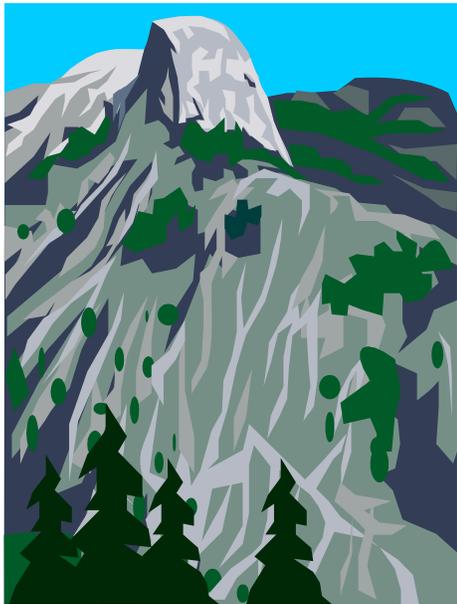


# Campaign Disclosure Manual 6

*Information for Independent  
Expenditure Committees*



**California Fair Political  
Practices Commission**

Toll-free advice line: 1 (866) ASK-FPPC  
Web site: [www.fppc.ca.gov](http://www.fppc.ca.gov)

October 2008

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# Introduction

This manual provides important information on campaign disclosure rules for independent expenditure committees.

## How to Use this Manual

California's Political Reform Act (the "Act") requires receipts and expenditures in election campaigns to be disclosed fully and truthfully. Since 1974, there have been over 200 amendments to the Act's campaign disclosure provisions. This manual has been prepared to assist independent expenditure committees to comply with the Act's numerous and often detailed rules. This manual is written in a "user friendly" format so that committees have a resource guide. Also provided is a list of statutes and regulations at the end of each chapter. These can be accessed on the FPPC website under the Library and Publications section.

In addition, federal and state tax laws and other rules may be applicable. Telephone numbers and website addresses for the Federal Election Commission, Internal Revenue Service, California Franchise Tax Board, and the Federal Communications Commission are listed in the Appendix.

## Controlling Law

This manual summarizes key campaign disclosure laws and regulations and draws from years of FPPC staff advice on complying with the provisions of the Act's campaign disclosure laws. Each committee's activity is different, however, and may raise issues not discussed in this manual. If there are any discrepancies between the manual and the Act or its corresponding regulations, the Act and its regulations will control.

## Need Help?

If you need assistance, the Fair Political Practices Commission has a toll-free advice line:

1-866-ASK FPPC  
(1-866-275-3772)

FPPC employees are available Monday through Friday to help you. In addition, the FPPC website ([www.fppc.ca.gov](http://www.fppc.ca.gov)) contains forms, manuals, and a wealth of other helpful information.

## Don't forget these rules...

- An independent expenditure is made on the date the communication is mailed, delivered, broadcast, or otherwise disseminated to the public.
- Each independent expenditure of \$1,000 or more on behalf of a candidate or ballot measure triggers the filing of both Form 465 and Form 461.
- Filing locations for Form 465 and Form 496 are sometimes different than where the independent expenditure committee files the Form 461.
- Check the election calendar at [www.fppc.ca.gov](http://www.fppc.ca.gov) for deadlines for filing Form 496; it depends on the type of candidate or measure supported or opposed as well as the committee's status as a state electronic filer.
- Independent expenditure committees terminate automatically at the end of each calendar year. Activity from one calendar year does not trigger filing in another calendar year.
- Contributions to state or local candidates and committees may also trigger reports.
- If the committee receives contributions totaling \$1,000 or more in a calendar year, refer to the manuals for primarily formed committees or general purpose committees, rather than this manual.

# Chapter 1

## Committee Qualification

### What is an Independent Expenditure Committee?

An independent expenditure committee is an individual or entity (e.g., corporation, firm, business, or proprietorship) that makes one or more independent expenditures totaling \$1,000 or more in a calendar year. There are circumstances under which affiliated individuals and entities are considered to be a single committee. These are discussed later in this chapter. Independent expenditure committees do not receive contributions for the purpose of making expenditures supporting or opposing California candidates or ballot measures.



**Quick TIP** If an individual or entity receives contributions totaling \$1,000 or more in a calendar year for the purpose of making contributions or independent expenditures in connection with California candidates or ballot measures, refer to the FPPC campaign manuals for “primarily formed recipient committees” or “general purpose recipient committees.” When two or more individuals or entities make separate payments totaling \$1,000 or more for a single communication, they also may qualify as a recipient committee.

### What is an Independent Expenditure?

An “independent expenditure” is a payment for a communication that **expressly advocates** the election or defeat of a **clearly identified** California state or local candidate or the qualification, passage, or defeat of a clearly identified state or local ballot measure, **and** the communication is **not coordinated** with or “made at the behest” of the affected candidate or committee.

**Example** *In May, Sandra Farmer paid \$4,000 for a mailing that included the statement “Vote No on Measure A.” Sandra, acting on her own, paid for the mailing with her personal funds and qualified as an independent expenditure committee.*

*In October, MBI Development Corporation paid for a series of automated telephone calls to voters in Southern California that urged voters to vote for a statewide candidate. The corporation, acting independently of the candidate’s committee, paid \$12,000 for the calls. The corporation qualified as an independent expenditure committee.*

### Express Advocacy

A communication *expressly advocates* support or opposition of a clearly identified candidate when it uses words such as “vote for,” “elect,” “support,” “cast your ballot,” “vote against,” “defeat,” “reject,” “sign petitions for,” etc.

### Clearly Identifies

A communication *clearly identifies* a candidate or measure when the candidate’s name, photograph, or status as a candidate or officeholder is used, or the measure’s name, popular title, or official title is used. Some flyers may mention a group of candidates by some well-defined characteristic of the group. Even if no specific names are used, these, too, may be communications which *clearly identify* candidates.

### Is the Expenditure Independent or Coordinated with the Campaign?

An expenditure is not considered independent if:

- It is made at the request, suggestion, or direction of, or in cooperation,

consultation, or coordination with the candidate or committee for whose benefit the expenditure is made.

- The candidate or committee or their agents have made or participated in making any decision about the content, timing, location, mode, intended audience, distribution, or placement of the communication.
- The creator, producer, or the person paying for the communication has had discussion and agreement with the candidate or committee, or their agents, regarding the content, timing, location, mode, intended audience, distribution, or placement of the communication.

An expenditure is **presumed to be coordinated** or “made at the behest of” a candidate or committee if:

- It is based on information about the candidate’s or committee’s campaign needs or plans provided to the expending person by the candidate or committee.
- It is made by or through any agent of the candidate or committee in the course of the agent’s involvement in the current campaign.
- The person making the expenditure retains the services of a person who provides the candidate with professional services related to campaign or fundraising strategy for that same election.
- The communication reproduces, republishes, or disseminates a communication designed, produced, paid for, or distributed by the candidate or committee.

### Coordination Results in Contribution

When a communication expressly advocates a clearly identified candidate or measure and the communication is coordinated with or “made at the behest of” the candidate or

committee, the communication will qualify as a contribution.

However, an expenditure will not be considered a contribution to a candidate merely because:

- The person making the expenditure interviews the candidate on issues affecting the person making the expenditure.
- The person making the expenditure has obtained a photograph, biography, position paper, press release, or similar material from the candidate or the candidate’s agents.
- The person making the expenditure has invited the candidate or committee to make an appearance before the person’s members, employees, shareholders, or the families thereof, provided that there is no discussion with the candidate or committee prior to the expenditure related to details of the expenditure.

FPPC regulations 18225.7 and 18550.1, summarized above, specify when a communication is considered independent or made at the behest of a candidate or committee. Because the determination is based on specific facts, persons may contact the FPPC for guidance.

### Affiliated and Non-Affiliated Committees

There are certain situations when payments made by two or more persons are aggregated and the persons are treated as a single committee for reporting purposes.

Under the Act, the term “person” includes an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, committee, and association.

Affiliated individuals and entities will qualify as a single independent expenditure

committee, if, together, their independent expenditures total \$1,000 or more, in a calendar year.

The following payments are aggregated:

- Contributions or independent expenditures made from an individual's personal funds and from funds he or she directs and controls.
- Contributions or independent expenditures made by two or more entities that are directed and controlled by a majority of the same persons.
- Contributions or independent expenditures made by entities that are majority owned by any person. Contributions and independent expenditures made by the majority owner and all other entities majority owned by that person are aggregated unless the entities act independently in their decisions to make contributions or independent expenditures.

The following are basic examples to provide general guidance. Every case is unique and we encourage you to contact us for advice.

**Example** *In May, Ellen Gomez attended a fundraiser for a candidate and used her personal funds to pay for the \$500 ticket. In June, she made a \$3,000 independent expenditure from her wholly owned business to oppose a ballot measure and qualified as an independent expenditure committee. Because Ms. Gomez directed and controlled all of the payments, she and her business qualify as a single committee and must disclose her personal contributions as well as the independent expenditures made from her business.*

**Example** *Pace Computers contributed a total of \$9,000 to support various legislative candidates. Under the direction of Pace Computers, Global Software, Inc., a company in which Pace Computers has a greater than 50 percent ownership interest,*

*made an independent expenditure of \$7,000 to support a local candidate. Because Global Software, Inc. did not act independently, the companies qualify as a single committee and will file a single Form 461 listing both contributions and independent expenditures.*

**Example** *Southwest Telecom has a greater than 50 percent ownership interest in American Telecom. Each entity, entirely on its own and with separate decisionmaking bodies, made independent expenditures of \$1,000 or more. Southwest Telecom made an independent expenditure in connection with a state ballot measure, while American Telecom made independent expenditures in connection with a local ballot measure. Because Southwest Telecom and American Telecom acted completely independently in their decisions, a Form 461 would be filed separately by each company listing only that company's expenditures.*

### **Multipurpose Organizations (Including Nonprofit Organizations, and Federal and Out-of-State Political Action Committees)**

Some organizations that receive donations or other payments (e.g., membership dues) for purposes other than making political expenditures in California nevertheless do, at times, make political expenditures to support or oppose California state or local candidates or ballot measures. These organizations may be subject to filing campaign statements in California.

A multipurpose organization is receiving "contributions" if its members or donors make payments to the organization (including dues) and, at the time of making the payments, the donors know or have reason to know that the funds with which their payments will be commingled will be used to make contributions or expenditures to

support or oppose California state or local candidates or ballot measures.

There is a presumption that the donors do **not** have reason to know that all or part of their payments made to the multipurpose organization will be used for political activities in California **unless** the organization has made expenditures or contributions totaling at least \$1,000 during the current calendar year or any of the immediately preceding four calendar years.

