



| New York City Campaign Finance Handbook |  
**2003**



# table of contents

---

<b>Overview  </b> .....	<b>ix</b>
Before You Join the Program .....	ix
Joining the Program .....	x
C-SMART .....	xi
Compliance Training .....	xi
Common Compliance Problems .....	xi
Receiving Public Funds .....	xii
Audit of Your Campaign .....	xiii
After the Election .....	xiii
CFB Checklist .....	xiii
<b>Chapter 1   <i>Getting Started with the Campaign Finance Program.</i></b> .....	<b>1-1</b>
Mandatory Requirements .....	1-1
Working with the CFB .....	1-2
Certification .....	1-5
Terminating a Candidacy .....	1-7
<b>Chapter 2   <i>Contributions.</i></b> .....	<b>2-1</b>
Contribution Limits .....	2-1
Types of Contributions .....	2-2
Volunteer Services .....	2-5
Credit from a Vendor .....	2-6
Restricted Contributions .....	2-7
Non-Matchable Contributions .....	2-9
Types of Contributors .....	2-9

Types of Fundraising .....2-14

Recordkeeping .....2-23

**Chapter 3 | Campaign Spending.....3-1**

    Spending Limits .....3-1

    Making Expenditures .....3-6

    Outstanding Liabilities and Forgiven Debt .....3-14

    Spending Public Funds: Qualified vs. Non-Qualified Expenditures .....3-15

    Restrictions on Using Campaign Funds .....3-17

    Recordkeeping .....3-18

**Chapter 4 | Loans .....4-1**

    Receiving Loans .....4-1

    Repaying Loans .....4-2

    Forgiven Loans .....4-3

    Recordkeeping .....4-4

**Chapter 5 | Disclosure of Your Financial Activity.....5-1**

    Filing Disclosure Statements .....5-1

    Filing Deadlines .....5-2

    Filing Exceptions .....5-5

    Your Disclosure Statement .....5-6

    Disclosure of Expenditures .....5-9

    Disclosure of Loans .....5-10

    Disclosure of Advances .....5-10

    Disclosure of Transfers .....5-10

    Presenting Your Disclosure Statement to the CFB .....5-13

**Chapter 6 | Compliance Review .....6-1**

    Disclosure Statement Review Process .....6-1

    Backup Documentation Errors .....6-5



<b>Chapter 7   <i>Public Funds</i></b> .....	<b>7-1</b>
Eligibility .....	7-1
Matchable Contributions .....	7-5
Reduction in Public Funds Payments .....	7-7
Suspension of Public Funds Payments .....	7-10
Review of Payment Determination .....	7-10
Payment during the Four-Business Day Turnaround Period .....	7-10
Calculation of Payment .....	7-12
Disbursement of Public Funds .....	7-14
Repayments to the Public Fund .....	7-14
Unspent Campaign Funds .....	7-15
Post-Election Public Funds Payments .....	7-16
Recordkeeping .....	7-17
<b>Chapter 8   <i>Audit Responses and Amendments</i></b> .....	<b>8-1</b>
Invalid Matching Claims Reports .....	8-1
Audit Reports .....	8-3
Generating Amendments .....	8-5
<b>Chapter 9   <i>Compliance Visits</i></b> .....	<b>9-1</b>
The Compliance Visit .....	9-1
Compliance Visit Findings .....	9-2
<b>Chapter 10   <i>Enforcement and Penalties</i></b> .....	<b>10-1</b>
Penalties .....	10-1
Types of Violations .....	10-2
Penalty Notification .....	10-3
2003 Penalty Guidelines .....	10-3
Penalty Assessments .....	10-11
Penalty Payment .....	10-12

**Chapter 11 | *Running Against a Well-Financed Non-Participant: the Bonus Situation* . . . . . 11-1**

    Qualifying for the Bonus Situation . . . . .11-1

    Benefits of the Bonus Situation . . . . .11-2

**Chapter 12 | *Run-Off Elections* . . . . . 12-1**

    Demonstrating that a Run-Off Election is “Reasonably Anticipated” . . . . .12-1

    Establishing a Run-Off Election Bank Account . . . . .12-2

    Contribution Limits . . . . .12-2

    Expenditure Limits . . . . .12-3

    Public Funds . . . . .12-3

    Transfers Involving Run-Off Election Accounts . . . . .12-4

**Chapter 13 | *Post-Election Activity*. . . . . 13-1**

    Post-Primary Activity Determined by General Election Ballot Status . . . . .13-1

    Updating Campaign Information . . . . .13-2

    Post-Election Spending . . . . .13-2

    Post-Election Audit . . . . .13-3

    Post-Election Draft Audit Report . . . . .13-4

    Post-Election Final Audit Report . . . . .13-5

    Record Retention . . . . .13-5

    Retiring Post-Election Debt . . . . .13-5

    Running for Office in a New Election Cycle . . . . .13-5

**Chapter 14 | *Transition and Inauguration Activity* . . . . . 14-1**

    Registering Transition and Inauguration Entities . . . . .14-1

    Donation Limits . . . . .14-2

    Restricted Donations . . . . .14-2

    Spending . . . . .14-3

    Filing Deadlines . . . . .14-3

    Recordkeeping . . . . .14-4

Chapter 15   <i>The Debate Law</i> .....	15-1
Chapter 16   <i>The Voter Guide</i> .....	16-1
Chapter 17   <i>What's New and Different: Rule and Legislative Changes Following the 2001 Elections.</i> .....	17-1
Candidate Participation .....	17-1
Contributions .....	17-2
Threshold .....	17-4
Backup Documentation .....	17-4
Expenditures .....	17-5
Loans .....	17-7
Disclosure .....	17-7
Public Funds .....	17-8
Civil Penalties .....	17-10
Audits .....	17-10
Advisory Opinions .....	17-10
Appendix   .....	A-1





# New York City Campaign Finance Board

Frederick A.O. Schwarz, Jr. | *Chairman*

Alfred C. Cerullo, III | *Board Member*

Dale C. Christensen, Jr. | *Board Member*

Pamela Jones Harbour | *Board Member*

Joseph Potasnik | *Board Member*

Nicole A. Gordon | *Executive Director*

Carole Campolo | *Deputy Executive Director*

Sue Ellen Dodell | *General Counsel*

---

Man Wai Gin | *Director of Administrative Services*

Amy Loprest | *Director of Campaign Finance Administration*

Diana Lundy | *Chief of Data Operations*

Kenneth O'Brien | *Director of Systems Administration*

Julius Peele | *Director of Auditing and Accounting*

Elizabeth A. Upp | *Chief of Publications*

Molly Watkins | *Press Secretary*

Melanie Whatley | *Chief of Candidate Services*



# overview

---

New York City’s voluntary Campaign Finance Program (the “Program”) helps candidates running for mayor, public advocate, comptroller, borough president, and City Council member by providing public matching funds for these candidates if they show they have enough public support. In return, the candidates must abide by strictly enforced contribution and spending limits (including a ban on corporate contributions) and disclose to the Campaign Finance Board (the “CFB”) and the public the sources of contributions and how campaign money is spent. Candidates in the Program are also subject to audit by the CFB.

The purpose of this *Campaign Finance Handbook* is to provide you with detailed information about the various rules and requirements of the Program. This Handbook, however, is not a substitute for the law and rules, which can be found on the CFB’s web site, [www.nyccfb.info](http://www.nyccfb.info).

A good deal of time is required — particularly by the campaign treasurer — to comply with the rules and requirements of the Program. Remember that the CFB is distributing public tax dollars. The CFB requires strict compliance from candidates in the Program before they can receive public funds. **You are not automatically entitled to public funds; and some candidates never receive them.** You must first show that you have met all the Program’s requirements. It is essential that you choose a treasurer and staff who are capable and prepared to make the effort needed to understand and comply with the rules of the Program. As a candidate and voluntary participant in the Program, you also have this responsibility and are legally responsible for compliance with the Program.

If you comply with all the rules and requirements of the Program, including requests from CFB staff, you may show you are eligible to receive public matching funds at the rate of \$4 in public funds to \$1 for the first \$250 contributed to you by any New York City resident, for a maximum of \$1,000 in public funds per contributor.

## Before You Join the Program

There are several steps you must take before joining the Program:

1. obtain an Employer Identification Number (“EIN”) from the Internal Revenue Service;
2. open a bank account in the name of your committee; and
3. file a Committee Designation of Treasurer and Depository form with the New York City Board of Elections (“BOE”).

For more information about these steps, please call the BOE at (212) 487-5300. Once these steps are completed, you may then begin the process of joining the Program.

To get started with the Program, you should submit a Filer Identification Form (“FIF”) to the CFB. Filing this form does not require you to become a candidate for a particular office, or even to join the Program, if you do decide to run. Submitting an FIF will, however, permit you to file disclosure statements with the CFB before you decide whether to join the Program. The early filing of financial disclosure statements will help you:

- preserve claims for matching funds if you decide to join the Program;
- allow the CFB to determine your eligibility for public funds earlier in the election year.
- allow the CFB to provide early assistance to you in complying with the Program, thereby reducing the chances that you will make significant errors if you join the Program, and will allow you to correct any errors you may have made before you join the Program; and
- reduce your burden during the busy election year;

To receive these benefits, however, once you file the FIF, you must file each following disclosure statement completely and on time, including all matchable contributions received just prior to each disclosure statement due date and the corresponding backup documentation. Candidates running in the 2005 elections **must** disclose matchable contributions in the disclosure statements immediately after the contributions are received to be eligible to receive matching funds for them. **If you do not disclose these contributions in the next complete and timely disclosure statement, they will not be matched with public funds and they will not be considered for purposes of reaching threshold.**

Starting in 2005, the CFB will have new disclosure statement deadlines on March 15th and May 15th. Filing both the semi-annual disclosure statements, before the year of the election, and the new election year disclosure statements will help the CFB catch problems early on and alert you to them, when there is more time for you to correct them.

**While filing an FIF and submitting disclosure statements before you join the Program is not required, it is highly encouraged.**

## Joining the Program

You join the Program by filing a “Certification.” When you file this Certification, you become **legally** bound by the Program’s contribution and spending limits and other requirements **whether or not you receive public funds**. The Certification is due no later than June 2, 2003, for the 2003 elections and June 1, 2005, for the 2005 elections. The law does not permit the CFB to accept late Certifications. **You must file a Certification to join the Program even if you already filed an FIF.**

Filing a Certification does not commit you to run for office. You simply agree to abide by the Program’s requirements if you become a candidate for one of the five offices covered by the Program. As a participant, you must comply with Program requirements regardless whether you appear on the ballot or receive public funds. Once you join the Program, by filing a Certification, you cannot withdraw from the Program and continue to run for a covered city office in the same calendar year. If you terminate your candidacy, you must contact the Candidate Services Unit (“CSU”), for guidance.



After filing the Certification, you must continue to file periodic disclosure statements in a complete and timely manner so the CFB has the opportunity to review your financial activity and your claims for public funds.

## C-SMART

C-SMART (*Candidate Software for Managing and Reporting Transactions*) is available free of charge for all Program participants and prospective participants. C-SMART will help you keep campaign records and comply with the Program, and will also let you file disclosure statements electronically. Candidates will be required to use C-SMART to record their data, as it is the easiest and most reliable way to file complete and accurate disclosure statements and comply with the Program. There are some small exceptions. Contact the CSU for more information.

## Compliance Training

CSU conducts compliance training seminars. The purpose of these seminars is two-fold. First, the seminars will assist you in understanding your responsibility as a participant in the Program. Second, the seminars will give you an overview of the rules and requirements of the Program. It is strongly recommended that you, your treasurer, and your campaign staff attend at least one of these seminars. Additionally, once you file either an FIF or a Certification, you will be assigned a liaison from the CSU. Your CSU liaison is available to answer any questions you may have about Program compliance and C-SMART. **It is strongly recommended that you communicate regularly with your liaison throughout the election cycle.**

**Please note: many changes to the law and rules have taken place since the 2001 election cycle. Please refer to the “What’s New and Different” section in the back of this *Handbook*, Chapter 17.**

## Common Compliance Problems

The following are the most frequent compliance problems:

- failing to submit complete and timely disclosure statements, including statements that are not signed and statements with missing or blank disks.
- failing to provide backup documentation with disclosure statements.
- accepting contributions over the contribution limit.
- accepting contributions from corporations.
- accepting contributions from political committees that have not registered with the CFB.
- failing to report required contributor employment information.

- failing to keep documentation of qualified expenditures **as they occur**.
- failing to report expenditures.
- failing to keep records for wages and salaries as they are paid.
- making post-election expenditures before returning unspent campaign funds.
- failing to respond to requests for information from the CFB by the deadline date without requesting an extension.
- failing to cooperate with the CFB Audit Unit.

**Candidates routinely are assessed penalties for these compliance problems, so be careful to avoid them.**

## Receiving Public Funds

Before receiving public funds, participating candidates must meet a two-part threshold (see page 7-2). The purpose of the threshold requirement is for campaigns to prove that they have significant community support.

In addition to the threshold requirement, the Program requires you to submit periodic disclosure statements that are complete and on time, and your financial activity must be in compliance with the Program. Further, only candidates who appear on the ballot and are opposed by a candidate on the ballot are eligible to receive public funds. After you have met the threshold requirements and have **clearly complied** with the Program's rules and requirements, you may be eligible to receive public matching funds. The CFB determines whether you are in compliance by reviewing your periodic disclosure statements and by conducting on-site audits of your campaign before and after the election. The CFB will begin making public funds payments for eligible participants running in the primary election after the BOE holds its ballot petition hearings in August of the election year.

### Tips for Avoiding Questionable Transactions and Maximizing Public Funds

1. Do not give loans or make expenditures for other candidates, and keep contributions to other candidates to a minimum.
2. Do not pay off debts from previous elections from your current campaign committee.
3. Do not make transfers and other disbursements to other political committees.
4. Have a single committee bank account.
5. Keep full documentation of every contribution you receive as you receive it.
6. Document all qualified expenditures as they occur.

7. Get full employment information from each contributor.
8. Minimize cash and money order contributions.

## Audit of Your Campaign

The CFB's Audit Unit will monitor your campaign's compliance by reviewing disclosure statements. The CFB may visit your campaign headquarters, and may do so unannounced, as part of the audit. It also audits campaign records before and after the election. The CFB's enforcement powers include the authority to investigate complaints, assess penalties, and withhold public funds. In instances where criminal conduct is suspected, the CFB will refer matters to the appropriate prosecutor's office. Because of the large number of documents handled by the CFB and different contexts in which they are reviewed, you may be asked for copies of the same documents at different times. It is your responsibility to maintain the original of documents you submit to the CFB.

## After the Election

Because the CFB distributes large amounts of public tax dollars, the CFB will audit your campaign after the election, and will not release public funds to you until a post-election audit of your campaign is completed. Be advised that even though you are no longer campaigning for office, you still are bound by all Program requirements. And while the post-election audit can be a thorough and sometimes lengthy process, the CFB will try to complete all **draft** audits by the end of the calendar year following the year of the election.

If you received public funds and have campaign money left over after the election, you must repay all unspent public funds to the CFB **before** you use the unspent funds for any other purpose.

## CFB Checklist

### Before You Join the Program

- Obtain your EIN number from the IRS.
- Find a dedicated and competent treasurer.
- Open a bank account in the name of your principal committee.
- Register your principal committee with the BOE.
- Learn to use C-SMART, the CFB's candidate filing software.
- Attend candidate training seminars.

- Submit the Filer Identification Form.
- Submit all disclosure statements with backup documentation on time.
- Study this *Campaign Finance Handbook*.
- Call the CSU with any questions.

### **Participating in the Program**

- Submit your Certification to the CFB by the legal deadline of June 2, 2003 for the 2003 elections or June 1, 2005 for the 2005 elections.
- Submit periodic disclosure statements and backup documentation timely.
- Comply with all rules and requirements of the Program.
- Accurately record and maintain all committee financial records.
- Respond to all requests made by the CFB staff in a timely manner.

### **After the Election**

- Make only minimal post-election expenditures until unspent funds have been repaid to the CFB.
- Submit remaining disclosure statements.
- Respond to requests from the Audit Unit in a timely manner.
- Complete change of address forms when the committee or any contact persons move.
- Maintain all campaign records (for a period of 6 years) and notify the CFB of any change in your records custodian.



---

### **Keys to Simplifying Your Participation in the Program**

- Use C-SMART.
- Appoint a competent and dedicated treasurer.
- Keep your recordkeeping simple and use one bank account.
- Keep your financial books and records in excellent order.
- Label all documentation with transaction IDs as soon as the transactions are entered into C-SMART.
- Do not use surplus funds from previous committees.
- Do not transfer funds in or out of other committees.
- Avoid contributions from LLCs or partnerships over \$2,500.
- Minimize advances.
- Itemize all contributions and expenditures.
- Avoid joint campaign expenses.



The purpose of this chapter is to provide you with the information necessary to run for office and join the Program.

This chapter will address the following topics:

- Some steps you must complete to run for any office, whether or not you join the Program.
- Important information about joining the Program, and other relevant information required by the CFB.

## Mandatory Requirements

Before joining the Program, you need to complete certain requirements in order to be eligible to run for office. These requirements are mandatory for all prospective participants, whether or not you join the Program. Please note: that information below is provided as a convenience to the candidate. These requirements are not regulated or administered by the CFB. For additional information, contact the IRS and the BOE.

The requirements include:

- Obtaining an EIN from the IRS for your principal committee;
- Opening a bank account in your principal committee's name; and
- Filing a Committee Designation of Treasurer and Depository form with the BOE.

These requirements are mandated by New York State election law and **are required for all candidates whether or not they join the Program.**

### **Obtain an Employer Identification Number from the IRS**

Before you begin to raise or spend any money, you need to contact the IRS to request an EIN. The EIN allows you to pay wages to one or more employees during the election. An EIN is mandatory for opening a committee bank account, **whether or not** you intend to have paid staff. To obtain an EIN, or if you have any questions, please visit the IRS web site: [www.irs.gov](http://www.irs.gov) (Keyword: Form SS-4) or call (800) 829-1040.

### **Opening a Committee Bank Account**

If you plan to run for elected office, you must open a bank account in your principal committee's name. This allows you to deposit contributions and make expenditures on behalf of your principal committee. You will need your EIN in order to open this account. If you ran for office in a previous election cycle you **must** open a new bank account and obtain a new EIN; **we strongly recommend you also create a new committee name.**

### **Committee Designation of Treasurer and Depository**

After receiving an EIN and opening a bank account in your committee's name, your principal committee must register with the BOE. You will need to fill out a Committee Designation of Treasurer and Depository form, which asks for your committee name, treasurer information, and depository information. For more information about registering your committee with the BOE, please visit the BOE web site: [www.vote.nyc.ny.us](http://www.vote.nyc.ny.us) or call (212) 487-5300.

**You must authorize a new committee for each election cycle and have only one committee registered for each election cycle, except:** if you are running for City Council in the 2003 elections, and you authorized a committee on or before December 1, 2002, and that committee was active for another election, you may continue to use that committee for the 2003 election, but you must still use only one committee.

## **Working with the CFB**

### **Filer Identification Form**

Once you have established your bank account and registered your principal committee with the BOE, you can file an FIF with the CFB. The FIF provides information about the candidate, principal committee, treasurer, bank account, and campaign liaison(s) to the CFB before you file your first financial disclosure statement. Filing an FIF does not require you to become a candidate for any particular office, or even to join the Program. Submitting an FIF will, however, permit you to file disclosure statements with us before you decide to join the Program. Once you file your FIF, you must file each subsequent disclosure statement completely and on time.

### **Early Disclosure**

It is strongly recommended that you file the FIF and subsequent disclosure statements as soon as you have any campaign activity (please see "2003 and 2005 Disclosure Statement Deadlines," page 5-3). Candidates running in the 2005 elections **must** disclose matchable contributions in the disclosure statements immediately after the contributions are received to be eligible to receive matching funds for them. **If you do not disclose these contributions in the next complete and timely disclosure statement, they will not be matched with public funds and they will not be considered for purposes of reaching threshold.** The early filing of disclosure statements is advantageous because it will:



- preserve claims for matching funds;
- allow the CFB to determine your eligibility for public funds earlier in the election year;
- allow the CFB to provide early assistance to your campaign in complying with the Program, reducing the chances you will make significant critical errors if you join the Program, and allow you to correct errors before you join the Program; and
- reduce your burden during the busy election year.

Early attention to your campaign may help speed public funds payments to you in the election year and might increase the amount of your first public funds payment.

If you do not file semi-annual disclosure statements before you submit a Certification to join the Program for 2003, you must provide all the disclosure information from the beginning of the campaign in a single disclosure statement. For the 2003 elections this will be statement 3, due on June 23, 2003. This “catch-up” statement allows you to disclose contributions, expenditures, and other campaign activity from the time your campaign activity started. Please be aware that the CFB will review public funds claims for candidates who filed an FIF and regularly filed disclosure statements prior to January 18, 2003, and will review later statements only after the earlier statements are reviewed.

example

Candidate Jeffries is running for Public Advocate and he receives a contribution on February 4, 2004. In order for him to be **eligible** to receive public funds for the contribution he must disclose the contribution in its appropriate disclosure statement. In this case, the contribution would need to be disclosed in Statement 5, which is due on July 15, 2004, and includes all transactions between 01/12/04 and 07/11/04. If this transaction is disclosed in a later disclosure statement, it will not be eligible to be matched with public funds because it was reported late.

---

*Questions about early disclosure?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

### **CFB Assistance**

The CSU provides compliance-related services to campaigns that express interest in, or join, the Program. Upon filing an FIF, you will be assigned a CSU liaison. Your liaison is available to assist you in complying with the rules of the Program and in the use of C-SMART.

It is strongly recommended that you take full advantage of the services your liaison can provide. Being in contact with your liaison regularly, before problems arise, will help make your experience with the Program easier. Your liaison will occasionally contact you with important information. It is extremely important that your campaign representatives be available, receptive, and timely in responding to any requests from or issues raised by your CSU liaison.

### **Candidate Training Seminars**

The CFB also provides numerous group and individual training seminars conducted by the CSU. Each training seminar covers three essential parts of the Program:

1. Rules and requirements of the Program;
2. The payment/audit process; and
3. C-SMART, the software used to record all your financial transactions and produce disclosure statements.

Each training seminar is divided into three sections. During the first section of the seminar, the rules and requirements of the Program will be explained, including what the CFB expects from your campaign. During the second section of the seminar, CSU will discuss the types of reviews performed on your disclosure statements to determine Program compliance and payment eligibility, as well as ways to respond to various audit inquiries. During the final section of the seminar, your campaign will be instructed on how to use C-SMART. One staff member from each campaign will be given the opportunity to work hands-on with C-SMART as a CSU liaison instructs the group.

Group training seminars take place at the offices of the CFB during the afternoon and evening hours, and individual trainings are available during the day or evening **by appointment only**. To check for upcoming group training seminars, please refer to our web site: [www.nycffb.info](http://www.nycffb.info).

It is strongly recommended that all campaign staff who will be responsible for managing your participation in the Program and using C-SMART attend at least one training seminar.

---

*Questions about CFB assistance?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nycffb.info](mailto:csumail@nycffb.info).*

---

## Certification

**To join the Program for the 2003 elections you MUST file a Certification form by June 2, 2003, and to join for the 2005 elections you MUST file a Certification form by June 1, 2005. You MUST do this to join the Program, even if you've already filed an FIF! This form must either be in the CFB's offices by 5:00 p.m. on the due date or postmarked on the due date.** By submitting the Certification you become legally bound to abide by the Program's contribution and spending limits and other rules and requirements, even if you do not appear on the ballot or receive public funds. The Certification must be signed by the candidate (and the principal committee treasurer, if one has been chosen) and notarized. **Late Certifications cannot be accepted.**

Filing a Certification does **not** mean that you **must** run for office. You simply agree to abide by the Program's requirements **if** you become a candidate for one of the five covered offices — mayor, public advocate, comptroller, borough president, or City Council member. Once you certify with the CFB, you are bound by the Program requirements, regardless whether you appear on the ballot or receive public funds. The Certification requires information on your principal committee, your treasurer, liaison(s), and your bank account(s), as described below.

## Committees

You must finance your campaign through only **one** campaign committee, which you establish with the BOE, and you must create a new committee for each election cycle, except: if you had previously authorized a committee on or before December 1, 2002, and that committee was active for another election, you may continue to use that committee for the 2003 election. The CFB strongly recommends you change committee names with each new election cycle. If you are using the committee name from a previous election, please contact the Candidate Services Unit for guidance on how to avoid compliance problems.

## Treasurers and Liaisons

Either the candidate or the treasurer may sign a disclosure statement, but both are legally responsible for its contents. If your treasurer will not regularly be available to speak with the CFB, you should designate at least one person who will be available and list this person(s) as a liaison(s) on the Certification form. Even if you designate a separate liaison for routine items, there will be occasions when the treasurer will be required to respond to CFB inquiries.

**The treasurer is a very important position.** Your treasurer must:

- Understand the Program's requirements;
- Maintain your campaign's books and records;
- File complete and timely disclosure statements; and
- Respond to inquiries from the CFB staff in a timely manner before and after the election.

It is imperative that the treasurer you choose to oversee your campaign be able to perform these functions.

### **Bank Accounts**

You must list all your committee's bank accounts and their current balances on the Certification. You must have at least one account with check-writing privileges. **The CFB strongly recommends that you maintain only one bank account. Multiple accounts will complicate your participation in the Program.** You must, however, always use a separate account for separate election cycles.

### **Verification**

The Certification must be signed and notarized by both the candidate and the treasurer. By signing, you each verify that:

- You are the participating candidate and treasurer of the authorized committee that will be involved in the 2003 or the 2005 elections.
- You are in compliance with the requirements of the Program.
- You will remain in compliance with the Program.
- You acknowledge that you are bound by the Program's requirements, regardless whether you appear on the ballot or receive public funds.
- If you are a citywide candidate, you agree to participate in public debates, as required by the Debate Law (see Chapter 15).

### **Changes in Campaign Information**

Whenever your campaign information changes, such as opening a new bank account or changing your contact person or address, you **must** file an amendment to your Certification. An amendment is the only legal way to change information that appears on your Certification.

Before submitting an amendment, you must notify the Candidate Services Unit who will tell you whether you need to file an amendment. If the CFB has reason to believe that any information has changed, it will request that the treasurer promptly file an amendment. It is your responsibility to keep the information on the Certification up to date.

### **Breach of Certification**

Upon filing the Certification form, you are legally bound to abide by all Program requirements.

You may be considered in breach of your Certification if your campaign, among other things: (1) submits a disclosure statement which you knew or should have known includes substantial fraudulent matchable contribution claims; (2) uses public funds to make or reimburse substantial campaign expenditures which you knew or should have known were fraudulent; (3) cooperates in alleged independent expenditures that you knew or should have known were not independent; or (4) uses a political committee or other entity to conceal expenditures that directly or indirectly assisted your campaign. If you are found in breach of your Certification, you will be ineligible for

public funds and must forfeit all public funds previously received. You may also be subject to civil and criminal sanctions.

---

*Questions about Certification?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Terminating a Candidacy

If you have not received public funds, have ceased all campaigning, and wish to terminate your candidacy, you can file a Verification of Terminated Candidacy form. Filing this form will relieve your obligation to file disclosure statements with the CFB, even if you continue to be on the ballot for the election. You remain subject to all other Program requirements, however, including recordkeeping, responding to CFB requests, an audit of your campaign finances, and paying penalties for violations of Program requirements.

The CFB on its own may determine that a candidacy is terminated if all three of the following are true:

- You have not received public funds;
- You have not submitted a petition for payment after final disqualification from the ballot; and
- You did not file ballot petitions, or you filed ballot petitions but were disqualified (and a court has not reversed the disqualification).

## IMPORTANT POINTS TO REMEMBER

- Obtain an EIN from the IRS.
- Open a bank account in your principal committee's name.
- Submit a Committee Designation of Treasurer and Depository form to the BOE.
- Submit an FIF to the CFB.
- Submit a Certification form to the CFB by June 2, 2003, for the 2003 elections and June 1, 2005, for the 2005 elections.

## WHERE TO FIND IT

For more information, please refer to:

- EIN, please call the IRS at (800) 829-1040, or visit [www.irs.gov](http://www.irs.gov)
- BOE requirements, please call (212) 487-5300, or visit [www.vote.nyc.ny.us](http://www.vote.nyc.ny.us)
- Filer Identification Form: *CFB Rules, Chapter 1, rule 1-11(c)*
- Early disclosure: *CFB Rules, Chapter 3, rule 3-02*
- Candidate Certification: *CFB Rules, Chapter 2, rule 2-01*
- Terminating a candidacy: *CFB Rules Chapter 2, rule 2-09*

## COMMON PITFALLS REGARDING GETTING STARTED WITH THE CAMPAIGN FINANCE PROGRAM

- Failing to open a new bank account for your committee.
- Failing to authorize your committee with the Board of Elections prior to raising and spending funds for your campaign.
- Failing to file the FIF and subsequent disclosure statements as soon as you have any campaign activity.

- Failing to attend compliance training seminars and to communicate regularly with your CSU Liaison.
- Failing to file the Certification by the deadline date.
- Failing to select a treasurer and staff who are capable and prepared to make the effort needed to understand and comply with the rules of the Program.
- Maintaining more than one campaign committee or bank account.
- Failing to amend your Certification to reflect changes in campaign information.





One role of the Campaign Finance Program is to provide public matching funds at a 4:1 rate for valid contributions raised by your committee. The purpose of this chapter is to provide you with information about the various rules that affect contributions and Program participation.

This chapter will address the following topics:

- Rules and requirements for contributions;
- Proper recordkeeping for contributions; and
- Proper backup documentation.

## Contribution Limits

One of the purposes of the Campaign Finance Program is to reduce the influence of wealthy contributors on candidates. To do this, it limits the size and sources of contributions participants may accept. The limits encourage candidates to seek smaller contributions from a greater number of contributors, making candidates more responsive to their constituents and less beholden to a few large contributors.

### Program Limits

Campaign Finance Program Contribution Limits for the 2005 Citywide elections and for the 2003 City Council elections	
Limits are for the primary and general elections combined	
OFFICE	CONTRIBUTION LIMIT*
Mayor	\$4,950
Public Advocate	\$4,950
Comptroller	\$4,950
Borough President	\$3,850
City Council	\$2,750

\* *The candidate may contribute to his or her own campaign up to three times the contribution limit.*

These limits are for the primary and general elections combined. They apply to every type of contribution, including money (monetary contributions) or goods and services (in-kind contributions). They apply the same way to all contributors who are permitted to contribute to you **except** that the candidate may contribute up to three times the contribution limit to his or her own campaign. **To determine if you have complied with the contribution limit, the CFB will add together all contributions from the same contributor and affiliated contributors.** (See page 2-10 for more information about contributions from individuals.)

Once you have received public matching funds, you may not return a contribution unless it is prohibited, exceeds the contribution limit, or is illegal.

A candidate for citywide office may, if authorized by the CFB, raise contributions under a separate run-off primary election limit. (See Chapter 12 for more information on run-off primary elections.)

### **State Law Limits**

In addition to the limits imposed by the Campaign Finance Act, the New York State election law also has contribution limits. State law limits apply to all candidates, regardless whether they participate in the Program. In some instances, the State contribution limit may be lower than the Program's limit. If so, the State limit applies. Contact the BOE to learn more about how State contribution limits may affect your campaign.

## **Types of Contributions**

There are two types of contributions that you may receive: monetary and in-kind. **Monetary contributions** are contributions made in cash, or by check, money order, or credit card. **In-kind contributions** are goods or services donated to a candidate free of charge or at a discount not available to others. Both types of contributions are subject to the Program's contribution limits.

### **Monetary Contributions**

All monetary contributions must be deposited in your committee's bank account within 10 business days of receipt. Contributions in the form of checks, given to City Council candidates and received more than a year **prior to the election**, must be deposited within 20 business days of receipt. All other contributions to City Council candidates, and all contributions to other candidates, must be deposited within 10 business days. **The CFB strongly urges City Council candidates to deposit contributions promptly, and to do so within 10 business days, so as not to violate Program rules in the election year because of failure to change campaign practices.**

You must keep, and submit to the CFB, backup documentation for **each** contribution received. (A discussion on how to properly examine monetary contributions and to prepare backup documentation is on page 6-3.) Only monetary contributions that have been given by an individual New York City resident, and have proper backup documentation, are eligible to be matched by the CFB. These contributions are referred to as "matchable" contributions. You may not accept contributions from corporations. You may also not accept contributions from political committees unless they are registered with the CFB (see page 2-8).

**State Law and Cash Contributions:**

State law **prohibits** all campaigns from accepting cash contributions totaling more than \$100 from a single contributor.

example

Dan Noonan has contributed \$50 cash to your committee, Committee to Elect Ralph Rella. Mr. Noonan later decides to make another cash contribution of \$75, making his total cash contributions \$125. In order to avoid violating State law, you must deposit only \$50 of the second contribution and return the remaining \$25 to Mr. Noonan. If you have already deposited the cash, you must refund the \$25 overage to Mr. Noonan immediately.

**Credit Card Contributions**

Credit card contributions carry their own special disclosure requirements. (If you are planning to accept credit card contributions, see page 2-27.)

**Nominee Contributions**

**Nominee contributions are illegal.** Nominee contributions are contributions given to your campaign by one source in the name of another source. When accepting contributions (especially cash or money order contributions), you must be sure the funds for the contribution have been provided by the person named as the contributor.

example

If Dan Noonan wishes to make a \$3,000 contribution to your committee, Committee to Elect Ralph Rella, he **may not** give \$250 to each of his 12 employees and tell them to give the money to your committee under their names.

example

John Jones, Executive Director of Widgets Corporation, asks his 20 employees to give \$50 contributions to his brother's City Council campaign by writing checks from their personal accounts. Mr. Jones reimburses the employees for his or her contributions. These are nominee contributions and are illegal.

### In-kind Contributions

In-kind contributions are goods or services donated to a candidate free of charge or at a special discount not available to others. Examples of in-kind contributions include, but are not limited to, office space, office equipment, and the use of phone banks by a campaign free of charge or below market cost. You must report the fair market value of all in-kind contributions. "Fair market value" is the price you would normally pay for the goods or services at the time they were received. Because the campaign would have had to pay for these goods or services if they had not been donated, an in-kind contribution **is treated as both a contribution and an expenditure**. In-kind contributions cannot be received from a corporation, are not matchable, and are subject to the Program's contribution and expenditure limits.

example

Candidate Linton needs a personal computer that has a retail price of \$1,000 at Computertech, a partnership. The store owner, a supporter of Linton, decides to donate the computer to the Linton campaign. The donation is a \$1,000 in-kind contribution to and a \$1,000 expenditure by the Linton campaign.

To determine the value of Computertech's in-kind contribution, the campaign would find out the regular price Computertech charges for the computer — in this case, \$1,000. The campaign would ask for and keep a record from the store to document the value of the computer.

If you purchase goods or services at a price below the fair market value, the difference between the fair market value and the amount charged to you is the amount of the in-kind contribution and expenditure.

example

Keller's Printing Shop sells 500 signs to the Committee to Elect Gallo, for the market price of \$1,000. When the Committee to Elect Gallo orders 500 more signs, however, Keller, who supports Gallo, gives the committee a \$200 discount on the second order. Keller does not normally give a similar discount to his other customers. The discount the Committee receives on the second order of signs is a \$200 in-kind contribution. The total amount of the expenditure for the second order of signs is \$1,000 (\$800 actually paid plus the \$200 in-kind). The Committee must keep an invoice from Keller's Printing Shop showing the discount to document the value of the in-kind contribution.

## Volunteer Services

A volunteer campaign worker's services are not a contribution, in-kind or otherwise. But services for the campaign which are paid for by a third party are in-kind contributions by the third party and campaign expenditures.

example

If accountant Jones volunteers to help keep a committee's books and records, his volunteer services do not need to be reported as an in-kind contribution. If Jones directs his employee Smith to keep the committee's books and records and Jones pays Smith a salary, of which \$1,000 would be attributable to the time she works on the campaign, the committee must report the \$1,000 as an in-kind contribution from Jones and as an expenditure.

Once you have received public matching funds, you may not pay a volunteer for services already performed. You may, however, hire that volunteer and pay him/her for future work.

example

Mary agrees to volunteer for your campaign and write speeches for you. She starts volunteering in April. On August 7th you receive your first public funds payment. If you then decide to pay Mary for her work, you may pay Mary only for work performed after August 7th. You may not pay her for work she performed as a volunteer.

example

After realizing what a great volunteer Mary is, but before you receive public funds, you decide you would like to hire her to work for the campaign. Due to a lack of funds, you agree to pay her after you receive public funds. You must draw up a written contract at the time you hire her showing how much she is to be paid, and you should report that amount as an outstanding liability each month until you are able to pay her in full.

### Credit from a Vendor

A creditor who gives you credit for a period beyond 90 days has made a contribution equal in value to the credit, unless the creditor has made a commercially reasonable attempt to collect the debt. If a corporate vendor gives you credit, it will not automatically be considered a corporate contribution if you are able to show that the corporate vendor did not intend to make a contribution.

**All in-kind contributions must have a contract or other documentation from the contributor written at the time the in-kind contribution was made, which includes how the value of the goods or services was determined.**

## Restricted Contributions

The Program places restrictions on two sources of contributions: contributions received from corporations and contributions received from political committees that have not yet registered with the CFB. **It is your responsibility to scrutinize all contributions you receive prior to depositing them in your bank account. Carefully reviewing all your contributions prior to depositing them will help avoid the assessment of penalties by the CFB for accepting prohibited contributions.**

### Corporate Contributions

Corporate contributions are **prohibited**. You may not accept contributions given either directly or indirectly by corporations. Should you accept a corporate contribution, you may be assessed a financial penalty. (See Chapter 10, Enforcement.) If you have accepted a corporate contribution, you must immediately refund the contribution to the contributor using a certified or bank check. This applies to all contributions, including those received before you joined the Program. The following words or acronyms on checks indicate that the contribution is from a corporation and must be returned: **Corporation, Incorporated, Limited, P.C., Corp., Inc., and Ltd.**

Indicates this is a corporation and must be returned

John Smith, M.D., P.C.  
215 6th Street  
New York, NY 10025

279

DATE April 4, 2004

Pay to the order of: Antonio Garcia for City Council | \$ 2,000  
Two Thousand  $\frac{00}{100}$  DOLLARS

MEMO \_\_\_\_\_

| : 000067894 | : 12345678

*John Smith*

example

The Committee to Elect Daniel Berns received a check for \$2,750 from Johnson Drilling, Inc. The committee's treasurer noticed that the check was from a corporation and was, therefore, a prohibited contribution. The treasurer immediately mailed the check back to Johnson Drilling, Inc. If the treasurer deposited the check, the committee would be required to report the acceptance of the contribution and the refund in C-SMART. The committee must refund the money using a certified or bank check. Further, the campaign would face a possible financial penalty for violating the ban on corporate contributions, unless the committee realized it made a mistake on its own and can show that it returned the contribution before the CFB notified the committee that it must do so.

### **Contributions from Political Committees**

Political committees include political action committees (PACs), political parties, and candidate committees. You may not accept contributions from a political committee unless the committee has registered with the CFB. To verify that a political committee is registered, check the CFB’s web site at [www.nycffb.info](http://www.nycffb.info) or call the Candidate Services Unit. Be sure that the name of the political committee as it appears on the contribution check is reported correctly into C-SMART and **it is exactly the same as the name that is registered with the CFB**. If the committees’ name is not exactly the same, the contribution will be questioned and may be a delay in public funds payments to you.

It is important not to rely simply on the word of the political committee that it is registered with the CFB. Political committees register with different government agencies, such as the BOE and the Federal Election Commission, and their representatives may not realize that they are not registered with the CFB.

