



Public Funding of Presidential Elections Federal Election Commission (<http://www.fec.gov/pages/brochures/pubfund.shtml>)

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On April 3, 2014, President Obama signed legislation that will end public funding of national nominating conventions. This brochure should be read in tandem with the new law. ([Public Law No: 113-94](#))

Introduction



This brochure gives a brief history of Presidential election public funding and an overview of how the process works. The brochure also explains the ways individuals may support publicly funded Presidential candidates and the various materials on Presidential campaign finance available from the Federal Election Commission.

The brochure was written to help students, reporters and other members of the general public understand the basics of public funding. It was not written for Presidential candidates and committees that wish to apply for public funds. They should consult the federal public funding laws and Commission regulations.

What is Public Funding?

Public funding of Presidential elections means that qualified Presidential candidates receive federal government funds to pay for the valid expenses of their political campaigns in both the primary and general elections. National political parties also receive federal money for their national nominating conventions.

When and How Did it Begin?

The Federal Election Commission administered the first public funding program in 1976. Eligible Presidential candidates used federal funds in their primary and general election campaigns, and the major parties used public funds to pay for their nominating conventions. Legislation for public financing of Presidential candidates was first proposed, however, in 1907. In his State of the Union message that year, President Theodore Roosevelt recommended public financing of federal elections and a ban on private contributions.

In 1966, Congress enacted the first public funding legislation, but suspended it a year later. That law would have made U.S. Treasury funds available to eligible nominees in the Presidential general election through payments to their political parties. Funds would have come from a Presidential Election Campaign Fund in the U.S. Treasury consisting of dollars voluntarily checked off by taxpayers on their federal income tax returns. A subsidy formula would have determined the amount of public funds available to eligible candidates.

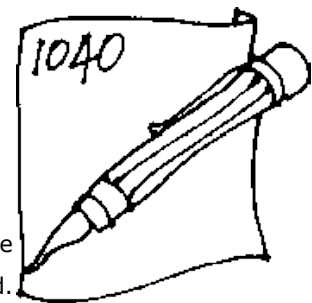
In 1971, Congress adopted similar provisions, which formed the basis of the public funding system in effect today. Under the 1971 Revenue Act,¹ the nominee, rather than the party, receives the public funds accumulated through the dollar checkoff. The Revenue Act also placed limits on campaign spending by Presidential nominees who receive public money and a ban on all private contributions to them.

In a parallel development, Congress passed the 1971 Federal Election Campaign Act,² which required full, detailed reporting of campaign contributions and expenditures by all federal candidates, including Presidential candidates. The 1974 Amendments³ to the Federal Election Campaign Act completed the system we now have for public financing of Presidential elections. Those Amendments extended the public funding provisions of the Revenue Act to Presidential primary elections⁴ and the Presidential nominating conventions of national parties. Court challenges to the expenditure limits followed soon after Congress passed the 1974 Amendments. However, the Supreme Court, in two separate suits, first implied and later affirmed that expenditure limits for publicly funded Presidential candidates are constitutional. (See *Buckley v. Valeo* (1976) and *Republican National Committee v. FEC* (1980).) In 1976, Congress made minor changes to the public funding provisions and in 1979 and 1984 increased the public funding entitlement and spending limit for national nominating conventions.⁵

How Does Public Funding Work?

To qualify for public funding, Presidential candidates and party convention committees must first meet various eligibility requirements, such as agreeing to limit campaign spending to a specified amount. Once the Federal Election Commission determines that eligibility requirements have been met, it certifies the amount of public funds to which the candidate or convention committee is entitled.

The U.S. Treasury then makes the actual payments from the Presidential Election Campaign Fund. This fund consists of dollars voluntarily checked off by taxpayers on their federal income tax returns. ***(In 1993, the taxpayer checkoff was increased from \$1 to \$3. Public Law 103-66) The checkoff neither increases the amount of taxes owed nor decreases any refund due for the tax year in which the checkoff is made.***



Primary Matching Funds

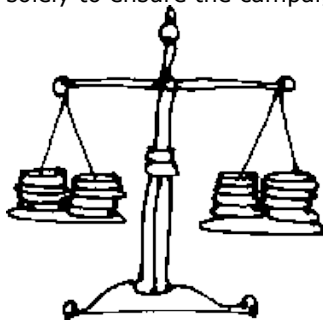
Partial public funding is available to Presidential primary candidates in the form of matching payments. The federal government will match up to \$250 of an individual's total contributions to an eligible candidate.

Only candidates seeking nomination by a political party to the office of President are eligible to receive primary matching funds. In addition, a candidate must establish eligibility by showing broad-based public support. He or she must raise in excess of \$5,000 in each of at least 20 states (i.e., over \$100,000). Although an individual may contribute up to \$2,700 to a primary candidate, only a maximum of \$250 per individual applies toward the \$5,000 threshold in each state.

