



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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MEMORANDUM

To: Chair Remke and Commissioners Casher, Eskovitz, Wasserman, and Wynne

From: Lynda Cassady, Chief of Technical Assistance Division

Subject: Revisions to Manual 4 – General Purpose Committees and Manual 6 – Information for Independent Expenditure Committees

On Tuesday, January 13, 2015, I received comments from Lacey Keys, Olson, Hagel and Fishburn, LLP, and from Chip Nielsen, Nielsen, Merksamer, Parrinello, Gross and Leoni, LLP. To incorporate those comments, the following changes are recommended to Manual 4 (General Purpose Committees) and Manual 6 (Information for Independent Expenditure Committees.) The suggestions were reviewed with Hyla Wagner, Senior Legal Counsel.

Manual 4 – General Purpose Committees

- Suggest adding an example that organizations that spend less than \$10,000 have no reporting requirements. The following will be added:

Nonprofit Makes Political Contribution under \$10,000. If a nonprofit or other multipurpose organization makes a small contribution of under \$10,000 in a 12-month period, it is not required to file campaign reports. For example, a local nonprofit organization, Friends of Creekside Park, makes a \$5,000 contribution to a regional open space ballot measure. The nonprofit organization does not have filing obligations under the Act. The group's \$5,000 contribution is under the \$10,000 threshold for major donor filing and under the \$50,000/12 months threshold for a multipurpose organization filing as a recipient committee.

- A federal political committee must specifically state on its report that itemized contributors to the committee are available at the Federal Election Commission's website. The manual will state that this is the preference that this statement be listed on Form 460, Schedule A, but a memo field is permissible.
- Reporting on a Sponsored Committee Report. Language will clarify that a multipurpose organization can report on its sponsored PAC report even if the organization receives a refund of more than \$10,000. The restriction in the law only applies to dues type payments of more than \$10,000.
- Out-of-State Committees, other than Federal Committees. The current draft manual states that such committees list contributors under the last in, first out (LIFO) method to identify donors in the amount equal to the California expenditures. This will be changed to explain that such committees must identify all contributions in the same manner as other California political committees.

Manual 6 – Information for Independent Expenditure Committees

- We will clarify the timing of reporting an independent expenditure ("IE") on a Form 461. The payments are reportable on the subsequent report following the dissemination of the communication.