



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

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June 21, 2002

**MEMORANDUM**

TO: The Commission

THROUGH: James A. Pehrkon  
Staff Director

FROM: Lawrence H. Norton  
General Counsel

Rosemary C. Smith  
Acting Associate General Counsel

SUBJECT: Final Rule for Excessive and Prohibited Contributions: Non-Federal Funds or Soft Money

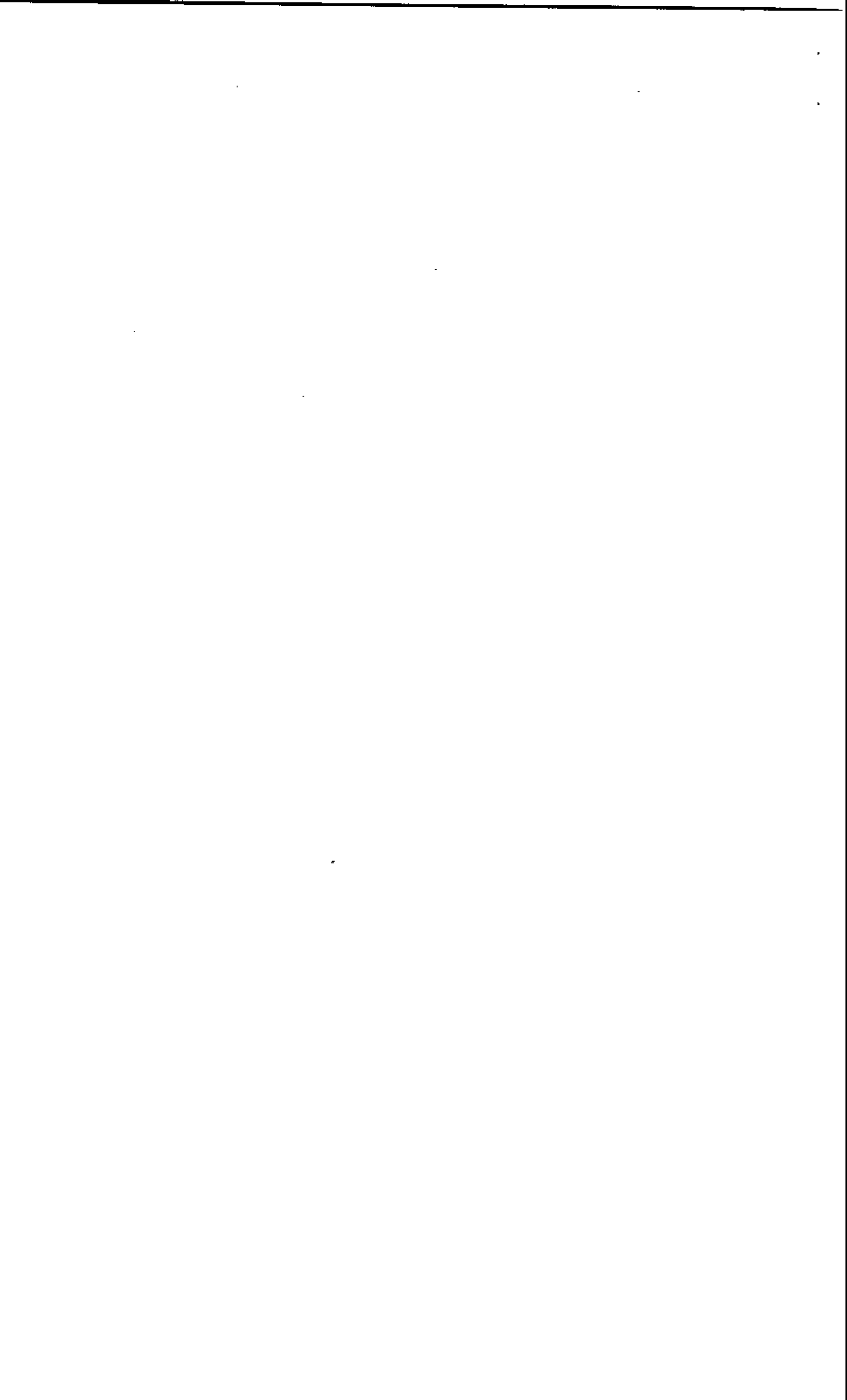
**AGENDA ITEM**  
For Meeting of: 6-19-02  
CONTINUED ON 06-22-02

**SUBMITTED LATE**

During the Commission's meeting on June 19-20, 2002, the Commission discussed the draft Final Rule circulated by the Office of General Counsel, Agenda Doc. 02-44, and amendments to the agenda document offered by various Commissioners. Several amendments were adopted at the table. Attached is the draft Final Rule that incorporates the amendments approved by the Commission as well as technical and conforming amendments. This draft Final Rule does not include regulatory text for 11 CFR 300.2(a), 300.11, 300.30, 300.37, 300.50 through 300.52, and 300.65. This Office will circulate the regulatory text for all of these sections except for section 300.30 as a separate agenda document. Vice-Chairman Sandstrom will offer substitute regulatory text for section 300.30 at the Commission meeting on June 22, 2002.

The Commission needs to approve a Final Rule for publication in the *Federal Register* and transmittal to Congress.

Attachment



1           2. Section 100.14 is amended by revising paragraphs (a) and (b), and adding  
2 paragraph (c) to read as follows:

3   § 100.14     **State committee, subordinate committee, district, or local committee**  
4   **(2 U.S.C. 431(15)).**

5   (a)   State committee means the organization that by virtue of the bylaws of a political  
6 party or the operation of State law is part of the official party structure and is responsible  
7 for the day-to-day operation of the political party at the State level, including an entity  
8 that is directly or indirectly established, financed, maintained, or controlled by that  
9 organization, as determined by the Commission.

10 ~~(b)   Subordinate committee of a State committee means any organization that is~~  
11 ~~responsible for the day-to-day operation of the political party at the level of city, county,~~  
12 ~~neighborhood, ward, district, precinct, or any other subdivision of a State or any~~  
13 ~~organization under the control or direction of the State committee, including an entity that~~  
14 ~~is directly or indirectly established, financed, maintained, or controlled by that~~  
15 ~~organization, as determined by the Commission.~~

16 ~~(e)(b)~~ District or local committee means any organization that by virtue of the bylaws of  
17 a political party or the operation of State law is part of the official party structure, and is  
18 responsible for the day-to-day operation of the political party at the level of city, county,  
19 neighborhood, ward, district, precinct, or any other subdivision of a State, ~~including an~~  
20 ~~entity that is directly or indirectly established, financed, maintained, or controlled by the~~  
21 ~~district or local committee, as determined by the Commission.~~

22 ~~(b)(c)~~ Subordinate committee of a State, district, or local committee means any  
23 organization that at the level of city, county, neighborhood, ward, district, precinct, or

1 any other subdivision of a State or any organization under the control or direction of the  
2 State committee, and is directly or indirectly established, financed, maintained, or  
3 controlled by the State, district, or local committee.

4

1 § 100.24 Federal election activity (2 U.S.C. 431(20)).

2 ~~(a) As used in this section, and in part 300 of this chapter,~~

3 ~~(1) In connection with an election in which a candidate for Federal office~~  
4 ~~appears on the ballot means:~~

5 ~~(i) The period of time beginning on January 1 of each even-numbered~~  
6 ~~year and ending on December 31 of each even-numbered year;~~

7 ~~and,~~

8 ~~(ii) In an odd-numbered year, the period beginning on the date on~~  
9 ~~which the date of a special election in which a candidate for~~  
10 ~~Federal office appears on the ballot is set and ending on the date of~~  
11 ~~the special election.~~

12 (a) As used in this section, and in part 300 of this chapter,

13 (1) In connection with an election in which a candidate for Federal office  
14 appears on the ballot means:

15 (i) The period of time beginning on the date of the filing deadline for  
16 access to the primary election ballot for Federal candidates as  
17 determined by State law, or in those States that do not conduct  
18 primaries, on January 1 of each even-numbered year and ending on  
19 the date of the general election, up to and including the date of any  
20 general runoff.

21 (ii) In an odd-numbered year, the period beginning on the date on  
22 which the date of a special election in which a candidate for

1 Federal office appears on the ballot is set and ending on the date of  
2 the special election.

3 (2) Voter registration activity means contacting individuals by telephone, in  
4 person, or by other direct individualized means to encourage them to or  
5 assist them in registering to vote. Voter registration activity includes, but  
6 is not limited to, printing and distributing registration and voting  
7 information, providing individuals with voter registration forms, and  
8 assisting individuals in the completion and filing of such forms.

9 ~~(3) Get-out-the-vote activity means contacting registered voters by telephone,~~  
10 ~~in person, or by other direct means, to encourage them or to assist them in~~  
11 ~~engaging in the act of voting. The following factors are relevant to~~  
12 ~~determining whether a given activity is a get-out-the-vote activity:~~

13 (i) ~~Whether the activity involves providing to voters information such~~  
14 ~~as the date of the election, the times when polling places are open,~~  
15 ~~and the location of particular polling places;~~

16 (ii) ~~Whether the activity facilitates voting by particular individuals, for~~  
17 ~~example, offering to transport or actually transporting voters to~~  
18 ~~polls, or providing babysitting services to allow a parent to vote;~~

19 (iii) ~~The proximity of the activity to the date of the election.~~

20 (3) Get-out-the-vote activity means contacting registered voters by telephone,  
21 in person, or by other individualized means, to assist them in engaging in  
22 the act of voting. Get-out-the-vote activity shall not include any  
23 communication by an association or similar group of candidates for State

1 or local office or of individuals holding State or local office if such  
2 communication refers only to one or more State or local candidates. Get-  
3 out-the-vote activity includes, but is not limited to:

4 (i) Providing to individual voters, within 72 hours of an election,  
5 information such as the date of the election, the times when polling  
6 places are open, and the location of particular polling places; and

7 (ii) Offering to transport or actually transporting voters to the polls.

8 ~~(4) Voter identification means acquiring information about voters, including,~~  
9 ~~but not limited to, the costs of obtaining voter lists, creating voter files or~~  
10 ~~updating and enhancing voter lists by verifying or adding information~~  
11 ~~about the voters, and contacting voters to determine their likelihood of~~  
12 ~~voting in an upcoming election or their likelihood to vote for specific~~  
13 ~~candidates.~~

14 (4) Voter identification means creating or enhancing voter lists by verifying or  
15 adding information about the voters' likelihood of voting in an upcoming  
16 election or their likelihood of voting for specific candidates. This  
17 paragraph shall not apply to an association or similar group of candidates  
18 for State or local office or of individuals holding State or local office if the  
19 association or group engages in voter identification that refers only to one  
20 or more State or local candidates.

21 (b) As used in part 300 of this chapter, Federal election activity means any of the  
22 activities described in paragraphs (b)(1) through (b)(4) of this section.

- 1 (1) Voter registration activity during the period that begins on the date that is  
2 120 calendar days before the date that a regularly scheduled Federal  
3 election is held and ends on the date of the election. For purposes of voter  
4 registration activity, the term "election" does not include any special  
5 election.
- 6 (2) The following activities conducted in connection with an election in which  
7 one or more candidates for Federal office appears on the ballot (regardless  
8 of whether one or more candidates for State or local office also appears on  
9 the ballot):
- 10 (i) Voter identification.
  - 11 (ii) Generic campaign activity, as defined in 11 CFR 100.25.
  - 12 (iii) Get-out-the-vote activity.
- 13 (3) A public communication that refers to a clearly identified candidate for  
14 Federal office, regardless of whether a candidate for State or local election  
15 is also mentioned or identified, and that promotes or supports, or attacks or  
16 opposes any candidate for Federal office. This paragraph applies whether  
17 or not the communication expressly advocates a vote for or against a  
18 Federal candidate.
- 19 (4) Services provided during any month by an employee of a State, district, or  
20 local committee of a political party who spends more than 25 percent of  
21 that individual's compensated time during that month on activities in  
22 connection with a Federal election.



1 (c) Exceptions. Federal election activity does not include any amount expended or  
2 disbursed by a State, district, or local committee of a political party for any of the  
3 following activities:

4 (1) A public communication that refers solely to one or more clearly  
5 identified candidates for State or local office and that does not promote or  
6 support, or attack or oppose a clearly identified candidate for Federal  
7 office; provided, however, that such a public communication shall be  
8 considered a Federal election activity if it constitutes voter registration  
9 activity, generic campaign activity, get-out-the-vote activity, or voter  
10 identification.

11 (2) A contribution to a candidate for State or local office, provided the  
12 contribution is not designated to pay for voter registration activity, voter  
13 identification, generic campaign activity, get-out-the-vote activity, a  
14 public communication, or employee services as set forth in paragraphs  
15 (a)(1) through (4) of this section.

16 (3) The costs of a State, district, or local political convention, meeting or  
17 conference.

18 (4) The costs of grassroots campaign materials, including buttons, bumper  
19 stickers, handbills, brochures, posters and yard signs, that name or depict  
20 only candidates for State or local office.

1 § 100.25 Generic campaign activity (2 U.S.C. 431(21)).

2 Generic campaign activity means a ~~campaign activity~~ public communication that  
3 promotes or opposes a political party and does not promote or oppose a clearly identified  
4 Federal candidate or a non-Federal candidate.

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1 § 100.26 Public communication (2 U.S.C. 431(22)).

2 Public communication means a communication by means of any broadcast, cable  
3 or satellite communication, newspaper, magazine, outdoor advertising facility, mass  
4 mailing or telephone bank to the general public, or any other form of general public  
5 political advertising. The term public communication shall not include communications  
6 over the Internet.

7 § 100.27 Mass mailing (2 U.S.C. 431(23)).

8 Mass mailing means a mailing by United States mail or facsimile of more than  
9 500 pieces of mail matter of an identical or substantially similar nature within any 30-day  
10 period. A mass mailing does not include electronic mail or Internet communications.

11 For purposes of this section, substantially similar includes communications that include  
12 substantially the same template or language, but vary in non-material respects such as  
13 communications customized by the recipient's name, occupation, or geographic location.

14 § 100.28 Telephone bank (2 U.S.C. 431(24)).

15 Telephone bank means more than 500 telephone calls of an identical or  
16 substantially similar nature within any 30-day period. A telephone bank does not include  
17 electronic mail or Internet communications transmitted over telephone lines. For  
18 purposes of this section, substantially similar includes communications that include  
19 substantially the same template or language, but vary in non-material respects such as  
20 communications customized by the recipient's name, occupation, or geographic location.

21

1 § 102.5 Organizations financing political activity in connection with Federal and  
2 non-Federal elections, other than through transfers and joint fundraisers: Accounts and  
3 Accounting

4 (a) Organizations that are political committees under the Act, other than National Party  
5 committees.

6 (1) Each organization, including a State, district or local party committee, that  
7 finances political activity in connection with both Federal and non-Federal  
8 elections and that qualifies as a political committee under 11 CFR 100.5 shall  
9 either:

10 (i) Establish a separate Federal account in a depository in accordance with 11  
11 CFR part 103. Such account shall be treated as a separate Federal political  
12 committee that must comply with the requirements of the Act including  
13 the registration and reporting requirements of 11 CFR parts 102 and 104.  
14 Only funds subject to the prohibitions and limitations of the Act shall be  
15 deposited in such separate Federal account. All disbursements,  
16 contributions, expenditures and transfers by the committee in connection  
17 with any Federal election shall be made from its Federal account, except  
18 as otherwise permitted for State, district and local party committees by 11  
19 CFR part 300 and paragraph 102.5(a)(6) of this section. No transfers may  
20 be made to such Federal account from any other account(s) maintained by  
21 such organization for the purpose of financing activity in connection with  
22 non-Federal elections, except as provided by 11 CFR 300.33, 300.34 and  
23 106.7(e). Administrative expenses for political committees other than

1 party committees shall be allocated pursuant to 11 CFR 106.7 between  
2 such Federal account and any other account maintained by such committee  
3 for the purpose of financing activity in connection with non-Federal  
4 elections. Administrative expenses for State, district and local party  
5 committees are subject to 11 CFR 106.7 and 11 CFR part 300; or

6 (ii) Establish a political committee that shall receive only contributions  
7 subject to the prohibitions and limitations of the Act, regardless of whether  
8 such contributions are for use in connection with Federal or non-Federal  
9 elections. Such organization shall register as a political committee and  
10 comply with the requirements of the Act.

