



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Best Practices to Avoid Pitfalls

1. File Reports On Time

- To keep up with required filing dates, ensure your committee has a current e-mail address on its Form 1 to receive courtesy reminders. Committees may enter up to two e-mail addresses on Form 1. Filing dates are also posted on the FEC website and can also be provided to you by your Campaign Finance Analyst.
- Ensure an Assistant Treasurer or a designated agent has an electronic filing password in the event that the Treasurer is not accessible on filing day. Most committees may obtain or change their password online at <https://www.fec.gov/help-candidates-and-committees/filing-reports/electronic-filing/>.
- Filing reports on time will prevent political committees from getting caught in the Administrative Fines Program.
- File reports electronically if required to do so. Requirement applies to House Campaigns, PACs, Party Committees and persons, groups of persons or organizations that make independent expenditures and raise or spend more than \$50,000 in calendar year or have reason to expect to do so.
- Corporations and Labor Unions (non-political committees) should use Form 5 to disclose Independent Expenditures. 24 and 48 hour reports are filed on Schedule 5-E for these types of entities. Quarterly reports are also required for any quarterly period during which independent expenditures that aggregate in excess of \$250 are made and in any quarterly reporting period thereafter in which additional independent expenditures are made.¹
- PACs file either quarterly or monthly on FEC Form 3X and independent expenditures are disclosed on Schedule E. 24 and 48 hour reports for Independent Expenditures are filed on a standalone Schedule E.
- For all independent expenditures made, the Date of Dissemination = the Date Made for aggregation purposes in determining whether a 24 or 48 hour report is required. 24 hour and 48 hour report timeframes are listed on the FEC website.²

¹ http://www.fec.gov/rad/other_filers/RAD-Form5Filers.shtml

² <https://www.fec.gov/help-candidates-and-committees/dates-and-deadlines/>

2. File Complete & Accurate Reports

- The Reports Analysis Division (RAD) conducts the review of all reports filed by committees/entities in accordance with an internal review and referral policy which contains categories of review such as: Mathematical Discrepancies, Failure to Properly Itemize Contributions, and Failure to Properly Itemize Disbursements, to name a few.
- The RAD Procedures have established thresholds for making determinations on whether to send a Request for Additional Information (RFAI). While the RAD Procedures are publicly available on the FEC website, the thresholds have been redacted. The RAD Procedures are reviewed and circulated for approval by the Commission every two years.
- Review is conducted on a per report basis, meaning the thresholds are applied to each report reviewed. There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on a subsequent report because the applicable threshold has not been met.
- The RAD Procedures also include thresholds for determining whether to refer a committee to the Office of General Counsel (OGC) or Alternative Dispute Resolution Office (ADRO). Committees will receive a phone call from RAD prior to a referral to ADRO or OGC to explain the RFAI and request a response. An adequate response should be provided by the timeframe given to prevent the matter from being referred.
- Committees may also be referred for an audit under the RAD Procedures. The determining factors for making referrals to the Audit Division include: the level of financial activity, responses to RFAs (late responses, no responses, or inadequate responses), and election results for Authorized committees only. **The number of amendments filed is not a factor, and the number of RFAs received is not a factor** if they are responded to adequately and on time.
- Consult the FEC website at <https://www.fec.gov/help-candidates-and-committees/request-additional-information/> for information concerning Requests for Additional Information (RFAI's).

3. Respond to all RFAs by the Response Due Date

- The response due date is provided in the upper right hand corner of the letter.
- Committees are encouraged to contact their assigned Campaign Finance Analyst prior to responding if unsure about how to respond, or after a response is filed to ensure an adequate response is received. The analyst's direct extension is provided in the RFAI.
- Analysts are there to help committees with compliance and direct extensions are provided in the closing paragraph of the letter.
- Responding to RFAs timely and adequately may prevent a referral to OGC, ADRO or Audit.

- RFAIs are sent via email. Filers have the option to receive them on paper and can file a miscellaneous document (Form 99 for electronic filers), to indicate this preference.
- Ensure your committee has a current email address on its Form 1 to receive RFAIs. Committees may enter up to two email addresses on Form 1 for this purpose.

