PAC Filing Guidelines

Fair Campaign Practices Act ◆ Election 2022

Elections Division ◆ Office of the Secretary of State ◆ State of Alabama
John H. Merrill, Secretary of State

POLITICAL ACTION COMMITTEE (PAC)

Alabama's Fair Campaign Practices Act (FCPA) defines a political action committee as:

Any political committee, club, association, political party, or other group of one or more persons, whether in-state or out-of-state, which receives or anticipates receiving contributions and makes or anticipates making expenditures to or on behalf of any Alabama state or local elected official, proposition, candidate, principal campaign committee, or other political action committee ... [Code of Alabama, 1975, § 17-5-2(a)(13)]

STATEMENT OF ORGANIZATION

A political action committee (other than a principal campaign committee formed by a candidate) must file a Statement of Organization within 10 days of receiving contributions or making expenditures in an aggregate that exceeds $1,000, or within 10 days of anticipating receiving contributions or making expenditures in an aggregate that exceeds $1,000. All PACs must file the Statement of Organization and subsequent campaign finance reports with the Secretary of State's Office.

FILING ELECTRONICALLY

1. Go to fcpa.alabamavotes.gov and click on the "Political Action Committee Registration" button.
2. The Statement of Organization of Political Action Committee page will open. Please enter the date, then complete the Committee Name, Address of Committee, Email, Duration of PAC, Purpose of PAC, Manner in which residual funds will be disposed, and add Committee Members.
3. After adding all of the PAC information and committee members, click the red "Submit" button at the bottom right corner of the page.
4. The screen will indicate "Your registration has been submitted." Click on the "**Click here to view and print a copy of this filing**" link. Print and sign the completed form. The Chairperson or Treasurer must sign the form. Make a copy of the signed form for your records. Mail the original signed form to the Elections Division. (ELECTIONS DIVISION, ALABAMA SECRETARY OF STATE, P. O. BOX 5616, MONTGOMERY, AL 36103-5616)
5. Once the signed Statement of Organization Form is approved, the account will be activated. The committee members will each receive their login credentials (username and pin) in two (2) separate emails.

NOTIFICATION OF MATERIAL CHANGE

Changes in officers, phone number, address, or a name change for a political action committee must be reported within 10 days of the change. [§ 17-5-5(c)] All PACs must submit the updated information to the Secretary of State through the online FCPA filing system.

PAC POINTS

- The FCPA requires that receipts and canceled checks must be kept for two years from the date of expenditure. [§ 17-5-3(d)]
- The law specifies that the political committee's money shall not be commingled with any personal funds of officers, members or associates of the political committee. [§ 17-5-3(b)]

ADVERTISING

When a PAC sponsors any political advertising for or against a candidate or ballot issue, the advertising must be clearly identified by the PAC. For more information, please see Campaign Advertising Guidelines, available on the Secretary of State's website.
www.alabamavotes.gov

FEDERAL ELECTIONS

PACs participating in federal elections are subject to federal campaign finance laws and regulations. These PACs should contact the Federal Election Commission for further information.

1-800-424-9530
Federal Election Commission
999 E. Street, NW
Washington, DC 20463
www.fec.gov

FILING FINANCIAL DISCLOSURE REPORTS

PACs are required to file when they participate in an election, or have raised or spent more than $1,000 to influence the election. However, all PACs must file the Annual Report that is due by January 31st of each year. [§ 17-5-8(b)] Please remember all late filings are subject to civil penalties. Please see Code of Alabama 1975, [§ 17-5-19.1] for details on civil penalties that may be levied against a committee.

TYPES OF REPORTS

Pre-Election Reports

Campaign finance reports are filed at specific times (§ 17-5-8):

- **Monthly reports** are due on the second business day of the subsequent month beginning 12 months prior to any Primary, Special, Runoff, or General Election, once the PAC receives contributions or makes expenditures with a view toward influencing the election's result.
- **Weekly reports** are due on the subsequent Monday for each of the 4 weeks prior to the election.
- **Daily reports** are due on that day, beginning eight (8) days prior to the election, if the PAC receives or spends funds in excess of $5,000 with a view toward influencing the election's results, for any legislative, state school board, or statewide election (applies to only a legislative, state school board, or statewide election).
- **Major contribution reports** are due when the PAC receives any single contribution of $20,000 or more. A report is due within two (2) business days of receipt of the contribution if it is not included in a monthly, weekly, or daily report.