A multipurpose organization may become an independent expenditure committee if it makes independent expenditures totaling \$1,000 or more in a calendar year to influence a state or local election and the organization has not made expenditures or contributions totaling at least \$1,000 in the current and past four years.

If the multipurpose organization makes another independent expenditure of \$1,000 or more, the organization will qualify as a recipient committee. Recipient committees have different filing obligations. Organizations should contact the FPPC for guidance.

### **501(c)(3) and 501(c)(4) Organizations Making Occasional Independent Expenditures to Support or Oppose Ballot Measures**

FPPC Regulation 18413 provides an alternative event based method of reporting for certain 501(c)(3) and 501(c)(4) organizations that make occasional independent expenditures to support or oppose ballot measures. The regulation's specific requirements are reviewed in Chapter 4.

### **Other Types of Payments**

#### **Communications Identifying State Candidates (No Express Advocacy)**

An independent expenditure committee that makes a payment or promise of payment

totaling \$50,000 or more for a communication that 1) clearly identifies a state candidate; but 2) does not expressly advocate the election or defeat of the candidate; and 3) is disseminated, broadcast, or otherwise published within 45 days of the candidate's election, is required to file Form E-530. (See Chapter 3.)

### **Member Communications**

Payments made by an entity (including a business entity) for a communication that supports or opposes a candidate or ballot measure are not contributions or independent expenditures as long as the communication is sent only to the organization's members, employees, shareholders, or their families. The payments may not be for general public advertising, such as billboards, newspaper, radio, or television ads.

**Example** *A corporation sends a mailing supporting a ballot measure to the corporation's shareholders. The mailing is not a contribution to the ballot measure committee whose position is supported or an independent expenditure. The mailing does not trigger disclosure reports.*

### **Payments for Governmental, Legislative, or Charitable Purposes**

Payments made in connection with a governmental, legislative, or charitable event, such as a job or health fair, a charity fundraiser, or a conference on educational issues, that are coordinated or requested by an elected official from a source other than the official's agency, such as a business, are generally not considered gifts or contributions to the elected official who is co-sponsoring the event. However, the official may be required to disclose the payments if they total \$5,000 or more.

**Example** *At Councilmember Stark's request, Diamond Dairy made a \$10,000 donation to the Boy's and Girl's*

*Club. Councilmember Stark will file a report with the city clerk disclosing the donation and donor's name and address. Diamond Dairy is not required to report the payment.*

## **Authority**

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

### **Government Code Sections**

- 82013 *Committee.*
- 82015 *Contribution.*
- 82031 *Independent Expenditure.*
- 85310 *Communications Identifying State Candidates.*
- 85312 *Communications to Members of an Organization.*

### **Title 2 Regulations**

- 18215 *Contribution.*
- 18225 *Expenditure.*
- 18225.4 *Independent Expenditures; When Aggregated.*
- 18531.7 *Payments for Communications—Section 85312.*
- 18531.10 *Communications Identifying State Candidates.*
- 18550.1 *Independent and Coordinated Expenditures.*

# Chapter 2

## Notices on Political Mailings and Broadcasts

Those making independent expenditures must put notices on mailers and television or radio ads, stating who sent or disseminated the communication. Additional notices are required for certain other communications.

### Mass Mailings – Sender Identification

When an independent expenditure committee pays for a mailing of more than 200 similar pieces in a calendar month (“mass mailing”), the mailing is subject to identification requirements. All mass mailings must identify the name of the independent expenditure committee and its street address, city, state, and zip code must be printed on the outside of each piece. The type must be at least 6-point and in a color or print that contrasts with the background so that it is easily read.

**QuickTIP** Identify the legal name of the entity or individual who is paying for a mass mailing or other advertisement. For example, if ABC Development Company qualifies as an independent expenditure committee and pays for a mass mailing or other advertisement, ABC Development Company is the name that must be identified.

### Broadcasts and Mass Mailings

Independent expenditures that are broadcasts or mass mailings and which support or oppose either candidates or ballot measures, must identify the committee making the independent expenditure. A broadcast includes radio and television ads but not billboards and yard signs.

**Example** “Paid for by ABC Development Company.”

The name of the independent expenditure committee must be presented in a clear and conspicuous manner to give the reader or listener adequate notice of the identity of the committee. Broadcast information also must be appropriately conveyed to the hearing impaired.

The required disclosure information must be:

**Video:** both displayed in writing and spoken either at the beginning or at the end of the communication. The written statement must be legible to the average viewer and be displayed for not less than four seconds. However, if the disclosure statement is displayed for at least five seconds of a broadcast of 30 seconds or less, or 10 seconds of a 60 second broadcast, a spoken disclosure statement is not required.

**Audio:** spoken in a clearly audible manner at the beginning or end of the communication and must be at least three seconds in duration.

**Mass Mailings:** printed clearly and legibly in no less than 10-point type and in a contrasting color to the background on which it appears. If a single print media advertisement consists of multiple pages, folds, or faces, the disclosure requirement applies only to one page, fold, or face. (Sender identification on the outside of the mailing is also required as reviewed earlier.)

### Communications Identifying Candidates

An advertisement supporting or opposing a candidate that is paid for by an independent expenditure must include a statement that it

was not authorized by a candidate or a committee controlled by a candidate.

**Example** *The following could appear on one side of a mass mailer that consists of a single page: “Paid for by ABC Development Company, 123 Starboard Drive, Sacramento, CA 95814. Not authorized by a candidate or a committee controlled by a candidate.” The address of the sender must be printed in at least 6-point type and the rest of the statement must be printed in at least 10-point type.*

### Telephone Calls

When an independent expenditure committee pays for 500 or more similar telephone calls that expressly advocate support for or opposition to a candidate or ballot measure, the name of the independent expenditure committee must be disclosed to recipients. The disclosure must include the words “paid for by” or “authorized by.”

**Example** *“Paid for by ABC Development Company.”*

### Ballot Measure Ad Spokespersons

When an independent expenditure committee makes an expenditure of \$5,000 or more to an individual for his or her appearance in an advertisement to support or oppose a ballot measure, the advertisement must include a statement that the individual is being paid for his or her appearance. The statement must be in highly visible roman font, shown continuously if the advertisement consists of printed or televised materials, or spoken in a clearly audible format if the advertisement is a radio broadcast or telephone message.

**Example** *“Paid for by ABC Development Company. Jane Miller was paid for her appearance in this advertisement.”*

In addition, the committee must file the Paid Spokesperson Report, Form 511, as described in Chapter 3.

## Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

### Government Code Sections

- 82041.5 *Mass Mailing.*
- 84305 *Requirements for Mass Mailing.*
- 84310 *Identification Requirements for Telephone Calls.*
- 84501 *Advertisement.*
- 84506 *Independent Expenditures; Advertisements.*
- 84506.5 *Independent Expenditures; Not Authorized by Candidate.*
- 84507 *Printed Statement or Broadcast Communication.*
- 84511 *Ballot Measure Ads; Paid Spokesperson Disclosure.*

### Title 2 Regulations

- 18435 *Definition of Mass Mailing and Sender.*
- 18440 *Telephone Advocacy.*
- 18450.1 *Definitions. Advertisement Disclosure.*
- 18450.4 *Contents of Disclosure Statements. Advertisement Disclosure.*
- 18450.11 *Spokesperson Disclosure.*

# Chapter 3

## Reporting Requirements

Individuals and entities making independent expenditures must file timely disclosure reports showing amounts paid and the candidates and ballot measures supported and opposed.

This chapter reviews when and where campaign statements (Form 461, Form 465, and Form 496) must be filed, as well as provides instructions and samples of campaign forms. Each independent expenditure committee must file the Form 461 (Major Donor and Independent Expenditure Committee Campaign Statement). An independent expenditure of \$1,000 or more to support or oppose a single candidate or measure will also require the filing of Form 465 and possibly the Form 496. The chapter concludes with reports that may be required depending on the committee's activity.

**Quick TIP** Certain 501(c)(3) and 501(c)(4) organizations that elect to use event based reporting should refer to Chapter 4.

Filing deadlines cannot be extended. For statements that are mailed, the date of the postmark is considered the date filed. Failure to file on time may lead to late filing penalties of \$10 for each day the statement is late. Failure to file a statement may result in additional penalties. Filing schedules are posted on the FPPC website.

### Form 461 — Major Donor and Independent Expenditure Committee Campaign Statement

The Form 461 is used to report independent expenditures made to support or oppose California state and local candidates, officeholders, and ballot measures. If a committee makes contributions to state or

local candidates or committees, they must also be disclosed. The report provides the public with information regarding the nature and interests of the person making the payments. Independent expenditure committees terminate automatically at the end of each calendar year. On January 1 of every year, the slate is wiped clean.

Independent expenditure committees are required to file Form 461 at specified times. The filing dates are determined by the jurisdiction in which the committee's activity takes place and the date of the election:

- State committees make independent expenditures and contributions to support or oppose state candidates or state measures, or any number of candidates or measures being voted on in more than one county.
- County committees make independent expenditures and contributions to support or oppose candidates or measures being voted on in a single county election or any number of jurisdictions wholly within a single county.
- City committees make independent expenditures and contributions to support or oppose candidates or measures being voted on in a single city.

### When to File Form 461

#### Semi-Annual Statements: All Committees

January 1 – June 30: Due July 31

If an entity qualifies as a committee during the first six months of the year, the Form 461 is due no later than July 31, covering the period January 1 through June 30. If no additional independent expenditures or contributions are made during the second semi-annual period, July 1 through

## Chapter 3 — Reporting Requirements

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December 31, no other Form 461 is required during the calendar year.

July 1 – December 31: Due January 31

If an entity qualifies as a committee during the first six months of the year and any amount of contributions or independent expenditures are made after June 30, a Form 461 covering the period July 1 through December 31 is required. If an entity or individual qualifies as a committee during the second six months of the year, its Form 461 will be due no later than January 31, covering the period January 1 through December 31 of the prior year.

### **Preelection Statements: City Committees**

During a six-month period in which a city election is held, a city independent expenditure committee may be required to file two preelection statements. Preelection statements are required if the committee makes independent expenditures or contributions that total \$500 or more during the period covered by the statement. Contact the city filing officer for the election filing schedule. State and county independent expenditure committees are not required to file Form 461 as a preelection statement. However, the Supplemental Independent Expenditure Report (Form 465) may be required. (See Chapter 4.)

 **Check the FPPC website for filing schedules. Most local election and all state election filing schedules are posted.**

### **Amendments**

If, at any time, a committee determines that an error has occurred on a previous filing, an amendment is required. Check the amendment box on Form 461 and complete Part 1. Only the amended information, including Part 3, if applicable, must be disclosed. Like the original, the amendment must be signed and dated. There is no

deadline for filing amendments. However, amendments should be filed as soon as practicable.

