

LOCAL COMMITTEE CAMPAIGN FINANCE GUIDE

NON-FEDERAL COMMITTEES

Background

In 2002, Congress passed the Bipartisan Campaign Reform Act [BCRA], also known as the McCain-Feingold bill, which became the law that regulates the financing of political campaigns.

Before 2002, candidates could not take more than \$1,000 from any individual, but Party committees could get large, unregulated contributions from corporations, individuals or PACs known as “soft money”. Soft money was not subject to the contribution limits in federal law, and Party committees spent soft money on “issue advertising” and other activities to help their Federal candidates.

The new law raised the amount candidates could accept from individuals to \$2,300 per election for 2008 elections, but also put new limits on the amount and sources from which party committees could raise money. This new law also put limits on the ways that the party can spend the money they raise.

In a nutshell, this law put restrictions on what the Democratic Party committees all across Virginia can and cannot do in a Federal Election year.

Federal Year vs. Non-Federal Year

Virginia is one of a very few states that holds our non-federal elections [meaning Governor, Lt. Governor, AG, state senate and delegate] in a different year than our Federal elections [Presidential, U.S. Senate and U.S. House of Representative].

In non-Federal years, like 2005 and 2007, Virginia State Law governs what candidates, the State Party, and local committees can do to raise and spend money on the elections. In Federal years, like 2008, Federal Law governs what we can and cannot do.

In Virginia, for state and local elections, we do not have campaign finance limits. Candidates, the State Party, and local committees can accept contributions without limits from individuals, corporations, and PACs. [All of our contributions must be reported in compliance with Virginia law to the State Board of Elections.]

In Virginia, we can also spend the money we raise to directly help our statewide and local candidates. This is why in 2007, local committees were allowed to phone bank, canvass, purchase advertising, open offices, donate unlimited amounts of money to our candidates, and do other activities to help our General Assembly candidates.

2007 – Non-Federal Year	2008 – Federal Year
<ul style="list-style-type: none"> • Governed by State Law • Local Committees can coordinate all activities with the candidates & campaigns • Local Committees can spend money on behalf of candidates • Local Committees can purchase “Public Communications” on behalf of candidates 	<ul style="list-style-type: none"> • Governed by Federal Law • Restrictions placed on the amount of coordination that local committees can have with Federal Candidates • Restrictions placed on the amount of money local committees can spend on Federal Candidates • Local committees cannot purchase “Public Communications” on behalf of candidates

Federal vs. Non-Federal Committees

In Virginia we have two types of local committees:

<u>Non-Federal Committees</u>	<u>Federal Committees</u>
<ul style="list-style-type: none"> • Are NOT registered with the Federal Election Commission [FEC] • Can raise money without limits • Are subject to VA State Board of Election Laws • Report their financials to the State Board of Elections [if they raise more than \$10,000 in a year, or if they represent a locality with a population of 100,000 or more] 	<ul style="list-style-type: none"> • Are registered with the Federal Election Commission [FEC] • Have to raise money according to Federal Limits • Must have a Federal Bank Account • Must pay for expenses out of the Federal Account • Report their financials to the SBE and FEC [no matter the amount of contributions nor locality.]

A majority of our local Democratic committees in Virginia are Non-Federal Committees. A few Northern Virginia localities do have Federal Committees.

It is strongly recommended that local party committees avoid triggering FEC registration and reporting obligations because of the burdensome, on-going requirements to remain in compliance with FEC rules and regulations. Violations of FEC regulations result in serious fines.

This guide is for those committees that do not register with the FEC.

Activity that local committees not registered with the FEC can do:

1.) Financially

- **Contribute or expend up to \$1,000, in aggregate, to all federal candidates during a calendar year.** [example: \$500 to a Congressional Candidate and \$500 to Mark Warner.] These contributions are not aggregated with the State Party's federal limits.
- **Raise up to \$5,000 in contributions earmarked for federal expenditures.** This means your committee can raise up to \$5,000 using Mark Warner or your Congressional candidate's name in the fundraising email, letter or phone call. If you raise more than \$5,000 using the candidate's names, you have to register with the FEC, so don't do this.

