

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **AUDIT DIVISION**

**2009-2010**

## **MATERIALITY THRESHOLDS**



## **Authorized Committees**

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## TABLE OF CONTENTS

(CTRL+Click to go directly to the page)

Alternative Dispute Resolution Program.....	3
Clarifications.....	4
Knowing and Willful Violations of the Act .....	4
Receipt of Prohibited Contributions .....	5
Receipt of Contributions and Loans in Excess of the Limitation.....	8
Use of General Election Contributions for Primary Expenditures .....	12
Receipt of Contributions of Currency in Excess of the Limitation .....	14
Prohibited Contributions from Unregistered Political Organizations .....	16
Untimely Deposits of Contributions.....	18
Failure to Itemize Receipts or Expenditures.....	19
Failure to Itemize Loans, Loan Repayments & Debts and Obligations.....	21
Failure to Itemize Contributions from Political Committees .....	23
Omission of Disclosure Information for Receipts and Disbursements .....	24
Omission of Occupation and Name or Employer.....	26
Misstatement of Financial Activity .....	27
Increased Financial Activity .....	30
Recordkeeping - Receipts .....	31
Recordkeeping-Disbursements .....	32
Failure to File 48 Hour Notices .....	33
Advances Made by Committee Staff & Other Individuals .....	34
Extensions of Credit Made by Commercial Vendors.....	35
Personal Use of Funds .....	36
Other Errors or Omissions .....	37

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Alternative Dispute Resolution Program**

These thresholds include criteria for referring matters to the Commission's Alternative Dispute Resolution (ADR) program. The criteria for referring matters to ADR are in addition to the criteria for referring matters to the Office of General Counsel and are aimed at efficiently resolving certain violations arising from audits.

In certain instances, a concurrent MUR or Pre-MUR may be a factor for excluding a finding from referral to ADR. MURS and Pre-MURs must be reviewed to identify the issues involved and how close the MUR is to resolution. After discussions with the Audit Manager, a determination will be made about proposing a referral to ADR.

In general, the Committees that will be referred to ADR include:

- Those where the findings breach our thresholds for inclusion in the interim audit report (IAR) and the Committee's response to the finding reduces the violation to a level that exceeds the threshold for inclusion in the report but is less than the threshold for referral to OGC.
- Those findings where in response to the IAR, the Committee filed amended reports that materially corrected the violation, but the original magnitude of the problem was large. This document includes ADR thresholds for Committees that file materially correct amended reports in response to the IAR.
- Finally, if a referral is to be made to OGC, an evaluation of the referral should be made in conjunction with the Audit Manager to determine if the matter is better suited for the ADR program. Such cases are those where the exclusionary factors are not present, corrective action has been taken, and the case, as a whole, is not one that experience has shown would be a high priority in OGC. If the Audit Manager and the Assistant Staff Director agree, the recommended course of action will be presented to OGC for its comment. The comment period will be 14 calendar days, with OGC being able to extend the review period to a maximum of 30 days. At the end of that period, if no objection is received the referral will be processed.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Clarifications

1. **Reported Amounts as basis for Threshold Amounts** - For all thresholds, the reported amount will be used if the reported amount is materially correct. If the reported amount is materially misstated, the auditor may use the committee's database provided that it has been reconciled to the bank.
2. **Rounding Threshold Amounts** - To determine the threshold amounts, apply the threshold percentage to the appropriate reported amount and round the result up to the nearest \$100. For example, if the reported amount of contributions from individuals is \$725,000, the threshold percentage is 3.5%, the threshold amount is \$25,400 ( $\$725,000 \times .035 = \$25,375$ ).
3. **Best Efforts** – The regulations address best efforts to obtain contributor information (11 CFR 104.7) and to obtain records for disbursements (11 CFR 102.9(d)).

## Knowing and Willful Violations of the Act

Any matter, whether or not it meets the materiality threshold for inclusion in the interim audit report or referral to the Office of General Counsel, can still be referred to OGC if the auditor suspects there is a Knowing and Willful Violation of the Act (2 U.S.C. 437g (a)(5) and (d)). The auditor in conjunction with the Audit Manager and Assistant Staff Director will review the matter, confer with OGC (GLA), and decide if a referral will be made.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Receipt of Prohibited Contributions

### Regulatory Cites

2 USC §§441 b, c, e & f

### Applicable to the following:

- Contributions from corporations, unions, national banks, government contractors, foreign nationals.
- Contributions in the name of another.

### How the Threshold is applied:

- The dollar value of the projection of the error for UNRESOVLED apparent prohibited contributions and the UNTIMELY resolved apparent prohibited contributions are totaled and compared to the threshold below.
- The “single event threshold” may be applicable to prohibited contributions that do not meet inclusion in the interim audit report.

### Criteria for Inclusion in the Audit Report:

#### 100% Review and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the apparent prohibited contributions is greater than [REDACTED] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3
- AND**
- the dollar value of the apparent prohibited contributions exceeds [REDACTED].

Tolerable Sampling Error = [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criteria for Referral to Office of General Counsel

A referral to OGC will be made if:

- the response to the interim audit report does not reduce the prohibited amount to [REDACTED] or less of the total reported amount of contributions from individuals
- OR**
- the dollar value to [REDACTED] or less
- AND**
- the required refunds were not made.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

However, a referral to OGC or ADR will **NOT** be made if:

- the response to the IAR reduces the prohibited contributions to greater than [REDACTED] but less than or equal to [REDACTED] of contributions from individuals.
- AND**
- the required refunds were made.

**How a committee can reduce the apparent prohibited amount**

A committee must submit evidence that a contribution was not prohibited or was timely refunded.

**Criteria for Referral to Alternative Dispute Resolution**

A referral to ADR will be made if:

- the response to the interim audit report does not reduce the prohibited amount to less than or equal to [REDACTED] of the total reported amount of contributions from individuals
- OR**
- the dollar value to [REDACTED] or less
- AND**
- the committee made the recommended refunds

**Single Event Threshold (Referral to OGC)**

Consider this threshold if the threshold for inclusion in the audit report is not met.

Prohibited contributions will be referred after the exit conference response period if:

- the prohibited contribution is greater than [REDACTED]
- AND**
- the threshold for inclusion in interim audit report has not been met
- AND**
- the committee has not refunded the prohibited contribution.

**Single Event Threshold (Referral to ADR)**

Consider this threshold if the threshold for inclusion in the audit report is not met.

Prohibited contributions will be referred after the exit conference response period if:

- the prohibited contribution is greater than [REDACTED]
- AND**
- the threshold for inclusion in interim audit report has not been met
- AND**
- the committee has refunded the prohibited contribution (although untimely and/or subsequent to the date of the audit notification letter).

**Applicable Policy**

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- The interim audit report must state whether the committee was in compliance with 11 CFR §103.3(b)(4). To determine compliance, the **sum** of excessive and prohibited contributions must be compared to the available cash.
- The prohibited amount should be refunded or disposed of no later than ■ days from the date of deposit (provided that there is sufficient assurance the contributions are being deposited within 2 or 3 days of receipt).
- If a contribution is referable to OGC or ADR at the interim audit report stage (Single Event threshold) the contribution(s) in question will be addressed at the exit conference. The committee will have the 10-day post exit conference response period to demonstrate that the contribution was not from prohibited sources.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Receipt of Contributions and Loans in Excess of the Limitation

### Regulatory Cites

2 USC § 441a(a)

### Applicable to the following:

- Contributions received from individuals.
- Contributions received from political committees.
- Loans in excess of the contribution limitation by any person.
- Any portion of any loan endorsed or guaranteed by any person in excess of the limitation.

### How the Threshold is applied:

- Each category (Individuals; Political Committees & Loans) is tested separately and the appropriate threshold applied.
- For Individuals- There are three separate characteristics: Non-Curable Excessives; Untimely Resolved Excessives; Curable Excessives.
- The dollar value of the projection of the error for “curable” and “untimely resolved” is combined and compared to the thresholds below.
- The “single event threshold” may be applicable to excessive contributions that do not meet inclusion in the interim audit report.

### Criteria for Inclusion in the Audit Report:

#### 100% Review and Dollar Unit Sample Reviews

##### Contributions From Individuals (Non-Curables)

The matter will be addressed in the interim audit report if:

- the dollar value of apparent excessive contributions is greater than [REDACTED] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3)

AND

- the dollar value of apparent excessive contributions exceeds [REDACTED].

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

##### Contributions From Individuals (Untimely Resolved or Curable)

The matter will be addressed in the interim audit report if:

- the combined dollar value of apparent excessive contributions is greater than [REDACTED] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3)

AND



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the dollar value of apparent excessive contributions exceeds [REDACTED].

**Tolerable Sampling Error**=[REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

**Contributions From Political Committees**

The matter will be addressed in the interim audit report if:

- the dollar value of apparent excessive contributions is greater than [REDACTED] of the total reported amount of contributions from political committees  
**AND**
- the dollar value of apparent excessive contributions exceeds [REDACTED].

**Tolerable Sampling Error**=[REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

**Audit Recommendation**

The recommendation will:

- present the committee an opportunity to demonstrate that the apparent excessive contributions were not excessive or were timely resolved  
**AND**
- afford the committee an opportunity to resolve any remaining unresolved apparent excessive contribution either through refund, payment to the Treasury, or, if applicable, presumptive redesignation or re attribution.

**Criteria for Referral to Office of General Counsel**

A referral to OGC will be made if:

**Contributions From Individuals (Non-Curable)**

The response to the interim audit report:

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from individuals  
**OR**
- the aggregate amount to [REDACTED] or less  
**AND**
- the committee has not made the recommended refunds.

**Contributions From Individuals (Untimely Resolved or Curable Excessives)**

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from individuals  
**OR**
- the aggregate amount to [REDACTED] or less.  
**AND**
- the committee did not comply with the recommendation.

**Contributions From Political Committees**

The response to the interim audit report

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from political committee
- OR**
- the aggregate amount to [REDACTED] or less
- AND**
- the committee has not made the recommended refunds.

**How a committee can reduce the apparent excessive amount**

A committee must submit either evidence that a contribution was not excessive or evidence that the contribution was timely redesignated or reattributed (either written or presumptive), or timely refunded.

A referral to OGC will **NOT** be made if:

- the response to the IAR reduces the excessive contributions to greater than [REDACTED] but less than or equal to [REDACTED] of contributions from individuals
- AND**
- the required refunds were made.

**Criteria for Referral to Alternative Dispute Resolution**

A referral to ADR will be made if:

**Contributions From Individuals (Non- Curable Excessives)**

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from individuals
- AND**
- the committee has made the recommended refunds.

**Contributions From Individuals (Untimely Resolved or Curable Excessives)**

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from individuals
- AND**
- the committee complied with the recommendation.

**Contributions From Political Committees**

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from political committee
- OR**
- the aggregate amount to [REDACTED] or less
- AND**
- the committee complied with the recommendation.

**Single Event Threshold (Referral to OGC)**

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

Consider this threshold if the threshold for inclusion in the audit report is not met.

Excessive contributions will be referred after the exit conference response period if:

- the apparent excessive contribution is in excess of the relevant limitation by more than [REDACTED] (individuals); greater than [REDACTED] (multicandidate committees)  
**AND**
- the threshold for inclusion in interim audit report has not been met  
**AND**
- the committee has not refunded, reattributed, or redesignated the excessive contribution. Contributions that have been untimely resolved may be referred to ADR.

#### **Single Event Threshold (Referral to ADR)**

Consider this threshold if the threshold for inclusion in the audit report is not met.

Excessive contributions will be referred after the exit conference response period if:

- the apparent excessive contribution exceeds the relevant limitation by more than [REDACTED] (individuals); greater than [REDACTED] (multicandidate committees)  
**AND**
- the threshold for inclusion in interim audit report has not been met  
**AND**
- the committee has untimely refunded, reattributed, or redesignated the excessive contribution.

#### **Applicable Policy**

- The excessive contribution may be redesignated to another election, reattributed to another accountholder (either presumptive or written authorization) or refunded within [REDACTED] days of deposit (provided that there is sufficient assurance the contributions are being deposited within 2 to 3 days of receipt).
- If a contribution is referable to OGC or ADR at the interim audit report stage (Single Event threshold) the contribution(s) in question will be addressed at the exit conference. The committee will have the 10-day post exit conference response period to demonstrate that the contribution was not excessive.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Use of General Election Contributions for Primary Expenditures

### Regulatory Cites

11 CFR §102.9(e)

### Applicable to the following:

- The use of general election contributions received before the primary election for primary expenses. This can also apply to runoff election contributions.

### How the Threshold is applied:

- This is determined by subtracting the cumulative amount of general election contributions (less any general election expenses) from the committee's daily cash balance to determine if general election contributions were used to pay primary expenses.
- If the adjusted cash balance from this calculation is negative on any day, then general election contributions were used.
- The same calculation is used to determine if contributions received for a runoff election were used for another election prior to the runoff.

### Criteria for Inclusion in the Audit Report:

#### 100% Review

The matter will be addressed in the interim audit report if:

Account maintained with both Primary/General contributions:

- The sum of all negative daily cash balances during the primary election period exceeds [REDACTED] of the total pre-primary general election contributions received

AND

- The sum of all negative balances during the primary election period is at least [REDACTED]

AND

- The daily cash balance was negative [REDACTED] during the primary election period.

Separate accounts:

- Withdrawals (excluding contribution refunds or the transfer of redesignated contributions) during the primary election period that exceed [REDACTED] of the total pre-primary general election contributions received

AND

- The aggregate dollar value total is at least [REDACTED].

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Criteria for Referral to Office of General Counsel**

A referral to OGC will be made if:

The response to the interim audit report:

- does not reduce the aggregate negative daily balances to less than [REDACTED] of the total pre-primary general election contributions received

**AND**

- does not reduce the aggregate negative cash balance to less than [REDACTED]

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Receipt of Contributions of Currency in Excess of the Limitation**

**Regulatory Cite**

2 USC § 441g

**Applicable to the following:**

- Currency contributions and contributions using a gift card or similar instrument in excess of \$100 per contributor for a campaign for nomination or for election.
- Anonymous cash contributions in excess of \$50.

**How the Threshold is applied:**

- The dollar value of the errors for excessive currency contributions and excessive anonymous contributions are totaled and compared to the threshold below.

**Criteria for Inclusion in the Audit Report:**

**100% Review and Dollar Unit Sample Review**

The matter will be addressed in the interim audit report if:

- the dollar value of the excessive currency and the dollar value of excessive anonymous contributions (added together) is greater than [REDACTED] of the total reported amount of contributions from individuals

AND

- the dollar value of the excessive currency exceeds [REDACTED].

Tolerable Sampling Error=[REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

**Criteria for Referral to Office of General Counsel**

A referral to OGC will be made if:

- the response to the interim audit report does not reduce the dollar value of the excessive amount to [REDACTED] or less of the total reported amount of contributions from individuals

OR

- the aggregate excessive amount to [REDACTED] or less

AND

- the committee did not comply with the recommendation.