Candidates also must agree to:

- Limit campaign spending for all primary elections to \$10 million plus a cost-of-living adjustment (COLA).⁶ This is called the national spending limit.
- Limit campaign spending in each state to \$200,000 plus COLA, or to a specified amount based on the number of voting age individuals in the state (plus COLA), whichever is greater.
- Limit spending from personal funds to \$50,000.

The campaign finance law exempts the payment of some expenses from the spending limits. Certain fundraising expenses (up to 20 percent of the expenditure limit) and legal and accounting expenses incurred solely to ensure the campaign's compliance with the law do not count against the expenditure limits.



Once they have established eligibility for matching payments, Presidential candidates may receive public funds to match contributions from individual contributors, up to \$250 per individual. The contributions must be in the form of a check or money order. (Purchases of tickets to fundraisers and contributions collected through joint fundraising are matchable contributions, but loans, cash contributions, goods or services, contributions from political committees and contributions which are illegal under the campaign finance law are **not** matchable.)

Even if they no longer campaign actively in primary elections, candidates may continue to request public funds to pay off campaign debts until late February or early March of the year following an election. (However, to qualify for matching funds, contributions must be deposited in the campaign account by December 31 of the election year.) Eligible candidates may receive public funds equaling up to half of the national spending limit for the primary campaign. Because candidates receive many nonmatchable contributions, such as those from political committees, they generally raise more money than they receive in matching funds.

General Election Funding

The Presidential nominee of each major party may become eligible for a public grant of \$20 million (plus a cost-of-living adjustment) for campaigning in the general election.⁷ To be eligible to receive the public funds, the candidate must limit spending to the amount of the grant and may not accept private contributions for the campaign. Private contributions may, however, be accepted for a special account maintained exclusively to pay for legal and accounting expenses associated with complying with the campaign finance law. These legal and accounting expenses are not subject to the expenditure limit.

In addition, candidates may spend up to \$50,000 from their own personal funds. Such spending does not count against the expenditure limit.

Minor party candidates and new party candidates may become eligible for partial public funding of their general election campaigns. (A minor party candidate is the nominee of a party whose candidate received between 5 and 25 percent of the total popular vote in the preceding Presidential election. A new party candidate is the nominee of a party that is neither a major party nor a minor party.) The amount of public funding to which a **minor** party candidate is entitled is based on the ratio of the party's popular vote in the **preceding** Presidential election to the average popular vote of the two major party candidates in that

election. A **new** party candidate receives partial public funding **after** the election if he/she receives 5 percent or more of the vote. The entitlement is based on the ratio of the new party candidate's popular vote in the **current** election to the average popular vote of the two major party candidates in the election.

Although minor and new party candidates may supplement public funds with private contributions and may exempt some fundraising costs from their expenditure limit, they are otherwise subject to the same spending limit and other requirements that apply to major party candidates.

Expenditure Limits for Publicly Funded Candidates*

	Primary Candidates	General Election	
		Major Party Nominees	Minor/New Party Nominees
National Spending Limit	\$10 mil. + COLA**	\$20 mil. + COLA	\$20 mil. + COLA
State Spending Limit	The greater of \$200,000 + COLA or \$0.16 x state VAP***	None	None
Exempt Fundraising Limit	20% of national limit	Not applicable	20% of national limit
Maximum Public Funds Candidate May Receive	50% of national limit	Same as national limit	Percentage of national limit based on candidate's popular vote.
National Party Spending Limit for Candidate****	Not applicable	\$0.02 x VAP of U.S. + COLA	\$0.02 x VAP of U.S. + COLA
Limit on Spending from Candidate's Personal Funds	\$50,000	\$50,000	\$50,000

To see Presidential primary matching fund submission dates for 2016, [click here](#).

To see the Presidential spending limits for 2016, [click here](#).

To see the Presidential spending limits for 2012, [click here.](#)

To see the Presidential spending limits for 2008, [click here.](#)

To see the Presidential spending limits for 2004, [click here.](#)

*Legal and accounting expenses incurred solely to ensure the campaign's compliance with the law are exempt from all expenditure limits.

**Spending limits are increased by the cost-of-living adjustment (COLA), which the Department of Labor calculates annually using 1974 as the base year.

***VAP is the Voting Age Population, which the Department of Commerce calculates annually.

****The national committee of a political party may make special, limited expenditures, called coordinated party expenditures or 441a(d) expenditures, on behalf of its Presidential nominee, even if the nominee does not accept public funds. Coordinated party expenditures are not considered contributions and do not count against a publicly funded campaign's candidate expenditure limit.

Convention Funding

(NOTE: On April 3, 2014, President Obama signed legislation that will end public funding of national nominating conventions.)

