Transfers from Nonfederal Account

Transfers from the nonfederal account to pay the nonfederal portion of an allocable expense must be made within a 70-day window: no more than 10 days before or 60 days after the day the federal account (or allocation account) makes the payment. 106.7(f)(2). Transfers of nonfederal funds to the federal account must be reported on Schedule H3 of Form 3X. Transfers of Levin funds to the federal account must be reported on Schedule H5.

Exception: If the nonfederal account transfers additional funds to the federal or allocation account due to an adjusted allocation ratio for a fundraising event, the transfer must be made within 60 days after the date of a fundraising program or event. 106.7(d)(4)(ii).

Note that transfers from a nonfederal account to pay its allocated share of expenses are an exception to the overall ban on nonfederal transfers to a federal or allocation account. See 102.5(a) (1)(i).

Transfers from Federal Account

If an adjusted ratio for a fundraising event results in an increased federal portion, the federal account must transfer to the nonfederal account, as necessary, the increased share of federal fundraising payments. This is required because a nonfederal overpayment of an allocated expense, if left uncorrected, is a violation of the Act. 106.7(d)(4) (ii).

5. Reporting Allocated Administrative, Voter Drive Activity and Exempt Party Activity Expenses

Required Forms

 Schedule HI—Allocation Ratio for Administrative, Voter Drive Expenses, Exempt Activity Costs and Federal Election Activity

- Schedule H3—Transfers from Nonfederal Account
- Schedule H4—Payments for Allocable Expenses

Allocation Ratio (H1)

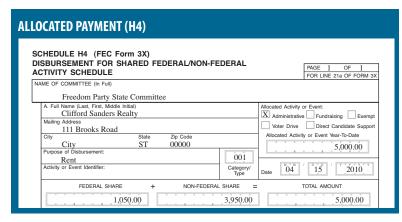
A state or local party committee uses Schedule HI to state its fixed percentage allocation ratio at the beginning of each calendar year.

Nonfederal Transfers (H3)

Each reporting period, the committee discloses transfers from the nonfederal account to the federal (or allocation) account to pay the allocated nonfederal portion of administrative, voter drive and exempt activity costs. As previously noted, transfers must be made within a 70-day window (no more than 10 days before or 60 days after an allocated payment is made).

ALLOCATION RATIO FOR ADMINISTRATIVE/GENERIC VOTER DRIVE AND EXEMPT PARTY ACTIVITY EXPENSES (H1)	
SCHEDULE H1 (FEC Form 3X)	
METHOD OF ALLOCATION FOR:	
ALLOCATED FEDERAL AND NON-FEDERAL ADMINISTRATIVE, GENERIC VOTER DRIVE AND EXEMPT ACTIVITY COSTS	
ALLOCATED FEDERAL AND LEVIN FUNDS FEDERAL ELECTION ACTIVITY	
EXPENSES	_
NAME OF COMMITTEE (In Full)	
Freedom Party State Committee	
USE ONLY ONE SECTION	
State and Local Party Committees	
Fixed Percentage (select one)	
Presidential-Only Election Year (28% Federal)	
Presidential and Senate Election Year (36% Federal)	
X Senate-Only Election Year (21% Federal)	
Non-Presidential and Non-Senate Election Year (15% Federal)	

TRANSFER FROM NONFEDERAL ACCOUNT (H3)							
TRANSFE	LE H3 (FEC Form 3X) RS FROM NON-FEDERAL AG FEDERAL / NON-FEDERAL A		PAGE 1 OF 1 FOR LINE 18a OF FORM 3X				
NAME OF C	OMMITTEE (In Full)						
Fre	edom Party State Committee						
NAME OF	ACCOUNT	DATE OF RECEIPT	TOTAL AMOUNT TRANSFERRED				
No	nfederal Account	05 / 10 / Y 2010 Y	3950.00				
BREAKD	OWN OF TRANSFER RECEIVED						
i) Tota	Il Administrative		3950.00				
ii) Gen	eric Voter Drive						
iii) Exe	mpt Activities						



The total amount of transfers itemized on Schedule H3 is entered on Line 18(a) of the Detailed Summary Page.

Payments (H4)

Each reporting period, the committee uses Schedule H4 to itemize all payments for administrative, voter drive and exempt activity costs, showing the

allocated federal and nonfederal shares.