11 (2) Only contributions meeting any of the conditions set forth in paragraphs (a)(2)(i),  
12 (ii), or (iii) of this section may be deposited in a Federal account established under  
13 paragraph (a)(1)(i) of this section, or may be received by a political committee  
14 established under paragraph (a)(1)(ii) of this section:

- 15 (i) Contributions designated for the Federal account;
- 16 (ii) Contributions that result from a solicitation which expressly states that the  
17 contribution will be used in connection with a Federal election; or
- 18 (iii) Contributions from contributors who are informed that all contributions  
19 are subject to the prohibitions and limitations of the Act.

20 ~~(3) Any State, district or local party committee solicitation that makes reference to a~~  
21 ~~Federal candidate or a Federal election shall be presumed to be for the purpose of~~  
22 ~~influencing a Federal election, and contributions resulting from that solicitation~~  
23 ~~shall be subject to the prohibitions and limitations of the Act. This presumption~~

1           ~~may be rebutted by demonstrating to the Commission that the funds were solicited~~  
2           ~~with express notice that they would not be used for Federal election purposes.~~

3           (43) State, district and local party committees that intend to expend Levin funds raised  
4           pursuant to 11 CFR 300.31 for activities identified in 11 CFR 300.32(b)(1) must  
5           either:

6           (i) Establish one or more separate Levin accounts pursuant to 11 CFR  
7           300.30; Only donations meeting the conditions set forth in 11 CFR  
8           300.30(a)(4) may be deposited into a Levin account.

9           (ii) Demonstrate through a reasonable accounting method (including any  
10           method embedded in software provided or approved by the Commission)  
11           that whenever such organization makes a payment that organization has  
12           received sufficient funds subject to the limitations and prohibitions of the  
13           Act or the requirements of 11 CFR 300.31 to make such payment. Such  
14           organization shall keep records of amounts received or expended under  
15           this subsection and, upon request, shall make such records available for  
16           examination by the Commission; or

17           (iii) Establish one or more separate allocation accounts to be used for activities  
18           allocable pursuant to 11 CFR 106.7(c) and 11 CFR 300.33.

19           (45) Solicitations by Federal candidates and Federal officeholders for State,  
20           district and local party committees are subject to the restrictions in 11 CFR  
21           300.31(e) and 11 CFR part 300, subpart D.

1       (5) State, district and local party committees and organizations may establish one or  
2             more separate allocation accounts to be used for activities allocable pursuant to 11  
3             CFR 106.7 and 11 CFR 300.33.

4       (6) ~~State, district and local party committees and organizations may establish one or~~  
5             ~~more separate allocation accounts to be used for activities allocable pursuant to 11~~  
6             ~~CFR 106.7(c) and 11 CFR 300.33.~~

7       (b) Organizations that are not political committees under the Act.

8       (1) State, district or local party organizations ~~---~~

9             (i) ~~Any State, district or local party organization that makes contributions,~~  
10                ~~expenditures, and exempted payments under 11 CFR 100.7(b)(9), (15) and~~  
11                ~~(17) and 11 CFR 100.8(b)(10), (16) and (18), but that does not qualify as a~~  
12                ~~political committee under 11 CFR 100.5, must keep records of receipts~~  
13                ~~and disbursements and, upon request, must make such records available~~  
14                ~~for examination by the Commission. All such party committees must~~  
15                ~~either:~~

16       (2) Any State, district or local party organization that makes payments for certain  
17             Federal election activities under 11 CFR 300.32(b) must either:

18             (A) ~~Establish at least three separate accounts as follows --~~

19                (1) ~~An account into which only funds subject to the~~  
20                        ~~prohibitions and limitations of the Act may be deposited~~  
21                        ~~and from which contributions, expenditures, and~~  
22                        ~~disbursements for exempt activities must be made;~~

1 ~~(i)(2) — Establish One or more Levin accounts pursuant to 11 CFR 300.30(b) into~~  
2 ~~which only funds solicited pursuant to 11 CFR 300.31 may be deposited~~  
3 ~~and from which payments must be made pursuant to 11 CFR 300.32 and~~  
4 ~~300.33; and or~~

5 ~~(ii) — Demonstrate through a reasonable accounting method (including any~~  
6 ~~method embedded in software provided or approved by the Commission)~~  
7 ~~that whenever such organization makes a payment that organization has~~  
8 ~~received sufficient funds subject to the limitations and prohibitions of the~~  
9 ~~Act or the requirements of 11 CFR 300.31 to make such payment. Such~~  
10 ~~organization shall keep records of amounts received or expended under~~  
11 ~~this subsection and, upon request, shall make such records available for~~  
12 ~~examination by the Commission; or~~

13 ~~(iii) — All such party organizations shall keep records of deposits to and~~  
14 ~~disbursements from such Federal and Levin accounts, and upon request,~~  
15 ~~shall make such records available for examination by the Commission.~~

16 ~~(3) — One or more additional accounts pursuant to State law from~~  
17 ~~which payments for activities other than those permitted by~~  
18 ~~paragraphs (b)(1)(i)(A)(1) and (2) of this section;~~

19 ~~(B) — Establish two separate accounts as follows:~~

20 ~~(1) — A Federal account into which may be deposited both funds~~  
21 ~~subject to the prohibitions and limitations of the Act and~~  
22 ~~funds solicited for activities pursuant to 11 CFR 300.32.~~  
23 ~~Payments may be made from this account for contributions,~~



1 expenditures and disbursements for exempt activities in  
2 connection with Federal elections and for activities  
3 undertaken pursuant to 11 CFR 300.32(b). Use of this  
4 Federal account as a depository for Levin funds requires  
5 employment of a general ledger accounting system that  
6 segregates assets, liabilities, revenue and expenses for  
7 activities undertaken pursuant to 11 CFR 106.7 and 11 CFR  
8 300.32. If the accounting method employed is computer-  
9 based, the data must be backed up on no less than a  
10 monthly basis; and

11 (2) — One or more additional accounts pursuant to State law from  
12 which payments for activities other than those permitted by  
13 paragraphs (b)(1)(i)(B)(1) may be made; or

14 (C) — Establish one account with three or more ledger accounts as  
15 follows:

16 Use of one account for all activity requires an accounting method  
17 that employs general ledger accounts that segregate assets,  
18 liabilities, revenue and expenses for activities undertaken pursuant  
19 to 11 CFR 106.7 and 300.32. Funds recorded in a general ledger  
20 account as received for non-Federal activities may not be  
21 reclassified as funds available for Federal election activities to be  
22 undertaken pursuant to 11 CFR 300.32 (i.e., Levin funds), unless  
23 the funds to be reclassified were received pursuant to a solicitation.

1 for Levin funds or so designated by the donors. If the accounting  
2 method employed is computer-based, the data must be backed up  
3 on no less than a monthly basis.

4 ~~(2) Organizations that are not political party organizations~~

5 Any organization that is not a political party organization, and that makes  
6 contributions or expenditures under the Act, but does not qualify as a political  
7 committee under 11 CFR 100.5, must either:

8 (i) ~~Establish a separate account into which only funds subject to the~~  
9 ~~prohibitions and limitations of the Act shall be deposited and from which~~  
10 ~~contributions and expenditures shall be made. Such organizations shall~~  
11 ~~keep records of deposits to and disbursements from such account, and,~~  
12 ~~upon request, shall make such records available for examination by the~~  
13 ~~Commission; or~~

14 (ii) ~~Demonstrate through a reasonable accounting method that, whenever such~~  
15 ~~an organization makes a contribution or expenditure, or payment, the~~  
16 ~~organization has received sufficient funds subject to the limitations and~~  
17 ~~prohibitions of the Act to make such contribution, expenditure or payment.~~  
18 ~~Such organization shall keep records of amounts received or expended~~  
19 ~~under this subsection and, upon request, shall make such records available~~  
20 ~~for examination by the Commission.~~

21 (c) National party committees. Between November 6, 2002, and December 31, 2002,  
22 paragraphs (a) and (b) of this section apply to national party committees. After December 31,

- 1 2002, national party committees are prohibited from raising and spending non-Federal funds.
- 2 Therefore, this section does not apply to national party committees after December 31, 2002.
- 3

1 >. Section 102.17 is amended by adding introductory language to paragraph (a) to read  
2 as follows:

3 **§ 102.17 Joint fundraising by committees other than separate segregated funds.**

4 (a) General. Nothing in this section shall supersede 11 CFR part 300, which  
5 prohibits any person from soliciting, receiving, directing, transferring, or spending any  
6 non-Federal funds, or from transferring Federal funds for Federal election activities.

7

1 § 104.8 Uniform reporting of receipts.

2 \* \* \* \* \*

3 (e) For reports covering activity on or before December 31, 2002, national party committees  
4 shall disclose in a memo Schedule A information about each individual, committee, corporation,  
5 labor organization, or other entity that donates an aggregate amount in excess of \$200 in a  
6 calendar year to the committee's non-Federal account(s). This information shall include the  
7 donating individual's or entity's name, mailing address, occupation or type of business, and the  
8 date of receipt and amount of any such donation. If a donor's name is known to have changed  
9 since an earlier donation reported during the calendar year, the exact name or address previously  
10 used shall be noted with the first reported donation from that donor subsequent to the name  
11 change. The memo entry shall also include, where applicable, the information required by  
12 paragraphs (b) through (d) of this section.

13 (f) For reports covering activity on or before December 31, 2002, national party committees  
14 shall also disclose in a memo Schedule A information about each individual, committee,  
15 corporation, labor organization, or other entity that donates an aggregate amount in excess of  
16 \$200 in a calendar year to the committee's building fund account(s). This information shall  
17 include the donating individual's or entity's name, mailing address, occupation or type of  
18 business, and the date of receipt and amount of any such donation. If a donor's name is known to  
19 have changed since an earlier donation reported during the calendar year, the exact name or  
20 address previously used shall be noted with the first reported donation from that donor  
21 subsequent to the name change. The memo entry shall also include, where applicable, the  
22 information required by paragraphs (b) through (d) of this section.

23

1 Section 104.9 is amended by revising paragraphs (c), (d), and (e) to read as follows:

2 **§ 104.9 Uniform reporting of disbursements.**

3 \* \* \* \* \*

4 (c) For reports covering activity on or before December 31, 2002, national party committees  
5 shall report in a memo Schedule B the full name and mailing address of each person to whom a  
6 disbursement in an aggregate amount or value in excess of \$200 within the calendar year is made  
7 from the committee's non-Federal account(s), together with the date, amount, and purpose of  
8 such disbursement, in accordance with 11 CFR 104.9(b). As used in 11 CFR 104.9, purpose  
9 means a brief statement or description as to the reasons for the disbursement. See 11 CFR  
10 104.3(b)(3)(i)(A).

11 (d) For reports covering activity on or before December 31, 2002, national party committees  
12 shall report in a memo Schedule B the full name and mailing address of each person to whom a  
13 disbursement in an aggregate amount or value in excess of \$200 within the calendar year is made  
14 from the committee's building fund account(s), together with the date, amount, and purpose of  
15 such disbursement, in accordance with 11 CFR 104.9(b). As used in 11 CFR 104.9, purpose  
16 means a brief statement or description as to the reasons for the disbursement. See 11 CFR  
17 104.3(b)(3)(i)(A).

18 (e) For reports covering activity on or before December 31, 2002, national party committees  
19 shall report in a memo Schedule B each transfer from their non-Federal account(s) to the non-  
20 Federal account(s) of a State or local party committee.

21  
22  
23

1 § 104.10 Reporting by separate segregated funds and nonconnected committees of  
2 expenses allocated among candidates and activities.

3 (a) Expenses allocated among candidates. A political committee that is a separate  
4 segregated fund or a nonconnected committee making an expenditure on behalf of more  
5 than one clearly identified candidate for Federal office shall allocate the expenditure  
6 among the candidates pursuant to 11 CFR part 106. Payments involving both  
7 expenditures on behalf of one or more clearly identified Federal candidates and  
8 disbursements on behalf of one or more clearly identified non-Federal candidates shall  
9 also be allocated pursuant to 11 CFR part 106. For allocated expenditures, the committee  
10 shall report the amount of each in-kind contribution, independent expenditure, or  
11 coordinated expenditure attributed to each Federal candidate. If a payment also includes  
12 amounts attributable to one or more non-Federal candidates, and is made by a political  
13 committee with separate Federal and non-Federal accounts, then the payment shall be  
14 made according to the procedures set forth in 11 CFR 106.6(e), but shall be reported  
15 pursuant to paragraphs (a)(1) through (a)(4) of this section, as follows:

- 16 (1) Reporting of allocation of expenses attributable to specific Federal and  
17 non-Federal candidates. In each report disclosing a payment that includes  
18 both expenditures on behalf of one or more Federal candidates and  
19 disbursements on behalf of one or more non-Federal candidates, the  
20 committee shall assign a unique identifying title or code to each program  
21 or activity conducted on behalf of such candidates, shall state the  
22 allocation ratio calculated for the program or activity, and shall explain the  
23 manner in which the ratio was derived. The committee shall also

1 summarize the total amounts attributed to each candidate, to date, for each  
2 joint program or activity.

3 (2) Reporting of transfers between accounts for the purpose of paying  
4 expenses attributable to specific Federal and non-Federal candidates. A  
5 political committee that pays allocable expenses in accordance with  
6 11 CFR 106.6(e) shall report each transfer of funds from its non-Federal  
7 account to its Federal account or to its separate allocation account for the  
8 purpose of paying such expenses. In the report covering the period in  
9 which each transfer occurred, the committee shall explain in a memo entry  
10 the allocable expenses to which the transfer relates and the date on which  
11 the transfer was made. If the transfer includes funds for the allocable costs  
12 of more than one program or activity, the committee shall itemize the  
13 transfer, showing the amounts designated for each program or activity  
14 conducted on behalf of one or more clearly identified Federal candidates  
15 and one or more clearly identified non-Federal candidates.

16 (3) Reporting of allocated disbursements attributable to specific Federal and  
17 non-Federal candidates. A political committee that pays allocable  
18 expenses in accordance with 11 CFR 106.6(e) shall also report each  
19 disbursement from its Federal account or its separate allocation account in  
20 payment for a program or activity conducted on behalf of one or more  
21 clearly identified Federal candidates and one or more clearly identified  
22 non-Federal candidates. In the report covering the period in which the  
23 disbursement occurred, the committee shall state the full name and address



1 of each person to whom the disbursement was made, and the date, amount,  
2 and purpose of each such disbursement. If the disbursement includes  
3 payment for the allocable costs of more than one program or activity, the  
4 committee shall itemize the disbursement, showing the amounts  
5 designated for payment of each program or activity conducted on behalf of  
6 one or more clearly identified Federal candidates and one or more clearly  
7 identified non-Federal candidates. The committee shall also report the  
8 amount of each in-kind contribution, independent expenditure, or  
9 coordinated expenditure attributed to each Federal candidate, and the total  
10 amount attributed to the non-Federal candidate(s). In addition, the  
11 committee shall report the total amount expended by the committee that  
12 year, to date, for each joint program or activity.