Each major political party is entitled to \$4 million (plus cost-of-living adjustments)⁸ to finance its national Presidential nominating convention. A qualified minor party may become eligible for partial convention funding based on its Presidential candidate's share of the popular vote in the preceding Presidential election.

A party convention committee may not spend more than the amount to which the major party is entitled. Contributions may be accepted, however, for a special account maintained exclusively to pay for legal and accounting expenses associated with complying with the campaign finance law. Contributions to this account count against the donor's annual limit for the Party. Certain supplemental services may also be provided by the host state and city governments and by local groups such as businesses and labor unions. The host city may, for example, provide additional public transportation to and from the convention site. Or a business may sell or rent chairs, podiums, tables or other equipment to the convention committee at discount rates.

What is the FEC's Role?

The Federal Election Commission ensures that candidates and convention committees requesting public funds have satisfied the eligibility requirements. The FEC then certifies payments of federal funds, which are actually made by the U.S. Treasury. Before certifying matching payments to primary candidates, the FEC first reviews submitted contributions to make sure they meet the requirements for matchability. Additionally, the FEC audits all public funding recipients to ensure that the funds were spent in compliance with the law. Under certain circumstances, the FEC may require the repayment of public funds.

Eligibility for Public Funds

To be eligible for public funds, a Presidential candidate or a party convention committee must first submit a letter of agreement and a written certification in which the candidate or committee agrees to:

- Spend public funds only for campaign-related expenses or, in the case of a party convention, for convention-related expenses;
- Limit spending to amounts specified by the campaign finance law;
- Keep records and, if requested, supply evidence of qualified expenses;

- Cooperate with an audit of campaign or convention expenses;
- Repay public funds, if necessary; and
- Pay any civil penalties imposed by the FEC.

Primary candidates must additionally certify that they have met the "threshold requirement" for eligibility by raising in excess of \$5,000 in each of 20 states (see "[Primary Matching Funds](#)," above). A candidate may satisfy eligibility requirements and submit private contributions for matching payments any time after January 1 of the year before a Presidential general election. Actual payments are not made, however, until after January 1 of the Presidential election year.

Repayments of Public Funds

The Commission requires candidates and convention committees to repay public funds to the U.S. Treasury when the FEC audit determines that:

- The amount of public funds received exceeds the amount to which the candidate or convention committee is entitled;
- Spending limits are exceeded;
- Public funds are used for purposes other than qualified campaign expenses;
- Surplus funds remain after debts and obligations have been paid;
- Interest is earned on invested public funds; or
- The spending of public funds is not sufficiently documented.

Presidential candidates and convention committees may challenge any FEC repayment determination by following the procedures spelled out in FEC regulations.

How Can I Support My Candidate?

The following paragraphs have been written exclusively for individuals, to explain how they may support Presidential candidates. (Political committees and other organizations should call the Commission in Washington, D.C., toll free [800/424-9530](tel:8004249530) or 202/694-1100.)

Contributions to Primary Candidates 9

You may contribute up to \$2,700 to a Presidential candidate in the primary election campaign, whether or not the candidate accepts matching funds. (The \$2,700 limit applies to the entire primary process, rather than to a single primary held in a particular state.)

Contributions to Major Party Nominees in the General Election

A major party nominee who has accepted public funding for the general election may not accept any contributions to further his election. You may, however, help a publicly funded nominee by contributing to the candidate's compliance fund. A compliance fund is a special account maintained by publicly funded nominees solely for paying legal and accounting expenses incurred in complying with the campaign finance law. You may contribute up to \$2,700 to the compliance fund of a major party nominee.

In the case of a major party nominee who is not publicly funded, you may contribute up to \$2,700 to his/her general election campaign.

Contributions to Minor and New Party Nominees in the General Election

You may contribute up to \$2,700 to the general election campaign of a minor or new party candidate, whether or not the candidate accepts public funds.

Independent Expenditures

In both the primary and general elections, you may make your own "independent expenditures" to support or oppose a Presidential candidate, whether or not the candidate receives public funds. An independent expenditure is an expenditure for a communication that expressly advocates the election or defeat of a clearly identified candidate. An independent expenditure is not considered a contribution and therefore does not count against contribution limits as long as the expenditure is completely independent of the candidate's campaign. This means you may not make the expenditure at the request or suggestion of the candidate or his/her aides or with their consent. Nor may you consult or cooperate in any way with the candidate or campaign aides. Additionally, you may not use any material prepared by the candidate or campaign in the communication.

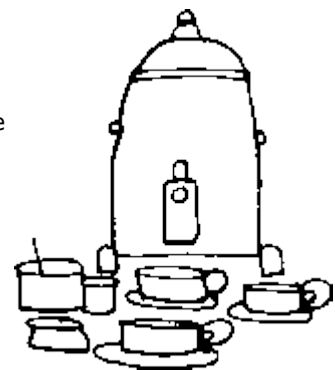
Within these restrictions, you may, for example, place an ad on a billboard or in a newspaper urging the public to vote for your candidate. However, you must place a notice on the communication stating that you have paid for it and that it has not been authorized by any candidate (e.g., "Paid for by John Doe and not authorized by any candidate").