4. Avoid Common Reporting Errors

- Designate any contributions made to Federal candidate committees on reports filed. If not designated, the contribution is applied towards the next election the candidate is running in, per Commission regulations. This may result in a subsequent excessive contribution if a committee is not aware of which election the contribution was applied towards.
- Ensure there is a system in place to track contributions received/made amongst affiliated committees to avoid potential excessive contributions.
- Consult the most recent copies of the adequate and inadequate purpose lists on the FEC website.³ Make sure all purposes of disbursements disclosed are on the “acceptable” list or would meet the rule of thumb suggested by the policy statement:⁴ that filers consider whether a person unaffiliated with the campaign/committee could discern why a payment was made by reading the description they have provided. Contact your Campaign Finance Analyst if you are uncertain about the adequacy of a purpose.
- Be mindful of the primary election dates when designating contributions to federal candidates to avoid making contributions for an election after it has already occurred. If a contribution is for debt retirement, be sure to note year, debt and election (e.g., 2016 general debt), and ensure the candidate committee has debt when the contribution is made.
- Refunded Contributions vs. Returned Contributions (PACs & Party Committees): if the original receipt(s) was itemized on Schedule A, the refund must be itemized on Schedule B, supporting Line 28. If the refund is for a contribution(s) received in a prior year(s), the amount of the refund should not be included in the calculation of the aggregate year to date total for the current year. A returned or bounced contribution should be disclosed as a negative entry on Schedule A.
- A contribution check made to another political committee that was lost in the mail or never cashed by the recipient committee should be reported as a negative entry on Line 23 for PACs & Party Committees. The contribution should include the same information as the original disbursement and should include additional text describing when the voided or uncashed check was written.
- For credit card payments, reimbursements to individuals for out of pocket expenses, and unreimbursed disbursements by candidates, consult the Commission's Interpretive Rule on Reporting Ultimate Payees of Political Committee Disbursements.⁵

³<https://www.fec.gov/help-candidates-and-committees/purposes-disbursement/>

⁴https://transition.fec.gov/law/policy/purposeofdisbursement/notice_2006-23.pdf

⁵http://www.fec.gov/law/cfr/ej_compilation/2013/notice2013-09.pdf

5. Implement Internal Committee Controls

- Open committee bank accounts using the name of the committee and the Employer Identification Number (EIN) rather than in the name of a person.
- Review and reconcile bank statements each month and to FEC reports prior to filing with the FEC. Have a person other than the check-signer or committee accountant perform this function.
- Treasurer should authorize checks in excess of \$1,000 or require two signatures for them. Place an individual who does not have banking authority in charge of receiving incoming checks and monitoring receipts.
- Limit the number of persons with access to committee funds and persons authorized to sign checks.
- If a misappropriation of committee funds is discovered, consult the FEC website for guidance at <https://www.fec.gov/help-candidates-and-committees/keeping-records/misappropriated-funds/>

6. Take Advantage of FEC Resources

- There are many educational videos on various campaign finance law issues that can be viewed at <https://www.fec.gov/help-candidates-and-committees/trainings/#e-learning-videos>.
- Subscribe to FEC updates such as the “Weekly Tips for Treasurers” and the “FEC Record.” The weekly tips are delivered via email or RSS feed and provide timely compliance information at https://www.fec.gov/updates/?update_type=tips-for-treasurers. The Record at https://www.fec.gov/updates/?update_type=fec-record is an indexed news feed that provides coverage of FEC news and information.
- General questions about the FEC and campaign finance issues can be answered either through an inquiry to info@fec.gov, where specialists research and respond to the email or via the toll-free information line at 1-800-424-9530 (press 6), where specialists assist callers who can remain anonymous.
- To speak with your assigned Campaign Finance Analyst regarding an RFAI or reporting question, call the toll-free line at 1-800-424-9530 (press 5) or call your analyst’s direct extension as provided in the RFAI.
- To find out who your assigned Campaign Finance Analyst is, or to send your assigned analyst a written question through the FEC website portal, go to <https://www.fec.gov/help-candidates-and-committees/question-rad/>.

- To learn about the categories of review Campaign Finance Analysts focus on during the reports review process, go to https://transition.fec.gov/pdf/2017-2018_rad_review_referral_procedures.pdf to view the Reports Analysis Division Review & Referral Procedures.