

# Candidate Committees and Campaign Finance



**IMPORTANT INFORMATION FOR THOSE  
PLANNING TO FILE FOR OFFICE**

# Organizing Your Committee



**WHAT YOU NEED TO KNOW**

# What constitutes a candidate?



- According to NC General Statute 163-278.6
  - The term “candidate” means an individual who, with respect to a public office listed in G.S. 163-278.6(18), has taken a positive action for the purpose of bringing about that individual’s nomination or election to public office. Examples of positive action can include:
    - ✦ Filing a notice of candidacy or a petition requesting to be a candidate.
    - ✦ Being certified as a nominee of a political party for a vacancy,
    - ✦ Otherwise qualifying as a candidate in a manner authorized by law
    - ✦ Making a public announcement of a definite intent to run for office in a particular election, or
    - ✦ Receiving funds or making payments or giving the consent for anyone else to receive funds or transfer anything of value for the purpose of bringing about that individual’s nomination or election to office. Transferring anything of value includes incurring an obligation to transfer anything of value.



# When should I organize my committee?



- **Prior to or as soon as you make public your intentions to run for office.**
  - Per NC State Law which takes effect January 1, 2010, the definition of candidate includes anyone who makes a public announcement of a definite intent to run for public office in a specific election.
- **As soon as you decide to run and prior to spending and receiving money to support your candidacy.**
  - Your committee needs to file a Statement of Organization and have certified a treasurer (by filing a Certification of Treasurer) before receiving or spending any money (even money given by the candidate) to seek support a candidate.
- **When you file for office.**
  - If you file for office, you must submit all forms for organization of a committee within ten (10) calendar days from date of filing for office.



# Forming Your Committee



- All committees must file the following forms:
  - CRO2100A – Statement of Organization – Candidate Committee\*
  - CRO-3100 Certification of Treasurer
  - CRO-3900 Candidate Designation of Committee Funds (designee must be a registered non-profit organization)
  - CRO-3500 Certification of Financial Account Information
  - CRO-3600 Certification of Threshold (if the committee intends to stay under the \$1,000 threshold)
- All committee forms must be filed within ten days of demonstrating the intent to run and/or the candidate filing date.
  - A contribution is ANY money that enters the committee. This includes money contributed and/or loaned by the candidate to start a committee bank account. Any goods or services given to the committee are considered in-kind contributions and therefore also fall under the general term “contribution.”
  - An expenditure is ANY money spent in support of a committee. This includes any web site or domain fees incurred for sites that specify the candidate and which office is sought.

*\* Note: Most financial institutions will not establish an account for a committee unless it produces documentation of a Statement of Organization having been filed with the Board of Elections.*

# Forming Your Committee



- **Filing under the reporting threshold.**
  - As of January 1, 2010, the threshold for having to report campaign finance activities has been lowered to \$1,000. To file under the threshold, it must be the committee's initial intent not to receive or spend more than \$1,000.
  - Even though a committee files under the threshold, it must still keep accurate records (within seven days) of all transactions in the event an audit is requested.
  - If a committee files under the threshold and then exceeds it, the committee must notify the New Hanover County Board of Elections immediately and submit a new Certification of Threshold, an Organizational Report, and must file subsequent reports per the reporting schedule.

# Forming Your Committee



- **All committees must have a treasurer. The candidate may act as his/her own committee's treasurer**
  - A treasurer needs to be designated with the NHC BOE before spending or receiving ANY money (including contributions and/or loans from the candidate) to support a run for office.
  - All treasurers **MUST** complete treasurer training within three months of filing the Certification of Treasurer. Treasurers must take the training course once every four years. Training is available online and in a classroom setting through the NC State Board of Elections.
  - If at any time the committee changes treasurers or the treasurer's contact information changes, it must inform the NHC Board of Elections within ten (10) days and file the appropriate forms.
  - If at anytime a treasurer resigns, the committee must notify the BOE within ten days. All treasurer duties then revert to the candidate unless a new treasurer is appointed and a Certification of Treasurer is filed.



# Campaign Finance



## THE BASICS

The information contained here is to act only as a quick, condensed overview of campaign finance. It is in no way to be considered a substitution for reading, understanding, and adhering to the guidelines found in the North Carolina Campaign Finance Manual. It is solely the responsibility of the committee to be knowledgeable of and in compliance with all campaign finance laws. A copy of the manual can be obtained from the New Hanover County Board of Elections or found online and downloaded at

<http://www.sboe.state.nc.us/content.aspx?id=7>

# Contributions



- **No contributions over \$50 in cash**
  - This includes money contributed/loaned to the committee by the candidate, even when opening a committee bank account.
- **Contributions are required to have the proper disclosure information**
  - You must have in the committee's records the name, address, occupation and employer information for ALL contributors (from amounts as small as a penny to the \$4,000 limit), as well as the form of payment of the contribution and the date it was received. This information must be disclosed, on the appropriate reporting forms, once the contributor has cumulatively given more than \$50 per election (in any of payment – including in-kind).