### **Where to File**

#### **Form 461**

##### **State Committees**

Secretary of State  
Original & 1 Copy

Registrar/Los Angeles County  
1 Copy

Department of Elections/San Francisco  
1 Copy

##### **County Committees**

County Clerk  
Original & 1 Copy

##### **City Committees**

City Clerk  
Original & 1 Copy

##### **State Filing Officers**

###### **Secretary of State**

Political Reform Division  
P.O. Box 1467  
1500 11<sup>th</sup> Street, Room 495  
Sacramento, CA 95814  
Fax (916) 653-5045

###### **Registrar-Recorder of Los Angeles County**

Campaign Reporting Unit  
12400 Imperial Highway  
Norwalk, CA 90650-3134  
Fax (562) 651-2548

###### **Department of Elections, City and County of San Francisco**

Room 48, City Hall  
One Doctor Carlton Goodlett Place  
San Francisco, CA 94102-4635  
Fax (415) 554-7344



If an independent expenditure committee is initially required to file as a city or county committee and later during the calendar year qualifies as another type of committee (for example, a city committee becomes a county or state committee), it must continue to file copies of its campaign statements in the original city or county and in the other locations it is required to file until the end of the calendar year.

### **Electronic Filing**

State committees are required to file electronically with the Secretary of State if independent expenditures or contributions made during a calendar year total \$50,000 or more. The cumulative totals include expenditures a state committee makes regarding a local election. Independent expenditure committees need not file electronically in any calendar year in which they have not reached the \$50,000 threshold. Committees filing electronically also must continue filing most disclosure statements and reports in paper format. For information about electronic filing requirements, contact the Secretary of State's office at (916) 653-6224 or [www.sos.ca.gov](http://www.sos.ca.gov). Depending on when a committee qualifies, its first electronic report may be a late independent expenditure report, a supplemental independent expenditure report, or a semi-annual report.

# Chapter 3 — Reporting Requirements

## Form 461 Cover Page

<b>Major Donor and Independent Expenditure Committee Campaign Statement</b> <small>(Government Code sections 84200-84216.5)</small>		<small>MAJOR DONOR AND INDEPENDENT EXPENDITURE COMMITTEE STATEMENT</small> <b>CALIFORNIA FORM 461</b>	
<small>SEE INSTRUCTIONS ON REVERSE</small>		<small>Type or print in ink.</small> Statement covers period from <u>1/1/XX</u> through <u>6/30/XX</u>	Date Stamp Date of election if applicable: (Month, Day, Year)
<b>1. Name and Address of Filer</b> NAME OF FILER New Ventures, Inc. RESIDENTIAL OR MAILING ADDRESS (NO. AND STREET) 345 Stone Way CITY STATE ZIP CODE Sacramento CA 95825 RESPONSIBLE OFFICER (Filer is other than an individual) Jeffrey Stone AREA CODE DAYTIME PHONE 916.333.3333		<b>3. Summary</b> (Amounts may be rounded to whole dollars.) 1. Expenditures and contributions (including loans) of \$100 or more made this period. (Part 5.) ..... \$ 30,000 2. Unitemized expenditures and contributions (including loans) under \$100 made this period. .... \$ 0 3. Total expenditures and contributions made this period. (Add Lines 1 + 2.) ..... <b>SUBTOTAL \$ 30,000</b> 4. Total expenditures and contributions made from prior statement. (Enter amount from Line 5 of last statement filed. If this is the first statement for the calendar year, enter zero.) ..... \$ 0 5. Total expenditures and contributions (including loans) made since January 1 of the current calendar year. (Add Lines 3 + 4.) ..... <b>TOTAL \$ 30,000</b>	
<b>2. Nature and Interests of Filer</b> (Complete each applicable section.) <input type="checkbox"/> FILER WHO IS AN INDIVIDUAL MUST LIST THE NAME, ADDRESS, AND BUSINESS INTERESTS OF EMPLOYER OR, IF SELF-EMPLOYED, THE NAME, ADDRESS, AND NATURE OF THE BUSINESS NAME OF EMPLOYER/BUSINESS BUSINESS INTERESTS ADDRESS OF EMPLOYER/BUSINESS <input checked="" type="checkbox"/> FILER THAT IS A BUSINESS ENTITY MUST DESCRIBE THE BUSINESS ACTIVITY IN WHICH IT IS ENGAGED Developer <input type="checkbox"/> FILER THAT IS AN ASSOCIATION MUST PROVIDE A SPECIFIC DESCRIPTION OF ITS INTERESTS <input type="checkbox"/> FILER THAT IS NOT AN INDIVIDUAL, BUSINESS ENTITY, OR ASSOCIATION MUST DESCRIBE THE COMMON ECONOMIC INTEREST OF THE GROUP OR ENTITY		<b>4. Verification</b> I have used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on <u>7/15/XX</u> By <u>[Signature Required]</u> <small>DATE SIGNATURE OF INDIVIDUAL DONOR OR RESPONSIBLE OFFICER, FOTHER THAN AN INDIVIDUAL</small>	
<input type="checkbox"/> Amendment (Explain): _____			

## How to Complete

### Statement Period and Date of Election

If this is the first filing of the calendar year, the “from” date should be January 1. Otherwise, this date should be the day after the closing date of the most recently filed Form 461. The closing date of the statement depends on the type of statement being filed. Only city committees complete the “Date of Election” box when filing a preelection statement.

### Part 1 – Filer Information

Enter the legal name of the individual or entity filing the statement. If the filer is commonly known to the public by another name, that name may be used. When a person directs and controls the making of contributions and independent expenditures of a related entity (e.g., a subsidiary or a majority shareholder of a corporation) that must be aggregated and reported on Form 461, list as the “Name of Filer” the name of the individual or entity that directs and

controls the making of the contributions and independent expenditures.

**Example** *Hector Flores is the sole owner of two separate businesses. Hector directed a \$7,000 contribution from one business to a local ballot measure committee in January and made a \$5,000 independent expenditure opposing a local candidate in February from the other business entity. Hector will file the Form 461 under the name “Hector Flores (including aggregated contributions and independent expenditures).” The Form 461 will identify each payment and the business entity associated with the payment.*

In addition:

- Indicate that the campaign statement includes the contributions and independent expenditures of other entities. For example, “ABC Corporation, including aggregated contributions/ independent expenditures.”

- Identify any entities added to this report that were not included in a prior report filed for the current calendar year, as well as any entities included in a prior report for the current calendar year that are no longer required to aggregate under the name of filer.
- Identify both names if the “Name of Filer” listed on a previous report filed for the current calendar year is different than the name identified on this report. For example, “Tim Lewis, formerly Lewis Construction.”
- Enter the name of the responsible officer of an entity or organization filing the statement.

sign the verification on behalf of the entity or entities. However, a statement filed by an individual must be signed by the individual rather than the individual’s attorney or certified public accountant. The Form 461 is not considered filed if it is not signed.

### **Part 2 – Nature and Interests of Filer**

The nature and interests of the filer must be clearly identified. The business activity, association interests, or economic interest must be described in the appropriate space. When payments from different persons are reported, if there are different interests, an attachment must identify the various persons and respective interests.

### **Part 3 – Summary**

The summary lists the totals of all expenditures and contributions (including loans) made during the period covered by the statement. Collectively, Lines 1-3 represent the expenditures and contributions made during the reporting period. Line 4 must be the same figure shown on Line 5 of the previously filed statement or zero if it is the first statement for the calendar year. Line 5 represents the total of all expenditures and contributions made since January 1 of the calendar year covered by the report.

### **Part 4 – Verification**

An attorney, a certified public accountant, or a responsible officer of an entity or an entity filing jointly with any number of affiliates may

## Chapter 3 — Reporting Requirements

### Form 461

Major Donor and Independent Expenditure Committee Campaign Statement		MAJOR DONOR AND INDEPENDENT EXPENDITURE COMMITTEE STATEMENT				
SEE INSTRUCTIONS ON REVERSE		Type or print in ink. Amounts may be rounded to whole dollars.	Statement covers period from <u>1/1/XX</u> through <u>6/30/XX</u>			
NAME OF FILER New Ventures, Inc.		<b>CALIFORNIA FORM 461</b> Page <u>2</u> of <u>2</u>				
<b>5. Contributions (Including Loans, Forgiveness of Loans, and Loan Guarantees) and Expenditures Made</b> <i>(If more space is needed, use additional copies of this page for continuation sheets.)</i>						
DATE	NAME, STREET ADDRESS, CITY, STATE AND ZIP CODE OF PAYEE <small>(IF COMMITTEE, ALSO ENTER I.D. NUMBER)</small>	TYPE OF PAYMENT	DESCRIPTION OF PAYMENT <small>(IF OTHER THAN MONETARY CONTRIBUTION OR LOAN)</small>	CANDIDATE AND OFFICE, MEASURE AND JURISDICTION, OR COMMITTEE	AMOUNT THIS PERIOD	CUMULATIVE AMOUNT RELATED TO THIS CANDIDATE, MEASURE, OR COMMITTEE
5/15/XX	Sacramento Bee 2100 Q Street Sacramento, CA 95819	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input checked="" type="checkbox"/> Independent Expenditure	ad	Proposition 33, state  <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	10,000	30,000
	Media Services 10 I Street Folsom, CA 59811  Subvendors:	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input checked="" type="checkbox"/> Independent Expenditure	television and radio ads	Proposition 33, state  <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	20,000	30,000
6/1/XX	KCRA Television (\$9,000) 1150 9th Street, Modesto, CA 95350	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure				
6/3/XX	KFBK Radio (\$5,000) 1400 Ethan Way, Sacramento, CA 95825	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure				
5/20/XX	Frank Soto (\$6,000) 124 Salem Dr., Sacramento, CA 95816	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure				
SUBTOTAL \$					30,000	

### Part 5 – Contributions and Expenditures Made

- Disclose the dates of the contributions or independent expenditures made during the period. A monetary contribution is made on the date it is mailed, delivered, or otherwise transmitted to the candidate or committee. A nonmonetary contribution is made on the earlier of the following: the date the expenditure is made for the goods or services; or the date the candidate, committee, or an agent obtains possession or control of the goods or services.

For purposes of disclosure on the Form 461, an independent expenditure has been made when a payment is made in connection with the development, production, or dissemination of the communication, or when the communication is disseminated to the public, whichever is earlier. However, a payment for a communication that is never

disseminated to the public is not an independent expenditure and need not be reported on Form 461.