2.) On the Internet

- **Committees can use the Internet to expressly advocate on behalf of Federal candidates.** This means you can send emails, post information on your Web site, and blog on behalf of Federal candidates.
- You can send emails and post information about Mark Warner and your Congressional campaign's volunteer activities on your web site.

3.) For Campaign Materials

- **Spend up to \$5,000 on "Exempt Activity".**
- Exempt activity includes: purchasing yard signs, bumper stickers, lapel stickers, rally signs, posters, t-shirts, and buttons with the name of the Federal candidate on them and distributing them with volunteers.
- This is aggregate for all your federal candidates combined. [Example: you can spend \$2,500 on Someone for Congress and \$2,500 on Friends of Mark Warner. Or, any combination as long as you don't spend more than \$5,000.]
- This is in addition to the \$1,000 you can give the campaign directly.

4.) Door-to-Door

- Your committee can organize volunteer canvasses to go door-to-door to promote your Congressional candidate and Mark Warner.
- Canvassing can be coordinated with the campaigns.

- Your committee can volunteer and work with the '08 Coordinated Campaign.
- Your committee is permitted to hand out materials provided by and paid for by the Congressional candidates or by the Mark Warner campaign.
- Any funds expended by a local committee in door-to-door activity count against the \$5,000 limit for exempt activities.

Activity that local committees not registered with the FEC can do [continued]:

5.) At Festivals & Fairs

- Your committee can hand out materials provided by the Warner campaign and your Congressional candidates at fairs and festivals around the state.
- Your committee can purchase a Democratic booth or table at the festival. You cannot purchase a Warner for Senate or Congressional Candidate booth or table. However, you can have their campaign materials at your booth.
- You can volunteer to work at booths paid for by Warner for Senate and by the Congressional campaigns.

6.) Produce *LIMITED* amounts of fliers/handouts

- **It is preferable that you use materials provided by the campaigns in your activities! If you do you will be in complete compliance with the law. If you do not, you could be violating the law.**
- You can reprint materials provided by the Warner for Senate campaign or by the Congressional campaigns. So, if the Warner campaign sends you a PDF of their flier, you can reprint it on your own paper and computers. Reproduction costs count against the \$5,000 exempt activity limit.

The DPVA highly recommends that you use materials provided by the candidates or the '08 Coordinated Campaign.

- There are strict regulations on these fliers/handouts:
 - i. **You CANNOT put any of these materials/fliers/handouts in the MAIL.** These are materials to be handed out one-on-one only. *[See the next section for explanation.]*
 - ii. The fliers must be produced and distributed by volunteers.
 - iii. You CANNOT spend more than \$5,000 on your yard signs, bumper stickers, and these fliers combined.

Activity that local committees not registered with the FEC can do [continued]:

- iv.* **Each flier/handout you create must contain a DISCLAIMER.** You must have in 12 point font with a box around it a disclaimer that reads...

Paid for by the [Insert you committee name] County Democratic Committee.
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7.) *Open a Headquarters*

- **Your committee can make expenditures for rent, overhead and other day-to-day party costs without triggering contributions, so long as the costs are not made on behalf of a clearly identified federal candidate** and cannot be directly attributed to that candidate. Your committee can open a Democratic Party committee office. However, this office cannot simply be your Warner for Senate office. **You have to do other legitimate Party business in this office as well.**
- You CANNOT however pay to install multiple phone lines into this office to do phone banking for your Congressional candidate or Mark Warner. [*See below for specifics on this.*]

8.) *Can volunteer for Federal candidate's campaigns!*

- You can participate in phone banks, rallies, etc. sponsored by the Federal candidates.
- You can volunteer at your candidates' headquarters.
- You can write letters to the editor in support of your candidates'.