If the political committee is not registered, **do not deposit** the contribution into your bank account. If the committee registers with the CFB within 10 days of your receipt of the contribution, you may then deposit the contribution. If the political committee does not register within 10 days, you will be required to return the contribution. It is your responsibility to ensure that a political committee is already registered with the CFB, and if it is not, that the political committee registers before you deposit the contribution. Should you accept and keep a contribution from an unregistered political committee, you may be assessed a financial penalty. If you have accepted a contribution from an unregistered political committee, you must immediately refund the contribution to the political committee with a certified or bank check.

Political committees register with the CFB by completing and submitting a “Political Committee Registration Form.” This form can be downloaded from our web site, [www.nycffb.info](http://www.nycffb.info), or you can request one by calling the Candidate Services Unit. **Contributions from political committees are not matchable and are subject to the contribution limit.**

It is **your** responsibility to make sure you are not accepting contributions from unregistered political committees, or indirect corporate contributions from political committees that are funded by corporate contributions.

**If you accept a contribution that is over-the-limit you must return the excess. If you accept a contribution that is prohibited you must return the full amount by bank or certified check. Refunding a contribution in any other manner may result in a delay in public fund payments to you.** If your attempt to return the contribution to the contributor is unsuccessful, you may pay the amount of that contribution to the Public Fund instead.

---

*Questions about restricted contributions?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nycffb.info](mailto:csumail@nycffb.info).*

---



## Non-Matchable Contributions

Contributions from residents outside of New York City, political committees, unions, non-incorporated businesses, trust funds, business accounts, limited liability companies (“LLCs”), and partnerships or limited liability partnerships (“LLPs”) may be accepted but are **not** eligible for matching funds.

Contributions drawn on accounts that bear indicia of being business accounts, such as those that contain the contributor’s professional title or the contributor’s business address, may not be valid for matching purposes. (See the Appendix for more information.)

The following additional contributions also are **not** considered matchable:

- in-kind contributions of property, goods, or services;
- money order contributions from any one contributor that aggregate more than \$100;
- contributions from individuals under the age of eighteen years;
- contributions in the form of the purchase price paid for, or otherwise induced by, a chance to participate in a raffle, lottery, or a similar drawing for valuable prizes; and
- contributions in the form of the purchase price for a good or a service provided by the campaign.

The only exceptions to this rule are for contributions given in exchange for goods or services, such as those listed below, that do not have significant value:

- food or liquor;
- limited musical or other entertainment provided at an event that is otherwise campaign-related;
- campaign buttons;
- campaign literature; and
- t-shirts.

Generally, contributions made in the form of the purchase price for tickets to entertainment events (e.g., theatrical or comedy shows, sporting events, and musical performances) will not be matched with public funds.

## Types of Contributors

The Program’s contribution limits apply to all types of contributors: individuals (including relatives of the candidate), political committees registered with the CFB (including candidate committees, political action committees, and political party committees), partnerships, limited liability companies, organizations (including employee organizations/unions), and affiliated contributors. The only

exception to the contribution limit is that the candidate may contribute up to three times the amount of the contribution limit to his or her own campaign. **Please remember that the Program prohibits any type of contribution from corporations.** The Program’s requirements as they apply to certain types of contributors are described below. In order to be in compliance with the public disclosure requirements of the Program you must accurately report the type of contributor.

**Individuals**

You may accept monetary and in-kind contributions from individuals. Only valid monetary contributions received from an individual New York City resident are eligible to be matched and to be applied toward the threshold requirement. Contributions from an individual drawn on personal checking accounts, or in the form of cash or money orders are the only types of contributions that are considered matchable. Contributions from individuals will be combined with contributions from entities which those individuals control when determining your compliance with the contribution limits.

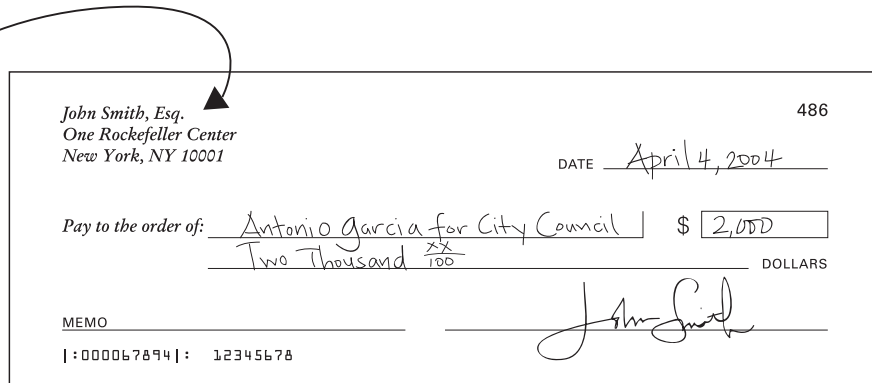
**Contributions by Minors**

You may accept a contribution from a child less than 18 years of age if: (1) the decision to contribute was made knowingly and voluntarily by the minor; (2) the funds, goods, or services contributed were owned and controlled exclusively by the minor, such as income earned by the minor; and (3) the contribution was not made from the proceeds of a gift where the gift was made in order to provide funds for the contribution. Please note: contributions by individuals less than 18 years of age are not matchable.

**Contributions Drawn on Business Accounts**

Campaign contributions drawn on accounts that bear indicia of being business accounts, such as those that contain the contributor’s professional title or the contributor’s business address, will not be valid for matching purposes unless the campaign provides evidence demonstrating that the contribution actually came from personal funds. (See the Appendix for more information).

The check has the contributor’s professional title and this address is a business address. This indicates that this contribution may be from a business account.



### **Political Committees**

Political committees include political action committees (PACs), political parties, and candidate committees. You may **not** accept contributions from a political committee unless it has registered with the CFB. To verify that a political committee is registered, check the CFB's web site, [www.nycfb.info](http://www.nycfb.info), or call the Candidate Services Unit. (For more information on political committees, see page 2-8.)

### **Partnerships, LLPs, and LLCs**

You may accept contributions from partnerships, limited liability partnerships, and limited liability companies. These contributions are subject to the contribution limits and are not matchable. State law and CFB rules require that contributions of more than \$2,500 from a partnership, an LLP, or an LLC be reported in two ways: (1) as coming from the partnership, LLP, or LLC as a whole, and (2) as coming from each partner or member in the firm individually, divided according to the individual partner's or member's share of the firm's profits.

If the share of the contribution of any partner or member is over \$99, that partner or member and his or her share of the contribution must be reported in your disclosure statement as if he or she had personally made that share of the contribution by the firm. The portion attributed to the partner or member will be combined with any other contributions from him or her in determining compliance with the contribution limit.

#### example

The advertising firm Patterson & Rice, LLC contributes \$4,950 to Adams, a mayoral candidate. Ms. Rice receives 60 percent of the firm's profits; Mr. Patterson receives 40 percent. Because the contribution exceeds \$2,500, the committee must also report Ms. Rice as having contributed \$2,970 (60 percent of the \$4,950 contribution) and Mr. Patterson as having contributed \$1,980 (40 percent of the \$4,950 contribution). The committee may then accept only an additional \$1,980 from Ms. Rice, and an additional \$2,970 from Mr. Patterson as individuals, and nothing more from the firm because it has given the limit.

example

Pope & Agoos, a law firm, makes a contribution of \$4,500 to mayoral candidate Kendall. The treasurer of the Committee to Elect Kendall contacts the law firm to inquire about the contribution and learns that there are 60 equal partners in the firm. The firm's contribution must be reported, but the contribution need not be attributed to the individual partners, because each partner's share of the contribution is not over \$99.

---

*Questions about partnerships, LLPs or LLCs?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## **Organizations & Unincorporated Businesses**

You may accept contributions from unincorporated organizations such as clubs, employee organizations/unions, and associations. You may also accept contributions from unincorporated business such as sole proprietorships. **If an organization is incorporated, the contribution is prohibited.** Contributions from organizations are not eligible to be matched with public funds and are subject to the contribution limits.

### **Affiliated Contributors**

Contributions are affiliated when they are controlled or maintained by the same person, organization, committee, or entity.

You must report contributors — individuals or organizations — that are affiliated with one another. Affiliated contributors are considered one contributor, so the total amount of contributions received from affiliated contributors may not exceed the contribution limit.

You, your treasurer, or your campaign staff must regularly check committee records to make sure that multiple contributions from the same or affiliated sources, when added together, remain within the contribution limits. If you are unsure whether contributors are affiliated, you must check with the contributors about the facts concerning their relationship. The most common type of affiliation is between an individual and a business, political committee, or other entity he or she controls. For more information about affiliated contributors, call the Candidate Services Unit.

## example

Mr. Dawson owns Dawson's Automotive, a sole proprietorship. Mr. Dawson makes a personal \$2,500 contribution to participating mayoral candidate Johnson, and Dawson's Automotive makes a \$2,450 contribution to Johnson for an aggregated total of \$4,950. Since this is the maximum contribution permitted for mayoral candidates, Johnson cannot accept any more contributions from either Mr. Dawson or Dawson's Automotive. Johnson must also report both Mr. Dawson and Dawson's Automotive as affiliated contributors.

## example

Phil Johnston owns two non-incorporated businesses, Johnston Tires and Ace Paper Supply. Johnston Tires contributes \$1,000 to participating City Council candidate Russo. Ace Paper Supply gives \$1,000 to candidate Russo as well. Since these two businesses are owned by the same individual, Phil Johnston, the aggregate total contributions from Johnston Tires and Ace Paper Supply is \$2,000. Mr. Johnston has not yet contributed the maximum to candidate Russo, and he or any of his businesses may contribute an additional aggregate total of \$750 to remain within the City Council contribution limit of \$2,750.

## example

The Iron Workers Union gives \$3,000 from its general treasury to Mayoral Candidate Patton. The Iron Workers Union also would like to give Candidate Patton a contribution from its political action committee. Due to the affiliation between the union and the union’s political action committee, the political action committee may give only \$1,950 to Candidate Patton. The \$1,950 is the difference between the original contribution from the Iron Workers Union and Candidate Patton’s \$4,950 contribution limit.

---

*Questions about affiliated contributions?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Types of Fundraising

You may raise contributions through many different types of fundraising. Fundraising encompasses many different activities, such as direct mail solicitation, dinners at restaurants, and small house parties. Each fundraising activity carries its own special disclosure requirements. (For more information about the disclosure requirements for fundraising activities, see page 2-24.)

**All written fundraising materials, including Internet materials, must include the following statement, written in a way that is both clear and easy to notice:**

“State law prohibits making a contribution in someone else’s name, reimbursing someone for a contribution made in your name, being reimbursed for a contribution made in your name, or claiming to have made a contribution when a loan is made.”

### **Contributions Delivered by Intermediaries (“Bundlers”)**

Intermediaries are people who, or organizations that, solicit, collect, and deliver contributions to a campaign from other people or organizations. They are sometimes called “bundlers.” Since they could have influence over the candidate, the law requires that you report intermediaries and the contributions they deliver. A postal, delivery, or messenger service, or a contributor’s immediate relatives, are not considered intermediaries. You must keep written documentation of all intermediated contributions (see the Appendix for a copy of the required intermediary statement).

example

Mark, a supporter of candidate Harry Johnson, asks all his co-workers to donate to the Johnson campaign. Mark collects all the contributions and delivers them to the campaign office. The Johnson campaign must report Mark as an intermediary for these contributions, and Mark must complete and sign an intermediary statement.

example

Antonio, a supporter of candidate Miranda Vasquez, sends out a flyer to all of his friends urging them to make contributions to the Vasquez campaign. Through Antonio’s efforts, the campaign receives twenty-five contributions through the mail. Because the contributions came individually through the mail and were not delivered by Antonio, the campaign need not report him as an intermediary for the contributions.

*Questions about intermediaries?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nycfb.info](mailto:csumail@nycfb.info).*

**Fundraising Agents**

A fundraising agent is a paid or volunteer full-time campaign worker or a commercial fundraising firm retained by the campaign to accept contributions on behalf of the campaign. Fundraising agents must be reported in a cover letter with your disclosure statement, and not as intermediaries.

**House Parties**

House parties are small fundraising events held in supporters’ homes. Ordinarily, the host of a house party is not reported as an intermediary, as long as the cost of the house party is \$500 or less. However, a host must be reported as an intermediary for every contribution he or she collects and delivers from a contributor who gave more than \$500. When a contributor makes multiple contributions at several house parties given by the same host, those contributions should be added together to determine if they add up to more than \$500, and if they do, the host must be reported as an intermediary.

In addition, if the host spends more than \$500 for all house parties he or she gives, the host must be reported as an intermediary for **all** the contributions collected and delivered at the house party, including those of \$500 or less. Moreover, the portion of the party’s expenses that exceeds \$500 is an in-kind contribution from the host and must be reported. When a host gives more than one party, the costs of all parties given are combined to determine whether the \$500 limit has been exceeded. See the chart below for additional information on house parties.

IF THE TOTAL CONTRIBUTIONS FROM ANY INDIVIDUAL:	AND THE COST OF THE PARTY OR PARTIES:	IS THE HOST OF THE HOUSE PARTY AN INTERMEDIARY?
Do not exceed \$500	Does not exceed \$500	No.
Exceed \$500	Does not exceed \$500	Yes, but only for the individual contribution(s) over \$500.
Are any amount	Is greater than \$500	Yes, for all contributors. And the amount spent in excess of \$500 to host the party should be disclosed as an in-kind contribution from the host.



## example

Joan holds a house party for candidate Lawrence Santiago. Joan spends \$300 on food and invitations. She collects ten \$50 contributions and one \$1,000 contribution at the party. Since the cost of the party does not exceed \$500, Joan must be reported as an intermediary only for the \$1,000 contribution.

## example

Joan holds a second house party for candidate Lawrence Santiago and spends an additional \$300 on food and invitations. At this party, Joan collects fifty \$25 contributions. Since the combined cost for both parties exceeds \$500, Joan must be disclosed as an intermediary for every contribution she collected, including those collected at the first party. In addition, since the total cost of both parties is now \$600, candidate Santiago also must disclose a \$100 in-kind contribution from Joan.

---

*Questions about house parties?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

### **Surplus Funds**

You are permitted to use funds that were originally received for another election (surplus funds) by transferring them to your current principal committee. Surplus funds, however, are subject to the Program’s contribution limits and prohibitions, and are not matchable.

#### ***How to Transfer Surplus Funds***

To ensure compliance with the Program’s requirements, surplus funds received for another election must be transferred in reverse chronological order (the last contribution or receipt that you receive, is the first one transferred). When transferring surplus funds you must submit documentation with your disclosure statement that details the contributions and receipts you are transferring. (For more information on transfers, see page 5-10.) It can be a very complicated process to re-examine surplus funds to ensure they comply with the Program, and the CFB recommends that you do not transfer them into your campaign. For more information on how to transfer surplus funds, refer to the chart on the next page.

example

City Council candidate Hopkins has \$9,250 remaining in his 2000 State Senate authorized committee’s bank account. Candidate Hopkins would like to transfer these surplus funds into his 2005 City Council principal committee’s bank account. The table below shows the five contributions totaling \$9,250 that Candidate Hopkins would like to transfer. As the table demonstrates, Candidate Hopkins can only transfer \$6,000.

**To determine if you have complied with the contribution limit, the CFB will add together all contributions to the principal committee from the same contributor, including the contributions included in the amount you transferred from another committee into your principal committee.**

CONTRIBUTION TYPE	CONTRIBUTION AMOUNT	DATE RECEIVED	TRANSFERABLE	AMOUNT TRANSFERRED	TRANSFER ORDER
Individual	\$500	10/08/00	Yes	\$500	1
Individual	\$5,000	08/17/00	Yes (cannot exceed the contribution limit)	\$2,750	2
Corporation	\$1,000	06/14/00	No	\$0	–
PAC registered with the CFB	\$750	04/07/00	Yes	\$750	3
Individual	\$2,000	02/01/00	Yes	\$2,000	4
Total	\$9,250			\$6,000	

*Questions about surplus funds?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

**Joint Contributions**

All check contributions are considered to be received **from the person who signs the check**. If you receive a contribution from a joint checking account, you may attribute the contribution to both account holders **only** if both account holders sign the check. If both account holders sign the check, you should report two contributions (divided equally) from each of the account holders.

example

Jane and Thomas Henley wish to contribute to the Friends of Paul Harvelle. Jane and Thomas Henley share a joint account. Mr. Henley writes an \$800 check to the committee and only he signs the check. Since Mr. Henley signed the check (see below), the contribution is considered to be from Mr. Henley alone, even though both Jane and Thomas Henley wished to contribute. The committee should report an \$800 contribution from Mr. Henley.

Jane and Thomas Henley 44-22 Roosevelt Avenue Jackson Heights, NY 11372		280
		DATE <u>September 5, 2003</u>
Pay to the order of: <u>Friends of Paul Harvelle</u>		\$ <input type="text" value="800"/>
<u>Eight Hundred Dollars</u>		DOLLARS
MEMO <u>good Luck!</u>	<u>Thomas Henley</u>	
:000067894 : 12345678		

example

For the committee to be able to attribute the contribution to both Jane and Thomas Henley, they would both need to sign the check (see below). The committee would report a \$400 contribution from Thomas Henley and a \$400 contribution from Jane Henley.

Jane and Thomas Henley 44-22 Roosevelt Avenue Jackson Heights, NY 11372		280
		DATE <u>September 5, 2003</u>
Pay to the order of: <u>Friends of Paul Harvelle</u>		\$ <input type="text" value="800"/>
<u>Eight Hundred Dollars</u>		DOLLARS
MEMO <u>good Luck!</u>	<u>Jane Henley Thomas Henley</u>	
:000067894 : 12345678		

## Joint Fundraising

Joint fundraising with another candidate raises difficult disclosure and compliance issues. The attribution of both the fundraising costs and contributions received is extremely complicated.

**The CFB strongly recommends that you do not participate in this activity if you want to keep Program compliance simple.** If you hold a joint fundraiser, it is very important that you, and the campaign that is co-hosting the event with you, keep careful documentation of how the two campaigns split the cost.

The Program requires that all costs for joint fundraising events be shared among the candidates in proportion to the benefits derived from them. Should one campaign's share of the cost exceed the proportion of the benefit it derives, that campaign is making an in-kind contribution to the other campaign. Additionally, this contribution to the other campaign, whether it is in-kind or monetary, could possibly cause a reduction of public funds to the campaign making the contribution.

(For more information on reductions in public funds payments, see page 7-7.)

Furthermore, to maintain clear documentation, it is important to pay your share of the fundraising costs directly to each vendor with checks written from your committee's checking account, not to the other campaign.

---

*It is strongly recommended that your campaign contact the Candidate Services Unit before engaging in joint fundraising activities.*

---

example

Mayoral candidate Smith and City Council candidate Johnson hold a joint fundraiser at a local pub. The overall cost of the fundraiser (i.e., space rental, food, and beverages) is \$5,000. Each candidate invited the same number of guests, and each candidate was given the same amount of time to speak. Both campaigns raise the same total of contributions at the event. Candidate Smith pays \$3,000 of the cost and Johnson pays \$2,000. Since Johnson received 50% of the benefits of the fundraiser, but only paid 40% of its costs, Smith has made an in-kind contribution of \$500 to Johnson's campaign. In addition, this in-kind contribution may result in a reduction of public funds for candidate Smith.

If you choose to support other candidates during the election cycle, the following limited activities will not be considered a contribution to or an expenditure by your campaign:

- the act alone of endorsing or appearing with another candidate;
- communication of an endorsement by the candidate you endorsed, if your name is one of several names appearing on a letter or campaign material, as long as your name is of equal prominence as the other names;
- fundraising assistance in the form of a letter or other campaign material that does not promote your candidacy, and your name or likeness appears alone or with others and is of equal prominence as the names or likenesses of other candidates; and
- a typical communication by a political club to its members which includes your name, provided:
  - that you are already a member of the political club;
  - the political club has fewer than 500 members; and
  - the communication does not solicit funds on behalf of or otherwise promote your candidacy.

Communications of an endorsement not limited to the above, as has always been the case, may be considered a contribution to and an expenditure by your campaign. The CFB will take the following factors into consideration when determining the value of the contribution and/or expenditure:

- the focus of the communication;
- the geographical distribution or location of the communication;
- the subject matter of the communication;
- the references to you and your appearances in the communication;
- the relative prominence of the references to you or your appearance, including the size and location of the reference and any photographs; and
- the timing of the communication.

---

*Questions about joint fundraising?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## **Earmarked Contributions**

If a political committee receives a contribution from someone who directs that the committee, in turn, should make a contribution to you, the political committee's contribution to you counts as a contribution made to you both from the political committee and from the original contributor. These "earmarked" contributions are subject to the Program's limits and prohibitions. In addition, the original contributor must be disclosed to the CFB in a cover memo accompanying your disclosure statement.

## **Recordkeeping**

The purpose of this section is to show you how to create records properly to document every contribution you receive. The law requires you to keep records that allow the CFB to review your disclosure statements, and your public funds claims, and to confirm that you are complying with the Program. You must keep, and be able to produce, copies of checks, money orders, and contributions cards for cash, money order, and credit card contributions. (This documentation is known as "backup documentation.") Contributions made by credit card require additional documentation efforts (see page 2-27). In order to qualify for matching funds, you must submit documentation on all contributions for which you are claiming matching funds. The CFB will review your records to ensure that the information you report is accurate and complete.

You must keep track of all money coming into your committee (contributions and other receipts), and these records must be created and recorded **at the time each transaction occurs**. Otherwise, they will not be accepted as valid evidence of the transaction. You accomplish this by setting up internal procedures within your campaign to record, summarize, and communicate information in an orderly and efficient manner.

You will find it helpful to maintain clear and accurate records. This will allow the CFB to review them easily at any time during the campaign. Keeping accurate records eases the audit process and will help you receive public funds more quickly. **Be sure to keep copies of all the documents you send to the CFB.**

You must obtain all missing documentation. You will not receive public matching funds for any contribution over \$500 for which you have not reported employer information.

## **Records Your Committee Must Keep**

### ***Receipts***

- Copies of checks and money orders.
- Copies of contribution cards signed by the contributor for cash, electronic and bank teller checks, money order and credit card contributions.
- Credit card contribution records.

- Deposit slips for all bank accounts.
- Documentation of all of your in-kind contributions, demonstrating how their fair market value was determined.
- All written fundraising materials, including Internet materials, which must include the following statement, written in a way that is both clear and easy to notice:

“State law prohibits making a contribution in someone else’s name, reimbursing someone for a contribution made in your name, being reimbursed for a contribution made in your name, or claiming to have made a contribution when a loan is made.”

### ***Campaign Fundraising Events***

- A detailed record of each fundraising event indicating the date and location of the event.
- A list of each contribution received at/or in connection with the event, including the contributor’s name, address, and employment information, and the amount of the contribution.

### **Monetary Contributions**

Record all the information you need to complete your disclosure statements properly. For each contribution, this must include the date received; the contributor’s name, address, and employment information; the check or money order number (if applicable); and the type of contributor, e.g., individual, candidate, family member. Remember that employment information has three parts: the employer’s name, the employer’s address, and the contributor’s occupation. If the contributor is unemployed, retired, a student, or a homemaker, he or she must be reported as such.

If an intermediary delivers the contribution, you must also record the intermediary’s name, address, and employment information. Specific records are discussed below.

### **Backup Documentation**

You are required to submit properly referenced backup documentation verifying the validity of contributions claimed for matching funds (see page 5-7.) You must keep records documenting every contribution received, and submit copies of checks, money orders, and credit card contribution records, and contribution cards for each cash, money order, credit card, and electronic and bank teller check for every contribution you are claiming as matchable. If these records are not maintained properly, your public funds payment may be less than you anticipated or you may be found ineligible to receive public funds.



### Contribution Cards

You must obtain a contribution card for each contribution made in cash, by money order, by credit card, or by electronic or bank teller check. This card must be signed and dated by the contributor, and must have separate entries for the contributor’s name, address, and employer information, and contribution type, and amount. The following statement must be placed above the contributor’s signature: “I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.” **If a contribution card is missing any of the above information, the contribution will not be valid for matching funds or threshold purposes.** You must submit contribution cards for all such contributions with disclosure statements **even after the threshold is met.** To avoid any potential questions about authenticity, **the contributor should complete this card at the time he or she makes the contribution.**

Contribution Card	
Committee Name _____	
<input type="checkbox"/> Cash <input type="checkbox"/> Money Order   in the amount of \$ _____	
Name _____	
Home Address _____	
City/State/Zip _____	
To comply with Campaign Finance Reporting Rules, please give the following information:	
Employer _____	
Occupation _____	
Business Address _____	
I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.	
_____ Contributor’s Signature	_____ Date of Contribution

A contribution “card” need not be a card or be professionally printed. It can be in any format as long as the proper and complete committee name and contributor information are placed on the card. Blank versions of the sample card above can be found in the Appendix and can be duplicated for your use. Remember, if you choose to use this sample card, you **must** complete your committee name (the one you filed with the BOE and reported on your FIF and/or certification) in the appropriate location.

### ***Contributions by Check***

In order to meet threshold and qualify for matching funds, the CFB requires a properly referenced (see page 5-7) copy of each contributor's check to be submitted with your financial disclosure statements. Remember, contributions by check are the easiest to document. If a designated agent or bank representative, however, signed the check, you must supply a document signed by the contributor that states that the designated agent is authorized to sign the contributor's checks, the date and amount of the contribution, and the committee's name. You must submit copies of checks with disclosure statements **even after the threshold is met.**

example

The Smith campaign receives a \$250 check contribution from John Brown. Jack Freed, Mr. Brown's authorized business agent, signed the check. In order for this contribution to be eligible for matching funds, the Smith campaign must send the CFB a document signed by the contributor, John Brown, explaining that Jack Freed is a designated business agent and has the legal authority to sign Mr. Brown's checks, the date and amount of the contribution, and the committee's name.

example

The Smith campaign receives a \$250 bank teller check contribution from Joe Johnson. The funds were drawn from Mr. Johnson's bank account, but because it is a bank-teller check, the branch manager at the bank signed the check. In order for this contribution to be eligible for matching funds, the Smith campaign must provide the CFB with a contribution card from Mr. Johnson, verifying his personal contributor information.

In order for a contribution to be matched, the CFB must be certain the contribution originated from the contributor, with his or her knowledge and intent. For this reason, the CFB will not match any check contributions indicating that the check is not from the individual, such as, checks designated as being from a trust.

Indicates that this is a trust fund and the contribution will not be matched with public funds

Jason Gibbons  
ITF Paul Samson  
215 6<sup>th</sup> Street  
New York, NY 10025

282

DATE MARCH 3, 2003

Pay to the order of: ANTHONY FARRELL FOR CITY COUNCIL \$ 2,000  
TWO THOUSAND <sup>00</sup>/<sub>100</sub> DOLLARS

MEMO \_\_\_\_\_

| : 000067894 | : 12345678

*Jason Gibbons*

### **Cash Contributions**

If you are claiming matching funds for cash contributions, you must provide the CFB with properly referenced (see page 5-7) and completed contribution cards. If a contribution card meeting CFB requirements is not provided, the contribution will not be valid for matching funds or threshold purposes. In addition, cash contributions over \$100 are illegal. If an individual's aggregated cash contributions exceed \$100, all cash contributions from that contributor will be invalid for matching funds or threshold purposes, and the amount in excess of \$100 must be returned. If you will be accepting cash contributions, you should have the **contributor** complete the contribution card at the time he or she makes the contribution.

### **Money Order Contributions**

A copy of the money order and a contribution card must be kept and submitted to the CFB for every money order contribution your committee receives (a copy of the money order receipt is **not** acceptable documentation). To receive matching funds for money order contributions, the money order **and** the contribution card must be filled out and signed by the contributor. If a valid contribution card is not provided, the contribution will not be valid for matching funds or threshold purposes. Because the CFB has, in the past, discovered fraudulent transactions involving money orders, money order contributions will be scrutinized closely. Moreover, money orders numbered in sequence may be invalidated for matching and threshold purposes if there is reason to believe they are improper. Money order contributions greater than \$100 are not matchable.

### **Credit Card Contributions**

Before you begin accepting credit card contributions, you must first establish a unique merchant account number. This unique merchant account number is necessary to process credit card transactions and is linked to a bank account to which the credit card company makes its deposits. You must provide your unique merchant account number to the CFB on the FIF and/or Certification form. These forms ask for the acquirer's name, and the unique merchant account

number for each account you open. If you are accepting credit card contributions over the Internet, you must also provide your web site address on these forms.

All credit card contributions must be subject to real-time address verification by your credit card or processing company. Real-time address verification occurs when information provided by the contributor is checked against data the company has on file for the account holder as the contribution is being processed. **To be valid for public funds, the residential address provided by the contributor must match the billing address on file for the credit card holder.**

To be valid for public funds, a credit card contribution must be accompanied by an authorization card that contains the name of the credit card issuer (e.g., Visa or Mastercard) the name of the credit card account holder (the contributor), the credit card number and expiration date, and the following statement: “I affirm this contribution is being made from my personal credit card account, billed to and paid by me for my personal use, and having no corporate or business affiliations.” If you are receiving contributions over the Internet, contributors must affirm this statement electronically. (A sample authorization card can be found in the Appendix.)

For your credit card contributions to be valid for matching funds, you must supply the following information with each disclosure statement:

- a copy of the properly referenced (see the Appendix) authorization card for each credit card contribution with all but the last four digits of the account number redacted.
- a copy of the authorization slip or approval codes report showing that the transaction has been processed.

For credit card contributions received over the Internet to be valid for matching funds, you must provide the CFB with the same backup documentation as for other credit card contributions. (See the Appendix for more information.)

You must maintain copies of all checks and/or all records of electronic transfers received from credit card companies. You also must maintain evidence that the real-time address verification procedures are taking place, and when a match is not found, the contribution is rejected. Finally, all statements and correspondence relating to your campaign’s credit card transactions are subject to CFB audit and must be kept on file.

For additional information on accepting credit card contributions, please see the Appendix.

### ***Contributor Employment Information***

For each contributor making contributions totaling more than \$99, you are required to include employer information that provides the name of the contributor’s employer, his or her business address, and occupation. You must have complete employer information in order to receive matching funds for contributions over \$500. To obtain this information, you should send contribution cards with all fundraising mailings, and have them available at all fundraising events. A disclosure statement grossly deficient in providing employer information may prevent you from receiving public funds.

### **Deposit Slips**

You must keep a copy of all bank deposit slips. Loans and other receipts you accept must be deposited in your committee's bank account within ten business days of receipt. Contributions in the form of checks, given to City Council candidates and received more than a year **prior to the election**, however, must be deposited within 20 business days of receipt. All other contributions to City Council candidates, and all contributions to other candidates, must be deposited within 10 business days.

**The CFB strongly urges City Council candidates to deposit contributions promptly, and to do so within 10 business days, so as not to violate Program rules in the election year because of failure to change campaign practices.**

### **In-kind Contributions**

You must keep a contract or other written documentation of all in-kind contributions, including how the fair market value was determined. The documentation should come from, and be signed by, the contributor. In addition, the same contributor information required for monetary contributions is required for in-kind contributions.

#### example

A union grants candidate Samuels exclusive use of an office without charge. Samuels occupies the office for three months. The union pays \$300 per month in rent for that space. The value of the in-kind contribution from the union is \$900, or the monthly rent multiplied by 3 months ( $\$300 \times 3 = \$900$ ). Samuels would record the union's name and address, the value of the in-kind contribution, a description of the in-kind contribution, an explanation of the calculation similar to the one above, and how this value was determined. A union representative would sign the record. All in-kind contributions are also expenditures by the candidate, and are counted toward the contribution and expenditure limits.

**Intermediated Contributions**

You must keep written documentation of all intermediated contributions. This documentation must be signed by the intermediary, and include the intermediary’s name, residential address, employer, occupation, and business address as well as the names of the contributors and amounts contributed. The following statement must be placed above the intermediary’s signature: “I hereby affirm that I did not, nor to my knowledge, did anyone else, reimburse any contributor in any manner for his or her contribution and none of the submitted contributions were made by the contributor as a loan.” In addition, the record must contain the following statement: “The making of false statements in this document is punishable as a Class E felony pursuant to section 175.35 of the Penal Law and/or a Class A misdemeanor pursuant to section 210.45 of the Penal Law.” For a copy of an intermediary statement, see the Appendix.

**Intermediary Statement**

**Committee Name:** Friends of Easley

**Intermediary's Name:** Thomas Winchester

**Home Address:** 37 Burlap Lane

**City/State/Zip:** Hastings, NY 11068

**Employer:** Frank's Sporting Goods

**Occupation:** Salesperson

**Business Address:** 133 Crescent Street

**City/State/Zip:** Hastings, NY 11068

<b>Contributor's Name</b>	<b>Amount Contributed</b>
1. <u>John Smith</u>	<u>\$25</u>
2. <u>Jane Doe</u>	<u>\$1,000</u>
3. <u>Juan Gonzalez</u>	<u>\$850</u>
4. <u>Ralph Gomez</u>	<u>\$300</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Attach additional pages if the intermediary has more than ten (10) intermediated contributions.

I understand that the making of false statements in this document is punishable as a Class E felony pursuant to Section 175.35 of the Penal Law and/or a Class A misdemeanor pursuant to Section 210.45 of the Penal Law.

I hereby affirm that I did not, nor to my knowledge, did anyone else, reimburse any contributor in any manner for his or her contribution and none of the submitted contributions were made by the contributor as a loan.

**Intermediary's Signature** Thomas Winchester **date** 3/5/03

*Questions about intermediaries?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

**Referencing and Preparing Backup Documentation**

To maximize your ability to receive a timely public funds payment on the first possible payment date, you should adhere to the following process when you receive a contribution. These steps will help you to streamline the processing of incoming contributions. You should keep all backup documentation in order and in a separate file so you can submit it with the appropriate disclosure statement.

### ***Contributions Given by Check***

For every contribution you receive by check, you should:

1. Inspect the check to be sure that it is not a prohibited contribution (see page 2-7). You may be assessed a penalty if you deposit a prohibited contribution.
2. Photocopy the check.
3. Enter the contribution into C-SMART using the name of the contributor as it appears on the check. Be sure to proofread the contributor name so that it exactly matches the name on the check. Remember, the person who signed the check is the contributor.
4. Check the C-SMART “totals” box to verify that the contribution, when aggregated with other contributions by the same contributor, does not exceed the contribution limits for your office.
5. Write the C-SMART transaction ID number and statement number on the photocopy of the check. This is the **backup documentation** for that contribution. You will submit this to the CFB along with your disclosure statement.
6. After completing steps 1–5, deposit the check in your committee’s bank account and properly file your deposit slip.

### ***Contributions Given in Cash***

If you receive a cash contribution, you **must** obtain a contribution card signed by the contributor. For every contribution you receive in cash, you should:

1. Review the contribution card and ensure it is complete and signed by the contributor.
2. Enter the contribution into C-SMART.
3. Check the C-SMART “totals” box to make sure you have not accepted more than \$100 in cash from this contributor. You may be assessed a penalty if you deposit a cash contribution that exceeds the \$100 limit.
4. Check the C-SMART “totals” box to verify that the contribution, when aggregated with other contributions by the same contributor, does not exceed the contribution limits for your office.
5. Write the C-SMART transaction ID and statement number on the original contribution card.
6. Make a photocopy of the signed contribution card. This is the **backup documentation** for that contribution. You will submit this to the CFB along with your disclosure statement.
7. After completing steps 1–6, deposit the cash contribution into your committee’s bank account and properly file your deposit slip.

***Contributions Given by Money Order***

If you receive a money order contribution, you **must** obtain a contribution card signed by the contributor. The information written on both the money order and the contribution card **must** be legible. For every contribution you receive by money order, you should:

1. Inspect the money order for irregularities and indications that they are not illegal nominee contributions (see page 2-3).
2. Enter the contribution into C-SMART.
3. Check the C-SMART “totals” box to verify that the contribution, when aggregated with other contributions by the same contributor, does not exceed the contribution limits for your office.
4. Write the C-SMART transaction ID and statement number on the money order and the original contribution card.
5. Make a photocopy of both the money order and the signed contribution card. This is the **backup documentation** for that contribution. You will submit this to the CFB along with your disclosure statement.
6. After completing steps 1–5, deposit the money order into your committee’s bank account and properly file your deposit slip.

***Contributions Given by Credit Card***

If you receive a credit card contribution, you **must** obtain an authorization card signed by the contributor, unless the credit card contribution was received over the Internet. For every contribution you receive by credit card, you should:

1. Follow all credit card requirements, including those for Internet contributions, in the Appendix.
2. Enter the contribution into C-SMART.
3. Check the C-SMART “totals” box to verify that the contribution, when aggregated with other contributions by the same contributor, does not exceed the contribution limits for your office.
4. Write the transaction ID and statement number on the original authorization card.
5. Make a photocopy of the authorization card and authorization slip or approval codes report showing that the transaction has been processed. This is the **backup documentation** for that contribution. You will submit this to the CFB along with your disclosure statement.



6. In most instances, the credit card company will electronically transfer the contribution into your committee's bank account. Properly file your statements from the bank and the credit card company.

---

*Questions about properly referencing backup documentation?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## IMPORTANT POINTS TO REMEMBER

- Your campaign is limited in the amount of money that it can receive from a contributor.
- You may receive monetary contributions by cash, check, money order, and credit card. Remember to keep detailed documentation about each contribution you receive. **You will need to submit that documentation to the CFB.**
- New York State law prohibits campaigns from accepting cash contributions in excess of \$100.
- Money order contributions from any one contributor that aggregate more than \$100 are not eligible to be matched.
- Only contributions from individual NYC residents are eligible to be matched and count toward the threshold.
- Be advised: In previous election cycles, the CFB only required committees to submit backup documentation only until the committee met the threshold. **Committees now must submit backup documentation with every disclosure statement.**
- Money order and cash contributions will be closely scrutinized.

## WHERE TO FIND IT

For more information, please refer to:

- Contributions: *CFB Rules Chapter 1, rule 1-04*
- Funds originally received for other elections: *CFB Rules Chapter 1, rule 1-07*
- Claiming matchable contributions: *CFB Rules Chapter 3, rule 3-04*
- Records to be kept: *CFB Rules Chapter 4, rule 4-01*
- Credit card contributions: *CFB Rules Chapter 4, rule 4-01(b)(6)*

## COMMON PITFALLS REGARDING CONTRIBUTIONS

- Failing to adhere to the contribution limit.
- Failing to deposit contributions within ten days of receipt, and failing to use those ten days to scrutinize **every** contribution you receive.
- Accepting cash contributions totaling more than \$100 from a single contributor.
- Accepting nominee contributions.
- Accepting prohibited contributions.
- Failing to use a bank or certified check to refund prohibited contributions.
- Failing to check with the CFB to determine whether a political committee is registered.
- Depositing political committee contributions before they are registered.
- Failing to attribute partnership and limited liability company contributions of more than \$2,500 to the individual partners or members of the respective entity whose share of the contribution exceeds \$99.
- Failing to aggregate affiliated contributions.
- Failing to properly transfer surplus funds.
- For joint contributions, failing to disclose only those person(s) who signed the check.
- Failing to allocate joint fundraising costs properly.
- Failing to keep copies of all the documentation sent to the CFB.
- Failing to submit complete, accurate, timely, and properly referenced backup documentation.
- Failing to maintain clear and accurate records and to record names of contributors on disclosure statements exactly as they appear on the backup documentation.



By joining the Program, you voluntarily agree to abide by strict limits on campaign spending.

This chapter will address the following topics:

- Spending limits for the election cycle;
- Making expenditures on behalf of your campaign; and
- Documenting your expenditures.

## Spending Limits

The Program limits the amount of money participants can spend on their campaigns. The spending limits are intended to curb excessive campaign spending, level the playing field by preventing candidates with access to large monied resources from significantly outspending their opponents, and thereby allow for a broader range of candidates to compete effectively.