**How a committee can reduce the apparent excessive amount**

A committee can reduce the amount of the errors by submitting evidence that a contribution was not excessive or evidence that the contribution was timely refunded or disposed of. To be timely, contributions must be refunded or disposed of in an acceptable manner within [REDACTED] days of deposit, provided that there is sufficient assurance that contributions are being deposited within 2 to 3 days of receipt.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Criteria for Referral to ADR**

A referral to ADR will be made if:

- The response to the interim audit report does not reduce the dollar value of the excessive amount to [REDACTED] or less of the total reported amount of contributions from individuals
- OR**
- the aggregate excessive amount to [REDACTED] or less
- AND**
- the committee did comply with the recommendation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Contributions from Unregistered Political Organizations

### Regulatory Cite

11 CFR 102.5(b)

### Applicable to the following:

- Contributions received from unregistered political organizations in excess of [REDACTED] per year.

### How the Threshold is applied:

- The recipient political committee must demonstrate that the funds it received from the unregistered political organization were from *permissible sources* (such as a letter from the contributing organization attesting to the permissibility of the contribution). Although the contribution may be deemed permissible, it will still be considered excessive if in excess of the relevant limitation for an individual.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the apparent excessive contribution is greater than [REDACTED] of total reported contributions (The sum of Lines 11a(iii), 11(b), 11(c))  
AND
- the dollar value of the excessive contributions exceeds [REDACTED].

Tolerable Sampling Error=[REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criteria for Referral to the Office of General Counsel

A referral to OGC will be made if;

- the response to the interim audit report does not reduce the prohibited amount to [REDACTED] or less of total reported contributions (The sum of Lines 11a(iii), 11(b), 11(c))
  - OR
- the aggregate excessive amount to [REDACTED] or less  
AND
- the committee did not comply with the recommendation.

### How a committee can reduce the apparent prohibited amount

A committee must submit the following

- Evidence that the contributing organization's funds were from permissible sources  
OR
- Evidence that the contribution was timely refunded or disposed of. To be timely, contributions must be refunded or disposed of in an acceptable manner within [REDACTED] days



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

of deposit, provided that there is sufficient assurance that contributions are being deposited within 2 to 3 days of receipt.

**Criteria for Referral to Alternative Dispute Resolution**

A referral to ADR will be made if:

- the response to the interim audit report does not reduce the prohibited amount to [REDACTED] or less of total reported contributions (The sum of Lines 11a(iii), 11(b), 11(c))
- OR**
- the aggregate excessive amount to [REDACTED] or less
- AND**
- the committee did comply with the recommendation.

**Criteria for Referral to the Reports Analysis Division**

A referral to RAD will be made after the response to the interim audit report is received if:

- an unregistered political organization makes aggregate contributions which have not been refunded or transferred out, greater than [REDACTED] during the audit period.
- The referral should include relevant parts of the committee's response to the interim audit report.
- RAD will address registration of the unregistered committee. Audit will address the receipt of the contribution.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Untimely Deposits of Contributions

### Regulatory Cites

11 CFR §103.3(a)

### Applicable to the following:

- Contributions from individuals.
- Contributions from political committees and party committees.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

This matter will be addressed in the interim audit report if:

- the total dollar value of the untimely deposits is greater than [REDACTED] of the total amount of all deposits
- AND
- the dollar value of the untimely deposits exceed [REDACTED].

Tolerable Sampling Error = [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criterion for Referral to Alternative Dispute Resolution

A referral to ADR will be made if:

- the response to the interim audit report does not reduce the amount of untimely deposits to [REDACTED] or less of the total amount of all deposits
- AND
- the dollar value of the untimely deposits exceed [REDACTED].

### How a committee can demonstrate contributions were not errors

To reduce the amount of untimely deposits/transmittals a committee must demonstrate that the deposits were made timely.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Failure to Itemize Receipts or Expenditures

### Regulatory Cites

2 USC § 434(b) & (e)

### Applicable to the following:

- Contributions from individuals (including in-kind and earmarked), (Schedule A, Line 11(a)(i))
- Transfers from Other Authorized Committees (Schedule A, Line 12)
- Offsets to Operating Expenditures (refunds, rebates, returns of deposits) (Schedule A, Line 14)
- Other Receipts (dividends, interests, etc.) (Schedule A, Line 15)
- Operating Expenditures (Schedule B, Line 17)
- Transfers to Other Authorized Committees (Schedule B, Line 18)
- Refunds of Contributions (Schedule B, Line 20)
- Other Disbursements (Schedule B, Line 21)

### How the Threshold is applied:

- The categories of receipts or categories of expenditures should be combined, whenever possible.
- For example, all receipt itemization errors should be evaluated against the threshold calculated based on total receipts.

### Criterion for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the aggregate dollar value of receipts/expenditures that were required to be itemized but were not, is greater than [REDACTED] of the total dollar value of all transactions itemized for the specific category (receipts/disbursements)
- AND
- the aggregate dollar value of receipts/expenditures that were required to be itemized but were not, exceeds [REDACTED].

**Tolerable Sampling Error** = [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if:

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the response to the interim audit report does not reduce the unitemized amount to [REDACTED] or less of the total dollar value of all transactions itemized for the specific category (receipts/disbursements)  
**AND**
- the aggregate dollar value of receipts/expenditures that were required to be itemized but were not, is greater than [REDACTED]  
**AND**
- the committee did not comply with the recommendation.

**How a committee can demonstrate a transaction was itemized:**

The committee can reduce the amount in error by demonstrating that the transactions were itemized on reports filed prior to the audit notification letter or show the transactions were not required to be itemized.

**Criteria for Referral to ADR**

The matter will be referred to ADR if:

- the aggregate dollar value of receipts or expenditures that were required to be itemized but were not is greater than [REDACTED] of the dollar value of transactions itemized for the specific category  
**AND**
- the aggregate dollar value of receipts or expenditures that were required to be itemized but were not, is greater than [REDACTED]  
**AND**
- the committee did comply with the recommendation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Failure to Itemize Loans, Loan Repayments & Debts and Obligations

### Regulatory Cite

2 USC § 434(b)

### Applicable to the following:

#### Tested 100% only

- Loans Received (Schedules A and C, Line 13)
- Loans Repayments Made (Schedule B, Line 19)

#### Tested 100% or DUS

- Debts and Obligations owed by the Committee (Schedule D, Line 10)
- Debts and Obligations owed to the Committee (Schedule D, Line 9)

### How the Threshold is applied:

- This threshold is applied separately to each category.
- For Debts and Obligations owed by the Committee (Schedule D, Line 10) tested on a sample basis, all disbursement sample items are testable for potential debt reporting.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be address in the interim audit report if:

- the aggregate dollar value of the unreported amount for the category tested is greater than [REDACTED] of the aggregate dollar value of transactions that should have been reported (correct reportable) for each category during the audit period
- AND
- the aggregate dollar value of the unreported amount for the category is greater than [REDACTED].

Tolerable Sampling Error = [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the aggregate dollar value of the unreported amount for the category tested to [REDACTED] or less of the total dollar value of disbursements

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

AND

- the aggregate dollar value of the unreported amount is greater than [REDACTED]

AND

- the committee did not comply with the recommendation.

**How a committee can demonstrate a transaction was itemized:**

The committee can reduce the amount in error by demonstrating that the transactions were itemized on reports filed prior to the audit notification letter or by showing that the transaction did not require itemization.

**Criteria for Referral to ADR**

The matter will be referred to ADR if:

- the response to the interim audit report does not reduce the aggregate dollar value of the unreported amount for the category tested to [REDACTED] or less of the total dollar value of disbursements

AND

- the aggregate dollar value of the unreported amount for the category is greater than [REDACTED]

AND

- the committee did comply with the recommendation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Failure to Itemize Contributions from Political Committees**

### **Regulatory Cite**

2 USC § 434(b) & (e)

### **Applicable to the following:**

- Contributions received from political committees.

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be included in the interim audit report if:

- the dollar value of contributions from political committee not itemized is greater than [REDACTED] of the total reported amount of the contributions received from political committees

**AND**

- the aggregate dollar value of contributions not itemized from political committee is greater than [REDACTED]

### **Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the dollar value of contributions from political committee that were not itemized to [REDACTED] or less

**AND**

- the aggregate dollar value is greater than [REDACTED]

**AND**

- the committee did not comply with the recommendation.

### **How a committee can demonstrate a transaction was itemized:**

To reduce the dollar value of contributions from political committees that were not itemized a committee must demonstrate that the contributions were itemized on reports filed prior to the audit notification letter.

### **Criteria for Referral to Alternative Dispute Resolution**

The matter will be referred to ADR if:

- the response to the interim audit report does not reduce the dollar value of contributions from political committees that were not itemized to [REDACTED] or less

**AND**

- the aggregate dollar value is greater than [REDACTED]

**AND**

- the committee complied with the recommendation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Omission of Disclosure Information for Receipts and Disbursements**

### **Regulatory Cites**

2 USC § 434(b) and 11 CFR §104.3

### **Applicable to the following:**

- Contributions from individuals (including in-kind and earmarked), (Schedule A, Line 11(a)(i))
- Contributions from political committees (Schedule A, Lines 11(b) and (c))
- Transfers from Other Authorized Committees (Schedule A, Line 12)
- Offsets to Operating Expenditures (refunds, rebates, returns of deposits) (Schedule A, Line 14)
- Other Receipts (dividends, interests, etc.) (Schedule A, Line 15)
- Operating Expenditures (Schedule B, Line 17)
- Transfers to Other Authorized Committees (Schedule B, Line 18)
- Refunds of Contributions (Schedule B, Line 20)
- Other Disbursements (Schedule B, Line 21)
- Debts and Obligations (Schedule D)

### **How the Threshold is applied:**

- Best Efforts-If during the review “best efforts” are documented for those items lacking adequate disclosure information, such items will not be considered errors.
- The categories of receipts/expenditures should be combined, whenever possible. For example, all receipt disclosure errors should be evaluated against the threshold calculated based on total receipts.

### **Criterion for Inclusion in the Audit Report:**

#### **100% and Dollar Unit Sample Review**

The matter will be addressed in the interim audit report if:

- the aggregate dollar value of disclosure errors is greater than [REDACTED] of the total reported amount of receipts/expenditures itemized on the committee’s reports
- AND**
- the aggregate dollar value of disclosure errors exceeds [REDACTED].



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

**Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the amount of disclosure errors to [REDACTED] or less of the amount of receipts/expenditures itemized on the committee's reports.

AND

- the aggregate dollar value of disclosure errors is greater than [REDACTED]

AND

- the committee did not comply with the recommendation.

**How a committee can demonstrate a transaction was correctly disclosed**

To reduce the dollar value of disclosure errors the committee must demonstrate that the disclosure was correct or that best efforts were made to obtain, maintain and submit the required information.

**Criteria for Referral to Alternative Dispute Resolution**

The matter will be referred to ADR if:

- the response to the interim audit report does not reduce the amount of disclosure errors to [REDACTED] or less of the amount of receipts/expenditures itemized on the committee's reports

AND

- the aggregate dollar value of disclosure errors is greater than [REDACTED]

AND

- the committee complied with the recommendation.

Approved May 3, 2011

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Omission of Occupation and Name of Employer

### Regulatory Cites

2 USC § 434(b) and 11 CFR § 104.3

### Applicable to the following:

- The threshold is applied to contributions from individuals that are itemized on the committee disclosure reports.

### How the Threshold is applied:

- Best Efforts-If during the review “best efforts” are documented for those items lacking adequate disclosure information, such items will not be considered errors.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of itemized contributions having missing or inadequate occupation/name of employer is greater than [REDACTED] of the dollar value of all itemized contributions requiring such disclosure.

AND

- the aggregate dollar value exceeds [REDACTED]

Tolerable Sampling Error = [REDACTED] or [REDACTED] of the error, whichever is greater.

### Criterion for Referral to Alternative Dispute Resolution

The matter will be referred to ADR if:

- the aggregate dollar value of itemized contributions having missing or inadequate occupation/name of employer is greater than [REDACTED] of all itemized contributions requiring such disclosure.

AND

- the aggregate dollar value is greater than [REDACTED].

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Misstatement of Financial Activity**

### **Regulatory Cite**

2 USC § 434(b)

### **Applicable to the following:**

- Discrepancies between reported financial activity (receipts, disbursements, and cash on hand) and the activity reportable according to the bank reconciliation.

### **How the Misstatement is Presented in the Report:**

- If only receipts or disbursements are materially misstated, the finding will explain the beginning cash on hand, ending cash on hand, receipt, and disbursement misstatements in order for the committee to file complete and accurate amendments.
- If only cash on hand is materially misstated, the committee will be requested to amend its latest report filed to correct the cash on hand balance. Receipt and disbursement discrepancies should be presented to the committee at the exit conference even though these will not appear in the audit report.

### **Criteria for Inclusion in the Audit Report:**

The matter will be addressed in the interim audit report if:

#### **Misstated Activity (Receipts or Expenditures) Threshold**

- if the reported amount of receipt or expenditures, when compared to the correct reportable amount per the bank, is misstated by greater than [REDACTED]
- AND
- the misstated amount of receipts or expenditures is greater than [REDACTED].

#### **Absolute Value of Misstated Activity (Receipts or Expenditures) Threshold**

- if the sum of the absolute values of the identified receipt or expenditure errors (disregarding signs), when compared to the correct reportable amount of receipts or expenditures per the bank, is greater than [REDACTED]

#### **Cash on Hand Threshold**

- the reported amount of cash on hand (either beginning or ending) is misstated by greater than [REDACTED] of either the correct reportable amount of receipt or expenditures, whichever is greater.
- AND
- the misstated amount exceeds [REDACTED]

### **Criteria for Referral to the Office General Counsel**

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

After determining if the response to the interim audit report has reduced the misstated amount of receipts or expenditures (See “How a committee can reduce the misstated amount”), the matter will be referred to OGC if any of the conditions are met in #1, #2 or #3 below:

**1. Receipts and Expenditures**

- The reported amount of receipts or expenditures was misstated by greater than [REDACTED]  
AND
- the reported amount of receipts or expenditures was misstated by more than [REDACTED]

**2. Receipts and Expenditures**

- Amended reports do not reduce the misstated amount of receipts or expenditures to less than the threshold for inclusion in the interim audit report.

**3. Absolute Value of Misstated Activity (Receipts or Expenditures)**

- the sum of the absolute values of the identified receipt or expenditure errors (disregarding signs) was greater than [REDACTED] of the respective correct reportable amounts.

**How a committee can reduce the misstated amounts:**

The committee can reduce the misstated amount by demonstrating that the audited reports were materially correct or misstated by a lesser amount.

**Criteria for Referral to Alternative Dispute Resolution**

The matter will be referred to ADR if:

**Receipts and Expenditures**

- the threshold for referral to OGC has not been breached  
AND
- the misstated amount of receipts or expenditures is between [REDACTED] and [REDACTED]  
AND
- greater than [REDACTED].

**Absolute Value of Misstated Activity (Receipts or Expenditures)**

- the sum of the absolute values of the identified receipt/expenditure errors (disregarding signs) is between [REDACTED] and [REDACTED].