On the summary page, the report should include the amount of cash on hand at the beginning of the reporting period, a total of all contributions and expenditures made during the reporting period, and the ending balance.

Note: Once total contributions from or expenditures to a specific entity exceeds $100, contributions or expenditures received or expended during the reporting period are to be itemized and will appear on pages 2 through 6 of the report.

Annual Reports

An **Annual Report** is required every year that a committee is in existence, unless the committee is filing monthly reports in the current election cycle. This **Annual Report** may be filed after January 1st, but must be filed no later than January 31st. ***All PACs that are active at the end of the calendar year, and have not dissolved their political action committee must file this report.***

The summary page for the annual report includes two sections:

- **Section I:** The candidate uses this section to report any activity since their last filing. The beginning balance is the ending balance from the last report filed. Forms 2 through 6 are used to itemize any contributions and expenditures that have not previously been reported.
- **Section II:** In this section, the candidate reports the total contributions and expenditures for the calendar year. The beginning balance is the ending balance from the last annual report filed.

DUPLICATE REPORTS

Each report must include all reportable transactions occurring since the most recent prior report; however, duplicate reporting is not required by this section.

- A political action committee that is required to file a daily report is not required to also file a weekly report for the week preceding the election.
- A political action committee required to file a weekly report is not required to also file a monthly report in the month in which the election is held.
- A political action committee required to file a monthly report is not required to also file an annual report in the year in which the election is held.

ELECTRONIC FILING SYSTEM INSTRUCTIONS

OPTING INTO A FILING CALENDAR

1. Log into your account at fcpa.alabamavotes.gov, by clicking the red "Registered User Login" button.
2. Find the box outlined in light gray that states "Need to begin filing reports that are not shown in the Reports Due list below?" and click on the "Click Here" link.
3. Click the link for the reports you need added. (First link is for monthly/weekly filing schedule, second link is for Daily Reports, and third link is for the Annual Reports.)
4. Click on the drop-down box below "Participating in Election" and select the appropriate election.
5. Next, select the type of election by clicking on the corresponding button below the drop-down box.
   a. Primary and General
   b. General Only
   c. Runoff
6. Finally, enter the date on which you met the required filing threshold (raising or spending in excess of $1,000 to influence an election) in the "Need to report activity as of this date" section. A calendar will appear on the screen. Use the calendar to input the date. Then click the "Assign Schedule" button.
7. Your filing schedule will appear in the "Reports Due" sections on the "Overview" page and the "File Reports" page.

INPUTTING CONTRIBUTIONS/INKIND, OTHER RECEIPTS, AND EXPENDITURES

1. Click on the "Transactions" tab and select "Contributions/InKind" from the drop-down menu.
   a. Click the red "Add" button.
   b. Complete the required information for the contribution and then click the "Save" button.
2. Click on the "Transaction" tab and select "Other Receipts" from the drop-down menu.
   a. Click the red "Add" button.
   b. Complete the required information for the Other Receipts transaction (Loans, Interest, Refunds, etc.) and then click the "Save" button.
3. Click on the "Transaction" tab and select "Expenditures" from the drop-down menu.
   a. Click on the red "Add" button.
   b. Complete the required information for the expenditures and then click the "Save" button.
   c. Committee Credit Card Transactions *(PAC Credit Cards Only)*: Click on the drop-down box under "Expenditure Type" and select "Line of Credit Expenditure" to report the actual date and purpose of the credit card transaction. This will appear on Form 6 when the report is filed. When making a payment to the committee credit card for transactions reported on Form 6, click on "Expenditure Type" and select "Itemized" from the drop-down menu. Then click on "Purpose" and select "Loan Repayment" from the drop-down menu.