Spending Limits for the 2003 Election	
2002 <sup>*</sup>	\$40,000
2003 Primary Election <sup>†</sup>	\$150,000
Total Primary Limit	\$190,000
2003 General Election	\$150,000
<sup>*</sup> Spending in excess of this amount will be charged against the first applicable limit in 2003. <sup>†</sup> If no primary is held and a primary election spending limit is not applicable, the amount in this row will constitute the limit for the general election.	

## example

City Council Candidate Jameson has the opportunity to spend \$40,000 in 2002. If Candidate Jameson spends only \$10,000, he does **not** have an additional \$30,000 to spend for the primary of the 2003 elections. In addition, if Candidate Jameson spends \$50,000 in 2002, his 2003 primary expenditure limit is reduced by \$10,000.

## Spending Limits for the 2005 Election

	MAYOR	PUBLIC ADVOCATE/ COMPTROLLER	BOROUGH PRESIDENT	CITY COUNCIL
2002 – 2003*	\$90,000*	\$90,000*	\$60,000*	\$3,000*
2004*	\$180,000*	\$180,000*	\$120,000*	\$40,000*
2005 Primary Election†	\$5,728,000	\$3,581,000	\$1,289,000	\$150,000
Total Primary Limit	\$5,998,000	\$3,851,000	\$1,469,000	\$193,000
2005 General Election	\$5,728,000	\$3,581,000	\$1,289,000	\$150,000

\* Spending above these amounts will be charged against your first limit in 2005. For example, if a borough president candidate spent \$320,000 in 2004, his/her 2005 primary limit would be reduced to \$1,089,000. If you spend below these amounts during the period to which they apply, you will lose the opportunity to use these spending limit amounts. For example, if a borough president candidate only spends \$20,000 in 2004, he/she can still only spend a maximum of \$1,289,000 in 2005, not \$1,389,000.

† If no primary election is held and a primary election spending limit is not applicable, the amount in this row will constitute the limit for the general election.

Candidates who run in both the primary and general elections have two separate spending limits. The first covers spending up to the date of the primary election, and the second covers spending up to the general election.

example

Public Advocate candidate Richardson has the opportunity to spend \$180,000 in 2004. If Candidate Richardson spends only \$30,000, he does not have an additional \$150,000 to spend for the primary of the 2005 elections. But, if Candidate Richardson spends \$200,000 in 2004, his 2005 primary expenditure limit is reduced by \$20,000.

**Please note: the CFB's most substantial penalties have generally been assessed for expenditure limit violations,** because there is no way to “correct” these violations after the election is over, and these violations can significantly affect the outcome of an election.

### **Attributing Spending to an Election**

**If you are unopposed in the primary election, all your spending in the calendar year of the election, even spending before the primary, will count toward your general election spending limit unless: you file the required primary disclosure statements in a timely manner (for the 2003 elections through statement 7 and for the 2005 elections through statement 13) and:**

1. another party has a primary for the same office you are seeking; and/or
2. you have spent for a primary in reasonable anticipation of a primary that ultimately did not occur. (If this happens, you must be able to document to the CFB that you reasonably believed a primary was going to occur.)

If you have both a primary and a general election spending limit, the CFB will initially apply to the primary limit all spending reported in disclosure statements 1 through 7, for the 2003 elections, and disclosure statements 1 through 13, for the 2005 elections. Spending reported in subsequent disclosure statements will be applied to the general election limit. Expenses incurred but not paid before an election are still subject to that election's spending limits. Modest post-election expenditures to wind up the campaign are not subject to these limits, as described on page 13-2.

example

Candidate Jones contracted to have a brochure mailed to the residents of his district prior to the primary election. Although the payment was made after the primary election, since the expense was incurred for the primary, and the benefit of the expense was received for the primary it is a primary expenditure and subject to the primary spending limit.

---

*Questions about spending limits?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

### **Exempt Expenditures**

Exempt expenditures are expenses that do not count against your spending limit. These include any spending to comply with the Program or New York State election law; expenses related to circulating and filing designating and nominating petitions; expenses related to petition litigation; expenses related to the canvassing of election results; and payments of debts for a previous election. **Exempt expenditures must be claimed as they are made.** If your campaign will be making exempt expenditures, you must disclose them in their appropriate disclosure statement.

To simplify candidate reporting and CFB auditing of exempt expenditures, you have two options for documenting and reporting exempt expenditures:

1. Limit your aggregate exempt expenditures to an amount not greater than 7.5% of the applicable expenditure limit; or
2. Maintain detailed records substantiating that each exempt expenditure claim falls into an exempt category.

**Option 1:** You will have to maintain books and records generally required for all expenditures, but will not have to maintain more detailed records establishing that your expenditures are exempt. Your expenditures claimed as exempt, however, must still be limited to those categories which are permitted as exempt under the Act, and the CFB will not accept claims which appear from the nature of the underlying expenditure not to be permitted. If your total exempt claims exceed the 7.5% limit, you will need to have maintained contemporaneous documentation outlined in option 2.



**Please note:** Because ballot petition litigation can be difficult to predict and can often equal more than 7.5% of the applicable expenditure limit, participants who use Option 1 will still be required to substantiate exempt claims for ballot petition litigation through detailed documentation, and these claims will not be subject to the 7.5% limit.

**Option 2:** If you are unable to keep your exempt expenditures within the 7.5% limit you will be required to have kept contemporaneous detailed records showing that each expenditure you claim as exempt meets the definition of an exempt expenditure. For a more detailed explanation of the required records needed to fulfill this requirement, see the Appendix.

Remember that regardless which option you chose for documentation, you must still claim expenditures as exempt when you report them. For a more detailed explanation of the records needed to fulfill this requirement, see the Appendix.

You should seriously consider in advance which option to choose. Option 1 can significantly simplify your compliance, and the 7.5% limit is well above what most campaigns have needed in the past. But if you fail to keep the necessary documentation and you exceed the expenditure limit by more than 7.5% your campaign will be in violation of the expenditure limit.

Expenditures incurred for the following purposes are **never** exempt:

- maintaining checkbook registers, petty cash journals, bank records, and loan records;
- planning and managing the campaign's budget and the expenditures that will be made, including consideration of how to allocate spending within the expenditure limit;
- bookkeeping for payroll and paying vendors;
- fundraising, including all costs incidental to gathering information from contributors at fundraising events or in fundraising solicitations;
- advertising; and
- mailings and telephone costs, except those made solely for the purpose of gathering contributors' employment and occupation information, and information about intermediaries.

Remember that regardless which option you use for documentation, you must claim expenditures as exempt when you file the appropriate disclosure statements. This will give the CFB the ability to review your claims to verify their exempt status, so you do not inadvertently violate the spending limit.

---

*Questions about exempt expenditures?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Making Expenditures

Expenditures made during the election cycle can be paid with a committee check, committee credit or debit card, certified check, or in cash if the expenditure is not greater than \$100. Whenever possible, however, **campaigns should use a campaign check when making expenditures.** The CFB considers expenditures made when you receive the goods or services. If you prepay expenditures in the year(s) before the election, for goods and services to be received in the election year, these payments will count toward your first expenditure limit in the election year.

example

Candidate Bill Lawson is planning in November 2004 to have a mailing distributed in February 2005. He finalizes the details and pays for the mailing in November 2004. Since the mailing is not going out until February, the cost of the mailing is counted against the 2005 primary spending limit, or the general election spending limit if he does not have a primary.

### Checks

All expenditures made during the election cycle should be paid for by check from the authorized committee's bank account. Expenditures made by check simplify recordkeeping and reduce unnecessary advances or petty cash expenditures, which are not qualified expenditures. (For more information on qualified expenditures, see page 3-15.)

### Committee Issued Credit and Debit Cards

You may acquire a credit or debit card in the name of your committee to make campaign-related expenditures. Expenditures made by a committee credit or debit card can simplify recordkeeping, and reduce unnecessary advances or petty cash expenditures, which are not considered qualified expenditures. (For more information on qualified expenditures, see page 3-15.)

When reporting expenditures made with credit cards, you must list the actual vendor where the goods and/or services were purchased and the purchase price for each transaction, not the payment to the credit card company. Credit and debit card expenditures made by campaign workers using their personal accounts are considered advances and must be disclosed accordingly. **Advances are not qualified expenditures.** (For more information on qualified expenditures, see page 3-15.)

example

Mr. Smith is the treasurer for Candidate Moran. Mr. Smith bought a fax machine at Radio Shack for the committee's office. Mr. Smith charged the fax machine on the campaign's American Express credit card. He recorded this transaction in C-SMART by documenting that he purchased the fax machine at Radio Shack for \$200. Mr. Smith will not record that the committee paid American Express \$200 for the fax machine. He must, however, keep the receipt from Radio Shack and the American Express bill to document the purchase.

## Cash

Under state law and the Program's rules, only expenditures of \$100 or less can be made in cash. Any expenditure over \$100 **must** be made by check, credit/debit card, or certified check. The CFB recommends that you keep cash expenditures to a minimum, because they are not qualified expenditures. (For more information on qualified expenditures, see page 3-15.)

## Petty Cash Fund

A petty cash fund is a convenient way for your campaign to make **small** expenditures without having to write a check. A petty cash fund is established by withdrawing funds from your committee's bank account and keeping them in a secure place, such as a safe or lock box. Your petty cash fund can have a balance of no more than \$500, out of which small expenditures of \$100 or less per expenditure may be made. C-SMART includes a petty cash journal for your convenience.

If an expenditure is greater than \$100 and the vendor does not accept campaign checks, use a certified bank check or a committee credit or debit card and get a receipt for your records. **The CFB strongly recommends that you keep petty cash expenditures to a minimum because they are not qualified expenditures.** (For more information on qualified expenditures, see page 3-15.)

---

*Questions about petty cash?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

### **Advances and Advance Repayments**

Candidates, campaign workers, and others who use their personal funds — whether by cash, check, or credit card — to make an expense on behalf of the campaign, for which they expect to be repaid, are making an advance. An advance is an in-kind contribution, subject to the contribution limit, until it is repaid. To determine whether contribution limits have been exceeded, contributions and unrepaid advances from the same person are added together. Once an advance is repaid, it is considered an expenditure by the committee. You must keep advance repayment vouchers submitted by the advancer. (A sample advance repayment voucher can be found in the Appendix.)

**You are strongly discouraged from making advances because they make disclosure and recordkeeping more complex. The CFB strongly recommends that you avoid advances or keep advances to a minimum because they are not qualified expenditures and you will not receive public funds for them.** (For more information on qualified expenditures, see page 3-15.)

example

Susan was in Staples when she remembered that her sister, Candidate Brown, needed some office supplies. Susan purchased the office supplies with her credit card. Later that week, Susan submitted an advance repayment voucher with the bill and the Brown committee reimbursed her for the full amount with a committee check. These office supplies will not be qualified expenditures, and the campaign will not receive public funds to cover them.

## example

City Council candidate Sanchez' brother Paul has made numerous advances to the campaign totaling \$2,500. None of these advances has been repaid. Paul makes an additional advance for some stamps totaling \$500. Candidate Sanchez will not be able to repay the advances by the deadline of the next disclosure statement. According to the rules of the Program, the final \$500 advance is prohibited because advances are in-kind contributions until repaid. By accepting \$3,000 in advances and not repaying them, candidate Sanchez will have accepted an over-the-limit contribution.

---

*Questions about advances?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info)*

---

### **Joint Expenditures**

A joint expenditure is an expenditure on behalf of two or more candidates for joint campaign materials or activities. For example, candidates might make joint expenditures for leaflets, brochures, or buttons supporting more than one candidate, rallies, or other activities supporting more than one candidate. The Program requires that the value of these materials or activities be shared among the candidates in proportion to the benefits derived from them. Otherwise, the result will be an in-kind contribution and an expenditure made from one candidate to the other, and may reduce the public fund payments of the candidate making the in-kind contribution.

Sharing the value of joint expenditures can be very complex and is not recommended. For more information about assigning joint expenditure costs, or if you run on a “ticket” with other candidates, please call the Candidate Services Unit.

## example

Citywide candidates Townsend and Garcia make a joint expenditure for a brochure featuring both candidates. The full cost of the brochure is \$5,000. Each candidate receives an equal amount of space in the brochure, but candidate Townsend pays \$3,000 and Garcia pays \$2,000. Since candidate Townsend paid more than candidate Garcia, when based on the facts the cost should have been evenly divided, Townsend has made an in-kind contribution of \$500 to Garcia's campaign. In addition, this in-kind contribution may result in a reduction of public funds for candidate Townsend.

If you choose to support other candidates during the election cycle, the following limited activities in support of them will not be considered a contribution to or an expenditure by your campaign:

- the act alone of endorsing or appearing with another candidate;
- communication of an endorsement by the candidate you have endorsed, where your name is one of several names appearing on a letter or campaign material, as long as your name is of equal prominence as the other names;
- fundraising assistance for another candidate in the form of a letter or other campaign material that does not promote your candidacy and your name or likeness appears alone or with others and is of equal prominence as the name or likeness of the other candidates; and
- a typical communication by a political club to its members that includes your name, provided that:
  - you are already a member of the political club;
  - the political club has less than 500 members; and
  - the communication does not solicit funds on behalf of or otherwise promote your candidacy.

Communication of an endorsement not limited to the above, as had already been the case, may be considered a contribution to and an expenditure by your campaign. The CFB will take the following factors into consideration when determining the value of the contribution and/or expenditure:

- the focus of the communication;
- the geographical distribution or location of the communication;
- the subject matter of the communication;
- the references to you and your appearances in the communication;
- the relative prominence of the reference to you or your appearance, including the size and location of the reference and any photographs; and
- the timing of the communication.

---

*Questions about joint expenditures?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

### **Independent Expenditures**

Someone not connected with a campaign may spend money to benefit that campaign (such as paying for radio or television ads to promote a candidacy). These are “independent” expenditures, and they do not count toward a candidate’s spending limit, **as long as no one with the campaign authorized, requested, or cooperated with the expenditure in any way.**

If the spending is **not** independent, it is an in-kind contribution to, and an expenditure by, the campaign. Generally, political party spending that simply promotes the party is not an in-kind contribution. But party spending on materials that identify a party nominee is an in-kind contribution (and an expenditure). The party nominee will be receiving an in-kind contribution unless he or she can show that the spending was truly independent. The CFB will use a number of factors to determine if spending is truly independent, such as:

- whether the individual or entity making the expenditure is an agent of the candidate;
- whether the person authorized to accept receipts or make expenditures for the party is an agent of the candidate;
- whether the candidate has in any way cooperated in the formation or operation of the individual or entity making the expenditure;

- whether the individual or entity making the expenditure has been established, financed, maintained, or controlled by any of the same individuals or entities as those which have established, financed, maintained, or controlled any committee authorized by the candidate; and
- whether the individual or entity making the expenditure and the candidate have been in communication with the same third party, or if the candidate knew or should have known that the communication with the third party would result in expenditures to benefit the candidate.

If your campaign claims that another entity's expenditures were independent when in fact your campaign cooperated in the spending, you may be ineligible for public funds and may be required to forfeit all public funds previously received.

If you would like to make independent expenditures to help another candidate, you must be sure that you have not coordinated with the other candidate in any way, and you must meet special disclosure requirements. The burden is on the candidate to prove that independent expenditures are truly independent.

example

The County Democratic Party sent a mailing advocating the election of its nominee, City Council candidate William Sellers. The CFB will presume that candidate Sellers is receiving an in-kind contribution from the County Democratic Party unless candidate Sellers can prove otherwise.

example

Union First PAC hires ABC Campaign Consultants to create an independent mass mailing project in support of Candidate Smith. However, ABC Campaign Consultants is also Candidate Smith's chief campaign manager. As a result, this expenditure will not be considered independent, due to the shared third-party relationship.

*Questions about independent expenditures?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*



### Subcontracted Expenditures

You may hire primary contractors to provide goods or services to your committee. If one or more of your primary contractors cannot provide the complete services requested, they may hire a subcontractor.

If the goods or services provided by any one subcontractor exceed \$5,000, you must request and keep records of the name and address of the subcontractor, the services provided by the subcontractor, and the associated costs. This is in addition to the records you are required to keep for your payments to the primary contractor. Whenever you pay a contractor more than \$5,000 for goods and services, you should ask that contractor whether it subcontracted work and, if so, disclose the subcontractor(s), the services provided, and the amount they were paid.

example

Comptroller candidate Springer hired Message Art, a media-consulting firm, to design and print signs for his campaign. Message Art charged candidate Springer \$15,000 for the completed services. Message Art created the designs for the campaign, but did not have the equipment to print them. Message Art subcontracted out to The Print Shop a total of \$7,500 in printing services. Candidate Springer must disclose how the money was spent, including the subcontractor's costs and services.

### Wages for Campaign Staff

If you pay wages to campaign staff, you must create an employee earnings record. The earnings record must include the worker's full name, social security number, home address, the period covered, the hours worked during the period, a detailed description of the work performed, the rate of pay, the amount paid for the period, and a signature of receipt of the wages. **This record must be prepared at the time the work is performed.** A sample of the wage record can found in the Appendix.

You may prepare an employment contract for full-time campaign workers, signed by the worker and the treasurer or candidate, which contains the worker's full name, social security number, home address, the period covered by the contract, a description of the work to be performed, and the rate of pay. **Again, this must be prepared and signed at or before the time the work is performed.**

If your campaign decides to use a payroll service to pay employees, the CFB requires all employees to be itemized on your disclosure statement when reporting campaign expenditures.

You must also keep a copy of the worker’s W-2 or 1099 form, and copies of the cancelled checks used to pay the wages.

**Working with Consultants**

If you hire consultants to assist your campaign you must maintain a copy of the agreement which outlines the service being provided, the period covered by the contract, and the cost of the services provided. **Consultant agreements must be prepared and signed at or before the time the work is performed.**

**Outstanding Liabilities and Forgiven Debt**

Outstanding liabilities are bills that remain unpaid at the time you file a disclosure statement. If you owe money on a bill or debt, but the creditor does not require you to pay your balance, the debt has been “forgiven” and it will be considered an in-kind contribution from the creditor. If a creditor forgives part of your debt, the difference between the amount of the bill and the amount paid is an in-kind contribution.

If a bill remains unpaid for 90 days and the vendor does not make a commercially reasonable attempt to collect the money, the value of the bill is considered an in-kind contribution even if the creditor does not formally agree to forgive it. Like all contributions, **these are also subject to the contribution limits. Remember, a forgiven bill from a corporation is considered a corporate contribution and is prohibited.**

example

City Council candidate O’Sullivan purchased \$500 worth of buttons from Buttons “R” Us, a sole proprietorship located in his district. The owner of Buttons “R” Us believes that candidate O’Sullivan will do an excellent job as a Council member, so he chooses to forgive 20% of the \$500 bill. This forgiven percentage of the bill results in a \$100 in-kind contribution to the O’Sullivan campaign by Buttons “R” Us, and must be reported as such on O’Sullivan’s disclosure statement. Because Buttons “R” Us is not a corporation, the contribution is permitted.

## Spending Public Funds: Qualified vs. Non-Qualified Expenditures

When you make expenditures on behalf of your campaign, they will be classified by the CFB as “qualified” or “non-qualified.” **You cannot use public funds to pay non-qualified campaign expenditures.** You must be able to document qualified expenditures of at least the amount of public funds you receive or you will be required to return the difference to the Public Fund.

### Qualified Expenditures

An expenditure that you can pay for with public funds is called a **qualified expenditure**. Qualified expenditures are expenditures incurred to further the candidate’s nomination or election during the election year.

Qualified expenditures must be properly documented at the time the expenditure is made (see page 3-6) and paid for in one of two ways:

- committee check; or
- committee credit or debit card.

Qualified expenditures can include but are not limited to:

- rent for a campaign office;
- staff salaries;
- campaign literature;
- advertisements;
- fundraising;
- mailings; and
- hiring consultants to assist with any of the above.

### Non-Qualified Expenditures

An expenditure that you cannot pay for with public funds is called a **non-qualified expenditure**. Non-qualified expenditures include but are not limited to:

- any cash payments;
- expenditures made through advances;
- litigation related to ballot petitions;
- payments to you, your relatives, or a business in which you or a relative has an interest of 10% or greater;

- spending that is not reported in a disclosure statement, or for which proper records were not kept at the time of the spending;
- contributions, transfers, or loans to other candidates or committees;
- spending before or after the calendar year of the election;
- gifts;
- payments above the fair market value of goods or services received;
- any illegal purposes;
- spending related to the canvassing of election results;
- any expenditures after the candidate's petitions are declared invalid, the candidate is removed from the ballot, or after all other opposing campaigns are removed from the ballot; and
- any purpose other than the furtherance of the participant's nomination or election.

If you have any questions about whether an expenditure is qualified or non-qualified, call the Candidate Services Unit for guidance. **You must be able to document that your qualified expenditures equal or exceed the amount of public funds you received for each election. If you cannot, you must repay the difference to the Public Fund.**

example

The Friends of Candidate Lee committee received \$23,000 in public funds for the primary election. Because the committee can only document \$20,000 in qualified expenditures for the primary, it has to return \$3,000 to the CFB.

---

*Questions about qualified expenditures?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Restrictions on Using Campaign Funds

In addition to restrictions on the use of public funds, there are some prohibitions on the use of any campaign funds. Campaign funds must be used for campaign and not personal purposes. The CFB may question any expenditure that does not appear to be related to the campaign, such as spending for trips, lodging, and clothing.

### example

Candidate Mason takes a trip to Atlantic City and reports expenditures for this trip in his disclosure statements. Candidate Mason is running for Manhattan Borough President, so it is assumed that he was not campaigning in Atlantic City. The expenses for his trip are not qualified, will not be reimbursed with public funds, and may be violations of the law.

Please remember:

- After public funds are received, you may not reject or return any contributions until you pay back all necessary public funds to the CFB. You may, however, return a contribution if the contribution exceeds the contribution limit, is from a prohibited source, is returned because of the particular source involved, or was deposited into a separate account in anticipation of a run-off primary election that was not held.
- After public funds are received, your committee may not pay expenses for a different election or transfer funds to another committee.
- Your committee may make payments for the current election only and must do so from a bank account established and maintained exclusively for that election. You should use the same account for the primary and general elections.
- After public funds are received, your committee may not make post-election expenditures except for modest routine winding-up costs (for more information on winding-up costs, see page 13-2) or for post-election compliance with the CFB's audit process.
- Your committee may not use public funds to pay volunteers for services already performed, or to enhance salaries after the fact.

## example

Candidate Lawson arranges to provide an end of the year bonus for key staff members with some of the remaining campaign money. When he contacts the Candidate Services Unit to see if this is permissible, however, he is told that since the bonus was not stated in a contract created prior to the services being performed, it will not be allowed.

New York State election law has additional restrictions on the use of campaign funds. Call the BOE for more information.

## Recordkeeping

The law requires you to keep records that allow the CFB to verify your disclosure statements and confirm that you are complying with the Program. You must keep, and be able to produce, copies of bills and other documents to verify your expenditures. Unlike documentation for your matchable contributions, however, you should not submit expenditure documentation to the CFB until it is requested. (If you do submit unsolicited documentation, you may be asked to provide it again, creating unnecessary work for your committee.) The CFB requires you to maintain clear and accurate records that will allow the CFB to review them easily at any time before, during, or after the election. Keeping accurate records simplifies the audit process and will help expedite the release of public funds.

You must keep track of all money flowing out of your committee. These records must be created and recorded **at the time each transaction occurs**. Otherwise, the records will not be accepted as valid evidence of transactions. If you create records after the fact and submit them to the Board as evidence of past transactions, you will be submitting false records in violation of the law. To keep track of your campaign finances you should set up a system that will record, summarize, and communicate information in an orderly and efficient manner.

A checkbook register must be kept for each checking account to record all disbursements made from your committee's account, including expenditure payments, loan repayments, and bank charges. The register must record the date, payee name, purpose, check number, and amount for each expenditure. C-SMART will keep track of your checkbook register if you enter all of your expenditures properly. Transfers between bank accounts, or from bank accounts into a petty cash fund, should also be recorded. **To make compliance easier, the CFB strongly recommends that you have only one bank account.**

## Records Your Committee Must Keep

### *Expenditures*

- Copies of all bills, invoices, receipts, and the front and back of cancelled checks.
- For the payment of wages and salaries, detailed records documenting what services were provided at what cost, including the number of hours worked. **These records must be created at the time the work is performed.**
- Separate checkbook registers for each committee bank account. **The CFB strongly recommends that you use only one bank account.**
- Committee credit or debit card billing statements, and receipts identifying the vendor for each purchase using the committee's card.
- Documentation from primary contractors showing each subcontractor who was paid an amount totaling over \$5,000.
- Detailed documentation of when you retain or authorize a person or entity to provide goods or services that you know, or have reason to believe, will exceed \$1,000 in value. This could be a contract with the vendor written at the time the vendor was retained or, if no contract exists, a written record showing the date of retention, the name and address of the vendor, and a description of the goods or services the vendor is to provide.

### *Bills*

You are required to keep a copy of all bills. You may find it useful to file all bills in chronological order. Some candidates find it helpful to mark the copy of the invoice with the C-SMART transaction numbers and the check numbers used to pay the bill. Make sure all copies include the name of the vendor or service provider, the date, and the amount of the bill. Bills which you wish to use to document qualified expenditures must clearly state the goods or services provided. (A good rule in determining whether an invoice is detailed enough is to imagine whether a stranger to the campaign would be able to clearly tell what the bill was for.) Written documentation must be kept for all bills that are forgiven by a vendor or service provider. You must get documentation, such as a letter from the vendor, stating that the bill has been forgiven. (Bills that are forgiven become in-kind contributions; see page 2-4.)

### *Credit Card and Debit Card Purchases*

If you make purchases by credit or debit card, you must report each individual transaction paid for with the card, not the overall payment to the credit or charge card company. Billing statements or receipts must be kept with records that list the vendors from the original purchase. You may find it helpful to file all credit card and debit card statements chronologically with other bills.

***Petty Cash***

All petty cash expenditures must be entered in a petty cash journal, which serves as a chronological record of all deposits to and withdrawals from the petty cash fund. This information can be maintained in your own journal, or it can be maintained in C-SMART. Journal entries must include the payee name, the date of payment, the amount, and the purpose. All corresponding receipts for petty cash expenditures must also be kept. **Expenditures made with petty cash are not qualified expenditures.** (For more information about qualified expenditures, see page 3-15.)

***Advances***

The CFB strongly recommends you avoid expenditures made through advances; when advances are necessary, limit them to small amounts. To keep records of an advance, the person making the advance must give the committee a reimbursement voucher showing the dates he or she made the purchases, the vendors’ names, and the amounts paid with an attached receipt. The voucher must indicate how the payment was made (listing the check number or credit card company, or noting it was made in cash). For every purchase listed on the voucher, a bill, invoice, or receipt from the vendor should be attached. **Expenditures made through advances are not qualified expenditures.** (For more information about qualified expenditures, see page 3-15.)

***Campaign Fundraising Events***

For fundraising events, you are required to keep:

- a detailed record of each fundraising event indicating the date and location of the event;
- an itemized list of all expenses for the event; and
- a list of each contribution received at or in connection with the event, including the contributor’s name, address, and employment information, and the amount of the contribution.

***Contracting and Subcontracting Goods and Services***

If goods or services provided by a subcontractor exceed \$5,000, you must request and keep records of the name and address of the subcontractor, the services provided by the subcontractor, and the associated costs. This is in addition to records required for your payments to the primary contractor. If a vendor you contract with spends more than \$5,000 for goods and services, you must keep all the records of how the money was spent, including bank statements, cancelled checks, and any subcontractor information, and this must be disclosed to the CFB.

Again, be sure to keep copies of all your bank statements and both front and back of all cancelled checks.



## IMPORTANT POINTS TO REMEMBER

- You have separate spending limits for the primary and general elections.
- You can claim certain expenditures as exempt from the spending limit.
- You cannot use public funds for non-qualified expenditures.
- When making expenditures, it is in your campaign's best interest to make payments directly to vendors by committee check, or committee issued credit or debit card.
- You should limit the number of expenditures you make from the petty cash fund and through advances, because you may not use public funds to pay for these expenditures.
- You may not use campaign funds for personal purposes.
- You must be able to document that your qualified expenditures equal or exceed the amount of public funds you received for each election.

## WHERE TO FIND IT

For more information, please refer to:

- Campaign spending: *CFB Rules, Chapter 1, rule 1-08*
- Spending public funds: *CFB Rules, Chapter 3, rule 3-04*
- Records to be kept: *CFB Rules, Chapter 4, rule 4-01*

## COMMON PITFALLS REGARDING CAMPAIGN SPENDING

- Failing to adhere to the expenditure limit.
- Failing to document exempt expenditures sufficiently, when the total amount of exempt expenditures exceeds 7.5% of your expenditure limit.
- Failing to make expenditures using a campaign check whenever possible.
- Making petty cash expenditures of more than \$100.

- Maintaining a balance greater than \$500 in your petty cash fund.
- Reporting the overall payment made to a credit card company rather than the actual vendor(s) from which you made the purchase(s).
- Failing to keep advances and petty cash expenditures to a minimum.
- Failing to add contributions and outstanding advances from an individual to determine if the contribution limit has been exceeded.
- Failing to assess properly the value of your share of a joint expenditure.
- Failing to assess properly the value of in-kind contributions.
- Failing to disclose non-independent expenditures as in-kind contributions.
- Failing to disclose subcontractors.
- Failing to create wage records at the time the work is performed.
- Failing to properly document qualified expenditures.
- Failing to properly document expenditures at the time they are made.
- Making post-election expenditures for things other than routine winding-up costs and compliance with the CFB's audit process.

# loans

---

This chapter provides you with information on loans. It will address the following topics:

- Receiving loans.
- Recordkeeping for loans.
- Disclosing loans.

During the election cycle, you may find it necessary to take out loans to cover expenses when money is not readily available. Some questions you need to ask yourself before agreeing to a loan include:

- From whom can I receive a loan?
- Are there limits on the loan?
- When does the loan need to be repaid?
- What documentation needs to be provided to the CFB?

## Receiving Loans

You may accept a loan from:

- yourself (the candidate);
- a third party; or
- a bank or other lending institution.

You **may not**, however, accept a loan, loan guarantee, or loan security from:

- a corporation (except a bank that is incorporated); or
- a political committee (even if the committee is registered with the CFB).

There is no limit on the amount you may borrow. **Under New York State law, however, all loans that are not paid back by the date of the election in which you are running, whether it be the primary or the general election, are considered contributions, subject to the contribution limits and the possible assessment of financial penalties.**

With every loan you receive, you must keep accurate documentation. All loans need to be disclosed to the CFB in the appropriate disclosure statement.

**Due to the numerous factors that determine payment, the CFB cannot guarantee payments of public funds, in writing or otherwise, and therefore will not be able to help you secure a loan.**

## Repaying Loans

**Loans must be paid back by the date of the next election held after the date the loan is made, whether it is the primary or general election, or the unpaid amount will be considered a contribution subject to the contribution limits.** To determine whether contribution limits have been exceeded, contributions, outstanding advances, **and** unpaid loans from (or guaranteed by) the same individual or organization are added together.

Loans from the candidate to his or her own campaign must also be paid back by the date of the next election, or the unpaid amount will be considered a contribution by the candidate. Remember, however, that the candidate's contribution limit is three times the limit for other contributors.

### example

City Council candidate De Soto receives a \$2,750 loan from his brother in June and fails to repay the loan by the date of the primary election. De Soto has therefore received a \$2,750 contribution from his brother. Since his brother has not made any other contributions to his campaign, this does not violate the Program's City Council contribution limit of \$2,750.

If De Soto receives a \$5,000 loan from his sister in October, however, and only pays back \$1,000 by the date of the general election, the remaining \$4,000 is considered a contribution, which exceeds the \$2,750 contribution limit by \$1,250 and thus becomes a contribution and a contribution limit violation.

All loans received after the election are immediately considered contributions subject to the limit.

In previous elections, there was an exception for a candidate who had taken a “bridge” loan prior to the election in anticipation of receiving public funds, which for administrative reasons were not received. Changes in the Program’s matching formula and disclosure statement schedule eliminated the need for this exception, and the “bridge loan” has been repealed. When considering whether to assess penalties for an over-the-limit contribution resulting from an unpaid loan, however, the Board will consider on a case-by-case basis the circumstances surrounding the loan.

---

*Questions about repaying loans?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Forgiven Loans

A lender, other than a bank, may forgive a loan. A loan is forgiven when the lender has agreed that the committee does not have to repay all or part of the loan. The forgiven portion of the loan is a non-matchable monetary contribution subject to the contribution limits and needs to be disclosed properly.

example

City Council Candidate Lewis received a \$5,000 loan from his friend John before the date of the primary election. Since John admires the work Candidate Lewis is doing in the community, John would like to forgive the loan. Since John previously made a \$2,000 contribution, the most John can forgive is \$750, resulting in a \$2,750 contribution. Forgiving more than \$750 would result in a contribution limit violation. Candidate Lewis, therefore, is required to pay back \$4,250 of the loan before the date of the primary election.

## Recordkeeping

The law requires you to keep records that allow the CFB to verify your disclosure statements and confirm that you are complying with the Program. These records must be created and recorded **at the time the transaction occurs**, or they will not be accepted as valid evidence of the transactions.

The CFB requires that campaigns properly document and record every loan received. You must have written documentation from the lender, such as a promissory note or an agreement evidencing the loan, including detailed information about the loan. You must report the lender's name, employer, occupation, business address; the amount and date of the loan; the date of the loan repayment, and any amount forgiven. If the loan is from a bank, you must disclose the same information about guarantors or other individuals or organizations providing security for the loan. You must submit this documentation with the appropriate disclosure statement in which the loan appears. You may also be asked to provide a copy of the check the lender gave you when making the loan.

An example of documentation needed for loans can be found in the Appendix.

## IMPORTANT POINTS TO REMEMBER

- Loans must be paid back by the date of the next election (primary or general), or the unpaid amount will be considered a contribution subject to the contribution limits.
- You must have written documentation from the lender for every loan you receive.
- You may not accept a loan, loan guarantee, or loan security from a corporation (except a bank), or from a political committee.
- Because of the numerous factors involved in payment determinations, the CFB cannot guarantee payments of public funds in writing or otherwise.

## WHERE TO FIND IT

For more information, please refer to:

- Loans: *CFB Rules, Chapter 1, rule 1-05*

## COMMON PITFALLS REGARDING LOANS

- Accepting a loan from a prohibited source.
- Maintaining an outstanding loan on the date of the election in excess of the contribution limit.
- Failing to add an individual's outstanding loans, contributions, and outstanding advances together to determine if the contribution limit has been exceeded.
- Failing to provide loan documentation with the appropriate disclosure statement.





As a participant in the Program, you are required periodically to disclose your financial activity to the CFB. Disclosure lets the public and the press see who contributes to your campaign and how you spend your money. Additionally, disclosure allows the CFB to review your finances to ensure that you are complying with the Program’s rules and requirements and to determine how much public money, if any, you are entitled to receive. This chapter will address the following topics:

- Rules and requirements of disclosure.
- Submitting your disclosure statements to the CFB.

The *C-SMART User Guide* and the CSU staff are available to assist you in understanding your disclosure requirements, how to use C-SMART, and how to enter transactions and produce disclosure statements.

## Filing Disclosure Statements

Your campaign’s financial activity will be disclosed by filing periodic disclosure statements. As a Program participant, you must submit the required disclosure statements whether or not you are claiming public funds, have received public funds, have received the maximum public funds, or have won or lost the election.

All campaigns are generally required to use the CFB’s C-SMART (*Candidate Software for Managing and Reporting Transactions*) software for filing disclosure statements. C-SMART produces all the required disclosure statements for both the CFB and the BOE. If you have a special need to file without C-SMART, contact the CSU for further information.

---

*Interested in receiving a copy of C-SMART?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

A disclosure statement consists of:

- a two-page CFB Cover Sheet, which must be signed and dated by either the candidate or the treasurer;
- a printout of disclosure schedules;
- a two-page Summary of Receipts/Disbursements;
- a C-SMART created disk containing your transactions for the reporting period; and
- any required attachments, such as:
  1. backup documentation for matchable contributions;
  2. loan documentation; and
  3. a list of fundraising agents.

Incomplete disclosure statements will not be accepted. For more information about submitting your disclosure statement, including a submission checklist, please refer to the *C-SMART User Guide* provided to your campaign.

## Filing Deadlines

On the following page is a table listing the deadline dates for each disclosure statement for the 2003 and the 2005 elections and the period the statement covers.

In order to be eligible for public funds, your disclosure statement must be filed complete and on time. Your disclosure statement will be considered on time if it is hand delivered to the CFB's offices by 5:00 p.m. on the deadline date, or if it is postmarked by the deadline date. **To be eligible to receive public funds within four business days after the deadlines for disclosure statements 5 through 9 in the 2003 elections and 11 through 15 in the 2005 elections, these statements MUST be in the CFB's offices by 5:00 p.m. on the deadline day.** If your disclosure statements are not submitted on time, you will be subject to a financial penalty for each day that a statement is late.

### BOE Filing Deadlines

Call the BOE for information about its filing deadlines and other disclosure requirements.

### The First Disclosure Period

The beginning of your first disclosure period is the day your principal committee was authorized. If the committee was previously involved in another election for any office or party position, regardless whether the candidate was in the Program in the previous election, you should contact the Candidate Services Unit to determine the beginning date for your first disclosure period.

## CFB 2003 Filing Deadlines

STATEMENT NUMBER	DUE DATE	DISCLOSURE PERIOD
1	July 15, 2002	Jan. 12, 2002 - July 11, 2002
2	Jan. 15, 2003	July 12, 2003 - Jan. 11, 2003
	June 2, 2003	Certification Deadline
3*	June 23, 2003	Start of Election Cycle - Jan. 11, 2003
4	July 15, 2003	Jan. 12, 2003 - July 11, 2003 (PE/GE)
5	Aug. 8, 2003	July 12, 2003 - Aug. 4, 2003 <sup>†</sup> (PE)
Daily Pre-Election Disclosure	DAILY	Aug. 26, 2003 - Sept. 9, 2003 <sup>†</sup> (PE)
6	Aug. 29, 2003	Aug. 5, 2003 - Aug. 25, 2003 <sup>†</sup> (PE)
7	Sept. 19, 2003	Aug. 26, 2003 - Sept. 15, 2003 <sup>†</sup> (PE)
8	Oct. 3, 2003	Sept. 16, 2003 - Sept. 29, 2003 <sup>‡</sup> (GE)
Daily Pre-Election Disclosure	DAILY	Oct. 21, 2003 - Nov. 4, 2003 <sup>‡</sup> (GE)
9	Oct. 24, 2003	Sept. 30, 2003 - Oct. 20, 2003 <sup>‡</sup> (GE)
10	Dec. 1, 2003	Oct. 21, 2003 - Nov. 27, 2003 <sup>‡</sup> (GE)
11	Jan. 15, 2004	Nov. 28, 2003 - Jan. 11, 2004 (PE/GE)

\* *Statement 3 must be filed only by participants who did not file statements 1 and 2.*

<sup>†</sup> *Candidates who are not in the general election need not submit these disclosure statements unless the candidate claims that expenditures are subject to a primary spending limit, or for statement 7 for candidates who wish to receive the earliest possible general election payment.*

<sup>‡</sup> *Candidates who are not in the general election need not submit these disclosure statements.*

CFB 2005 Filing Deadlines		
STATEMENT NUMBER	DUE DATE	DISCLOSURE PERIOD
1	July 15, 2002	Jan. 12, 2002 - July 11, 2002
2	Jan. 15, 2003	July 12, 2002 - Jan. 11, 2003
3	July 15, 2003	Jan. 12, 2003 – July 11, 2003
4	Jan. 15, 2004	July 12, 2003 – Jan. 11, 2004
5	July 15, 2004	Jan. 12, 2004 – July 11, 2004
6	Jan. 18, 2005	July 12, 2004 – Jan. 11, 2005
7	March 15, 2005	Jan. 12, 2005 – March 11, 2005
8	May 16, 2005	March 12, 2005 – May 11, 2005
	June 1, 2005	Certification Deadline
9*	June 21, 2005	Start of Election Cycle – May 11, 2005
10	July 15, 2005	May 12, 2005 – July 11, 2005 (PE/GE)
11	Aug. 12, 2005	July 12, 2005 – Aug. 8, 2005 <sup>†</sup> (PE)
12	Sept. 2, 2005	Aug. 9, 2005 – Aug. 29, 2005 <sup>†</sup> (PE)
Daily Pre-Election Disclosure	DAILY	Aug. 30, 2005 – Sept. 13, 2005 <sup>†</sup> (PE)
13	Sept. 23, 2005	Aug. 30, 2005 – Sept. 19, 2005 <sup>†</sup> (PE)
14	Oct. 7, 2005	Sept. 20, 2005 – Oct. 3, 2005 <sup>‡</sup> (GE)
15	Oct. 28, 2005	Oct. 4, 2005 – Oct. 24, 2005 <sup>‡</sup> (GE)
Daily Pre-Election Disclosure	DAILY	Oct. 25 2005 – Nov. 8, 2005 <sup>‡</sup> (GE)
16	Dec. 5, 2005	Oct. 25, 2005 – Dec. 1, 2005 <sup>‡</sup> (GE)
17	Jan. 17, 2006	Dec. 2, 2005 – Jan. 11, 2006 (PE/GE)

\* *Statement 9 must be filed only by those participants who have not already reported all their campaign finance data through May 11, 2005 in statements 1–8.*

† *Candidates who are not in a primary election need not submit these disclosure statements unless the candidate claims to have expenditures subject to a primary election spending limit, or for statement 7 for candidates who wish to receive the earliest possible general election payment.*

‡ *Candidates who are not in the general election need not submit these disclosure statements.*

## **Contemporaneous Pre-Election Disclosure**

In the two weeks immediately before the primary and general elections, you must disclose contributions and loans over \$1,000, and expenditures over \$20,000, using a Daily Pre-Election Disclosure Statement. This disclosure statement will be created by C-SMART and must be submitted within 24 hours of the contribution or expenditure. The forms must be signed by the treasurer or the candidate and may be faxed to the CFB's office. The transactions reported in Daily Pre-Election Disclosure Statements must also be reported in your next regular disclosure statement.