You must file a report with the Commission when the total amount of your independent expenditures aggregates over \$250 during the calendar year. For more information, consult the Commission's [Independent Expenditures](#) brochure.

Volunteer Services

You may volunteer your services to a Presidential candidate's primary and general election campaigns (whether or not the candidate receives public funding) and to the candidate's political party. However, you must volunteer the services on your own time, not on your employer's time.

You may also pay for certain expenses as a volunteer. As long as you do not exceed certain limits, the money does not count as a contribution to the candidate. However, if you exceed the limits placed on these expenses, the amount over the limit counts as a contribution. Therefore, when spending money on volunteer activity for major party nominees receiving public funds, you must not exceed the limits.



You may travel on behalf of the candidate, spending up to \$1,000 both in the primary and general election campaigns. In addition, you may spend up to \$2,000 annually for travel on behalf of the candidate's party. You may spend any amount in normal living expenses incurred while traveling or engaging in other volunteer activity.

You may hold a reception in your home or in a church or community room for the candidate or the candidate's party. You may spend up to \$1,000, both in the primary and general elections, for food,

beverage and invitations associated with the candidate's reception. For a reception held to benefit the candidate's party, you may spend up to \$2,000 annually for the same items.

Contributions to Party Committees

You may contribute up to \$30,800 a year to a national party committee and up to \$10,000 a year to a state or local party committee. (A state party committee and the local party committees within that state usually share one \$10,000 annual limit on contributions from a person.) Although major party committees are not permitted to contribute to their nominee in the general election if he or she accepts public funds, the national committee of a political party may support the nominee by making special, limited expenditures on his or her behalf, as indicated in the [Chart on Expenditure Limits](#). The party's national committee may designate a state or local party committee to make these expenditures. In addition, state and local party committees may conduct voter drives on behalf of the Presidential nominee and distribute pins, bumper stickers and other campaign materials benefiting the nominee.

How Can I Obtain Copies of Reports?

All campaign finance reports filed by Presidential committees and political committees supporting Presidential candidates are available for review and copying at the FEC's Public Records Office.¹⁰ The office puts reports on the public record within 48 hours after their receipt. They contain detailed campaign finance information, including itemized accounts of contributions and expenditures in excess of \$200 and debts and obligations owed to or by the candidate or committee. Additionally, the [Public Records Office](#) makes available computer indexes, statistical studies summarizing data taken from reports and lists of individuals whose contributions enabled Presidential candidates to qualify for matching funds.

The office also receives and makes public the reports on personal finances filed by Presidential and Vice Presidential candidates (except incumbent officeholders, who file with the Office of Government Ethics). These reports are required under the Ethics in Government Act of 1978, over which the FEC has no enforcement jurisdiction.

Those outside the Washington area may request documents by phone or mail. When identifying the documents you want, please try to include as much information as possible, such as the full name of the political committee reporting, the date or type of report or document desired, and your address and telephone number. The FEC charges 5 cents per photocopied page, and 15 cents per page for paper copies made from microfilm, payable in advance.

Sometimes a preliminary phone call can help you pinpoint your request and thereby expedite the FEC's response. Call toll free [800/424-9530](tel:8004249530) and ask for the Public Records Office or call 202/694-1120.

How Can I Get More Information?

This brochure is not exhaustive in its descriptions. Should you have any questions or wish to order other FEC publications, contact the Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463. Call toll free [800/424-9530](tel:8004249530) or 202/694-1100.

FOOTNOTES:

1. See the Presidential Election Campaign Fund Act, 26 U.S.C. §9001 et seq. (Public Law 92-178).
2. See 2 U.S.C. §431 et seq. (Public Law 92-225).

3. Public Law 93-443.
4. See the Presidential Primary Matching Payment Account Act, 2 U.S.C. §9031 et seq.
5. Public Laws 94-283 (1976 Amendments), 96-187 (1979 Amendments) and 98-355 (1984).
6. The cost-of-living adjustment (COLA) is calculated annually by the Labor Department, using 1974 as the base year. In 2016, the COLA brought the national spending limit to \$48.01 million.
7. In 2016, the cost-of-living adjustment (COLA) brought the public funding entitlement for a major party nominee to \$96.14 million.
8. In 2012, the cost-of-living adjustment (COLA) brought the convention committee entitlement to a total of \$18.2 million. (NOTE: On April 3, 2014, President Obama signed legislation that will end public funding of national nominating conventions)
9. Contributions may not be made by foreign nationals or by individuals who are federal government contractors. For more information, see the [Foreign Nationals](#) brochure.
10. Reports related to U.S. House and Senate candidates are also available. The Public Records Office maintains a complete set of reports from 1972 to the present.