**Applicable Policy**

- The calculation of the dollar amount of the absolute value does **not** include the amount of “unexplained differences.”
- If differences between bank and reported amounts are the result of timing differences, discuss with Audit Manager not pursuing this part of the misstatement finding. For

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

example, [REDACTED] in contributions are received on December 15, 2007 but not deposited until January 15, 2008 and reported in the report covering January.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Increased Financial Activity

### Regulatory Cite

2 USC § 434(b)

### Applicable to the following:

- Any Committee that was assigned RAD referral points for 'increased reported activity' (Receipts or Disbursements)-Refer to RAD referral.

### Criteria for Inclusion in the Audit Report:

The matter will be addressed in the interim audit report if:

#### Misstated Activity (Receipts or Expenditures) Threshold

- the reported amount of receipts or expenditures as **originally reported**, when compared to the correct reportable per bank for receipts or expenditures, is misstated by greater than [REDACTED]
- AND
- the misstated amount of receipts or expenditures is greater than [REDACTED].

### Criteria for Referral to ADR

The matter will be referred to ADR if:

#### Receipts and Expenditures

- receipts or expenditures as **originally reported** when compared to the correct reportable per bank is misstated by greater than [REDACTED]
- AND
- the misstated amount of receipts/expenditures is greater than [REDACTED], excluding amounts previously referred to ADR by RAD for the audit period.

### Applicable Policy

- For increased activity, the original reports filed are compared to the correct reportable per the bank.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Recordkeeping - Receipts

### Regulatory Cites

2 USC § 432(c)

### Applicable to the following:

- The failure to maintain contributor records (copies of contributor checks for amounts > \$50 or credit card processing records) or other documentation for receipts.

### How the Threshold is applied:

- Best Efforts-If during the review “best efforts” are documented for those items lacking records, such items will not be considered errors.

### Criterion for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar amount of the undocumented receipts (other than loans) is greater than [REDACTED] of the total amount of reported receipts (other than loans)  
AND
- the dollar amount of the undocumented receipts (other than loans) exceeds [REDACTED].

Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criterion for Referral to the Office of General Counsel

The matter will be referred to OGC if:

- the response to the interim report does not reduce the dollar amount of undocumented receipts (other than loans) to [REDACTED] or less  
AND
- the dollar amount of the undocumented receipts (other than loans) is greater than [REDACTED].

### How a committee can reduce the amount of undocumented receipts:

The committee can reduce the dollar amount of undocumented receipts (other than loans) by locating and submitting the missing documents, or demonstrating best efforts. See the Error Definitions for the procedure to be followed in obtaining missing records without compromising the sample.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Recordkeeping-Disbursements

### **Regulatory Cites**

2 USC §§ 432(c) & (d)

### **Applicable to the following:**

- The failure to obtain and maintain canceled checks, invoices, and other documentation for expenditures.

### **How the Threshold is applied:**

- Best Efforts-If during the review “best efforts” are documented for those items lacking records, such items will not be considered errors.

### **Criterion for Inclusion in the Audit Report:**

#### **100% and Dollar Unit Sample Review**

The matter will be addressed in the interim audit report if:

- the dollar amount of the undocumented disbursements is greater than [REDACTED] of the total amount of reported disbursements
- AND
- the dollar amount of the undocumented disbursements exceeds [REDACTED]

Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater

### **Criterion for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim report does not reduce the undocumented amount of disbursements to [REDACTED] or less
- AND
- the dollar amount of the undocumented disbursements is greater than [REDACTED].

### **How a committee can reduce the amount of undocumented disbursements:**

The committee can reduce the dollar amount of undocumented disbursements by locating and submitting the missing documents or demonstrate best efforts. Obtaining records from a third party does not demonstrate that the committee’s records were complete.



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Failure to File 48 Hour Notices

### Regulatory Cite

11 CFR §104.5(f)

### Applicable to the following:

- Contributions of \$1,000 or more received after the 20th day but more than 48 hours, before 12:01 A.M. of the day of an election.

### How the Threshold is applied:

- Tested separately on a 100% basis.

### Criteria for Inclusion in the Audit Report:

#### 100% Review

The matter will be included in the interim audit report if:

- the dollar value of the notices **not** filed and/or filed late (added together) is greater than [REDACTED] of the total amount of notices required to be filed
- AND
- the dollar amount of notices not filed or filed late (added together) is greater than [REDACTED].

### Criteria for Referral to the Reports Analysis Division

The matter will be referred to the Administrative Fines Program through RAD if:

- the response to the interim audit report does not reduce the dollar value of the notices **not** filed and/or filed late (added together) to [REDACTED] or less of the total amount of notices required to be filed

AND

- the dollar amount of notices not filed or filed late is greater than [REDACTED].

### How a committee can reduce the amount of 48 hour notices not filed:

The committee can reduce the amount of 48 hour notices not filed by demonstrating that the notices were in fact filed timely or that the contributions were received outside of the 48 hour notice period and did not require a notice.

If the Final Audit Report contains other matters that are being referred to OGC, this matter will still be referred to RAD.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Advances Made by Committee Staff & Other Individuals**

### **Regulatory Cite**

11 CFR §116.5

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be addressed in the interim audit report if:

- the unreimbursed amount is greater than [REDACTED] of total amount of reported contributions from individuals

**OR**

- the unreimbursed amount per individual is greater than [REDACTED], at any time.

### **Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the unreimbursed amount to [REDACTED] or less of the total reported contributions from individuals

**OR**

- the response to the interim audit report does not reduce the unreimbursed amount per individual to [REDACTED] or less.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Extensions of Credit Made by Commercial Vendors**

### **Regulatory Cite**

11 CFR §116.3

### **How to apply this Threshold**

- If you are using a combination of invoices, each invoice must be outstanding for more than [REDACTED] days.
- This threshold is applied *separately* to each vendor.

### **Criterion for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be addressed in the interim audit report if:

[REDACTED] or more is owed and outstanding for greater than [REDACTED] days from the date of incurrence; generally the invoice date.

### **Criteria for referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the committee has not demonstrated that the vendor has acted in the ordinary course of the vendor's business
- OR**
- the response to the interim audit report does not reduce outstanding amount owed to less than [REDACTED] or the number of days to [REDACTED] or less.

### **How a committee can demonstrate a vendor acted in the ordinary course of business:**

The committee or vendor submits documentation that the committee was treated like any other client, to include billing practices, attempts to collect the outstanding amount, etc.

For a committee to reduce the outstanding amount owed or the number of days an amount was outstanding, it must demonstrate the amount owed was less than [REDACTED] or that the amount was not outstanding more than [REDACTED] days.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Personal Use of Funds

### **Regulatory Cite**

11 CFR §113.1(g)

### **How to apply this Threshold**

- Any use of funds in a campaign account of a person or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a Federal officeholder.

### **Criterion for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be addressed in the interim audit report if the dollar value of identified personal use of funds exceeds [REDACTED].

### **Criterion for referral to the Office of General Counsel**

The matter will be referred to OGC if the response to the interim audit report does not reduce the amount representing personal use of funds to less than [REDACTED].

### **How a committee can demonstrate the funds were not spent on personal use:**

The committee can submit documentation or information which demonstrates that the transactions represent expenses that were incurred in connection with the campaign.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Other Errors or Omissions

### **Applicable to the following:**

The errors or omissions detailed below generally would not be mentioned in the audit report, unless (1) the Committee fails to amend its filings or practices; or (2) there appears to be a willful violation of the Act with respect to the error or omission.

- Imperfections relating to FEC Form 1 and amendments thereto (i.e., disclosures of depositories, officers, candidates supported, etc.).
- Failure to include the 2 USC § 441d notice.
- Imperfections relating to FEC Form 2 and amendments thereto (i.e. disclosure of authorized committees, etc).
- Disclosure of receipts or expenditures on the incorrect FEC Form 3 line number.

### **Applicable to the following:**

The matters detailed below generally will be mentioned in the interim audit report and may result in a referral to the Office of General Counsel.

- Commingling of personal funds and Committee funds (2 USC § 432(b)(3)).
- Termination with debts outstanding if total amount is greater than [REDACTED] (11 CFR § 102.3).
- Expenditures of over \$100 in currency, if the excessive amount(s) totals more than [REDACTED] (2 USC § 432(h)(2)).
- Debt settlement not disclosed and approved in accordance with proper Commission procedures (11 CFR §116.4).

Approved May 3, 2011

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**AUDIT DIVISION**

**2009-2010**

**MATERIALITY THRESHOLDS**



**Unauthorized Committees**

Sensitive and Confidential  
Approved 11/2/2011

1

## TABLE OF CONTENTS

(CTRL+Click to go directly to the page)

Alternative Dispute Resolution Program .....	3
Clarifications .....	4
Knowing and Willful Violations of the Act.....	4
Receipt of Prohibited Contributions .....	5
Receipt of Contributions, Loans, Levin Donations in Excess of the Limitation .....	8
Receipt of Contributions of Currency in Excess of the Limitation .....	13
Contributions from Unregistered Political Organizations .....	15
Contributions in Excess of the Limitation Made by a Committee.....	17
Untimely Deposits of Contributions & Transmittals .....	19
Failure to Itemize Receipts or Expenditures .....	20
Failure to Itemize Loans, Loan Repayments & Debts and Obligations .....	22
Failure to Itemize Contributions from Political Committees.....	24
Omission of Disclosure Information for Receipts and Expenditures .....	26
Omission of Occupation and Name or Employer .....	28
Misstatement of Financial Activity.....	29
Increased Financial Activity .....	32
Recordkeeping - Receipts .....	33
Recordkeeping-Disbursements .....	35
Failure to File 24-Hour & 48-Hour Notices of Independent Expenditures .....	37
Allocation of Administrative, Generic Voter Drive, Exempt Activity, Fundraising, FEA & Direct Candidate Support.....	39
Coordinated Expenditures Made by Party Committees.....	41
Advances Made by Committee Staff & Other Individuals.....	43
Extensions of Credit Made by Commercial Vendors .....	44
Other Errors or Omissions .....	45

## Alternative Dispute Resolution Program

These thresholds include criteria for referring matters to the Commission's Alternative Dispute Resolution (ADR) program. The criteria for referring matters to ADR are an addition to the criteria for referring matters to the Office of General Counsel and are aimed at efficiently resolving certain violations arising from audits.

In certain instances, a concurrent MUR or Pre-MUR may be a factor for excluding a finding from referral to ADR. MURS and Pre-MURs must be reviewed to identify the issues involved and how close the MUR is to resolution. After discussions with the Audit Manager, a determination will be made about proposing a referral to ADR.

In general, the Committees that will be referred to ADR include:

- Those where the findings breach our thresholds for inclusion in the interim audit report (IAR) and the Committee's response to the finding reduces the violation to a level that exceeds the threshold for inclusion in the report but is less than the threshold for referral to OGC.
- Those findings where in response to the IAR, the Committee filed amended reports that materially corrected the violation, but the original magnitude of the problem was large. This document includes ADR thresholds for Committees that file materially correct amended reports in response to the IAR.
- Finally, if a referral is to be made to OGC, an evaluation of the referral should be made in conjunction with the Audit Manager to determine if the matter is better suited for the ADR program. Such cases are those where the exclusionary factors above are not present, corrective action has been taken, and the case, as a whole, is not one that experience has shown would be a high priority in OGC. If the Audit Manager and the Assistant Staff Director agree, the recommended course of action will be presented to OGC for its comment. The comment period will be [REDACTED] calendar days, with OGC being able to extend the review period to a maximum of [REDACTED] days. At the end of that period, if no objection is received the referral will be processed.



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

### Clarifications

1. **Federal Election Activity** is referred to as FEA.
2. **Non-federal Funds vs. Levin Funds** - Non-federal funds **cannot** be used to pay for any Federal Election Activity (Schedule H-6). However, Levin funds **can** be used to pay for Non-federal activity including the non-federal share of allocable expenses (Schedule H-4).
3. **Reported Amounts as basis for Threshold Amounts** - For all thresholds, the reported amount will be used if the reported amount is materially correct. If the reported amount is materially misstated, the auditor may use the committee's database provided that it has been reconciled to the bank.
4. **Rounding Threshold Amounts** - To determine the threshold amounts, apply the threshold percentage to the appropriate reported amount and round the result up to the nearest \$100. For example, if the reported amount of contributions from individuals is [REDACTED], the threshold percentage is [REDACTED] the threshold amount is [REDACTED].
5. **Best Efforts** – The regulations address best efforts to obtain contributor information (11 CFR 104.7) and to obtain records for disbursements (11 CFR 102.9(d)).

### Knowing and Willful Violations of the Act

Any matter, whether or not it meets the materiality threshold for inclusion in the interim audit report or referral to the Office of General Counsel, can still be referred to OGC if the auditor suspects there is a Knowing and Willful Violation of the Act (2 U.S.C. 437g (a)(5) and (d)). The auditor in conjunction with the Audit Manager and Assistant Staff Director will review; confer with OGC (GLA), the matter and decide if a referral will be made.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Receipt of Prohibited Contributions

### Regulatory Cites

2 USC §§441 b, c, e & f

11 CFR §§106.6; 106.7 and 300.31(e) and (f)

### Applicable to the following:

- Contributions from corporations, unions, national banks, government contractors, foreign nationals.
- Contributions in the name of another.
- Donations to the Levin Fund from a national state/local party committee, federal candidate, federal officeholder, and certain joint fundraising receipts.
- Donations to the Levin Fund that are unlawful under State law qualify as prohibited.
- Transfers received into the Levin account from any other State, district or local committee of any political party.

### How the Threshold is applied:

- The dollar value of the projection of the error for UNRESOLVED apparent prohibited contributions and the UNTIMELY resolved apparent prohibited contributions are totaled and compared to the threshold below.
- Each category (Individuals & Levin Donations) is tested separately and the appropriate threshold applied.
- The “single event threshold” may be applicable to prohibited contributions that do not meet inclusion in the interim audit report.

### Criteria for Inclusion in the Audit Report:

#### 100% Review and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the apparent prohibited contributions is greater than [REDACTED] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3X; for Levin receipts-Schedule L, Line 1(c))

AND

- the dollar value of the apparent prohibited contributions exceeds [REDACTED].

**Tolerable Sampling Error** [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criteria for Referral to Office of General Counsel

A referral to OGC will be made if:

Sensitive and Confidential  
Approved 11/2/2011

5

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the response to the interim audit report does not reduce the prohibited amount to [REDACTED] or less of the total reported amount of contributions from individuals/donations to the Levin Fund

OR

- the dollar value to [REDACTED] or less

AND

- the required refunds were not made.

However, a referral to OGC or ADR will NOT be made if:

- the response to the IAR reduces the prohibited contributions/donations to greater than [REDACTED] but less than or equal to [REDACTED] of contributions from individuals or donations to the Levin Fund

AND

- the required refunds were made.

#### How a committee can reduce the apparent prohibited amount

A committee must submit evidence that a contribution was not prohibited; was timely refunded or timely transferred.

#### Criteria for Referral to Alternative Dispute Resolution

A referral to ADR will be made if:

- the response to the interim audit report does not reduce the prohibited amount to less than or equal [REDACTED] of the total reported amount of contributions from individuals/donations to the Levin Fund

OR

- the dollar value to [REDACTED] or less

AND

- the committee made the recommended refunds.