---

*Questions about disclosure statement deadlines?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## **Filing Exceptions**

### **Small Campaigns**

You do not have to file an itemized disclosure statement if the total amount of money you have raised or spent for the entire campaign to date is less than the following amounts, which are three times the contribution limit for the office you are seeking:

- \$8,250 for City Council;
- \$11,550 for borough president; and
- \$14,850 for public advocate, comptroller, or mayor.

In this case, you only need to file a signed cover sheet (provided by the CFB) affirming that you are a “small campaign.” You must file this cover sheet by the statement deadline. If you have been filing as a small campaign but at some point raise or spend more than three times the contribution limit, you must file on the next disclosure statement deadline a complete, itemized report of all your financial activity to date. If you are a small campaign throughout the entire election cycle you should file a complete, itemized disclosure statement of all your campaign’s financial activity in Statement 11 in the 2003 elections or Statement 17 in the 2005 elections, the last statements of the election cycles.

### **Deferment of Filing**

You do not have to file an itemized disclosure statement if your authorized committee has not accepted \$2,000 or more in contributions and loans since the last disclosure statement and the committee's expenditures to date do not exceed 85% of your office's expenditure limit. You must submit a signed cover sheet on the statement deadline affirming you can defer the filing. You cannot defer statements 1 through 4 or 11 in the 2003 elections, and you cannot defer statements 1 through 6, 9, 10, or 17 in the 2005 elections.

## **Your Disclosure Statement**

This section will explain in detail the information you must provide on your disclosure statements. Disclosure statements contain all the financial activity of your campaign during a specific period of time (a "disclosure period").

### **Disclosure of Contributions**

All contributions to your committee — monetary contributions made by check, cash, credit card, or money order, and in-kind contributions — must be disclosed to the CFB. Be sure the name of the contributor on your disclosure statement is exactly as it appears on the check or other backup documentation for the contribution. Contributor names that do not match with backup documentation will be questioned and may delay public funds payments to you. You must itemize every contribution over \$99, and every contribution — no matter what the amount — that you are claiming as matchable. For all aggregated contributions over \$99 per contributor, you must obtain and report to the CFB the contributor's employer, business address, and occupation. Requests for this information should be made on solicitations and fundraising literature. When a contributor gives under \$100 total to your campaign, you can choose not to itemize that contribution in your disclosure statement. Unitemized contributions, however, are not matchable.

Contributions you choose not to itemize may be disclosed as a lump sum of unitemized contributions. But when multiple contributions from a single contributor add up to more than \$99, you must itemize all the contributions from that contributor, including previous contributions which were not itemized. The contribution(s) received before the total exceeds \$99 are reported as "previous amounts." The CFB recommends that you itemize all contributions regardless of their amount to avoid questions raised later if a contributor makes more than one contribution to your campaign.

### ***Backup Documentation for Matchable Contributions***

You must submit with each disclosure statement backup documentation for all matchable contributions. This includes copies of all checks, credit card information, and money order contributions, and copies of all signed contribution cards for cash, credit cards, and money order contributions you have received. **You must continue to submit backup documentation for all contributions you are claiming as matchable with each applicable disclosure statement throughout the entire election cycle.**

You must write the statement number and the C-SMART Transaction ID number (which can be found in the upper right corner of the transaction screen in C-SMART) — in that order — for each contribution on the copy of the check, contribution card, or money order. The copies must be submitted in the same order as they appear on the disclosure statement.

The diagram illustrates the relationship between a physical check and a software interface. The check is from Jacob Barnes, dated Jan. 11, 1999, for \$123.00, payable to Mr. Smith Goes to City Hall. The check number is 3200. The software interface, titled 'Monetary Contributions', displays the following information:

- Name: Barnes, Jacob  
IND  
24 West Extonist Avenue  
Brooklyn, NY 11218
- Transaction ID: 15
- Statement No: 2
- Date Received: 01/11/1999
- Contribution Amount: \$123
- Contribution Type: Check
- Matching Amount: \$123
- Check Number: 3200
- Committee: Mr. Smith Goes to City Hall Re (ID: )
- Optional Info About Source of Contribution: (empty field)
- Totals:
 

Cont:	\$1,824
Cash:	\$50
Match:	\$123
- Intermediary Information:
 

Intermediary Search:	<input type="checkbox"/> ID: [ ]
Name:	[ ]

Callouts from the check point to the software interface: 'Statement #' points to the handwritten '2/15' on the check, which corresponds to 'Statement No: 2' in the software. 'Transaction ID' points to the handwritten '3200' on the check, which corresponds to 'Transaction ID: 15' in the software.

Backup documentation that is submitted without proper referencing will be returned to you, and may delay public funds payments to you.

*Questions about backup documentation?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

***Refunded Contributions***

Should you need to refund a prohibited contribution (e.g., a corporate or an over-the-limit contribution), you must do so with a bank or certified check. You must also record the contribution as having been refunded in C-SMART.

Once you have received public funds, you cannot refund a contribution unless the contribution exceeds the contribution limit, is prohibited, is returned because of the particular source involved, or was deposited into a separate account for a run-off primary election that is not held. (For more information on run-off elections, see Chapter 12.)

**“Bounced” Contribution Checks:** If a contributor’s check bounces, you should make a second attempt to deposit the check. If the second attempt fails you should return the check to the contributor and record the transaction in C-SMART as a refund due to a returned check. Any associated bank charges should be reported as an expenditure.

***Intermediaries (Bundlers)***

Intermediaries, or “bundlers,” are people or groups that solicit and deliver contributions to you from others. You must report an intermediary’s name and home address and keep written documentation of all intermediated contributions. This documentation must be signed by the intermediary and include the intermediary’s name, residential address, employer, occupation, and business address as well as the names of the contributors and amounts contributed. The intermediary must sign under the following statement:

“I hereby affirm that I did not, nor to my knowledge, did anyone else, reimburse any contributor in any manner for his or her contribution and none of the submitted contributions was made by the contributor as a loan.”

In addition, the record must contain the following statement:

“The making of false statements in this document is punishable as a Class E felony pursuant to section 175.35 of the Penal Law and/or a Class A misdemeanor pursuant to section 210.45 of the Penal Law.”

For a sample Intermediary Statement, please see the Appendix.

---

*Questions about disclosing intermediaries?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us [csumail@nycefb.info](mailto:csumail@nycefb.info).*

---



## Disclosure of Expenditures

To disclose expenditures you must first disclose the bill, and second, the associated expenditure payment. You must itemize all payments of \$50 or more. Payments of less than \$50 may be reported as a lump sum total of unitemized payments. Unitemized payments are not qualified expenditures.

### Exempt Expenditures

There are certain expenses exempt from the spending limit. They are called **exempt expenditures**. You must indicate in C-SMART, at the time the expense is incurred, that you are claiming an expenditure as exempt. (For more information about exempt expenditures, see page 3-4.)

---

*Questions about disclosing exempt expenditures?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

### Credit Cards

When reporting expenditures made with the committee's credit cards or debit cards, committees must disclose the **actual vendor and purchase price**, not the payments made to the credit or debit card company. (For more information on credit card expenditures, see page 3-6.)

### Subcontractors

When you pay a vendor who employs a subcontractor, and the subcontracted expense totals more than \$5,000, you must disclose information about the subcontractor and the payments to the subcontractor. (For more information about subcontractors, see page 3-12.)

---

*Questions about disclosing subcontractors?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Disclosure of Loans

When reporting loans made to your committee, you must provide the lender's full name, address, employer, business address, occupation, date, and amount of the loan. You must disclose when a loan is repaid or forgiven, including the date and amount of the transaction. You must also keep and submit documentation of indebtedness, e.g., a loan agreement or promissory note, with the applicable disclosure statements.

## Disclosure of Advances

When reporting advances made on behalf of your committee, you must include the advancer's name and address as well as the name and address of the vendor from whom the purchase was made. Until the advance is reimbursed, it is an in-kind contribution subject to the contribution limits. You must also enter the reimbursement of the advance in C-SMART. This will help you keep track of your advances and what is outstanding, because the advances will not appear on your disclosure statements. Further, you must maintain vouchers/records that identify the advance, the advancer, and the repayment. **Advances are not qualified expenditures.** (For more information about qualified expenditures see page 3-14.)

---

*Questions about disclosing advances?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Disclosure of Transfers

These instructions apply only to:

- candidates who have more than one authorized committee; and/or
- committees that disburse funds to, or receive funds from, a political party or constituted committee.

A transfer is an exchange of funds, or any item of value, between certain types of political committees. These exchanges are reported differently from contributions and expenditures.

### Type 1 Transfers

An exchange of funds between your committee and a party committee — which New York State election law recognizes as a transfer — is a “type 1” transfer, and should be disclosed that way. A type 1 transfer into your committee is a contribution subject to the Program's contribution limit,

and a type 1 transfer out is an expenditure subject to the Program's spending limit. Although type 1 transfers are either contributions or expenditures under the Program for purposes of the limits, they are reported as transfers and not as contributions or expenditures.

example

City Council candidate Williamson receives a contribution from the Kings County Republican Party. Since this contribution is from a party organization, it is considered a type 1 transfer into your committee and should be disclosed as such. This type 1 transfer is subject to the contribution limits.

### **Type 2 Transfers**

There is only one kind of transfer into your committee that is not subject to the contribution limits. This is an exchange of funds between two committees that are supporting the same candidate, but for different elections.

example

State Senator Jimenez is running for Public Advocate in 2005. Senator Jimenez has \$20,000 in his State Senate Committee left over from the 2001 election that he would like to transfer to his Public Advocate committee. This must be disclosed as a type 2 transfer. Senator Jimenez can transfer the funds as long as the transferred funds adhere to Program requirements (i.e., contribution limits and prohibited contributions). In addition, the transferred funds will not be eligible for matching funds. Finally, the funds must be transferred in reverse chronological order. For more information on transferring surplus funds, see page 2-18.

### **Misreporting Transfers**

Several types of transactions are often mistakenly reported as transfers. For example, funds received from or given to:

- Another candidate’s committee or a political action committee (“PAC”); or
- A committee authorized by more than one candidate (“multi-candidate” committees).

These are not transfers under New York State election law or the Program and should not be reported as such. These transactions should be reported as contributions or expenditures.

**Remember, transfers from a party or constituted committee, or from one of your candidate committees from a different election, are allowed only if those committees have registered with the CFB.** A list of registered committees is on the CFB’s web site [www.nyccfb.info](http://www.nyccfb.info). You can also call or e-mail the Candidate Services Unit to find out if a political committee is registered.

### **Transfers Made by Your Committee**

**You may transfer funds to another committee authorized by you but not involved in your current election cycle, either the 2003 or the 2005 election, before you receive public matching funds.** (This is reported by the committee as a type 2 transfer-out.) This transfer may reduce your public funds payments. (For more information on reduction in public funds payments, see page 7-7.)

Once you have received public matching funds, your principal committee may not make a transfer to any other committee. This prohibition continues until you make all required repayments of public funds to the CFB at the end of the campaign.

---

*Questions about transfers?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Presenting Your Disclosure Statement to the CFB

### Contents of a Complete Disclosure Statement

When you deliver your statement to the CFB, it is essential that you bring a complete disclosure statement. A complete disclosure statement includes the following:

1. **Your signed disclosure statement.** Any statement that is not signed or is missing information will be rejected. A rejected disclosure statement will not be considered complete and timely unless the errors are corrected and the statement is resubmitted by hand by 5:00 p.m. on the due date or postmarked by midnight of the due date. If you fail to resubmit your completed statement by the deadline date, you may be assessed financial penalties. (For more information on the disclosure statement rejection policy, see page 5-14.)
2. **The submission disk.** When you run a final submission, C-SMART saves the disclosure information to a disk. This “submission disk” must be delivered to the CFB with your statement. Your submission disk must be labeled with the candidate’s name and ID, the election cycle, the committee ID, the statement number, and date the submission was produced. Make sure that you bring the submission disk and not just a backup of your database.
3. **All required backup documentation.** Any statement that is missing backup documentation will be rejected. A rejected disclosure statement will not be considered complete and timely unless the errors are corrected and the statement is resubmitted by hand by 5:00 p.m. on the due date or postmarked by midnight of the due date. If you fail to resubmit your completed statement by the deadline date, you may be assessed financial penalties.

### Tips to Ease the Disclosure Process

1. Arrive at the CFB early. Each disclosure statement covers a period ending four days prior to the date on which the statement is due. Submitting a disclosure statement early will help expedite the review process and allow you extra time to correct problems.
2. Bring all required statements, disks, and backup documentation.
3. If you send a messenger or campaign staff member to deliver your statement, be sure that he/she will be able to get in touch easily with the person(s) responsible for C-SMART and reporting to the CFB. This is essential should there be a problem with filing your statement and a member of CSU needs to explain to your campaign staff how to resolve the problem.
4. The CFB recommends hand-delivering disclosure statements rather than mailing them. Hand-delivering a complete disclosure statement will sometimes allow you to correct errors that would otherwise prevent you from filing complete and timely statements (like

missing signatures, etc.). Delays resulting from the mail may also cause a delay in public funds payments.

**2003 elections: In order to be eligible to receive public funds within four business days after the deadline for disclosure statements 5 – 9, these statements MUST be in the CFB’s offices by 5:00 p.m. on the deadline day.**

**2005 elections: In order to be eligible to receive public funds within four business days after the deadline for the disclosure statements 11 – 15, these statements MUST be in the CFB’s offices by 5:00 p.m. on the deadline day.**

**The CFB cannot guarantee payment to qualifying campaigns within four business days if they choose to mail their disclosure statements.** For more information about the four-day turnaround, see page 7-10.

---

*Questions about how to submit your disclosure statement?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

### **Disclosure Statement Rejection Policy**

The following are the most common reasons why the CFB will reject your disclosure statement:

- 1. Submission of a draft version of the disclosure statement.** A draft submission does not create a corresponding submission disk and is therefore not acceptable.
- 2. Submission created on an outdated version of C-SMART.** Submissions created on an outdated version of C-SMART are rejected because they are no longer compatible with the CFB’s updated systems. (Updated versions of C-SMART are provided to all participants.)
- 3. Illegibility.** The CFB cannot perform a variety of quality control checks if your disclosure statement or cover sheet is illegible.
- 4. Associated paper copy of disclosure statement not provided.** Without the paper copy the CFB will not be able to perform certain quality control checks.
- 5. Submission disk not provided.** Without the submission disk, the CFB will not be able to upload your disclosure statement to the internal database. This prevents the CFB from reviewing your statement and posting your financial activity to the CFB’s web site.

6. **Blank, invalid, or unreadable files on disk.** If the submission disk is blank, invalid, or unreadable, the CFB is not able to upload your disclosure statement to the internal database. This prevents the CFB from reviewing your statement and posting your financial activity to the CFB's web site.
7. **Disclosure statement not signed.**

## IMPORTANT POINTS TO REMEMBER

- You must file periodic disclosure statements that are complete and on time.
- You must submit referenced backup documentation to support your claims for matching funds. Inconsistent information reported on your disclosure statement and in the backup documentation will be questioned and may delay public funds payments to you.
- Disclosure statements must be signed by either the candidate or the treasurer.
- Any statement that is not signed or is missing information will be rejected and must be resubmitted by the deadline.
- C-SMART generates disclosure statements for both the CFB and the BOE.

## WHERE TO FIND IT

For more information, please refer to:

- Definitions: *CFB Rules, Chapter 1, rule 1-02*
- Campaign Finance Disclosure Statements: *CFB Rules, Chapter 3*
- Submitting documents to the CFB: *CFB Rules, Chapter 1, rule 1-09*

## COMMON PITFALLS REGARDING DISCLOSURE OF YOUR FINANCIAL ACTIVITY

- Failing to submit complete and timely disclosure statements.
- Failing to submit Daily Pre-Election Disclosure Statements.
- Failing to submit backup documentation for all contributions you are claiming as matchable with each applicable disclosure statement throughout the entire election cycle.
- Failing to use a bank or certified check to refund a prohibited contribution.
- Failing to disclose a transfer accurately.



- Mailing a disclosure statement instead of hand-delivering it. Hand delivering a complete disclosure statement may permit correction of errors that prevent timely and complete filings. Delays resulting from the mail may cause a delay in public funds payments. If a disclosure statement is not received by 5:00 p.m. on the deadline day, the CFB cannot guarantee prompt payment.
- Sending a messenger to deliver a disclosure statement at the close of business on a filing deadline who does not have the means to contact the campaign. Each disclosure statement covers a period ending four days prior to the date in which the statement is due. Having a campaign representative submit a disclosure statement early may allow you time to correct filing problems and help expedite the review process.



# compliance review

---

Submitting disclosure statements allows the CFB to review your financial activity to ensure that you are adhering to Program requirements and to verify your eligibility to receive public funds. All disclosure statements go through a vigorous review process where all your financial transactions are scrutinized. This process is referred to as “Compliance Review.”

This chapter will address the following topics:

- Receipt and intake of your disclosure statement.
- Audit review.
- Backup documentation review and invalid matching claims.
- Disclosure statement errors.

## Disclosure Statement Review Process

### **Before You Submit Your Disclosure Statement**

To ensure that your campaign is in full compliance with the Program, you should:

1. actively screen for over-the-limit and corporate contributions, contributions from unregistered political committees, and contributions from affiliated entities prior to deposit;
2. immediately return by bank or certified check contributions you accepted and deposited that are in violation of Program requirements, and report the refund;
3. fully and accurately report all transactions;
4. actively monitor campaign spending to ensure compliance with Program spending limits;
5. cooperate with the CFB’s audit process by maintaining all required documentation and providing it to the CFB auditors promptly upon request;
6. run a draft submission from C-SMART for review;

7. run the final submission from C-SMART, review the checklist, and inspect the submission disk to ensure that appropriate disclosure files have been saved;
8. sign the Cover Sheet; and
9. reference and order your backup documentation.

The purpose of this section is to explain how your disclosure statement is reviewed to ensure that you are in compliance with Program requirements.

Once the CFB has received your completed disclosure statement, your statement will undergo a multi-step review process.

### **Initial Receipt and Review**

It is your responsibility to review each disclosure statement prior to running a final submission to ensure that all required information is included. Furthermore, you are strongly encouraged to run a draft submission of your disclosure statement. Running a draft submission allows you to review the disclosure statement and to make necessary changes prior to running a final submission. (For more information on the submission process, see the *C-SMART User Guide*.)

The Candidate Services Unit will perform an initial review of your disclosure statement upon receipt at the CFB for filing purposes only to ensure the following:

- you submitted a final version of your disclosure statement (not a draft);
- your disclosure statement is produced using the current version of C-SMART;
- your disclosure statement is legible;
- the associated paper copy of your disclosure statement is included;
- your submission disk is included;
- your submission disk contains the appropriate C-SMART files, and that they can be opened;
- your Summary Pages and Cover Sheet, signed by the treasurer or candidate, are provided; and
- your backup documentation is included.

If any of these conditions are not met, your statement will not be accepted for filing.

**It is strongly suggested that you bring your filing to the CFB prior to the actual deadline date, so the CSU can check your filing for possible errors.**

## **Audit Review and Reports**

After your disclosure statement is accepted, an audit review will be performed. The Audit Unit will review your reported data and verify that, according to your statement, you are in compliance with Program requirements.

When reviewing your statement, the Audit Unit looks to see whether you are in compliance with the Program's requirements, including if you have:

- accepted contributions from unregistered political committees;
- accepted corporate contributions;
- accepted over-the-limit contributions (which may include unpaid advances);
- failed to report employer information;
- exceeded the expenditure limit; and
- failed to report intermediaries.

During the pre-certification period, if the Audit Unit finds that you are in violation of Program requirements, you will receive a letter and detailed reports describing the violations, and you will have the opportunity to respond and show that your campaign is in full compliance. After you have certified with the Program and you begin to move into the payment period, the Audit Unit will notify your campaign of compliance problems and violations and allow you an opportunity to respond, but payment cannot be guaranteed within the four-day turnaround period. (For more information about the four-day turnaround, see page 7-10.) **If you have not clearly complied with all Program requirements you will not be eligible to receive public funds.** Further, if there are violations, financial penalties may be assessed. (For more information on penalties, see Chapter 10.)

## **Backup Documentation Review and Invalid Matching Claims**

In order to meet the threshold requirements (for more information about threshold requirements, see page 7-2.) and to be eligible for public funds, you are required to submit properly referenced backup documentation verifying the validity of contributions claimed for matching funds. If you have failed to submit your required backup documentation with your disclosure statement or are missing substantial portions of documentation, you will not receive public funds.

The CFB reviews your backup documentation to determine the accuracy of your reporting and the validity of your contributions claimed as matchable. In addition, the CFB reviews your claims for missing data and other discrepancies. Failure to maintain and submit proper backup documentation in a timely fashion may delay or reduce your public funds payment, and cause you to be ineligible for public funds. After receiving your backup documentation, the Payment Unit will review your matchable claims item by item and compare them to the backup documentation to check for inaccuracies. When reviewing your backup documentation, the Payment Unit is checking for the following items, among others:

- contributor name on the backup documentation matches the person reported as the contributor;

- contributor lives in New York City at a residential address;
- contribution amount matches the amount reported;
- contributor is the person who signed the check and/or contribution card;
- contribution is payable to the proper committee;
- contribution is from an individual and not an entity; and
- any indication of possible fraudulent activity.

Contributions that are not accurately reported or that do not have adequate accompanying backup documentation will be invalidated. Invalid matching claims are not eligible to be matched with public funds **or** to be counted for threshold purposes. Invalid contributions will be assigned an invalid code(s) describing the reason(s) for invalidation (for invalid codes, see the Appendix). During the pre-certification period, after all your claims have been reviewed and invalid codes have been assigned, you will be sent an Invalid Matching Claims Report and will have an opportunity to respond (for a copy of an invalid matching claims report, see the Appendix).

**Invalid claims are not counted for the purposes of meeting the threshold or payment of matching funds.**

### **Threshold Status**

To be eligible to receive public funds you must reach a two-part threshold (see page 7-2). In determining if your campaign has reached the threshold, the Payment Unit will review all valid contributions and verify that the monetary and residential standards have been met. **Invalid claims are not counted for the purposes of meeting the threshold or payment of matching funds.**

example

On his first disclosure statement, 2005 City Council candidate Murphy reported a total of \$5,500 in contributions from 65 contributors, 55 of which live in his district. As part of the backup documentation review, the CFB found 16 contributions invalid, 6 of which were from district residents. After adjusting for the invalidated contributions, candidate Murphy now has \$5,100 from 49 district residents. Although the Murphy campaign has raised over \$5,000 from New York City residents, the CFB has determined that the Murphy campaign has not yet met the threshold because after reviewing for invalid matching claims, the campaign only has 49 valid contributions from district residents.

## Backup Documentation Errors

After each disclosure statement is reviewed, the Payment Unit will determine how many claims have been invalidated because of flaws in your backup documentation. The Payment Unit will then calculate an error rate from the number of total claims. Candidates with high error rates will not receive public funds. You can lower your error rate by not claiming matching funds for contributions which have not been properly documented.

---

*Question about backup documentation error rates?  
The Payment Unit is waiting to hear from you.  
Please call (212) 306-7100.*

---

## IMPORTANT POINTS TO REMEMBER

- Should the CFB notify you about possible discrepancies in your disclosure statement, it is imperative that you respond to the CFB immediately. Failure to do so can result in a delay in payment. It is important that the CFB have up-to-date contact information for your campaign so that the CFB staff can reach your campaign quickly.
- Failure to maintain and submit backup documentation properly may delay or reduce your public funds payment, or cause you to be ineligible for public funds.
- Invalidated contributions will not be counted for the purposes of threshold or payment of matching funds.
- If you have a high backup documentation error rate, you will not be eligible for a public funds payment, regardless of your threshold status or previous payment history.

## WHERE TO FIND IT

For more information, please refer to:

- Preliminary review of disclosure statements: *CFB Rules, Chapter 5, rule 5-01(b)*
- Validity of matchable contribution claims and projected rate of invalid claims: *CFB Rules, Chapter 5, rule 5-01(d)*

## COMMON PITFALLS REGARDING COMPLIANCE REVIEW

- Failing to run a draft submission and review it to ensure that you have reported all your transactions complete and accurately.
- Failing to ensure that the C-SMART files are on the submission disk.
- Failing to sign the Cover Sheet.
- Failing to submit backup documentation.
- Submitting backup documentation that is not referenced or in transaction ID order.
- Claiming matching funds for contributions that are not properly documented.



- Failing to enter matching claims information into C-SMART correctly, resulting in discrepancies between your reporting and the documentation you submit.
- Failing to respond to the CFB's attempts to contact you or to get information from you.



If you adhere to strict contribution and spending limits and provide full public disclosure of your campaign activity, you may be eligible to have your contributions from individual New York City residents matched with public funds. If you fail to comply with Program requirements, however, you will be found ineligible to receive public funds.

This chapter will address the following topics:

- Eligibility.
- Reduction/suspension of public funds.
- The payment process.
- Post-election activities.

## Eligibility

To be eligible to receive public funds, you must:

1. be on the ballot and have an opponent on the ballot;
2. meet a two-part threshold; and
3. be in compliance with all Program requirements.

If you do not meet all these requirements or if you have problems with your disclosure statements, you will not receive a public funds payment until all requirements are met and outstanding problems are resolved.

**Public funds will not be paid until after the BOE conducts hearings on ballot petitions (typically in early August of the election year),** except if the CFB determines that delays in BOE proceedings necessitate making payments earlier.

### Ballot Status

You must be on the ballot and opposed by a candidate who appears on the ballot in order to be considered for a public funds payment.

***Disqualified from the Ballot***

Public funds will not be paid to a candidate who is disqualified from the ballot by the BOE, or all of whose opponents have been disqualified by the BOE, until the candidate or the opponent(s) are restored to the ballot by a court. If you or all of your opponents are disqualified from the ballot, you must immediately notify the CFB in writing and indicate whether you are seeking to appeal and whether you need permission from the court to appeal. You must also notify the CFB in writing if your or your opponent’s disqualification from the ballot is reversed on appeal.

***Ultimately Disqualified from the Ballot***

If you were temporarily on the ballot and opposed, but are ultimately disqualified from the ballot or all of your opponents are disqualified from the ballot, you may submit a petition to the CFB for payment for expenses incurred during the period you were on the ballot and opposed. **The deadline for submitting this written petition is 30 days after the date of final disqualification.**

If you or all of your remaining opponents have been disqualified from the ballot at any time, call the Candidate Services Unit.

***Write-In Candidacy***

If you are seeking nomination or election as a write-in candidate, you must promptly notify the CFB in writing and file all required disclosure statements. You are not eligible to receive public funds or to appear in the Voter Guide for any election in which you are exclusively a write-in candidate. Further, you are not eligible to receive public funds if your sole opponent is seeking nomination or election exclusively as a write-in candidate.

**Threshold Requirement**

The CFB requires that you meet a two-part threshold before you can receive public funds. The purpose of the threshold requirement is for you to demonstrate that you have significant community support. To meet the threshold requirement, you must:

1. Raise a certain amount of money from individual New York City residents; and
2. Collect a certain number of contributions of \$10 or more from within the area you seek to represent.

**Note:** Only \$1,000 of each **valid** matchable contribution counts toward the threshold.

CFB 2003 Threshold Requirements		
OFFICE	DOLLAR REQUIREMENTS*	NUMBER OF CONTRIBUTORS†
City Council	\$5,000	75‡
<p>* Including all matchable contributions from New York City residents in amounts of up to \$1,000.</p> <p>† Each must have given a matchable contribution of \$10 or more.</p> <p>‡ Must come from residents of the borough or boroughs in which the council district is located.</p>		

CFB 2005 Threshold Requirements		
OFFICE	DOLLAR AMOUNT*	NUMBER OF CONTRIBUTORS†
Mayor	\$250,000	1,000 New York City Residents
Public Advocate	\$125,000	500 New York City Residents
Comptroller	\$125,000	500 New York City Residents
Borough President		
Bronx	\$26,653‡	100 Bronx Residents
Brooklyn	\$49,307‡	100 Brooklyn Residents
Manhattan	\$30,744‡	100 Manhattan Residents
Queens	\$44,588‡	100 Queens Residents
Staten Island	\$10,000‡	100 Staten Island Residents
City Council	\$5,000	50 Residents from your Council District

\* Including all matchable contributions from New York City residents in amounts of up to \$1,000.

† Each must have given a matchable contribution of \$10 or more.

‡ These amounts are based on 2000 census figures for the population in each borough.

## example

Charlie Campo is a City Council candidate for a Brooklyn City Council district for the 2003 elections. He has accepted 80 valid contributions of \$10 or more from contributors in the borough of Brooklyn. He has met one part (the number of contributors) of the two-part threshold.

## example

Ms. Brown is a City Council candidate in the 2005 elections. She has received a total of four contributions of \$2,500 each. All four contributors are individual New York City residents, and three live in her district. Since she can only count \$1,000 per contributor toward the dollar amount, she has received \$4,000 toward the monetary part of the threshold requirement, for which she must raise \$5,000. She has also only received three contributions of \$10 or more from district residents. She will need an additional 47 contributions of \$10 or more from her district to meet the district resident part of the threshold requirement. Therefore, candidate Brown has not met either part of the threshold.

You demonstrate your progress toward meeting the threshold requirement by disclosing your matching claims on periodic financial disclosure statements (for more information, see page 5-1). After reviewing your statements and your matching claims, the CFB will inform you in writing when you have met the threshold. Remember, you must actually report a separate amount to indicate the portion of the contribution that you are claiming for public matching funds, and also indicate which individuals are district residents, for threshold purposes. Failure by your committee to identify which contributions were received from district residents can result in your campaign not fulfilling the threshold requirements. Further, the CFB strongly recommends that you closely review your draft submission to make sure that the contribution information on your district residents is reported completely and accurately. Even slight misreporting of in-district contributions may result in the CFB being unable to verify your threshold status. Only contributions that the CFB has determined are valid after each compliance review will be applied toward the threshold requirement.

---

*Question about the threshold requirements?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

### ***Backup Documentation Requirements***

Throughout the election cycle, you will be required to submit backup documentation with each disclosure statement for all contributions claimed as matchable. This includes copies of all checks, money orders, and credit card contribution records, as well as copies of signed contribution cards for all cash, money order, credit card, and electronic and bank teller check contributions claimed to be matchable.

## **Matchable Contributions**

A contribution is matchable only if it has been properly and accurately disclosed to the CFB and:

1. it is from an individual New York City resident;
2. you have complete employer information if the contribution is greater than \$500; and
3. it meets all other Program requirements.

**Please note:** If the contribution appears to have come from a business account, you must have evidence that shows the contribution in fact came from personal funds.

The following contributions are **not** considered matchable:

- in-kind contributions of property, goods, or services;
- money order contributions from any one contributor that aggregate more than \$100;
- contributions from individuals under the age of eighteen years;
- contributions in the form of the purchase price paid for, or otherwise induced by, a chance to participate in a raffle, lottery, or a similar drawing for valuable prizes; and
- contributions in the form of the purchase price for a good or a service provided by the campaign.

The only exceptions to this rule are for contributions given in exchange for goods or services, such as those listed below, that do not have significant value:

- food or liquor;
- limited musical or other entertainment provided at an event that is otherwise campaign-related;
- campaign buttons;
- campaign literature; and
- t-shirts.

Generally, contributions made in the form of the purchase price for tickets to entertainment events (e.g., theatrical or comedy shows, sporting events, and musical performances) will not be matched with public funds.

**The Matching Rate**

Contributions are matched at a rate of \$4 in public funds for every \$1 raised up to the first \$250 given by an individual New York City resident, for a maximum of \$1,000 per contributor.

example

If your committee receives a \$50 contribution from a New York City resident, by applying the matching formula, you can receive \$200 in public funds for that contribution. If your committee receives a \$500 contribution from a New York City resident, the matching formula will be applied to the first \$250, resulting in \$1,000 in public funds.

Unless you are in a small primary or have limited opposition (see page 7-7), the maximum amount in total public funds you can receive for each election equals 55% of your spending limit:

- \$3,150,400 for the office of mayor,
- \$1,969,550 for the offices of public advocate and comptroller,
- \$708,950 for the office of borough president, and
- \$82,500 for the office of City Council member.

example

City Council candidate Martinez raised \$25,000 in matchable contributions of \$250 each. The campaign is eligible to receive \$82,500 (not \$100,000) in public funds, because that is the maximum amount of public funds a City Council campaign can receive for each election.



If you are running against a well-financed candidate who is not participating in the Program, see Chapter 11 for more information about the Program's bonus provisions, which can increase your matching rate and increase the maximum amount in public funds you are eligible to receive.

### **Public Funds Cap**

If you have opposition on the ballot, you will still only receive one-quarter of the maximum amount of public funds available to the office you seek unless:

- you are opposed by a participant who has qualified for public funds;
- you are opposed by a candidate who the CFB has determined has raised or spent more than one-fifth of your office's expenditure limit; or
- you submit in writing, to the CFB, a signed statement attesting to and stating the reasons why you need additional public funds.

### **Reduction in Public Funds Payments**

The following disbursements from your committee will reduce your matchable contributions, which may reduce your public funds payment:

- transfers and other disbursements from your principal committee to another committee you control;
- expenditures for a previous election;
- loans to, or spending for other candidates, party committees, or political clubs that are not reimbursed within 30 days, unless you can show that the expenditure is made for a tangible item that directly promotes your election, such as an advertisement in a fundraising journal; and
- contributions to political committees unless:
  1. the aggregate of those contributions does not exceed:
    - (a) \$3,000 for the office of City Council;
    - (b) \$5,000 for the office of borough president; or
    - (c) \$10,000 for city-wide office; **and**
  2. the committee has received non-matchable contributions which in the aggregate exceed the total of these contributions.

Further, some of these expenditures are prohibited after you have received public funds (see page 3-16.)

## example

City Council candidate Wright has raised \$2,000 in non-matchable contributions and \$15,000 in matchable contributions of \$250 each, so his committee is eligible to receive \$60,000 in public funds. If his committee makes a \$1,000 contribution to a political committee, the contribution would not be deducted from its total matchable contributions, since his committee has more than \$1,000 in non-matchable contributions.

## example

Borough president candidate Phillips has raised \$20,000 in non-matchable contributions and \$150,000 in matchable contributions of \$250 each, so his committee is eligible to receive \$600,000 in public funds. If his committee makes \$15,000 in contributions to five political committees, \$10,000 would be deducted from its total matchable contributions, leaving the committee with \$140,000 in matchable contributions, which would yield only \$560,000 in public funds.

## example

City Council candidate Martinez has raised \$5,000 in non-matchable contributions and \$30,000 in matchable contributions of \$250 each. If Martinez made a \$5,000 contribution to a political committee, \$2,000 would be deducted from his total matchable contributions, leaving him with \$28,000 in matchable contributions. However, since \$28,000 in matchable contributions at the 4:1 rate (\$112,000) would still exceed the maximum amount of public funds a City Council campaign can receive, the \$5,000 contribution to the political committee would not have an effect on the total amount of public funds Martinez receives for the election.

## Avoiding Deductions from Payments

To avoid deductions in valid matching claims as a result of contributions to other political committees, you should limit contributions to the amounts applicable to each office (see page 7-7). In addition, to avoid deductions for contributions over these amounts or for the other types of disbursements described on page 7-7, you must: (1) create a segregated bank account holding only contributions to be used for those types of disbursements; (2) have the contributor confirm in writing that he or she knows that the contribution will only be used for such disbursements and will not be matched with public funds, using a contribution card containing the specific language described below; and (3) provide copies of checks, bank statements, and the signed confirmations with each disclosure statement for the segregated account. Contributions deposited into these segregated accounts will not be matchable. **Please contact the Candidate Services Unit for guidance before establishing a segregated account. When soliciting contributions for a segregated account, the contribution card must include specific language, a sample for which is provided in the Appendix.**

When soliciting contributions for a segregated account, the contribution card must include the following verification:

“I understand that this entire contribution will be used only (i) to pay expenses or debt from a previous election; (ii) by the candidate for an election other than the election for which this contribution is made; or (iii) to support candidates other than the candidate to whose campaign this contribution is made, political party committees, or political clubs. I further understand that this contribution will not be matched with public funds. I understand that State law requires that a contribution be made in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.”

Segregated Account/Non-Matchable Contribution Card	
Committee Name _____	
To comply with Campaign Finance Reporting Rules, please give the following information:	<input type="checkbox"/> Cash
	<input type="checkbox"/> Money Order # _____
	<input type="checkbox"/> Check # _____
In the amount of \$ _____	
Name _____	
Home Address _____	
City/State/Zip _____	
Employer _____	
Occupation _____	
Business Address _____	
<p>I understand that this entire contribution will be used by the candidate only (i) to pay expenses or debt from a previous election; (ii) by the candidate for an election other than the election for which this contribution is made; or (iii) to support candidates other than the candidate to whose campaign this contribution made, political party committees, or political clubs. I further understand that this contribution will not be matched with public funds.</p> <p>I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.</p>	
Contributor's Signature _____	Date of Contribution _____

## Suspension of Public Funds Payments

If you violate certain Program requirements, the result may be an immediate suspension of public funds payments. Such violations include, but are not limited to:

- failing to file a disclosure statement;
- material misrepresentations, including but not limited to;
  - fraudulent signatures on backup documentation
  - fraudulent matching claims
  - fraudulent expenditures
- accepting prohibited contributions;
- failing the backup documentation review;
- exceeding the contribution or expenditure limits; and
- violating State or Federal election law.