MAJOR CONTRIBUTIONS

When a major contribution of $20,000 or more is entered in as a Contribution or Other Receipt, the system will automatically add a Major Contribution Report under the "File Reports" tab under the "Reports Due" section, unless the major contribution is included in a monthly, weekly, or daily report. If the report is not automatically added to your reports due list, you can opt into the report. This type of contribution must be disclosed within two (2) business days of receipt.

REVIEWING AND FILING REPORTS

1. Click on the "File Reports" tab at the top of the page.
2. Go to "Reports Due" then click on the red "View/File" for the report that is due.
3. Check to make sure all Contributions, Other Receipts, and Expenditures are listed on the report. To preview the full report, click on the red "Preview" button on the bottom left of the "Campaign Finance Report" page.
4. Then click the red "File" button on the bottom right of the "Campaign Finance Report" to file your report.
   Note: If there are transactions listed below your report, under "Unfiled Transactions Prior to this Reporting Period", please amend the reports the transactions should have been included on prior to filing the current report.
5. To check to see if your report has been filed, click the "File Reports" tab at the top of the page, and look under the "Filing History" to find the report.

AMENDING REPORTS

1. Correct any errors under the Contributions/InKind, Other Receipts, and Expenditures tabs.
2. Click on the "File Reports" tab and go to Filing History. Then find the report that needs to be amended, and click on the blue "Amend" link.
3. If the dollar amount changed in the amended report, the system will automatically amend all subsequent reports.

NOTE: If you delete a transaction, the system will create an offset to that transaction. You must amend the report on which the transaction was originally reported.

DISSOLVING A POLITICAL ACTION COMMITTEE

Once a PAC becomes inactive, the chairperson should dissolve the committee by filing the **Statement of Dissolution Form** <u>and</u> **Termination Report** electronically with the Secretary of State**. The Statement of Dissolution** ***<u>form must be accompanied by</u>*** **a Termination Report** detailing all contributions and expenditures not previously reported and indicating how any excess funds will be distributed. [§ 17-5-5(d)]

NOTE: The Secretary of State shall have the authority to dissolve or terminate any political action committee that has maintained a zero balance for one (1) calendar year after providing a 90-day notice of intent to do so by certified mail with return receipt. [§ 17-5-5(d)]

FILING THE STATEMENT OF DISSOLUTION AND TERMINATION REPORT

1. All past due reports or a current report that is due must be filed before dissolving.
2. The ending balance of the account must be **<u>zero</u>**. Make sure that all transactions have been entered under the appropriate tabs.
3. Once you have entered all transactions to date, click on the "File Reports" tab. Scroll to the bottom of the page, to the "Supplemental Forms" section. Find "Statement of Dissolution" and then click on the blue "Submit" link on the right side of that line. This will open the "Statement of Dissolution". Please enter the date of dissolution and then click the red button labeled "Continue to Termination Report" on the right lower corner of the screen. Your Termination Report will open.
4. Review the Termination Report. Make sure that there is a **<u>zero balance</u>** on the bottom of the report. Then click on the red "File" button on the bottom right of the Termination Report.
5. After the Termination Report has been filed, click on the "Administration" tab at the top of the screen. Make sure that the committee is listed as dissolved. It should appear in small, black writing near the committee name and other contact information.

NOTE: If you do not properly dissolve/terminate the committee, you will be required to file Annual Reports by January 31st of each calendar year.

PROHIBITED SOURCES & DISTRIBUTION OF FUNDS

The FCPA prohibits a PAC from making expenditures to or receiving contributions from the following types of entities [§ 17-5-15(b)]:

- Other PACs
- 527 Organizations

NOTE: A PAC that is not a principal campaign committee may make contributions, expenditures, or other transfers of funds to a principal campaign committee (PCC). However, the FCPA prohibits principal campaign committees (PCCs) from making contributions, expenditures, or other transfers of funds to PACs. [§ 17-5-15(b)]