#### Single Event Threshold (Referral to OGC)

Consider this threshold if the threshold for inclusion in the audit report is not met.

Prohibited contributions will be referred after the exit conference response period if:

- the prohibited contribution is greater than [REDACTED]
- AND
- the threshold for inclusion in interim audit report has not been met
- AND
- the committee has not refunded the prohibited contribution.

#### Single Event Threshold (Referral to ADR)

Consider this threshold if the threshold for inclusion in the audit report is not met.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

Prohibited contributions will be referred after the exit conference response period if:

- the prohibited contribution is greater than [REDACTED]  
**AND**
- the threshold for inclusion in interim audit report has not been met  
**AND**
- the committee has refunded the prohibited contribution (although untimely and/or subsequent to the date of the audit notification letter).

**Applicable Policy**

- The interim audit report must state whether the committee was in compliance with 11 CFR §103.3(b)(4). To determine compliance, the **sum** of excessive and prohibited contributions must be compared to the available cash.
- The prohibited amount should be refunded, transferred to the non-federal/Levin, or disposed of not later than [REDACTED] days from the date of deposit (provided that there is sufficient assurance the contributions are being deposited within 2 or 3 days of receipt). If transferred to the non-federal/Levin account, the committee must inform the contributor in writing and offer the option for a refund.
- If a contribution is referable to OGC or ADR at the interim audit report stage (Single Event threshold) the contribution(s) in question will be addressed at the exit conference. The committee will have the 10-day post exit conference response period to demonstrate that the contribution was not from prohibited sources.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Receipt of Contributions, Loans, Levin Donations in Excess of the Limitation

### Regulatory Cites

2 USC § 441a & 11 CFR §300.31(d)

### Applicable to the following:

- Contributions received from individuals.
- Contributions received from political committees.
- Donations to a Levin fund account.
- Loans in excess of the contribution limitation by any person.
- Any portion of any loan endorsed or guaranteed by any person in excess of the limitation.

### How the Threshold is applied:

- Each category (Individuals, Political Committees, Loans & Levin Donations) is tested separately and the appropriate threshold applied.
- For Individuals- There are three separate characteristics: Non-Curable Excessives; Untimely Resolved Excessives; Curable Excessives.
- The dollar value of the projection of the error for “curable” and “untimely resolved” is combined and compared to the thresholds below.
- The “single event threshold” may be applicable to excessive contributions that do not meet inclusion in the interim audit report.

### Criteria for Inclusion in the Audit Report:

#### 100% Review and Dollar Unit Sample Reviews

##### Contributions From Individuals (Non-Curables)

The matter will be addressed in the interim audit report if:

- the dollar value of apparent excessive contributions is greater than [REDACTED] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3X; for Levin receipts-Schedule L, Line 1(c));

AND

- the dollar value of apparent excessive contributions exceeds [REDACTED].

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

##### Contributions From Individuals (Untimely Resolved or Curable)

The matter will be addressed in the interim audit report if:

Sensitive and Confidential  
Approved 11/2/2011

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the combined dollar value of apparent excessive contributions is greater than [REDACTED] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3X; for Levin receipts-Schedule L, Line 1(c));

AND

- the dollar value of apparent excessive contributions exceeds [REDACTED].

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

**Contributions From Political Committees**

The matter will be addressed in the interim audit report if:

- the dollar value of apparent excessive contributions is greater than [REDACTED] of the total reported amount of contributions from political committees

AND

- the dollar value of apparent excessive contributions exceeds [REDACTED].

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

**Donations to the Levin Fund**

The matter will be addressed in the interim audit report if:

- the dollar value of apparent excessive donations is greater than [REDACTED] of the total amount of reported Levin donations

AND

- the dollar value of apparent excessive donations exceeds [REDACTED].

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

**Audit Recommendation**

The recommendation will:

- present the committee an opportunity to demonstrate that the apparent excessive contributions were not excessive or were timely resolved

AND

- afford the committee an opportunity to resolve any remaining unresolved apparent excessive contribution through refund, payment to the Treasury, if applicable, presumptive reattribution or transfer to the non-federal account.

**Criteria for Referral to Office of General Counsel**

A referral to OGC will be made if:

**Contributions From Individuals (Non-Curable)**

The response to the interim audit report:

Sensitive and Confidential  
Approved 11/2/2011

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from individuals
- OR**
- the aggregate amount to [REDACTED] or less
- AND**
- the committee has not made the recommended refunds.

Contributions From Individuals (Untimely Resolved or Curable Excessives)

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from individuals
- OR**
- the aggregate amount to [REDACTED] or less
- AND**
- the committee did not comply with the recommendation.

Contributions From Political Committees

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from political committee
- OR**
- the aggregate amount to [REDACTED] or less
- AND**
- the committee did not comply with the recommendations.

Donations to the Levin Fund

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of Levin Donations
- OR**
- and the aggregate amount to [REDACTED] or less
- AND**
- the committee did not comply with the recommendations.

How a committee can reduce the apparent excessive amount

A committee must submit either evidence that a contribution was not excessive or evidence that the contribution was timely reattributed (either written or presumptive); refunded or transferred.

A referral to OGC will **NOT** be made if:

- the response to the IAR reduces the prohibited contributions to greater than [REDACTED] but less than or equal to [REDACTED] of contributions from individuals
- AND**

Sensitive and Confidential  
Approved 11/2/2011

10

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the required refunds were made.

**Criteria for Referral to Alternative Dispute Resolution**

A referral to ADR will be made if:

**Contributions From Individuals (Non- Curable Excessives)**

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from individuals

**AND**

- the committee has made the recommended refunds.

**Contributions From Individuals (Untimely Resolved or Curable Excessives)**

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from individuals

**AND**

- the committee complied with the recommendation.

**Contributions From Political Committees**

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of contributions from political committees

**OR**

- the aggregate amount to [REDACTED] or less

**AND**

- the committee complied with the recommendation.

**Levin Donations**

The response to the interim audit report

- does not reduce the apparent excessive contributions to [REDACTED] or less of total reported amount of Levin Donations

**OR**

- and the aggregate amount to [REDACTED] or less

**AND**

- the committee complied with the recommendation.

**Single Event Threshold (Referral to OGC)**

Consider this threshold if the threshold for inclusion in the audit report is not met.

Excessive contributions will be referred after the exit conference response period if:

- the apparent excessive contribution is in excess of the relevant limitation by more than [REDACTED]

**AND**

Sensitive and Confidential  
Approved 11/2/2011



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the threshold for inclusion in interim audit report has not been met
- AND**
- the committee has not refunded, reattributed, or transferred the excessive contribution. Contributions that have been untimely resolved may be referred to ADR.

**Single Event Threshold(Referral to ADR)**

Consider this threshold if the threshold for inclusion in the audit report is not met.

Excessive contributions will be referred after the exit conference response period if:

- the apparent excessive contribution exceeds the relevant limitation by more than [REDACTED]
- AND**
- the threshold for inclusion in interim audit report has not been met
- AND**
- the committee has untimely refunded, reattributed, or transferred the excessive contribution.

**Applicable Policy**

- The excessive contribution may be reattributed (either presumptive or written authorization) to another accountholder, refunded, or otherwise disposed of in an acceptable manner (such as transfer to a non-federal or Levin account) within [REDACTED] days of deposit (provided that there is sufficient assurance the contributions are being deposited within 2 to 3 days of receipt).
- Committees may transfer an excessive contribution to the non-federal account or Levin account. It will not be considered an error if, within [REDACTED] days of deposit, the committee informs the contributor in writing that his/her contribution was or will be transferred to the non-federal account or Levin account and gives the contributor the option to request a refund.
- If a contribution referable to OGC or ADR at the interim audit report stage (Single Event threshold) the contribution(s) in question will be addressed at the exit conference. The committee will have the 10-day post exit conference response period to demonstrate that the contribution was not excessive.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Receipt of Contributions of Currency in Excess of the Limitation**

**Regulatory Cite**

2 USC § 441g and 11 CFR §110.4(c)

**Applicable to the following:**

- Currency contributions and contributions using a gift card or similar instrument in excess of \$100 per contributor per year.
- Anonymous cash contributions in excess of \$50.

**How the Threshold is applied:**

- The dollar value of the error for excessive currency and excessive anonymous contributions are totaled and compared to the threshold below.

**Criteria for Inclusion in the Audit Report:**

**100% Review and Dollar Unit Sample Review**

The matter will be addressed in the interim audit report if:

- the dollar value of the excessive currency and the dollar value of excessive anonymous contributions (added together) is greater than [REDACTED] of the total reported amount of contributions from individuals
- AND**
- the dollar value of the excessive currency exceeds [REDACTED].

**Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.**

**Criteria for Referral to Office of General Counsel**

A referral to OGC will be made if:

- the response to the interim audit report does not reduce the dollar value of the excessive amount to [REDACTED] or less of the total reported amount of contributions from individuals
- OR**
- the aggregate excessive amount to [REDACTED] or less
- AND**
- the committee did not comply with the recommendation.

**How a committee can reduce the apparent excessive amount**

A committee can reduce the amount of the errors by submitting evidence that a contribution was not excessive or evidence that the contribution was timely refunded, transferred or disposed. To

Sensitive and Confidential  
Approved 11/2/2011

13

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

be timely, contributions must be refunded or disposed of in an acceptable manner within [REDACTED] days of deposit, provided that there is sufficient assurance that contributions are being deposited within 2 to 3 days of receipt.

**Criteria for Referral to ADR**

A referral to ADR will be made if:

- The response to the interim audit report does not reduce the dollar value of the excessive amount to [REDACTED] or less of the total reported amount of contributions from individuals
- OR**
- the aggregate excessive amount to [REDACTED] or less
- AND**
- the committee did comply with the recommendation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Contributions from Unregistered Political Organizations

### Regulatory Cite

11 CFR 102.5(b)

### Applicable to the following:

- Political Party Committees-Contributions received from unregistered political organizations in excess of [REDACTED] per year.
- Other Political Committees- Contributions received from unregistered political organizations in excess of [REDACTED] per year.

### How the Threshold is applied:

- The recipient political committee must demonstrate that the funds it received from the unregistered political organization were from *permissible sources* (such as a letter from the contributing organization attesting to the permissibility of the contribution). Although the contribution may be deemed permissible, it will still be considered excessive if in excess of the relevant limitation for an individual.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the apparent prohibited contribution is greater than [REDACTED] of total reported contributions (The sum of Lines 11a(iii), 11(b), 11(c))
- AND**
- the dollar value of the excessive contribution exceeds [REDACTED].

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criteria for Referral to the Office of General Counsel

A referral to OGC will be made if;

- the response to the interim audit report does not reduce the prohibited amount to [REDACTED] or less of total reported contributions (The sum of Lines 11a(iii), 11(b), 11(c))
- OR**
- the aggregate excessive amount to [REDACTED] or less
- AND**
- the committee did not comply with the recommendation.

### How a committee can reduce the apparent prohibited amount

A committee must submit the following

- Evidence that the contributing organization's funds were from permissible sources

**OR**

Sensitive and Confidential

15

Approved 11/2/2011

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- Evidence that the contribution was timely refunded, transferred or disposed. To be timely, contributions must be refunded or disposed of in an acceptable manner within █ days of deposit, provided that there is sufficient assurance that contributions are being deposited within 2 to 3 days of receipt.

**Criteria for Referral to Alternative Dispute Resolution**

A referral to ADR will be made if:

- the response to the interim audit report does not reduce the prohibited amount to █ or less of total reported contributions (The sum of Lines 11a(iii), 11(b), 11(c))
- OR**
- the aggregate excessive amount to █ or less
- AND**
- the committee did comply with the recommendation.

**Criteria for Referral to the Reports Analysis Division**

A referral to RAD will be made after the response to the interim audit report is received if:

- an unregistered political organization makes aggregate contributions which have not been refunded or transferred out, greater than █ during the audit period (to the auditee)
- The referral should include relevant parts of the committee's response to the interim audit report.
- RAD will address registration of the unregistered committee. Audit will address the receipt of the contribution.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Contributions in Excess of the Limitation Made by a Committee

### Regulatory Cite

2 USC § 441a

### Applicable to the following:

- Direct contributions of funds or in-kind contributions made by the Committee to another political committee.
- Coordinated expenditures under 2 USC §441a(d) have a separate threshold.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the aggregate excessive contributions is greater than [REDACTED] of the total reported contributions made
- AND
- the aggregate dollar value of the excessive contributions is greater than [REDACTED].

Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the dollar value of the aggregate excessive contributions to [REDACTED] or less of the total reported contributions made
- OR
- the dollar value of the aggregate excessive contributions to [REDACTED] or less
- AND
- the committee did not comply with the recommendation.

### How a committee can reduce the apparent excessive amount

A committee can demonstrate that it did not make an excessive contribution or that it received a refund prior the exit conference.

### Criteria for Referral to Alternative Dispute Resolution

The matter will be referred to ADR if:

Sensitive and Confidential  
Approved 11/2/2011

17

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the response to the interim audit report does not reduce the dollar value of the aggregate excessive contributions to [REDACTED] or less of the total reported contributions made

**OR**

- the dollar value of the aggregate excessive contributions to [REDACTED] or less

**AND**

- the committee did comply with the recommendation.

**Applicable Policy**

- The committee making the excessive contribution may seek a refund at any time. If the committee received a refund prior to the exit conference, there is no error. Therefore, only **unresolved** excessive contributions made at the time of the exit conference will be addressed in the interim audit report.

## **Untimely Deposits of Contributions & Transmittals**

### **Regulatory Cites**

11 CFR §103.3(a), 11 CFR §102.6(c)(4), 11 CFR §102.6(b)(1)

### **Applicable to the following:**

- Contributions from individuals.
- Contributions from political committees and party committees.
- Contributions received via payroll deduction.

### **Criteria for Inclusion in the Audit Report:**

#### **100% and Dollar Unit Sample Review**

This matter will be addressed in the interim audit report if:

- the total dollar value of the untimely deposits/transmittals is greater than [REDACTED] of the total amount of all deposits.
- AND**
- the dollar value of the untimely deposits exceed [REDACTED]

**Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.**

### **Criteria for Referral to Alternative Dispute Resolution**

A referral to ADR will be made if:

- the response to the interim audit report does not reduce the amount of untimely deposits/transmittals to [REDACTED] or less of the total amount of all deposits
- AND**
- the dollar value of the untimely deposits exceed [REDACTED].

### **How a committee can demonstrate contributions were not errors**

To reduce the amount of untimely deposits/transmittals a committee must demonstrate that the deposits were made timely.