The federal and nonfederal payment totals that appear on Schedule H4 are entered on Lines 21a(i) and (ii) of the Form 3X Detailed Summary Page.

Phone banks

In some cases, phone banks have their own allocation rules. See page 46.

6. Reporting Allocated Committee Fundraising Expenses

Example

The Freedom Party State Committee raises money for its federal and nonfederal accounts at a banquet called "Memorial Day Gala" (the unique identifier). People buying tickets must designate their checks as either federal contributions (subject to the limits and prohibitions of the Act) or nonfederal contributions (subject to applicable state law). People wishing to contribute to both accounts must write separate checks to each account. The Freedom Party

State Committee spends \$50,000 on "Memorial Day Gala."

Required Forms

- Schedule H2—Allocation Ratios
- Schedule H3—Transfers from Nonfederal Account
- Schedule H4—Payments for Allocable Expenses

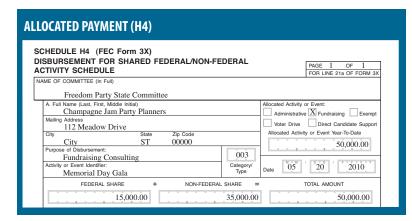
Estimated Fundraising Ratio (H2)

A committee raising money for both its federal and nonfederal accounts through

the same fundraising activity allocates the costs directly associated with the program or event according to the "funds received" method (ratio of federal funds received to total funds received). In the first reporting period in which money is spent on "Memorial Day Gala," the Freedom Party State

TIMATED FUNDRAISING RATIO (H2)					
SCHEDULE H2 (FEC Form 3X) ALLOCATION RATIOS		PAGE 1 OF 1			
NAME OF COMMITTEE (In Full)		PAGE 1 OF 1			
Freedom Party State Committee					
RATIOS FOR ALLOCABLE FUNDRAISING EVENTS AND DIRECT CANDIDA ACTIVITIES APPEARING ON THIS REPORT. Methods of allocation: I. FUNDRAISING activities are allocated using the "funds received method" of equal the federal proportion of monies raised. II. Shared DIRECT CANDIDATE SUPPORT activities are allocated according federal proportion of disbursements is based on the benefit derived by federal proportion of disbursements is based on the benefit derived by federal proportion.	where the federal proportion to benefit expected to be	derived, where the			
ACTIVITY OR EVENT IDENTIFIER Memorial Day Gala ACTIVITY IS: Fundraising Direct Candidate Support CHECK IF THE RATIO IS: New Revised Same as Previously Reported	FEDERAL % 30.00 %	NON-FEDERAL %			

RANSFER FROM NONFEDER	AL ACCOUNT (H3)	
SCHEDULE H3 (FEC Form 3X) TRANSFERS FROM NON-FEDERAL AG SHARED FEDERAL / NON-FEDERAL A		PAGE 1 OF 1 FOR LINE 18a OF FORM 3X
NAME OF COMMITTEE (In Full)		·
Freedom Party State Committee		
NAME OF ACCOUNT	DATE OF RECEIPT	TOTAL AMOUNT TRANSFERRED
Nonfederal Account	05 31 2010	35,000.00
BREAKDOWN OF TRANSFER RECEIVED i) Total Administrative		
ii) Generic Voter Drive		
iv) Direct Fundraising (List Activity or Event Ide	entifier)	
a) Memorial Day Gala	35,000.00	
b)	-	
c) Total Amount Transferred For Direct Fundr	raising	35,000.00



Committee estimates the ratio on Schedule H2, as shown in the illustration.

The committee must continue to file Schedule H2 with each report disclosing a disbursement for "Memorial Day Gala."

Nonfederal Transfer (H3)

Using Schedule H3, the Freedom Party State Committee reports the transfer received from the nonfederal account to pay the nonfederal portion of "Memorial Day Gala" (\$35,000). The unique identifier is again noted. See page 99.

(The total amount of transfers itemized on Schedule H3 is entered on Line 18(a) of the Detailed Summary Page.)

Payments (H4)

The committee discloses the federal and nonfederal shares of "Memorial Day Gala" payments on Schedule H4, again using the unique identifier. See example above.

(The federal and nonfederal payments totals that appear on Schedule H4 are entered on Lines 21a(i) and (ii) of the Detailed Summary Page.)