13 (4) Recordkeeping. The treasurer shall retain all documents supporting the  
14 committee's allocation on behalf of specific Federal and non-Federal  
15 candidates, in accordance with 11 CFR 104.14.

16 (b) Expenses allocated among activities. A political committee that is a separate  
17 segregated fund or a nonconnected committee and that has established separate Federal  
18 and non-Federal accounts under 11 CFR 102.5(a)(1)(i) shall allocate between those  
19 accounts its administrative expenses and its costs for fundraising and generic voter drives  
20 according to 11 CFR 106.6, and shall report those allocations according to paragraphs (b)  
21 (1) through (5) of this section, as follows:

22 (1) Reporting of allocation of administrative expenses and costs of generic  
23 voter drives.

1 (i) In the first report in a calendar year disclosing a disbursement for  
2 administrative expenses or generic voter drives, as described  
3 in 11 CFR 106.6(b), the committee shall state the allocation ratio  
4 to be applied to these categories of activity according to 11 CFR  
5 106.6(c), and the manner in which it was derived.

6 (ii) In each subsequent report in the calendar year itemizing an  
7 allocated disbursement for administrative expenses or generic  
8 voter drives:

9 (A) The committee shall state the category of activity for which  
10 each allocated disbursement was made, and shall  
11 summarize the total amount spent by the Federal and non-  
12 Federal accounts that year, to date, for each such category.

13 (B) The committees shall also report in a memo entry the total  
14 amounts expended in donations and direct disbursements  
15 on behalf of specific State and local candidates, to date, in  
16 that calendar year.

17 (2) Reporting of allocation of the direct costs of fundraising. In each report  
18 disclosing a disbursement for the direct costs of a fundraising program, as  
19 described in 11 CFR 106.6(b), the committee shall assign a unique  
20 identifying title or code to each such program or activity, shall state the  
21 allocation ratio calculated for the program or activity according to 11 CFR  
22 106.6(d), and shall explain the manner in which the ratio was derived.

23 The committee shall also summarize the total amounts spent by the

1 Federal and non-Federal accounts that year, to date, for each such program  
2 or activity.

3 (3) Reporting of transfers between accounts for the purpose of paying  
4 allocable expenses. A political committee that pays allocable expenses in  
5 accordance with 11 CFR 106.6(e) shall report each transfer of funds from  
6 its non-Federal account to its Federal account or to its separate allocation  
7 account for the purpose of paying such expenses. In the report covering  
8 the period in which each transfer occurred, the committee shall explain in  
9 a memo entry the allocable expenses to which the transfer relates and the  
10 date on which the transfer was made. If the transfer includes funds for the  
11 allocable costs of more than one activity, the committee shall itemize the  
12 transfer, showing the amounts designated for administrative expenses and  
13 generic voter drives, and for each fundraising program, as described in 11  
14 CFR 106.6(b).

15 (4) Reporting of allocated disbursements. A political committee that pays  
16 allocable expenses in accordance with 11 CFR 106.6(e) shall also report  
17 each disbursement from its Federal account or its separate allocation  
18 account in payment for a joint Federal and non-Federal expense or  
19 activity. In the report covering the period in which the disbursement  
20 occurred, the committee shall state the full name and address of each  
21 person to whom the disbursement was made, and the date, amount, and  
22 purpose of each such disbursement. If the disbursement includes payment  
23 for the allocable costs of more than one activity, the committee shall

1 itemize the disbursement, showing the amounts designated for payment of  
2 administrative expenses and generic voter drives, and for each fundraising  
3 program, as described in 11 CFR 106.6(b). The committee shall also  
4 report the total amount expended by the committee that year, to date, for  
5 each category of activity.

6 (5) Recordkeeping. The treasurer shall retain all documents supporting the  
7 committee's allocated disbursements for three years, in accordance with  
8 11 CFR 104.14.  
9

1 § 104.17 Reporting of allocable expenses by party committees.

2 (a) Expenses allocated among candidates. A national party committee making an  
3 expenditure on behalf of more than one clearly identified candidate for Federal office  
4 must report the allocation between or among the named candidates. A national party  
5 committee making expenditures and disbursements on behalf of one or more clearly  
6 identified Federal candidates and on behalf of one or more clearly identified non-Federal  
7 candidates must report the allocation among all named candidates. These payments shall  
8 be allocated among candidates pursuant to 11 CFR Part 106, but only Federal funds may  
9 be used for such payments. A State, district, or local party committee making  
10 expenditures and disbursements for Federal election activity as defined at 11 CFR 100.24  
11 on behalf of one or more clearly identified Federal and one or more clearly identified  
12 non-Federal candidates must make the payments from its Federal account and must report  
13 the allocation among all named candidates. A State, district, or local party committee  
14 making expenditures and disbursements on behalf of one or more clearly identified  
15 Federal and one or more clearly identified non-Federal candidates where the activity is  
16 not a Federal election activity may allocate the payments between its Federal and non-  
17 Federal account and must report the allocation among all named candidates. For  
18 allocated expenditures, the committee must report the amount of each in-kind  
19 contribution, independent expenditure, or coordinated expenditure attributed to each  
20 candidate. If a payment also includes amounts attributable to one or more non-Federal  
21 candidates, and is made by a State, district, or local party committee with separate  
22 Federal and non-Federal accounts, and is not for a Federal election activity, then the

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1 payment shall be made according to the procedures set forth in 11 CFR 106.7(f), but shall  
2 be reported pursuant to paragraphs (a)(1) through (a)(4) of this section, as follows:

3 (1) Reporting of allocation of expenses attributable to specific Federal and  
4 non-Federal candidates. In each report disclosing a payment that includes  
5 both expenditures on behalf of one or more Federal candidates and  
6 disbursements on behalf of one or more non-Federal candidates, the  
7 committee must assign a unique identifying title or code to each program  
8 or activity conducted on behalf of such candidates, state the allocation  
9 ratio calculated for the program or activity, and explain the manner in  
10 which the ratio applied to each candidate was derived. The committee  
11 must also summarize the total amounts attributed to each candidate, to  
12 date, for each program or activity.

13 (2) Reporting of transfers between accounts for the purpose of paying  
14 expenses attributable to specific Federal and non-Federal candidates. A  
15 State, district, or local party committee that pays allocable expenses in  
16 accordance with 11 CFR 106.7(f) shall report each transfer of funds from  
17 its non-Federal account to its Federal account or to its separate allocation  
18 account for the purpose of paying such expenses. In the report covering  
19 the period in which each transfer occurred, the State, district, or local party  
20 committee shall explain in a memo entry the allocable expenses to which  
21 the transfer relates and the date on which the transfer was made. If the  
22 transfer includes funds for the allocable costs of more than one program or  
23 activity, the State, district, or local party committee must itemize the

1 transfer, showing the amounts designated for each program or activity  
2 conducted on behalf of one or more clearly identified Federal candidates  
3 and one or more clearly identified non-Federal candidates.

- 4 (3) Reporting of allocated disbursements attributable to specific Federal and  
5 non-Federal candidates. A State, district, or local committee that pays  
6 allocable expenses in accordance with 11 CFR 106.7(f) shall also report  
7 each disbursement from its Federal account or its separate allocation  
8 account in payment for a program or activity conducted on behalf of one  
9 or more clearly identified Federal candidates and one or more clearly  
10 identified non-Federal candidates. In the report covering the period in  
11 which the disbursement occurred, the State, district, or local party  
12 committee shall state the full name and address of each person to whom  
13 the disbursement was made, and the date, amount, and purpose of each  
14 such disbursement. If the disbursement includes payment for the allocable  
15 costs of more than one program or activity, the committee shall itemize  
16 the disbursement, showing the amounts designated for payment of each  
17 program or activity conducted on behalf of one or more clearly identified  
18 Federal candidates and one or more clearly identified non-Federal  
19 candidates. The State, district, or local party committee must also report  
20 the amount of each in-kind contribution, independent expenditure, or  
21 coordinated expenditure attributed to each Federal candidate, and the total  
22 amount attributed to the non-Federal candidate(s). In addition, the State,

1 district, or local party committee must report the total amount expended by  
2 the committee that year, to date, for each joint program or activity.

3 (4) Recordkeeping. The treasurer of a State, district, or local party committee  
4 must retain all documents supporting the committee's allocations on  
5 behalf of specific Federal and non-Federal candidates, in accordance with  
6 11 CFR 104.14.

7 (b) Allocation of activities that are not Federal election activities. A State, district, or  
8 local committee of a political party that has established separate Federal and non-Federal  
9 accounts, including related allocation accounts, under 11 CFR 102.5 must report all  
10 payments that are allocable between these accounts pursuant to the allocation rules at in  
11 11 CFR 106.7. Disbursements for activities that are allocable between Federal and Levin  
12 accounts, including related allocation accounts, must be reported pursuant to 11 CFR  
13 300.36.

14 (1) Reporting of allocations of expenses for activities that are not Federal  
15 election activities.

16 (i) In the first report in a calendar year disclosing a disbursement  
17 allocable pursuant to 11 CFR 106.7, a State, district, or local  
18 committee shall state and explain the allocation percentages to be  
19 applied to each category of allocable activity (e.g., 36%  
20 Federal/64% non-Federal in Presidential and Senate election years)  
21 pursuant to 11 CFR 106.7(d).

22 (ii) In each subsequent report in the calendar year itemizing an  
23 allocated disbursement, the State, district, or local party committee



1 shall state the category of activity for which each allocated  
2 disbursement was made, and shall summarize the total amounts  
3 expended from Federal and non-Federal accounts, or from  
4 allocation accounts, that year to date for each such category.

5 (iii) In each report disclosing disbursements for allocable activities as  
6 described in 11 CFR 106.7, the State, district, or local party  
7 committee shall assign a unique identifying title or code to each  
8 such program or activity, and shall state the applicable  
9 Federal/non-Federal percentage for any direct costs of fundraising.  
10 Unique identifying titles or codes are not required for ~~certain~~  
11 ~~salaries and other compensation, including benefits, or wages~~  
12 allocated pursuant to 11 CFR 106.7(c)(1), or for other  
13 administrative costs allocated pursuant to 11 CFR 106.7(c)(2).

14 (2) Reporting of transfers between the accounts of State, district, and local  
15 party committees and into allocation accounts for allocable expenses. A  
16 State, district, or local committee of a political party that pays allocable  
17 expenses in accordance with 11 CFR 106.7 shall report each transfer of  
18 funds from its non-Federal account to its Federal account, or each transfer  
19 from its Federal account and its non-Federal account into an allocation  
20 account, for the purpose of payment of such expenses. In the report  
21 covering the period in which each transfer occurred, the State, district, or  
22 local party committee must explain in a memo entry the allocable  
23 expenses to which the transfer relates and the date on which the transfer

1 was made. If the transfer includes funds for the allocable costs of more  
2 than one activity, the State, district, or local party committee must itemize  
3 the transfer, showing the amounts designated for each category of expense  
4 as described in 11 CFR 106.7.

5 (3) Reporting of allocated disbursements for certain allocable activity that is  
6 not Federal election activity.

7 (i) A State, district, or local committee of a political party that pays  
8 allocable expenses in accordance with 11 CFR 106.7 shall report  
9 each disbursement from its Federal account for ~~the Federal portion~~  
10 of allocable expenses, or each payment from an allocation account  
11 for such activity. In the report covering the period in which the  
12 disbursement occurred, the State, district, or local committee shall  
13 state the full name and address of each individual or vendor to  
14 which the disbursement was made, the date, amount, and purpose  
15 of each such disbursement, and the amounts allocated to Federal  
16 and non-Federal portions of the allocable activity. If the  
17 disbursement includes payment for the allocable costs of more than  
18 one activity, the State, district, or local party committee must  
19 itemize the disbursement, showing the amounts designated for  
20 payments of particular categories of activity as described in 11  
21 CFR 106.7. The State, district, or local party committee must also  
22 report the total amount paid that calendar year to date for each  
23 category of allocable activity.

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(ii) A State, district, or local committee of a political party that pays allocable expenses from a Federal account and a Levin account in accordance with 11 CFR 300.33 shall report disbursements from those accounts according to the requirements of 11 CFR 300.36.

(4) Recordkeeping. The treasurer of a State, district, or local party committee must retain all documents supporting the committee's allocations of expenditures and disbursements for the costs and activities cited at paragraph (b)(1) of this section, in accordance with 11 CFR 104.14.

1 § 106.1 Allocation of expenses between candidates.

2 (a) General rule.

3 (1) Expenditures, including in-kind contributions, independent expenditures,  
4 and coordinated expenditures made on behalf of more than one clearly  
5 identified Federal candidate shall be attributed to each such candidate  
6 according to the benefit reasonably expected to be derived. For example,  
7 in the case of a publication or broadcast communication, the attribution  
8 shall be determined by the proportion of space or time devoted to each  
9 candidate as compared to the total space or time devoted to all candidates.  
10 In the case of a fundraising program or event where funds are collected by  
11 one committee for more than one clearly identified candidate, the  
12 attribution shall be determined by the proportion of funds received by each  
13 candidate as compared to the total receipts by all candidates. In the case  
14 of a phone bank, the attribution shall be determined by the number of  
15 questions or statements devoted to each candidate as compared to the total  
16 number of questions or statements devoted to all candidates. These  
17 methods shall also be used to allocate payments involving both  
18 expenditures on behalf of one or more clearly identified Federal  
19 candidates and disbursements on behalf of one or more clearly identified  
20 non-Federal candidates.

21 (2) An expenditure made on behalf of more than one clearly identified Federal  
22 candidate shall be reported pursuant to 11 CFR 104.10(a) or 104.17(a), as  
23 appropriate. A payment that also includes amounts attributable to one or

1 more non-Federal candidates, and that is made by a political committee  
2 with separate Federal and non-Federal accounts, shall be made according  
3 to the procedures set forth in 11 CFR 106.6(e) or 106.7(f), but shall be  
4 reported pursuant to 11 CFR 104.10(a) or 104.17(a). If a State, district, or  
5 local party committee's payment on behalf of both a Federal candidate and  
6 a non-Federal candidate is for a Federal election activity, only Federal  
7 funds may be used for the entire payment. For Federal election activities,  
8 the provisions of 11 CFR 300.33 and 300.36 will apply to payments  
9 attributable to candidates.

10 \* \* \* \* \*

11 (e) State, district, and local party committees, separate segregated funds, and  
12 nonconnected committees that make mixed Federal/non-Federal payments for  
13 activities other than an activity entailing an expenditure for a Federal candidate  
14 and disbursement for a non-Federal candidate, or that make mixed Federal/Levin  
15 fund payments, shall allocate those expenses in accordance with 11 CFR 106.6,  
16 106.7(f), or 300.33, as appropriate.

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1 § 106.5 Allocation of expenses between federal and non-federal activities by  
2 national party committees.

3 (a) General rules.