9.) *Newletters*

- If your committee produces and mails and newsletter that expressly advocates the election of a federal candidate, this also counts against the \$5,000 that you can spend on their campaign.
- **If the newsletter contains "express advocacy", these newsletters must be labeled and mailed by volunteers.** You cannot use a commercial vendor to label and mail your newsletters.
- You must put the disclaimer on your newsletter.

- It is also good to check with the DPVA staff to make sure that your newsletter is in compliance with the law.

Authorized and Paid for by the [Insert you committee name] County Democratic Committee.

*******All of the above must be paid for with federally permissible funds.*******

Therefore, there must be enough contributions in your committee's accounts from individuals or other federal committees at the time of the expenditure or contribution is made. What does this mean? This means, you cannot have a corporation or one individual donate \$5,000 to pay for your activities.

Local committees not registered with the FEC CANNOT:

1. Cannot Purchase Advertising

- Your committee **cannot purchase any Public Advertising -- TV, radio, newspaper, or billboard that mentions the name of Mark Warner or your Congressional candidate**
- You can purchase ads announcing the next meeting of your committee and announcing committee events as long as they do not include the names of any federal candidates.

2. Cannot Make "Public Communication" that expressly advocates the election or defeat of a federal candidate

- What is a Public Communication?
Any communication by means of broadcast, cable, satellite, newspaper, magazine, billboards or other outdoor advertising, **mass mailing** (500 or more pieces) or **telephone bank** (500 or more substantially similar phone calls). **These are phone calls and mailings in aggregate.** So, you can't do 499 calls in one day and then another 499 calls another day!
- The Internet is not considered a public communication. [You cannot, however, purchase Internet advertising on another Web site.]

3. Cannot Send out Mail

- Your committee cannot send out mail mentioning the names of Mark Warner or your Congressional candidate unless undertaken as a volunteer exempt activity as described above.

- If your committee wants to do a mailing, please contact the DPVA staff.

4. *Cannot Pay for Phone Lines or Organize Phone Banks*

- Your committee members can volunteer at a phone banks organized by the Federal candidate or the '08 Coordinated Campaign.
- Federal candidates can pay for a phone line in your committee HQ to hold a volunteer phone banks. Your committees cannot pay for the lines.

Generic Activity

Your committee can undertake unlimited get-out-the-vote and voter registration activities so long as those activities do not reference any federal candidates. Such activities should be undertaken with federally permissible funds (ie individual contributions up to \$5,000). If a committee needs to utilize non-federal funds, it should consult with the state party as the use and accounting of non-federal funds for such activities is very complicated.

Coordinated Campaign

Because Bipartisan Campaign Reform Act greatly restricts the activities that committees can do, it is highly recommended that local Democratic committees coordinated their election activities with the 2008 Coordinated Campaign. The Coordinated Campaign is the legal entity of the Democratic Party of Virginia that will provide a framework for our statewide campaign effort. Legally, non-federal local committees can work with the coordinated campaign to do all their election volunteer activities this year.

What is a Coordinated Campaign? Simply put, it's an organization that coordinates the various campaign activities of the Democratic Party of Virginia and all the major Democratic candidates in Virginia. For example, all Democratic candidates need Get-Out-the-Vote operations. But rather than each campaign contacting the same people, the Coordinated Campaign conducts GOTV efforts on behalf of the Democratic Party. The CC also unifies message, advertising, mailings and ground operations including phone banking and door-to-door canvassing.

The 2008 Coordinated Campaign will be opening offices, doing voter contact activity across Virginia.

Elisabeth Pearson will be the 2008 Coordinated Campaign Director. If you have questions about volunteer activity including phone banking and canvassing contact:

Elisabeth Pearson
Democratic Party of Virginia
Coordinated Campaign Director
elisabeth.pearson@vavictory08.org

*****This document is meant as a guide only. If you want to do fliers or spend money, please contact:

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Executive Director
levar@vademocrats.org
Ext. 225

*****If you have questions about volunteer activity including phone banking and canvassing contact:

Elisabeth Pearson
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