

---

# Appendix B

## Contributions from Partnerships<sup>1</sup>

---

Outlined below are special rules concerning contributions received from partnerships and from limited liability companies taxed as partnerships.

---

### I. Contribution Limits

---

#### Contributions Made by Partnerships

Contributions received by a candidate's authorized committees from a partnership may not exceed \$2,500 per election. In addition, a contribution from a partnership also counts proportionately against each participating partner's own limit with respect to the same candidate. 110.1(b)(1) and (e).

#### Contributions Made by Individual Partners

Each partner may make contributions of \$2,500 per election, per candidate. 110.1(b)(1). Although contributions made by the partnership as a whole count proportionately against each participating partner's \$2,500 limit, contributions made by individual partners from their own funds do not count against the partnership's limit. 110.1(e).

Note, however, that certain partnerships and partners may be prohibited from contributing. See "Prohibited Partnership Contributions," below.

#### Limited Liability Companies

In some cases, limited liability companies (LLCs) are treated as partnerships. For the purposes of contribution limitations and prohibitions, an LLC is treated as a partnership if:

- It does not have publicly traded shares

and

---

<sup>1</sup> For information on contributions from limited liability companies, see Chapter 4, Section 10.

- It has chosen to file, under IRS rules, as a partnership; or
- It has made no choice, under IRS rules, as to whether it is a corporation or a partnership. 110.1(g)(2) and (3).

Under these conditions, an LLC may make contributions to candidates, subject to the rules described in this appendix. See also Chapter 4, Section 10.

---

### 2. Attribution Among Partners

---

#### Formula

A portion of the partnership contribution must be attributed to each contributing partner.<sup>2</sup> If all partners within the organization are contributing, the partnership may attribute the contribution according to each partner's share of the firm's profits.

However, if the partnership attributes a contribution on another basis agreed to by the partners, the following rules must be observed:

- The profits of only the partners to whom the contribution is attributed are reduced (or their losses increased); and
- The profits (or losses) of those partners are reduced (or losses increased) in the amount of the contribution attributed to them.

The portion attributed to each partner must not, when aggregated with other contributions from that person, exceed his or her individual contribution limit. 110.1(e). See also "Partnerships or LLCs with Corporate Partners or Members" in the next section, below and AO 2009-02 regarding independent expenditures by single member LLCs.

#### Notice to Recipient Committee

Because a contribution from a partnership is a joint contribution, the partnership must provide to the recipient committee, along with the contribution, a written notice listing the names

---

<sup>2</sup> A portion of a contribution drawn on a partnership account may not be attributed to the spouse of a partner, unless the spouse is also a member of the partnership. AO 1980-67.

of the contributing partners and the amount to be attributed to each. However, unlike other joint contributions, the signature of each contributing partner is not required. 110.1(k)(1).

---

### 3. Prohibited Partnership Contributions

---

#### Professional Corporations

Although law firms, doctors' practices and similar businesses are often organized as partnerships, some of these businesses may instead be professional corporations. Unlike a partnership, a professional corporation is prohibited from making any contributions because contributions from corporations are unlawful. 114.2.

#### Partnerships or LLCs with Corporate Partners or Members

Because contributions from corporations are prohibited, a partnership or LLC with corporate partners or members may not attribute any portion of a contribution to the corporate partners or members. 110.1(e) and 114.2(b). See also "Contributions from Limited Liability Companies" in Chapter 4, Section 10 of this Guide.

A partnership or LLC composed solely of corporate partners or members may not make any contributions. AOs 2001-07 and 1981-56; see also AOs 2009-14, 2003-28, 2001-18 and 1992-17 for a limited exception pertaining to exempt costs for an affiliated corporate partner's SSF.

#### Partnerships or LLCs with Foreign National Members

Similarly, because contributions from foreign nationals are prohibited, a partnership or LLC may not attribute any portion of a contribution to a partner who is a foreign national. 110.20. See Chapter 5, Section 1, for further information on the foreign national prohibition.

### Partnerships or LLCs with Federal Government Contracts

A partnership or LLC that is negotiating a contract with the federal government or that has not completed performance of such a contract is prohibited from making contributions. However, an individual partner in such a firm may make contributions from personal funds (rather than from funds drawn on the partnership's account). 115.4. See also AOs 2005-20 and 1991-01 and Chapter 5, Section 1.