4 (1) Disbursements from Federal and non-Federal accounts. National party  
5 committees that make disbursements in connection with Federal and non-  
6 Federal elections shall make those disbursements entirely from funds  
7 subject to the prohibitions and limitations of the Act, or from accounts  
8 established pursuant to 11 CFR 102.5. Political committees that have  
9 established separate Federal and non-Federal accounts under 11 CFR  
10 102.5(a)(1)(i) shall allocate expenses between those accounts according to  
11 this section. Organizations that are not political committees but have  
12 established separate Federal and non-Federal accounts under 11 CFR  
13 102.5(b)(1)(i), or that make Federal and non-Federal disbursements from a  
14 single account under 11 CFR 102.5(b)(1)(ii) shall also allocate their  
15 Federal and non-Federal expenses according to this section. This section  
16 covers:

- 17 (i) General rules regarding allocation of Federal and non-Federal  
18 expenses by party committees;
- 19 (ii) Percentages to be allocated for administrative expenses and costs  
20 of generic voter drives by national party committees;
- 21 (iii) Methods for allocation of administrative expenses, costs of generic  
22 voter drives, and of fundraising costs by national party committees;
- 23 and

1 (iv) Procedures for payment of allocable expenses. Requirements for  
2 reporting of allocated disbursements are set forth in 11 CFR  
3 104.10.

4 (2) Costs to be allocated. National party committees that make disbursements  
5 in connection with Federal and non-Federal elections shall allocate  
6 expenses according to this section for the following categories of activity:

7 (i) Administrative expenses including rent, utilities, office supplies,  
8 and salaries, except for such expenses directly attributable to a  
9 clearly identified candidate;

10 (ii) The direct costs of a fundraising program or event including  
11 disbursements for solicitation of funds and for planning and  
12 administration of actual fundraising events, where Federal and  
13 non-Federal funds are collected by one committee through such  
14 program or event; and

15 (iii) [Removed and reserved]

16 (iv) Generic voter drives including voter identification, voter  
17 registration, and get-out-the-vote drives, or any other activities that  
18 urge the general public to register, vote or support candidates of a  
19 particular party or associated with a particular issue, without  
20 mentioning a specific candidate.

21 (b) National party committees other than Senate or House campaign committees;  
22 fixed percentages for allocating administrative expenses and costs of generic voter  
23 drives--

1           (1)    General rule. Each national party committee other than a Senate or House  
2                   campaign committee shall allocate a fixed percentage of its administrative  
3                   expenses and costs of generic voter drives, as described in paragraph  
4                   (a)(2) of this section, to its Federal and non-Federal account(s) each year.  
5                   These percentages shall differ according to whether or not the allocable  
6                   expenses were incurred in a presidential election year. Such committees  
7                   shall allocate the costs of each combined Federal and non-Federal  
8                   fundraising program or event according to paragraph (f) of this section,  
9                   with no fixed percentages required.

10          (2)    Fixed percentages according to type of election year. National party  
11                   committees other than the Senate or House campaign committees shall  
12                   allocate their administrative expenses and costs of generic voter drives  
13                   according to paragraphs (b)(2) (i) and (ii) as follows:

14           (i)    Presidential election years. In presidential election years, national  
15                   party committees other than the Senate or House campaign  
16                   committees shall allocate to their Federal accounts at least 65%  
17                   each of their administrative expenses and costs of generic voter  
18                   drives.

19           (ii)   Non-presidential election years. In all years other than presidential  
20                   election years, national party committees other than the Senate or  
21                   House campaign committees shall allocate to their Federal  
22                   accounts at least 60% each of their administrative expenses and  
23                   costs of generic voter drives.



1 (c) Senate and House campaign committees of a national party; method and  
2 minimum Federal percentage for allocating administrative expenses and costs of generic  
3 voter drives--

4 (1) Method for allocating administrative expenses and costs of generic voter  
5 drives. Subject to the minimum percentage set forth in paragraph (c)(2) of  
6 this section, each Senate or House campaign committee of a national party  
7 shall allocate its administrative expenses and costs of generic voter drives,  
8 as described in paragraph (a)(2) of this section, according to the funds  
9 expended method, described in paragraphs (c)(1)(i) and (ii) as follows:

10 (i) Under this method, expenses shall be allocated based on the ratio  
11 of Federal expenditures to total Federal and non-Federal  
12 disbursements made by the committee during the two-year Federal  
13 election cycle. This ratio shall be estimated and reported at the  
14 beginning of each Federal election cycle, based upon the  
15 committee's Federal and non-Federal disbursements in a prior  
16 comparable Federal election cycle or upon the committee's  
17 reasonable prediction of its disbursements for the coming two  
18 years. In calculating its Federal expenditures, the committee shall  
19 include only amounts contributed to or otherwise spent on behalf  
20 of specific federal candidates. Calculation of total Federal and  
21 non-Federal disbursements shall also be limited to disbursements  
22 for specific candidates, and shall not include overhead or other  
23 generic costs.

1 (ii) On each of its periodic reports, the committee shall adjust its  
2 allocation ratio to reconcile it with the ratio of actual Federal and  
3 non-Federal disbursements made, to date. If the non-Federal  
4 account has paid more than its allocable share, the committee shall  
5 transfer funds from its Federal to its non-Federal account, as  
6 necessary, to reflect the adjusted allocation ratio. The committee  
7 shall make note of any such adjustments and transfers on its  
8 periodic reports, submitted pursuant to 11 CFR 104.5.

9 (2) Minimum Federal percentage for administrative expenses and costs of  
10 generic voter drives. Regardless of the allocation ratio calculated under  
11 paragraph (c)(1) of this section, each Senate or House campaign  
12 committee of a national party shall allocate to its Federal account at least  
13 65% each of its administrative expenses and costs of generic voter drives  
14 each year. If the committee's own allocation calculation under paragraph  
15 (c)(1) of this section yields a Federal share greater than 65%, then the  
16 higher percentage shall be applied. If such calculation yields a Federal  
17 share lower than 65%, then the committee shall report its calculated ratio  
18 according to 11 CFR 104.10(b), and shall apply the required minimum  
19 Federal percentage.

20 (3) Allocation of fundraising costs. Senate and House campaign committees  
21 shall allocate the costs of each combined Federal and non-Federal  
22 fundraising program or event according to paragraph (f) of this section,  
23 with no minimum percentages required.

1 (d) [Removed and reserved].

2 (e) [Removed and reserved].

3 (f) National party committees; method for allocating direct costs of fundraising.

4 (1) If Federal and non-Federal funds are collected by one committee through a  
5 joint activity, that committee shall allocate its direct costs of fundraising,  
6 as described in paragraph (a)(2) of this section, according to the funds  
7 received method. Under this method, the committee shall allocate its  
8 fundraising costs based on the ratio of funds received into its Federal  
9 account to its total receipts from each fundraising program or event. This  
10 ratio shall be estimated prior to each such program or event based upon  
11 the committee's reasonable prediction of its Federal and non-Federal  
12 revenue from that program or event, and shall be noted in the committee's  
13 report for the period in which the first disbursement for such program or  
14 event occurred, submitted pursuant 11 CFR 104.5. Any disbursements for  
15 fundraising costs made prior to the actual program or event shall be  
16 allocated according to this estimated ratio.

17 (2) No later than the date 60 days after each fundraising program or event  
18 from which both Federal and non-Federal funds are collected, the  
19 committee shall adjust the allocation ratio for that program or event to  
20 reflect the actual ratio of funds received. If the non-Federal account has  
21 paid more than its allocable share, the committee shall transfer funds from  
22 its Federal to its non-Federal account, as necessary, to reflect the adjusted  
23 allocation ratio. If the Federal account has paid more than its allocable

1 share, the committee shall make any transfers of funds from its non-  
2 federal to its federal account to reflect the adjusted allocation ratio within  
3 the 60-day time period established by this paragraph. The committee shall  
4 make note of any such adjustments and transfers in its report for any  
5 period in which a transfer was made, and shall also report the date of the  
6 fundraising program or event that serves as the basis for the transfer. In  
7 the case of a telemarketing or direct mail campaign, the date for purposes  
8 of this paragraph is the last day of the telemarketing campaign, or the day  
9 on which the final direct mail solicitations are mailed.

10 (g) Payment of allocable expenses by committees with separate Federal and non-  
11 Federal accounts--

12 (1) Payment options. Committees that have established separate Federal and  
13 non-Federal accounts under 11 CFR 102.5(a)(1)(i) or (b)(1)(i) shall pay  
14 the expenses of joint Federal and non-Federal activities described in  
15 paragraph (a)(2) of this section according to either paragraph (g)(1)(i) or  
16 (ii), as follows:

17 (i) Payment by Federal account; transfers from non-Federal account to  
18 Federal account. The committee shall pay the entire amount of an  
19 allocable expense from its Federal account and shall transfer funds  
20 from its non-Federal account to its Federal account solely to cover  
21 the non-Federal share of that allocable expense.

22 (ii) Payment by separate allocation account; transfers from Federal and  
23 non-Federal accounts to allocation account.

1 (A) The committee shall establish a separate allocation account  
2 into which funds from its Federal and non-Federal accounts  
3 shall be deposited solely for the purpose of paying the  
4 allocable expenses of joint Federal and non-Federal  
5 activities. Once a committee has established a separate  
6 allocation account for this purpose, all allocable expenses  
7 shall be paid from that account for as long as the account is  
8 maintained.

9 (B) The committee shall transfer funds from its Federal and  
10 non-Federal accounts to its allocation account in amounts  
11 proportionate to the Federal or non-Federal share of each  
12 allocable expense.

13 (C) No funds contained in the allocation account may be  
14 transferred to any other account maintained by the  
15 committee.

16 (2) Timing of transfers between accounts.

17 (i) Under either payment option described in paragraphs (g)(1)(i) or  
18 (ii) of this section, the committee shall transfer funds from its non-  
19 Federal account to its Federal account or from its Federal and non-  
20 Federal accounts to its separate allocation account following  
21 determination of the final cost of each joint Federal and non-  
22 Federal activity, or in advance of such determination if advance  
23 payment is required by the vendor and if such payment is based on

1 a reasonable estimate of the activity's final cost as determined by  
2 the committee and the vendor(s) involved.

3 (ii) Funds transferred from a committee's non-Federal account to its  
4 Federal account or its allocation account are subject to the  
5 following requirements:

6 (A) For each such transfer, the committee must itemize in its  
7 reports the allocable activities for which the transferred  
8 funds are intended to pay, as required by 11 CFR  
9 104.10(b)(3); and

10 (B) Except as provided in paragraph (f)(2) of this section, such  
11 funds may not be transferred more than 10 days before or  
12 more than 60 days after the payments for which they are  
13 designated are made.

14 (ii) Any portion of a transfer from a committee's non-Federal account  
15 to its Federal account or its allocation account that does not meet  
16 the requirements of paragraph (g)(2)(ii) of this section shall be  
17 presumed to be a loan or contribution from the non-Federal  
18 account to a Federal account, in violation of the Act.

19 (3) Reporting transfers of funds and allocated disbursements. A political  
20 committee that transfers funds between accounts and pays allocable  
21 expenses according to this section shall report each such transfer and  
22 disbursement pursuant to 11 CFR 104.10(b).

1 (h) Sunset provision. This section applies from November 6, 2002, to December 31,  
2 2002. After December 31, 2002, see 11 CFR 106.7(a).

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1 § 106.7 Allocation of expenses between Federal and non-Federal accounts by party  
2 committees, other than for Federal election activities.

3 (a) National party committees are prohibited from raising or spending non-Federal  
4 funds. Therefore, these committees shall not allocate expenditures and disbursements between  
5 Federal and non-Federal accounts. All disbursements by a national party committee must be  
6 made from a Federal account.

7 (b) State, district, and local party committees that make expenditures and disbursements in  
8 connection with both Federal and non-Federal elections for activities that are not Federal election  
9 activities pursuant to 11 CFR 100.24 may use only funds subject to the prohibitions and  
10 limitations of the Act, or they may allocate such expenditures and disbursements between their  
11 Federal and their non-Federal accounts. State, district, and local party committees that are  
12 political committees that have established separate Federal and non-Federal accounts under 11  
13 CFR 102.5(a)(1)(i) shall allocate expenses between those accounts according to paragraphs (c)  
14 and (d) of this section. Party organizations that are not political committees but have established  
15 separate Federal and non-Federal accounts ~~under 11 CFR 102.5(b)(1)(i)(A) or (B)~~, or that make  
16 Federal and non-Federal disbursements from a single account ~~under 11 CFR 102.5(b)(1)(i)(C)~~,  
17 shall also allocate their Federal and non-Federal expenses according to paragraphs (c) and (d) of  
18 this section. In lieu of establishing separate accounts, party organizations that are not political  
19 committees may choose to use an accounting method that employs general ledger accounts  
20 pursuant to 11 CFR 102.5 and 300.30.

21 (c) Costs allocable by State, district, and local party committees between Federal and non-  
22 Federal accounts.



1 (1) Salaries and ~~other compensation including benefits~~wages. State, district, and  
2 local party committees must pay salaries and wages from funds that comply with  
3 State law for employees who spend 25% or less of their time in any given month  
4 on Federal election activity or activity in connection with a Federal election. ~~may,~~  
5 ~~for employees who spend 25% or less of their time in any given month in~~  
6 ~~connection with a Federal election, either pay their salaries and other~~  
7 ~~compensation, including benefits, from a Federal account, or allocate the salaries~~  
8 ~~and other compensation, including benefits, between the committee's Federal and~~  
9 ~~non-Federal accounts.~~ See 11 CFR 300.33(c)(2).

10 (2) Administrative costs. State, district, and local party committees may either pay  
11 administrative costs, including rent, utilities, office equipment, office supplies,  
12 postage for other than mass mailings, and routine building maintenance, upkeep  
13 and repair, from their Federal account, or allocate such expenses between their  
14 Federal and non-Federal accounts, except that any such expenses directly  
15 attributable to a clearly identified Federal candidate must be paid only from the  
16 Federal account.

17 (3) Exempt party activities that are not Federal election activities. State, district, and  
18 local party committees may pay expenses for party activities that are exempt from  
19 the definitions of contribution and expenditure under 11 CFR 100.7(b)(9), (15), or  
20 (17), and 100.8(b)(10), (16), or (18), and that are not Federal election activities  
21 pursuant to 11 CFR 100.24, from their Federal accounts, or may allocate these  
22 expenses between their Federal and non-Federal accounts. ~~If exempt party~~  
23 ~~activities that are not Federal election activities are conducted in conjunction with~~

1           ~~non-Federal activities, their costs must be allocated between Federal and non-~~  
2           ~~Federal accounts.~~

3           (4)   Certain fundraising costs. State, district, and local party committees may allocate  
4           the direct costs of certain fundraising programs or events between their Federal  
5           and non-Federal accounts provided that none of the proceeds from the activities or  
6           events will ever be used for Federal election activities. The proceeds of  
7           fundraising allocated pursuant to this paragraph must be segregated in bank or  
8           book accounts that are never used for Federal election activity. Direct costs of  
9           fundraising include disbursements for the planning and administration of specific  
10          fundraising events or programs.

11          (5)   Voter-drive activities that do not qualify as Federal election activities and that are  
12          not party exempt activities. Other than for salaries and wages as described in  
13          (c)(1) of this subsection. Expenses for voter identification, voter registration, and  
14          get-out-the-vote drives, and any other activities that urge the general public to  
15          register, vote, or promote or oppose a political party, without promoting or  
16          opposing a candidate or non-Federal candidate, that do not qualify as Federal  
17          election activities and that are not exempt party activities, must be paid with  
18          Federal funds or may be allocated between the committee's Federal and non-  
19          Federal accounts.

20   (d)   Allocation percentages, ratios, and record-keeping.