# Contributions



- **No joint contributions or contributions in another's name**
  - This means contributions cannot be listed such as John and Mary Smith. Whoever wrote the check is the contributor. Of course, John Smith can write the committee one check and so can Mary Smith.
  - Someone cannot give you money and tell you to list the name of someone else as the contributor.
  - Someone cannot give you \$100 cash and tell you that \$50 is from them and the other \$50 from someone else.
- **In-kind contributions must be reported as such and are subject to the same limits and reporting as all other forms of contributions.**

# Contributions



- No anonymous contributions are allowed.
- PACs that contribute to a campaign must be registered with the state and/or county.
- Do not accept any contributions from businesses, insurance companies, professional associations or labor unions.

# Contributions



- No individual or political committee may contribute more than \$4,000 per election
  - Per election means a primary, second primary, and general election are each an election
  - Exceptions to the \$4,000 limit are candidates and immediate family members of the candidate (spouse, parents, brother, and sister)
- Any contributions which do not comply with the aforementioned statutes are considered prohibited and the funds must be surrendered to the NC Escheat Fund.

# Expenditures



- The form of payment of all expenditures must be reported and the expenditure must not be made in cash unless it is less than \$50 for postage.
- All media expenditures must be made in the form of check.
- All advertising or print media expenditures must contain the proper legend on them.
- Reimbursements made to the candidate or other individuals are just that...they are not expenditures.

# Campaign Finance



**FORMS AND REPORTING SCHEDULE**



# Reporting Schedule

Be sure to mark the report filing dates on a calendar in the event the “Notice of Report Due” does not reach the treasurer in a timely manner. Ultimately the committee is responsible for keeping up with report due dates and filing on time.

If the committee uses the free NCSBOE reporting software, they must still file a signed copy of the Disclosure Report Cover with the NHC BOE no later than the due date.

## **Within 10 days -- Organizational Report**

### **July 31, 2009 -- 2009 Mid Year Semi Annual Report**

- Required from all registered committees and elected officials.
- Covers from January 1 through June 30, 2009

### **January 29, 2010 -- 2009 Year End Semi Annual Report**

- Required from all registered committees and elected officials.
- Covers from July 1 through December 31, 2009

### **April 26, 2010 -- 2010 First Quarter Plus Report**

- The first quarter plus 17 days preceding primary elections
- Required from all registered committees actively participating in the 2010 elections
- Covers from last report through April 17

### **April 18—May 4 -- 48 Hour Reports**

- Required when contributions of \$1,000 or more are received
- Due within 48 hours of receiving such a contribution

### **July 9, 2010 -- 2010 Second Quarter Report**

- Required from all registered committees actively participating in the 2008 elections
- Covers from last report through June 30

### **July 25, 2010 -- 2010 Mid Year Semi Annual Report**

- Required from all registered committees NOT actively participating in the 2010 elections
- Covers from January 1, 2010 through June 30, 2010

### **October 25, 2010 -- 2010 Third Quarter Plus Report**

- Third quarter plus 17 days preceding the General Election
- Required from all registered committees actively participating in the 2010 elections
- Covers from last report through October 18

### **October 19—November 2 -- 48 Hour Reports**

- Required when contributions of \$1,000 or more are received
- Due within 48 hours of receiving such a contribution

### **January 11, 2011 -- 2010 Fourth Quarter Report**

- Required from all registered committees actively participating in the 2008 elections
- Covers from last report through December 31

### **January 28, 2011 -- 2010 Year End Semi annual Report**

- Required from all registered committees NOT actively participating in the 2008 elections
- Covers from July 1, 2010 through December 31, 2010

### **Final Report**

- Filed when all funds are disbursed, loans repaid or forgiven and committee bank account closed

# Reporting Forms



- An Organizational Report is due within ten (10) calendar days of a committee spending or receiving any money.
  - Please note that this includes paying for a domain name and web site in support of a candidate. Also, any money given or loaned by the candidate to open a bank account.
- All forms must be completed in their entirety. Do not leave blank fields unless the field is not applicable to a specific contribution and/or expenditure. Forms submitted missing information will require an amendment be filed with the BOE.
- All reports, including amendments, must be submitted with a Disclosure Report Cover (CRO-1000).
- All reporting forms must be properly marked as to whether or not they are amended forms.



# Reporting Forms



- Do not use white-out on forms. If you must make a correction, draw a line through the item, make the correction and place initials and the date beside it.
- Do not submit copies of forms as an original report or an amendment. All forms submitted must be originals.
- Be sure to include all supporting forms needed for your report. Referring to the form numbers next to the fields on the Detailed Summary Form (CRO-1100) will help you make sure you file all required information.

