are working under Federal contract. This limit does not apply to employees, shareholders or officers of corporations or labor organizations with Government contracts.
- D. Accept contributions from foreign nationals who do not have permanent residence in the United States.
- E. Make expenditures in excess of statutory limits, in the case of Presidential candidates or nominees (and their authorized committees) who accept public funds.
- F. Accept contributions in excess of statutory limits. (See Section V, A, below.)

^{1/} If a candidate (or his/her authorized committee) receives an anonymous contribution of currency, he or she may not use the amount exceeding \$50 for campaign-related activities. That amount, however, may be used for any other legal purpose not related to the campaign.

V. FINANCIAL SOURCES OF CANDIDATE SUPPORT^{1/}A. CONTRIBUTIONS

Federal candidates (or their authorized committees) may accept contributions which do not exceed the limits listed below:

1. From an individual -- \$1,000 per election.
2. From a Multicandidate Political Committee^{2/} -- \$5,000 per election.^{3/}
3. From any other group, partnership or committee -- \$1,000 per election.

B. VOLUNTEER ACTIVITY

1. Candidates (and their authorized committees and agents) may accept personal services of any individual, without counting such services as contributions (or expenditures), provided the services are not compensated by any other person.^{4/}
2. For each election, a candidate (and his/her authorized committees or agents) may allow individuals to volunteer a variety of services and property, without counting them as contributions (or expenditures). Such volunteer activity includes:

^{1/} For a more detailed explanation of candidate support permissible under the Act and pertinent reporting requirements, see FEC Campaign Guide on Contributions and Expenditures.

^{2/} A Multicandidate Political Committee is one which has been registered for at least six months, has received contributions from more than 50 persons and, with the exception of State party committees, has contributed to five or more Federal candidates.

^{**3/} However, Senate candidates may accept up to \$17,500 during an election year from the Democratic or Republican Senate Campaign Committee, a national party committee or a combination of both.

^{**4/} There is one exception to this rule: Candidates may accept legal and accounting services which are compensated by the regular employer of the person rendering the services, but still not count the value of such services as a contribution (or expenditure), as long as such services are provided solely for the purpose of ensuring compliance with the Act. (A partnership is considered the regular employer of a partner who renders such services.) However, such legal and accounting services must be reported.

- a. The purchase of up to \$500 worth of food, beverage and invitations provided in connection with campaign-related activity in the volunteer's home.
 - b. An expenditure of up to \$500 for travel.
 - * c. Unlimited personal expenditures for living expenses related to the campaign.
 - d. The rental value of the volunteer's home for campaign-related activity.
3. For each election, a candidate may buy from a vendor (whether corporate or not), at cost, food and beverage to be used in connection with the campaign, as long as the cumulative value of discounts does not exceed \$500 per election.

C. INDEPENDENT EXPENDITURES

1. Individuals and groups may make independent expenditures, in any amount, for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate provided that:
 - ** a. The expenditure is not made in cooperation, consultation or concert with, or at the suggestion or request of, any candidate or his/her authorized committees or agents; and
 - ** b. The expenditure is not made to finance a broadcast or publication of materials prepared by a candidate or his/her authorized committees or agents.
- * 2. When an individual requests and receives from a candidate FEC guidelines on independent expenditures, he/she is not considered to have conferred, cooperated or consulted with the candidate.

D. PARTY SPENDING^{1/}

In the general elections, party committees may make limited expenditures on behalf of, and perhaps in cooperation with, Federal candidates.

^{1/} Figures given in this section reflect the 1975 increase of 9.1 percent in the cost of living.

1. Expenditures by national party committees on behalf of:

Presidential candidates -- \$3,203,786.96.
 House candidates -- 10,910.00.
 Senate candidates -- 21,820.00 or 2.182¢ x State VAP,^{1/}
 whichever is greater.

2. Expenditures by State party committees^{2/} on behalf of:

House candidates -- \$10,910.00.
 Senate candidates -- 21,820.00 or 2.182¢ x State VAP,
 whichever is greater.

* 3. Expenditures by State party committees and subordinate party committees which benefit Presidential candidates:

State, county, city and congressional district committees may each make expenditures up to \$1,000 which further the campaign of a Presidential candidate as long as they are made primarily to influence the general election of the party's other nominees.^{3/}

E. PUBLIC FINANCING FOR PRESIDENTIAL CANDIDATES^{4/}1. In Primaries

The first \$250 of every contribution made by an individual to a Presidential primary candidate is eligible for public matching funds.

2. In General Elections

The Federal government will grant each major party candidate \$21,820,000 provided he agrees to accept no private contributions in the general election.

^{1/} Voting Age Population.

^{2/} Within a given State, the expenditure limit applies collectively to the State party and all of the subordinate party committees.

^{3/} Such expenditures do not count against limits, but they must be reported by committees which are already reporting. (See FEC proposed Regulations on Contributions and Expenditures, Subsection 110.7(b)(5).)

^{4/} For a more detailed explanation of public funds, see FEC proposed Regulations on Presidential Primary Matching Fund, Parts 130-134 and FEC proposed Regulations on General Election Financing, Parts 140-146.

F. CANDIDATE'S PERSONAL FUNDS

- ** 1. Candidates for the Senate and the House may make unlimited expenditures from their personal funds.^{1/}
- ** 2. Presidential candidates who accept public financing may spend up to \$50,000 in personal funds per each election.

VI. APPENDIX: AID FROM THE FEDERAL ELECTION COMMISSIONA. ADDITIONAL MATERIALS AVAILABLE

1. Registration forms.
2. Reporting forms.
3. The Federal Election Campaign Act of 1971, as amended in 1974 and 1976.
4. Summary of the 1976 amendments.
5. Campaign Guide for Political Committees.
6. Campaign Guide on Contributions and Expenditures.

B. CLARIFICATION OF THE LAW1. Routine Assistance

The information staff at the Federal Election Commission wishes to help the public in any way possible. Contact the Commission in Washington, D.C., at 382-4733 or call toll free 800-424-9530.

2. Advisory Opinions

For more complicated questions relating to a specific, factual situation, candidates, Federal officeholders and political committees may request an advisory opinion in writing. Requests for opinions and the opinions themselves are made public. A requesting person who in good faith acts in accordance with the advisory opinion will not be subject to any penalties as regards the activity in question.

^{1/} "Personal funds" include any funds which the candidate controlled or had access to prior to becoming a candidate.

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