21          (1)   ~~Salaries and other compensation, including benefits and wages.~~ Committees must  
22          keep a monthly log of the percentage of time each employee spends time records  
23          ~~for all employees for purposes of determining the percentage of time spent on~~

1 activities in connection with a Federal election. Allocations of salaries  
2 and wages and other compensation, including benefits, shall be undertaken as  
3 follows:

4 (i) ~~Salaries and other compensation, including benefits and wages,~~ paid for  
5 employees who spend 25% or less of their compensated time in a given  
6 month on Federal election activities or on activities in connection with a  
7 Federal election shall be ~~allocated between the committee's Federal and~~  
8 ~~non-Federal account, subject to the following requirements:~~ paid from  
9 funds that comply with State law.

10 ~~(A) — Presidential election years. In any year in which a Presidential~~  
11 ~~candidate, but no Senate candidate appears on the ballot, and in the~~  
12 ~~preceding year, at least 28 % of such amounts must be allocated to~~  
13 ~~the Federal account.~~

14 ~~(B) — Presidential and Senate election year. In any year in which a~~  
15 ~~Presidential candidate and a Senate candidate appear on the ballot,~~  
16 ~~and in the preceding year, at least 36 % of such amounts must be~~  
17 ~~allocated to the Federal account.~~

18 ~~(C) — Senate election year. In any year in which a Senate candidate, but~~  
19 ~~no Presidential candidate, appears on the ballot, and in the~~  
20 ~~preceding year, at least 21% of such amounts must be allocated to~~  
21 ~~the Federal account.~~

22 ~~(D) — Non-Presidential and non-Senate year. In any year in which~~  
23 ~~neither a Presidential nor a Senate candidate appears on the ballot,~~

1 and in the preceding year, at least 15% of such amounts must be  
2 allocated to the Federal account.

3 ~~(E) — Salaries and other compensation, including benefits, paid to~~  
4 ~~employees who spend no time in a given month on activities in~~  
5 ~~connection with a Federal election may be paid solely from the~~  
6 ~~non-Federal account.~~

7 (ii) Salaries and other compensation, including benefits, and wages paid for  
8 employees who spend more than 25% of their compensated time on  
9 Federal election activities or on activities in connection with a Federal  
10 election must be paid only from a Federal account. See 11 CFR  
11 300.33(c)(2), and paragraph (e)(2) of this section.

12 (2) Administrative costs. State, district, and local party committees that choose to  
13 allocate administrative expenses may do so subject to the following requirements:

14 (i) Presidential election years. In any even year in which a Presidential  
15 candidate, but no Senate candidate appears on the ballot, and in the  
16 preceding year, State, district, and local party committees must allocate at  
17 least 28 % of administrative expenses to their Federal accounts.

18 (ii) Presidential and Senate election year. In any even year in which a  
19 Presidential candidate and a Senate candidate appear on the ballot, and in  
20 the preceding year, State, district, and local party committees must allocate  
21 at least 36 % of administrative expenses to their Federal accounts.

22 (iii) Senate election year. In any even year in which a Senate candidate, but no  
23 Presidential candidate, appears on the ballot, and in the preceding year,

1 State, district, and local party committees must allocate at least 21% of  
2 administrative expenses to their Federal account.

3 (iv) Non-Presidential and non-Senate year. In any even year in which neither a  
4 Presidential nor a Senate candidate appears on the ballot, and in the  
5 preceding year, State, district, and local party committee must allocate at  
6 least 15% of administrative expenses to their Federal account.

7 (3) Exempt party activities and voter drive activities that are not Federal election  
8 activities. State, district, and local party committees that choose to allocate  
9 expenses for exempt activities that are not Federal election activities, must do so  
10 subject to the following requirements:

11 (i) Presidential election years. In any even year in which a Presidential  
12 candidate, but no Senate candidate appears on the ballot, and in the  
13 preceding year, State, district, and local party committees must allocate at  
14 least 28 % of these expenses to their Federal accounts.

15 (ii) Presidential and Senate election year. In any even year in which a  
16 Presidential candidate and a Senate candidate appear on the ballot, and in  
17 the preceding year, State, district, and local party committees must allocate  
18 at least 36 % of these expenses to their Federal accounts.

19 (iii) Senate election year. In any even year in which a Senate candidate, but no  
20 Presidential candidate, appears on the ballot, and in the preceding year,  
21 State, district, and local party committees must allocate at least 21% of  
22 these expenses to their Federal account.

1 (iv) Non-Presidential and non-Senate year. In any even year in which neither a  
2 Presidential nor a Senate candidate appears on the ballot, and in the  
3 preceding year, State, district, and local party committee must allocate at  
4 least 15% of these expenses to their Federal account.

5 (4) Fundraising for Federal and non-Federal accounts. If Federal and non-Federal  
6 funds are collected by a State, district, or local party committee through a joint  
7 fundraising activity, that committee must allocate its direct fundraising costs  
8 using to funds received method and according to the following procedures:

9 (i) The committee must allocate its fundraising costs based on the ratio of  
10 funds received into its Federal account to its total receipts from each  
11 fundraising program or event. This ratio shall be estimated prior to each  
12 such program or event based upon the committee's reasonable prediction  
13 of its Federal and non-Federal revenue from that program or event, and  
14 must be noted in the committee's report for the period in which the first  
15 disbursement for such program or event occurred, submitted pursuant to  
16 11 CFR 104.5. Any disbursements for fundraising costs made prior to the  
17 actual program or event must be allocated according to this estimated  
18 ratio.

19 (ii) No later than the date 60 days after each fundraising program or event  
20 from which both Federal and non-Federal funds are collected, the  
21 committee shall adjust the allocation ratio for that program or event to  
22 reflect the actual ratio of funds received. If the non-Federal account has  
23 paid more than its allocable share, the committee shall transfer funds from

1 its Federal to its non-Federal account, as necessary, to reflect the adjusted  
2 allocation ratio. If the Federal account has paid more than its allocable  
3 share, the committee shall make any transfers of funds from its non-  
4 Federal to its Federal account to reflect the adjusted allocation ratio within  
5 the 60-day time period established by this paragraph. The committee shall  
6 make note of any such adjustments and transfers in its report for any  
7 period in which a transfer was made, and shall also report the date of the  
8 fundraising program or event that serves as the basis for the transfer. In  
9 the case of a telemarketing or direct mail campaign, the date for purposes  
10 of this paragraph is the last day of the telemarketing campaign, or the day  
11 on which the final direct mail solicitations are mailed.

12 (e) Costs not allocable by State, district, and local party committees between Federal and  
13 non-Federal accounts. The following costs incurred by State, district, and local party committees  
14 shall be paid only with Federal funds:

- 15 (1) Disbursements for State, district, and local party committees for activities that  
16 refer only to one or more candidates for Federal office must not be allocated. All  
17 such disbursements must be made from a Federal account.
- 18 (2) Salary and other compensation, including benefits. Salaries and other  
19 compensation, including benefits, for employees who spend more than 25% of  
20 their compensated time in a given month on activities in connection with a Federal  
21 election must not be allocated. All such disbursements must be made from a  
22 Federal account. See 11 CFR 300.33(c)(2).
- 23 (3) Federal election activities. Activities that are Federal election activities pursuant

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1 to 11 CFR 100.24 must not be allocated between Federal and non-Federal  
2 accounts. Only Federal funds, or a mixture of Federal funds and Levin funds, as  
3 provided in 11 CFR 300.33, may be used.

4 (4) Fundraising Costs. Expenses incurred by State, district, and local party  
5 committees directly related to programs or events undertaken to raise funds to be  
6 used, in whole or in part, for activities in connection with Federal and non-Federal  
7 elections that are Federal election activities pursuant to 11 CFR 100.24 must not be  
8 allocated between Federal and non-Federal accounts. All such disbursements must  
9 be made from a Federal account.

10 (f) Transfers between accounts to cover allocable expenses. State, district, and local party  
11 committees may transfer funds from their non-Federal to their Federal accounts or to an  
12 allocation account solely to meet allocable expenses under this section and only pursuant to the  
13 following requirements:

14 (1) Payments from Federal accounts or from allocation accounts.

15 (i) State, district, and local party committees must pay the entire amount of an  
16 allocable expense from their Federal accounts and transfer funds from  
17 their non-Federal account to the Federal account solely to cover the non-  
18 Federal share of that allocable expense; or

19 (ii) State, district, or local party committees may establish a separate  
20 allocation account into which funds from its Federal and non-Federal  
21 accounts may be deposited solely for the purpose of paying the allocable  
22 expenses of joint Federal and non-Federal activities.

23 (2) Timing.



1 (i) If a Federal account is used to make allocable expenditures and  
2 disbursements, State, district, and local party committees must transfer  
3 funds from their non-Federal to their Federal accounts to meet allocable  
4 expenses no more than 10 days before and no more than 60 days after the  
5 payments for which they are designated are made from a Federal account,  
6 except that transfers may be made more than 10 days before a payment is  
7 made from the Federal account if advance payment is required by the  
8 vendor(s) and if such payment is based on a reasonable estimate of the  
9 activity's final costs as determined by the committee and the vendor(s)  
10 involved.

11 (ii) Any portion of a transfer from a committee's non-Federal account to its  
12 Federal account that does not meet the requirement of paragraph (d)(2)(i)  
13 shall be presumed to be a loan or contribution from the non-Federal  
14 account to the Federal account, in violation of the Act.  
15  
16

1 § 108.7 Effect on State law (2 U.S.C. 453).

2 \* \* \* \* \*

3 (c) \* \* \*

4 (4) Prohibition of false registration, voting fraud, theft of ballots, and similar  
5 offenses;

6 (5) Candidate's personal financial disclosure; or

7 (6) Application of State law to the funds used for the purchase or construction  
8 of a State or local party office building to the extent described in 11 CFR  
9 300.35.

10

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1 § 110.1 Contributions by persons other than multicandidate political committees (2  
2 U.S.C. 441a(a)(1)).

3 \* \* \* \* \*

4 (c) \* \* \*

5 (5) On or after January 1, 2003, no person shall make contributions to a political  
6 committee established and maintained by a State committee of a political party in  
7 any calendar year that, in the aggregate, exceed \$10,000.

8 \* \* \* \* \*

9

10

1 § 114.1 Definitions.

2 (a) \* \* \*

3 (2) \* \* \*

4 (ix) Donations to a State or local party committee used for the purchase  
5 or construction of its office building are subject to 11 CFR 300.35.  
6 No exception applies to contributions or donations to a national  
7 party committee that are made or used for the purchase or  
8 construction of any office building or facility; or

9 \* \* \* \* \*

10

1 § 300.1 Scope and effective date, and organization.

2 (a) Introduction. This part implements changes to the Federal Election Campaign  
3 Act of 1971, as amended ("FECA" or the "Act"), enacted by Title I of the Bipartisan  
4 Campaign Finance Reform Act of 2002 ("BCRA"). Public Law 107-155. Unless  
5 expressly stated to the contrary, nothing in this part alters the definitions, restrictions,  
6 liabilities, and obligations imposed by sections 431 to 455 of Title 2, United States Code,  
7 or regulations prescribed thereunder (11 CFR parts 100 to 116).

8 (b) Effective dates.

9 (1) Except as otherwise specifically provided in this part, this part shall take  
10 effect on November 6, 2002. However, subpart B of this part shall not  
11 apply with respect to runoff elections, recounts, or election contests  
12 resulting from elections held prior to such date. See 11 CFR 300.12 for  
13 transition rules applicable to subpart A of this part.

14 (2) The increase in individual contribution limits to State committees of  
15 political parties, as described in 11 CFR 110.1(c)(5), shall apply to  
16 contributions made on or after January 1, 2003.

17 (c) Organization of part. Part 300, which generally addresses non-Federal funds and  
18 closely related topics, is organized into five subparts. Each subpart is oriented to the  
19 perspective of a category of persons facing issues related to non-Federal funds.

20 (1) Subpart A of this part prescribes rules pertaining to national party  
21 committees, including general non-Federal funds prohibitions,  
22 fundraising, and donation prohibitions with regard to certain tax-exempt  
23 organizations, transition rules as BCRA takes effect, and reporting.

- 1           (2)     Subpart B of this part pertains to State, district, and local political party  
2                         committees and organizations. Subpart B of this part focuses on "Levin  
3                         Amendment" to BCRA; office buildings; and fundraising and donation  
4                         prohibitions with regard to certain tax-exempt organizations.
- 5           (3)     Subpart C of this part addresses non-Federal funds from the  
6                         perspective of tax-exempt organizations, setting out rules about prohibited  
7                         fundraising for certain tax-exempt organizations by national party  
8                         committees, State, district, and local party committees, and Federal  
9                         candidates and officeholders.
- 10          (4)     Subpart D of this part includes regulations pertaining to soliciting non-  
11                         Federal funds from the perspective of Federal candidates and officeholders  
12                         in Federal and non-Federal elections; including exceptions for those who  
13                         are also State candidates and ~~exceptions~~ exemptions for those attending,  
14                         and speaking and appearing as featured guests at fundraising events, or  
15                         who solicit for certain tax-exempt organizations.
- 16          (5)     Subpart E of this part focuses on State and local candidates, including  
17                         regulations about using Federal funds for certain public communications,  
18                         and exceptions for entirely non-Federal communications.
- 19          (6)     For rules pertaining to convention and host committees, see 11 CFR  
20                         part 9008.
- 21
- 22

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1 § 300.2 Definitions.

2 \* \* \*

3 (b) Agent. For the purposes of part 300 of chapter I, agent means any person who has  
4 actual authority, either express or implied, to engage in any of the following activities on  
5 behalf of the specified persons:

6 (1) In the case of a national committee of a political party:

7 (i) To solicit, direct, or receive any contribution, donation, or transfer  
8 of funds; or,

9 (ii) To solicit any funds for, or make or direct any donations to, an  
10 organization that is described in 26 U.S.C 501(c) and exempt from  
11 taxation under 26 U.S.C. 501(a) (or has submitted an application  
12 for determination of tax exempt status under 26 U.S.C. 501(a)), or  
13 an organization described in 26 U.S.C. 527 (other than a political  
14 committee, a State, district, or local committee of a political party,  
15 or the authorized campaign committee of a candidate for State or  
16 local office).

17 (2) In the case of a State, district, or local committee of a political party:

18 (i) To expend or disburse any funds for Federal election activity; or

19 (ii) To transfer, or accept a transfer of, funds to make expenditures or  
20 disbursements for Federal election activity; or

21 (iii) To engage in joint fundraising activities with any person if any part  
22 of the funds raised are used, in whole or in part, to pay for Federal  
23 election activity; or

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- 1           (iv) To solicit any funds for, or make or direct any donations to, an  
2           organization that is described in 26 U.S.C. 501(c) and exempt from  
3           taxation under 26 U.S.C. 501(a) (or has submitted an application  
4           for determination of tax exempt status under 26 U.S.C. 501(a)), or  
5           an organization described in 26 U.S.C. 527 (other than a political  
6           committee, a State, district, or local committee of a political party,  
7           or the authorized campaign committee of a candidate for State or  
8           local office).
- 9           (3) In the case of an individual who is a Federal candidate or an individual  
10          holding Federal office, to solicit, receive, direct, transfer, or spend funds in  
11          connection with any election.
- 12          (4) In the case of an individual who is a candidate for State or local office, to  
13          spend funds for a public communication (see 11 CFR 100.26).



1 § 300.2 Definitions.

2 \* \* \*

3 (c) Directly or indirectly establish, maintain, finance, or control.

4 (1) This paragraph (c) applies to national, State, district, and local committees  
5 of a political party, candidates, and holders of Federal office, including an  
6 officer, employee, or agent of any of the foregoing persons, which shall be  
7 referred to as "sponsors" in this section.