Also, an individual, who is, in his or her own right or as a sole proprietor, a federal government contractor or negotiating a contract with the federal government may not make contributions using any funds (business or personal) under his or her control. 115.5. Note that the spouse of such an individual is not prohibited from making a personal contribution in his or her own name unless he or she is also a federal contractor.

---

### 4. Reporting Partnership/LLC Contributions

---

#### Included in Total Figure

Partnership or LLC contributions are included in the total figure reported for "Contributions From Individuals/Persons Other Than Political Committees" on the Detailed Summary Page of Form 3 (Line 11a).

#### Itemization

If a contribution from a partnership or LLC exceeds \$200 or aggregates over \$200 during an election cycle, the committee must itemize the contribution on a Schedule A used for "Contributions from Individuals/Persons Other Than Political Committees" (Line 11(a)).

Additionally, if an individual partner's share of the contribution exceeds \$200 when combined with other contributions received from that partner in the same election cycle, the committee must disclose, as a memo entry, itemized information on the partner (name, address, occupation, date contribution received, partner's

share of contribution and aggregate cycle-to-date total of contributions made by that partner). 104.8 and 110.1(e). (See example at right.)

### In-Kind Contributions

A committee reports the value of an in-kind contribution from a partnership or LLC in the same way it reports a monetary contribution. In addition, as with all in-kind contributions, the committee must report the value of the in-kind contribution as an operating expenditure. Moreover, an in-kind contribution itemized on Schedule A must also be itemized on a Schedule B for operating expenditures. 104.13 and 110.1(e). However, any information about a partner itemized as a memo entry on Schedule A does not have to be reported on Schedule B.

### More Information on Partnership Contributions

For more information on partnership sponsored PACs and partnership contribution plans, see the Campaign Guide for Nonconnected Committees.

## PARTNERSHIP CONTRIBUTIONS

SCHEDULE A (FEC Form 3)	Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER (check only one)	PAGE OF
<b>ITEMIZED RECEIPTS</b>		<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input type="checkbox"/> 12	<input type="checkbox"/> 13a
		<input type="checkbox"/> 11c	<input type="checkbox"/> 11d
		<input type="checkbox"/> 14	<input type="checkbox"/> 15

  

NAME OF COMMITTEE (in Full) <b>Doe for Congress Committee</b>	
Full Name (Last, First, Middle Initial) <b>A. Hobbes, Locke &amp; Rousseau</b> Mailing Address <b>101 Modernity Ave.</b> City State Zip Code <b>Fairfax VA 00000</b> FEC ID number of contributing federal political committee. C Name of Employer <b>Partnership</b> Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ Election Cycle-to-Date 750.00	Date of Receipt 03 / 04 / 2012 Amount of Each Receipt this Period 750.00 See attribution below.
Full Name (Last, First, Middle Initial) <b>B. Hobbes, Thomas</b> Mailing Address <b>201 Sovereign Ave.</b> City State Zip Code <b>Bellum VA 00000</b> FEC ID number of contributing federal political committee. C Name of Employer <b>Hobbes, Locke &amp; Rousseau</b> Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ Election Cycle-to-Date 250.00	Date of Receipt 03 / 04 / 2012 Amount of Each Receipt this Period 250.00 MEMO partnership attribution
Full Name (Last, First, Middle Initial) <b>C. Locke, John</b> Mailing Address <b>180 Prosperity Street</b> City State Zip Code <b>Lucketts VA 00000</b> FEC ID number of contributing federal political committee. C Name of Employer <b>Hobbes, Locke &amp; Rousseau</b> Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ Election Cycle-to-Date 250.00	Date of Receipt 03 / 04 / 2012 Amount of Each Receipt this Period 250.00 MEMO partnership attribution
Full Name (Last, First, Middle Initial) <b>A. Rousseau, Jean Jacques</b> Mailing Address <b>101 General Will Road</b> City State Zip Code <b>Front Royal VA 00000</b> FEC ID number of contributing federal political committee. C Name of Employer <b>Hobbes, Locke &amp; Rousseau</b> Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ Election Cycle-to-Date 250.00	Date of Receipt 03 / 04 / 2012 Amount of Each Receipt this Period 250.00 MEMO partnership attribution