This publication provides guidance on certain aspects of federal campaign finance law. This publication is not intended to replace the law or to change its meaning, nor does this publication create or confer any rights for or on any person or bind the Federal Election Commission (Commission) or the public. The reader is encouraged also to consult the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 431 et seq.), Commission regulations (Title 11 of the Code of Federal Regulations), Commission advisory opinions, and applicable court decisions. For further information, please contact:

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Washington, DC 20463
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Citizens' Guide (<http://www.fec.gov/pages/brochures/citizens.shtml>)

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Introduction

The purpose of this guide is to encourage citizens, like yourself, to take an active part in the Federal election process. There are several ways you may support Federal candidates and political committees involved in Federal elections. These activities, however, are subject to the Federal campaign finance law. For example, the law limits the amount of money you may contribute and prohibits certain people and organizations from making contributions. This guide explains how to participate in Federal elections in compliance with federal law.

It is important to note that the guide focuses on political activity in Federal elections--not State or local. Federal elections are those for the President and Vice President, the U.S. Senate and the U.S. House of Representatives.

How Much May Be Contributed

Your contributions¹ to federal candidates and committees are limited under the law. You, the contributor, and the committee to which you give are both legally responsible for making sure that your contribution does not exceed your contribution limits. The paragraphs below list the [contribution limits](#) for individuals.

Contribution Limits

An individual may give a maximum of:

- **\$2,700 per election to a federal candidate** or the candidate's campaign committee.² Notice that the limit applies separately to each election. Primaries, runoffs and general elections are considered separate elections.
- **\$5,000 per calendar year to a PAC.** This limit applies to a PAC (political action committee) that supports federal candidates. (PACs are neither party committees nor candidate committees. Some PACs are sponsored by corporations and unions--trade, industry and labor PACs. Other PACs, often ideological, do not have a corporate or labor sponsor and are therefore called nonconnected PACs.) PACs use your contributions to make their own contributions to federal candidates and to fund other election-related activities.
- **\$10,000 per calendar year to a State or local party committee.** A State party committee shares its limits with local party committees in that state unless a local committee's independence can be demonstrated.
- **\$33,900 per calendar year to a national party committee.** This limit applies separately to a party's national committee, House campaign committee and Senate campaign committee.
- **\$100 in currency (cash) to any political committee.** (Anonymous cash contributions may not exceed \$50.) Contributions exceeding \$100 must be made by check, money order or other written instrument.

Presidential Campaigns

The contribution limits work a little differently for Presidential campaigns. In the case of a Presidential candidate running in various State primaries, you may contribute up to \$2,700 for the entire primary campaign period--not \$2,700 for each State primary in which the candidate runs.

Your contributions may be supplemented with Federal (U.S. Treasury) funds. If a Presidential primary candidate has qualified for the Federal matching fund program, up to \$250 of your total contributions to that candidate may be matched with federal funds. To qualify for matching, contributions must be in the form of a check or other written instrument. (Note that some contributions are not matchable, such as currency, loans, goods and services, and any type of contribution from a political committee.)

In the general election, however, you may not make any contributions to the campaigns of Democratic or Republican nominees who receive federal funds. (Federal funding in the general election takes the form of direct government grants rather than matching payments.) You may nevertheless designate a contribution of up to \$2,700 to the candidate's compliance fund, a special account used to pay for certain legal and accounting expenses. You may also contribute up to \$2,700 to the general election campaign of any Presidential candidate who is not a federally funded Democratic or Republican nominee.

[Federal funds used in Presidential elections](#) come from the dollars voluntarily checked off by taxpayers on their federal income tax returns. (The [checkoff](#) does not affect the total amount of taxes paid or any refund due.)

Designated Contributions

The Federal Election Commission (FEC) encourages you, when making a contribution to a candidate, to designate which election the contribution is for. By doing this, you will avoid any confusion as to which election limit applies to your contribution. To designate a contribution, write the name of the specific election on your check (or other written instrument). Or attach a signed statement with the same information.

If you do not designate a contribution to a candidate, your contribution automatically applies to your \$2,700 limit for the candidate's next election. In other words, if you make³ an undesignated contribution after the candidate has won the primary but before the general election, your contribution counts against your \$2,700 limit for the general. Similarly, if you make an undesignated contribution after the general election, it automatically applies toward the limit for the next election in which the candidate runs for federal office.

If, however, you want a contribution to count against your limit for an election other than the candidate's upcoming election, you must designate the contribution. For example, suppose you want your contribution to count against the candidate's general election, even though the primary has not yet taken place. In this case, you must designate the contribution for the general. Or, if you want to help a candidate retire campaign debts for a past election, you must designate your contribution for that specific election.