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Failure to Itemize Receipts or Expenditures

### Regulatory Cites

2 USC § 434(b) & (e)

### Applicable to the following:

- Contributions from individuals (including in-kind and earmarked), (Schedule A, Line 11(a)(i))
- Transfers from Affiliated Committees (Schedule A, Line 12)
- Offsets to Operating Expenditures (refunds, rebates, returns of deposits) (Schedule A, Line 15)
- Refunds of Contributions Received (Schedule A, Line 16)
- Other Receipts (dividends, interests, etc.) (Schedule A, Line 17)
- Transfers from Non-Federal Account for Allocated Activity (Schedule H3, Line 18(a))
- Transfers from Levin Funds for Allocated FEA (Schedule H5, Line 18(b))
- Federal/Non-federal Allocated Expenses (Schedule H4, Line 21(a))
- Federal Operating Expenditures (Schedule B, Line 21(b))
- Transfers to Affiliated Committees (Schedule B, Line 22)
- Contributions to Federal Candidates and/or Political Committees (Schedule B, Line 23)
- Independent Expenditures (Schedule E, Line 24)
- Coordinated Expenditures (Schedule F, Line 25)
- Contribution Refunds made (Schedule B, Lines 28(a), (b), (c))
- Other Disbursements (Schedule B, Line 29)
- Federal/Levin Allocated FEA Expenses (Schedule H6, Line 30(a))
- Federal Election Activity Paid Entirely With Federal Funds (Schedule B, Line 30(b))
- Levin Receipts from Persons (Donations) (Schedule L-A, Line 1(a))
- Levin "Other Receipts" (Schedule L-A, Line 2)
- Levin Transfers to Federal Account (Schedule L-B, Line 4)
- Levin Disbursements (Schedule L-B, Line 5)

### How the Threshold is applied:

- The categories of receipts or categories of expenditures should be combined, whenever possible.
- For example, all receipts itemization errors should be evaluated against the threshold calculated based on total receipts.

### Criteria for Inclusion in the Audit Report:

Sensitive and Confidential  
Approved 11/2/2011

20

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**100% and Dollar Unit Sample Review**

The matter will be addressed in the interim audit report if:

- the aggregate dollar value of receipts/expenditures that were required to be itemized but were not, is greater than [REDACTED] of the total dollar value of all transactions itemized for the specific category (receipts/disbursements)  
**AND**
- the aggregate dollar value of the receipts/expenditures that were required to be itemized but were not, is greater than [REDACTED].

**Tolerable Sampling Error**— [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

**Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the unitemized amount to [REDACTED] or less of the total dollar value of all transactions itemized for the specific category (receipts/disbursements)  
**AND**
- the aggregate dollar value of the receipts/expenditures that were required to be itemized but were not, is greater than [REDACTED].  
**AND**
- the committee did **not** comply with the recommendation.

**How a committee can demonstrate a transaction was itemized:**

The committee can reduce the amount in error by demonstrating that the transactions were itemized on reports filed prior to the audit notification letter or show the transactions were not required to be itemized.

**Criteria for Referral to ADR**

The matter will be referred to ADR if:

- the aggregate dollar value of receipts or expenditures that were required to be itemized but were not is greater than [REDACTED] of the dollar value of transactions itemized for the specific category  
**AND**
- the aggregate dollar value of receipts or expenditures that were required to be itemized but were not, is greater than [REDACTED].  
**AND**
- the committee did comply with the recommendation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Failure to Itemize Loans, Loan Repayments & Debts and Obligations

### Regulatory Cite

2 USC § 434(b)

### Applicable to the following:

#### Tested 100% only

- Loans Received (Schedules A and C, Line 13)
- Loan Repayments Received (Schedules B and C Line 14)
- Loans Repayments Made (Schedule B and C, Line 26)
- Loans Made (Schedule B and C, Line 27)

#### Tested 100% or DUS

- Debts and Obligations owed by the Committee (Schedule D, Line 10)
- Debts and Obligations owed to the Committee (Schedule D<sup>1</sup>, Lines 9)

### How the Threshold is applied:

- This threshold is applied separately to each category.
- For Debts and Obligations owed by the Committee (Schedule D, Line 10) tested on a sample basis, all disbursement sample items are testable for potential debt reporting.
- The dollar value of the sample projection and the dollar value of the errors from the 100% review are totaled and compared to the threshold below.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be address in the interim audit report if:

- the aggregate dollar value of the unreported amount for the category tested is greater than [REDACTED] of the aggregate dollar value of transactions that should have been reported (correct reportable) for each category during the audit period
- AND**
- the aggregate dollar value of the unreported amount for the category is greater than [REDACTED].

---

<sup>1</sup> The full amount of any debt for a shared (F/NF or F/Levin) expense should be itemized on Schedule D.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Tolerable Sampling Error**= [redacted] or [redacted] of the sample error rate, whichever is greater.

**Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the aggregate dollar value of the unreported amount for the category tested to [redacted] or less of the total dollar value of disbursements
- AND
- the aggregate dollar value of the unreported amount is greater than [redacted].
- AND
- the committee did not comply with the recommendation.

**How a committee can demonstrate a transaction was itemized:**

The committee can reduce the amount in error by demonstrating that the transactions were itemized on reports filed prior to the audit notification letter or by showing that the transaction did not require itemization.

**Criteria for Referral to ADR**

The matter will be referred to ADR if:

- the response to the interim audit report does not reduce the aggregate dollar value of the unreported amount for the category tested to [redacted] or less of the total dollar value of disbursements
- AND
- the aggregate dollar value of the unreported amount for the category is greater [redacted]
- AND
- the committee did comply with the recommendation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Failure to Itemize Contributions from Political Committees

### Regulatory Cite

2 USC § 434(b) & (e)

### Applicable to the following:

- Contributions received from political committees.

### Criteria for Inclusion in the Audit Report:

#### 100% Review

The matter will be included in the interim audit report if:

- the dollar value of contributions from political committee not itemized is greater than [REDACTED] of the total reported amount of the contributions received from political committees

AND

- the aggregate dollar value of contributions not itemized from political committee is greater than [REDACTED]

### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the dollar value of contributions from political committee that were not itemized to [REDACTED] or less

AND

- the aggregate dollar value is greater than [REDACTED]

AND

- the committee did not comply with the recommendation

### How a committee can demonstrate a transaction was itemized:

To reduce the dollar value of contributions from political committees that were not itemized a committee must demonstrate that the contributions were itemized on reports filed prior to the audit notification letter.

### Criteria for Referral to Alternative Dispute Resolution

The matter will be referred to ADR if:

- the response to the interim audit report does not reduce the dollar value of contributions from political committee that were not itemized to [REDACTED] or less

Sensitive and Confidential  
Approved 11/2/2011

24

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**AND**

- the aggregate dollar value is greater than [REDACTED]

**AND**

- the committee complied with the recommendation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Omission of Disclosure Information for Receipts and Expenditures**

### **Regulatory Cites**

2 USC § 434(b) and 11 CFR §§104.3 & 300.36(a)

### **Applicable to the following:**

- Contributions from individuals (including in-kind and earmarked), (Schedule A, Line 11(a)(i))
- Contributions from political committees (Schedule A, Lines 11(b) & 11(c))
- Transfers from Affiliated Committees (Schedule A, Line 12)
- Offsets to Operating Expenditures (refunds, rebates, returns of deposits) (Schedule A, Line 15)
- Refunds of Contributions Received (Schedule A, Line 16)
- Other Receipts (dividends, interests, etc.) (Schedule A, Line 17)
- Transfers from Non-Federal Account for Allocated Activity (Schedule H3, Line 18(a))
- Transfers from Levin Funds for Allocated FEA (Schedule H5, Line 18(b))
- Federal/Non-federal Allocated Expenses (Schedule H4, Line 21(a))
- Federal Operating Expenditures (Schedule B, Line 21(b))
- Transfers to Affiliated Committees (Schedule B, Line 22)
- Contributions to Federal Candidates and/or Political Committees (Schedule B, Line 23)
- Independent Expenditures (Schedule E, Line 24)
- Coordinated Expenditures (Schedule F, Line 25)
- Contribution Refunds made (Schedule B, Lines 28(a), (b), (c))
- Other Disbursements (Schedule B, Line 29)
- Federal/Levin Allocated FEA Expenses (Schedule H6, Line 30(a))
- Federal Election Activity Paid Entirely With Federal Funds (Schedule B, Line 30(b))
- Levin Receipts from Persons (Donations) (Schedule L-A, Line 1(a))
- Levin "Other Receipts" (Schedule L-A, Line 2)
- Levin Transfers to Federal Account (Schedule L-B, Line 4)
- Levin Disbursements (Schedule L-B, Line 5)
- Debts and Obligations (Schedule D)

### **How the Threshold is applied:**

- Best Efforts-If during the review "best efforts" are documented for those items lacking adequate disclosure information, such items will not be considered errors.
- The categories of receipts/expenditures should be combined, whenever possible. For example, all receipt disclosure errors should be evaluated against the threshold calculated based on total receipts.

### **Criteria for Inclusion in the Audit Report:**

Sensitive and Confidential  
Approved 11/2/2011

26

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

### **100% and Dollar Unit Sample Review**

The matter will be addressed in the interim audit report if:

- the aggregate dollar value of disclosure errors is greater than [REDACTED] of the total reported amount of receipts/expenditures itemized on the committee's reports
- AND**
- the aggregate dollar value of disclosure errors is greater than [REDACTED].

**Tolerable Sampling Error** [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

### **Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the amount of disclosure errors to [REDACTED] or less of the amount of receipts/expenditures itemized on the committee's reports.
- AND**
- the aggregate dollar value of disclosure errors is greater than [REDACTED]
- AND**
- the committee did not comply with the recommendation.

#### **How a committee can demonstrate a transaction was correctly disclosed**

To reduce the dollar value of disclosure errors the committee must demonstrate that the disclosure was correct or that best efforts were made to obtain, maintain and submit the required information.

### **Criteria for Referral to Alternative Dispute Resolution**

The matter will be referred to ADR if:

- the response to the interim audit report does not reduce the amount of disclosure errors to [REDACTED] or less of the amount of receipts/expenditures itemized on the committee's reports
- AND**
- the aggregate dollar value of disclosure errors is greater than [REDACTED]
- AND**
- the committee complied with the recommendation.



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Omission of Occupation and Name of Employer

### Regulatory Cites

2 USC § 434(b) and 11 CFR §§ 104.3 & 100.12

### Applicable to the following:

- The threshold is applied to contributions from individuals that are itemized on the committee disclosure reports.

### How the Threshold is applied:

- Best Efforts-If during the review “best efforts” are documented for those items lacking adequate disclosure information, such items will not be considered errors.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of itemized contributions having missing or inadequate occupation/name of employer is greater than [REDACTED] of the dollar value of all itemized contributions

AND

- the aggregate dollar value exceeds [REDACTED]

Tolerable Sampling Error = [REDACTED] or [REDACTED] of the error, whichever is greater.

### Criteria for Referral to Alternative Dispute Resolution

The matter will be referred to ADR if:

- the aggregate dollar value of itemized contributions having missing or inadequate occupation/name of employer is greater than [REDACTED] of all itemized contributions requiring such disclosure.

AND

- the aggregate dollar value exceeds [REDACTED]

## Misstatement of Financial Activity

### Regulatory Cite

2 USC § 434(b)

### Applicable to the following:

- Discrepancies between reported financial activity (receipts, disbursements, and cash on hand) and the activity reportable according to the bank reconciliation.
- Discrepancies between reported Levin Fund Activity (receipts, disbursements, and cash on hand) and the activity reportable according to the Levin Fund Account.
- 

### How the Misstatement is Presented in the Report:

- If only receipts or disbursements are materially misstated, the finding will explain the beginning cash on hand, ending cash on hand, receipt, and disbursement misstatements in order for the committee to file complete and accurate amendments.
- If only cash on hand is materially misstated, the committee will be requested to amend its latest report filed to correct the cash on hand balance. Receipt and disbursement discrepancies should be presented to the committee at the exit conference even though these will not appear in the audit report.

### Criteria for Inclusion in the Audit Report:

The matter will be addressed in the interim audit report if:

#### Misstated Activity (Receipts or Expenditures) Threshold

- if the reported amount of receipt or expenditures, when compared to the correct reportable amount per the bank, is misstated by greater than [REDACTED]
- AND
- the misstated amount of receipts /expenditures is greater than [REDACTED].

#### Absolute Value of Misstated Activity (Receipts or Expenditures) Threshold

- if the sum of the absolute values of the identified receipt/expenditure errors (disregarding signs), when compared to the correct reportable amount of receipts/expenditures per the bank, is greater than [REDACTED]
- AND
- the misstated amount of receipts/expenditures (disregarding signs) is greater than [REDACTED].

#### Cash on Hand Threshold

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the reported amount of cash on hand (either beginning or ending) is misstated by greater than [REDACTED] of either the correct reportable amount of receipt or expenditures, whichever is greater.

AND

- the misstated amount exceeds [REDACTED].

#### **Criteria for Referral to the Office General Counsel**

After determining if the response to the interim audit report has reduced the misstated amount of receipts or expenditures (See “How a committee can reduce the misstated amount”), the matter will be referred to OGC if any of the conditions are met in #1, #2 or #3 below:

:

#### **1. Receipts and Expenditures**

- the reported amount of receipts or expenditures was misstated by greater than [REDACTED]

AND

- the reported amount of receipts or expenditures was misstated by greater than [REDACTED].

#### **2. Receipts and Expenditures**

- Amended reports do not reduce the misstated amount of receipts/expenditures to less than the threshold for inclusion in the interim audit report.

#### **3. Absolute Value of Misstated Activity (Receipts or Expenditures)**

- the sum of the absolute values of the identified receipt/expenditure errors (disregarding signs) was greater than [REDACTED] of the respective correct reportable amounts.

#### **How a committee can reduce the misstated amounts:**

The committee can reduce the misstated amount by demonstrating that the audited reports were materially correct or misstated by a lesser amount.

#### **Criteria for Referral to Alternative Dispute Resolution**

The matter will be referred to ADR if:

#### **Receipts and Expenditures**

- the threshold for referral to OGC has not been breached

AND

- the misstated amount of receipts/expenditures was between [REDACTED] and [REDACTED]

AND

- the misstated amount is greater than [REDACTED].

#### **Absolute Value of Misstated Activity (Receipts or Expenditures)**

Sensitive and Confidential

30

Approved 11/2/2011

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the sum of the absolute values of the identified receipt/expenditure errors (disregarding signs) is between [REDACTED] and [REDACTED].

**Applicable Policy**

- The calculation of the dollar amount of the absolute value does **not** include the amount of “unexplained differences.”
- If differences between bank and reported amounts are the result of timing differences, discuss with Audit Manager not pursuing this part of the misstatement finding. For example, [REDACTED] in contributions are received on December 15, 2007 but not deposited until January 15, 2008 and reported in the report covering January.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Increased Financial Activity

### Regulatory Cite

2 USC § 434(b)

### Applicable to the following:

- Any Committee that was assigned RAD referral points for 'increased reported activity' (Receipts or Disbursements)-Refer to RAD referral.

### Criteria for Inclusion in the Audit Report:

The matter will be addressed in the interim audit report if:

#### Misstated Activity (Receipts or Expenditures) Threshold

- if the reported amount of receipts or expenditures as **originally reported**, when compared to the correct reportable per bank for receipts/expenditures, is misstated by greater than [REDACTED].
- AND
- the misstated amount of receipts or expenditures is greater than [REDACTED].

### Criteria for Referral to ADR

The matter will be referred to ADR if:

#### Receipts and Expenditures

- receipts or expenditures as **originally reported** when compared to the correct reportable per bank, is misstated by greater than [REDACTED]
- AND
- the misstated amount of receipts or expenditures is greater than [REDACTED], excluding amounts previously referred to ADR by RAD for the audit period.