Adjusted Ratio (H2)

Within 60 days after the last day of the program or event, the committee needs to adjust the allocation ratio to reflect the actual ratio of federal receipts to total receipts. The committee reports the adjusted ratio on Schedule H2. Note that the committee must disclose the date of a fundraising program or event when reporting an adjustment to the ratio.

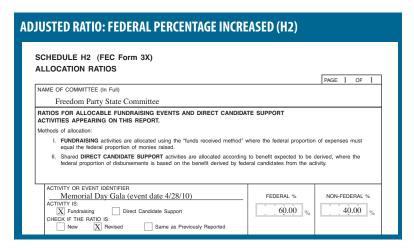
(Further ratio adjustments will be necessary if additional receipts come in.)

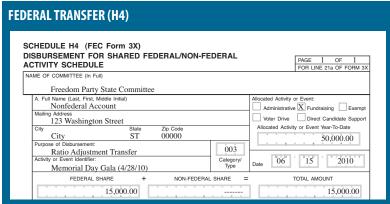
Federal Transfer (H4)

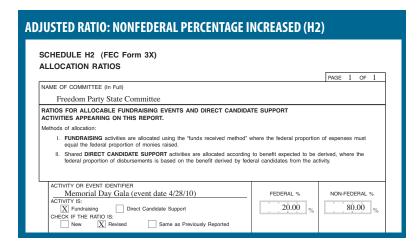
If the adjusted ratio increases the federal portion, the federal (or allocation) account must make a transfer to the nonfederal account for the nonfederal overpayment. See Payment of Allocated Expenses: Transfers from Federal Account above. The date of the program or event must be noted when reporting a transfer based on an adjusted ratio.

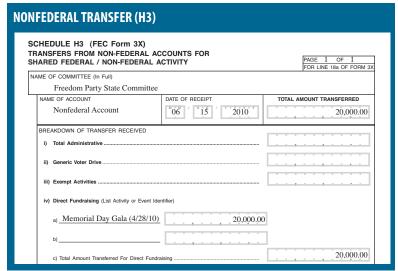
Adjusted Ratio (H2) Nonfederal Transfer (H3)

If the adjusted ratio increases the nonfederal portion, the nonfederal account may transfer the additional amount to the federal account if it does so within 60 days after the date of the event. Nonfederal transfers are itemized on Schedule H3. The date of the program or event must be noted









when reporting a ratio adjustment or a corrective transfer.

7. Candidate Support Activities as In-Kind Contributions

This section discusses how to report direct candidate support that is an in-kind contribution. However, direct candidate support may instead be a coordinated party expenditure, independent expenditure or exempt party activity. Each type should be reported accordingly.

Example

The Freedom Party State Committee decides to sponsor a limited mailing urging support of two federal candidates (a U.S. House candidate and a U.S. Senate candidate) and three nonfederal candidates.

The committee pays \$1,000 to design and mail the 300 letters.

Note: Because the mailing is less than 500 letters in thirty days, it does not qualify as a public communication. Had the communication qualified as a mass mailing and supported a federal candidate, then it would have been considered FEA and its cost would be paid for entirely with federal funds.

Required Forms

- Schedule H2—Allocation Ratios
- Schedule H3—Transfers from Nonfederal Account
- Schedule H4—Payments for Allocable Expenses
- Schedule B for Line 23—Contributions to Federal Candidates

Allocation Ratio (H2)

The committee uses Schedule H2 to disclose the allocation ratio for "June Mailing" (the unique identifier). The federal allocation percentage is calculated using the time/space method (ratio of time/space devoted to federal candidates to total time/space devoted to all candidates). In this case, 40 percent of the total space

is devoted to federal candidates, so the ratio is 40 percent federal and 60 percent nonfederal.

Nonfederal Transfer (H3)

The committee discloses the transfer from the nonfederal account to pay the allocated nonfederal portion of "June Mailing" costs. As previously noted, a transfer must be made no more than 10 days before or 60 days after payment is made.

The total amount of transfers itemized on Schedule H3 is entered on Line 18(a) of the Detailed Summary Page.

Payments (H4 and B)

The committee uses Schedule H4 to itemize the two payments (the federal payment and the nonfederal payment) for "June Mailing" Because the allocated federal shares result in contributions in-kind, they are itemized as memo entries with cross refer-