- Each payment of \$100 or more must be itemized. The name, street address, city, state, and zip code of the payee must be included. Also include committee I.D. numbers if applicable. Do not use a post office box number.
- Check the box indicating what type of payment was made. If the payment was a nonmonetary contribution, provide a description of the payment.
- If a total of \$100 or more was contributed or expended during a calendar year to support or oppose a single candidate or ballot measure, the name of the candidate and the office sought or held, or the name and jurisdiction of the ballot measure must be disclosed. For each candidate or measure listed, indicate whether the payment was made to support or oppose the candidate or measure. If a

nonmonetary contribution was made to a general purpose committee, enter the name of the committee.

- The amount of contributions or independent expenditures made this period relative to each candidate, measure, or committee and the cumulative amount contributed or paid since January 1 of the current calendar year must be provided.

### Valuing Mailings

**Multiple candidates/measures:** If a mass mailing supports or opposes more than one candidate or measure, the value attributable to each may be calculated by prorating the costs based on the amount of space allotted to each candidate or measure supported or opposed in the mailing.

**Political and non-political material:** The cost of a mailing containing both express advocacy supporting or opposing a ballot measure or candidate as well as non-political material may be prorated. Costs directly associated with the political message are reportable, including staff time of more than 10 percent in a calendar month.

### Additional Rules

- **Affiliated Entities:** When contributions or expenditures from affiliated entities are itemized on one statement, each affiliated entity must be identified with its specific payment. In addition, the statement must identify the addition or deletion of any entity for which contributions and expenditures are aggregated together.
- **Agents and Contractors:** If a payment was made to an agent or independent contractor who then made payments on behalf of the filer (subvendor payments), disclose payments made to the subvendor in addition to the payments made to the agent. Report the name and address of the agent, followed by the name and

address of each subvendor paid \$500 or more. Amounts paid to the agent are disclosed in the “Amount this Period” column and the amounts paid to a subvendor(s) may be reported in the “Name of Payee” or the “Description of Payment” column.

- **Employee Time:** If an employee spends more than 10 percent of his/her compensated time in any one month engaged in campaign activities that expressly advocate the support of or opposition to a candidate or measure (e.g., phone banks or precinct walking), the employer must report the payments. The names, addresses, and the specific salaries of the employees are not required to be disclosed.

If the committee makes contributions totaling \$10,000 or more in a calendar year, consult FPPC Campaign Disclosure Manual 5 for Major Donor Committees.

## Supplemental Independent Expenditure Report (Form 465)

A Supplemental Independent Expenditure Report (Form 465) is filed when a committee makes independent expenditures totaling \$1,000 or more to support or oppose a single candidate or a single measure. Form 465 must be filed in addition to any other campaign statements the committee is required to file (including semi-annual and preelection statements, and independent expenditures reported on Form 496). Independent expenditures disclosed on Form 465 also must be disclosed on the committee's campaign statements (Form 461). Form 465 is required only if \$1,000 or more is spent to support or oppose a single candidate or measure. If a communication lists more than one candidate or measure, the Form 465 is filed only if \$1,000 or more was expended on each candidate or measure featured. A separate Form 465 must be filed for each candidate or measure supported or opposed.

**Example** *Stonecreek Vineyards mails a flyer asking the voters to vote for three ballot measures. The flyer is not sent at the behest of the committees formed to support the measures. The total cost of the mailing, including postage, amounts to \$44,850. Because the amount attributable to each measure is \$1,000 or more, Stonecreek Vineyards must file a Form 465 for each measure.*

### When to File

File Form 465 at the same time(s) the candidate or ballot measure committee being supported or opposed is required to file statements, including the semi-annual deadline following the election if independent expenditures are made after the end of the second preelection reporting period.

**Example** *The West Street Theatre made two independent expenditures, each \$5,000, to oppose a candidate for city council. The first independent expenditure was made during the first preelection reporting period; the second independent expenditure was made five days before the election. The Theatre must file a Form 465 on or before the deadline for the first preelection statement due in connection with the election and another Form 465 at the semi-annual filing deadline following the election. Note: A Form 496 must also be filed within 24 hours of the independent expenditure that was made five days before the election.*

### Where to File

File Form 465 in the same location(s) that a committee primarily formed to support or oppose the candidate or ballot measure identified in the communication would file. This is so the voters in the affected jurisdiction have access to reports showing who has spent funds in an attempt to influence the voters there. A separate Form 465 must be filed for each candidate or ballot measure supported or opposed.

<b>Jurisdiction of Candidate or Measure Supported/Opposed</b>	<b>Location of Filing Form 465</b>
Statewide	<ul style="list-style-type: none"> <li>• Secretary of State</li> <li>• Los Angeles County</li> <li>• San Francisco City and County</li> </ul>
Senate or Assembly District	<ul style="list-style-type: none"> <li>• Secretary of State</li> <li>• County with the largest number of registered voters in the legislative district</li> </ul>
County	<ul style="list-style-type: none"> <li>• County in which the candidate or measure will appear on the ballot</li> </ul>
City	<ul style="list-style-type: none"> <li>• City in which the candidate or measure will appear on the ballot</li> </ul>

File an original and one copy in the first filing location listed in the above chart for your type of committee and activity. If additional filing locations are listed, file one copy in each location. For example, an independent expenditure committee disclosing statewide activity will file an original and one copy of Form 465 with the Secretary of State, one copy with Los Angeles County, and one copy with the City and County of San Francisco. (See page 3-2.)

## Chapter 3 — Reporting Requirements

### Form 465 Cover Page

Supplemental Independent Expenditure Report (Government Code Section 84203.5)		Type or print in ink. Amounts may be rounded to whole dollars.		SUPPLEMENTAL INDEPENDENT EXPENDITURE	
SEE INSTRUCTIONS ON REVERSE		<input type="checkbox"/> Amendment (Explain Below)		Report covers period from 3/18/XX through 5/17/XX	Date Stamp
				Date of election if applicable: (Month, Day, Year)	
				CALIFORNIA FORM 465 Page 1 of 2 For Official Use Only	
<b>1. Committee/Filer Information</b>		I.D. NUMBER (If recipient committee)		<b>Treasurer</b> (If recipient committee)	
COMMITTEE/FILER'S NAME New Ventures, Inc.				NAME OF TREASURER	
STREET ADDRESS (NO P.O. BOX) 345 Stone Way				MAILING ADDRESS	
CITY Sacramento	STATE CA	ZIP CODE 95826	AREA CODE/PHONE 916.333.3333	CITY	STATE ZIP CODE AREA CODE/PHONE
OPTIONAL: FAX / E-MAIL ADDRESS				OPTIONAL: FAX / E-MAIL ADDRESS	
<b>2. Name of Candidate or Measure Supported or Opposed</b>					
NAME OF CANDIDATE		OFFICE SOUGHT OR HELD AND DISTRICT, IF APPLICABLE		CHECK ONE SUPPORT OPPOSE	
NAME OF BALLOT MEASURE Save Our Community, No Government Funding for Development		BALLOT NO./LETTER 33	JURISDICTION state	SUPPORT	OPPOSE X
<b>3. Independent Expenditures Made</b> <i>Attach additional information on appropriately labeled continuation sheets.</i>					
DATE	NAME AND ADDRESS OF PAYEE	DESCRIPTION OF EXPENDITURE	AMOUNT	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	
5/15/XX	Sacramento Bee 2100 Q Street Sacramento, CA 95819	newspaper ad	10,000	10,000	

## How to Complete Form 465

### Period Covered

The period covered by this report begins the day after the closing date of the most recent Form 465 filed related to the candidate or measure supported or opposed. If this is the first Form 465 filed for the current year for a particular candidate or measure, the period covered begins January 1. The closing date of the period covered is the closing date for the current campaign statement being filed for the candidate or measure. For example, if the independent expenditure was made during the first preelection period, the Form 465 would cover the period through the closing date for the first preelection statement filed by the candidate or measure identified in the communication.

### Filer Information

Provide the committee's full name, street address, city, state, zip code, and telephone number.

## Name of Candidate or Measure Supported or Opposed

Report the name of the candidate supported or opposed by the independent expenditure and the office the candidate is seeking, including the district number if applicable. Or, report the name of the ballot measure supported or opposed, including the ballot number or letter and the jurisdiction of the election. Indicate whether the independent expenditure supported or opposed the candidate or ballot measure.

### Independent Expenditures Made

Provide the date the independent expenditure was made, as well as the name and address of the payee and a short description of the expenditure, its amount, and the cumulative amount expended to date on the candidate or measure supported or opposed.