## Review of Payment Determination

**If you ask the Board to review a payment determination it has already made, the Board will not consider documentation for use in its review if you had not already given that documentation to the Board prior to its original payment determination, unless you can show that the documentation was unavailable at the time of the original determination.**

## Payment during the Four-Business Day Turnaround Period

The CFB will attempt to make public funds payments within four business days after the deadlines for disclosure statements 5 – 9 for the 2003 elections and 11 – 15 for the 2005 elections. To be eligible to receive public funds within four business days after the deadlines, those statements **must** be free of errors and hand-delivered to the CFB's office by 5:00 p.m. on the statement due date. Should you mail or be late in filing your statement, the CFB cannot guarantee that the statement will be reviewed in time for a payment decision to be made within four business days.

The CFB cannot guarantee that there will be an opportunity during the four-day turnaround period for you to correct violations that are discovered during disclosure statement reviews after the filing due date. If violations are discovered within the four-day turnaround period, payment may be denied or delayed. The CFB may only contact you regarding these violations after the four-day period. The following table lists the dates public funds payments are tentatively scheduled to be made. Only in unusual circumstances will the Board authorize payments on dates other than those

listed. The Board may approve some payments contingent on the participant's correction of certain easily correctable compliance problems before receiving his or her public funds payment.

<b>2003 ELECTION PAYMENT DATES</b>	<b>INCLUDES VALID CONTRIBUTIONS THROUGH DISCLOSURE STATEMENT</b>	<b>PAYMENT TYPE</b>
1st week of August <sup>*</sup>	#4	PE
August 14, 2003	#5	PE
September 5, 2003	#6	PE
September 25, 2003	#7	GE
October 9, 2003	#8	GE
October 30, 2003	#9	GE
* <i>Public funds payments will not be paid until after the BOE conducts hearings on ballot petitions.</i>		

<b>2005 ELECTION PAYMENT DATES</b>	<b>INCLUDES VALID CONTRIBUTIONS THROUGH DISCLOSURE STATEMENT</b>	<b>PAYMENT TYPE</b>
1st week of August <sup>*</sup>	#10	PE
August 18, 2005	#11	PE
September 9, 2005	#12	PE
September 29, 2005	#13	GE
October 14, 2005	#14	GE
November 3, 2005	#15	GE
* <i>Public funds payments will not be paid until after the BOE conducts hearings on ballot petitions.</i>		

## Calculation of Payment

Upon confirmation of your committee's eligibility to receive public funds, a payment calculation will be performed. Payment calculations are cumulative. They take into account all reported matching claims and all invalid claims reported in disclosure statements filed before the payment date. No additional primary payments will be made after the last primary payment date until after the post-election audit is complete. No general election payments will be made after the last general election payment date until after the post-election audit is complete. It is in your best interest, therefore, to maximize your matching funds claims and respond to invalid matching claims reports early in the election cycle.

There are two different methods of calculating payment, the summary calculation and the detail calculation.

### Summary Calculation

A summary calculation payment uses the matching totals reported on the cover sheet of your disclosure statement(s). A summary calculation is conducted when time permits only a preliminary review of the disclosure statement for compliance but not a more detailed review for invalid matching claims. The summary calculation applies an error rate to the total number of claims in a disclosure statement to arrive at an approximate amount of invalid claims. The error rate is formulated by dividing the total amount of invalid claims in previously reviewed disclosure statements by the total amount of claims in those statements. After the first payment, the summary calculation is generally only applied to claims contained in the most recent disclosure statement. Summary calculations, however, may be performed on more statements if, for example, you submitted other disclosure statements late.

#### example

In disclosure statements 9 through 11, candidate Pearson reported \$10,000 in claims for public matching funds, \$700 of which are invalid. This gives Candidate Pearson an average error rate of 7%. The Payment Unit applies the 7% error rate to statement 12. Candidate Pearson reported \$8,000 worth of matching claims on disclosure statement 12. Based on Candidate Pearson's error rate, there will be a withholding of \$560 worth of claims (or 7% of \$8,000) and a public funds payment of \$29,760.

For instances in which there are no verified detail numbers from prior statements to determine the error rate (e.g., at the first payment date), a standard error rate will be applied to the summary numbers.

**The CFB is required by law to request a return of public funds if upon review of matching claims the CFB determines that an overpayment occurred. If a subsequent review of submitted claims reveals more actual errors than the estimated rate, the next payment will reflect a reduction based upon the information. If further review reveals fewer actual errors than the estimated rate used, additional public funds will be disbursed to your committee on the next payment date, provided the campaign maintains compliance.**

For a sample payment report, see the Appendix.

### **Detail Calculation**

Payments using detailed calculations are based on total matching claims minus actual invalidated matching claims.

**The Payment Unit makes a great deal of effort to issue payments using detailed calculations when practicable. Due to unavoidable time constraints in making possible payments within four business days to dozens or hundreds of candidates, allowing only a preliminary review of disclosure statements, payments may be made using summary calculations.**

example

Candidate Luiz reports \$10,000 worth of matching claims on disclosure statement 11. The Payment Unit's review found \$2,000 worth of invalid claims. Therefore, candidate Luiz has \$8,000 in valid claims and can expect to receive a \$32,000 public funds payment.

---

*Questions about the payment process?  
The Payment Unit is waiting to hear from you.  
Please call (212) 306-7100.*

---

## Disbursement of Public Funds

Based on the review of your disclosure statements, CFB staff will present payment recommendations to the Board. The Board will vote on payments during the public session of its next meeting. CFB staff will notify you if payment to your campaign has been approved. It usually takes a few hours after the conclusion of the Board meeting for the CFB staff to prepare the checks and to put the accompanying documents into a “payment package.” The payment package generally consists of a cover letter, the check, a copy of the “Detail Payment Report,” which explains the payment calculation, and in some cases an Invalid Matching Claims Report (“IMC”), which lists claims excluded from the payment and allows you the opportunity to resolve invalid matching claims, sometimes before the next payment date. (For more information on invalid matching claims, see page 6-3.) Participants will be given an opportunity to pick up their checks, **but only individuals whose names appear on the Certification as the treasurer, candidate, or liaison are allowed to pick up checks.** The person picking up the check must produce photo identification. The payment amount for all candidates receiving payment will generally be posted on the CFB’s web site on the afternoon of the payment date.

**Please note: CFB staff does not have information regarding the status of your payment until after the Board makes a determination at its meeting on the scheduled payment date. Calling CFB staff in advance of a Board meeting to check payment status will not get you special information and may delay the payment process.**

### Primary Election Payments

Payments for the 2003 Primary Election will be made on claims submitted through disclosure statement 6, due on August 29, 2003. Payments for the 2005 Primary Election will be made on claims submitted through disclosure statement 12, due on September 2, 2005. For any candidates not in the General Election, any remaining claims will be processed as post-election claims contingent on the audit process and timetable. (See Post-Election Payments, page 7-16.)

### General Election Payments

All payments for the 2003 General Election will be made on claims submitted through disclosure statement 9, due on October 24, 2003. All payments for the 2005 General Election will be made on claims submitted through disclosure statement 15, due on October 28, 2005. Any remaining claims will be processed as post-election claims contingent on the audit process and timetable. (See Post-Election Payments, page 7-16.)

## Repayments to the Public Fund

You can choose not to use the public funds you receive. If you prefer not to use the public funds, you should write a check to or endorse your public funds check over to the “New York City Campaign Finance Fund.” **You will not be able to get public funds back once you have returned them.** If you do not wish to receive public funds, you may send a letter to the CFB and no checks will be issued to you.



In certain cases, your campaign will be required to repay some or all of your public funds. Repayment may be required, for example, if you:

- have unspent campaign funds left over after the election;
- have not made or documented enough “qualified” expenditures (see page 3-15);
- received more public funds than you were actually entitled to receive;
- do not respond to the draft audit report;
- are ultimately disqualified from the ballot; or
- have certain kinds of Program violations.

## Unspent Campaign Funds

Unspent campaign funds are funds left over after your last election. Unspent campaign funds are calculated, after your last election, by adding all your campaign receipts and subtracting all your qualified expenditures. In your post-election audit report, the Audit Unit may make adjustments to this calculation. Some common adjustments are:

- reported expenditures for which checks remain uncashed;
- expenditures that from their purpose appear not to be campaign-related; and
- improper post-election spending.

If your committee has received public funds, the use of unspent funds is restricted. You may use these funds to pay campaign expenses incurred **before** the election. Paying expenses after your last election is only permitted if you have documentation that shows that these expenses were incurred **before** the election. You may also use these funds to make **modest** post-election expenditures for routine activities involving nominal costs associated with winding up a campaign, such as:

- utility bills and rent for office space;
- payment of taxes and other reasonable expenses for compliance with applicable tax laws;
- reasonable staff salaries and consultancy fees for responding to the post-election audit;
- interest expense;
- reasonable moving expenses related to closing the campaign office;
- holiday card mailings to contributors, campaign volunteers, and staff; and
- thank-you notes for contributors, campaign volunteers, and staff.

**Do not use unspent campaign funds for any other purpose, since all remaining funds (up to the full amount of public funds you received) must be repaid to the public treasury.**

Routine wind-up costs **do not** include such items as:

- post-election mailings other than those specifically mentioned above;
- making contributions;
- making bonus payments or gifts to staff or volunteers;
- holding any post-election day event, including, but not limited to, any meals or parties;
- making expenditures for transition and inauguration activities.

Unspent funds — up to the amount of public funds you have received — must be returned by the conclusion of the Board’s post-election audit of your campaign. If you delay the audit process, however, the repayment may be due immediately.

## Post-Election Public Funds Payments

Payments of public funds after the election are contingent upon your providing the CFB’s Audit Unit with all the relevant documentation and information requested during the post-election audit of your campaign (see page 13-3). Good recordkeeping practices must be maintained throughout the election cycle and they are equally important during the post-election audit process. Before the CFB makes a final public funds payment, you must:

- have valid matching claims upon which you were not paid;
- have outstanding debt;
- have sufficient documented qualified expenditures to justify a post-election payment; and
- be in full compliance with Program requirements.

If you meet these requirements, you may receive a public funds payment equal to the lesser of (i) valid matching claims on which you have not been paid; (ii) the outstanding debt; and (iii) the qualified expenditures.

**Sixty days after receiving a post-election public funds payment, you must show that these public funds were used to pay the outstanding debt by providing copies of the cancelled checks.**

### **2003 Elections**

The CFB will not make post-election payments based upon:

- Disclosure statement amendments or resubmissions filed after December 31, 2003
- Amendments or resubmissions to disclosure statement 11 (due January 15, 2004). (Except for amendments submitted solely to respond to invalid claims.)

### **2005 Elections**

The CFB will not make post-election payments based upon:

- Disclosure statement amendments or resubmissions filed after December 31, 2005.
- Amendments or resubmissions to disclosure statement 17 (due January 17, 2006). (Except for amendments submitted solely to respond to invalid claims.)

**Note: The Audit Unit will attempt to issue all draft audits before the end of the calendar year following the election. You cannot receive a post-election public funds payment until the completion of your post-election audit and issuance of your Final Audit Report. You and your campaign must understand and plan in advance for a delay in possible funds that may be due to the committee as a result of the audit process.**

## **Recordkeeping**

In order for the CFB to verify that you have used public funds appropriately, you must maintain, and be able to produce, documents supporting all matching claims, as well as copies of bills, invoices, receipts, cancelled checks, and other documents to verify your qualified expenditures. You must be able to document that your qualified expenditures equal or exceed the amount of public funds you received for each election. If you cannot, you must repay the difference to the public treasury. (For more information, please see page 3-15.)

## IMPORTANT POINTS TO REMEMBER

- To receive public funds you must meet the threshold and be in full compliance with the Program.
- Joining the Program does not guarantee receipt of public funds.
- Public funds are not distributed until ballot status is determined by the Board of Elections.
- You must respond to requests from CFB staff in a timely manner.
- CFB staff does not have information regarding your payment status before the Board makes a determination on the payment date.
- You may be required to repay some or all of your public funds after the election.
- Post-election payments will not be made until the conclusion of your post-election audit. Be prepared for the audit process to take up to a year or, in some cases, more.

## WHERE TO FIND IT

For more information, please refer to:

- Receiving public funds: *CFB Act*, §§3-703, 3-710
- Public funds: *CFB Rules*, Chapter 5

## COMMON PITFALLS REGARDING PUBLIC MATCHING FUNDS

- Thinking you have reached the threshold before receiving official notice from the CFB.
- Failing to identify which contributions were received from district residents.
- Failing to submit all required backup documentation with each disclosure statement.
- Failing to refund prohibited contributions immediately using a bank or certified check.
- Exceeding the expenditure limit.

- Making disbursements that could result in a reduction of your public funds payment, such as paying debt from a prior election.
- Mailing a disclosure statement instead of hand delivering it. Hand delivering a complete disclosure statement ensures prompt review. Delays resulting from the mail may cause a delay in public funds payments. If a disclosure statement is not received by 5:00 p.m. on the deadline day, the CFB cannot guarantee payment during the four-day turnaround.
- Failing to sufficiently document qualified expenditures.
- Making impermissible post-election expenditures, such as bonuses to staff or parties.



Throughout the election cycle, you are required to keep in regular contact with the CFB and respond to requests in a timely manner. After the review of your disclosure statement is complete, the CFB may request that you respond to a variety of reports that ask for additional information and documentation and that may require you to submit amendments to your disclosure statement.

This chapter will address the following topics in detail:

- Responding to Invalid Matching Claims (“IMC”) Reports.
- Responding to audit reports.
- Generating amendments.

During the pre-certification period, once the CFB has reviewed your disclosure statement and backup documentation you will, if necessary, be mailed reports containing various findings, including an IMC Report. Although most findings will be included in the review after each disclosure statement, there may be times when later statement reviews will include findings from earlier statements.

You will be given a strict deadline for all responses. Failure to respond to these reports adequately and in a timely manner will directly affect your eligibility to receive public funds. In addition, after you submit your Certification, failure to respond may result in your being referred to the Legal Unit and recommended for assessment of a financial penalty.

## Invalid Matching Claims Reports

Once the CFB has completed reviewing your disclosure statement and backup documentation, an IMC Report will be sent to you. The IMC Report lists all contributions claimed for matching funds that the CFB review found apparently invalid. Most contributions are found to be invalid due to discrepancies between what you reported to the CFB and what is actually contained in the backup documentation.

You will be given an opportunity to respond to the Audit Unit’s findings, and your response must include a copy of the IMC Report and any missing or additional backup documentation, comments and explanations, and/or amendments to your disclosure statements supporting the additional disclosure information.

Although IMC Reports offer you the opportunity to show that invalid claims are actually valid, it is imperative that you screen all contributions, backup documentation, and disclosure statements **before** submitting them to the CFB. Doing so will help you avoid IMC Reports with numerous

invalid matching claims and a high error rate (see page 6-5), and may help you receive more public funds earlier in the election cycle. If you return IMC Reports without the amendments reflecting the changes, or if you submit amendments without the corresponding IMC Reports, the CFB will not be able to process your submission or to validate your claims.

You will receive IMC Reports periodically throughout the election cycle. These reports will detail invalid claims from your most recent submission, as well as claims that appeared on previous reports but have yet to be resolved to the CFB's satisfaction.

example

Candidate Brown received her first IMC Report from the CFB. Several of her contributions were noted as invalid because the cash and money order contribution cards did not have a place for the contributor to write in the amount of the contribution.

In an attempt to fix her mistake, Candidate Brown returned her IMC Report with the same contribution cards as previously submitted, but with the contribution amount written on the side of each card. Since Candidate Brown needed to solicit new contribution cards from the contributors who had signed the original cards with no contribution amount filled in, the CFB did not accept these modifications, and the claims were left invalid.

When Candidate Brown receives her next IMC Report, the same contributions will continue to appear, giving her another opportunity either to validate or withdraw the claims, but the delay in correcting this problem may delay her receipt of public funds, or even prevent her from receiving them. The correct response would be for Candidate Brown to provide the CFB with **new**, fully completed contribution cards.

It is important for you to resolve invalid claims as quickly as possible. **Having numerous invalid claims will affect your threshold count, error rate, and eligibility to receive a public funds payment.**

You will find examples of invalid codes which appear in IMC Reports, and instructions on how to correct contributions invalidated for those reasons, in the Appendix.



## Audit Reports

Audit reports detail apparent Program violations and reporting errors the Audit Unit has found during its review of your disclosure statement. Failure to respond to these violations can result in a suspension of public funds payments and the assessment of a financial penalty. The most common audit reports are explained below, including information on how to respond to them.

### **Prohibited Contributions Report**

The Program prohibits the acceptance of contributions from corporations and unregistered political committees. If you have accepted prohibited contributions, you will receive a report listing them. If you have accepted a prohibited contribution, you must refund the prohibited contribution using a bank or certified check. A copy of this check must be submitted to the CFB. (For information on returning prohibited contributions, see page 5-8.) You must also enter the refund into C-SMART to reflect this change.

example

Candidate Wilson received and deposited a \$500 contribution from Genuine, Inc. As a result, Candidate Wilson received a prohibited contributions report from the CFB Audit Unit notifying him that he has violated the prohibition on corporate contributions. In order to respond adequately to the prohibited contributions report, Candidate Wilson will need to prove he has refunded the contribution. Candidate Wilson needs to refund the money to Genuine, Inc. via a certified or bank check and provide a copy to the CFB. He also needs to enter the refund into C-SMART.

If you are unable to return the contribution to the contributor because, for example, the contributor has moved without providing a forwarding address, or a corporate contributor has gone out of business, you may pay to the Public Fund an amount equal to the prohibited contribution. The payment to the Public Fund must include a cover letter explaining your efforts to return the prohibited contribution before paying the Fund to resolve the violation.

If you disagree with an audit report finding you should write your explanation directly on the report, and you must include documentation, e.g., a copy of a refund check as evidence for your claim.

### **Aggregate Contributions Over-the-Limit Report**

The Program prohibits the acceptance of contributions exceeding the limit set for your particular office. If you are found in violation of this requirement, you will receive a report listing all of the contributions in question. If you accept the finding, you must refund the amount that exceeds the

contribution limit via certified or bank check, and provide a copy of the certified or bank check to the CFB. You must also enter this refund into C-SMART to reflect this change. If you believe the finding is in error, write the explanation directly on the report and return it to the CFB. You should also include any documentation to support your explanation.

If you are unable to return the contribution to the contributor because, for example, the contributor has moved without providing a forwarding address, or a corporate contributor has gone out of business, you may pay to the Public Fund an amount equal to the prohibited contribution. The payment to the Public Fund must include a cover letter explaining your efforts to return the prohibited contribution.

### **Expenditures Over-the-Limit Report**

This report will be sent to you if the Audit Unit has reason to believe you have violated the expenditure limit. The report will detail the amount by which the expenditure limit appears to have been exceeded based on your reporting. If you believe this finding is in error, you must provide an explanation and documentation in support of your explanation.

### **Suspected Intermediaries Report**

This report will be sent to you if patterns in contributions suggest that you may not have properly reported contributions received from an intermediary. The report will group the contributions that appear to have been intermediated. If the contributions listed on the report were, in fact, intermediated, you must list the contributions as being intermediated into C-SMART, submit an amendment to the CFB reflecting this change, and request an intermediary statement from the intermediary. If you did not receive the listed contributions through an intermediated source, you must write your response on the report explaining the circumstances of the receipt of the contribution.

### **Missing Employment Information Report**

The missing employment information report will be sent to you identifying all contributions greater than \$99 for which employment information is incomplete or entirely missing. After receiving the employment information from the contributors, you must enter this information into C-SMART and submit an amendment to the CFB reflecting this change.

You must obtain missing employer information. A disclosure statement grossly deficient in providing employment information will prevent you from receiving public funds (see page 6-5).

### **Unattributed Partnership or LLC Report**

If you accept a contribution from a partnership or LLC in excess of \$2,500, you must properly attribute the funds to each partner or member whose share is greater than \$99 (see page 2-11). This report will be sent to you if it appears that you have not properly reported this type of contribution.

In situations where an attribution is necessary, you must enter each partner or member's share of the contribution into C-SMART reflecting this change. If the partnership or LLC contribution in

question does not require an attribution, you must provide an explanation directly on the report and submit it to the CFB.

## Generating Amendments

Amendments are necessary when certain information on previously submitted disclosure statements must be altered. The majority of these instances occur when changes are made to your C-SMART database when responding to an IMC or audit report. The CFB may also request amendments when disclosure is incomplete, unclear, or inaccurate. Amendments are **only** accepted upon CFB request and approval. Do not submit amendments unless you are requested to do so. Prior to running an amendment, it is extremely important to make sure that all necessary information has been modified. (For more information on submitting amendments, see the *C-SMART User Guide*.)

Instances that often cause the CFB to require campaigns to submit amendments include:

- disclosing previously undisclosed intermediaries.
- adding missing employer information.
- adding missing address information.
- modifying dates, contribution amounts, or other relevant information in response to the IMC report.

example

The Committee to Elect Adams collected 10 contributions from an intermediary, but did not have the intermediary information by the closing date of the committee's last statement period. When the Audit Unit sent the committee the suspected intermediary report, the committee, which by then had the required information, responded to the report by writing its confirmation of the intermediary on the report, making the necessary changes in C-SMART, and submitting an amendment to the CFB.

---

*Have questions about whether you need to submit an amendment?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## IMPORTANT POINTS TO REMEMBER

- You must respond to IMC Reports and audit reports in a timely fashion. Failure to do so may result in a reduction or suspension of public funds.
- You must receive permission from the Candidate Services Unit or in writing from the Audit Unit before you may amend your disclosure statements.

## WHERE TO FIND IT

For more information about CFB audits, please refer to:

- Accounting and auditing: *CFB Rules, Chapter 4*

## COMMON PITFALLS RELATING TO AUDIT RESPONSES AND AMENDMENTS

- Failing to respond to Invalid Matching Claims and audit reports in a complete and timely manner.
- Failing to provide documentation to verify explanations of apparent violations.
- Failing to use a bank or certified check to refund prohibited contributions.
- Failing to obtain approval from the Candidate Services Unit before producing an amendment.
- Submitting amendments in response to Invalid Matching Claims and audit reports without also submitting the reports, or submitting reports without the corresponding amendments.

## compliance visits

---

A CFB auditor may visit your campaign's headquarters, and/or location where campaign records are kept, at least once during the election cycle. The compliance visit(s) will be scheduled at the CFB's discretion. The CFB may also visit your headquarters unannounced. The compliance visit will usually be conducted once you are close to or claim to have met the threshold, **and may be required before you can receive public funds.**

This chapter will address the following topics:

- The compliance visit.
- Compliance visit findings.

### The Compliance Visit

The purpose of the compliance visit is, among other things, to verify your compliance with the CFB's recordkeeping guidelines. You may not be eligible to receive public funds if you have not had a compliance visit. During the compliance visit, the CFB auditor will conduct an interview with your treasurer and review financial records of the committee. Your treasurer (and campaign staff) will be responsible for having all the records available during the visit, as well as preparing copies for the CFB of any documents requested by the CFB auditor.

Below are some examples of the documentation auditors will examine during a compliance visit:

- lease agreement(s) for campaign offices, storage facilities, etc;
- consulting agreement(s) and/or time sheet(s) for individuals paid by the committee;
- bank records (statements, deposit slips, cancelled checks) for committee bank accounts;
- credit card statements for campaign credit cards;
- merchant account statements, if your campaign is accepting credit card contributions;
- invoices for expenditures made by the committee;
- contribution records (backup documentation) submitted to the CFB for matching funds;
- valuation of in-kind contributions;
- petty cash journal; and

- other documentation, such as advance repayment vouchers and loan promissory notes.

The above are only examples; additional documents **must** be presented to the CFB auditor upon request. **You may use this time with the CFB auditor to raise any questions and concerns you may have about campaign compliance and the audit process.**

## Compliance Visit Findings

After a compliance visit, the Audit Unit may send a letter to the treasurer detailing compliance problems and requesting documents or the auditor's findings may be included with your next statement review. If a letter is sent, it will include a deadline for you to respond to the CFB's findings. Failure to respond to the letter, or failure to provide an adequate response, will result in a referral to the Legal Unit and may affect your eligibility to receive public funds. If the CFB does not need further information after the compliance visit, it will not send a letter. The compliance visit is only one step in the audit process and is **not** a substitute for the disclosure statement reviews, the post-election audit, or any other audit action that may occur. Since the purpose of the compliance visit is different from the post-election audit, during the post-election audit, the CFB may ask to see some of the same documentation reviewed during the compliance visit.

## IMPORTANT POINTS TO REMEMBER

- A compliance visit must take place before you can receive public funds.
- You must have all committee records available at the compliance visit, and be able to present any required documentation at the request of the CFB auditor.

## WHERE TO FIND IT

For more information, please refer to:

- Audits: *Campaign Finance Act, §3-710(1), CFB Rules, Chapter 4, Rule 4-05*

## COMMON PITFALLS RELATED TO COMPLIANCE VISITS

- Failing to cooperate in scheduling a compliance visit prior to your first public funds payment.
- Failing to have all of your campaign records available and organized for the CFB auditor to review.
- Failing to make copies of requested documentation for the CFB auditor.
- Failing to provide a complete and timely response to an audit findings letter.





When you file a Certification and join the Campaign Finance Program, you become legally bound to comply with all Program requirements. The CFB is responsible for ensuring that all campaigns adhere to the strict requirements of the Program and that public funds are distributed only to those campaigns that satisfy these requirements. Maintaining the integrity of the public fund and ensuring full disclosure are responsibilities that the CFB takes very seriously. If you are found to be in violation of the Program, you may be assessed a financial penalty and/or have your public funds suspended.

This chapter will address the following topics:

- Types of violations.
- 2003 Penalties Guidelines.
- Baseline penalties for common Program violations.
- Penalty assessment process.
- Penalty payment process.

## Penalties

Upon filing the Certification, the candidate, the treasurer, and the candidate's committee are legally bound to comply with all Program requirements. Ignorance of Program requirements is not an excuse for non-compliance. The Candidate Services Unit is available to assist you with questions or problems you may have, but it is ultimately your responsibility to comply with the Program.

Failure to comply with Program requirements may lead to the assessment of a financial penalty from the Board. The Campaign Finance Act provides for civil penalties of up to \$10,000 per violation of any of the Act's provisions, except for spending limit violations. For spending limit violations, the Act provides a penalty of up to three times the amount by which the spending limit has been exceeded. Criminal sanctions are also provided for under the Campaign Finance Act and other City and State laws.

## Types of Violations

Certain violations will result in both the assessment of civil penalties and the immediate suspension of public funds. For these violations, public funds will remain suspended until the campaign takes action to demonstrate that the campaign is in full compliance (e.g., returning a corporate contribution to the contributor). These violations include:

- failure to file a disclosure statement;
- accepting an over-the-limit contribution;
- accepting a prohibited contribution;
- exceeding the expenditure limit; and
- material misrepresentations, including, but not limited to:
  - fraudulent signatures on backup documentation;
  - fraudulent matching claims; and
  - fraudulent expenditures.

Other violations, if sufficiently serious, may also result in the suspension of public funds. If the Board staff identifies that an apparent violation may require the suspension of public funds, it will attempt to notify the campaign and provide it with an opportunity to respond before the next payment.

The amount of time you will have to respond to these violations will vary depending on what phase the election cycle is in when the violation is found. For example, if you are a participant in the 2005 elections and a violation is found after filing Statement 1 (due July 15, 2002), you may have several weeks to respond. If a violation is found in August of the 2005 election year, three days before a scheduled payment, you may only have until the close of the business day to respond if you want to receive public funds within the four-day turnaround.

### example

In the 2005 elections, Candidate Alexander submits disclosure statement 11 (due August 15, 2005), which reveals that he accepted a corporate contribution. Assuming that the first payment for the 2005 elections is two days away, Candidate Alexander must refund the contribution immediately using a bank or certified check and provide the CFB with a copy of the check before the CFB will issue payment to his campaign.

Other violations that generally will result in the assessment of a penalty include:

- filing a disclosure statement late (although this also may delay any payment);
- failing to report transactions in a disclosure statement;
- failing to respond to certain requests for documentation or information, including the draft audit report;
- failing to disclose required employment information for contributors over \$99;
- making prohibited post-election spending prior to return of public funds;
- failing to reconcile bank statements with financial disclosure;
- failing to keep sufficient records;
- failing to report intermediaries;
- making cash contributions greater than \$100, or maintaining a petty cash fund of greater than \$500;
- failing to attribute contributions by partnerships and LLCs among members of the firm; and
- failing to comply with requirements for transition and inauguration entities.

These violations usually will be brought to your attention in the CFB's post-election audit. If you fail to provide an adequate response in the audit process, the CFB staff will recommend a civil penalty for the violation. In addition to the violations listed here, the CFB may assess penalties for other types of violations.

## Penalty Notification

If during the pre-Certification period you are found to have apparent violations of Program requirements, you will be notified and asked to correct the violation(s). If the violation(s) are corrected before you certify, no penalty will be assessed. If you are not in apparent compliance by the time you file your Certification, the CFB staff may notify you that it is submitting a penalty recommendation to the Board.

## 2003 Penalty Guidelines

The CFB has established guidelines based upon which the staff bases its penalty recommendations to the Board for specific Program violations. The guidelines characterize certain limited instances of non-compliance as “infractions” rather than as violations.

**Baseline Penalties**

The penalty guidelines for staff recommendations include “baseline” penalties for specific Program violations. The final penalties assessed by the Board may be adjusted based on a variety of aggravating or mitigating factors including:

- your prior participation in the Program and prior compliance record;
- the sophistication and size of your campaign;
- the amount of financial activity during the statement period or election cycle, including aggregate public funds received;
- return of prohibited or over-the-limit contribution, or other corrective action;
- your campaign’s level of knowledge or intent;
- repeated violations after notice from the CFB; and
- actions taken by the campaign to prevent violations.

Baseline penalties for some common Program violations for the 2003 elections are described below and can be found on the CFB’s web site [www.nyccfb.info](http://www.nyccfb.info). Baseline penalties for the 2005 elections will be made available once they are established.

**Disclosure Statement Violations**

***Late Filing of Disclosure Statements***

The baseline penalty for filing a late disclosure statement will be calculated by factoring in how late the disclosure statement was filed, the size of the campaign, and whether the candidate received public funds according to the formula below. In addition, the CFB staff will evaluate any aggravating or mitigating factors, and increase or reduce the recommended penalty accordingly.

$$\begin{array}{ccccccc}
 \text{(A)} & & & \text{(B)} & & \text{(C)} & \\
 & & & \text{Small} & & \text{Public} & \\
 \text{Daily Penalty} & \times & 1 - & \text{Campaign} & \times & \text{Funds} & = \text{Baseline Penalty} \\
 & & & \text{Reduction} & & \text{Factor} & 
 \end{array}$$

**A. Daily penalty** — The daily baseline penalty for filing a disclosure statement late is \$25 per day, up to a cap of \$500. If you file a disclosure statement after the deadline for the next statement, however, the late disclosure statement is treated as a failure to file, and the penalty is calculated according to the formula below for failing to file a disclosure statement.

- B. Small campaign reductions** — If you did not receive public funds and if both your total contributions and total expenditures are below certain levels at the time the penalties are recommended, you may qualify for one of four small campaign reductions.

CONTRIBUTIONS AND EXPENDITURES	SMALL CAMPAIGN REDUCTIONS
\$0 – \$500	No monetary penalty
\$501 – \$3,000	80% reduction
\$3,001 – \$8,250	60% reduction
\$8,251 – \$15,000	25% reduction

- C. Public funds factor** — If you have received public funds, the recommended penalty will be multiplied by the following factors, based on the total public funds received for the 2003 election cycle at the time the penalties are recommended.

PUBLIC FUNDS RECEIVED	PUBLIC FUNDS FACTOR
\$1 – \$35,000	2
\$35,001 – \$75,000	3
\$75,001 – \$125,000	4
more than \$125,000	5

example

Candidate John Murphy filed his disclosure statement four days late. Candidate Murphy has a combined \$6,000 in contributions and expenditures and has not received public funds. Candidate Murphy receives a \$40 penalty recommendation as demonstrated in the formula below:

$$\begin{array}{rcccccc}
 \text{Daily} & & & \text{Small} & & \text{Public} & & \\
 \text{Penalty} & \times & 1 - & \text{Campaign} & \times & \text{Funds} & = & \text{Baseline} \\
 & & & \text{Reduction} & & \text{Factor} & & \text{Penalty} \\
 \\ 
 \mathbf{\$100} & & & \mathbf{40\%} & & \mathbf{N/A} & & \mathbf{\$40} \\
 (25 \times 4 \text{ days}) & & & (1 - 60\%) & & & & 
 \end{array}$$

example

Candidate Markus Musial filed his disclosure statement four days late. Candidate Musial has a combined \$200,000 in contributions and expenditures and has received \$82,500 in public funds. Candidate Musial receives a \$400 penalty recommendation as demonstrated in the formula below:

$$\begin{array}{rcccccc}
 \text{Daily} & & & \text{Small} & & \text{Public} & & \\
 \text{Penalty} & \times & 1 - & \text{Campaign} & \times & \text{Funds} & = & \text{Baseline} \\
 & & & \text{Reduction} & & \text{Factor} & & \text{Penalty} \\
 \\ 
 \mathbf{\$100} & & & \mathbf{N/A} & & \mathbf{4} & & \mathbf{\$400} \\
 (25 \times 4 \text{ days}) & & & & & & & 
 \end{array}$$

Pursuant to the CFB’s Infraction Policy, if you attempt in good faith to submit a complete disclosure statement on or before the filing deadline, but the statement is rejected by the CFB, the late filing may be considered an infraction (as opposed to a violation) if the statement is refiled in an acceptable form within two business days after notification of the rejection. (For more information on the Infraction Policy, see page 10-10.)

**Failure to File a Disclosure Statement**

If you have not filed a disclosure statement by the deadline for the subsequent disclosure statement, the CFB treats the violation as a “failure to file” rather than as a late filing. The baseline recommended penalty for failing to file a disclosure statement will be calculated according to the formula below by factoring the size of the campaign and whether or not the candidate received public funds. In addition, the CFB staff will evaluate any aggravating or mitigating factors, and increase or reduce the baseline recommended penalty accordingly.

$$\begin{array}{ccccccc}
 & & \text{(A)} & & \text{(B)} & & \\
 & & \text{Small} & & \text{Public} & & \\
 \$500 & \times & 1 - \text{Campaign} & \times & \text{Funds} & = & \text{Baseline Penalty} \\
 & & \text{Reduction} & & \text{Factor} & & 
 \end{array}$$

- A. Small campaign reductions** — If you did not receive public funds and if both your total contributions and total expenditures are below certain levels at the time the penalties are recommended, you may qualify for one of four small campaign reductions.

CONTRIBUTIONS AND EXPENDITURES	SMALL CAMPAIGN REDUCTIONS
\$0 – \$500	No monetary penalty
\$501 – \$3,000	80% reduction
\$3,001 – \$8,250	60% reduction
\$8,251 – \$15,000	25% reduction

- B. Public funds factor** — If you have received public funds, the recommended penalty will be multiplied by the following factors, based on the total public funds received for the 2003 election cycle at the time the penalties are recommended.

PUBLIC FUNDS RECEIVED	PUBLIC FUNDS FACTOR
\$1 – \$35,000	2
\$35,001 – \$75,000	3
\$75,001 – \$125,000	4
more than \$125,000	5

example

Candidate Jefferson filed disclosure statement 6 (due on August 29, 2003) on September 23, 2003. Since disclosure statement 6 was filed after the deadline for disclosure statement 7 (September 19, 2003), disclosure statement 6 is treated as a “failure to file.” Candidate Jefferson has a combined \$6,000 in contributions and expenditures and has received \$21,000 public funds. Candidate Jefferson receives a \$1,000 penalty as demonstrated in the formula below:

$$\begin{array}{rcccccc}
 \$500 & \times & 1 - & \begin{array}{c} \text{Small} \\ \text{Campaign} \\ \text{Reduction} \end{array} & \times & \begin{array}{c} \text{Public} \\ \text{Funds} \\ \text{Factor} \end{array} & = & \begin{array}{c} \text{Baseline} \\ \text{Penalty} \end{array} \\
 & & & \text{N/A} & & 2 & & \$1,000
 \end{array}$$

**Contribution Limit Violation**

The baseline recommended penalty for violating the contribution limit will be calculated by factoring in the total number of times you have violated the contribution limit and the amount by which the contribution exceeds the contribution limit according to the chart below. In addition, the CFB staff will evaluate any aggravating or mitigating factors, and increase or reduce the baseline recommended penalty accordingly.



TOTAL NUMBER OF VIOLATIONS	AMOUNT OVER THE LIMIT			
	\$0 – \$3,000	\$3,001 – \$6,000	\$6,001 – \$10,000	\$10,001 – \$20,000
1 – 10	\$250 each	\$500 each	\$1,000 each	\$2,000 each
11 – 20	\$500 each	\$1,000 each	\$2,000 each	\$4,000 each
21 or more	\$1,000 each	\$1,500 each	\$3,000 each	\$6,000 each

When you accept multiple contributions from a contributor, **each contribution** that increases the total contribution over the limit is treated as a separate violation. The penalties for contributions that exceed the limit by more than \$20,000 are determined on a case-by-case basis.

example

City Council Candidate Momo receives a \$2,000 contribution from James Clark and a second \$2,000 contribution from Clark's Snacks, a sole proprietorship owned by Mr. Clark. Since these contributions are affiliated, City Council Candidate Momo has effectively accepted a \$4,000 contribution from Mr. Clark, which exceeds the contribution limit by \$1,250. As a result, City Council Candidate Momo receives a \$250 penalty.

Pursuant to the CFB's Infraction Policy, if you accept an over-the-limit contribution that is no greater than \$1,000 over the applicable contribution limit and the over-the-limit portion of the contribution was returned to the contributor at the request of the CFB, the contribution may be considered an infraction, as opposed to a violation.

**Acceptance of Prohibited Contributions**

The baseline recommended penalty for accepting contributions from a corporation or an unregistered political committee will be calculated according to the chart below. In addition, the CFB staff will evaluate any aggravating or mitigating factors, and increase or reduce the baseline recommended penalty accordingly.

Accepting a contribution from a corporation or an unregistered political committee	\$250
Accepting a contribution from a corporation or an unregistered political committee that was promptly returned upon notice from the CFB staff	\$125
Accepting a contribution from a corporation or an unregistered political committee that was returned before the CFB notified the campaign of the violation	No violation

Pursuant to the CFB’s Infraction Policy (see below), if you accept and promptly return a limited number of small prohibited contributions, the acceptance of the prohibited contribution may be considered an infraction (as opposed to a violation).

**Infraction Policy**

The CFB characterizes certain limited instances of non-compliance as “infractions” rather than as violations. The CFB staff may recommend a monetary penalty of \$0 to \$500 for each infraction. Any non-compliance for which the recommended penalty exceeds \$500 is not considered an infraction.

**Disclosure Statement Infractions**

If you attempt in good faith to submit a complete disclosure statement on or before the filing deadline, but the statement is rejected by the CFB, a late filing will be considered an infraction if the statement is refiled in an acceptable form within two business days after notification of the rejection. **This will apply to only one disclosure statement per election cycle.** If other disclosure statements are late, the later disclosure statements, as well as the first one, will be considered violations and additional penalties will be recommended as appropriate.

This policy applies only to disclosure statements that are submitted **after** the candidate files the Certification form. If you submit a late disclosure statement before filing the Certification, you will not be considered to have violated Program requirements, although the matching claims included in that disclosure statement may be invalidated.

### ***Contribution Infractions***

Contribution infractions include a candidate's acceptance of up to a **total** of three of the following prohibited contributions during the election cycle:

- corporate contributions of \$250 or less that were returned to the contributors upon request by the CFB;
- contributions from unregistered political committees of \$250 or less that were returned to the contributors upon request by the CFB; and
- over-the-limit contributions that are no greater than \$1,000 over the applicable contribution limit if the over-the-limit portions of the contributions were returned to the contributors upon request by the CFB.