Under certain circumstances, if you make an excessive contribution to a candidate committee, the committee may redesignate your contribution. When this occurs, the committee must notify you within 60 days, and must offer you the opportunity to receive a refund instead.

Joint Contributions

If two or more individuals want to make a contribution using one check drawn on a joint account, all the contributors must sign the check or an attached statement. The check or signed statement must show how much should be attributed to each donor, unless the contribution is to be equally divided among the contributors.

Contributions from Family Members

A husband and wife each have separate contribution limits, even if only one spouse has an income. For example, a couple may contribute a \$5,400 check to a candidate's primary campaign as long as both sign the check (or an attached statement), as explained above.

Prohibited Contributions

While most individuals are free to make political contributions, three categories of individuals are prohibited by law from making contributions: foreign nationals and federal government contractors and, in some instances, minors. These and other prohibitions on contributions are explained below.

Foreign Nationals

Foreign nationals may not make contributions in connection with any election--Federal, State or local. This prohibition does not apply to foreign citizens who are lawfully admitted for permanent residence in the United States (those who have "green cards").

Federal Government Contractors

Federal government contractors may not make contributions to influence federal elections. For example, if you are a consultant under contract to a Federal agency, you may not contribute to federal candidates or political committees. Or, if you are the sole proprietor of a business with a federal government contract, you may not make contributions from personal or business funds. But, if you are merely employed by a company (or partnership) with federal government contracts, you are permitted to make contributions from your personal funds.

Corporations and Unions

The law also prohibits contributions from corporations and labor unions. This prohibition applies to any incorporated organization, profit or nonprofit. For example, the owner of an incorporated "mom and pop" grocery store is not permitted to use a business account to make contributions. Instead, the owner would have to use a personal account. A corporate employee may make contributions through a nonrepayable corporate drawing account, which allows the individual to draw personal funds against salary, profits or other compensation.

Contributions in the Name of Another

Contributions made in the name of another are prohibited. For example, an individual who has already contributed up to the limit for a candidate's election may not give money to another person to make a contribution to the same candidate. Similarly, a corporation is prohibited from using bonuses or other methods of reimbursing employees for their contributions.

Excessive Contributions

Finally, contributions that exceed the law's limits are prohibited.

What Counts as a Contribution

Most people think of contributions as donations of money in the form of checks or currency. While these are common ways of making a contribution, anything of value given to influence a federal election is considered a contribution. This section describes several forms of giving that are considered contributions under the Federal campaign law. All the contributions you make--whatever their form--count against your per committee limits.

Donated Items and Services

The donation of office machines, furniture, supplies--anything of value--is an in-kind contribution. The value of the donated item (the usual and normal charge) counts against the contribution limits. A donation of services is also considered an in-kind contribution. For example, if you pay a consultant's fee or a printing bill for services provided to a campaign, you have made an in-kind contribution in the amount of the payment.

If you sell an item or service to a committee and ask the committee to pay less than the usual and normal charge, you have also made an in-kind contribution to the committee in the amount of the discount.

Under limited exceptions in the law, you may provide certain goods and services without making a contribution to the committee. These exceptions are volunteering, travel expenses and business services.

Fundraising Tickets and Items

Yet another way of making a contribution is to purchase a fundraising item or a ticket to a fundraiser. The full purchase price counts as a contribution. If you pay \$100 for a ticket to a fundraising event like a dinner, you have made a \$100 contribution (even though your meal may have cost the committee \$30). Or, if you pay \$15 for a T-shirt sold by a campaign, your contribution amounts to \$15 (even though the T-shirt may have cost the committee \$5).

Loans and Loan Endorsements

If you loan money to a candidate or political committee, you have made a contribution, even if you charge interest on the loan. The outstanding amount of the loan counts against the contribution limits. Loan repayments, therefore, decrease the amount of your contribution. Nevertheless, if your loan exceeds the limits, it is an illegal contribution, even if it is later repaid in full.

Endorsements and guarantees of bank loans are also considered contributions. Endorsers and guarantors are liable for equal portions of a loan unless the agreement states otherwise. You alone, therefore, may not endorse a \$10,000 loan to a candidate committee. There must be four other individual endorsers so that each one is liable only for \$2,700, the per election limit. Repayments made on a loan reduce the amount of your liability and thus reduce the amount of your contribution.

Support Given to "Test the Waters"

You may wish to support a prospective candidate who is "testing the waters"--exploring the feasibility of becoming a candidate. Your total donations are limited to \$2,700, just as if they were given to an actual candidate. If the individual who is testing the waters later becomes a candidate, the candidate's committee will report your donations as contributions.

Volunteering

Personal Services

An individual may help candidates and committees by volunteering personal services. For example, you may want to take part in a voter drive or offer your skills to a political committee. Your services are not considered contributions as long as you are not paid by anyone. (If your services are compensated by someone other than the committee itself, the payment is considered a contribution by that person to the committee.)