**Form 465**

<p><b>Supplemental Independent Expenditure Report</b></p> <p>SEE INSTRUCTIONS ON REVERSE</p> <p>NAME OF FILER New Ventures, Inc.</p>	<p><small>Type or print in ink. Amounts may be rounded to whole dollars.</small></p>	<p style="font-size: small;">SUPPLEMENTAL INDEPENDENT EXPENDITURE</p> <p style="font-size: small;">Report covers period</p> <p>from <u>3/8/XX</u></p> <p>through <u>5/17/XX</u></p>	<p><b>CALIFORNIA FORM 465</b></p> <p>Page <u>2</u> of <u>2</u></p> <p style="font-size: x-small;">I.D. NUMBER (if recipient com.)</p>						
<p><b>4. Summary</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1. Total independent expenditures of \$100 or more made this period. (Part 3.)</td> <td style="width: 20%; text-align: right;">\$ 10,000</td> </tr> <tr> <td>2. Total independent expenditures under \$100 made this period. (Not itemized.)</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>3. Total independent expenditures made this period (Add Lines 1 + 2.)</td> <td style="text-align: right;"><b>TOTAL \$ 10,000</b></td> </tr> </table>				1. Total independent expenditures of \$100 or more made this period. (Part 3.)	\$ 10,000	2. Total independent expenditures under \$100 made this period. (Not itemized.)	\$ 0	3. Total independent expenditures made this period (Add Lines 1 + 2.)	<b>TOTAL \$ 10,000</b>
1. Total independent expenditures of \$100 or more made this period. (Part 3.)	\$ 10,000								
2. Total independent expenditures under \$100 made this period. (Not itemized.)	\$ 0								
3. Total independent expenditures made this period (Add Lines 1 + 2.)	<b>TOTAL \$ 10,000</b>								
<p><b>5. Filing Officers</b> Enter the name and address of each filing officer with whom the filer's most recent campaign statements (Form 450, 460 or 461) have been filed.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>1) NAME OF FILING OFFICER Secretary of State</p> <p>ADDRESS (NO. AND STREET) 1500 11th Street</p> <p>CITY STATE ZIP CODE Sacramento CA 95817</p> </td> <td style="width: 50%; vertical-align: top;"> <p>3) NAME OF FILING OFFICER City and County of San Francisco, Department of Elections</p> <p>ADDRESS (NO. AND STREET) One Dr. Carlton B. Goodlett Place</p> <p>CITY STATE ZIP CODE San Francisco CA 94102</p> </td> </tr> <tr> <td style="vertical-align: top;"> <p>2) NAME OF FILING OFFICER Registrar-Recorder of Los Angeles County</p> <p>ADDRESS (NO. AND STREET) 12400 Imperial Highway</p> <p>CITY STATE ZIP CODE Norwalk CA 90650</p> </td> <td style="vertical-align: top;"> <p>4) NAME OF FILING OFFICER</p> <p>ADDRESS (NO. AND STREET)</p> <p>CITY STATE ZIP CODE</p> </td> </tr> </table>				<p>1) NAME OF FILING OFFICER Secretary of State</p> <p>ADDRESS (NO. AND STREET) 1500 11th Street</p> <p>CITY STATE ZIP CODE Sacramento CA 95817</p>	<p>3) NAME OF FILING OFFICER City and County of San Francisco, Department of Elections</p> <p>ADDRESS (NO. AND STREET) One Dr. Carlton B. Goodlett Place</p> <p>CITY STATE ZIP CODE San Francisco CA 94102</p>	<p>2) NAME OF FILING OFFICER Registrar-Recorder of Los Angeles County</p> <p>ADDRESS (NO. AND STREET) 12400 Imperial Highway</p> <p>CITY STATE ZIP CODE Norwalk CA 90650</p>	<p>4) NAME OF FILING OFFICER</p> <p>ADDRESS (NO. AND STREET)</p> <p>CITY STATE ZIP CODE</p>		
<p>1) NAME OF FILING OFFICER Secretary of State</p> <p>ADDRESS (NO. AND STREET) 1500 11th Street</p> <p>CITY STATE ZIP CODE Sacramento CA 95817</p>	<p>3) NAME OF FILING OFFICER City and County of San Francisco, Department of Elections</p> <p>ADDRESS (NO. AND STREET) One Dr. Carlton B. Goodlett Place</p> <p>CITY STATE ZIP CODE San Francisco CA 94102</p>								
<p>2) NAME OF FILING OFFICER Registrar-Recorder of Los Angeles County</p> <p>ADDRESS (NO. AND STREET) 12400 Imperial Highway</p> <p>CITY STATE ZIP CODE Norwalk CA 90650</p>	<p>4) NAME OF FILING OFFICER</p> <p>ADDRESS (NO. AND STREET)</p> <p>CITY STATE ZIP CODE</p>								
<p><b>6. Verification</b></p> <p>I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p> <p>Executed on <u>5/18/XX</u> By _____ [Signature Required]</p> <p style="font-size: x-small;">DATE SIGNATURE OF FILER, TREASURER OR ASSISTANT TREASURER</p>									

**Summary**

Complete the summary section by entering the total of all independent expenditures of \$100 or more made during the period for the candidate or ballot measure, the total of all independent expenditures of under \$100 made during the period, and the total for both.

**Filing Officers**

Enter the name and address of each filing officer with whom the committee files its regular preelection or semi-annual statements. The Form 465 is not considered filed if it is not signed. (See page 3-2.)

**Verification**

An attorney, a certified public accountant, or a responsible officer of an entity or an entity filing jointly with any number of affiliates may sign the verification on behalf of the entity or entities. However, a statement filed by an individual must be signed by the individual rather than the individual's attorney or

certified public accountant. The Form 465 is not considered filed if it is not signed.

**Amendments**

To amend a previously filed Form 465, file another Form 465 with the "Amendment" box checked and the corrected or missing information included. Like the original, the amendment must be signed and dated. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

## 496 Independent Expenditure Report

The independent expenditure reports discussed below must be filed in addition to any required preelection or semi-annual campaign statements. Independent expenditures also must be disclosed on the committee's next campaign statement (Form 461), and on the Supplemental Independent Expenditure Report (Form 465). The rules are different for state electronic filers making independent expenditures in connection with a state candidate or ballot measure as discussed below.

For purposes of filing Form 496, the date an independent expenditure is **made** is the date the communication is mailed, broadcast, or otherwise disseminated to the public. A payment for a communication that is never disseminated to the public is not an independent expenditure and need not be reported on Form 496.

### Committees Required to File Electronically with Secretary of State

**Election Cycle Report:** When an independent expenditure committee that must file reports electronically with the Secretary of State makes an independent expenditure of \$1,000 or more to support or oppose a single state candidate or a single state ballot measure during the 90 days before the candidate's or measure's election, the committee must file Form 496 electronically with the Secretary of State within 24 hours of making the expenditure. Independent expenditures electronically disclosed within 24 hours during the 90-day election cycle are not required to be disclosed as "late independent expenditures" as discussed below. These reports are not filed on paper or with any other filing official besides the Secretary of State.

**Example** *A corporation is required to file its campaign statements electronically with the Secretary of State. On May 1 of an even-numbered year, less than 90 days before the state primary election, the corporation takes out a newspaper ad for \$12,500 opposing a candidate for Insurance Commissioner. The candidate will appear on the June primary ballot. The corporation is required to file the Form 496 electronically with the Secretary of State within 24 hours of making the expenditure (no Saturday, Sunday, or state holiday extension applies). This report is not required to be filed with the City and County of San Francisco or Los Angeles County nor is it required to be filed on paper.*

If an independent expenditure is made in connection with a local candidate or measure within 16 days of the election, the committee must file a late independent expenditure report as discussed below.

### Late Independent Expenditures

**16-Day Independent Expenditure Report:** Form 496 must be filed if an independent expenditure committee makes independent expenditures totaling \$1,000 or more to support or oppose a single candidate or a single ballot measure during the 16 days prior to the candidate's or measure's election. A separate report must be filed for each candidate or measure supported or opposed.

#### When to File

The report must be filed within 24 hours of making a late independent expenditure.

#### Where to File

File the report in the same location(s) that a committee primarily formed to support or oppose the candidate or measure identified in the communication would file. (See chart on page 2-9.) This allows the voters in the

jurisdiction where the election is taking place to have access to reports showing who has spent funds attempting to influence them. File a separate report for each candidate or ballot measure supported or opposed by fax, guaranteed overnight delivery, or personal delivery. **Regular mail may not be used.**

**Example** *An individual living in Sacramento County makes a late independent expenditure to support a Yolo County ballot measure. He will file the Form 496 with the clerk of Yolo County, where the measure is being voted on. If the same individual makes a late independent expenditure to support a city candidate in Elk Grove, he will also file a Form 496 with the city clerk of Elk Grove.*

## Chapter 3 — Reporting Requirements

### Form 496

496 Independent Expenditure Report				Type or print in ink. Amounts may be rounded to whole dollars.		496 INDEPENDENT EXPENDITURE REPORT	
NAME OF FILER New Ventures, Inc.			Date of This Filing 6/1/XX		Date Stamp		CALIFORNIA FORM 496 For Official Use Only
AREA CODE/PHONE NUMBER 916.333.3333		I.D. NUMBER (if applicable)	Report No. 1				
STREET ADDRESS 345 Stone Way			<input type="checkbox"/> Amendment to Report No. (explain below)		No. of Pages 1		
CITY Sacramento		STATE CA	ZIP CODE 95826				
<b>1. List Only One Candidate or Ballot Measure</b>							
NAME OF CANDIDATE SUPPORTED OR OPPOSED				NAME OF BALLOT MEASURE SUPPORTED OR OPPOSED Save Our Community, No Government Funding for Development			
OFFICE SOUGHT OR HELD		DISTRICT NO.	SUPPORT	OPPOSE	BALLOT NO./LETTER 33		JURISDICTION state
							SUPPORT
							OPPOSE X
<b>2. Independent Expenditures Made</b> Attach additional information on appropriately labeled continuation sheets.							
DATE		DESCRIPTION OF EXPENDITURE				AMOUNT	
6/1/XX		Television ad				\$9,000	

## How to Complete Form 496

### Filer Information

Enter the committee's name, street address, city, state, and zip code.

### Date of This Filing

Indicate the date of filing the report.

### Report Number

Assign a unique number to each late independent expenditure report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

### Number of Pages

Note the number of pages included in the report.

### Name of Candidate/Ballot Measure Supported or Opposed

Part 1. Disclose the name, office sought or held, and the district number, if applicable, of the candidate supported or opposed in the communication, or the name, ballot number or letter, and jurisdiction of the ballot measure supported or opposed. Check the box indicating whether the candidate or ballot measure was supported or opposed by the independent expenditure.

## Independent Expenditures Made

Part 2. Disclose the date the committee made the expenditure, a description of the expenditure, e.g., printing, postage, mail house, etc., and the amount of the expenditure.

## Contributions of \$100 or More Received

Part 3. This section is only applicable to recipient committees. If you are receiving contributions, contact the FPPC for filing assistance.

## Amendments

To amend a previously filed 496 Independent Expenditure Report, file a new Form 496 with the corrected information, a new Report Number, and the "Amendment" box checked. The Report Number assigned to the original report being amended should be entered on the "Amendment to Report No." line. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

### Additional Reports

In addition to the Forms 461, 465, and 496, other reports may be required depending on a committee’s activity, including:

- 497 Contribution Report (Form 497)
- Paid Spokesperson Report (Form 511)
- Special Odd-Year Report (Form 461)
- Report of Communications Identifying State Candidates (Form E-530)

It is important to review where each report must be filed as several of the filing locations may not be the same as the committee’s regular filing locations. If the committee makes contributions totaling \$10,000 in a

calendar year, consult FPPC Campaign Disclosure Manual 5 for Major Donor Committees.

### Electronic Filers

Except where noted, state committees that are required to file campaign statements electronically must file the reports reviewed in this chapter electronically as well as in paper format if the report is required to be filed with the Secretary of State.

If Your Committee	File
Makes contributions totaling \$1,000 or more to a single candidate or primarily formed ballot measure committee during the 16 days before the candidate’s or measure’s election	Form 497
Makes contributions totaling \$1,000 or more to a political party (including central committees) during the 16 days before a state election	Form 497
Makes expenditures of \$5,000 or more for an individual to appear in a ballot measure advertisement	Form 511
Makes payments of \$50,000 or more to “feature” a <b>state</b> candidate 45 days before an election	Form E-530
Makes contribution(s) totaling \$10,000 to <b>state</b> officeholders during the first and third quarters of an odd-numbered year	Form 461

### Late Contributions

**16-Day Contribution Report:** A Form 497 must be filed if, during the last 16 days before an election, a contribution of \$1,000 or more, or multiple contributions aggregating \$1,000 or more, is made to a single candidate or primarily formed ballot measure committee. A Form 497 must also be filed if a committee makes a contribution of \$1,000 or more to a political party (including central committees) during the 16 days before **any** state election.