8 (2) To determine whether a sponsor directly or indirectly established,  
9 finances, maintains, or controls an entity, the factors described in  
10 paragraphs (c)(2)(i) through (x) of this section must be examined in the  
11 context of the overall relationship between sponsor and the entity to  
12 determine whether the presence of any factor or factors is evidence that  
13 the sponsor directly or indirectly established, finances, maintains, or  
14 controls the entity. Such factors include, but are not limited to:

15 (i) Whether a sponsor, directly or through its agent, owns controlling  
16 interest in the voting stock or securities of the entity;

17 (ii) Whether a sponsor, directly or through its agent, has the authority  
18 or ability to direct or participate in the governance of the entity  
19 through provisions of constitutions, bylaws, contracts, or other  
20 rules, or through formal or informal practices or procedures;

21 (iii) Whether a sponsor, directly or through its agent, has the authority  
22 or ability to hire, appoint, demote, or otherwise control the officers,  
23 or other decision-making employees or members of the entity;

- 1 (iv) Whether a sponsor has a common or overlapping membership with  
2 the entity that indicates a formal or ongoing relationship between  
3 the sponsor and the entity;
- 4 (v) Whether a sponsor has common or overlapping officers or  
5 employees with the entity that indicates a formal or ongoing  
6 relationship between the sponsor and the entity;
- 7 (vi) Whether a sponsor has any members, officers or employees who  
8 were members, officers or employees of the entity that indicates a  
9 formal or ongoing relationship between the sponsor and the entity,  
10 or that indicates the creation of a successor entity;
- 11 (vii) Whether a sponsor, directly or through its agent, provides funds or  
12 goods in a significant amount or on an ongoing basis to the entity,  
13 such as through direct or indirect payments for administrative,  
14 fundraising, or other costs, but not including the transfer to a  
15 committee of its allocated share of proceeds jointly raised pursuant  
16 to 11 CFR 102.17, and otherwise lawfully;
- 17 (viii) Whether a sponsor, directly or through its agent, causes or arranges  
18 for funds in a significant amount or on an ongoing basis to be  
19 provided to the entity, but not including the transfer to a committee  
20 of its allocated share of proceeds jointly raised pursuant to 11 CFR  
21 102.17, and otherwise lawfully;
- 22 (ix) Whether a sponsor, directly or through its agent, had an active or  
23 significant role in the formation of the entity; and

1 (x) Whether the sponsor and the entity have similar patterns of receipts  
2 or disbursements that indicate a formal or ongoing relationship  
3 between the sponsor and the entity.

4 (3) Safe harbor. On or after November 6, 2002, an entity shall not be deemed  
5 to be directly or indirectly established, maintained, or controlled by  
6 another entity unless, based the entities' actions and activities solely after  
7 November 6, 2002, they satisfy the requirements of this section. If an  
8 entity receives funds from another entity prior to November 6, 2002, and  
9 the recipient entity disposes of the funds prior to November 6, 2002, the  
10 receipt of such funds prior to November 6, 2002 shall have no bearing on  
11 determining whether the recipient entity is financed by the sponsoring  
12 entity within the meaning of this section.

13 (3)(4) Determinations by the Commission.

14 (i) A sponsor or entity may request an advisory opinion of the  
15 Commission to determine whether the sponsor is no longer directly  
16 or indirectly financing, maintaining, or controlling the entity for  
17 purposes of this part. The request for such an advisory opinion  
18 must meet the requirements of 11 CFR part 112 and must  
19 demonstrate that the entity is not directly or indirectly financed,  
20 maintained, or controlled by the sponsor.

21 (ii) Notwithstanding the fact that a sponsor may have established an  
22 entity within the meaning of paragraph (c)(2) of this section, the  
23 committee or the entity may request an advisory opinion of the

1 Commission determining that the relationship between the sponsor  
2 and the entity has been severed. The request for such an advisory  
3 opinion must meet the requirements of 11 CFR part 112, and must  
4 demonstrate that all material connections between the sponsor and  
5 the entity have been severed for at least ~~five~~two years.

6 (ii) Nothing in this section shall require entities that are separate  
7 organizations on November 6, 2002 to obtain an Advisory Opinion  
8 to operate separately from each other.

1 § 300.2 Definitions

2 \* \* \*

3 (d) Disbursement means any purchase or payment made by:

4 (1) A political committee; or

5 (2) Any other person, including an organization that is not a political  
6 committee, that is subject to the Act.

7 (e) For purposes of part 300, donation means a payment, gift, subscription, loan,  
8 advance, deposit, or anything of value given to a person, but does not include  
9 contributions or transfers.

10 (f) Federal account means an account at campaign depository that contains funds to  
11 be used in connection with a Federal election.

12 (g) Federal funds mean funds that comply with the limitations, prohibitions, and  
13 reporting requirements of the Act.

14 (h) Levin account means an account at a campaign depository established by a State,  
15 district, or local committee of a political party pursuant to 11 CFR 300.30, for purposes  
16 of making expenditures or disbursements for Federal election activity or non-Federal  
17 activity (subject to State law) under 11 CFR 300.32.

18 (i) Levin funds mean funds that ~~comply with the limitations, prohibitions, and~~  
19 ~~reporting requirements set out in subpart B of this part, which~~ are raised pursuant to  
20 11 CFR ~~300.30 and 300.31~~ and are or will be disbursed by a ~~State, district, or local~~  
21 ~~committee of a political party for Federal election activity or non-Federal activity (subject~~  
22 ~~to State law) under~~ pursuant to 11 CFR 300.32.

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1 (j) Non-Federal account means an account ~~at a financial depository institution or~~  
2 ~~other account~~ that contains funds to be used in connection with a State or local election.

3 (k) Non-Federal funds mean funds that are not subject to the limitations and  
4 prohibitions of the Act.

5

6

1 § 300.2 Definitions.

2 \* \* \*

3 (m) For the purposes of part 300, To solicit means to ask request or suggest or recommend  
4 that another person make a contribution, donation, or transfer of funds, or otherwise provide  
5 anything of value, whether the contribution, donation, or transfer of funds, or thing of value, is to  
6 be made or provided directly, or through a conduit or intermediary. A solicitation does not  
7 include merely providing information or guidance as to the requirement of particular law.

8 (n) For the purposes of part 300, To direct means to provide the name of a candidate,  
9 political committee or organization to ask a person who has expressed an intent to interest in  
10 making make a contribution, donation, or transfer of funds, or to provide anything of value, to  
11 make that contribution, donation, or transfer of funds, or to provide that thing of value, including  
12 through a conduit or intermediary, to those who support the beliefs or goals of the contributor or  
13 donor. Direction does not include merely providing information or guidance as to the  
14 requirement of particular law.

15

1 § 300.2 Definitions.

2 (o) Individual holding Federal office means an individual elected to or serving in the  
3 office of President or Vice President of the United States; or a Senator or a  
4 Representative in, or Delegate or Resident Commissioner to, the Congress of the United  
5 States.

6



1 Subpart A – National Party Committees

2 § 300.10 General prohibitions on raising and spending non-Federal funds

3 (2 U.S.C. 441i(a) and (c)).

4 (a) Prohibitions. A national committee of a political party, including a national  
5 congressional campaign committee, must not:

6 (1) Solicit, receive, or direct to another person a contribution, donation, or transfer of  
7 funds, or any other thing of value that is not subject to the prohibitions, limitations  
8 and reporting requirements of the Act; or

9 (2) Spend any funds that are not subject to the prohibitions, limitations, and reporting  
10 requirements of the Act; or

11 (3) Solicit, receive, direct or transfer to another person, or spend, Levin funds.

12 (b) Fundraising costs. A national committee of a political party, including a national  
13 congressional campaign committee, must use only Federal funds to raise funds that are used, in  
14 whole or in part, for expenditures and disbursements for Federal election activity.

15 (c) Application. This section also applies to:

16 (1) An officer or agent acting on behalf of a national party committee or a national  
17 congressional campaign committee; and

18 (2) An entity that is directly or indirectly established, financed, maintained, or controlled by  
19 a national party committee or a national congressional campaign committee.

1 § 300.12 Transition rules.

2 (a) Permissible uses of excess non-Federal funds. Non-Federal funds received before  
3 November 6, 2002, by a national committee of a political party, including a national  
4 congressional campaign committee, and in its possession on that date, must be used before  
5 January 1, 2003. Subject to the restrictions in paragraphs (b) and (c) of this section, such funds  
6 may be used solely as follows:

7 (1) To retire outstanding debts or obligations that were incurred solely in connection  
8 with an election held prior to November 6, 2002; or

9 (2) To pay expenses, retire outstanding debts, or pay for obligations incurred solely in  
10 connection with any run-off election, recount, or election contest resulting from  
11 an election held prior to November 6, 2002.

12 (b) Prohibited uses of non-Federal funds. Non-Federal funds received by a national  
13 committee of a political party, including a national congressional campaign committee, before  
14 November 6, 2002, and in its possession on that date, may not be used for the following  
15 purposes:

16 (1) To pay any expenditure as defined in 2 U.S.C. 431(9);

17 (2) To retire outstanding debts or obligations that were incurred for any expenditure;  
18 or

19 (3) To defray the costs of the construction or purchase of any office building or  
20 facility.

21 (c) Any non-Federal funds remaining after payment of debts and obligations permitted in  
22 paragraph (a) of this section must be either disgorged to the United States Treasury, or returned

1 by check to the donors, no later than December 31, 2002. Any refund checks not cashed by  
2 February 28, 2003, must be disgorged to the U.S. Treasury by March 31, 2003.

3 (d) National party committee office building or facility accounts. Before November 6, 2002,  
4 the a national committee of a political party, including a national congressional campaign  
5 committee, may accept funds into its party office building or facility account, established  
6 pursuant to repealed 2 U.S.C. 431(8)(B)(viii), and may use the funds in the account only for the  
7 construction or purchase of an office building or facility. After November 5, 2002, the national  
8 party committees may no longer accept funds into such an account and must not use such funds  
9 for the purchase or construction of any office building or facility. Funds on deposit in any party  
10 office building or facility account on November 6, 2002, must be either disgorged to the United  
11 States Treasury or returned by check to the donors no later than December 31, 2002. Any refund  
12 checks not cashed by February 28, 2003, must be disgorged to the U.S. Treasury by March 31,  
13 2003.

14 (e) Application. This section also applies to:

- 15 (1) An officer or agent acting on behalf of a national party committee or a national  
16 congressional campaign committee; and  
17 (2) An entity that is directly or indirectly established, financed, maintained, or  
18 controlled by a national party committee or a national congressional campaign  
19 committee.

20 (f) Treatment of Federal and non-Federal accounts during transition period. The following  
21 provisions applicable to the allocation of, and payment for, expenses between Federal and non-  
22 Federal accounts of national party committees shall remain in effect between November 6 and  
23 December 31, 2002: 11 CFR 106.5(a), 106.5(b), 106.5(c), 106.5(f) and 106.5(g).

1 § 300.13 Reporting (2 U.S.C. §§ 431 note and 434(e)).

2 (a) In general. The national committee of a political party, any national congressional  
3 campaign committee of a political party, and any subordinate committee of either, shall report all  
4 receipts and disbursements during the reporting period.

5 (b) Termination report for non-Federal accounts. Unless a committee described in paragraph  
6 (a) of this section issues refund checks to donors as permitted in 11 CFR 300.12(c), each  
7 committee described in paragraph (a) must file a termination report disclosing the disposition of  
8 funds in all non-Federal accounts and building fund accounts by January 31, 2003. Each  
9 committee that issues refund checks to donors must file a termination report covering the period  
10 ending March 31, 2003, disclosing the disposition of any refund checks not cashed by February  
11 28, 2003, as required by 11 CFR 300.12(c).

12 (c) Transitional reporting rules.

13 (1) The reporting requirements covering receipts in 11 CFR 104.8(e), and (f) 104.9(e)  
14 and 104.9(e) for national party committee non-Federal accounts and building fund  
15 accounts shall remain in effect for the reports covering activity between  
16 November 6 and December 31, 2002.

17 (2) The reporting requirements covering disbursements in 11 CFR 104.9 (c), (d) and  
18 (e) 104.8(f) and 104.9(d) for national party committee non-Federal accounts and  
19 building fund accounts shall remain in effect for the reports covering activity  
20 between November 6, 2002 and March 31, 2003.

1 § 300.31 Receipt of Levin funds.

2 (a) General rule. Levin funds expended or disbursed by any State, district, or local  
3 committee must be raised solely by the committee that expends or disburses them.

4 (b) Compliance with State law. Each donation of Levin funds solicited or accepted  
5 by a State, district, or local committee of a political party must be lawful under the laws  
6 of the State in which the committee is organized.

7 (c) Donations from sources permitted by State law but prohibited by the Act. If the  
8 laws of the State in which a State, district, or local committee of a political party is  
9 organized permit donations to the committee from a source prohibited by the Act and this  
10 chapter, other than 2 U.S.C. 441e, the committee may solicit and accept donations of  
11 Levin funds from that source, subject to paragraph (d) of this section.

12 (d) Donation amount limitation.

13 (1) General rule. A State, district, or local committee of a political party must  
14 not solicit or accept from any person (including any entity established,  
15 financed, maintained, or controlled by such person) one or more donations  
16 of Levin funds aggregating more than \$10,000 in a calendar year.

17 (2) Effect of different State limitations. If the laws of the State in which a  
18 State, district, or local committee of a political party is organized limit  
19 donations to that committee to less than the amount specified in paragraph  
20 (d)(1) of this section, then the State law amount limitations shall control.  
21 If the laws of the State in which a State, district, or local committee of a  
22 political party is organized permit donations to that committee in amounts

1 greater than the amount specified in paragraph (d)(1) of this section, then  
2 the amount limitations in paragraph (d)(1) of this section shall control.

3 (3) No affiliation of committees for purposes of this paragraph. For purposes  
4 of determining compliance with paragraph (d) of this section only, State,  
5 district, and local committees of the same political party shall not be  
6 considered affiliated. Subject to the amount limitations specified in  
7 paragraphs (d)(1) and (d)(2) of this section, a person (including any entity  
8 established, financed, maintained, or controlled by such person) may  
9 donate to each and every State, district, and local committee of a political  
10 party.

11 (e) No Levin funds from a national party committee or a Federal candidate or  
12 officeholder. A State, district, or local committee of a political party disbursing Levin  
13 funds pursuant to 11 CFR 300.32 must not accept or use for such purposes any donations  
14 or other funds that are solicited, received, directed, transferred, or spent by or in the name  
15 of any of the following persons:

16 (1) A national committee of a political party (including a national  
17 congressional campaign committee of a political party), any officer or  
18 agent acting on behalf of such a national party committee, or any entity  
19 that is directly or indirectly established, financed, maintained, or  
20 controlled by such a national party committee. Notwithstanding 11 CFR  
21 102.17, a State, district, or local committee of a political party must not  
22 raise Levin funds by means of joint fundraising with a national committee  
23 of a political party, any officer or agent acting on behalf of such a national

1 party committee, or any entity that is directly or indirectly established,  
2 financed, maintained, or controlled by such a national party committee.  
3 Nothing in this section shall be construed to prohibit a State, district, or  
4 local committee of a political party from jointly raising, under 11 CFR  
5 102.17, Federal funds not to be used for Federal election activity with a  
6 national committee of a political party, or its agent, or any entity directly  
7 or indirectly established, financed, maintained, or controlled by such a  
8 national party committee.