As a volunteer, you may spend unlimited money for normal living expenses.

Home Events

In volunteering your services, you may use your home for activities benefiting a candidate or political party without making a contribution. If you live in an apartment complex, you may use the recreation room; any small fee you pay is not considered a contribution. You may also use a church or community room, if the room is regularly made available for noncommercial purposes, without regard to political affiliation. Any nominal rental fee you pay is not considered a contribution.

You might want to hold a fundraising party or reception in your home, or in a church or community room. Your costs for invitations and for food and beverages served at the event are not considered contributions if they remain under certain limits. These expenses on behalf of a candidate are limited to \$1,000 per election; expenses on behalf of a political party are limited to \$2,000 per year. (A husband and wife may each spend up to the limit. Their combined limits would be: \$2,000 per candidate, per election, and \$4,000 per year for a political party.) Any amount spent in excess of the limits is a contribution to the candidate or party committee.⁴

Corporate/Union Facilities

If you are an employee, stockholder or member of a corporation or labor union, you may use the organization's facilities--for example, the phone--in connection with your volunteer activities, subject to the rules and practices of the organization. The activity, however, cannot prevent an employee from completing normal work; nor can it interfere with the organization's normal activity.

If your activity exceeds "incidental use" of the facilities--one hour a week or four hours a month--you must reimburse the corporation or union the normal rental charge within a commercially reasonable time. If you use the organization's equipment to produce campaign materials, you must reimburse the organization regardless of how much time you spend. Any reimbursement for your use of facilities is considered a contribution from you to the political committee that you are helping.

Travel Expenses

You may spend up to \$1,000 per election for your travel on behalf of a candidate, and \$2,000 per year for party-related travel, with-out making a contribution. (If you are reimbursed for your travel expenses by someone other than the committee, the payment is considered a contribution from that person to the committee.)

Business Services

Discounts on Food and Drink

If you are in the business of selling food and beverages, your business may offer a discount to candidates and party committees without making a contribution, even if your business is incorporated. The discount price must at least equal the cost of the items. The value of the discount--the difference between the normal charge and the amount paid by the committee--must, however, remain within certain limits. The limit for a discount to a candidate is \$1,000 per election; the limit for a political party is \$2,000 per year. Once the limits are exceeded, the excess amount is a contribution. An incorporated business may not exceed the limits since contributions from corporations are prohibited.

Legal and Accounting Services

Businesses, including corporations, may support candidates in yet another way. If the business employs individuals who perform legal or accounting services, the business may provide these services free to a political committee as long as certain qualifications are met:

- First, the firm may provide services to a candidate committee or PAC only for the purpose of helping the committee comply with the federal campaign finance law.
- Second, services on behalf of a party committee may be provided for any purpose that does not directly further the election of a federal candidate.
- Third, the firm must use its own regular employees (not outside consultants) to perform the service. The business may not hire additional personnel to free regular employees to provide the service.
- Fourth, the recipient committee must report the value of the service (the amount paid by the employer).

Of course, when an individual personally volunteers legal or accounting services to a committee, the above restrictions do not apply.

Independent Expenditures

Independent expenditures provide yet another way to support federal candidates. An independent expenditure is money spent for a communication that expressly advocates the election or defeat of a clearly identified federal candidate. It is "independent" only if the individual making the expenditure does not

coordinate or consult in any way with the candidate or campaign (or agent of the candidate or campaign) benefiting from the communication. Independent expenditures are not considered contributions and are unlimited. You may spend any amount on each communication as long as the expenditure is truly independent.

You may, for example, pay for an advertisement in a newspaper or on the radio urging the public to vote for the candidate you want elected. Or you may produce and distribute posters or yard signs telling people not to vote for a candidate you oppose.

When making an independent expenditure, you must include a notice stating that you have paid for the communication and that it is not authorized by any candidate's committee. (For specific disclaimer requirements, please consult the ["Special Notices on Political Ads and Solicitations"](#) brochure.) Additionally, once you spend more than \$250 during a calendar year on independent expenditures with respect to a given election, you must file a report with the Federal Election Commission (either [FEC Form 5](#) [PDF] | [Instructions](#)), or a signed statement containing the same information).

Because this brief explanation does not cover all you need to know about independent expenditures, contact the Commission for more information.

Acting as a Group

If you and other individuals act together as a group to conduct activities to influence a federal election, the group may become a "political committee." In general, a group that raises or spends over \$1,000 per year to influence federal elections [must register](#), keep records on financial transactions and file reports on the committee's activities.

If you are interested in forming a group to participate in federal elections and anticipate raising or spending more than \$1,000 during a calendar year, you should [write or phone the Commission](#) and request materials to register the group as a political committee.