The Form 497 must be filed in addition to any required preelection or semi-annual statements. Late contributions also must be disclosed on the committee's next campaign statement (Form 461).

### When to File

A late contribution is made on the date the contribution is mailed, delivered, or otherwise transmitted to a candidate or committee. The Form 497 must be filed within 24 hours. The "next business day" rule for filing periodic reports does **not** apply to late statements.

### Where to File

The Form 497 must be filed by fax, guaranteed overnight delivery service, or personal delivery at the same locations where the committee files its campaign statement Form 461. **Regular mail may not be used.**

When a committee that files electronically with the Secretary of State makes a late contribution totaling \$1,000 or more to support or oppose a single state candidate or a single state ballot measure during the 16 days before the election, it must also file Form 497 electronically with the Secretary of State within 24 hours of making the expenditure.

**Form 497**

497 Contribution Report		Type or print in ink. Amounts may be rounded to whole dollars.		497 CONTRIBUTION REPORT	
NAME OF FILER New Ventures, Inc.		Date of This Filing 11/1/XX	Date Stamp	<b>CALIFORNIA FORM 497</b> For Official Use Only	
AREA CODE/PHONE NUMBER 916.333.3333	I.D. NUMBER (if applicable)	Report No. 1			
STREET ADDRESS 345 Stone Way		<input type="checkbox"/> Amendment to Report No. _____ (explain below)	No. of Pages 1		
CITY Sacramento	STATE CA	ZIP CODE 95826			
<b>2. Contribution(s) Made</b>					
DATE MADE	FULL NAME, STREET ADDRESS AND ZIP CODE OF RECIPIENT (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CANDIDATE AND OFFICE OR MEASURE AND JURISDICTION	AMOUNT OF CONTRIBUTION	DATE OF ELECTION (IF APPLICABLE)	
11/1/XX	Smith for Senate 10 I Street Sacramento, CA 95814 #1304521	Jack Smith, Senate District 2	\$2,000	\$2,000	

**How to Complete Form 497**

- Enter the committee’s name, street address, city, state, and zip code.
- Indicate the date of filing this report.
- Assign a unique number to each late contribution report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

For late contributions *made*, provide:

- The date made;
- The recipient’s full name and address;
- Office sought or held (if to a candidate);
- Ballot measure number or letter and jurisdiction (if to a ballot measure committee);
- The date of the election, if a state committee is disclosing a late contribution to a local candidate; and
- The amount of the contribution.

**Amendments**

To amend a previously filed Form 497, file a new Form 497 with the corrected information, a new Report Number, and the “Amendment” box checked. The Report Number assigned to the original report being amended should be entered on the “Amendment to Report No.” line. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

## Chapter 3 — Reporting Requirements

### Form 511

Paid Spokesperson Report			Date Stamp	CALIFORNIA FORM <b>511</b> For Official Use Only
Type or print in ink. Amounts may be rounded to whole dollars.				
NAME OF FILER New Ventures, Inc.		ID # (if required)		
AREA CODE/PHONE NUMBER 916.333.3333	E-MAIL (optional)		<input type="checkbox"/> Amendment (explain)	
STREET ADDRESS 345 Stone Way				
CITY Sacramento	STATE CA	ZIP CODE 95826		
<b>Payments Made</b> Attach additional information on appropriately labeled continuation sheets.				
DATE	NAME AND ADDRESS OF SPOKESPERSON	BALLOT MEASURE SUPPORTED OR OPPOSED (INCLUDE BALLOT NUMBER OR LETTER AND JURISDICTION)	AMOUNT	
5/20/XX	Frank Soto 124 Salem Drive Sacramento, CA 95816	Proposition 33 - state <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	6,000	
		<input type="checkbox"/> Support <input type="checkbox"/> Oppose		
<b>Verification</b>				
I have used all reasonable diligence in preparing this report. I have reviewed the report and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Executed on <u>5/27/XX</u> DATE		By _____ SIGNATURE OF TREASURER/SECRETARY/TREASURER/FILER		

### Paid Spokesperson Report (Form 511)

A Paid Spokesperson Report (Form 511) is filed by an independent expenditure committee that makes expenditures totaling \$5,000 or more for an individual's appearance in a printed, televised, or radio advertisement, or in a telephone message, to support or oppose the qualification, passage, or defeat of a state or local ballot measure. (The advertisement itself also must disclose that the individual is being paid to appear.)

**Example** *A corporation pays \$30,000 for a public relations firm to produce a television advertisement supporting Measure B. A celebrity is paid \$5,000 or more to appear in the ad. The corporation must file the Form 511. In addition, the ad must state that the individual was paid to appear.*

Form 511 must be filed in addition to any other statements the committee is required to file. Payments made to spokespersons

also must be reported on the committee's next campaign statement (Form 461).

### When and Where to File

File Form 511 within 10 days of making payments totaling \$5,000 or more to the individual that will appear in the advertisement(s). File Form 511 in the same location(s) the committee files its campaign statements.

### How to Complete Form 511

#### Payments Made

In the first column, provide the date the payments were made or the services were received, whichever is earlier. In the second column, indicate the name and address of the individual who was paid \$5,000 or more to appear in the advertisement. In the third column, provide the name, number or letter, and jurisdiction of the ballot measure supported or opposed by the advertisement. Finally, in the last column, indicate the total amount of the expenditure.

### Verification

An attorney, a certified public accountant, or a responsible officer of an entity or an entity filing jointly with any number of affiliates may sign the verification on behalf of the entity or entities. However, a statement filed by an individual must be signed by the individual rather than the individual's attorney or certified public accountant. The Form 511 is not considered filed if it is not signed.

### Amendments

To amend a previously filed Form 511, file another Form 511 with the corrected information. Check the "Amendment" box and give a brief description of the amendment. Like the original, the amendment must be signed and dated. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

### Communications Identifying State Candidates (Form E-530)

When an independent expenditure committee makes a payment or a promise of payment totaling \$50,000 or more for a communication that clearly identifies a state candidate who will appear on the ballot of an upcoming election, but the communication does not expressly advocate the election or defeat of that candidate, and the communication is disseminated during the 45 days before the election, a Form E-530 must be filed electronically with the Secretary of State. File Form E-530 within 48 hours of making payments, or promising to make payments, totaling \$50,000 or more. The report must disclose the amount and date of the payment(s), and the name of and office sought by the candidate identified in the communication. A separate report must be filed for each state candidate identified in the communication.

**Example** *The Temple Company purchased billboard space up and down Interstate 5 stating, "Thank You, Governor Romez, for Supporting California's Children." The billboard space was rented for the 30 days prior to the Governor's election. The total cost for design, printing, placement, and space rental was \$65,000 and was paid on October 6. By October 8, the company must file the Form E-530 electronically with the Secretary of State.*

The report must be verified by a written "electronic filing declaration," signed, dated, and verified on the same date that the report is transmitted to the Secretary of State. This declaration must be retained in the committee's records for five years following the date that the campaign report to which it relates is filed. The statement must include the following language:

"I have used all reasonable diligence in preparing this report and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct."

### How to File Form E-530

There is no paper version of the Form E-530. To access the online form, go to the Secretary of State's website ([www.sos.ca.gov](http://www.sos.ca.gov)) and click on "For Filers Only" under Campaign Finance. You must apply for a Filer ID and password using the form provided. Then, from the same location on the website, you can click on the E-530 link to access the form.

### Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

## Chapter 3 — Reporting Requirements

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### Government Code Sections

- 81004 *Reports and Statements; Perjury; Verification.*
- 81004.5 *Reports and Statements; Amendments.*
- 81007 *Mailing of Report or Statement.*
- 82015 *Contribution.*
- 82036 *Late Contribution.*
- 82036.5 *Late Independent Expenditure.*
- 82044 *Payment.*
- 82046 *Period Covered.*
- 84200 *Semi-Annual Statements.*
- 84200.5 *Preelection Statements.*
- 84200.6 *Special Campaign Statements and Reports.*
- 84202.7 *Time for Filing by Committees of Odd-Numbered Year Reports.*
- 84203 *Late Contribution; Reports.*
- 84203.5 *Supplemental Independent Expenditure Report.*
- 84204 *Late Independent Expenditures; Reports.*
- 84211 *Contents of Campaign Statement.*
- 84215 *Campaign Reports and Statements; Where to File.*
- 84303 *Expenditure by Agent or Independent Contractor.*
- 84511 *Ballot Measure Ads; Paid Spokesperson Disclosure.*
- 84605 *Who Shall File Online.*
- 85310 *Communications Identifying State Candidates.*
- 85500 *Independent Expenditures; 24-Hour Disclosure; Coordination.*
- 18450.11 *Spokesperson Disclosure.*
- 18531.10 *Communications Identifying State Candidates.*
- 18539.2 *Reporting Payments Pursuant to Government Code Section 85310.*
- 18550 *Online Disclosure of Independent Expenditures.*
- 18550.1 *Independent and Coordinated Expenditures.*

### Title 2 Regulations

- 18116 *Reports and Statements; Filing Dates.*
- 18215 *Contribution.*
- 18225 *Expenditure.*
- 18423 *Payments for Personal Services as Contributions and Expenditures.*
- 18428 *Reporting of Contributions and Independent Expenditures Required to be Aggregated.*
- 18431 *Reporting of Expenditures by an Agent or Independent Contractor.*

# Chapter 4

## Event Based Reporting for Certain Nonprofits Making Occasional Independent Expenditures to Support or Oppose Ballot Measures

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FPPC Regulation 18413 provides an event based reporting alternative for certain 501(c)(3) and 501(c)(4) organizations (which qualify as recipient committees, as described in Chapter 1) to disclose occasional **independent expenditures** made in connection with state or local ballot measures.

The event based reporting alternative may **not** be used to disclose:

- Contributions to candidates or committees, including contributions to ballot measure committees
- Independent expenditures to support or oppose candidates

### Who May Use the Event Based Reporting Alternative?

An organization may use event based reporting only if the organization meets both of the following criteria:

- The organization has obtained 501(c)(3) or 501(c)(4) tax exempt status from the IRS and if incorporated in California, obtained a tax exempt determination from the California Franchise Tax Board under California Revenue and Taxation Code Section 23701(d) or 23701(f). If the organization is incorporated in a state other than California, it must have obtained the required tax exempt

determination under the laws of the state of incorporation.