9 (2) A Federal candidate, or an individual holding Federal office, or an agent  
10 of a Federal candidate or officeholder, or an entity directly or indirectly  
11 established, financed, maintained, or controlled by, or acting on behalf of,  
12 one or more Federal candidates or individuals holding Federal office.  
13 Notwithstanding 11 CFR 102.17, a State, district, or local committee of a  
14 political party must not raise Levin funds by means of joint fundraising  
15 with a Federal candidate, an individual holding Federal office, or an entity  
16 directly or indirectly established, financed, maintained, or controlled by,  
17 or acting on behalf of, one or more candidates or individuals holding  
18 Federal office. A Federal candidate or individual holding Federal office  
19 may attend, speak, or be a featured guest at a fundraising event for a State,  
20 district, or local committee of a political party at which Levin funds are  
21 raised. See 11 CFR 300.64.

22 (f) Certain joint fundraising prohibited. Notwithstanding 11 CFR 102.17, a State,  
23 district, or local committee of a political party must not raise Levin funds by means of

1 any joint fundraising activity with any other State, district, or local committee of any  
2 political party, the agent of such a committee, or an entity directly or indirectly  
3 established, financed, maintained, or controlled by such a committee. This prohibition  
4 includes State, district, and local committees of a political party organized in another  
5 State. Nothing in this section shall be construed to prohibit two or more State, district, or  
6 local committees of a political party from jointly raising, under 11 CFR 102.17, Federal  
7 funds not to be used for Federal election activity.

8 (g) Common vendors. The use of a common vendor for fundraising by more than  
9 one State, district, or local committee of a political party, or the agent of such a  
10 committee, shall not, by itself, be deemed joint fundraising for purposes of this  
11 paragraph.



1 § 300.32 Expenditures and disbursements.

2 (a) Federal funds.

3 (1) A State, district, or local committee of a political party, or an association  
4 or similar group of candidates for State or local office, or an association or  
5 similar group of individuals holding State or local office, that makes an  
6 expenditure for the purpose of influencing a Federal election must use  
7 Federal funds for the expenditure, subject to the provisions of this chapter.

8 (2) Except as provided in this part, a State, district, or local committee of a  
9 political party that makes expenditures or disbursements for Federal  
10 election activity must use Federal funds for that purpose, subject to the  
11 provisions of this chapter. An association or similar group of candidates  
12 for State or local office, or an association or similar group of individuals  
13 holding State or local office, must make any expenditures or  
14 disbursements for Federal election activity solely with Federal funds.

15 (3) State, district, and local party committees that raise Federal funds to be  
16 used, in whole or in part, for Federal election activities must pay the direct  
17 costs of such fundraising only with Federal funds. The direct costs of a  
18 fundraising program or event include expenses for the solicitation of funds  
19 and for the planning and administration of actual fundraising programs  
20 and events.

21 (4) State, district, and local party committees that raise Levin funds to be  
22 used, in whole or in part, for Federal election activity must pay all the  
23 direct costs of such fundraising only with Federal funds. The direct costs

1 of a fundraising program or event include expenses for the solicitation of  
2 funds and for the planning and administration of actual fundraising  
3 programs and events.

4 (b) Levin funds. A State, district, or local committee of a political party may spend  
5 Levin funds in accordance with this part on the following types of activity:

6 (1) Subject to the conditions set out in paragraph (c) of this section, only the  
7 following types of Federal election activity:

8 (i) Voter registration activity during the period that begins on the date  
9 that is 120 days before the date a regularly scheduled Federal  
10 election is held and ends on the date of the election; and

11 (ii) Voter identification, get-out-the-vote activity, or generic campaign  
12 activity conducted in connection with an election in which a  
13 candidate for Federal office appears on the ballot (regardless of  
14 whether a candidate for State or local office also appears on the  
15 ballot).

16 (2) Any use that is lawful under the laws of the State in which the committee  
17 is organized, other than the Federal election activities defined in 11 CFR  
18 100.24(b)(3) and (4). A disbursement of Levin funds under this paragraph  
19 need not comply with paragraphs (c)(1) and (c)(2) of this section, except  
20 as required by State law.

21 (c) Conditions and restrictions on spending Levin funds.

22 (1) The Federal election activity for which the expenditure or disbursement is  
23 made must not refer to a clearly identified candidate for Federal office.

1           (2)    The expenditure or disbursement must not pay for any part of the costs of  
2                    any broadcasting, cable, or satellite communication, other than a  
3                    communication that refers solely to a clearly identified candidate for State  
4                    or local office.

5           (3)    The expenditure or disbursement must be made from funds raised in  
6                    accordance with 11 CFR 300.31.

7           (4)    The expenditure or disbursement for Federal election activity must be  
8                    allocated between Federal funds and Levin funds according to 11 CFR  
9                    300.33.

10   (d)    Non-Federal activities. A State, district, or local committee of a political party  
11   that makes disbursements for non-Federal activity may make those disbursements from  
12   its Federal, Levin, or non-Federal funds, subject to the laws of the State in which it is  
13   organized. A State, district, or local party committee that engages in fundraising for  
14   solely non-Federal funds may pay the costs related to such fundraising from any account,  
15   subject to State law, including a Federal account.

16

1 § 300.33 Allocation of costs of Federal election activity.

2 (a) Costs of Federal election activity allocable by State, district, and local party committees  
3 and organizations.

4 (1) Costs of voter registration. Subject to the conditions of 11 CFR 300.32(c), State,  
5 district, and local party committees and organizations may allocate disbursements  
6 or expenditures, except salaries and wages for employees, between Federal funds  
7 and Levin funds for voter registration activity, as defined in 11 CFR 100.24(a)(2),  
8 that takes place during the period that begins on the date that is 120 days before  
9 the date of a regularly scheduled Federal election and that ends on the date of the  
10 election, provided that the activity does not refer to a clearly identified Federal  
11 candidate.

12 (2) Costs of voter identification, get-out-the-vote activity, or generic campaign  
13 activities within certain time periods. Subject to the conditions of 11 CFR  
14 300.32(c), State, district, and local party committees and organizations may  
15 allocate disbursements or expenditures, except salaries and wages for employees,  
16 between Federal funds and Levin funds for voter identification, get-out-the-vote  
17 activity, or generic campaign activities, as defined in 11 CFR 100.24(a)(3) and (4)  
18 and 11 CFR 100.25, that are conducted in connection with an election in which a  
19 candidate for Federal office is on the ballot and within the time periods set forth in  
20 11 CFR 100.24(a)(1), provided that the activity does not refer to a clearly  
21 identified Federal candidate.

22 (b) Allocation percentages. State, district, and local party committees and organizations that  
23 choose to allocate between Federal funds and ~~non-Federal~~ Levin funds their expenditures and

1 disbursements, except for salaries and wages, in connection with activities described in  
2 paragraph (a) of this section that take place within the time periods set forth in 11 CFR  
3 100.24(a)(1) or paragraph (a) of this section must allocate the following minimum percentages to  
4 their Federal funds:

5 (1) Presidential election years. If a Presidential candidate, but no Senate candidate  
6 appears on the ballot, State, district, and local party committees and organizations  
7 must allocate at least 28% of expenses for activities described in paragraph (a) of  
8 this section to their Federal funds.

9 (2) Presidential and Senate election year. If a Presidential candidate and a Senate  
10 candidate appear on the ballot, State, district, and local party committees and  
11 organizations must allocate at least 36% of expenses for activities described in  
12 paragraph (a)-of this section to their Federal funds.

13 (3) Senate election year. If a Senate candidate, but no Presidential candidate, appears  
14 on the ballot, State, district, and local party committees and organizations must  
15 allocate at least 21% of expenses for activities described in paragraph (a) of this  
16 section to their Federal funds.

17 (4) Non- Presidential and non-Senate year. If neither a Presidential nor a Senate  
18 candidate appears on the ballot, State, district, and local party committees and  
19 organizations must allocate at least 15% of expenses for activities described in  
20 paragraph (a)-of this section to their Federal funds.

21 (c) Costs of Federal election activity not allocable by State, district, and local party  
22 committees. The following costs incurred by State, district, and local party committees and  
23 organizations must be paid only with Federal funds:

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1 (1) Public communications. Expenditures for public communications as defined in  
2 11 CFR 100.26 by State, district, and local party committees and organizations  
3 that refer to a clearly identified candidate for Federal office and that promote,  
4 support, attack, or oppose any such candidate for Federal office must not be  
5 allocated between or among Federal, non-Federal, and Levin accounts. Only  
6 Federal funds may be used.

7 (2) Salary and wages~~other compensation, including benefits.~~ Salaries and wages  
8 ~~other compensation, including benefits,~~ for employees who spend more than 25%  
9 of their compensated time in a given month on Federal election activity on-  
10 ~~activities in connection with a Federal election~~ must not be allocated between or  
11 among Federal, non-Federal, and Levin accounts. Only Federal funds may be  
12 used. Salaries and wages for employees who spend 25% or less of their  
13 compensated time in a given month on Federal election activity shall be paid from  
14 funds that comply with State law.

15 (3) Fundraising costs. Disbursements for direct fundraising costs incurred by State,  
16 district, and local party committees and organizations for funds to be used, in  
17 whole or in part, for Federal election activity, including the activities described in  
18 paragraph (a) of this section, must not be allocated between or among Federal,  
19 non-Federal and Levin funds. Only Federal funds may be used.

20 (d) Transfers between accounts to cover allocable expenses. State, district, and local party  
21 committees and organizations may transfer funds from their Levin accounts to their Federal  
22 accounts or to allocation accounts solely to meet expenses allocable pursuant to paragraphs (a)(1)  
23 and (2) of this section and only pursuant to the following methods:

1           (1)   Payments from Federal accounts or from allocation accounts.

2           (i)    If Federal accounts are used to make payments for allocable activities,  
3                State, district, and local party committees and organizations must pay the  
4                entire amount of allocable expenses from their Federal accounts and  
5                transfer funds from their Levin accounts to their Federal accounts solely to  
6                cover the Levin accounts' portions of the expenses; or

7           (ii)   State, district, and local party committees and organizations may establish  
8                separate allocation accounts into which Federal funds and Levin funds  
9                may be deposited solely for the purpose of paying allocable expenses.

10          (2)   Timing.

11          (i)    If a Federal accounts are used to make allocable expenditures and  
12                disbursements, State, district, and local party committees and  
13                organizations must transfer Levin funds to their Federal accounts to meet  
14                allocable expenses no more than 10 days before and no more than 60 days  
15                after the payments for which they are designated are made from a Federal  
16                account, except that transfers may be made more than 10 days before a  
17                payment is made from the Federal account if advance payment is required  
18                by the vendor(s) and if such payment is based on a reasonable estimate of  
19                the activity's final costs as determined by the committee and the vendor(s)  
20                involved.

21          (ii)   Any portion of a transfer of Levin funds to a party committee or  
22                organization's Federal account that does not meet the requirement of  
23                paragraph (d)(2)(i) of this section shall be presumed to be a loan or

1 contribution from the Levin account to the Federal account, in violation of  
2 the Act.  
3



1 § 300.34 Transfers.

2 (a) Federal funds.

3 (1) Notwithstanding 11 CFR 102.6(a)(1)(ii), a State, district, or local  
4 committee of a political party must not use any Federal funds transferred  
5 to it from, or otherwise accepted by it from, any of the persons enumerated  
6 in paragraphs (b)(1) and (b)(2) of this section as the Federal component of  
7 an expenditure for Federal election activity under 11 CFR 300.32. A  
8 State, district, or local committee of a political party must itself raise the  
9 Federal component of an expenditure allocated between Federal funds and  
10 Levin funds under 11 CFR 300.32 and 300.33.

11 (2) A State, district, or local committee of a political party that makes an  
12 expenditure of Federal funds for Federal election activities must  
13 demonstrate that the Federal funds used to make the expenditure do not  
14 include Federal funds transferred to the committee in violation of this  
15 section. To make this demonstration, the committee must use an  
16 accounting method that employs general ledger accounts and that  
17 segregates assets, liabilities, revenue and expenses for Federal election  
18 activity undertaken pursuant to 11 CFR 300.32. If the accounting method  
19 is computer-based, the data must be back up no less than monthly.  
20 Alternatively, a State, district, or local committee of a political party  
21 committee may establish a separate Federal account into which the  
22 committee deposits only Federal funds raised by the committee itself, and  
23 from which all expenditures of Federal funds for Federal election activities  
24 are made.

1 (b) Levin funds. Levin funds must be raised solely by the State, district, or local  
2 committee of a political party that expends or disburses the funds. A State, district, or  
3 local committee of a political party must not use as Levin funds any funds transferred or  
4 otherwise provided to the committee by:

5 (1) Any other State, district, or local committee of any political party, any  
6 officer or agent acting on behalf of such a committee, or any entity  
7 directly or indirectly established, financed, maintained or controlled by  
8 such a committee; or,

9 (2) The national committee of any political party (including a national  
10 congressional campaign committee of a political party), any officer or  
11 agent acting on behalf of such a committee, or any entity directly or  
12 indirectly established, financed, maintained, or controlled by such a  
13 committee.

14 (c) Allocation transfers. Transfers of Levin funds between the accounts of a State,  
15 district, or local committee of a political party for allocation purposes must comply with  
16 11 CFR 300.33.

1 § 300.35 Office buildings.

2 (a) General provision. For the purchase or construction of its office building, a State  
3 or local party committee may spend Federal funds or non-Federal funds that are not  
4 subject to the limitations, prohibitions, and disclosure provisions of the Act, so long as  
5 such funds are not contributed or donated by a foreign national. See 2 U.S.C. 441e.  
6 ~~Funds received by the State or local party committee that are spent for the purchase or~~  
7 ~~construction of its office building.~~ If non-Federal funds are used, they are subject to State  
8 law. An office building must not be purchased or constructed for the purpose of  
9 influencing the election of any candidate in any particular election for Federal office. For  
10 purposes of this section, the term local party committee shall include a district party  
11 committee.

12 (b) Application of State law. ~~Amounts-Non-Federal funds~~ received by a State or  
13 local party committee that are spent for the purchase or construction of its office building  
14 are subject to State law as set forth in paragraphs (b)(1), and (2), ~~and (3)~~ of this section.

15 (1) Non-Federal account. If a State or local party committee uses non-Federal  
16 funds, Federal law does not preempt or supersede State law as to the  
17 source of funds used, the permissibility of the disbursements, or the  
18 reporting of the receipt and disbursement of such funds, except as  
19 provided in paragraphs (a) and (d) of this section.

20 ~~(2) Federal account. If a State or local party committee uses funds from its~~  
21 ~~accounts containing only Federal funds, Federal law does not supersede or~~  
22 ~~preempt State law as to the permissibility of the disbursements, except as~~  
23 ~~provided in paragraphs (a) and (d) of this section. Federal law also does~~

1 not preempt or supersede any State law that establishes additional  
2 prohibitions or limitations as to the source of the funds, as ascertained by  
3 application of a reasonable accounting method prescribed under State law.

4 (32) Levin funds. Levin funds may be used for the purchase or construction of  
5 a State or local party committee office building, if permitted by State law.