**If a fourth illegal contribution is received, the three previous contributions and all subsequent contributions will be converted to violations and additional penalties will be assessed as appropriate.** The policy will cover only three contributions in the above categories **combined**. Therefore, if a participant accepted two corporate and two over-the-limit contributions, all four contributions would be treated as violations.

If your committee returns a prohibited contribution (or the over-the-limit portion of a contribution) on its own **before** notification by the CFB, the acceptance of the contribution will not be considered an infraction or violation. The campaign must be able to show that the timing of the correction preceded notice from the CFB of the infraction or violation. The infraction policy does not affect the CFB's suspension of public funds for illegal contributions. If, during a statement review, the CFB staff identifies a contribution that constitutes an infraction, as mentioned above, public funds will be suspended until the prohibited contribution (or over-the-limit portion of the contribution) is returned to the contributor. As stated above, however, the Board may approve payment on a payment date subject to correction of certain easily correctable violations and may therefore minimize delays in payment to your campaign if corrections are made promptly.

### **Penalty Assessments**

Once the CFB staff has determined a recommended penalty amount, the Legal Unit will send you a Notice of Recommended Penalty, and will make a formal recommendation to the Board. The Notice of Recommended Penalty will outline the CFB staff's findings, the recommended penalty, the deadline for your response, and the date of the next Board meeting at which the Board will make its final penalty determination. You can respond in writing and/or appear before the Board to present any factual information or legal arguments as to why the penalty should not be assessed or should be reduced. **All documentation supporting your argument must be submitted to the CFB prior to the Board meeting, as outlined in your Notice of Recommended Penalty.** This is the **only** opportunity you will have to respond to the CFB's recommended penalty. Once the Board's final determination is made, it cannot be reversed.

## Penalty Payment

In determining the correct penalty to be assessed, if any, the Board will consider staff recommendations and any response by the campaign, and will apply any aggravating or mitigating factors it believes appropriate. After the Board has made a final penalty determination, you (personally), your committee, and your treasurer will be responsible for payment. If you have been assessed a penalty during the election cycle and you are eligible to receive a public funds payment, the assessed penalty will be withheld from the public funds payment. If a penalty is assessed after the election cycle (during the final audit process), or has been assessed during the election cycle but after all public funds have been disbursed, you will have 30 days to make payment. If payment is not received within 30 days, the candidate's name will be placed on the CFB's web site as an individual who owes money to the public fund (see "Outstanding Penalties and Repayments of Public Funds Owed," [www.nycfb.info](http://www.nycfb.info)), and litigation may be recommended by the CFB to recover sums owed.

## IMPORTANT POINTS TO REMEMBER

- Use the ten-day grace period to scrutinize all contributions before you deposit them into your bank account.
- Proofread disclosure statements and backup documentation to catch violations and correct them before you are notified of the potential violations by the CFB staff.
- Submit your disclosure statements complete and on time.
- Contact the CFB before problems arise.
- Keep in regular contact with the Candidate Services Unit.
- Respond promptly to requests for information.
- Give complete responses to potential violations, both explanations and supporting documentation, to the CFB staff, because you may not have an opportunity to provide supplemental information to the Board after the penalty recommendation has been made.
- Candidates and treasurers will be responsible for penalties assessed against their committee.
- Read all CFB materials, including the CFB Rules, Act, and the Campaign Finance Handbook.

## WHERE TO FIND IT

For more information, please refer to:

- Penalties: *Campaign Finance Act*, §3-711

## COMMON PITFALLS REGARDING ENFORCEMENT AND PENALTIES

- Failing to meet your responsibility to comply with all Program requirements.
- Failing to submit complete and timely disclosure statements.
- Failing to use the ten-day grace period to scrutinize all contributions before depositing them into your account.
- Accepting prohibited contributions.
- Exceeding the contribution and expenditure limits.
- Failing to respond promptly to CFB staff requests for information and documentation.
- Failing to respond to the Legal Unit's Notice of Recommended Penalty.
- Failing to pay an assessed penalty within 30 days.

# running against a well-financed non-participant: the bonus situation

# 11

---

If you are running against a well-financed candidate who is not participating in the Program, you can qualify to receive additional public funds at an increased matching rate (“bonus matching funds”) and have your spending limit removed. A bonus situation is triggered when you are running against a non-participant who raises or spends more than half of the spending limit for your office. This bonus situation exists so that Program participants are not unfairly handicapped when facing well-financed opponents who have chosen not to adhere to the Program’s strict contribution and spending limits and disclosure requirements and who are not subject to audit by the CFB.

This chapter will address the following topics:

- Qualifying for the bonus situation.
- Benefits of the bonus situation.

## Qualifying for the Bonus Situation

You can qualify for the bonus situation if both of the following criteria are met:

1. Your opponent does not participate in the Program; **and**
2. Your opponent raises or spends more than half of the spending limit for your office.

The CFB will examine the disclosure statements of non-participating candidates submitted to the BOE, and may also rely on other information to decide whether you are entitled to these additional benefits. If you believe that your non-participating opponent has raised or spent more than half the spending limit, you may file a petition with all relevant evidence with the CFB. The CFB may conduct a hearing at which you and other parties may be invited to appear.

Keep in mind that you only qualify for the bonus situation for one election. If you are in the bonus situation for the primary election, you will not necessarily qualify for the bonus situation for the general election.

---

*Do you think you qualify for the bonus situation?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Benefits of the Bonus Situation

If you qualify for the bonus situation, the CFB will match your contributions from New York City residents at a rate of \$5 in public funds for every \$1 received, up to \$250 per contributor (rather than the normal \$4 for \$1 up to \$250), and the maximum amount in public funds you can receive will be raised from 55% of the spending limit to two-thirds of the spending limit. In addition, your spending limit will be removed **for that primary or general election in which you have qualified for the bonus situation.**

Bonus Matching Funds				
OFFICE	MATCHING RATE*	TRIGGER AMOUNT†	EXPENDITURE LIMITS	TOTAL PUBLIC FUNDS YOU CAN RECEIVE
Mayor	4:1 ► 5:1	\$2,864,001	\$5,728,000 ► no limit	\$3,150,400 ► \$3, 818,667
Public Advocate/ Comptroller	4:1 ► 5:1	\$1,790,501	\$3,581,000 ► no limit	\$1,969,550 ► \$2, 387,333
Borough President	4:1 ► 5:1	\$644,501	\$1,289,000 ► no limit	\$708,950 ► \$859,333
City Council	4:1 ► 5:1	\$75,001	\$150,000 ► no limit	\$82,500 ► \$100,000

\* Because matchable contributions are still limited to \$250 per contributor, the bonus matching rate brings the maximum public funds available per contribution up from \$1,000 to \$1,250.

† Amount of money raised or spent by the non-participant that triggers the bonus.

You will not receive additional public funds or have your spending limit removed until the CFB has notified you that it has determined that a non-participating candidate has raised or spent the trigger amount.



## example

Ms. King, a candidate in the Program for City Council, is opposed in the primary by Mr. Jones, a non-participant who has spent \$80,000. Because the CFB has verified that Mr. Jones has spent over half of the \$150,000 spending limit for City Council candidates, Ms. King will qualify to receive matching funds at an accelerated 5-to-1 rate. Because Ms. King has \$10,000 in matchable contributions at the time of the first public funds payment, she can receive \$50,000 in public funds (up from \$40,000).

In her next disclosure statement, Ms. King has \$15,000 in matchable contributions. Ms. King might expect to receive another \$75,000 ( $\$15,000 \times 5$ ) in public funds. Since she has already received \$50,000 in public funds, however, and the limit in total public funds for Council candidates in a bonus situation is \$100,000, she can only receive an additional \$50,000 from the CFB. Ms. King can continue to raise and spend funds, but will not receive more public funds for the primary election. (The maximum in public funds for City Council candidates not in a bonus situation is \$82,500 per election.)

Since she qualified for the bonus situation, Ms. King's primary election spending limit is lifted. If she appears on the ballot in the general election, however, she must adhere to the \$150,000 spending limit for that election, unless the CFB again confirms that she is running against a well-financed candidate who is not participating in the Program and who has triggered the bonus situation.

## IMPORTANT POINTS TO REMEMBER

- You are only eligible for the bonus situation if you are competing against a candidate who is not participating in the Program and who has raised or spent more than half of the spending limit for your office.
- You may petition the CFB if you believe your opponent has triggered the bonus situation in your race.
- The CFB will notify you if it has determined that you qualify for the bonus situation.
- If you qualify for the bonus situation, your contributions will be matched at a 5-to-1, instead of a 4-to-1 rate, you will have a higher maximum public funds limit, and your expenditure limit will be lifted.
- The bonus situation applies only to the primary or general election in which you are facing a well-financed non-participant.

## WHERE TO FIND IT

For more information, please refer to:

- Expenditures limitations; additional financing and limits: *Campaign Finance Act, §3-706, CFB Rules, Chapter 7, rule 7-03*

## COMMON PITFALLS REGARDING THE BONUS SITUATION

- Not examining your non-participant opponent's fundraising and spending to determine if the bonus situation has been triggered.
- Not filing a petition with the CFB when you believe your non-participant opponent has triggered the bonus situation.
- Exceeding the spending limit without being notified by the CFB that the bonus situation has been triggered.
- Failing to realize that the bonus situation only applies to the primary or general election for which the CFB has informed you that the bonus situation has been triggered, and does not carry over to any subsequent election.

If no candidate for a citywide office receives at least 40% of the vote in a primary election, there will be a subsequent run-off primary election between the two leading candidates to determine the party's nominee. The Program provides specific requirements for participants involved in a run-off primary election.

This chapter will address the following topics:

- Demonstrating that a run-off election is “reasonably anticipated.”
- Establishing a run-off election committee and bank account.
- Contribution limits.
- Expenditure limits.
- Public funds.
- Transfers involving run-off election accounts.

If you are running for citywide office in a primary election that includes three or more candidates, it is possible that no one candidate will receive more than 40% of the vote. If this occurs, there will be a run-off primary for the two leading candidates. If you believe a run-off primary election is likely to occur, you must adhere to the following requirements **prior to raising and spending funds for the run-off primary election**:

1. Demonstrate to the CFB that a run-off election is “reasonably anticipated.”
2. Establish a separate run-off bank account.

## Demonstrating that a Run-Off Election is “Reasonably Anticipated”

You cannot begin to raise or spend funds for an anticipated run-off election until the CFB determines that a run-off election is “reasonably anticipated”. You can present evidence to the Board that a run-off election is reasonably anticipated by requesting to appear before the Board at a scheduled Board meeting, and/or by submitting evidence to the CFB in writing.

You have the burden of demonstrating that a run-off primary is reasonably anticipated. There are several ways you can do this, including but not limited to by citing:

- Polling data.
- Press coverage.
- Financial activity of the candidates who are involved in the primary election.

### Establishing a Run-Off Election Bank Account

Once the Board has determined that a run-off election is reasonably anticipated, you must then establish a run-off election bank account before you can raise and spend money for the run-off election. All run-off election contributions must be placed only in this separate run-off election account.

Until a primary election is held that results in a run-off primary election, each solicitation of run-off primary contributions must expressly state that the contributions are being solicited only for a run-off election that may not occur, and candidates must stop accepting contributions for a run-off primary once the run-off is no longer reasonably anticipated or the CFB rules it is no longer reasonable to anticipate such a run-off primary.

Disbursements from the run-off election account may not be made until primary election day.

**When submitting disclosure statements to the CFB, you must include a copy of the most recent bank statement for your run-off election account.**

### Contribution Limits

Once the Board makes a determination that a run-off primary election is reasonably anticipated and you have established a run-off bank account, you may begin to accept additional contributions for the run-off election. The run-off election contribution limit equals one half the applicable contribution limit. You may collect this amount even from a contributor who gave the maximum contribution for the primary/general elections.

2005 CONTRIBUTION LIMIT	2005 RUN-OFF PRIMARY CONTRIBUTION LIMIT
\$4,950	\$2,475

All the Program’s requirements regarding full disclosure and proper recordkeeping apply to run-off election contributions as well. (For more information on recordkeeping for contributions, see page 2-23.)

## Expenditure Limits

The expenditure limit in a run-off primary election is one-half the amount of the applicable limit in the primary election. All the Program's requirements regarding full disclosure and proper recordkeeping apply to run-off election expenditures as well. (For more information on recordkeeping for expenditures, see page 3-19.)

OFFICE	2005 PRIMARY ELECTION EXPENDITURE LIMIT	2005 RUN-OFF PRIMARY ELECTION EXPENDITURE LIMIT
Mayor	\$5,728,000	\$2,864,000
Public Advocate	\$3,581,000	\$1,790,500
Comptroller	\$3,581,000	\$1,790,500

## Public Funds

If you are involved in a run-off election, you will receive a public funds grant equal to 25% of the public funds payments you received for the primary election. The Board will make all final payment determinations as soon as possible once the run-off has been announced by the BOE. All the Program's requirements regarding public funds apply to run-off election public funds payments as well. (For more information on public funds, see Chapter 7.)

### example

Mayoral candidates Lincoln, Carter, Stanley, and Marquez appeared on the Democratic Party ballot for the primary election. Candidates Lincoln and Carter each received 34% of the vote, while candidates Stanley and Marquez each received 16% of the vote. Since no candidate received at least 40% of the vote, the two leading candidates (Lincoln and Carter) will compete in a run-off primary. Candidate Lincoln received \$2,500,000 in public funds for the primary election and candidate Carter received \$2,000,000 in public funds. Therefore, candidate Lincoln will receive a public funds grant in the amount of \$625,000 and candidate Carter will receive a public funds grant in the amount of \$500,000 to use for the run-off primary election.

## Transfers Involving Run-Off Election Accounts

Contributions accepted for a run-off primary election may not be commingled in any account with any receipts accepted for any other election or used for a primary or general election held in the year that the run-off primary is held or anticipated, except that, such funds can be transferred:

- from a primary and/or general election account to a run-off primary account after the primary election so that the funds transferred may be spent in the run-off primary.
- from a run-off primary account to a primary/general election account after the run-off primary is held so that the funds transferred may be spent in the general election. (This can only be done if the run-off primary is actually held **and** you were a candidate in the run-off election.)

These transferred funds are subject to the Program's contribution limits and prohibitions and are not matchable. In addition, the contributions and/or receipts that you transfer must be transferred in reverse chronological order (the last contribution or receipt that you receive must be the first one transferred). (For more information on transfers, see page 5-10.)

If a run-off election does not take place, or if it does, but you are not a candidate in the run-off, the run-off election account is treated like an account established for an election not subject to the requirements of the Program, in that its use in the primary and general elections is prohibited, and the account is frozen until January 12, 2006 or the day you pay your last liability from your last election, whichever is earlier.

---

*Questions about run-off elections?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## IMPORTANT POINTS TO REMEMBER

- The Board must determine that a run-off election is “reasonably anticipated” before you may begin raising or spending funds for that election.
- You must establish a separate bank account and keep run-off funds separate from your primary and general elections funds.
- The contribution limit for run-off elections is one half the applicable contribution limit for citywide offices.
- The expenditure limit for run-off elections is one half the applicable expenditure limit for the primary election.
- If you are involved in a run-off election, you will receive a public funds grant equal to 25% of the public funds payments you received for the primary election.

## WHERE TO FIND IT

For more information, please refer to:

- Anticipated run-off primary elections: *CFB Rules, Chapter 1, rule 1-04(q)*
- Run-off disbursements: *CFB Rules, Chapter 2, rule 2-06(c)*
- Run-off election expenditure limit: *Campaign Finance Act § 3-706(b)*
- *Advisory Opinion No. 2001-3 (May 17, 2001)*
- *Advisory Opinion No. 2001-7 (June 14, 2001)*
- *Advisory Opinion No. 2001-10 (August 23, 2001)*
- *Advisory Opinion No. 2001-11 (September 7, 2001)*

## COMMON PITFALLS REGARDING RUN-OFF ELECTIONS

- Not presenting evidence to the Board demonstrating that a run-off election is likely to occur. You have the burden of demonstrating that a run-off election is “reasonably anticipated.”

- Raising or spending money in expectation of a run-off election without the CFB's approval.
- Raising and spending money for a run-off election using your primary and/or general election bank account. Once the Board determines that a run-off election is reasonably anticipated, all run-off election contributions must be placed in a separate run-off election bank account and all expenditures in the run-off must be made from that account.
- Exceeding the run-off election contribution and expenditure limits.
- Transferring receipts from a primary and/or general election account to a run-off primary account before the primary election.
- Transferring receipts from a run-off primary account to a primary and/or general election account before the run-off primary.
- Not adhering to the same recordkeeping guidelines that apply to the primary and general election.
- Failing to submit bank statements for the run-off account with your disclosure statements.



Regardless of the outcome of the primary or general election, you are required to adhere to all Program requirements.

This chapter will address the following topics in detail:

- Post-primary election activity determined by general election ballot status.
- Updating campaign information.
- Post-election spending.
- Post-election audit.
- Running for office in a new election cycle

## Post-Primary Activity Determined by General Election Ballot Status

### On the General Election Ballot

If you are on the ballot for the general election, you are required to file all general election disclosure statements complete and on time. If you are eligible to receive public funds for the general election, you will receive those funds according to the election payment schedule (see page 7-10 for anticipated general election payment dates). If you anticipate a public funds payment after the general election, you will not receive it until the post-election audit is completed and the CFB makes a final determination.

### Not on the General Election Ballot

If you are not on the ballot for the general election, you are required to file the following disclosure statements following the primary election:

- **2003 elections**, statement 7 due September 19, 2003 and the final disclosure statement, statement 11, due January 15, 2004.
- **2005 elections**, statement 13, due September 23, 2005 and the final disclosure statement, statement 17, due January 17, 2006.

These statements must be filed complete and on time. If you are eligible for an additional public funds payment, you will not receive a post-election payment until the post-election audit is completed and the CFB makes a final determination. Post-election audits for candidates not appearing on the general election ballot may begin before the general election, even though you have not submitted your final disclosure statement. Although you are no longer campaigning for office, you are still required to adhere to all Program requirements.

## Updating Campaign Information

The CFB will need to remain in contact with you until the post-election audit process is completed. You are required to keep the CFB updated with your current contact information, any changes to your campaign staff, and the location of your campaign documentation. You should send these changes in writing.

---

*Do you need to change your contact information?  
The Candidate Services Unit is waiting to hear from you.  
Please call (212) 306-7100 or e-mail us at [csumail@nyccfb.info](mailto:csumail@nyccfb.info).*

---

## Post-Election Spending

You are severely limited in the post-election expenditures you can make. Until you have repaid the CFB any unused or owed public funds, you may only make **modest** post-election expenditures for routine activities involving nominal costs associated with winding up a campaign and responding to the post-election audit.

The following expenditures are permitted winding-up expenditures:

- utility bills and rent;
- taxes and other reasonable expenses for compliance with applicable tax laws;
- reasonable staff salaries and consultancy fees for responding to the post-election audit;
- interest expense;
- reasonable moving expenses related to closing the campaign office;
- a holiday card mailing to contributors, campaign volunteers, and staff; and
- thank-you notes for contributors, campaign volunteers, and staff.

The following expenditures are **not** permitted as winding-up expenditures:

- post-election mailings other than those specifically mentioned above;
- making contributions;
- making bonus payments or gifts to staff and volunteers;
- hosting a post-election day event, including but not limited to any meal or party; and
- making expenditures for transition and inauguration activities.

---

*Questions about post-election expenditures?*

*The Candidate Services Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [csumail@nycfcfb.info](mailto:csumail@nycfcfb.info).*

---

## Post-Election Audit

The CFB will conduct a post-election audit of all Program participants. The Audit Unit will attempt to issue all draft audits before the end of the calendar year following the year of the election. The purpose of the post-election audit is to ensure that your committee has complied with the contribution and spending limits, as well as all other Program requirements. One of the most important components of the post-election audit is the documentation of qualified expenditures to ensure that public funds that were (or will be) paid were used for legal purposes.

During the post-election audit, the Audit Unit will review all transactions to ensure that your financial activity has been accurately reported. In addition, the Audit Unit will verify that your backup documentation for contributions has been maintained. Finally, the post-election audit will also review your expenditures to ensure that public funds were spent in accordance with Program requirements. **You must be able to document that your qualified expenditures equal or exceed the amount of public funds you received for each election. If you cannot, you must repay the difference to the Public Fund.**

The post-election audit is a thorough and sometimes lengthy and time consuming process, consisting of various correspondences between you and the CFB. To facilitate this process, it is necessary to have all your financial records (bank statements, receipts, etc.) on hand and well ordered. Failure to produce documents requested by the CFB in a timely manner will prolong the audit process, hinder the CFB from accurately assessing your compliance with the Program, and could result in the CFB assessing penalties or requiring a return of public funds. You should use the period before your post-election audit begins to organize all financial documentation and to obtain any missing records.

The post-election audit will take place either through the mail or, in a manner similar to the compliance visit, at the location where the records are kept. You are responsible for promptly supplying the CFB with requested documents.

### **Mail Audit**

Many campaigns will have their post-election audit conducted through the mail. If your post-election audit is conducted through the mail, you will be asked to supply various documents (copies of bank statements, receipts, returned checks, front and back of cancelled checks, invoices, etc.) to the CFB. You will be given at least three weeks to respond to the CFB's request for documentation. Failure to submit the documentation in a complete and timely manner may result in the CFB assessing penalties or requiring you to repay public funds.

### **Field Audit**

Some campaigns will be visited by a CFB auditor who will conduct your post-election audit. If your post-election audit is scheduled to take place at the committee headquarters and/or the location where the records are kept, you will be responsible for having all the records available during the visit. In addition, you may be required to prepare copies of specific documents requested by the CFB auditor. The Audit Unit will use these documents to determine your campaign's compliance with the Program requirements. Failure to produce these documents will negatively affect your compliance level and may result in your being assessed a financial penalty or requiring you to repay public funds.

## **Post-Election Draft Audit Report**

Once the documentation review portion of the post-election audit has been completed, the CFB will prepare a Draft Audit Report detailing findings about your level of compliance with Program requirements and in some cases requesting further information about certain transactions. The main purpose of the Draft Audit Report is to list findings that indicate Program violations and to provide you with an opportunity to respond with more documentation or further explanation. The Draft Audit Report will also indicate any public funds your committee must repay to the public fund or list any additional public funds your committee may be entitled to receive.

The Draft Audit Report is your final opportunity to respond to the Audit Unit's findings. If you disagree with the Audit Unit's findings, you are encouraged to submit detailed explanations with corresponding documentation illustrating why you believe the Audit Unit's findings are not applicable. Your response may include having to amend your disclosure statements to report previously unreported or misreported items. You must respond to the Audit Unit's requests for information and to the Draft Audit Report in a timely manner. **If you do not respond to the Draft Audit Report, the Final Audit Report will be prepared without your response, you will be assessed a financial penalty, and you will be required to repay all public funds received.**

## Post-Election Final Audit Report

The Final Audit Report will be the CFB's final determination of your compliance with the Program. The Final Audit Report will be based on the Draft Audit Report and your response to its findings. The Final Audit Report is a public document and will be placed in the CFB's public file and will be posted on the CFB's web site. It will include all penalties assessed by the CFB and all requests for the return of public funds. You must pay all penalties and/or repay all public funds within 30 days, or your name will be posted on the CFB's web site as an individual who owes money to the Public Fund (see, "Outstanding Penalties and Repayments of Public Funds Owed," at [www.nycffb.info](http://www.nycffb.info)), and litigation may be recommended by the CFB to recover the sums owed.

---

*Questions about post-election audits?  
The Audit Unit is waiting to hear from you.  
Please call (212) 306-7100.*

---

## Record Retention

All records and documents must be kept for six years after the election. During that time, you must inform the CFB in writing of any changes in the location and custodian of these records and documents.

## Retiring Post-Election Debt

When the current election is over and all public funds due to you have been paid, you may still have outstanding campaign debt. The following are points to keep in mind when deciding how to retire your post-election debt.

- You are responsible for your committee's debt.
- Creditors should not contact the CFB concerning your debt.
- You may continue to raise funds for your committee to pay off outstanding debt. You must, however, continue to abide by all Program rules and requirements corresponding to your election cycle.

## Running for Office in a New Election Cycle

If you choose to run for office in another election cycle, you **must** open a new bank account and create a new principal committee before you begin to raise or spend any money for this new election. You should **not** commingle funds from your last election committee with funds for your new election committee. Commingling funds may cause a reduction in the amount of public funds you will be eligible to receive in your next election.

## IMPORTANT POINTS TO REMEMBER

- You are required to update your contact information prior to and after, the election with any new information.
- You are severely limited in the post-election expenditures you can make.
- You will receive a post-election audit.
- Post-election audits are a thorough and sometimes lengthy process.
- Post-election payments are not guaranteed.
- You must continue to comply with Program rules when retiring post-election debt.

## WHERE TO FIND IT

For more information, please refer to:

- Post-election contributions: *CFB Rules, Chapter 1, rule 1-04(m)*
- Post-election spending: *CFB Rules, Chapter 5, rule 5-03(e)*
- Record retention: *CFB Rules, Chapter 4, rule 4-03*
- Audits: *CFB Rules, Chapter 4, rule 4-05*
- Post-election payments: *CFB Rules, Chapter 5, rule 5-01(m)*

## COMMON PITFALLS REGARDING POST-ELECTION ACTIVITY

- Not filing the required disclosure statements following your last election.
- Failing to keep the CFB updated with your current contact information.
- Making impermissible post-election expenditures, such as for parties and bonuses to staff.
- Failing to respond to post-election audit requests in a complete and timely manner.

- Failing to understand that the post-election audit is a thorough and sometimes lengthy process, consisting of a great deal of correspondence between you and the CFB, and that the sooner you provide a sufficient response to CFB requests, the sooner the post-election audit will be concluded.
- Failing to maintain records for six years after the election.
- Relying on a post-election public funds payment to pay off outstanding campaign debt quickly. Keep in mind that the post-election audit is a thorough and sometimes lengthy process, and if you are entitled to a post-election payment, it will not be made until the post-election audit is completed.





Elected candidates who wish to raise or spend funds for their transition and inauguration into office must create and register a Transition and Inauguration Entity (“TIE”) with the CFB.

This chapter will address the following topics:

- Registering transition and inauguration entities.
- Donation limits.
- Restricted donations.
- Spending.
- Filing deadlines.
- Recordkeeping.

## Registering Transition and Inauguration Entities

Before you raise or spend any private funds for your transition and inauguration into office, you must register a TIE with the CFB. This requirement applies to all candidates elected to the office of mayor, public advocate, comptroller, borough president, or City Council, whether or not they participated in the Program. You may **not** use your existing principal committee or **any** other political committee to raise money for your transition and inauguration. Rather, you **must** create a new entity. Also, you may not transfer funds from any of your political committees or other entities you control to your TIE.

A separate registration form must be filed for each TIE, including information on the elected candidate, the TIE, its treasurer, and any other officer chosen to sign disclosure reports and the TIE’s bank accounts. The form must be signed by the elected candidate and the treasurer or other officer chosen to sign reports, and these signatures must be notarized.

## Donation Limits

Elected candidates are prohibited from accepting monetary and in-kind donations from any one individual, corporation, partnership, political committee, employee organization, or other entity whose aggregate donation exceeds the following amounts:

Transition and Inauguration Donation Limits	
OFFICE	DONATION LIMIT
Mayor	\$4,500
Public Advocate	\$4,500
Comptroller	\$4,500
Borough President	\$3,500
City Council	\$2,500

You may choose to finance your TIE **entirely** out of your own personal funds. Please keep in mind that in doing so, you cannot accept donations from any other individual or entity.

You may not accept cash donations from a single donor that exceed \$100.

Loans not repaid by the date of your inauguration are considered donations subject to the donation limits.

Donations from affiliated donors are considered donations from the same source. The total of all donations given from affiliated donors, when added together, must not exceed the donation limit for a single donor.

Donations accepted after January 31 in the year following the election will be presumed to be for your next election and will be subject to the requirements governing that election.

## Restricted Donations

You may not accept donations from political committees unless they have registered with the CFB. To verify that a political committee is registered, check the CFB's web site at [www.nyccfb.info](http://www.nyccfb.info), or call the Candidate Services Unit. If the political committee is not registered, **do not deposit** the donation into your bank account. It is your responsibility to ensure that a political committee is registered with the CFB, and if not, that the political committee registers before depositing its donation. Should you accept and keep a donation from an unregistered political committee, you may be assessed a financial penalty. If you have accepted a donation from an unregistered political committee, you must immediately refund the donation to the political committee with a certified or bank check. Political committees register with the CFB by completing and submitting a "Political Committee Registration Form." This form can be downloaded from our web site, [www.nyccfb.info](http://www.nyccfb.info),

or you can receive one by calling the Candidate Services Unit. In addition, your TIE may not receive or otherwise use funds from any political committee you have authorized (regardless whether that committee is registered with the CFB).

## Spending

Your TIE may only spend funds for your transition and inauguration into office. It cannot spend funds for any other purpose. Examples of transition expenditures include furniture, seminars, office rent, consulting, payroll, and phone bills, if they are made to help you adjust to your newly elected office. Examples of inaugural expenses include catering, entertainment, payroll, invitations, printing, equipment rental, decorations, flowers, site rental, advertising, transportation, postage, and photography, if they are for an inaugural event.

Candidates who are re-elected to the same office are presumed to have no transition expenses — incumbent elected candidates are only permitted to incur expenses for their inauguration.

Once your TIE has paid all its liabilities relating to these activities, it must be closed and all remaining funds must be returned to one or more of the TIE’s donors.

Any expenses incurred after January 31 in the year following the election will be presumed to be incurred for your next election and will be subject to the requirements governing that election.

## Filing Deadlines

Below are two tables that show the deadline dates for each 2003 and 2005 TIE disclosure report and the period the report covers. The BOE does not require TIE disclosure reports.

### The First and Last Disclosure Period

The first disclosure report covers the period from the day the entity was registered through the last day of the month before the report is due (see schedule). The final report is due five business days after the TIE terminates its activities.

CFB 2003 TIE Filing Deadlines*		
REPORT NUMBER	DUE DATE	DISCLOSURE PERIOD
1	January 8, 2004	TIE Registration Date – December 31, 2003
2	March 5, 2004	January 1, 2004 - February 29, 2004

\* *The final report is due five business days after the TIE terminates its activities.*

CFB 2005 TIE Filing Deadlines*		
REPORT NUMBER	DUE DATE	DISCLOSURE PERIOD
1	January 9, 2006	TIE Registration Date – December 31, 2005
2	March 7, 2006	January 1, 2004 - February 28, 2006
* <i>The final report is due five business days after the TIE terminates its activities.</i>		

## Recordkeeping

The CFB will audit your TIE. You must keep clear and accurate records so that the CFB can confirm the accuracy of your disclosure reports and compliance with all TIE requirements. The records to be kept include the following:

- copies of deposit slips;
- copies of all checks or other documentation representing a donation or other receipt;
- a record of your best efforts to obtain donor information;
- receipts showing the value of in-kind donations;
- bills for goods or services provided;
- documentation of loans received, repaid, and forgiven;
- monthly billing statements or receipts for credit or charge card purchases and bank statements; and
- returned and cancelled checks.

You must keep your records for six years from the date of the TIE's registration.

## IMPORTANT POINTS TO REMEMBER

- Before you raise or spend any private funds for your transition and inauguration into office, you must register a TIE with the CFB, regardless whether you participated in the Program.
- You may not make transfers from other committees into your TIE.
- Your TIE may only spend funds for your transition and inauguration into office. It cannot spend funds for any other purpose.
- Candidates re-elected to the same office are presumed to have no transition expenses — incumbent elected candidates are only permitted to incur expenses for their inauguration.
- You may not accept cash donations from a single donor that exceed \$100.
- You may not accept donations from political committees unless they have registered with the CFB.
- Any donations accepted or expenditures incurred after January 31 in the year following the election will be presumed to be for your next election and will be subject to the requirements governing that election.

## WHERE TO FIND IT

- Registering a TIE: *CFB Rules, Chapter 11, rule 11-02*
- TIE disclosure reports: *CFB Rules, Chapter 11, rule 11-03*
- Transfer restrictions: *CFB Rules, Chapter 11, rule 11-04*
- Transition and inaugural donations and expenses: *CFB Act, §3-801*

## COMMON PITFALLS REGARDING TRANSITION AND INAUGURAL ENTITIES

- Using your primary and/or general election account to make TIE expenditures.
- Failing to register your TIE with the CFB prior to raising or spending money for your transition and inauguration into office.
- Transferring funds from any of your political committees or other entities you control to your TIE.
- Making TIE expenditures for the purposes of retiring post-election debt.
- Making TIE expenditures when you are already in the office for which you have been re-elected.
- Making TIE expenditures for any other purpose other than transition and inauguration expenses.
- Making transition expenditures if you are re-elected to the same office.
- Transferring funds into your TIE after you have paid your last liability to another political committee; these funds must be returned to one or more of the TIE's donors.
- Accepting any donations or incurring any expenses after January 31 in the year following the election. Any donations accepted or expenditures incurred after January 31 in the year following the election will be presumed to be for your next election and will be subject to the requirements governing that election.
- Failing to repay loans in excess of the donation limit by the date of your inauguration.
- Not adhering to the recordkeeping and reporting guidelines that apply to the Campaign Finance Program.
- Holding “inauguration” events long after inauguration day.

---

If you are a Campaign Finance Program participant running for citywide office (mayor, public advocate, or comptroller), you must participate in a series of public debates. The debate program is administered by the CFB. The debates themselves are sponsored by various media and civic organizations chosen by the CFB. These debates are usually televised and are an effective way for candidates to get their message out to a large audience without spending campaign resources. Debates also serve as a vehicle for educating voters on issues and candidates' positions.

The CFB receives applications from organizations that want to sponsor one or more of the debates. Sponsors cannot be affiliated with any political party, candidate, or public official, and they cannot endorse any candidates for the pending primary or general election before the debates for that election are held. The CFB reviews the applications and chooses the organizations that in its view are best able both to reach a wide audience and to run a fair and impartial debate. For more information, contact the Press Unit at (212) 306-7145.

---

*Questions about the Debate program?  
The Press Unit is waiting to hear from you.  
Please call (212) 306-7145 or e-mail us at [info@nyccfb.info](mailto:info@nyccfb.info).*

---





---

The CFB publishes nonpartisan Voter Guides before each primary and general election that include information about candidates for mayor, public advocate, comptroller, borough president, and City Council, as well as local ballot proposals. The Guides also provide general voting information. An English/Spanish version of each Guide is produced and mailed before the primary and general elections to every New York City household that has at least one registered voter and are also made available at a variety of public locations throughout the City. Voter Guides are produced in Chinese and Korean for registered voters residing in certain parts of Brooklyn, Manhattan, and Queens, consistent with the federal Voting Rights Act.

The Voter Guide is a unique and valuable resource, containing candidate profiles with biographical information, statements, and photographs provided by the candidates. The Voter Guide provides equal space to all candidates free of charge, regardless whether they participate in the Program. The Guide also includes nonpartisan information about how and where to vote, how to register, the dates of the primary and general elections, and any local or state proposals that will be on the ballot. For the 2001 election cycle, Voter Guides were distributed to approximately 3.5 million registered New York City voters.

The CFB sends submission kits to all known potential candidates before the publication of each Voter Guide, usually in May of an election year. Letters are sent to government officials, party leaders, community groups, and others who may know of additional potential candidates. Information about submitting a statement for the Voter Guide is also provided to the media and published on the CFB's web site at [www.nycffb.info](http://www.nycffb.info). If you want to request a submission kit, or for more information about the CFB's Voter Guide, contact the Publications Unit at (212) 306-7100, or send email to [voterguideinfo@nycffb.info](mailto:voterguideinfo@nycffb.info). Once kits have been mailed to known candidates, they will also be available for download from the CFB's web site.

---

*Questions about the Voter Guide?*

*The Publications Unit is waiting to hear from you.*

*Please call (212) 306-7100 or e-mail us at [info@nycffb.info](mailto:info@nycffb.info).*

---



# what's new and different: rule and legislative changes following the 2001 elections

# 17

---

Following the 2001 elections, the CFB adopted amendments to the Campaign Finance Board Rules, and the City Council later enacted legislation that has resulted in important changes to the Program. **Please be advised that the information below provides only a summary of the new rules and legislation.** To get a complete copy of the CFB Rules and the Campaign Finance Act, call the CFB at (212) 306-7100 or visit the CFB's web site, [www.nycffb.info](http://www.nycffb.info).

Some rules and legislative changes simply codify CFB practices, while others make significant changes to the Program. A summary of the rule and legislative changes follows.

## Candidate Participation

### Candidate Committees

You may have only **one** committee authorized to support your candidacy in your current election. This committee may not be authorized to support any other candidate or any other election prior to your current election, except that if you are a participant in the 2003 election and you authorized a committee to support your candidacy for a prior election on or prior to December 1, 2002, you may continue to use that committee throughout the 2003 election cycle (you must still only use one committee).

### Breach of Certification

Upon filing the Certification form, you are legally bound to comply with all Program requirements. You may be considered in breach of your Certification if, among other things, your campaign: (1) submitted a disclosure statement which you knew or should have known includes substantial fraudulent matchable contribution claims; (2) used public funds to make or reimburse substantial campaign expenditures which you knew or should have known were fraudulent; (3) cooperated in alleged independent expenditures; or (4) used a political committee or other entity to conceal expenditures that directly or indirectly assisted your campaign. If you are found in breach of your Certification, you will be ineligible for public funds and must forfeit all public funds previously received. You may also be subject to civil and criminal sanctions.

### **Write-in Candidacy**

If you are seeking nomination or election as a write-in candidate, you must promptly notify the CFB in writing and file all required disclosure statements. You are not eligible to receive public funds, however, or to appear in the Voter Guide, for the election in which you are exclusively a write-in candidate.

### **Terminating Your Candidacy**

If you have not received public funds, have ceased all campaigning, and wish to terminate your candidacy, you can file a Verification of Terminated Candidacy form. Filing this form will relieve you of your obligation to file disclosure statements with the CFB, even if you continue to be on the ballot for the election. You remain subject to all other Program requirements, however, including recordkeeping, responding to CFB requests, being subject to an audit of your campaign finances, and paying penalties for violations of Program requirements.

## **Contributions**

### **Over-the-Limit and Prohibited Contributions**

If you have accepted and deposited an over-the-limit or prohibited contribution, you must return the excess portion or prohibited contribution to the contributor by bank or certified check. If you are unable to return the contribution to the contributor because, for example, you are unable to locate the contributor or a corporate contributor has gone out of business, you may pay to the Public Fund an amount equal to the excess portion of the over-the-limit or the prohibited contribution. The payment to the Public Fund should include a cover letter explaining your efforts to return the over-the-limit or the prohibited contribution.

### **Limited Liability Company Attribution**

Aggregate contributions made by a limited liability company (LLC) of more than \$2,500 will now be reported two ways: (1) as coming from the LLC as a whole, and (2) as coming from each member in the firm whose share of the contribution exceeds \$99. The LLC's contribution is divided according to each member's share of the LLC's profits. Aggregate contributions totaling less than \$2,500 will be considered to be only from the LLC as a whole.

### **Contributions by Minors**

You may accept a contribution from a child less than 18 years of age if: (1) the decision to contribute was made knowingly and voluntarily by the minor; (2) the funds, goods, or services contributed were owned and controlled exclusively by the minor, such as income earned by the minor; and (3) the contribution was not made from the proceeds of a gift where the gift was made with the purpose to provide funds for the contribution. **Please note: amendments to the law provide that contributions from individuals less than 18 years of age are not matchable.**

### **Contributions Drawn on Business Accounts**

Campaign contributions drawn on accounts that bear indicia of being business accounts, such as those that contain the contributor's professional title or the contributor's business address, will not be valid for matching purposes unless the campaign provides evidence that the contribution actually came from personal funds. (See the Appendix for more information).