Campaign Finance Information

The Federal campaign finance law requires many participants in the election process to submit reports on their financial activity. These reports are then put on the public record. Generally, an individual is not required to report. Political committees, however, must file detailed reports on the money they raise and spend. You, as an individual contributor, will be asked to provide information to the recipient committee for its reports.

Contributor Information

If you contribute more than \$200 to a committee, the committee is required to use its best efforts to collect and publicly disclose on a financial report your name, address, occupation and employer, as well as the date and amount of your contribution. Committees sometimes request this information even for smaller contributions, since the \$200 reporting threshold applies to your total contributions to one committee during a calendar year. For example, you may make several small contributions to a committee during a year. Once these contributions add up to over \$200, the committee must report the contributor information.

Note that if you collect and forward contributions to a committee, you must transmit them within a specified period of time and must also provide the committee with certain information on the contributors. Additionally, you may have reporting obligations. For more details, contact the FEC.

Information Available to the Public

As a voter, you may be interested in learning how a particular candidate finances his or her campaign. Who is contributing? How much? Is the candidate using personal funds to finance the campaign? Does the committee have debts? Or you may want to know which candidates a party committee or PAC is supporting, and how much the committee is giving.

This information is available to the public in the campaign finance reports regularly filed by all political committees supporting Federal candidates. You may access these reports and other [FEC campaign finance information on your home computer](#). The Commission's Public Records Office also keeps all reports on file and will send you copies of specific reports, upon request. You can also order computer printouts focused on the information you want. Call the toll-free number, 800-424-9530, or 202-694-1120.

Filing a Complaint

If you believe a violation of the Federal campaign finance law has taken place, you may file a complaint with the Federal Election Commission. Send a letter to the Commission explaining why you (the complainant) believe the law may have been violated, describe the specific facts and circumstances and name the individuals or organizations responsible (the respondents). Your complaint should also indicate which allegations are based on personal knowledge rather than on outside sources (for example, newspaper articles). The letter must be sworn to, signed and notarized. Complaints of alleged violations receive case numbers and are called MURs, [Matters Under Review](#). (For more [information on how to file a complaint](#), contact the FEC.)

The Commission sends a copy of the complaint to the respondents, who have the opportunity to explain why the Commission should not pursue the complaint (for example, because no violation occurred or because there were mitigating factors). The agency considers the views of both sides and may conduct an investigation to gather facts. Until the MUR is resolved, the Commission must keep all phases of the proceedings confidential, as required by law. After it makes a decision, the agency notifies the complainant and the respondents. The decision and supporting evidence regarding the MUR are then made public.

For More Information On...

The Federal Campaign Finance Law

The Commission's Information Division answers questions on the Federal campaign finance law. Call or write the agency (see below); FEC staff are waiting to help you.

If you wish, you may formally request an advisory opinion concerning your own political activity. [Advisory opinions](#) usually address questions that require clarification of the law. Mail your written request to the Office of General Counsel at the street address below:

Federal Election Commission
1050 First Street, NE
Washington, D.C. 20463
Telephone: [202-694-1100](tel:202-694-1100)
Toll Free: [800-424-9530](tel:800-424-9530)
TDD (for the hearing impaired): [202-219-3336](tel:202-219-3336)
Email: info@fec.gov

Federal Employees and the Hatch Act

Although the Hatch Act does not prohibit contributions, it does ban or restrict certain partisan political activities conducted by Federal employees. Some Federal government agencies place additional limits on the political activity of their employees. For more information, contact your agency's ethics officer. For information on the Hatch Act, contact the:

Office of Special Counsel
U.S. Merit Systems Protection Board
1730 M Street, N.W.
Washington, D.C. 20036
Telephone: [202-653-7143](tel:202-653-7143)
Toll Free: [800-854-2824](tel:800-854-2824)

FOOTNOTES:

- 1 Click here for [an explanation of what a contribution is](#).
- 2 This limit applies to a contribution made to any type of political committee if the contributor knows that a substantial portion of the contribution will be used to support a particular candidate.
- 3 A contribution is "made" on the date when you relinquish control over it. If mailed, a contribution is "made" on the date of the postmark.
- 4 The Commission has said in an advisory opinion ([AO 1980-63](#)) that if an individual co-hosts an event held in someone else's home, any expenses paid by the nonresident co-host are considered contributions.

This publication provides guidance on certain aspects of federal campaign finance law. This publication is not intended to replace the law or to change its meaning, nor does this publication create or confer any rights for or on any person or bind the Federal Election Commission (Commission) or the public. The reader is encouraged also to consult the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 431 etseq.), Commission regulations (Title 11 of the Code of Federal Regulations), Commission advisory opinions, and applicable court decisions. For further information, please contact:

Federal Election Commission

999 E Street, NW

Washington, DC 20463

(800) 424-9530; [202\) 694-1100](tel:2026941100)

info@fec.gov

www.fec.gov