### Applicable Policy

- For increased activity, the original reports filed are compared to the correct reportable per the bank.

## Recordkeeping - Receipts

### Regulatory Cites

2 USC § 432(c) & 11 CFR §300.30(d)

### Applicable to the following:

- The failure to maintain contributor records (copies of contributor checks for amounts > \$50 or credit card processing records) or other documentation for receipts for the federal account or Levin Fund.

### How the Threshold is applied:

- Best Efforts-If during the review “best efforts” are documented for those items lacking records, such items will not be considered errors.

### Criteria for Inclusion in the Audit Report:

#### **100% and Dollar Unit Sample Review**

##### Contributions (Other than Payroll Deduction)

The matter will be addressed in the interim audit report if:

- the dollar amount of the undocumented receipts (other than loans) is greater than [REDACTED] of the total amount of reported receipts (other than loans).
- AND
- the dollar amount of the undocumented receipts (other than loans) exceeds [REDACTED]

**Tolerable Sampling Error** = [REDACTED] or [REDACTED] of the sample error rate, whichever is greater.

##### Payroll Deduction Contributions

The matter will be addressed in the interim audit report if:

- the dollar amount of undocumented receipts is greater than [REDACTED] of the total dollar amount of receipts collected through payroll deduction.

**Tolerable Sampling Error** = [REDACTED] or [REDACTED] of the sample error rate, whichever is greater

### Criteria for Referral to the Office of General Counsel


The matter will be referred to OGC if:

- the response to the interim report does not reduce the dollar amount undocumented receipts ( other than loans) to [REDACTED] or less ([REDACTED] or less for payroll deduction receipts)

AND

Sensitive and Confidential  
Approved 11/2/2011

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

- the dollar amount of the undocumented receipts (other than loans) is greater than 

How a committee can reduce the amount of undocumented receipts:

The committee can reduce the dollar amount of undocumented receipts (other than loans) by locating and submitting the missing documents, or demonstrating best efforts. See the Error Definitions for the procedure to be followed in obtaining missing records without compromising the sample.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Recordkeeping-Disbursements

### Regulatory Cites

2 USC §§ 432(c) & (d) and 11 CFR §102.9

### Applicable to the following:

- The failure to obtain and maintain canceled checks, invoices, and other documentation for expenditures for the Federal account(s) or the Levin Fund.

### How the Threshold is applied:

- Best Efforts-If during the review “best efforts” are documented for those items lacking records, such items will not be considered errors.
- This threshold is to be applied separately to Levin Fund disbursements.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar amount of the undocumented disbursements is greater than [REDACTED] of the total amount of reported disbursements
- AND
- the dollar amount of the undocumented disbursements exceeds [REDACTED]

Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate, whichever is greater

### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if:

- the response to the interim report does not reduce the undocumented amount of disbursements to [REDACTED] or less
- AND
- the dollar amount of the undocumented disbursements exceeds [REDACTED]

### How a committee can reduce the amount of undocumented disbursements:

The committee can reduce the dollar amount of undocumented disbursements by locating and submitting the missing documents or demonstrate best efforts. Obtaining records from a third party does not demonstrate that the committee’s records were complete.



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

Sensitive and Confidential  
Approved 11/2/2011

36

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Failure to File 24-Hour & 48-Hour Notices of Independent Expenditures**

### **Regulatory Cites**

11 CFR § 104.4(a), (b) & (c) and 104.5(f) & (g)

### **Applicable to the following:**

- Any person who makes independent expenditures aggregating \$10,000 or more between January 1, 2007, up to the 20th day before the election (including a special election or run-off election). (48-Hour Notices)
- Any person who makes independent expenditures aggregating \$1,000 or more made after the 20th day but more than 24 hours, before 12:01 A.M. of the day of an election. (24-Hour Notices)

### **How the Threshold is applied:**

- Expenditures subject to 48-hour or 24-hour notification are tested separately on a 100% basis.
- The dollar value of the errors for 24-Hour Notices and 48-Hour Notices are combined and compared to the threshold below.

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be included in the interim audit report if:

- the dollar amount of notices not filed or filed late is greater than [REDACTED] of the total dollar amount of reported independent expenditures
- AND
- the dollar value of notices not filed or filed late is greater than [REDACTED].

### **Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the dollar amount of notices not filed or filed late to [REDACTED] or less
- AND
- the dollar amount of notices not filed or filed late is greater than [REDACTED].

### **How a committee can reduce the amount notices not filed:**

To reduce the dollar amount of notices not filed or filed late, the committee must demonstrate that the notices were not required to be filed or were filed timely.

Sensitive and Confidential  
Approved 11/2/2011

37

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

Sensitive and Confidential  
Approved 11/2/2011

38

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Allocation of Administrative, Generic Voter Drive, Exempt  
Activity, Fundraising, FEA & Direct Candidate Support**

**Regulatory Cite**

11 CFR §§106.6, 106.7, and 300.33(d)(2)

**Applicable to the following:**

- The receipt of funds from the non-federal account and/or from the Levin Fund.
- Expenditures made by the Committee's non-federal or Levin Fund.

**Criteria for Inclusion in the Audit Report:**

**100% Review**

The matter will be addressed in the interim audit report if:

- the amount of over-funding by the non-federal account/Levin Fund (combined) in connection with federal elections or federal election activity is greater than [REDACTED] of total allocable expenditures (federal, non-federal and Levin shares)  
AND
- the dollar amount of over-funding is greater than [REDACTED].

**Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim report **does not** reduce the amount of over-funding by the non-federal account/Levin Fund to [REDACTED] or less  
AND
- the dollar value of overfunding is greater than [REDACTED].  
AND
- the necessary refunds to the non-federal account or Levin Fund have **not** been made.

**How a committee can reduce the over-funding amount:**

To reduce the amount of over-funding, the committee must demonstrate expenditures causing the over-funding were properly paid by either the non-federal and/or Levin Fund.

**Criteria for Referral to ADR**

The matter will be referred to ADR if:

- the response to the interim audit report reduces the amount of over-funding by the non-federal account/Levin Fund to [REDACTED] or less  
BUT
- the dollar value of overfunding is greater than [REDACTED].

Sensitive and Confidential  
Approved 11/2/2011

39

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**AND**

- the necessary refunds to the non-federal account or Levin Fund have been made.

## **Coordinated Expenditures Made by Party Committees**

### **Regulatory Cite**

2 USC § 441a(d)

### **Applicable to the following:**

- Coordinated expenditures that are or should be itemized on Form 3X, Schedule F.

### **Presumption of Coordination**

- Expenditures cannot be presumed to be coordinated.
- There must be evidence of coordination for those expenditures which the Committee does not claim as coordinated expenditures.
- Absent such evidence, the expenditures are considered independent expenditures which are not limited.

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be addressed in the interim audit report if:

- the dollar amount of coordinated expenditures in excess of the limitation is greater than [REDACTED] of the respective coordinated expenditure limitation
- AND**
- the aggregate dollar amount of the excessive coordinated expenditures is greater than [REDACTED]

### **Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the response to the interim report does not reduce the dollar amount in excess of the coordinated expenditure limitation to [REDACTED] or less
- AND**
- the aggregate dollar amount of excessive coordinated expenditures is greater than [REDACTED].
- AND**
- the committee did not comply with the recommendation.

### **How a committee can demonstrate the limitation was not exceeded:**

The committee must demonstrate that the expenditures were not coordinated; not over the limitation; or, that it received all or part of the national committee's limit to cover the excessive amount of coordinated expenditures (if a local party committee-they must demonstrate that they received the State party's limit).

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Criteria for Referral to Alternative Dispute Resolution**

The matter will be referred to ADR if:

- the response to the interim report does not reduce the dollar amount in excess of the coordinated expenditure limitation to [REDACTED] or less
- AND
- the aggregate dollar amount of excessive coordinated expenditures is greater than [REDACTED].
- AND
- the committee did comply with the recommendation.

**Applicable Policy**

- If the committee did not make direct contributions to the candidate equal to the contribution limitation, the committee's remaining contribution limit will be added to the coordinated expenditure limit when determining the amount in excess of the 441a(d) limitation.
- State party committees and national party committees (all three national parties share the same limit, Example: RNC, NRSC, and NRCC) each have a separate but identical coordinated expenditure limitation. It is not unusual for either committee to assign to the other all or part of its limitation. However, if the state party committee indicates that the national party committee assigned its limit (to the state party); the state party committee must have a letter to that effect from the national party committee. The assignment letter can not be dated after the expenditures have been made.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Advances Made by Committee Staff & Other Individuals

### Regulatory Cite

11 CFR §116.5

### Criteria for Inclusion in the Audit Report:

#### 100% Review

The matter will be addressed in the interim audit report if:

- the unreimbursed amount is greater than [REDACTED] of total amount of reported contributions from individuals

**OR**

- the unreimbursed amount per individual is greater than [REDACTED], at any time.

### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if:

- the response to the interim audit report does not reduce the unreimbursed amount to [REDACTED] or less of the total reported contributions from individuals

**OR**

- the response to the interim audit report does not reduce the unreimbursed amount per individual to [REDACTED] or less.



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Extensions of Credit Made by Commercial Vendors**

### **Regulatory Cite**

11 CFR §116.3

### **How to apply this Threshold**

- If you are using a combination of invoices, each invoice must be outstanding greater than [REDACTED] days.
- This threshold is applied *separately* to each vendor.

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be addressed in the interim audit report if:

- [REDACTED] or more is owed and outstanding for greater than [REDACTED] days from the date of incurrence; generally the invoice date.

### **Criteria for referral to the Office of General Counsel**

The matter will be referred to OGC if:

- the committee has not demonstrated that the vendor has acted in the ordinary course of the vendor's business
- OR**
- the response to the interim audit report does not reduce outstanding amount owed to less than [REDACTED] or the number of days to [REDACTED] or less.

#### **How a committee can demonstrate a vendor acted in the ordinary course of business:**

The committee/vendor will submit documentation that the committee was treated like any other client, to include billing practices, attempts to collect the outstanding amount, etc.

For a committee to reduce the outstanding amount owed or the number of days an amount was outstanding, it must demonstrate the amount owed was less than [REDACTED] or that the amount was not outstanding more than [REDACTED] days.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Other Errors or Omissions

### **Applicable to the following:**

The errors or omissions detailed below generally would not be mentioned in the audit report, unless (1) the Committee fails to amend its filings or practices; or (2) there appears to be a willful violation of the Act with respect to the error or omission.

- Imperfections relating to FEC Form 1 and amendments thereto (i.e., disclosures of depositories, officers, candidates supported, etc.).
- Failure to include the 2 USC § 441d notice.
- Disclosure of receipts or expenditures on the incorrect FEC Form 3X line number.
- Failure to notify prospective contributors in accordance with 11 CFR § 102.5(2)(i), (ii) and (iii).

### **Applicable to the following:**

The matters detailed below generally will be mentioned in the interim audit report and may result in a referral to the Office of General Counsel.

- Commingling of personal funds and Committee funds (2 USC § 432(b)(3)).
- Termination with debts outstanding if total amount is greater than [REDACTED] (11 CFR § 102.3).
- Expenditures of over [REDACTED] in currency, if the excessive amount(s) totals more than [REDACTED] (2 USC § 432(h)(2)).
- Debt settlement not disclosed and disposed of in accordance with proper Commission procedures (11 CFR § 116.4).

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **AUDIT DIVISION**

**2008 Cycle**

## **MATERIALITY THRESHOLDS**



### **Title 26- Presidential Candidates and Convention Committees**

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## TABLE OF CONTENTS

(CTRL+Click to go directly to the page)

Clarifications .....	3
Knowing and Willful Violations of the Act .....	3
Receipt of Prohibited Contributions.....	4
Receipt of Contributions and Loans in Excess of the Limitation .....	6
Use of General election contributions for Primary Expenditures .....	9
Receipt of Contributions of Currency in Excess of the Limitation.....	10
Prohibited Contributions from Unregistered Political Organizations.....	11
Untimely Deposits of Contributions .....	13
Failure to Itemize Receipts or Expenditures .....	14
Failure to Itemize Loans, Loan Repayments & Debts and Obligations .....	16
Failure to Itemize Contributions from Political Committees.....	18
Omission of Disclosure for Receipts and Expenditures.....	19
Omission of Occupation and Name or Employer .....	21
Misstatement of Financial Activity .....	22
Recordkeeping - Receipts.....	25
Apparent Non-Qualified Campaign Expenses .....	26
Advances Made by Committee Staff & Other Individuals .....	27
Extensions of Credit Made by Commercial Vendors .....	28
Stale-Dated Checks .....	29
Other Errors or Omissions.....	30

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Clarifications

1. **Reported Amounts as basis for Threshold Amounts** - For most thresholds, the relevant reported amount will be used if the reported amount is materially correct. If the reported amount is materially misstated, the auditor may use the committee's database to derive the appropriate amount provided it has been reconciled to the bank.
2. **Rounding Threshold Amounts** - To determine the threshold amounts, apply the threshold percentage to the appropriate amount and round the result up to the nearest \$100. For example, if the amount of contributions from individuals is \$725,000, the threshold percentage is 3.5%, the threshold amount is \$25,400 ( $\$725,000 \times .035 = \$25,375$ ).
3. **Best Efforts** – The regulations address best efforts to obtain contributor information (11 CFR 104.7) and to obtain records for disbursements (11 CFR 102.9(d)). See Policy #18, and #19 as well as the Commission's Policy Statement on Best Efforts.
4. **Sample Testing**- To control the necessity to test a large number of items, a Sampling Error that is less than or equal to a stated percentage of the Sample Error Rate or less than or equal to the Tolerable Sampling Error in the Materiality Thresholds is acceptable. The stated percentage of the error rate is included in each threshold.
5. **Other Considerations**- These thresholds are subject to revision based on the information determined when attempting to apply them. Even though the audit tests of the committee's filings and records indicate that no materiality thresholds are exceeded, the separate tests considered together in an attempt to evaluate the committee's overall compliance.

## Knowing and Willful Violations of the Act

Any matter, that does not meet the materiality threshold for inclusion in the preliminary audit report or referral to the Office of General Counsel, can still be referred to OGC if the auditor suspects there is a Knowing and Willful Violation of the Act (11 CFR 110.9). The auditor in conjunction with the Audit Manager and Assistant Staff Director will review the matter and decide if a referral will be made.

## Receipt of Prohibited Contributions

### Regulatory Cites

2 USC §§441 b, c, e & f

### Applicable to the following:

- Contributions from corporations, unions, national banks, government contractors, foreign nationals.
- Contributions in the name of another.

For testing purposes, there are separate attributes for unresolved apparent prohibited contributions and untimely resolved apparent prohibited contributions. The dollar value of the projection of the error for each attribute is totaled and then compared to the threshold (also see Policy #1).