6 ~~(c) — Definition of "purchase or construction of an office building."~~

7 ~~(1) Office building means a structure and the land underlying the structure,  
8 comprised of structural components and fixtures essential to the operation  
9 or appearance of the office building, and that is lawfully occupied and  
10 used by a State or local party committee solely for its own party  
11 administration and election campaign support purposes. Office building  
12 does not include office furnishings, furniture, equipment, and machinery  
13 (such as computers, file cabinets, photocopiers, or audio-visual production  
14 equipment).~~

15 ~~(2) — Purchase means any payment to acquire the sole legal title to the building,  
16 including fees directly related to the acquisition of the building, such as  
17 sales commissions and real estate closing or settlement fees. Purchase  
18 does not include payments for the rent or leasing of an office building,  
19 property taxes and similar assessments, building maintenance, utility  
20 services, and office equipment.~~

21 ~~(3) — Construction includes the design and erection of the structure of a  
22 building. Construction does not include the maintenance or repair of the~~

1 building or its structural components, unless the repair work reaches a  
2 level to constitute major restoration or renovation of the building.

3 ~~(d) Allocation of expenses not within the definition of "purchase or construction of an~~  
4 ~~office building." If funds raised by a State or local party committee are used for an~~  
5 ~~expense for its office building and the expense does not fall within the definitions in~~  
6 ~~paragraph (c) of this section, the expense is an allocable administrative expense unless it~~  
7 ~~falls within another category, such as support for a Federal or non-Federal candidate. If~~  
8 ~~the expense is an allocable administrative expense, 11 CFR 106.7 applies.~~

9 (ec) Leasing a portion of the party office building. A State or local party committee  
10 may lease a portion of its office building to others to generate income at the usual and  
11 normal charge. If the building is purchased or constructed in whole or in part with non-  
12 Federal funds, all rental income shall be deposited in the committee's non-Federal  
13 account and used only for non-Federal purposes. Such rental income and its use must  
14 also comply with State law. If the building is purchased or constructed solely with  
15 Federal funds, the rental income may be deposited in the Federal account ~~only if the~~  
16 ~~sources of the revenue collected comply with the limitations and prohibitions of the Act~~  
17 ~~and the revenue does not exceed the limitations of the Act.~~ The receipt of such funds  
18 shall be reported in compliance with 11 CFR 104.3(a)(4)(vi).

19 (f) Transitional Provisions for State Party Building or Facility Account. Up to and  
20 including November 5, 2002, the State committee of a political party may accept funds  
21 into its party office building or facility account, established pursuant to repealed 2 U.S.C.  
22 431(8)(B)(viii), ~~and use the funds in the account only for the construction or purchase of~~  
23 ~~an office building or facility~~ designated for the purchase or construction of an office

1 building. Starting on November 6, 2002, the funds in the account will be subject to the  
2 ~~provisions of paragraphs (a) through (c) of this section if used for a State party office~~  
3 ~~building. They may not be used for Federal account or Levin account purposes. They~~  
4 but may be used for any non-Federal purposes, as permitted under State law.

5

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1 § 300.36 Reporting Federal election activity; recordkeeping.

2 (a) Requirements for a State, district, or local committee of a political party, or an  
3 association or similar group of candidates for State or local office or of individuals  
4 holding State or local office, that is not a political committee.

5 (1) A State, district, or local committee of a political party, or an association  
6 or similar group of candidates for State or local office or of individuals  
7 holding State or local office, that is not a political committee (see 11 CFR  
8 100.5) must demonstrate through a reasonable accounting method that  
9 whenever it makes a payment of Federal funds or Levin funds (if it is  
10 permitted to spend Levin funds) for Federal election activity (see 11 CFR  
11 300.32 and 300.33) it has received sufficient funds subject to the  
12 limitations and prohibitions of the Act to make the payment. ~~To make this~~  
13 ~~demonstration, the committee must use an accounting method that~~  
14 ~~employs general ledger accounts and that segregates assets, liabilities,~~  
15 ~~revenue and expenses for Federal election activity undertaken pursuant to~~  
16 ~~11 CFR 300.32. If the accounting method is computer based, the data~~  
17 ~~must be back up no less than monthly.~~ Such an organization must keep  
18 records of amounts received or expended under this paragraph and, upon  
19 request, shall make such records available for examination by the  
20 Commission.

21 (2) Notwithstanding the foregoing, A a payment of Federal funds or Levin  
22 funds for Federal election activity shall not constitute an expenditure for  
23 purposes of determining whether a State, district, or local committee of a  
24 political party, or an association or similar group of candidates for State or

1 local office or of individuals holding State or local office, qualifies as a  
2 political committee under 11 CFR 100.5, ~~unless the payment is excluded~~  
3 ~~from the definition of expenditure under 11 CFR 100.8~~ unless the payment  
4 otherwise qualifies as an expenditure under 2 U.S.C. 431(9). A payment  
5 of Federal funds for Federal election activity that meets the criteria of 11  
6 CFR 100.8(b)(10), (16), or (18) (exempt activities) shall be treated as a  
7 payment for exempt activity in accordance with all applicable provisions  
8 of this chapter, including, but not limited to, 11 CFR 100.5(c).

9 (b) Requirements for a State, district, or local committee of a political party, or an  
10 association or similar group of candidates for State or local office or of individuals  
11 holding State or local office, that is a political committee.

12 (1) Requirements for a State, district, or local committee of a political party  
13 that has less than \$5,000 of aggregate receipts and disbursements for  
14 Federal election activity in a calendar year, and for an association or  
15 similar group of candidates for State or local office or of individuals  
16 holding State or local office at all times. This paragraph applies to a State,  
17 district, or local committee of a political party that is a political committee,  
18 and that has less \$5,000 of aggregate receipts and disbursements for  
19 Federal election activity in a calendar year; and, at all times, to an  
20 association or similar group of candidates for State or local office or of  
21 individuals holding State or local office that is a political committee (see  
22 11 CFR 100.5). Such a party committee or association of candidates or  
23 officeholders must report all receipts and disbursements of Federal funds



1 for Federal election activity, including the Federally allocated portion of a  
2 payment for Federal election activity. A disbursement of Federal funds or  
3 Levin funds for Federal election activity (see 11 CFR 300.32 and 300.33)  
4 by either such a party committee or association of candidates or  
5 officeholders shall not be deemed an expenditure and reported as such  
6 pursuant to 11 CFR part 104, ~~unless the disbursement is excluded from the~~  
7 ~~definition of expenditure under 11 CFR 100.8~~ unless the disbursement  
8 otherwise qualifies as an expenditure under 2 U.S.C. 431(9).

9 (2) Requirements for a State, district, or local committee of a political party  
10 that has \$5,000 or more of aggregate receipts and disbursements for  
11 Federal election activity in a calendar year. A State, district, or local  
12 committee of a political party that is a political committee (see 11 CFR  
13 100.5) must report all receipts and disbursements made for Federal  
14 election activity if the aggregate amount of such receipts and  
15 disbursements is \$5,000 or more during the calendar year. The disclosure  
16 required by this paragraph must include receipts and disbursements of  
17 Federal funds and of Levin funds used for Federal election activity.

18 (i) Reporting of allocation of expenses between Federal funds and  
19 Levin funds. A State, district, or local committee of a political  
20 party that makes a disbursement for Federal election activity that is  
21 allocated between Federal funds and Levin funds (see 11 CFR  
22 300.33) must report for each such disbursement:

1 (A) In the first report of a calendar year disclosing an allocated  
2 disbursement for Federal election activity, the committee  
3 must state the allocation percentages to be applied for  
4 allocable Federal election activity pursuant to 11 CFR  
5 300.33(b).

6 (B) In each subsequent report in the calendar year itemizing an  
7 allocated disbursement for Federal election activity, the  
8 committee must state the category of Federal election  
9 activity (see 11 CFR 100.24(b)) for which each allocated  
10 disbursement was made, and must disclose the total  
11 amounts disbursed from Federal funds and Levin funds for  
12 that year to date for each such category.

13 (ii) Reporting of allocation transfers. A committee that makes  
14 allocated disbursements for Federal election activities in  
15 accordance with 11 CFR 300.33(d) shall report each transfer of  
16 Levin funds from its Levin account, to its Federal account, and  
17 each transfer from its Federal account and its Levin account into an  
18 allocation account, for the purpose of making such disbursements.  
19 In the report covering the period in which each transfer occurred,  
20 the committee must explain in a memo entry the allocated  
21 disbursement to which the transfer relates and the date on which  
22 the transfer was made. If the transfer includes funds for the  
23 allocable costs of more than one category of Federal election

1 activity, the committee must itemize the transfer, showing the  
2 amounts designated for each category.

3 (iii) Reporting of allocated disbursements. For each disbursement  
4 allocated between Federal funds and Levin funds, the committee  
5 must report the full name and address of each person to whom the  
6 disbursement was made, the date of the disbursement, amount and  
7 purpose of the disbursement. If the disbursement is for the  
8 allocable costs of more than one category of Federal election  
9 activity, the committee must itemize the ~~payment~~ disbursement,  
10 showing the amounts designated for each category. The committee  
11 must also disclose the total amount disbursed from Federal funds  
12 and Levin funds for Federal election activity that calendar year, to  
13 date, for each category of Federal election activity.

14 (iv) Itemization. The disclosure required by paragraph (b)(2) of this  
15 section must include, in addition to any other applicable reporting  
16 requirement of this chapter, the itemized disclosure of receipts and  
17 disbursements of \$200 or more to or from any person for Federal  
18 election activities.

19 (3) Reporting of disbursements allocated between Federal funds and non-  
20 Federal funds, other than Levin funds. A State, district, or local  
21 committee of a political party that makes a disbursement for costs  
22 allocable between Federal and non-Federal funds, other than the costs of

1 Federal election activity that is allocated between Federal funds and Levin  
2 funds under 11 CFR 300.33, must comply with 11 CFR 104.17.

3 (c) Filing.

4 (1) Schedule. A State, district, or local committee of a political party, or an  
5 association or similar group of candidates for State or local office or of  
6 individuals holding State or local office, that must file reports under  
7 paragraph (b) of this section must comply with the monthly filing schedule  
8 in 11 CFR 104.5(c)(3).

9 (2) Electronic filing. Receipts of Federal funds for Federal election activity  
10 that constitute contributions under 11 CFR 100.7, and disbursements of  
11 Federal funds for Federal election activity that constitute expenditures  
12 under 11 CFR 100.8, apply when determining whether a political  
13 committee must file reports in an electronic format under 11 CFR 104.18.

14 (d) Recordkeeping. A State, district, or local committee of a political party, or an  
15 association or similar group of candidates for State or local office or of individuals  
16 holding State or local office, that must file reports under paragraph (b) of this section  
17 must comply with the requirements of 11 CFR 104.14.

1 **Subpart D – Federal Candidates and Officeholders**

2 **§ 300.60 Scope (2 U.S.C. 441i(e)(1)).**

3 This subpart applies to:

- 4 (a) Federal candidates;
- 5 (b) Individuals holding Federal office (see 11 CFR 100.4);
- 6 (c) Agents acting on behalf of a Federal candidate or individual holding Federal  
7 office, and
- 8 (d) Entities that are directly or indirectly established, financed, maintained, or  
9 controlled by, or acting on behalf of, one or more Federal candidates or individuals  
10 holding Federal office.

11 **§ 300.61 Federal elections (2 U.S.C. 441i(e)(1)(A)).**

12 No person described in 11 CFR 300.60 shall solicit, receive, direct, transfer, or  
13 spend, or disburse funds in connection with an election for Federal office, including  
14 funds for any Federal election activity as defined in 11 CFR 100.24, unless the amounts  
15 consist of Federal funds that are subject to the limitations, prohibitions, and reporting  
16 requirements of the Act.

17 **§ 300.62 Non-Federal elections (2 U.S.C. 441i(e)(1)(B)).**

18 A person described in 11 CFR 300.60 may solicit, receive, direct, transfer, or  
19 spend, or disburse funds in connection with any non-Federal election, only in amounts  
20 and from sources that are consistent with State law, and that do not exceed the Act's  
21 contribution limits or come from prohibited sources under the Act.

22 **§ 300.63 Exception for State party candidates (2 U.S.C. 441i(e)(2)).**

1 Section 300.62 shall not apply to a Federal candidate or individual holding  
2 Federal office who is a candidate for State or local office, if the solicitation, receipt or  
3 spending of funds is permitted under State law; and refers only to that State or local  
4 candidate, to any other candidate for that same State or local office, or both. If an  
5 individual is simultaneously running for both Federal and State or local office, the  
6 individual must raise, accept, and spend only Federal funds for the Federal election.

7 **§ 300.64 Exemption for attending or speaking at fundraising events (2 U.S.C.**  
8 **441i(e)(3)).**  
9

10 Notwithstanding the provisions of 11 CFR 100.24, 300.61 and 300.62, a Federal  
11 candidate or individual holding Federal office may attend, speak, or be a featured guest at  
12 a fundraising event for a State, district, or local committee of a political party, including a  
13 fundraising event at which Levin funds are raised, or at which non-Federal funds are  
14 raised. In light of the foregoing:

15 (1) State, district, or local committees of a political party may advertise,  
16 announce or otherwise publicize that a Federal candidate or individual  
17 holding Federal office will attend, speak, or be a featured guest at a  
18 fundraising event, including, but not limited to, publicizing such  
19 appearance in pre-event invitation materials and in other party committee  
20 communications; and

21 (2) Candidates and individuals holding Federal office may speak at such  
22 events without restriction or regulation.

23 ~~The sponsoring entity may advertise, announce, or otherwise publicize that the Federal~~  
24 ~~candidate or Federal officeholder will attend, speak, or be a featured guest at the event.~~

25 ~~The Federal candidate or individual holding Federal office must not:~~

- 1  ~~(a) Serve on the host committee for a fundraising event;~~
- 2  ~~(b) Sign a solicitation for the event;~~
- 3  ~~(c) Actively solicit funds at the event;~~
- 4  ~~(d) Receive or accept contributions or donations; or~~
- 5  ~~(e) Direct contributions or donations to others.~~

6

7

Attachment \_\_\_\_\_

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1 **Subpart E – State and Local Candidates**

2 **§ 300.70 Scope (2 U.S.C. 441i(f)(1)).**

3 This subpart applies to any candidate for State or local office, individual holding  
4 State or local office, or an agent acting on behalf of any such candidate or individual. For  
5 example, this subpart applies to an individual holding Federal office who is a candidate  
6 for State or local office. This subpart does not apply to an association or similar group of  
7 candidates for State or local office or of individuals holding State or local office.

8 **§ 300.71 Federal funds required for certain public communications (2 U.S.C.**  
9 **441i(f)(1)).**

10  
11 No individual described in 11 CFR 300.70 shall spend any funds for a public  
12 communication that refers to a clearly identified candidate for Federal office (regardless  
13 of whether a candidate for State or local office is also mentioned or identified), and that  
14 promotes or supports any candidate for that Federal office, or attacks or opposes any  
15 candidate for that Federal office (regardless of whether the communication expressly  
16 advocates a vote for or against a candidate) unless the funds consist of Federal funds that  
17 are subject to the limitations, prohibitions, and reporting requirements of the Act. See  
18 definition of public communication at 11 CFR 100.26

19 **§ 300.72 Federal funds not required for certain communications (2 U.S.C.**  
20 **441i(f)(2)).**

21  
22 The requirements of section 11 CFR 300.71 shall not apply if the public  
23 communication is in connection with an election for State or local office, and refers to  
24 one or more candidates for State or local office or to a State or local officeholder but does  
25 not promote, support, attack, or oppose any candidate for Federal office.



1 > Section 9034.8 is amended by adding introductory language to paragraph (a) to  
2 read as follows:

3 § 9034.8 **Joint fundraising.**

4 (a) General. Nothing in this section shall supersede 11 CFR part 300, which  
5 prohibits any person from soliciting, receiving, directing, transferring, or spending any  
6 non-Federal funds, or from transferring Federal funds for Federal election activities.

7