# Reporting Forms



- Mailed reports must be postmarked (not meter marked) no later than the report due date. A “certified-return receipt requested” is recommended so that the committee has a record of the report being mailed and received.
- All forms are available for download on the NCSBOE web site at <http://www.sboe.state.nc.us/content.aspx?id=10> Helpful instruction sheets are also available, at this site, for some forms.

# Reporting Forms



- All late or delinquent reports, as well as organizational forms, will be reported to the NC SBOE as mandated. Please be advised of the following statute:

## **§ 163-278.34. Civil penalties.**

- (a) Civil Penalties for Late Filing. – Except as provided in G.S. 163-278.9 and G.S. 163-278.9A, all reports, statements or other documents required by this Article to be filed with the Board shall be filed either by manual delivery to or by mail addressed to the Board. Timely filing shall be complete if postmarked on the day the reports, statements or other documents are to be delivered to the Board. If a report, statement or other document is not filed within the time required by this Article, then the individual, person, media, candidate, political committee, referendum committee or treasurer responsible for filing shall pay to the State Board of Elections election enforcement costs and a civil late penalty as follows:
- (1) Two hundred fifty dollars (\$250.00) per day for each day the filing is late for a report that affects statewide elections, not to exceed a total of ten thousand dollars (\$10,000); and
  - (2) Fifty dollars (\$50.00) per day for each day the filing is late for a report that affects only nonstatewide elections, not to exceed a total of five hundred dollars (\$500.00).

If the form is filed by mail, no civil late penalty shall be assessed for any day after the date of postmark. No civil late penalty shall be assessed for any day when the Board office at which the report is due is closed. The State Board shall immediately notify, or cause to be notified, late filers, from which reports are apparently due, by mail, of the penalties under this section. The State Board of Elections may waive a late penalty if it determines there is good cause for the waiver.

If the Board determines by clear and convincing evidence that the late filing constitutes a willful attempt to conceal contributions or expenditures, the Board may assess a civil penalty in an amount to be determined by that Board, plus the costs of investigation, assessment, and collection. The civil penalty shall not exceed three times the amount of the contributions and expenditures willfully attempted to be concealed.

# Electioneering

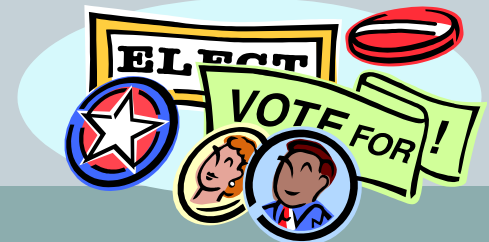


**ADHERING TO THE LAW**

# Electioneering through Media/Advertising



- **Basic Disclosure Print, Radio, TV**
  - Disclosure statements are required for such media and complete specifics concerning each type can be found in the Campaign Finance Manual
  - Disclosure states are required for sponsor advertisements
  - Disclosure statements are required for opposing advertisements
  - Disclosure statements are required for joint sponsored advertisements
  - Disclosure statements are required for political party advertisements



# Electioneering at the Polling Place



- Candidates are allowed inside the polling place for the specific purpose of casting their own vote.
  - Media can cover a candidate in the polling place while in the act of casting his/her vote
- Candidates, committee workers and supporters must restrict their electioneering activities so as to remain outside the buffer zone of the polling place.
- In the event curbside voting occurs outside the buffer zone, the car itself is considered the voting enclosure and candidates, committee workers and supporters may not engage those parked in the designated curbside voting area or approach their vehicle for the purpose of electioneering.



# Electioneering Signage



- Some polling places do not allow campaigning in any way. Information on these polling places can be found in the candidate information packet given to the candidate upon filing.
- Not all precincts in New Hanover County allow signage. A sheet with specifics is provided in the candidate information package received upon filing.
- Candidates should contact local county and city zoning officials before placing any signage.
  - Candidate signage does not fall under the jurisdiction of the Board of Elections therefore all inquires concerning signage should be asked of local county and city zoning departments.
  - A permit may be required for placement of signage and violations can carry civil penalties.
  - Signs placed within municipalities may be subject to size, placement, and duration of display ordinances.
- Per local zoning statutes, all signage needs to be removed no later than 30 days following the applicable election.

# Help is Available



## QUESTIONS OR CONCERNS

If you have questions or concerns about setting up your committee please contact the New Hanover County Board of Elections at 910-798-7330.

Campaign Finance questions can be directed to Sally Shepherd at 910-798-7289 or [sshepherd@nhcgov.com](mailto:sshepherd@nhcgov.com).

Much election information is available on our web site at [www.nhcvote.com](http://www.nhcvote.com)

All General Statutes concerning elections (chapter 163) can be found at the North Carolina General Assembly web site at <http://www.ncga.state.nc.us/gascripts/Statutes/StatutesTOC.pl?Chapter=0163>