**This threshold contains a “Single Event Threshold” that will be considered only if the threshold for inclusion in the Audit Report is not breached.**

### Criteria for Inclusion in the Audit Report:

#### 100% Review and Dollar Unit Sample Review

The matter will be addressed in the preliminary audit report if:

- the dollar value of the prohibited contributions is greater than [REDACTED] of the total reported amount of contributions from individuals<sup>1</sup> (as reported on line 17(a) of the Detailed Summary Page of FEC Form 3P); or
- If a transaction from a single entity is identified in excess of [REDACTED], the matter will be included in the PAR regardless of whether the threshold above is breached.

**Tolerable Sampling Error = [REDACTED] or [REDACTED] the error rate whichever is greater.**

### Criteria for Referral to Office of General Counsel

1. If the response to the PAR does not reduce the prohibited contributions to [REDACTED] or less of total reported contributions from individuals and the committee has **not** made recommended refunds or payment to the U.S. Treasury within 30 calendar days of service of the audit report, the matter will be referred to the Office of General Counsel.

---

<sup>1</sup> To determine the threshold amount, calculate [REDACTED] of the reported amount of contributions from individual and round up to the nearest \$100. For example, if the total amount of contributions from individuals is [REDACTED], the threshold for inclusion in the report is greater than [REDACTED].

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

2. If the response to the PAR reduces the prohibited contributions to greater than [REDACTED] but less than or equal to [REDACTED] of total contributions from individuals and the committee makes the recommended refunds or payment to the U.S. Treasury within 30 calendar days of service of the audit report (see 11 CFR §9038.1(f)(3)), the matter **will not** be referred to the Office of General Counsel.

3. If the response to the PAR reduces the prohibited contributions to more than [REDACTED] of total contributions from individuals, then a referral to the Office of General Counsel **will** be made **regardless** of whether the committee makes the recommended refunds or payment to the U.S. Treasury.

To reduce the prohibited amount, a committee must submit evidence that a contribution was **not** prohibited; or was **timely** refunded (see Footnote 2 and Policy #2).

**Single Event Threshold** - prohibited contributions can be referred to OGC, subsequent to the committee's 10 Day Exit Conference response, if:

- The threshold for inclusion in the audit report has not been breached; **and**
- the prohibited contribution is greater than [REDACTED]; **and**,
- the committee has not refunded the prohibited contribution. Contributions that have been untimely resolved will not be referred under the Single Event Threshold.

### Policy

1. The preliminary audit report will address the sum of both projections (unresolved and untimely resolved). The recommendation will present the committee an opportunity to demonstrate that the prohibited contributions were not prohibited or were timely resolved and afford the committee an opportunity to resolve any remaining unresolved prohibited contribution.
2. The Commission has determined for purposes of applying this threshold that prohibited contributions must be refunded not later than [REDACTED] days<sup>2</sup> from the date of deposit (provided that there is sufficient assurance the contributions are being deposited within 2 to 3 days of receipt).

---

<sup>2</sup> 11 CFR §§ 103.3(b)(1) and (2) provide a [REDACTED]; however, a [REDACTED] is to be applied.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Receipt of Contributions and Loans in Excess of the Limitation

### Regulatory Cites

2 USC § 441a

### Applicable to the following:

- Contributions received from individuals.
- Contributions received from political committees.
- Loans in excess of the contribution limitation by any person
- Any portion of any loan endorsed or guaranteed by any person in excess of the limitation.

Each category (Individuals, Political Committees) are tested separately and the appropriate threshold applied.

For testing purposes, there are three separate characteristics for Non-Curable Excessives, Untimely Resolved Excessives and Curable Excessives. Threshold A. applies to Non-Curable Excessives as stated below. For Untimely Resolved Excessives and Curable Excessives, the dollar value projection of the error for each characteristic is totaled and then compared to the threshold B. below. (Policy #3).

**This threshold contains a “Single Event Threshold” that will be considered only if the threshold for inclusion in the Audit Report is not breached.**

### Criteria for Inclusion in the Audit Report:

#### 100% Review and Dollar Unit Sample Reviews

The matter will be addressed in the preliminary audit report if:

A. For Non-Curable Excessives:

- The dollar value of excessive contributions is greater than ■ of the total reported amount of contributions from individuals or political committees (as reported on lines 17(a) or 17(b) & 17(c) of the Detailed Summary Page of FEC Form 3P);

**Tolerable Sampling Error= ■ or ■ the error rate whichever is greater**



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

B. For Untimely Resolved or Curable Excessives:

- The **combined** dollar value of excessive contributions is greater than [REDACTED] of the total reported amount of contributions from individuals or political committees (as reported on lines 17(a) or 17(b) & 17(c) of the Detailed Summary Page of FEC Form 3P);

Tolerable Sampling Error= [REDACTED] or [REDACTED] the error rate whichever is greater

Criteria for Referral to Office of General Counsel

For Non-Curable Excessives:

1. If the response to the PAR does not reduce the excessive contributions to [REDACTED] or less of total reported contributions from individuals and the committee has **not** made recommended refunds or payment to the U.S. Treasury within 30 calendar days of service of the audit report, the matter **will** be referred to the Office of General Counsel.

2. If the response to the PAR reduces the excessive contributions to greater than [REDACTED] but less than or equal to [REDACTED] of total contributions from individuals and the committee **makes** the recommended refunds or payment to the U.S. Treasury within 30 calendar days of service of the audit report (see 11 CFR §9038.1(f)(3)), the matter **will not** be referred to the Office of General Counsel.

3. If the response to the PAR reduces the excessive contributions to more than [REDACTED] of total contributions from individuals, then a referral to the Office of General Counsel will be made **regardless** of whether the committee makes the recommended refunds or payment to the U.S. Treasury.

To reduce the excessive amount a committee must submit;

- evidence that a contribution was not excessive; **OR**,
- evidence that the contribution was either timely reattributed or redesignated (either written or presumptive); or refunded (see Policy #8, #9, #10 and #11).

For Untimely Resolved or Curable Excessives:

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the amount of Untimely Resolved or Curable Excessives to a level less than the threshold for inclusion in the PAR.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Single Event Threshold** – excessive contributions can be referred to OGC, subsequent to the committee’s 10-Day Exit Conference response, if:

- The threshold for inclusion in the audit report has not been breached; **and**
- the apparent excessive contribution is greater than [REDACTED] (individual); is greater than [REDACTED] (political committee); **and**,
- the committee has not refunded, reattributed, or redesignated the excessive contribution. Contributions that have been untimely resolved will not be referred under the Single Event Threshold.

**Policy**

3. The preliminary audit report will may address the projections for each of the different types of Excessive contributions. (Non-Curable, Untimely Resolved, and Curable). The recommendation will present the committee an opportunity to demonstrate that the excessive contributions were not excessive or timely resolved and afford the committee an opportunity to resolve any remaining unresolved excessive contribution.
4. The Commission has determined for purposes of applying this threshold that a [REDACTED] day window<sup>3</sup> from the date of deposit is to be used (provided that there is sufficient assurance the contributions are being deposited within 2 to 3 days of receipt).
5. The excessive contribution may be reattributed to another account holder, redesignated to another election (either presumptive or written authorization), or refunded within [REDACTED] days of deposit. If corrective action is not taken within the [REDACTED] day period the excessive portion is considered an error (either unresolved or untimely resolved).
6. The Regulations require that a written reattribution be signed by each contributor, including the individual who signed the contribution check. However, if the committee’s records contain the signatures on one or more documents, which can be associated with the contribution in question, of all persons to whom the contribution is attributed; the reattribution is acceptable.
7. Credit cards may not be presumptively reattributed unless it can be established from the records that the credit card account is jointly held by the contributors. This is rarely the case.

---

<sup>3</sup> 11 CFR §§ 103.3(b)(3) provides a 60-day window; [REDACTED]

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Use of General election contributions for Primary Expenditures

### **Regulatory Cites**

(11 CFR §102.9(e))

### **Applicable to the following:**

The use of general election contributions received before the primary election for primary expenses. This is determined by subtracting the cumulative amount of general election contributions (less any general election expenses) from the committee's daily cash balance to determine if general election contributions were used to pay primary expenses. If the adjusted cash balance from this calculation is negative on any day, then general election contributions were used.

### **Criteria for Inclusion in the Audit Report:**

The matter will be addressed in the preliminary audit report if:

#### Account maintained with both Primary/General contributions:

- The sum of all negative daily cash balances between the date the first general election contribution was received and the end of the period covered by the audit exceeds ■■■ of the total pre-primary general election contributions received; **and**
- The sum of all negative balances between the date the first general election contribution was received and the end of the period covered by the audit is at least ■■■■; **and**

#### Separate accounts:

- Withdrawals (excluding contribution refunds or the transfer of redesignated contributions) from the general election account made prior to the end of the period covered by the audit exceed ■■■ of the total pre-primary general election contributions received and total at least ■■■■.

### **Criteria for Referral to Office of General Counsel**

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the amount of general election contribution spent on primary expenditures to a level less than the threshold for inclusion in the PAR.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Receipt of Contributions of Currency in Excess of the Limitation

### **Regulatory Cite**

2 USC § 441g and 11 CFR §110.4(c)

### **Applicable to the following:**

- Currency contributions in excess of \$100 per contributor per year.
- Anonymous cash contributions in excess of \$50.

**The results of excessive currency review and excessive anonymous contribution review are added together and then compared to the threshold.**

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review and Dollar Unit Sample Review**

The matter will be addressed in the preliminary audit report if:

- The dollar value of the excessive currency and the dollar value of excessive anonymous contributions (once added together) is greater than [REDACTED] of the total reported amount of contributions from individuals (see footnote 1); **and**
- The dollar value of the excessive currency exceeds [REDACTED].

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the error rate whichever is greater

### **Criteria for Referral to Office of General Counsel**

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the excessive amount to a level less than the threshold for inclusion in the PAR.

To reduce the excessive amount, a committee must submit evidence that the contribution; was not excessive; was timely refunded or timely otherwise disposed of (see Policy # 8).

### **Policy**

8. The contributions must be refunded or disposed of in an acceptable manner within [REDACTED] days of deposit, provided that there is sufficient assurance that contributions are being deposited within 2 to 3 days of receipt.
9. There is no single event threshold for these attributes.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Prohibited Contributions from Unregistered Political Organizations

### **Regulatory Cite**

2 USC § 441a

### **Applicable to the following:**

- This threshold addresses the permissibility and potential excessive contribution resulting from unregistered political organizations. The error amount of a contribution received from an unregistered political organization is equal to the amount contributed in excess of [REDACTED], calculated on a per election basis. For example, if [REDACTED] contributions of [REDACTED] were received from an unregistered political organization, the error amount would be [REDACTED]. Contributions from unregistered political organizations equal to or less than [REDACTED] per election will not be questioned. For contributions from unregistered political organizations greater than [REDACTED] per election, the Candidate committee will be required to demonstrate that the funds were from permissible sources (such as a letter from the contributing organization).

The unregistered political organization (contributing organization) could also be referred to RAD. See threshold below.

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be addressed in the preliminary audit report if:

- the dollar value of the apparent prohibited contribution is greater than [REDACTED] of total reported contributions from individuals on line 17(a).

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the error rate which ever is greater

### **Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's timely response to the PAR does not reduce the excessive and prohibited amount to a level less than the threshold for inclusion in the PAR.

To reduce the apparent prohibited amounts a committee must submit evidence that; the contributing organization's funds were from permissible sources; the apparent prohibited contributions were timely refunded or timely disposed of (see Policy #10).

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

### **Criteria for Referral to the Reports Analysis Division**

- If an unregistered political organization makes aggregate contributions, greater than [REDACTED] during the audit period (to the auditee), the unregistered political organization will be referred to RAD.

The referral to RAD is made after the response to the preliminary audit report is received and should include relevant parts of the committee's response.

**PLEASE NOTE: RAD will address the registration with the unregistered political organization. AUDIT will address the receipt of the contribution by the recipient committee in the final audit report.**

### **Policy**

10. The prohibited amount should be refunded, transferred, or disposed of not later than [REDACTED] days from the date of deposit (provided that there is sufficient assurance the contributions are being deposited within 2 or 3 days of receipt).
11. A political organization is required to register if it makes contributions or expenditures greater than [REDACTED] per calendar year. When it registers, its contribution limits for the 2008 Presidential election cycle, are [REDACTED] to a political party committee, [REDACTED] to any other political committee, and [REDACTED] to a Candidate Committee.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Untimely Deposits of Contributions

### Regulatory Cites

11 CFR §103.3(a), 11 CFR §102.6(c)(4), 11 CFR §102.6(b)(1)

### Applicable to the following:

- Contributions from individuals.
- Contributions from political committees, party committees.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

This matter will be addressed in the preliminary audit report if:

- the total dollar value of the untimely deposits is greater than [REDACTED] of the total amount of all deposits.

Tolerable Sampling Error = [REDACTED] or [REDACTED] of the sample error rate whichever is greater

### Policy

12. If the receipt date is not known you can allow [REDACTED] days from the date of the contributor check [REDACTED].
13. There is no threshold for referral to OGC.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Failure to Itemize Receipts or Expenditures

### Regulatory Cites

2 USC § 434(b) & (e)

### Applicable to the following:

It should be noted that certain categories require itemization regardless of the amount while others require itemization only when the aggregate amount is in excess of \$200 within the calendar year.

- Federal Funds (Schedule A-P, Line 16) Tested 100%
- Contributions from individuals (including in-kind and earmarked), (Schedule A-P, Line 17(a))
- Transfers from other Authorized Committees (Schedule A-P, Line 18)
- Offsets to Expenditures (refunds, rebates, returns of deposits) (Schedule A-P, Line 20)
- Other Receipts (dividends, interests, etc.) (Schedule A-P, Line 17)
- Operating Expenditures (Schedule B-P, Line 23)
- Transfers to other Authorized Committees (Schedule B-P, Line 24)
- Fundraising Disbursements (Schedule B-P, Line 25)\*\*
- Exempt Legal and Accounting Disbursements (Schedule B-P, Line 26)\*\*
- Refunds of Contributions (Schedule B-P, Lines 28(a), (b), (c))
- Other Disbursements (Schedule B-P, Line 29)

\*\* Note these Disbursements are often reported as a lump sum transfer from Line 23. Those transfer amounts should not be included in the testing population. If they are itemized separately for Ln 25 & 26, they should be combined with Ln 23 for testing and evaluation purposes.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the preliminary audit report if:

- the dollar value of total itemizable receipts or total itemizable expenditures that were not itemized is greater than ■ of the total dollar value of transactions for the specific category

Tolerable Sampling Error= ■ or ■ of the sample error rate whichever is greater



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the amount not itemized to a level less than the threshold for inclusion in the PAR.

The committee can reduce the amount in error by demonstrating that the transactions were itemized on reports filed prior to the audit notification letter.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Failure to Itemize Loans, Loan Repayments & Debts and Obligations**

### **Regulatory Cite**

2 USC § 434(b)

### **Applicable to the following:**

#### **Tested 100% or DUS**

- Debts and Obligations owed **by** the Committee (Schedule D-P, Line 12)

#### **Tested 100% only**

- Loans Received (Schedules A-P and C-P, Line 19(c))
- Loans Repayments Made (Schedule B-P, Line 27(c))
- Debts and Obligations owed **to** the Committee (Schedule C-P or D-P, Line 11)

This threshold is applied separately to each category.