### **Deposit of Contributions**

Contributions in the form of checks given to City Council candidates and received more than a year **prior to the election** must be deposited within 20 business days of receipt. All other contributions to City Council candidates, and all contributions to other candidates, must be deposited within 10 business days. **The CFB strongly urges City Council candidates to deposit contributions promptly, and to do so within 10 business days, so as not to violate Program rules in the election year because of failure to change prior campaign practices.**

### **Contributions Made to Other Political Committees**

Participating candidates may make contributions to other political committees without causing deductions from the participants' public funds if:

1. the aggregate of those contributions does not exceed
  - \$3,000 for the office of City Council;
  - \$5,000 for the office of borough president; or
  - \$10,000 for citywide office; **and**
2. the participant has received enough non-matchable contributions to account for all these contributions.

### **Application of the Contribution and Expenditure Limits to Political Activities**

If you choose to support other candidates during the election cycle, the following limited activities in support of them will not be considered a contribution to or an expenditure by your campaign:

- the act alone of endorsing or appearing with another candidate;
- communication of an endorsement by the candidate you have endorsed, where your name is one of several names appearing on a letter or campaign material, as long as your name is of equal prominence as the other names;
- fundraising assistance for another candidate in the form of a letter or other campaign material that does not promote your candidacy and your name or likeness appears alone or with others and is of equal prominence as the name or likeness of the other candidates; and

- a typical communication by a political club to its members which includes your name, provided that:
  - you are already a member of the political club;
  - the political club has less than 500 members; and
  - the communication does not solicit funds on behalf of or otherwise promote your candidacy.

Communications or endorsements not covered by the above exceptions may be considered contributions to and expenditures by your campaign. The CFB will take the following factors, among others, into consideration when determining the value of the contribution and/or expenditure:

- the focus of the communication;
- the geographical distribution or location of the communication;
- the subject matter of the communication;
- the references to you and your appearances in the communication;
- the relative prominence of the reference to you or your appearance, including the size and location of the reference and any photographs; and
- the timing of the communication.

## Threshold

If you are a participant in the 2003 election cycle, you may meet the Program's threshold requirement if you collect 75 contributions of \$10 or more from residents of the borough or boroughs in which your council district is located.

## Backup Documentation

### Submitting Backup Documentation

You must submit complete copies of all matchable contribution checks, credit card documentation, and money order and cash contribution cards with each disclosure statement throughout **the entire election cycle**. Contribution cards must include the date the card was signed. **Disclosure statements received without backup documentation will be rejected and returned to you.**

### **Contribution Cards**

The following underlined language must be added to the affirmation statement that is required to be included on the bottom of all contribution cards.

“I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.”

Money order and cash contribution cards submitted for matching purposes without the proper affirmation statement will be invalidated for matching or threshold purposes. Please see the Appendix for a sample contribution card.

### **Money Order Contributions**

For campaign contributions received by money order, you must report the corresponding money order number and provide a copy of the money order with your backup documentation in order for the money order to be matchable. Further, **money order contributions from any one contributor that aggregate more than \$100 are not eligible to be matched.**

### **Fundraising Materials**

All written fundraising materials, including Internet materials, must include the following statement, written in a way that is clear and easy to notice:

“State law prohibits making a contribution in someone else’s name, reimbursing someone for a contribution made in your name, being reimbursed for a contribution made in your name, or claiming to have made a contribution when a loan is made.”

### **Employer Information**

Contributions of \$500 or more reported without the contributor’s employer information will now be invalid for matching purposes.

## **Expenditures**

### **Canvassing Election Results**

Expenses related to the canvassing of election results will be exempt from the expenditure limit. Further, these expenses will not be qualified (for more information about qualified expenditures, see page 3-15).

## **Documentation and Reporting of Exempt Expenditures**

To simplify candidate reporting and CFB auditing of exempt expenditures, you have two options for documenting and reporting exempt expenditures:

1. Limit your aggregate exempt expenditures to an amount not greater than 7.5% of the applicable expenditure limit; or
2. Maintain detailed records substantiating that each exempt expenditure claim falls into an exempt category.

**Option 1:** You will have to maintain books and records generally required for all expenditures, but will not have to maintain more detailed records establishing that your expenditures are exempt. Your expenditures claimed as exempt, however, must still be limited to those categories which are permitted as exempt under the Act, and the CFB will not accept claims which appear from the nature of the underlying expenditure not to be permitted. If your total exempt claims exceed the 7.5% limit, you will need to have maintained the contemporaneous documentation outlined in Option 2.

**Please note:** Because ballot petition litigation can be difficult to predict and its cost can often be more than 7.5% of the applicable expenditure limit, participants who use Option 1 will still be required to substantiate exempt claims for ballot petition litigation through detailed documentation, but these claims will not be subject to the 7.5% limit.

**Option 2:** If you are unable to keep your exempt expenditures within the 7.5% limit, you will be required to have kept contemporaneous detailed records showing that each expenditure you claim as exempt meets the definition of an exempt expenditure. For a more detailed explanation of the required records needed to fulfill this requirement, see the Appendix.

Remember that regardless which option you chose for documentation, you must still claim expenditures as exempt when you report them. Guidance for required exempt expenditure documentation is provided in the Appendix.

## **Winding-Up Expenditures**

Post-election expenditures may be made before repaying unspent campaign funds only for routine activities involving nominal costs associated with winding up a campaign and responding to the post-election audit. To aid your campaign additional examples of permitted and prohibited winding-up expenditures have been provided to clarify what is acceptable. Those that are permitted include:

- utility bills and rent;
- payment of taxes and other reasonable expenses for compliance with applicable tax laws;
- reasonable staff salaries and consultancy fees for responding to the post-election audit;
- interest expense;



- reasonable moving expenses related to closing the campaign office;
- a holiday card mailing to contributors, campaign volunteers, and staff; and
- thank-you notes for contributors, campaign volunteers, and staff.

The following expenditures are **not** permitted as winding-up expenditures:

- post-election mailings other than those specifically mentioned above;
- making contributions;
- making bonus payments or gifts to staff or volunteers;
- holding any post-election day event, including, but not limited to, any meal or any party; and
- making expenditures for transition and inauguration activities.

## Loans

Under New York State law, all loans must be paid back by the date of the next election (primary or general), or the unpaid amount will be considered a contribution subject to the contribution limit.

## Disclosure

### Contemporaneous Disclosure

Candidates running in the 2005 elections **must** disclose matchable contributions in the disclosure statement immediately after the contributions are received to be eligible to receive matching funds for them. **If you do not disclose these contributions in the next complete and timely disclosure statement, they will not be matched with public funds and they will not be considered for purposes of reaching threshold.**

### Fundraising Agents

Fundraising agents now include only paid or volunteer full-time campaign workers or commercial fundraising firms retained by the campaign to accept contributions on behalf of the campaign. Fundraising agents must be disclosed in a cover letter with your disclosure statement(s).

### Electronic Submission of Disclosure Statements

All campaigns must use C-SMART (*Candidate Software for Managing and Reporting Transactions*), unless the campaign has made a request in writing to the CFB and been approved to do otherwise.

### **Additional Disclosure Statements Beginning with the 2005 Election Cycle**

To aid in your compliance efforts, the CFB will provide for additional pre-Certification disclosure statements which will be due on March 15 and May 15 of the election year. In addition to providing valuable public disclosure, these statements will allow the CFB to provide early assistance to your campaign in complying with the Program and alerting you to potential violations to allow early correction of them. The new statements may help determine your eligibility for public funds earlier in the election year (although payments will not be made until after the Board of Elections' determinations on ballot status).

## **Public Funds**

### **Public Funds Cap**

If you have nominal opposition, you will now only receive one-quarter of the maximum amount of public funds available to the office you seek unless:

- you are opposed by a participant who has qualified for public funds;
- the CFB has determined that you are opposed by a candidate who has raised or spent more than one-fifth of your office's expenditure limit; or
- you submit in writing, to the CFB, a signed statement attesting to and stating the reasons you need additional public funds. This statement will be published on the CFB's web site.

### **Review of Payment Determination**

If you ask the Board to review a payment determination it has already made, you may not give the Board documentation for use in its review if you had not given that documentation to the Board before its original payment determination, **unless** you can show that the documentation was unavailable at the time of the original determination.

### **Deductions from Payments**

To avoid deductions in valid matching claims resulting from your making disbursements to political clubs, candidates, political party committees, or political committees as well as payments of debts for past elections or transfers to non-covered committees, you should limit contributions to the amounts applicable to each office (see page 7-7). In addition, to avoid deductions for contributions over these amounts or for the other types of disbursements described above, you must: (1) create a segregated bank account holding only contributions to be used for those types of disbursements; (2) have the contributor confirm in writing that he or she knows that the contribution will only be used for such disbursements and will not be matched with public funds; and (3) provide copies of checks, bank statements and written confirmations with each disclosure statement. Contributions deposited into these segregated accounts will not be matchable. **Please contact the Candidate Services Unit for guidance before establishing a segregated account.**

When soliciting contributions for a segregated account, the contribution card must include the following verification:

“I understand that this entire contribution will be used only (i) to pay expenses or debt from a previous election; (ii) by the candidate for an election other than the election for which this contribution is made; or (iii) to support candidates other than the candidate to whose campaign this contribution is made, political party committees, or political clubs. I further understand that this contribution will not be matched with public funds. I understand that State law requires that a contribution be made in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.”

**Segregated Account/Non-Matchable Contribution Card**

Committee Name \_\_\_\_\_

To comply with Campaign Finance Reporting Rules,  
please give the following information:

Cash

Money Order # \_\_\_\_\_

Check # \_\_\_\_\_

In the amount of \$ \_\_\_\_\_

Name \_\_\_\_\_

Home Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Employer \_\_\_\_\_

Occupation \_\_\_\_\_

Business Address \_\_\_\_\_

\_\_\_\_\_

I understand that this entire contribution will be used by the candidate only (i) to pay expenses or debt from a previous election; (ii) by the candidate for an election other than the election for which this contribution is made; or (iii) to support candidates other than the candidate to whose campaign this contribution made, political party committees, or political clubs. I further understand that this contribution will not be matched with public funds.

I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.

\_\_\_\_\_

Contributor's Signature
Date of Contribution

### **Repayment of Unspent Campaign Funds**

If you receive public funds from the Board and have campaign funds left over at the end of the election, you must return those unspent funds to the Board — up to the amount of public funds you have received — by the conclusion of the Board's post-election audit of your campaign. If you delay the audit process, however, the repayment will be due immediately.

## **Civil Penalties**

### **Publication of Penalty Guidelines**

The CFB will publish staff guidelines for penalties to be recommended for contribution violations, late disclosure statements, and the failure to file disclosure statements. These guidelines will be published prior to the candidate certification deadline.

## **Audits**

To the extent practicable, the CFB shall issue all draft audit reports before the end of the calendar year following the year of the election.

## **Advisory Opinions**

To the extent practicable, the CFB will issue advisory opinions or otherwise respond in writing within 30 days of receipt of a written request, or within ten business days of receipt of a written request received less than 30 days before a covered election. Also, the CFB will now publish on its web site the questions of interpretation for which A.O.s will be considered by the Board.

## **Transition and Inaugural Activity**

### **Deadline to Accept Donations and Incur Expenses**

Any donations accepted or expenditures incurred after January 31 in the year following the election will be presumed to be for your next election and will be subject to the requirements governing that election.

### **Incumbents**

Candidates re-elected to the same office are presumed to have no transition expenses — incumbent candidates are only permitted to incur expenses for their inauguration.

# appendix

---

Following is the Appendix to the Campaign Finance Handbook. It includes the following:

- Sample intermediary statement
- Sample of backup documentation
- How to handle checks that aren't from individuals
- How to claim matching funds for credit card contributions
- Sample credit card authorization
- How to handle exempt expenditures documentation
- Sample daily wage record
- Sample employee contract
- Sample advance repayment voucher
- Sample loan documentation
- Sample detail payment report for primary election
- Sample detail payment report for general election
- Sample invalid matching claims (IMC) report
- A description of invalid contribution codes
- Sample change of address request
- Sample change of bank account request
- Sample contribution card
- Sample segregated account/non-matchable contribution card

**Intermediary Statement**

**SAMPLE**

**Committee Name:** Friends of Easley  
**Intermediary's Name:** Thomas Winchester  
**Home Address:** 37 Burlap Lane  
**City/State/Zip:** Hastings, NY 11068  
**Employer:** Frank's Sporting Goods  
**Occupation:** Salesperson  
**Business Address:** 133 Crescent Street  
**City/State/Zip:** Hastings, NY 11068

<u>Contributor's Name</u>	<u>Amount Contributed</u>
1. <u>John Smith</u>	<u>\$25</u>
2. <u>Jane Doe</u>	<u>\$1,000</u>
3. <u>Juan Gonzalez</u>	<u>\$650</u>
4. <u>Ralph Gomez</u>	<u>\$300</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Attach additional pages if the intermediary has more than ten (10) intermediated contributions.

I understand that the making of false statements in this document is punishable as a Class E felony pursuant to Section 175.35 of the Penal Law and/or a Class A misdemeanor pursuant to Section 210.45 of the Penal Law.

I hereby affirm that I did not, nor to my knowledge, did anyone else, reimburse any contributor in any manner for his or her contribution and none of the submitted contributions was made by the contributor as a loan.

**Intermediary's Signature** Thomas Winchester **date** 3/5/03

## Backup Documentation

SAMPLE

Example of a referenced check contribution

<i>Jane and Thomas Henley</i> 44-22 Roosevelt Avenue Jackson Heights, NY 11372	7/188	280
	DATE	<u>September 5, 2003</u>
Pay to the order of:	<u>Friends of Paul Havelle</u> <u>Eight Hundred Dollars <sup>xx</sup>/<sub>100</sub></u>	\$ <u>800</u> DOLLARS
MEMO <u>good Luck!</u>	<u>Thomas Henley</u>	
:000067874 : 12345678		

Example of a referenced cash contribution

<b>Contribution Card</b>		7/188
Committee Name <u>Friends of Paul Havelle</u>		
<input type="checkbox"/> Cash	<input type="checkbox"/> Money Order	in the amount of \$ <u>50</u>
Name <u>Larry Diaz</u>		
Home Address <u>100 1st Avenue</u>		
City/State/Zip <u>Brooklyn, NY 11234</u>		
To comply with Campaign Finance Reporting Rules, please give the following information:		
Employer <u>NYC Public Library</u>		
Occupation <u>Librarian</u>		
Business Address <u>200 Second Avenue, Brooklyn, NY 11209</u>		
I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.		
<u>Larry Diaz</u>		<u>1/10/03</u>
<b>Contributor's Signature</b>		<b>Date of Contribution</b>

## CHECKS NOT FROM INDIVIDUALS

Contributions that are not from individual New York City residents are not matchable with public funds. The CFB reviews the backup documentation which you provide to ensure that each contribution that you claim for matching funds is from an individual New York City resident. The following discusses the most common situations when contributions are invalidated for not being from an individual. There, however, may be other situations when the CFB determines that a check is not from an individual. If you have any questions why a specific claim was invalidated, contact the CFB’s Payment staff at (212) 306-7100.

### Contribution from a Business

Sometimes a contribution is reported as being from an individual when the check provided is from the contributor’s business. The claim will be invalidated and shown as invalid on your Invalid Matching Claims Report.

example

Candidate Smith reports a contribution from Mary Jones. When the CFB reviews the backup documentation, the check for this transaction looks like:

<p>Mary's Bakery, Inc. 613 W. 142nd Street New York, NY 10031</p>	279	<p>DATE <u>April 4, 2004</u></p>
<p>Pay to the order of: <u>Smith for Mayor</u></p>		<p>\$ <span style="border: 1px solid black; padding: 2px;">500.00</span></p>
<p><u>Five hundred and <math>\frac{00}{100}</math></u> DOLLARS</p>		
<p>MEMO _____</p>		<p><u>Mary Jones</u></p>
<p>  : 000067894   : 12345678</p>		

Because this check is from Mary’s business and not from her as an individual, the CFB will invalidate it. In this example, Candidate Smith must refund this contribution with a bank or certified check because Mary’s Bakery is incorporated.



**Contributions Suspected of Being from a Business**

The CFB also will invalidate contributions that appear to be from businesses and not from individuals. In doing this, the CFB will assume that checks that include professional titles, such as Esq., M.D., and Attorney at Law are business checks. When the check supporting the contribution bears one of these titles however, the CFB may not invalidate the claim if information such as the contributor’s reported home address, occupation, employer information, and the address printed on the check indicate that the check is not a business check. Because each dollar of matching claims can be matched with four dollars of public funds, the CFB takes a conservative approach to ensure that public funds are not improperly paid on a non-matchable contribution.

example

Long for Mayor reports a contribution from Martha Harris. The check supporting this claim looks like:

Martha Harris, M.D. 434 Park Avenue New York, NY 10016	280
	DATE <u>April 20, 2004</u>
Pay to the order of: <u>LONG FOR Mayor</u> <u>One Thousand and 00/100</u>	\$ <u>1,000</u> DOLLARS
MEMO _____	<u>Martha Harris</u>
: 000067894   : 12345678	

The Committee has reported Martha’s home address as 34 East 74th Street, New York, New York and her employer as Eastside Medical Associates, 434 Park Avenue. The CFB would not invalidate this contribution because despite the professional title and that the address on the check is her business address, the check appears to be from Martha as an individual (a business check would likely be from Eastside Medical Associates and not from Martha personally).

example

Long for Mayor reports a contribution from John Lord with a home address of 43 Fulton Street, Brooklyn, New York. The check supporting this claim looks like:

<i>John Lord, Attorney at Law</i>	281
<i>43 Fulton Street</i>	
<i>Brooklyn, NY 11233</i>	DATE <u>11-14-04</u>
Pay to the order of: <u>LONG FOR Mayor</u>	\$ <u>100.00</u>
<u>One Hundred and 00/100</u>	DOLLARS
MEMO _____	<u>John Lord</u>
: 000067894   : 12345678	

The Committee has reported that John is self-employed. The CFB would invalidate this contribution because it appears that this is a check from John's law practice and not from him personally.

### Correcting Invalid Claims

Note that some claims (like "contributions from a business") are by definition not matchable. To avoid having these claims appear on subsequent Invalid Matching Claims Reports, you may:

- Withdraw the matching claim;
- Refund the contribution. (If the contribution is from a prohibited contributor, like a corporation, the contribution must be refunded by certified or bank check.)

For other contributions, you may:

- Supply additional information about the contributor and his or her employer.

example

Friends of Morris reports a contribution from Henry Bradford. The Committee reports Henry’s address as 40-28 28th Place, Queens, New York, but does not report any employer information. The check supporting this claim looks like:

Henry Bradford, D.D.S. 282

DATE 12-29-04

Pay to the order of: Friends of Morris | \$ 200.00  
Two Hundred and 00/100 DOLLARS

MEMO \_\_\_\_\_ Henry Bradford, D.D.S.

| : 000067894 | : 12345678

The CFB initially invalidates this claim because it is unclear whether the contribution is from an individual. Friends of Morris amends its disclosure statement to report Henry’s employer as Flushing Dental Practice, 38 Main Street, Flushing, New York, and his occupation as dentist. Based on this new information, the CFB would then validate this claim.

- Supply additional documentation.

The CFB, however, will **not** accept the campaign’s characterization that the contribution is **not** from a business account. The CFB also will not accept the signed affirmation that is required for cash contributions. For a check that on its face suggests that it is from a business, the CFB requires that the contributor affirmatively state that the account is solely used for personal purposes. If the account is used for business **and** personal purposes, the contributor must also affirmatively state that there are sufficient personal funds in the account to cover the contribution **and** that the contribution will not be deducted as a business expense.

## CLAIMING MATCHING FUNDS FOR CREDIT CARD CONTRIBUTIONS

The following information is provided for campaigns which are accepting credit card contributions **and wish to claim matching funds for them**. By their nature, credit card transactions are complicated and difficult to verify. This handout discusses the recordkeeping and disclosure requirements campaigns must follow so that the Campaign Finance Board (“CFB”) can ensure public taxpayer funds are paid appropriately.

**Please note that this document supersedes all previous CFB communications regarding credit card contributions.**

The CFB will match credit card contributions from individual New York City residents made in the name of the individual credit card account holder only. All contributions, regardless of the source or type, are subject to the applicable contribution limits.

### Establishing a Unique Merchant Account

If you wish to claim matching funds for credit card contributions, you must use a merchant identification number unique to your committee, rather than that of a third party. A merchant identification number is necessary to process credit card transactions and it is linked to a bank account to which the credit card company makes deposits. Your merchant account number must be in the name of your committee and may not be shared with another entity. You must provide your unique merchant account number to the CFB on your Certification. The CFB will not match credit card contributions without this information.

All credit card contributions must be subject to real time address verification by your credit card or processing company. Real time address verification occurs when information provided by the contributor is electronically checked against data the company has on file for the account holder as the transaction is being processed. **For matching purposes, the residential address provided by the contributor must match the billing address on file for the credit card account holder.** The verification should be based upon, at minimum, characters from the street address and zip code, and the credit card expiration date. This level of verification may be higher than what some merchants commonly use but it is not unusual in the context of political fundraising.

### Disclosure

As with all matching claims, you must complete the “matching amount” field in C-SMART for a contribution to be eligible for public matching funds.

You should select “Credit Card” as the monetary contribution type in C-SMART for credit card contributions.

You must report the date the credit card contribution was processed, i.e., the date the approval code for the transaction was obtained, as the date of the credit card transaction.

Installment contributions, e.g., a pledged contribution of \$300 given in 12 monthly installments of \$25 should be reported as 12 separate transactions, each with separate dates. Until each installment is actually processed by the credit card company and claimed on the proper disclosure statement, it

cannot be eligible for matching funds. You must inform contributors who choose installment plans that they may discontinue their authorizations at any time by contacting your campaign.

Refunded or returned credit card contributions must be reported in C-SMART.

Any charges and/or fees incurred by your campaign resulting from soliciting or processing credit card transactions and/or from ordering reports or statements related to those transactions are considered expenditures and must be reported as such. This includes any percentages withheld as processing or transaction fees, as well as expenses involved in setting up and maintaining a web site capable of processing credit card transactions.

### **Recordkeeping**

You must maintain copies of all checks and/or all records of electronic transfers received from credit card companies.

For all credit card contributions, you must maintain proof that the real time address verification procedures described above are taking place and that when a match cannot be found, the contribution is rejected.

**All** statements and correspondence relating to your campaign's credit card transactions, e.g., monthly statements, chargeback notifications, and copies of all backup documentation (discussed below), are subject to CFB audit and must be kept on file by your campaign.

**All** records maintained to comply must be kept for at least six years after the election.

### ***Authorization cards***

To be matchable, a credit card contribution must be accompanied by an authorization card that contains the following information:

- The name of the credit card issuer, i.e., Visa, MasterCard, American Express, Discover.
- The name of the credit card account holder, i.e., the contributor.
- The credit card account number.
- The credit card expiration date.
- Advice to the contributor that contributions cannot be accepted under an individual's name unless drawn from an account for which that individual is personally responsible.
- A signed affirmation from the contributor saying the contribution is being made from his/her personal credit card account, billed to and paid by him/her for personal use with no corporate or business affiliations, and is not being made as a loan.

**The CFB recommends that campaigns follow the sample credit card authorization card provided on page A-12.**

***Backup documentation***

As with other types of contributions, backup documentation must be supplied for each matching claim with each disclosure statement. Backup documentation for a credit card contribution consists of the following:

- A copy of the authorization card (as discussed above), with all but the last four numbers of the contributor’s account number redacted.
- A copy of the authorization slip or approval codes report showing that the transaction has been processed.
- The authorization card must be properly referenced with the CFB statement number and transaction ID and with the approval code from the processing company.

**The CFB will not match credit card contributions unless all of the above are properly documented.**

For installment contributions, your campaign must provide backup documentation separately for each transaction. This likely will mean providing copies of the same authorization card referenced with different transaction numbers and approval codes during different disclosure periods. **The CFB will not search prior disclosure statements to determine if an authorization card for an installment contribution may have been previously submitted.**

**Backup documentation for credit card contributions claimed for matching funds must be submitted to the CFB with each disclosure statement filed even after the CFB has notified you that you have met the threshold requirement.**

**Additional Requirements**

***For contributions received via telephone***

Although you are not prohibited from doing so, the CFB recommends that you refrain from processing credit card pledges over the telephone if you have not first obtained the appropriate written authorization **because absolutely no matching funds will be disbursed on claims that do not have the required backup documentation.**

***Contributions received via the Internet***

Your campaign Web site address must be on file with the CFB. If you are unsure if yours is on file, please contact your Candidate Services Liaison.

You must demonstrate that you are screening your Internet transactions for impermissible contributions:

- You must maintain proof indicating that an address verification procedure is taking place for each transaction;

- Your web site must clearly spell out the applicable source restrictions and contribution limits, e.g., the contribution limit for the office sought, the ban on corporate contributions, political committee registration requirements; and
- The maximum contribution that can be processed should be the applicable office limit.

For contributions received via the Internet to be eligible for public matching funds, you must be able to provide the CFB with essentially the same backup documentation as for other credit card contributions. To obtain the backup documentation from the contributor, your Web site must require the same information as you would on a written authorization card. If the contributor does not complete a required information field, the transaction should be halted before it can be processed and the contributor given the opportunity to complete the missing information.

Your Web site must also require the contributor to attest that his/her contribution:

- is allowed by law and does not exceed the aggregate contribution limit;
- comes from his/her own personal funds and not the funds of another individual;
- is not being made as a loan;
- comes from a credit card for which s/he has the legal obligation to pay;
- is not drawn on a corporate account.

You should maintain both printed and electronic records of all Internet credit card transactions. A copy of the printed record, including the attestation and all the donor information, will function as an authorization card. For the contribution to be matchable, the printout must be referenced with a CFB statement number and transaction ID and be furnished to the CFB in accordance with the backup documentation requirements described above. With Internet credit card transactions, as with others, you must also provide the CFB with an approval code showing the contribution has been processed.

**Note:** This handout does not apply to so-called “convenience checks” drawn on credit card accounts. Those should be reported and treated as regular bank checks. (Their monetary contribution type is “Check” and backup documentation requirements for checks are applicable.)

If you have further questions about reporting and claiming matching funds for credit card contributions, please call the Candidate Services Unit at 212-306-7100.

## Credit Card Authorization

Yes, I wish to contribute \$ \_\_\_\_\_ to the People for XX Committee.  
(Maximum donation: \$ office limit)

Please note that the New York City Campaign Finance Board will match the first \$250 contributed by individual New York City residents at a \$4 to \$1 rate. Corporate contributions are not permitted. Contributions from businesses other than corporations may be permitted but cannot be matched.

Please select one of the two credit card payment options below and complete the information at the bottom of this card.

1. Please bill my credit card in one lump sum of \$ \_\_\_\_\_.
2. Please bill my credit card in \_\_\_\_\_ monthly installments of \$ \_\_\_\_\_ (minimum \$10/month).

\_\_\_\_\_ Visa      \_\_\_\_\_ MasterCard      \_\_\_\_\_ Discover      \_\_\_\_\_ American Express

Name \_\_\_\_\_

Account Holder \_\_\_\_\_

Account Number \_\_\_\_\_

Expiration Date \_\_\_\_\_

**I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal credit card account, billed to and paid by me for my personal use, and having no corporate or business affiliation; and is not being made as a loan.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The following information is required by law for all contributors: (Please print legibly.)

Contributor Name \_\_\_\_\_

Home Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

(Optional: Home Phone \_\_\_\_\_ Business Phone \_\_\_\_\_)

The following information is needed to comply with the reporting requirements of the Campaign Finance Program:

Occupation \_\_\_\_\_

Employer \_\_\_\_\_

Business Address \_\_\_\_\_

You must include whether you are retired, a homemaker, a student, or self-employed for public disclosure purposes. Please notify the Committee if any of the above information changes during the course of your installment payments. If you have chosen installment contributions and wish to suspend them at any time, you must notify the Committee.

For committee use only: Approval Code: \_\_\_\_\_

Transaction ID (CFB): \_\_\_\_\_



## EXEMPT EXPENDITURE DOCUMENTATION

Exempt expenditures are expenses that do not count against your spending limit. These include any spending to comply with the Program or New York State election law; costs for circulating and filing designating and nominating petitions; petition litigation; canvassing of election results; and payments of debts for a previous election. This Appendix explains the extra documentation you need for your exempt expenditures if your total exempt claims exceed 7.5% of the applicable expenditure limit. As with all documentation, any documentation of exempt expenditures must be created at the same time as the expenditure is made. (See Chapter 3 for details about recordkeeping for expenditures). Remember you must indicate which expenditures are exempt as you report them.

### **Personnel**

The committee must keep these records for personnel who perform exempt work.

#### ***Campaign Workers, Hourly***

The committee must maintain earning records that must include the worker's name, address, social security number, signature, detailed description of tasks performed, hours worked, and rate and amount of pay. If the worker performs compliance and non-compliance work on the same day, the time sheet should list the specific compliance tasks and the hours spent performing them.

example

Mike Ross performs occasional work for Cabot for Council as an assistant to its compliance officer. He screens contributions, makes follow-up calls and writes letters for missing information, and helps prepare disclosure statements. Because he is not a regular employee, he fills out a time sheet for the hours that he worked. The time sheet must include all of his identifying information, hours, rate of pay, and a comprehensive description of the compliance work that he is doing.

**Campaign Workers, Salaried**

The committee must maintain employment contracts that include the worker’s name, address, social security number, signature, job title, detailed job description, how much time will be allocated for various responsibilities (particularly if the person performs exempt and non-exempt work), and rate of pay.

example

Mary Smith is hired by Jones for Mayor to be its finance officer. She coordinates fundraising (40% of her time), controls the committee’s bank accounts, including depositing contributions and approving expenditures (10%), oversees the entry of information into C-SMART and prepares disclosure statements (20%), maintains documentation required by the CFB (20%), and reviews the campaign’s books and records (10%). Mary is paid \$2,000 per month. The committee must draw up a contract with Mary that gives a detailed description of her tasks and the amount of time expected to be spent on each. Because only the time spent performing compliance work is exempt from the expenditure limit — entering information into C-SMART and preparing disclosure statements and maintaining documentation — 40% or \$800 of Mary’s monthly salary may be claimed as exempt.

**Campaign Consultants**

The committee must maintain consulting agreements or invoices that include a detailed description of services provided or to be provided, time periods covered, amount and payment dates. It must be signed and dated by both the committee and the consultant. For campaign consultants who also provide non-compliance related services, the agreement must include an allocation of time and resources spent between compliance and other campaign services.

example

Friends of Smith hires ABC Consulting to work on the campaign. ABC Consulting will screen the committee's contributions before deposit, perform data entry into C-SMART, prepare the committee's disclosure statements, and respond to CFB audits and requests for further information. These services will occupy 50% of ABC's time spent working for Friends of Smith. ABC Consulting will also design and distribute fundraising literature for the campaign. These services are expected to occupy the remaining 50% of ABC's time spent working on the campaign. The consulting agreement must include the basic elements of a legal agreement as well as a list of these services, and an allocation of the time and resources between these two categories of responsibility. 50% of the cost of ABC's services are exempt.

### **Petitioning (except personnel)**

#### ***Legal Services***

The committee must maintain a retainer agreement and/or detailed invoices showing exactly what legal work was undertaken on behalf of the committee. Remember that expenditures to challenge or defend petitions are exempt but are not qualified campaign expenditures.

example

Cabot for Council retained Marks & Brown, Attorneys-at-Law, to handle petition filing and defense for its campaign. The campaign must maintain its retainer agreement and any invoices for services rendered. If Marks actually defends Cabot's petitions in a legal action, the invoice should include the caption(s) of the matter(s).

**Other Petitioning Expenditures**

For other petitioning expenditures, such as the cost of printing the petitions, the committee must maintain detailed invoices that include the vendor’s name, the date, and a detailed description of the goods/services provided, and cancelled checks used to pay these invoices. The invoice must include enough information to show that the goods or services were performed for petitioning.

example	Committee to Elect Ellingsworth orders petitions from Penelope’s Print Shop. For this expenditure to be claimed as exempt, the Committee must obtain a detailed invoice from Penelope’s that includes the date, a detailed description of what was actually printed (i.e., 1,000 petition forms on 8 1/2 x 14 white paper on June 20th), and the price charged.
---------	---

**Exempt Overhead**

Overhead costs are the expenses the committee incurs for rent, utilities, and equipment. The committee may claim as exempt the portion of overhead that is used solely for the exempt purposes detailed in Chapter 3. All of these expenditures must be documented in the usual manner: a lease or rental agreement and cancelled checks for rent, bills and cancelled checks for utilities, detailed invoices and/or service contracts and cancelled checks for equipment. A committee may claim up to 7.5% of overhead as exempt without providing any documentation other than that described above. If a committee wishes to allocate more than 7.5% of its overhead as exempt, in addition to the documentation described above, it must draw up a detailed allocation (before claiming any overhead costs as exempt) to show how it determined what portion of these expenditures to claim as exempt. The allocation may be based on the amount of space used for exempt activities, or the amount of time campaign workers spend on exempt work. The allocation should be supported by documentation such as a diagram showing the space used or the personnel documentation for exempt personnel work. While the committee must maintain this written description, it need not submit the document to the Board until Board staff requests it as part of its review of the committee’s compliance with the expenditure limit.

## example

Committee to Elect Ellingsworth rents office space from a travel agency. Its rental agreement includes utilities, furniture, use of two phones, a copy machine, and a facsimile machine. It pays the travel agency \$3,000 per month. In addition, the campaign purchases a \$1,000 computer. The campaign must maintain a detailed rental agreement, cancelled checks related to its agreement as well as an invoice and cancelled check for the purchase of the computer. The Committee may claim up to \$225 per month and \$75 for the computer without maintaining any extra documentation.

If, however, the Committee wishes to claim more of its overhead as exempt, it must provide a detailed allocation showing how it determined the amount it claimed as exempt as follows:

The Committee to Elect Ellingsworth has determined that its 5 campaign workers spend roughly 10% of their time at compliance tasks, but for the months of June and July because of petitioning they will spend 30% of their time on compliance work. These percentages are documented by the job descriptions in the workers' employment agreements and/or detailed time records. The Committee may, therefore, claim as exempt \$300 in overhead each month, except June and July, \$900 for the months of June and July, and \$100 for the computer.

## Committee to Elect Candidate X: Daily Wage Record

SAMPLE

Employee Name: Kevin Johnson Social Security Number: 621-40-31  
 Home Address: 401 New Lots Avenue Phone Number: (718) 264-3125  
Brooklyn, NY 11207 Period Covering: 8/24/03 - 8/30/03

Salary/Wage: \$ 10.00 per: hour day (circle one)

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<b>Date</b>	8/24	8/25	8/26	8/27	8/28	8/29	8/30
<b>Time In:</b>	12 p.m.	5 p.m.	5 p.m.	5 p.m.	5 p.m.	5 p.m.	12 p.m.
<b>Time Out:</b>	6 p.m.	9 p.m.	9 p.m.	9 p.m.	9 p.m.	9 p.m.	9 p.m.
<b>Total hours worked</b>	6	4	4	4	4	4	6
<b>Duties Performed</b>	<u>Street Work: Handing out palm cards and stuffing mailboxes with literature.</u> _____ _____						
<b>Salary amount</b>	\$320						

**Verification**

I affirm I have performed the duties, worked the hours, and received the salary amount listed above.

Kevin Johnson      9/1/03      Jean Smith      9/1/03  
 Employee Signature      Date      Treasurer Signature      Date

## Committee to Elect Candidate X: Employee Contract

SAMPLE

Employee Name: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Home Address: \_\_\_\_\_

Phone Number: ( ) \_\_\_\_\_ - \_\_\_\_\_

\_\_\_\_\_

Period Covering: \_\_\_\_\_

**To be filled out by Candidate/Treasurer**

Duties will include, but not limited to:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Salary/Wages: \$ \_\_\_\_\_ per: hour, day, week, month, year (circle one)
- Work Conditions: \_\_\_\_\_ hours per: day, week, month, year (circle one)
- Employee will remain on the payroll until after the: (circle one)  
     Primary election                      General election                      Post-election audit

**Verification**

I (name of worker) agree to work for the Committee to Elect Candidates X. I fully understand my duties and responsibilities to the campaign as explained above, and I agree with the wages I will receive for performing such duties.

Candidate/Treasurer Signature

Employee Signature

Notary

\_\_\_\_\_

Name of signature

\_\_\_\_\_

Name of signature

\_\_\_\_\_

Name of signature

\_\_\_\_/\_\_\_\_/\_\_\_\_

Date

\_\_\_\_/\_\_\_\_/\_\_\_\_

Date

\_\_\_\_/\_\_\_\_/\_\_\_\_

Date

\_\_\_\_/\_\_\_\_/\_\_\_\_

Expiration Date

## Advance Repayment Voucher

Advancer: Angela Young

SAMPLE

Date of Purchase	Vendor	Purpose	Amount	Payment Type
7/7/03	U.S. Post Office	Stamps	\$34.00	<input checked="" type="radio"/> cash   check (# _____) <b>circle one</b> credit card (cc type: _____)
7/13/03	Joe's Pizza	Dinner for Volunteers	\$31.75	<input checked="" type="radio"/> cash   check (# _____) <b>circle one</b> credit card (cc type: _____)
			\$	cash   check (# _____) <b>circle one</b> credit card (cc type: _____)
			\$	cash   check (# _____) <b>circle one</b> credit card (cc type: _____)

Please attach all bills, invoices, and receipts to the voucher.

<b>TOTAL</b>	\$65.75
--------------	---------

Date received by treasurer: 7/14/03

reimbursement date	7/18/03				
check number	264				
check amount	\$65.75	\$	\$	\$	total reimbursements
					\$65.75

\_\_\_\_\_  
 Treasurer Signature

7/18/03  
 Date



## Loan Documentation

SAMPLE

Committee Name: Friends of Bailey

Lender's Name: Donald J. Jones

Lender's Address: 662 West 181st Street  
New York, NY 10033

Lender's Employer: Gotham News

Lender's Occupation: Researcher

Lender Employer Address: 12 East 8th Street  
New York, NY 10003

Date of Loan: 4/19/03

Amount of Loan: \$10,000

**Terms of Agreement:**

The loan will be paid back in four monthly installments of \$2,500 beginning on May 19, 2003 and concluding on September 1, 2003. If the loan is not paid back by September 1, 2003, a 10% interest rate will be applied to the remaining balance for each month past due.

