

APPENDIX G
ELECTRONIC FILING PROGRAM
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Appendix G: Electronic Filing Program

The Commission has responded to growing demands for more information by a wider audience of users and the demands for more timely availability of data with several program initiatives. The IT enhancement program and, most particularly, the electronic filing program have been key to meeting these demands.

The development of new processes using enhanced information technology has enabled the FEC to respond to a growing demand for information—and to deliver the information faster—without additional staff. Through the FEC automated fax system and the Internet, the public can instantaneously access FEC forms, publications and campaign finance data. Additionally, the new technology has broadened the audience for existing services. In the past, for example, a limited community of campaign finance specialists accessed the FEC database through the Direct Access Program (DAP), a fee-for-service program. The agency has now made it possible for these same experts—and the public as a whole—to access the data cost-free on the Internet. During FY 2001, the agency continued its conversion from the DAP to the FEC website.

Voluntary Electronic Filing—1998

The most important aspect of the disclosure initiatives is the electronic filing system. By 1998, the FEC implemented the voluntary electronic filing system for use by any political committee, other than Senate committees and the national parties' Senate campaign committees that are required by law to file their reports with the Secretary of the Senate. During FYs 2000 and 2001, the FEC continued to develop incentives to encourage committees to voluntarily file their reports electronically. The voluntary program was successful, with over 1,000 committees filing reports electronically in the 2000 election cycle.

Electronic filing of reports enables the FEC to automate the processing of campaign finance reports and the data contained therein for inclusion in the disclosure database for each election cycle. It reduces the manpower required to process both summary report information and the detailed, itemized transactions required under the FECA reporting requirements. In addition, the electronically filed reports contain more data and information than just the statutorily required information, and this data is now available for manipulation for review and analysis.

Mandatory Electronic Filing—2000

On September 29, 1999, the President signed the FY 2000 Treasury, General Government Appropriations Act that mandated electronic filing in the 2002 election cycle for political committees reaching a certain threshold, excluding Senate committees and the national parties' Senate campaign committees. The provision was effective for reporting periods beginning after December 31, 2000. Mandatory electronic filing was to begin in 2001 with the filing of the monthly reports due on February 20, 2001.

The rulemaking to establish electronic filing regulations was implemented in December 2000. Also by December 2000, the FEC completed development of the enhanced electronic filing program and established the capacity to process all anticipated electronically filed reports. To initiate the program, the FEC:

- Established the structure of the program;
- Established the mechanisms by which committees electronically file their report by diskette, by modem and through the Internet;
- Established the infrastructure both to receive and validate the reports filed; and
- Implemented a system for automatically placing the electronic data:
 - * In the FEC database and
 - * In an image format resembling an FEC form so that individuals, using a computer, can read simulated pages of reports.

The mandatory electronic filing program took effect in January 2001 and has grown rapidly. In July 2001, 2,460 committees electronically filed either their Mid-Year Reports or their July monthly Reports, with 1,135 committees filing electronically for the first time. The 2002 Year-End report filing included electronically filed reports from 3,236 committees. 2002 election-cycle-to-date financial activity for those committees filing electronically represented 84% of the total disbursements for all committees filing reports, excluding Senate filers.

Electronic filing has increased significantly the timeliness, scope, and amount of campaign finance disclosure data available to FEC staff and the public. A measure of the effectiveness of electronic filing is the comparison of the FEC target to process (make public) at least 95% of the itemized data within 60 days of receipt (based on historical and current experience in processing documents). Now that electronic filing is mandatory for most candidates and committees (excluding Senate filings), for the 2002 cycle, as of September 30, 2002, the FEC has processed 95% of the itemized data within 50 days of receipt, 10 days faster than the target. For the 2000 cycle, it took 44 days to reach 95% completion. In addition, the median days required to process the itemized data for the 2002 cycle is 6 days, compared to 11 days for the 2000 cycle. As we gain more experience with the mandatory electronic filing system, the targets for processing itemized data will be adjusted.

Educational and outreach efforts by the Commission have been successful, as indicated by the high level of compliance with the mandatory electronic filing requirements. So far, only a few committees that met the activity threshold filed a paper report rather than submitting filing electronically.

Electronic Filing Enhancements

In FY 2002, FECFile, the Commission's electronic filing software, has been upgraded to include the ability to warn the user when a contribution or a disbursement exceeds the legal limit. In addition, a feature has been to assist the user in finding and correcting duplicate data.

Beginning in FY 2002 and continuing in FY 2003, modifications were made to the electronic filing system to accommodate the Bipartisan Campaign Reform Act of 2002. Other enhancements include a filter that blocks reports that attempt to amend the wrong report. This improves disclosure by increasing processing speed and protecting the public record from inaccurate, confusing amendments.