- The organization is multipurpose (i.e., it receives donations, membership dues, or other payments for purposes other than making political expenditures in California) and only occasionally makes independent expenditures using donated funds from its general treasury to support or oppose ballot measures in California. “Occasionally makes independent expenditures” means expenditures from the organization’s general treasury totaling, in the aggregate, in a calendar year:
  - Less than \$500,000 to support or oppose four or fewer state ballot measures; or
  - Less than \$50,000 to support or oppose one or more local ballot measures.

### What Are the Advantages of Event Based Reporting?

Generally, the Political Reform Act requires an organization that pays for independent expenditures out of funds received from others to register and file reports as a recipient committee. A multipurpose organization may qualify as a recipient committee when it uses donations, membership dues, or other payments for

making contributions and expenditures to support or oppose state or local candidates or ballot measures. **Carefully review the Multipurpose Organization discussion in Chapter 1 to see if your organization will qualify as a recipient committee.**

Once an eligible 501(c)(3) or 501(c)(4) organization has qualified as a recipient committee, it may choose the event based reporting alternative to disclose occasional independent expenditures to support or oppose state or local ballot measures. An organization that qualifies to use event based reporting is not required to file a Statement of Organization (Form 410) to register or terminate as a recipient committee and is not required to file regular recipient committee semi-annual or preelection campaign statements (Form 460), or the Supplemental Independent Expenditure Report (Form 465) for activities disclosed in event based reports. Instead, the organization may choose to report its independent expenditures and the donors of funds used to make the independent expenditures on the Independent Expenditure Report (Form 496).

Prior to qualifying for event based reporting, an organization may have filing obligations as another type of committee, as described in the following examples:

**Example** *Consumers for Justice, a 501(c)(3) organization, made its first contribution in the amount of \$10,000 to a California state ballot measure committee. The organization had not made a previous contribution to a California candidate or committee. The organization qualified as a major donor committee and must disclose the contribution on the Major Donor and Independent Expenditure Committee Campaign Statement (Form 461). (See FPPC Campaign Disclosure Manual 5.)*

**Example** *Charity for Children is a 501(c)(3) organization that opposes a ballot measure on the November ballot. On*

*June 1, the charity made its first political expenditure in California, a payment of \$20,000 for a mass mailing that urged voters to vote no on the measure. The mailing was produced by the organization independently of any other campaign committee. Charity for Children qualified as an independent expenditure committee. Charity must file a Major Donor and Independent Expenditure Committee Campaign Statement (Form 461) and a Supplemental Independent Expenditure Report (Form 465). (See Chapters 1 and 3.)*

Each organization may qualify as a recipient committee if it makes future contributions or independent expenditures totaling \$1,000 or more and may utilize event based reporting for independent expenditures on ballot measures as long as the organization meets the requirements described on page 4-1.

However, some 501(c)(3) or 501(c)(4) organizations may qualify as recipient committees and not be eligible for event based reporting, as described in the following example:

**Example** *Citizens for Public Libraries is a 501(c)(3) organization that provides educational services to the community. It has not made political expenditures in the past. This year, the organization sent a mailer to its members requesting contributions for the purpose of supporting Measure A, a library bond measure. Citizens will qualify as a recipient committee primarily formed to support a ballot measure once contributions totaling \$1,000 or more are received. As such, it is not considered to be making independent expenditures, and all funds received and spent to support the measure are reportable. Once \$1,000 is received, Citizens must file a Statement of Organization (Form 410) and begin filing reports as a primarily formed ballot measure committee. (See FPPC Campaign Disclosure Manual 3.)*

Some 501(c)(3) or 501(c)(4) organizations that are registered as recipient committees (for example, they have made contributions to other committees) may use event based reporting to disclose occasional independent expenditures made to support or oppose ballot measures, or they may disclose the independent expenditures on their recipient committee reports.

The above examples are only a guide because the manner in which funds are raised and spent may be different for each organization. Contact the FPPC for specific guidance to determine whether your organization will qualify for event based reporting.

### **What Is an Independent Expenditure That Would Qualify for Event Based Reporting?**

An “independent expenditure” is a payment for a communication (a billboard, radio ad, mailing) that expressly advocates the qualification, passage, or defeat of a clearly identified ballot measure, **and** the communication is not made at the behest of a committee formed to support or oppose the ballot measure.

See Chapter 1 for more information regarding when a communication may qualify as a contribution or independent expenditure.

### **Notices on Political Mailings and Broadcasts—Donors of \$50,000 or More**

In addition to the identification requirements discussed in Chapter 2, if the organization is making an independent expenditure in connection with a single or multiple measures listed on the same ballot *and* the organization reports on a Form 496 a donor of \$50,000 or more, the donor’s name may be required to be identified on the advertisement. The communication must include words like “major funding by” and list the most recent top two donors of \$50,000 or

more. See FPPC Regulations 18450.4 and 18450.5 for specific identification rules.

### **Event Based Reporting**

An organization electing to report under the event based reporting method must report an independent expenditure of \$1,000 or more on the 496 Independent Expenditure Report (Form 496). No other form or report is required.

The organization must file electronically with the Secretary of State. If an independent expenditure is made to support or oppose a local measure, a copy must also be filed with the city or county filing officer receiving original statements for the primarily formed ballot measure committees.

The Form 496 must be filed within 10 business days after making an independent expenditure of \$1,000 or more. If the independent expenditure is made during the 90 days preceding a state election or 16 days preceding a local election in which the measure appears on the ballot, the Form 496 is due within 24 hours after making the independent expenditure.

For purposes of filing Form 496, the date an independent expenditure is made is the date the communication is mailed, broadcast, or otherwise disseminated to the public. A payment for a communication that is never disseminated to the public is not an independent expenditure and need not be reported on Form 496.

The organization must maintain records necessary to document the donor contributions and the independent expenditures reported.

## Chapter 4 — Event Based Reporting for Certain Nonprofits

### Form 496

496 Independent Expenditure Report				Type or print in ink. Amounts may be rounded to whole dollars.		496 INDEPENDENT EXPENDITURE REPORT	
NAME OF FILER California Foundation for Endangered Animals Eligible 501(c)3 IE Report				Date of This Filing	5/10/XX	Date Stamp	CALIFORNIA FORM 496 For Official Use Only
AREA CODE/PHONE NUMBER 916.444.1111		I.D. NUMBER (if applicable)		Report No.	1		
STREET ADDRESS 500 A Street (Brad Conner - Officer)				<input type="checkbox"/> Amendment to Report No. _____ (explain below)			
CITY Sacramento	STATE CA	ZIP CODE 95814		No. of Pages	2		
<b>1. List Only One Candidate or Ballot Measure</b>							
NAME OF CANDIDATE SUPPORTED OR OPPOSED				NAME OF BALLOT MEASURE SUPPORTED OR OPPOSED			
OFFICE SOUGHT OR HELD				BALLOT NO./LETTER			
DISTRICT NO.		SUPPORT		OPPOSE		JURISDICTION	
						State	
				26		X	
<b>2. Independent Expenditures Made</b> Attach additional information on appropriately labeled continuation sheets.							
DATE		DESCRIPTION OF EXPENDITURE				AMOUNT	
5/9/XX		radio advertisements				\$30,000	
496 Independent Expenditure Report				496 INDEPENDENT EXPENDITURE REPORT			
NAME OF FILER California Foundation for Endangered Animals Eligible 501(c)3 IE Report						CALIFORNIA FORM 496 I.D. NUMBER (if applicable)	
<b>3. Contributions of \$100 or More Received *</b>							
DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE**	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED	INTEREST RATES		
6/3/XX	Mary Ann Morris 123 Harbor Blvd. Portola, CA 96122	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Veterinarian Plumas County Animal Shelter	\$5,000	If loan, enter interest rate, if any _____ %		
6/4/XX	Chris Haines 28 Palm Drive Bonita, CA 91902	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Doctor Kaiser	\$5,000	If loan, enter interest rate, if any _____ %		

## How to Complete Form 496

### Filer Information

Enter the organization's full name, street address, city, state, and zip code. In addition, include the designation "Eligible 501(c)(3) IE Report" or "Eligible 501(c)(4) IE Report" in the "Name of Filer" field. The report must also include the name of a current officer, director, or trustee of the organization listed on the organization's IRS Form 990, who will be responsible for the accuracy and completeness of the report.

### Date of This Filing

Indicate the date of filing the report.

### Report Number

Assign a unique number to each independent expenditure report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

### Name of Ballot Measure Supported or Opposed

Part 1. Disclose the name of the ballot measure, the number or letter, and jurisdiction of the ballot measure supported or opposed. Check the box indicating whether the ballot measure was supported or opposed by the independent expenditure.

### Independent Expenditures Made

Part 2. Disclose the date, a description of the independent expenditure (e.g., radio advertisement, billboard, mailing) and the amount.

### Contributions Received

Part 3. Disclose each individual or entity that made a donation to the organization's general treasury if \$100 or more of the donor's payment was used to pay for the independent expenditure.

- If a donor knew his or her payment to the organization would be used for an independent expenditure, the entire amount of the donor's payment must be disclosed.
- If only a part of a donor's payment was used, the organization may use any reasonable method that accurately reflects the sources of funds for the expenditure, such as apportioning the donor's payments, or using the last in, first out, accounting method. Once the organization selects an accounting method, it must continue to use the same method and a detailed record must be kept.

Disclose the name and street address of the donor and if the donor is an individual, his or her occupation and the name of his or her employer. If the donor is self-employed, disclose the name of the business. Also disclose the date and amount of the payment. Enter the interest rate for loans.

Donor payments to the organization that must be itemized include only those donations received after the organization made its first expenditures or contributions totaling \$1,000 or more in a calendar year (i.e., it established a history of making expenditures or contributions in California). Prior to that time, donors are presumed not to know that their payments would be used for independent expenditures or contributions in California. If in fact the donors had no knowledge, the organization is not required to disclose information about those donors. Once a history is established, subsequent independent expenditures require donor disclosure.

**Example** *A 501(c)(3) organization has never made a contribution or independent expenditure in connection with a California candidate, committee, or ballot measure. The organization opposes a ballot*

*measure on the November ballot. On June 1, using funds in its general treasury, the organization made its first expenditure of \$5,000, a contribution to the committee primarily formed to oppose the measure. In September, the organization makes its second political expenditure, a \$20,000 independent expenditure. The Form 496 must be filed within 10 days and disclose the independent expenditure and the donors of \$100 or more that contributed to the general treasury since June 2<sup>nd</sup> whose funds were used to pay for the \$20,000 independent expenditure. Itemize each donor to the organization if \$100 or more of the donor's payment was used to pay for the independent expenditure.*

### Amendments

To amend a previously filed 496 Independent Expenditure Report, file a new Form 496 with the corrected information, a new Report Number, and the "Amendment" box checked. The Report Number assigned to the original report being amended should be entered on the "Amendment to Report No." line. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment with the Secretary of State and the local filing official if applicable.