### **Criteria for Inclusion in the Audit Report:**

#### **100% and Dollar Unit Sample Review**

The matter will be address in the preliminary audit report if:

the dollar value of the transactions not itemized for the category tested is greater than [REDACTED] of the total dollar value of disbursements.

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate whichever is greater.

### **Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the amount not reported to a level less than the threshold for inclusion in the PAR.

To reduce the unreported amount the committee must demonstrate that the amounts were reported on the appropriate schedule(s) or in the case of debts and obligations, did not require disclosure.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

**Policy**

14. For DUS testing all sample items are tested. The dollar value of the projected error is added to the dollar value of errors from any 100% review and compared to the materiality threshold.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Failure to Itemize Contributions from Political Committees

### Regulatory Cite

2 USC § 434(b) & (e)

### Applicable to the following:

- Contributions received from political committees.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be included in the preliminary audit report if:

- the dollar value of contributions from political committee that is not itemized is greater than [REDACTED] of the total reported amount of the contributions received from political committees (Lines 17(b) & 17(c)); **and**,
- the dollar value of contributions from political committees that were not itemized is greater than [REDACTED].

Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate whichever is greater.

### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the amount not itemized to a level less than the threshold for inclusion in the PAR.

To reduce the dollar value of contributions from political committees that were not itemized a committee must demonstrate that the contributions were itemized on reports filed prior to the audit notification letter.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Omission of Disclosure for Receipts and Expenditures**

### **Regulatory Cites**

2 USC § 434(b)

### **Applicable to the following:**

**Where possible, the following categories of receipts or categories of expenditures should be combined for DUS purposes.**

- Contributions from individuals (including in-kind and earmarked), (Schedule A-P, Line 17(a))
- Contributions from political committees (Schedule A-P, Lines 17(b) & (c)),
- Contributions from the Candidate (Schedule A-P, Line 17(d))
- Transfers from other Authorized Committees (Schedule A-P, Line 18)
- Offsets to Expenditures (refunds, rebates, returns of deposits) (Schedule A-P, Line 20)
- Other Receipts (dividends, interests, etc.) (Schedule A-P, Line 21)
- Operating Expenditures (Schedule B-P, Line 23)
- Transfers to other Authorized Committees (Schedule B-P, Line 24)
- Fundraising Disbursements (Schedule B-P, Line 25)\*\*
- Exempt Legal and Accounting Disbursements (Schedule B-P, Line 26)\*\*
- Refunds of Contributions (Schedule B-P, Lines 28(a), (b), (c))
- Other Disbursements (Schedule B-P, Line 29)

\*\*Note these Disbursements are often reported as a lump sum transfer from Line 23. Those transfer amounts should not be included in the testing population. If they are itemized separately for Ln 25 & 26, they should be combined with Ln 23 for testing and evaluation purposes.

### **Best Efforts**

If during the review best efforts are documented for those items lacking adequate disclosure information, such items will not be considered as errors (see Policy #15).

### **Criteria for Inclusion in the Audit Report:**

#### **100% and Dollar Unit Sample Review**

The matter will be addressed in the preliminary audit report if:

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

the dollar value of disclosure errors is greater than [REDACTED] of the total reported amount of itemized receipts or expenditures;

Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate whichever is greater.

#### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the amount of disclosure errors to a level less than the threshold for inclusion in the PAR.

To reduce the dollar value of disclosure errors, the committee must demonstrate that the disclosure was correct or that best efforts were made to obtain, maintain and submit the required information.

#### **Policy**

15. In order for a committee to have demonstrated best efforts it must have:

- requested the contributor's information in its original solicitation; **and**,
- made a second effort to contact the contributor requesting such information; **and**,
- maintained a record of such effort; **and**,
- filed amended reports disclosing any information obtained.
- The second request can not contain a request for additional contributions.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Omission of Occupation and Name of Employer

### **Regulatory Cites**

2 USC § 434(b) and 11 CFR §§ 104.3 & 100.12

### **Applicable to the following:**

- The threshold is applied to contributions from individuals that are itemized on the committee disclosure reports.

If during the review best efforts are documented for those items lacking adequate information, such items **will not** be considered as errors (see Policy #15).

### **Criteria for Inclusion in the Audit Report:**

#### **100% and Dollar Unit Sample Review**

The matter will be addressed in the preliminary audit report if:

- the dollar value of itemized contributions having missing or incomplete occupation/name of employer information is greater than [REDACTED] of the dollar value of all itemized contributions from individuals (Line 17(a)).

**Tolerable Sampling Error**= [REDACTED] or [REDACTED] of the sample error rate whichever is greater.

#### **Criteria for Referral to OGC**

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the amount of disclosure errors for the individuals' occupation and name of employer to a level less than the threshold for inclusion in the PAR.

## Misstatement of Financial Activity

### Regulatory Cite

2 USC § 434(b)

### Applicable to the following:

The difference between the reported financial activity (receipts, disbursements, cash on hand) and the correct reportable amount per the bank.

Increased Activity – (see Policy #16)

### Criteria for Inclusion in the Audit Report:

The matter will be addressed in the preliminary audit report if:

#### Receipts and Expenditures

- if the reported amount of receipt or expenditures, when compared to the correct reportable amount per the bank for receipts or expenditures, is misstated by greater than [REDACTED] and the misstated amount or receipts or expenditures is greater than [REDACTED];

OR

- the sum of the absolute values of the identified receipt or expenditure errors (disregarding signs) when compared to the correct reportable amount of receipts or expenditures per the bank is greater than [REDACTED] and, the misstated amount of receipts or expenditures (disregarding signs) is greater than [REDACTED].

#### Cash on Hand

- If cash on hand is misstated by more than [REDACTED] of the greater of correct reportable receipts or disbursements, but at least [REDACTED], the committee will be requested to amend its latest report filed to correct the cash misstatement. This threshold only applies if the misstated amount of receipts or expenditures did not exceed the threshold above.

#### Increased Activity

- if the reported amount of receipts or expenditures as **originally reported** when compared to the correct reportable per bank for receipts or expenditures is misstated by greater than [REDACTED].



This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

### Criteria for Referral to the Office General Counsel

The matter will be referred to OGC if:

#### Receipts and Expenditures

- the reported amount of receipts or expenditures is misstated by greater than [REDACTED].

OR

- the sum of the absolute values of the identified receipt or expenditure errors (disregarding signs) is greater than [REDACTED] **of the respective correct reportable amounts**

OR

- the response to the preliminary audit report does not reduce the misstated amount of receipts or expenditures to less than the threshold for inclusion in the preliminary audit report.

To reduce the misstated amounts, the committee can either file amended reports correcting the misstatements or demonstrate that the audited reports were materially correct.

#### Increased Activity

- receipts or expenditures as **originally reported** when compared to the correct reportable per bank for receipts or expenditures is misstated by greater than [REDACTED]; and,
- the misstated amount of receipts or expenditures is greater than [REDACTED] after you exclude any amounts, for the audit period, previously referred to ADR by RAD.

#### **Policy**

16. For increased activity, the original reports filed are compared to the correct reportable per the bank.
17. To start, bank reconciliations are done on a calendar year basis. Reporting period reconciliations should only be done to identify a problem period(s) if the yearly reconciliation results in a material misstatement that can not be explained.
18. Receipts or disbursements are overstated in one year and understated the following year. If this is the case and the problem represents the same items the

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

auditor can, with management approval, not pursue this part of any misstatement finding. For example, [REDACTED] in contributions are received on December 15, 2005 and reported in the year-end report but the contributions were not deposited until January 15, 2006.

19. When calculating the dollar amount of the absolute value, **do not** include the amount of “unexplained differences.”
20. We are not interested in addressing misstatements in any calendar year where the correct reportable amount of financial activity was relatively small. For example, in calendar year 2005 the correct reportable amounts for receipts and expenditures were [REDACTED] and [REDACTED] respectively. Consult your Audit Manager in similar situations.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Recordkeeping - Receipts

### Regulatory Cites

2 USC § 432(c) and (d)

### Applicable to the following:

- The failure to maintain contributor records (copies of contributor checks for amounts > \$50) or other documentation for receipts.

### Criteria for Inclusion in the Audit Report:

#### 100% and Dollar Unit Sample Review

The matter will be addressed in the preliminary audit report if:

- the dollar amount of the undocumented receipts is greater than [REDACTED] of the total amount of reported contributions (Line 17(e)).

Tolerable Sampling Error= [REDACTED] or [REDACTED] of the sample error rate whichever is greater.

### Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the amount undocumented receipts to a level less than the threshold for inclusion in the PAR.

To reduce the dollar amount of undocumented receipts the committee can locate and submit the missing documents, obtain and submit the missing documents or demonstrate best efforts. See Error Definitions at Exhibit D to the Audit Program for procedure to be followed in obtaining missing records without compromising the sample.

### **Policy**

21. There is a best efforts provision for receipt documentation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Apparent Non-Qualified Campaign Expenses**

### **Regulatory Cites**

2 USC §9038(b)(2) and 9007.2(b)(4)

### **Applicable to the following:**

- The failure to obtain and furnish to the Commission on request any evidence (supporting documentation) regarding qualified campaign expenses as defined in 11 CFR §§9032.9, 9033.11, 9003.5, or 9002.11,
- The failure to show a connection between expenditures and the campaign (non-campaign related), and
- Expenditures made in excess of state or overall limitations.

### **Criteria for Inclusion in the Audit Report:**

#### **100% and Dollar Unit Sample Review**

#### **Non Qualified Campaign Expenses That Are Not Campaign Related or Are Not Documented Pursuant to 11 CFR §9033.11 or 9003.5**

The matter will be addressed in the preliminary audit report if:

- the dollar value of undocumented or non-campaign related (i.e. parking tickets, personal use of funds) disbursements is greater than ■ of the total amount of reported disbursements (Line 30).

**Tolerable Sampling Error**= ■ or ■ of the sample error rate whichever is greater.

#### **Expenditures in Excess of State or Overall Spending Limitations**

In cases where the state or overall spending limitation has been exceeded by more than ■ of a state limitation or ■ of the overall limitation, the committee will be requested make a repayment. See 11 CFR §9038.2(b)(2)ii) or 9007.2(b)(2)(ii)(A).

#### **Criteria for Referral to the Office of General Counsel**

Spending Limitation- If the state limitation has been exceeded by more than ■ of the state limitation or the amount by which the committee has exceeded the overall spending limitation is greater than ■ of the overall limitation.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Advances Made by Committee Staff & Other Individuals**

### **Regulatory Cite**

11 CFR §116.5

### **Applicable to the following:**

- Individuals who have received one or more expense reimbursements in excess of [REDACTED]; or,
- as of the date of ineligibility (DOI) are owed in excess of [REDACTED]; and,
- have received reimbursements or are owed amounts that in total exceed [REDACTED]

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be addressed in the preliminary audit report if:

- the unreimbursed amount is greater than [REDACTED] of total amount of reported contributions from individuals; **OR**,
- the unreimbursed amount per individual is greater than [REDACTED], at any time.
- for conventions and general election committees, [REDACTED] of the grant may be substituted for individual contributions as a reasonable equivalent. For convention committees, the single event threshold is [REDACTED].

#### **Criteria for Referral to the Office of General Counsel**

The matter will be referred to OGC if the matter was raised in the PAR and the Committee's response to the PAR does not reduce the unreimbursed amount to a level less than the threshold for inclusion in the PAR.

To reduce the unreimbursed amount, a committee must submit evidence that the individual was timely reimbursed.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## **Extensions of Credit Made by Commercial Vendors**

### **Regulatory Cite**

11 CFR §116.3

### **Criteria for Review is Applicable to the following:**

- Vendors who have received at least one payment in excess of [REDACTED]; or
- as of the date of ineligibility (DOI) are owed in excess of [REDACTED]; and,
- have received payments or are owed amounts that in total exceed [REDACTED].

Once a vendor meets the criteria for review, all transactions relative to the vendor are reviewed for compliance with 11 CFR §116.3.

### **Criteria for Inclusion in the Audit Report:**

#### **100% Review**

The matter will be addressed in the preliminary audit report if:

- [REDACTED] or more is owed and outstanding for greater than [REDACTED] days from the date of incurrence; generally the invoice date.

If you are using a combination of invoices, each invoice must be outstanding greater than [REDACTED] days.

### **Criteria for referral to the Office of General Counsel**

If after response to the PAR the amount outstanding for > [REDACTED] days has not been reduced (via documentation/information which demonstrates that the transactions were conducted in the ordinary course of business) to less than the materiality threshold [REDACTED] the matter will be referred to OGC.

For a committee to demonstrate that a vendor acted in the ordinary course of its business, the committee/vendor will submit documentation that the committee was treated like any other client, to include billing practices, attempts to collect the outstanding amount, etc.

For a committee to reduce the outstanding amount owed or the number of days an amount was outstanding, it must demonstrate the amount owed was less than [REDACTED] or that the amount was not outstanding more than [REDACTED] days.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Stale-Dated Checks

### **Regulatory Cite**

11 CFR §§9038.6, 9007.6 and 9008.16

### **Applicable to the following:**

The total amount of stale-dated checks not resolved by the committee must be paid to the U.S. Treasury in accordance with 11 CFR §§9038.6, 9007.6 and 9008.16.

### **Criteria for Inclusion in the Audit Report:**

If the value of stale-dated checks exceeds [REDACTED], the matter will be included as a finding in the PAR and a payment to the U.S. Treasury will be recommended. If there is a disgorgement finding for prohibited and/or excessive contributions, any stale-dated checks related to attempted refunds will be addressed as part of that finding and will not also be addressed in a finding on stale-dated checks.

If the value of the stale-dated checks does not exceed [REDACTED], no finding will result. The committee will be advised to research and resolve the items identified, however, no attempt will be made to track the committee's resolution of the items.

This document does not bind the Commission,  
nor does it create substantive or procedural rights.  
For more information, see [http://www.fec.gov/law/procedural\\_materials.shtml](http://www.fec.gov/law/procedural_materials.shtml).

## Other Errors or Omissions

### **Applicable to the following:**

The errors or omissions detailed below generally would not be mentioned in the audit report, unless (1) the Committee fails to amend its filings or practices; or (2) there appears to be a willful violation of the Act with respect to the error or omission.

- Imperfections relating to FEC Form 1 and amendments thereto (i.e., disclosures of depositories, officers, candidates supported, etc.).
- Failure to include the 2 USC § 441d notice.
- Disclosure of receipts or expenditures on the incorrect FEC Form 3 or 3P line number.
- Failure to notify prospective contributors in accordance with 11 CFR § 102.5(a)(2)(ii) and (iii).
- Other irregularities to be identified in the future.

### **Applicable to the following:**

The matters detailed below generally will be mentioned in the preliminary audit report and may result in a referral to the Office of General Counsel.

- Commingling of personal funds and Committee funds (2 USC § 432(b)(3)).
- Termination with debts outstanding if total amount is greater than [REDACTED] (11 CFR § 102.3).
- Expenditures of over [REDACTED] in currency, if the excessive amount(s) totals more than [REDACTED] (2 USC § 432(h)(2)).
- Possible violations of 2 USC § 441f (contributions in the name of another)