<u>John Bailey</u>	<u>4/19/03</u>	<u>Donald J. Jones</u>	<u>4/19/03</u>
Candidate/Treasurerer Signature	Date	Lender Signature	Date

Campaign Finance Board Information System (DBprod2000:prod) 2001 Election Cycle					
File Report Search View Window Help					
Detail Payment Report for Primary Election					
02/10/2003 11:41 AM		New York City Campaign Finance Board Campaign Finance Information System			Page 1 of 1
Detail Payment Report for 2001 Primary Election					
Run: 2      Payment Date: 08/16/2001					
Candidate Smith, Joseph L (ID: F94)					
Office: City Council					
District 47					
	Statement Date	Claimed Matchable	Invalid Claims	Gross Matchable	Payment
<u>Detail</u>					
	8 (07/16/2001)	5,895	1,455	4,440	
	Total:	5,895	1,455	4,440	
<u>Summary</u>					
Adjustment Percentage Used: 24.68%					
	9 (08/10/2001)	4,330	1,068	3,262	
	Total:	4,330	1,068	3,262	
		10,225	2,523	7,702	
Matchable Adjustment:				-	0
Adjusted Net Matchable: ( Threshold Met )					7,702
Matching Factor				x	4
EXTENDED NET MATCHABLE: (Office Limit 75,350)				30,808	30,808
Withholding:				-	0
Total Previous Payments and Adjustments				-	0
Amount Eligible:					30,808
Reserve Amount: ( .00 % )				-	0
ADJUSTED AMOUNT ELIGIBLE:					30,808
Amount Payable					30,808
Reimbursed Funds:				+	0
Penalty Deduction				-	0
PAYMENT DUE:					\$30,808
-----					
Total Assessed Penalties:		0			
Total Candidate Penalty Payments		- 0			
Total Penalty Deductions:		- 0			
Outstanding Penalties:		0			

Ready

Campaign Finance Board Information System (DBprod2000:prod) 2001 Election Cycle					
File Report Search View Window Help					
Detail Payment Report for General Election					
02/10/2003 11:42 AM		New York City Campaign Finance Board			Page 1 of 1
Campaign Finance Information System					
Detail Payment Report for 2001 General Election					
Run: 9 Payment Date: 10/12/2001					
Candidate Smith, Joseph L (ID: F94)					
Office: City Council					
District 49					
Statement Date	Claimed Matchable	Invalid Claims	Gross Matchable	Payment	
<u>Detail</u>					
8 (07/16/2001)	10,815	1,030	9,785		
9 (08/10/2001)	580	0	580		
10 (08/31/2001)	6,575	725	5,850		
Total:	17,970	1,755	16,215		
<u>Summary</u>					
Adjustment Percentage Used: 9.77 %					
11 (10/05/2001)	515	50	465		
12 (10/05/2001)	250	24	226		
Total:	765	74	691		
	18,735	1,829	16,906		
Primary Matchable Adjustment:			0		
Matchable Adjustment:			100		
Adjusted Net Matchable: ( Threshold Met )			16,806		
Matching Factor			4		
EXTENDED NET MATCHABLE: (Office Limit 75,350)			67,224	67,224	
Withholding:				0	
Total Previous Payments and Adjustments				0	
Amount Eligible:				67,224	
Reserve Amount: ( .00 % )				0	
ADJUSTED AMOUNT ELIGIBLE:				67,224	
Amount Payable				67,224	
Reimbursed Funds:				0	
Penalty Deduction				0	
PAYMENT DUE:					\$67,224
-----					
Total Assessed Penalties:	0				
Total Candidate Penalty Payments	0				
Total Penalty Deductions:	0				
Outstanding Penalties:	0				

Ready

04/30/2003 10:24 AM

New York City Campaign Finance Board  
 Campaign Finance Information System  
 Invalid Matching Claims Report

Page 3 of 17

**Election:** 2001  
**Candidate:** Smith, Joseph L (ID: F94)  
**Committee:** Friends of Smith, Joseph L (ID: H)  
**Office:** 5 (City Council)  
**Statement:** 8 (07/16/01)

**INSTRUCTIONS:** The left column lists the matching claim as you reported it and the reason(s) for its invalidation. Please provide your response in the right column by checking the appropriate boxes and/or providing written explanation.

Any modification or deletion must be done by providing an amendment to your C-SMART or manual filing at the same time you submit this form.

Trans ID	Invalid Code(s):	Rvwd	<u>Check Appropriate Box(es)</u>	
R0000619	M22 - Contr not ind drawn on bus acct per b/u documentation.	<input type="checkbox"/>	<input type="checkbox"/> Documentation Attached	<input type="checkbox"/> Transaction Modified
Contributor: Name WILSON, CONRAD			<input type="checkbox"/> Transaction Deleted	<input type="checkbox"/> Claim Withdrawn
Street No: 305 Name: EAST 11TH STREET Apt: 7G			New Transaction ID: _____	
City: NEW YORK State: NY Zip: 10003 Boro: M			<b>Provide Other Response/Explanation:</b>	
Rcvd Date: 02/20/2001				
Employer: Name MARY JEFFRIES				
Street #: 57 ContrType: Check				
Name: EAST 11TH STREET Check #: 5642				
City: NEW YORK Amount: \$25				
State: NY Match Amt: \$25				
Occ: ATTORNEY Prev Amt: \$0				
R0000629	M4 - Contributor not the same as payor per backup doc.	<input type="checkbox"/>	<input type="checkbox"/> Documentation Attached	<input type="checkbox"/> Transaction Modified
Contributor: Name PASKIN, JULIA			<input type="checkbox"/> Transaction Deleted	<input type="checkbox"/> Claim Withdrawn
Street No: 390 Name: RIVERSIDE DRIVE Apt:			New Transaction ID: _____	
City: NEW YORK State: NY Zip: 10025 Boro: M			<b>Provide Other Response/Explanation:</b>	
Rcvd Date: 02/20/2001				
Employer: Name ARNOFF, EVERETT				
Street #: 551 ContrType: Check				
Name: FIFTH AVENUE Check #: 605				
City: NEW YORK Amount: \$50				
State: NY Match Amt: \$50				
Occ: ACCOUNTANT Prev Amt: \$0				
R0000635	18 - Contributor has non-residential address.	<input type="checkbox"/>	<input type="checkbox"/> Documentation Attached	<input type="checkbox"/> Transaction Modified
Contributor: Name THOMAS, KEVIN			<input type="checkbox"/> Transaction Deleted	<input type="checkbox"/> Claim Withdrawn
Street No: 220 Name: EAST 72ND STREET Apt: 26 D			New Transaction ID: _____	
City: NEW YORK State: NY Zip: 10021 Boro: M			<b>Provide Other Response/Explanation:</b>	
Rcvd Date: 02/20/2001				
Employer: Name LUCAS ENTERPRISES, INC.				
Street #: 400 ContrType: Check				
Name: WEST 43RD STREET Check #: 3119				
City: NEW YORK Amount: \$25				
State: NY Match Amt: \$25				
Occ: ARCHITECT Prev Amt: \$0				

## INVALID CONTRIBUTION CODES

### **01: Total Cash Contribution Exceeds \$100**

It is a violation of New York State Election Law §14-118(2) to accept a single cash contribution or a multiple of cash contributions from a single source in excess of \$100.

If you have accepted such a contribution you must refund, via bank or certified check, the amount in excess of \$100 to the contributor. The refund must then be recorded into C-SMART, or on Schedule M if you are a manual filer.

### **02: Contributor is not an Individual**

CFB Rule 5-01(d)(4) prohibits the disbursement of matching funds for contributions received from non-individuals. If you have claimed matching funds for a contribution with a name code other than “Individual”, “Family”, “Candidate”, or “Candidate Spouse” or have not reported a name code for a contribution, or accepted a contribution from a non-individual, the contribution will be deemed invalid.

If you have claimed matching funds for a contribution received from a non-individual, such as a registered political committee, you may keep the contribution but must withdraw the claim for matching funds. If the contribution is from an individual, but reported with the wrong name code, you must amend your statement to reflect the appropriate name code.

### **03: Total Claimed Matchable Amount for Contributor Exceeds \$250**

CFB Rule 5-01(d)(3) allows the 4:1 match to be applied to the first \$250 donated from an individual New York City resident. The M3 code will be assigned if the total dollar amount claimed for matching funds, from a single contributor, is greater than \$250.

If an amount greater than \$250, from a single contributor, was mistakenly claimed for matching funds, you must amend the matching amount claimed for that individual. If you file manually, you must indicate the correct amount being claimed for matching funds directly on the IMC Report.

## example

The Smith campaign has received three \$100 contributions from a contributor, James Logan. The total amount for all three contributions (\$300) was claimed for matching funds. When the Smith campaign received its IMC Report, the last contribution from Mr. Logan was assigned the M3 code because the total amount claimed for contributor Logan (\$300) was \$50 greater than the limit allows. To rectify this situation the Smith campaign must amend the last transaction for Mr. Logan and claim \$50 in the matching funds column, not \$100.

**04: Total Gross Contribution Exceeds the Applicable Limit**

Pursuant to CFB Rule 5-01(d)(6), contributions that violate the contribution limit set for a particular office will not be eligible for matching funds.

If a contribution exceeding the applicable limit set for your office has been deposited into your account, a refund must be issued to the contributor returning the excess amount. The refund should be made via bank or certified check, and copies should be sent to the CFB. The refund must then be documented in C-SMART or on Schedule M if you are a manual filer.

**05: Contributor has Non-NYC Address**

CFB Rule 5-01(d)(2) allows matching funds to only be applied for contributions received from New York City residents. The 05 code is assessed when a campaign claims matching funds for a contributor not living in New York City.

If you have mistakenly reported an address, you must amend the reported address to reflect the accurate residence of the contributor. If you mistakenly claimed matching funds for a contributor not residing in the New York City area, you may keep the contribution, but must remove the “match amount” claimed.

**06/07: Full Contributor Name not Reported**

Pursuant to CFB Rule 5-01(d)(11), the complete name of a contributor must be reported for contributions claimed for matching funds. The 06 and 07 codes respectively will be assigned if the complete last and/or first names of contributors have not been reported.

To rectify this situation, you must amend either the Name Maintenance screen in C-SMART, or the IMC Report if you are a manual filer, so the contributor’s complete name is accurately reported.

example

The Miller campaign reported a contribution as being from K. Riney. When the Miller campaign received its IMC Report from the CFB, this transaction was given the 07 code. In order to make this claim valid, the Miller campaign must amend their submission to show the contribution being from Kelley Riney.

### **08: Incomplete Address Reported (excluding Zip Code)**

Pursuant to CFB Rule 5-01(d)(11), contributions claimed for matching funds must be reported with the contributor's complete address. The 08 code indicates that at least one of the address fields has been left blank in C-SMART or on your manual disclosure forms. In C-SMART, on the Name Record screen, verify that you have put the street number in the street number field, the street name in the street name field, the city in the city field, and the state in the state field. Manual filers should verify reporting directly on the IMC Report provided by the CFB.

A common reporting error that causes this code to be assigned is the combination of some or all of the address fields, (e.g.: reporting the entire address in the street name field).

### **09: Contribution Reported with Non-NYC Borough Code**

Use of this code indicates that the borough code field has either been left blank, or has been reported as "Z" in C-SMART or on your manual disclosure forms. Use of the borough code "Z" indicates the address is outside of the five boroughs of New York City, which would render the contribution ineligible for matching funds because the contributor appears to not be a New York City resident. If you have reported the transaction correctly and the individual is not a New York City resident, this contribution is not eligible for matching funds pursuant to CFB Rule 5-01(d)(2).

If you have failed to complete the borough code field in C-SMART, or mistakenly report a "Z" borough code for a contribution from within one of the five boroughs, you must modify the contributor's name record to include the appropriate information. If you are a manual filer, you may add the missing borough code directly on the IMC Report sent to you by the CFB.

**10: Contribution Reported with Blank or Invalid Received Date**

CFB Rule 5-01(d)(11) requires you to report the date the contribution was received. This code is assigned when the “date received” field for this contribution is filled out incorrectly, or left blank if you are a manual filer. The date received is the date that the contribution was received by you. It may or may not match the date written on the check or the date that a contribution card was signed. To correct this invalidation, you should verify that the date received is the date you have reported. C-SMART filers will need to modify the monetary contribution record to correct the invalid date. Manual filers may add or modify the date received directly on the IMC Report sent to you by the CFB.

**11: Contribution Received After December 31 of the Election Year (and)  
12: Contribution Reported with Received Date Preceding 1/12/02**

Pursuant to CFB Rule 5-01(d)(12), contributions claimed for matching funds for the 2005 election cycle must be received by you after 1/12/2002 but no later than 12/31/2005. Contributions received before the start of the election cycle or after the year of the election are not eligible for matching funds.

If your IMC Report shows contributions invalidated for one of these two reasons, verify that you have correctly reported the date of the contribution. If the contribution was received before the start of the election cycle or after December 31st of the election year, the contribution will not be eligible for matching funds. If you have incorrectly reported the date received of the contribution in C-SMART, you must modify the monetary contribution record to correct the date received. Manual filers will modify the date received directly on the IMC Report sent to you by the CFB.

**13: Claimed Matchable Amount Exceeds Total Amount of Contribution**

Pursuant to CFB Rule 5-01(d)(13), the CFB can only match a claim up to the amount of the contribution. Occasionally, through misreporting, the matching amount field exceeds the contribution amount field. A claim can only be valid if the matching amount is less than or equal to the contribution amount (and does not exceed \$250).

This error occurs only with manual filers because C-SMART will not allow you to save a contribution record with this error. To rectify this situation, you may make your modifications to either amount field directly on the IMC Report sent to you by the CFB.

**14: Contribution Received Outside Normal Reporting Period**

CFB Rule 5-01(d)(9) requires you to report all of your transactions, including your monetary contributions and claims for matching funds, on the disclosure statement that covers the period during which the transaction occurred. This code is assigned when the contribution’s “received date” has not been reported for the appropriate disclosure period. If the 14 code has been assigned to a contribution, you should first verify that the date reported is correct. If the date has been reported incorrectly, you must modify the date received section on the Monetary Contributions screen in C-SMART. If you are a manual filer, you must correct the date directly on the IMC Report.



### **16: Contribution Greater than \$500 with Missing Employer Information**

CFB Rule 5-01(d)(27) requires campaigns to report the employer information for contributors donating more than \$99. If the employer information is not reported for a contribution of more than \$500, it will be invalidated. A contribution for this amount must have the employer information reported. To add employer information for a contributor, you must modify the Name Maintenance screen in C-SMART, or, if you are a manual filer, by adding the information directly on the Missing Employment report sent to you by the CFB.

### **18: Contributor has Non-Residential Address**

The CFB uses a directory, which lists city zones by residential and business addresses. A claim will be invalidated if the address reported is listed as a business address in the CFB directory, pursuant to CFB Rule 5-01(d)(2).

Candidates must first verify with the contributor that the address reported is in fact the residential address of the contributor. If the contributor confirms the reported address, you should make note of this in the response section on the IMC Report. The claim will be reviewed again, but in order for the invalid code to be removed, the Audit Unit must agree with your response. In situations where the CFB disagrees with a campaign, the campaign is encouraged to submit another form of documentation to verify the address.

If you have misreported an address, you can report the correct address in either the Name Maintenance screen in C-SMART, or, if you are a manual filer, by writing the correct address directly on the IMC Report.

### **M1: Contributor has a Non-Residential Address**

CFB Rule 5-01(d)(2) requires all contributions claimed for matching funds to be received from New York City residents. The M1 code is not assigned by a computer directory, but by the CFB staff after they carefully review the reported information. This code is assigned if the contributor's address appears to be non-residential. Candidates should follow the same procedures to validate claims assigned the M1 code as they would for the 18 code.

### **M2: Contribution with Matchable Claim that was Refunded or Check Bounced**

The Audit Unit performs a number of reviews of all the documentation received from the campaign. One of these reviews is to check to see if the campaign is claiming matching funds for a contribution that was refunded or from a check contribution where the check bounced. If you are a C-SMART filer, you must change the amount claimed for matching funds in the Monetary Contributions screen for the particular contributor. If you are a manual filer, you must make the correction directly on the IMC Report sent to you by the CFB.

example

Candidate Jane Smith received a contribution and claimed matching funds for it. After disclosing the contribution in C-SMART, she realized the contribution was from a corporation and needed to refund it. After issuing a refund check (which must be a certified bank check), she did not remove the claim for matching funds from C-SMART. After conducting the backup and statement reviews, the audit unit found the claim was refunded and in accordance to CFB Rule 5-01(8), invalidates the claim for matching funds with the M12 code.

### **M3: Contribution with Matchable Claim is Drawn from Prior Election Surplus Funds**

CFB Rule 5-01(d)(17) prohibits the claiming of matching funds for contributions that have been transferred from another committee. If you have claimed matching funds for transferred contributions, you must remove the match from C-SMART, or write “delete” directly on the IMC Report if you are a manual filer.

### **M4: Contributor not the Same Payor as Backup Documentation**

Pursuant to CFB Rule 5-01(d)(19), the Audit Unit will verify that the contributor reported on the campaign’s disclosure statement is in fact the individual the funds originated from. This code is commonly assigned when campaigns report contributions as being from the wrong contributor.

example

A contribution is received from a contributor who shares a joint checking account with his wife. Both individuals have their names listed as accountholders on the check, but only the husband has signed the check. For this contribution to be eligible for matching funds, the campaign must report this contribution as originating only from the husband. If the campaign reports the contribution as being from his wife, or as a contribution divided between both, the transaction would be assigned the M4 code because her signature does not appear on the check.

**M5: Not Accepted by the Board**

The CFB staff will assign the M5 code to any contribution, or groups of contributions, that are considered questionable by the Audit and Payment Units. If a contribution on your IMC Report is assigned this code, you should contact the Payment Coordinator immediately.

**M6: Backup Documentation not Supplied**

To be eligible to receive matching funds for any contribution, you must supply the CFB with copies of checks, money orders and contribution cards for contributions made in cash, money order, credit card and bank checks; CFB Rule 5-01(d)(15). If these documents are not received and properly referenced to the disclosure statement, the contributions will be invalidated with the M6 code.

example

John Smith gives \$90 in cash to Michael West's campaign in August. In September, John gives the campaign an additional cash contribution of \$40. The total cash contribution given by John to the campaign is \$130, a violation of CFB Rule 5-09(d)(5). To rectify this situation you must refund, via bank or certified check, \$30 to John Smith and then record the refund in the Monetary Contribution refunds screen in C-SMART. If you are a manual filer, you must document the refund on Schedule M.

**M7: Contribution Amount is Different from Amount on the Backup**

During the backup documentation review the CFB verifies that the amount claimed for matching funds is equivalent to the actual amount of the contribution received.

If the amount of the contribution is not written on a contribution card in the appropriate space designated for 'contribution amount', the contribution will be assigned the M7 code, and a new contribution card must be obtained from the contributor and re-submitted to the CFB with the IMC Report.

If you have accidentally reported a different contribution amount than the actual amount received, you must amend the contribution amount in the Monetary Contributions screen in C-SMART, or write the correct amount directly on the IMC Report if you are a manual filer.

**M8: Payee on the Check/Contribution Card is not Campaign’s Covered Committee**

Persuant to CFB Rule 5-01(d)(11) and 5-01(d)(21), backup documentation submitted for contributions claimed for matching funds must demonstrate that the contribution was intended for you. If the CFB determines that a contribution claimed for matching funds was not intended for your current campaign committee, the contribution will be invalidated with the M8 code.

example

John Smith donates \$1,500 to Joe Johnson’s campaign for City Council. At a later date, John decides to contribute an additional \$2,500. The total contributions received by the Johnson campaign from contributor Smith are \$4,000. The second donation will be invalidated, because the total contribution amount exceeds the contribution limit set by the CFB. To rectify this situation, the Johnson campaign must refund, via bank or certified check, the excess amount to contributor John Smith. The refund must then be recorded in the Monetary Contribution Refunds screen in C-SMART. If you are a manual filer, you must document the refund on Schedule M.

If the campaign name is not written on a contribution card, the claim will be invalidated. To rectify this, you must obtain another completed contribution card from the contributor and submit it to the CFB with your IMC Report. In addition, if a contributor wrote you name incorrectly or accidentally wrote the candidate’s name on a check or money order contribution, the claim will be invalidated. To rectify this situation, you must submit a letter to the CFB stating that the contributor made a mistake. This letter must also verify that you are the only active campaign raising funds for this particular race. Also, checks and money orders with the “Pay to the Order Line” left blank, made out to cash, made out to the candidate in a professional capacity, or filled in by the campaign staff will not be eligible for matching funds.

**M9: Contribution Card is not Properly Signed**

Persuant to CFB Rule 5-01(d)(15) and 5-01(d)(22), all cash, money order, credit card and bank teller check contributions, must be accompanied by a signed contribution card. The M9 code is assigned when any contribution card is submitted to the CFB with the contributor’s signature and/or the affirmation statement missing from the card. If a contribution is invalidated with the M9 code, you must obtain a new and fully completed contribution card from the contributor, and submit it to the CFB with your IMC Report.

### **M10: Contribution Violates Other Laws**

Pursuant to CFB Rule 5-01(d)(7), contributions that violate any federal, state or local election law cannot be claimed for matching funds. For example, accepting a single cash contribution or a multiple of cash contributions from a single source in excess of \$100 is a violation of state election law. Therefore, this contribution will not be matched by the CFB. If you receive the M10 code on its IMC Report you should contact the Payment Coordinator for an explanation.

### **M11: Aggregate Cash Contribution is Greater than \$100**

As explained with invalid codes 01 and M10, accepting a multiple of cash contributions from a single contributor in excess of \$100 is a violation of state law.

example

John Smith gives \$90 in cash to Michael West's campaign in August. In September, John gives the campaign an additional cash contribution of \$40. The total cash contribution given by John to the campaign is \$130, a violation of CFB Rule 5-09(d)(5). To rectify this situation you must refund, via bank or certified check, \$30 to John Smith and then record the refund in the Monetary Contribution refunds screen in C-SMART. If you are a manual filer, you must document the refund on Schedule M.

### **M12: Aggregate Matchable Amount Exceeds \$250**

Pursuant to CFB Rule 5-01(d)(3), the total matching amount from a single contributor cannot exceed \$250. If a contributor gives \$500 (whether given all at once or over a period of time), and you have claimed matching funds for the total amount, the transaction or transactions representing the amount over \$250 will be invalidated.

example

The Howard campaign has received two contributions from Tom Delaney; the first contribution was \$200, the second was \$300. Both contributions were claimed for matching funds. On the Howard campaign's IMC Report the last contribution for \$300 was invalidated with the M12 code. To rectify this situation, the Howard campaign must modify the matching amount claimed from \$300 to \$50, making the total amount claimed for contributor Tom Delaney \$250. If you are a manual filer you can change the amount claimed for matching funds by correcting the match amount directly on the IMC Report sent to you by the CFB.

**M13: Aggregate Contribution Exceeds the Contribution Limit**

Pursuant to CFB Rule 5-01(d)(6) a campaign may not accept a single contribution or multiple contributions from one source that exceeds the contribution limit.

example

John Smith donates \$1,500 to Joe Johnson's campaign for City Council. At a later date, John decides to contribute an additional \$2,500. The total contributions received by the Johnson campaign from contributor Smith are \$4,000. The second donation will be invalidated, because the total contribution amount exceeds the contribution limit set by the CFB. To rectify this situation, the Johnson campaign must refund, via bank or certified check, the excess amount to contributor John Smith. The refund must then be recorded in the Monetary Contribution Refunds screen in C-SMART. If you are a manual filer, you must document the refund on Schedule M.

**M14: Matchable Claim not Reported Contemporaneously**

CFB Rules 5-01(d)(23) and 5-01(d)(24) require citywide candidates to report contributions claimed for matching funds contemporaneously. If you have had contributions invalidated with the M14 code, you should first verify that you have correctly reported the date you received the contribution(s). If you have incorrectly reported the date received for the contributions, you must modify the date-received field on the Monetary Contributions screen in C-SMART. If you are a manual filer, you must correct the date directly on the IMC Report. If you find that these contributions should have been reported in an earlier statement, you must provide the CFB with an explanation as to why the contributions were not correctly reported.

**M15: Backup Documentation Incomplete: Contribution Card Missing or not Completed other than Missing Signature**

Pursuant with CFB Rule 5-01(d)(15), a contribution card must be given to the CFB for contributions made in cash, money order, bank check and credit card. For these types of contributions to be considered for matching funds a card listing the campaign name, contributor's name, address, employer information; contribution type and amount must be submitted to the CFB. If you have had contributions invalidated with the M15 code, you must obtain a new, fully completed and signed contribution card from the contributor and submit it to the CFB.

**M16: Backup Documents Incomplete/Missing Money Order**

For money order contributions, a completed copy of the money order must be supplied along with a completed contribution card. A completed money order should entail the amount of the contribution, legible name and address of the contributor, and the proper name of the campaign.

**M17: Contributor is not an Individual**

CFB Rule 5-01(d)(4) requires all contributions eligible to receive matching funds to have originated from individuals. Contributions received from businesses, political committees, and labor unions cannot be claimed for matching funds. If you are a manual filer and have claimed matching funds for a contributor that is not an individual, you must make the modifications directly on the IMC Report.

In addition, contributions reported as being from two or more individuals will not be eligible for matching funds.

example

The Kelley campaign reported a \$100 cash contribution as being from Karen and Mark Johnson. The CFB invalidated this claim with the M17 code because “Mark & Karen” is not an individual. After looking at the contribution card and verifying that only Mark Johnson signed the card, the Kelley campaign amended their disclosure statement to show Mark Johnson donated the funds.

**M18: Non-NYC Address**

Pursuant to CFB Rule 5-01(d)(2), contributions from individuals living outside New York City are not eligible to receive matching funds. If you have had a claim invalidated with the M18 code, you should first verify that the address has been reported correctly. If the address is confirmed and the contributor does not live in New York City, you must withdraw the match amount claimed for that particular contribution by removing the match amount directly on the IMC Report. If you have misreported the address, you can report the correct address in either the Name Maintenance screen in C-SMART, or, if you are a manual filer, by writing the correct address directly on the IMC Report.

**M19: Incomplete Address/P.O. Box Reported**

Pursuant to CFB Rule 5-01(d)(11), in order for contributions to be eligible to receive matching funds, the contribution must have originated from an individual with a residential New York City address. A New York City post office box does not fit this criterion and all claims reported with this type of address will be invalidated. In order to validate contributions invalidated with the M19 code you must modify the address. If you are a C-SMART filer the address can be changed in the Name Maintenance screen, or, if you are a manual filer, by writing the correct address directly on the IMC Report.

**M20: Contribution not Reported Complete and Timely**

CFB Rule 5-01(d)(25) requires all contributions claimed for matching funds to be reported in the appropriate statement period with all relevant information provided.

In order for these contributions to be eligible for matching funds, you must modify the reported information to include the correct date in which the contributions were received. If you have incorrectly reported the date received of the contributions, you must modify the Date Received field on the Monetary Contributions screen in C-SMART. If you are a manual filer, you must correct the date directly on the IMC Report. If you find that these contributions should have been reported in an earlier statement, you must provide the CFB with an explanation as to why the contributions were not reported timely.



example

The Peele campaign submitted a disclosure statement with many of the contributions reported without a first name. In addition, the “received date” of the contributions was reported as being from an earlier statement period. These contributions were assigned the M20 code because the information reported was not complete and timely.

### **M21: Backup Documentation is Illegible**

The CFB staff uses backup documentation to verify contributions claimed for matching funds. Pursuant to CFB Rule 5-01(d)(15), backup documentation supplied to the CFB must be legible, enabling CFB staff to verify all the required information for the particular contribution being claimed for matching funds. If you receive the M21 code for any contribution, you must provide the CFB with a better copy of the related backup documentation.

### **M22: Contributor is not Individual: Drawn on a Business Account**

CFB Rules 5-01(d)(18), 5-01(d) and 5-01(d)(4) do not allow matching funds for business contributions; this includes sole proprietor businesses. Contributions received by check from self-employed individuals listing the business name and/or business title (Attorney at Law) on the check will be invalidated. If you feel the invalidation is an error, you must write an explanation describing the circumstances surrounding this contribution. An M22 code will only become valid if you are able to prove to CFB staff that the contribution(s) involved originated from a contributor’s personal account.

### **M23: Contributor is not an Individual: Corporate Contribution**

CFB Rules 5-01(d)(18) and 5-01(d)(4) prohibit Program participants from accepting corporate contributions. If you have accepted (deposited) a contribution for a P.C., Corp., Ltd., or Inc., you must immediately refund, via bank or certified check, the total amount of the contribution. If you have accepted a corporate contribution, eligibility to receive a public funds payment will be suspended, regardless of your threshold status and previous payment history, and you will be referred to the Legal Unit for a penalty assessment. The CFB will not consider you to be in full compliance until the CFB has received a copy of the refunded check.

**M24: Contributor is not an Individual: Political Committee**

Campaigns may accept contributions from political committees that have registered with the CFB. CFB Rules 5-01(d)(4) and 5-01(d)(19), however, do not allow CFB approved political committee contributions to be claimed for matching funds. If you are a manual filer and have mistakenly claimed matching funds for a political committee, you must remove the amount claimed for matching funds by correcting the match amount directly on the IMC Report sent to you by the CFB.

**M25: Credit Card Approval Information not Provided**

CFB Rules 5-01(d)(15), 5-01(d)(21) and 5-01(d)(22) require campaigns to submit approval code verification for credit card contributions claimed for matching funds. If the M25 code appears on your IMC Report, you must supply the CFB with documentation verifying that the contribution was received into your account.

**M26: Contributor's Full Name not Reported**

Pursuant CFB Rule 5-01(d)(11), in order to receive matching funds the contributor's full name must be reported. Partial reporting of names and the use of initials will not be accepted. To validate these types of claims, you must modify the contributor record to report the correct contributor in either the Name Maintenance screen in C-SMART, or directly on the IMC Report if you are a manual filer.

**M27: Duplicate Matching Claim**

CFB Rules 5-01(d)(21) and 5-01(d)(22) allow campaigns to claim matching funds for valid contributions only once during an election cycle. The M27 code is given when a campaign has claimed matching funds for the same contribution more than once. If you have received the M27 code on your IMC Report, you should first verify your contribution records, confirming that the correct data was reported in your disclosure statements and that the correct backup documentation was submitted to the CFB.

If you have mistakenly reported a contribution twice, you must delete the duplicate transaction in C-SMART, and submit an amendment to the CFB; or, by writing "delete" directly on the IMC Report if you are a manual filer.

**M28: Contribution Reported with Incorrect Instrument Code**

Campaigns are required to report the contribution type (check, cash, money order, credit card) for all contributions received by their campaign. If you incorrectly report the contribution type of a contribution, the contribution will be invalidated with the M28 code. If your campaign has incorrectly reported a contribution type, you must modify the contribution type into C-SMART or directly on the IMC Report sent to you by the CFB.

**M29: Contribution Card Missing or not Complete other than a Missing Signature**

CFB Rule 5-01(d)(15) requires a cross-referenced contribution card to accompany a cash, money order, credit card or bank teller check contribution. This code will appear on your IMC Report if the contribution card has either not been supplied to the CFB, or, if any of the required information (date, contributor signature, campaign name, contributor's name, address, employer information, contribution type and contribution amount) has not been supplied.



# New York City Campaign Finance Board

40 Rector Street, New York, NY 10006 • Tel.: (212) 306-7100 • Fax: (212) 306-7143/44/82  
Web site: www.nycffb.info • E-mail: csu@mail@nycffb.info

## CHANGE OF ADDRESS REQUEST

### 1. CANDIDATE NAME

MR.	MRS.	MS.	LAST	FIRST	M.I.	CFB USE ONLY
-----	------	-----	------	-------	------	--------------

### 2. HOME ADDRESS

STREET ADDRESS		APARTMENT NUMBER
CITY	STATE	ZIP CODE
TELEPHONE ( )	FAX ( )	

### 3. PRINCIPAL COMMITTEE

COMMITTEE NAME			LAST ELECTION: DATE, OFFICE
STREET ADDRESS			
CITY	STATE	ZIP CODE	E-MAIL ADDRESS
MAILING ADDRESS (IF DIFFERENT)			
CITY	STATE	ZIP CODE	APARTMENT NUMBER
TELEPHONE (DAY) ( )	TELEPHONE (EVENING) ( )	FAX ( )	
DATE AUTHORIZED IN FILING WITH THE BOARD OF ELECTIONS		WEB SITE ADDRESS(ES)	

### 4. TREASURER NAME – HOME ADDRESS

MR.	MRS.	MS.	LAST	FIRST	M.I.
STREET ADDRESS		APARTMENT NUMBER			
CITY	STATE	ZIP CODE	E-MAIL ADDRESS		
TELEPHONE (DAY) ( )	TELEPHONE (EVENING) ( )	FAX ( )			

### 5. CAMPAIGN LIAISONS OTHER THAN TREASURER

MR.	MRS.	MS.	LAST	FIRST	M.I.
STREET ADDRESS		APARTMENT NUMBER			
CITY	STATE	ZIP CODE	E-MAIL ADDRESS		
TELEPHONE (DAY) ( )	TELEPHONE (EVENING) ( )	FAX ( )			

THIS PERSON SHOULD BE CONTACTED BY THE NEW YORK CITY CAMPAIGN FINANCE BOARD:

IF THE TREASURER IS UNAVAILABLE       INSTEAD OF THE TREASURER

MR.	MRS.	MS.	LAST	FIRST	M.I.
STREET ADDRESS		APARTMENT NUMBER			
CITY	STATE	ZIP CODE	E-MAIL ADDRESS		
TELEPHONE (DAY) ( )	TELEPHONE (EVENING) ( )	FAX ( )			

THIS PERSON SHOULD BE CONTACTED BY THE NEW YORK CITY CAMPAIGN FINANCE BOARD:

IF THE TREASURER IS UNAVAILABLE       INSTEAD OF THE TREASURER

**I authorize the Campaign Finance Board to update my records to reflect the changes above.**

CFB USE ONLY
--------------

\_\_\_\_\_  
Treasurer's or Candidate's Signature

\_\_\_\_\_  
Date Signed



# New York City Campaign Finance Board

40 Rector Street, New York, NY 10006 • Tel.: (212) 306-7100 • Fax: (212) 306-7143/44/82  
Web site: www.nycffb.info • E-mail: csumail@nycffb.info

## CHANGE OF BANK ACCOUNT REQUEST

CANDIDATE NAME: LAST		FIRST		M.I.	CANDIDATE I.D.
COMMITTEE NAME		COMMITTEE I.D.			
BANK/DEPOSITORY NAME					<input type="checkbox"/> NEW <input type="checkbox"/> CHANGE
CITY		STATE		ZIP CODE	
ACCOUNT NUMBER		ACCOUNT NAME (IF ANY)			
COMMITTEE NAME		TYPE OF ACCOUNT		PURPOSE OF ACCOUNT	
DATE OPENED	MONTH	DATE	YEAR	<input type="checkbox"/> CHECKING	<input type="checkbox"/> 2003 PRIMARY AND GENERAL ELECTIONS
DATE CLOSED (IF ANY)	MONTH	DATE	YEAR	<input type="checkbox"/> SAVINGS	<input type="checkbox"/> 2005 PRIMARY AND GENERAL ELECTIONS
CURRENT BALANCE \$	MONTH	DATE	YEAR	<input type="checkbox"/> MONEY MARKET	<input type="checkbox"/> OTHER (SPECIFY)
				<input type="checkbox"/> OTHER (SPECIFY)	
BANK/DEPOSITORY NAME					<input type="checkbox"/> NEW <input type="checkbox"/> CHANGE
CITY		STATE		ZIP CODE	
ACCOUNT NUMBER		ACCOUNT NAME (IF ANY)			
COMMITTEE NAME		TYPE OF ACCOUNT		PURPOSE OF ACCOUNT	
DATE OPENED	MONTH	DATE	YEAR	<input type="checkbox"/> CHECKING	<input type="checkbox"/> 2003 PRIMARY AND GENERAL ELECTIONS
DATE CLOSED (IF ANY)	MONTH	DATE	YEAR	<input type="checkbox"/> SAVINGS	<input type="checkbox"/> 2005 PRIMARY AND GENERAL ELECTIONS
CURRENT BALANCE \$	MONTH	DATE	YEAR	<input type="checkbox"/> MONEY MARKET	<input type="checkbox"/> OTHER (SPECIFY)
				<input type="checkbox"/> OTHER (SPECIFY)	
BANK/DEPOSITORY NAME					<input type="checkbox"/> NEW <input type="checkbox"/> CHANGE
CITY		STATE		ZIP CODE	
ACCOUNT NUMBER		ACCOUNT NAME (IF ANY)			
COMMITTEE NAME		TYPE OF ACCOUNT		PURPOSE OF ACCOUNT	
DATE OPENED	MONTH	DATE	YEAR	<input type="checkbox"/> CHECKING	<input type="checkbox"/> 2003 PRIMARY AND GENERAL ELECTIONS
DATE CLOSED (IF ANY)	MONTH	DATE	YEAR	<input type="checkbox"/> SAVINGS	<input type="checkbox"/> 2005 PRIMARY AND GENERAL ELECTIONS
CURRENT BALANCE \$	MONTH	DATE	YEAR	<input type="checkbox"/> MONEY MARKET	<input type="checkbox"/> OTHER (SPECIFY)
				<input type="checkbox"/> OTHER (SPECIFY)	
BANK/DEPOSITORY NAME					<input type="checkbox"/> NEW <input type="checkbox"/> CHANGE
CITY		STATE		ZIP CODE	
ACCOUNT NUMBER		ACCOUNT NAME (IF ANY)			
COMMITTEE NAME		TYPE OF ACCOUNT		PURPOSE OF ACCOUNT	
DATE OPENED	MONTH	DATE	YEAR	<input type="checkbox"/> CHECKING	<input type="checkbox"/> 2003 PRIMARY AND GENERAL ELECTIONS
DATE CLOSED (IF ANY)	MONTH	DATE	YEAR	<input type="checkbox"/> SAVINGS	<input type="checkbox"/> 2005 PRIMARY AND GENERAL ELECTIONS
CURRENT BALANCE \$	MONTH	DATE	YEAR	<input type="checkbox"/> MONEY MARKET	<input type="checkbox"/> OTHER (SPECIFY)
				<input type="checkbox"/> OTHER (SPECIFY)	

I authorize the Campaign Finance Board to update my records to reflect the changes above.

CFB USE ONLY

Treasurer's or Candidate's Signature

Date Signed



### Contribution Card

**Committee Name** \_\_\_\_\_

Cash    Money Order   in the amount of \$ \_\_\_\_\_

Name \_\_\_\_\_

Home Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

To comply with Campaign Finance Reporting Rules,  
please give the following information:

Employer \_\_\_\_\_

Occupation \_\_\_\_\_

Business Address \_\_\_\_\_

I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.

\_\_\_\_\_  
**Contributor's Signature**

\_\_\_\_\_  
**Date of Contribution**

### Contribution Card

**Committee Name** \_\_\_\_\_

Cash    Money Order   in the amount of \$ \_\_\_\_\_

Name \_\_\_\_\_

Home Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

To comply with Campaign Finance Reporting Rules,  
please give the following information:

Employer \_\_\_\_\_

Occupation \_\_\_\_\_

Business Address \_\_\_\_\_

I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.

\_\_\_\_\_  
**Contributor's Signature**

\_\_\_\_\_  
**Date of Contribution**

### Segregated Account/Non-Matchable Contribution Card

Committee Name \_\_\_\_\_

To comply with Campaign Finance Reporting Rules,  
please give the following information:  Cash  
 Money Order # \_\_\_\_\_

In the amount of \$ \_\_\_\_\_  Check # \_\_\_\_\_

Name \_\_\_\_\_

Home Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Employer \_\_\_\_\_

Occupation \_\_\_\_\_

Business Address \_\_\_\_\_

I understand that this entire contribution will be used by the candidate only (i) to pay expenses or debt from a previous election; (ii) by the candidate for an election other than the election for which this contribution is made; or (iii) to support candidates other than the candidate to whose campaign this contribution made, political party committees, or political clubs. I further understand that this contribution will not be matched with public funds.

I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.

Contributor's Signature \_\_\_\_\_ Date of Contribution \_\_\_\_\_

### Segregated Account/Non-Matchable Contribution Card

Committee Name \_\_\_\_\_

To comply with Campaign Finance Reporting Rules,  
please give the following information:  Cash  
 Money Order # \_\_\_\_\_

In the amount of \$ \_\_\_\_\_  Check # \_\_\_\_\_

Name \_\_\_\_\_

Home Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Employer \_\_\_\_\_

Occupation \_\_\_\_\_

Business Address \_\_\_\_\_

I understand that this entire contribution will be used by the candidate only (i) to pay expenses or debt from a previous election; (ii) by the candidate for an election other than the election for which this contribution is made; or (iii) to support candidates other than the candidate to whose campaign this contribution made, political party committees, or political clubs. I further understand that this contribution will not be matched with public funds.

I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that this contribution is being made from my personal funds, is not being reimbursed in any manner, and is not being made as a loan.

Contributor's Signature \_\_\_\_\_ Date of Contribution \_\_\_\_\_