### Answering Your Questions

- Q. *A non-profit organization made an independent expenditure of \$400,000 in connection with a state measure and \$10,000 in connection with a local measure. Must the expenditures be aggregated for purposes of determining if the organization can use the event based reporting procedure?*
- A. No, the regulation does not require aggregation of the amounts to state and local measures.

- Q. *A nonprofit organization has made contributions and independent expenditures in prior years and is registered as a California recipient committee. May the organization use the event based reporting option to disclose independent expenditures it makes to support or oppose ballot measures?*
- A. Yes, as long as the organization's activity meets the requirements for event based reporting. That is, the organization makes only occasional independent expenditures to support or oppose ballot measures as described in this chapter and it makes those expenditures from funds donated to its general treasury. Independent expenditures to support or oppose candidates and all contributions to candidates and committees must still be disclosed on the organization's recipient committee statements (Form 460). The organization may choose to disclose its ballot measure expenditures on those reports as well, instead of using the event based reporting option.
- Q. *A qualified non-profit organization has been approached by a slate mailer organization (SMO) for \$200,000 to list a state measure on a slate mailer. The SMO states the payment will be an independent expenditure. Can the organization use the event based reporting procedure?*
- A. Yes, as long as the payment to the SMO is for an independent expenditure. The organization may not use event based reporting if the payment was made at the behest of the ballot measure committee. (The organization may only use event based reporting if it had made a political expenditure in the current or prior four years of \$1,000 or more.)
- Q. *A qualified non-profit organization on November 1 made a \$15,000 contribution from its general treasury to a committee primarily formed for a state measure listed on the June ballot of the following year. This was the first contribution the organization had made in California. In February, the organization made an independent expenditure of \$200,000 in connection with the same state measure. What are the reporting obligations?*
- A. On or before January 31<sup>st</sup>, the organization must file a campaign report, Form 461, as a state major donor. In February, the organization qualifies for the event based reporting procedure and must file Form 496, within 10 days. The organization must identify the donors since November 2<sup>nd</sup> whose donations paid for the \$200,000 independent expenditure. Each donor who contributed \$100 or more must be identified on the Form 496. Records must be maintained that verify the accounting method used. If a donor made a payment to the general treasury for the purpose of making the independent expenditure, disclose the full amount of the donor's payment.
- Q. *An organization received a federal grant on the condition that funds could not be used for political purposes. The organization had chosen the accounting method, last in, first out, to determine which donor payments were used for an independent expenditure. If the grant was the most recent receipt to the general treasury, must the federal government be listed as a donor?*
- A. No, as long as the organization has a written contract. Organizations should contact the FPPC for guidance because an exception to the accounting method to apportion payments must be determined on a case by case basis.
- Q. *A non-profit organization is incorporated as a Section 501(c)(4) corporation with the IRS. The organization was*

*incorporated in January and plans to make independent expenditures in the next 60 days. Is there a time period before a new organization making independent expenditures may use the event based reporting procedure?*

- A. Regulation 18413 states the organization must be a multipurpose organization. Although the regulation does not define multipurpose, the organization should contact the FPPC for written advice before using the event based procedure. An organization that just recently received non-profit status and has not established a track record of spending that would establish it as a multipurpose organization should not assume it will qualify for event based reporting.

### **Authority**

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

#### **Government Code Sections**

- 82013     *Committee.*  
82031     *Independent Expenditure.*

#### **Title 2 Regulations**

- 18413     *Reporting Independent Expenditures by Eligible 501(c)(3)/501(c)(4) Organizations.*  
18450.4   *Contents of Disclosure Statements. Advertisement Disclosure.*  
18450.5   *Amended Advertising Disclosure.*

# Appendix

## About the Political Reform Act

### How to Get Help

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#### The Political Reform Act of 1974

The Political Reform Act (the “Act”) was a voter-approved initiative on the 1974 primary election ballot. One of the major provisions of the Act requires the disclosure of campaign contributions and expenditures during elections.

#### The Fair Political Practices Commission

The Fair Political Practices Commission is the independent, nonpartisan state agency authorized to implement, interpret, and enforce the provisions of the Political Reform Act. A full-time chair appointed by the Governor, and four part-time commissioners, one each appointed by the Controller, the Attorney General, the Secretary of State, and the Governor comprise the Commission. Each member serves a four-year term and no more than three members may be from the same political party. Commission staff is composed of four divisions: Administration, Enforcement, Legal, and Technical Assistance.

#### Governing Statutes

The Political Reform Act is contained in Government Code Sections 81000-91014.

#### Regulations

Regulations interpreting the Political Reform Act are located at Title 2, Division 6 of the California Code of Regulations, beginning at Section 18109.

#### Opinions and Advice Letters

The Commission periodically issues opinions interpreting provisions of the Political Reform Act. The opinions are adopted at a public

meeting, with opportunity for input from interested persons.

In addition, FPPC staff issues written advice letters as to the applicability of the Political Reform Act and regulations to a particular factual situation. See the FPPC publication “Requesting Advice From the FPPC” available on our website.

FPPC staff does not provide advice by e-mail.

#### Obtaining Information from the FPPC

Write, call, or visit the FPPC to get copies of specific advice letters or to be put on our mailing lists.

Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814  
(916) 322-5660 – Toll-free (866) 275-3772

#### Website

The Commission’s website ([www.fppc.ca.gov](http://www.fppc.ca.gov)) contains a wealth of helpful information, including:

- The Political Reform Act and its corresponding regulations
- Commission opinions
- Notices of Commission meeting dates and agendas, supporting documentation for agenda items, and meeting summaries
- Forms required by the Act (also available at the FPPC’s offices, the Secretary of State’s Office, and many local clerks’ offices)
- Manuals, fact sheets, and useful summaries of the law

### **Additional Campaign Manuals**

Additional copies of this manual, and manuals for other types of campaign committees are available from the Commission, the Secretary of State, and many city clerks or county registrars. Manuals are available for:

- State candidates and officeholders, and committees primarily formed to support/oppose candidates
- Local candidates and officeholders, and committees primarily formed to support/oppose candidates
- Ballot measure committees
- General purpose recipient committees
- Major donor committees
- Political party committees
- Slate mailer organizations

### **Computer Generated Statements**

Interactive campaign forms may be found at the Commission's website at [www.fppc.ca.gov](http://www.fppc.ca.gov). Contact the Secretary of State at [www.sos.ca.gov](http://www.sos.ca.gov) for information on state electronic filings.

In lieu of using official FPPC forms, candidates and committees may produce their own computer-generated form using FPPC's format. Contact the Commission for further information.

Local candidates are not required to file campaign statements electronically unless they are running for state office. However, some local jurisdictions require electronic filing. Check with your local filing officer.

### **Obtaining Information Elsewhere**

A subscription for regulations is available from:

Barclay's Law Publishing  
P.O. Box 3066

South San Francisco, CA 94083  
(800) 888-3600

Opinions and advice letters are available from these subscription services:

Westlaw (800) 328-9352  
Database: "CA-ETH"  
(Advice letters from 1986 to present)

Lexis-Nexis (800) 227-9597  
Database: "CA Fair Political Practices Commission"  
(Advice letters from 1990 to present)

### **Other Resources**

The Secretary of State, city clerks, and county clerks or registrars of voters are the filing officers for campaign disclosure statements. Committee statements will be filed with the Secretary of State or a local clerk or registrar depending on whether the filer is a state candidate, a candidate running for local election, or a state or local committee.

### **Secretary of State**

The Secretary of State is also responsible for issuing campaign committee identification numbers.

(916) 653-6224  
(916) 653-5045  
[www.sos.ca.gov](http://www.sos.ca.gov)

### **Federal Election Commission**

The Federal Election Commission answers questions regarding federal elections and contributions to all candidates from national banks, national corporations, and foreign nationals.

(800) 424-9530 (located in Washington, D.C.)  
[www.fec.gov](http://www.fec.gov)

### Franchise Tax Board

The Franchise Tax Board is responsible for responding to questions regarding 501(c)(3) and 501(c)(4) tax status, tax-deductibility of political contributions, audits, or any tax-related questions.

(800) 852-5711 or (800) 338-0505  
[www.ftb.ca.gov](http://www.ftb.ca.gov)

### Internal Revenue Service

The Internal Revenue Service provides assistance regarding federal tax laws and obtaining a taxpayer identification number.

(877) 829-5500 (located in Washington, D.C.)  
(800) 829-3676 (taxpayer ID number)  
[www.irs.gov](http://www.irs.gov)

### Federal Communications Commission

The Federal Communications Commission can answer questions regarding rates for purchasing broadcast time and equal access to broadcast media.

(888) 225-5322 or (202) 418-1440 (located in Washington, D.C.)  
[www.fcc.gov](http://www.fcc.gov)  
email: [fccinfo@fcc.gov](mailto:fccinfo@fcc.gov)

### Local Ordinances

A city or county officeholder, candidate, or committee may be subject to additional reporting or other requirements. This is because cities and counties may enact ordinances that impose additional or different disclosure requirements. For example, there may be contribution limits, lower itemization thresholds, or an additional preelection statement, just to mention a few.

A city or county campaign ordinance may never preempt state law. Enforcement and interpretation of a local ordinance is the responsibility of the local jurisdiction. The Commission is not empowered to give advice concerning local ordinances.

### Privacy Information Notice

Information requested on all FPPC forms is used by the FPPC to administer and enforce the Political Reform Act (Government Code Sections 81000-91014 and California Code of Regulations sections 18109-18997). All information required by these forms is mandated by the Political Reform Act. Failure to provide all of the information required by the Act is a violation subject to administrative, criminal, or civil prosecution. All reports and statements provided are public records open for public inspection and reproduction.

If you have any questions regarding this Privacy Notice please contact the FPPC.

General Counsel  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814  
(916) 322-5660

Campaign statements are filed with the Secretary of State and city and county filing officers.

### Enforcement

The Fair Political Practices Commission, the Attorney General, county district attorneys, and elected city attorneys of charter cities have enforcement authority under the Act.

Failure to provide all or any part of the information required by the Political Reform Act is a violation subject to:

- An administrative enforcement proceeding before the Fair Political Practices Commission;
- A criminal misdemeanor proceeding;
- A civil action; and
- Levying of late penalties by filing officers.

Penalties for violations of the Act, including not filing campaign statements, may be imposed up to \$5,000 per violation.



**State of California**

**Fair Political  
Practices Commission**

*How To Contact Us:*

*By mail:*

Fair Political Practices Commission  
428 J Street, Suite 620  
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