

## 1. Who must file Campaign Financial Disclosure Statements?

**Single-Measure Committees.** Reports of appointment of treasurers and disclosure of contributions and expenditures are required of: (1) a group of two or more individuals making expenditures to support or oppose any state or local measure in a referendum, (2) a corporation or any other organization making expenditures to support or oppose any state or local measure in a referendum, (3) any committee, club, association or group of persons receiving contributions or making expenditures totaling more than one thousand dollars (\$1,000) in a calendar year to support or oppose any state or local measure in a referendum.

## 2. Where must SMCs file reports?

**Single-Measure Campaign Committees.** Single-measure political campaign committees making expenditures to support or oppose a statewide referendum, such as a proposed amendment to the constitution, must file all reports with the Registry. Single-measure committees making expenditures to support or oppose a local measure must file with the local county election commission where the election is held.

## 3. What must a SMC do to begin a campaign operation?

**Political Campaign Treasurers.** Before any monies can be received or spent, single-measure committees must certify the name and address of its political treasurer to the Registry of Election Finance for a state referendum and to the county election commission for a local referendum. This is accomplished by completing and filing an appointment of political treasurer statement.

**Campaign Bank Account.** A single-measure committee must open and maintain a separate bank account into which all campaign contributions are to be deposited. Additionally, all expenditures from campaign funds must be expended from this bank account.

## 4. How long is an appointment of treasurer statement effective?

**Single-Measure Committee Treasurers.** A political treasurer for a single-measure campaign committee serves until the campaign account for that election is closed out or until a replacement is named.

**Change of Treasurers.** Single-Measure committees must notify the Registry or the appropriate county election commission of any changes in the office of political treasurer. An appointment of political treasurer statement must be completed and filed for the individual who replaces the previous treasurer.

## 5. What information must be reported in a campaign financial disclosure statement?

**Contributions.** A reportable contribution is defined by the law as being "any advance, conveyance, deposit, distribution, transfer of funds, loan, loan guaranty, personal funds of a candidate, payment, gift, pledge or subscription, of money or like thing of value, and any contract, agreement, promise or other obligation. . . .made for the purpose of influencing a measure or nomination for election or the election of any person for public office."

**In-Kind Contributions.** In-kind contributions are goods or services provided without charge (such as the use of equipment or advertisement materials at no cost to the candidate or committee) and must be listed separately on the campaign financial disclosure statement from other campaign contributions. An in-kind contribution is considered to be made and is reportable during the period in which the contribution is made or performed, not when the cost of the contribution is billed or paid. The amount for an in-kind contribution should be reported at fair market value for such goods or services provided.

If the actual cost of a in-kind contribution is not known at the time when it is reportable, an estimate of the cost shall be reported during the period that the contribution is made or performed, and the disclosure report shall indicate that the amount reported is estimated. If the actual cost of the in-kind contribution as indicated on the bill for the goods or services is different than the amount reported, the single-measure committee shall adjust the amount reported on a later disclosure statement covering the period in which payment for the in-kind contribution is made.

**Expenditures.** A reportable expenditure is defined by statute as "a purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing a measure or the nomination for election or election of any person to public office." Loans. A campaign loan must be disclosed during the reporting period that the loan is made. A loan must continue to be disclosed on future campaign financial disclosure statements until the loan is paid back in full or a statement has been filed with the appropriate campaign financial disclosure statement stating that the loan will not be repaid and is to be considered a contribution to the committee.

**Obligations.** Goods and services received on credit which are not paid for during the reporting period received must be disclosed as an obligation during the reporting period that the obligation is incurred. This obligation must continue to be disclosed on campaign financial disclosure statements until fully paid. Payments on the obligation shall be disclosed as expenditures on the appropriate campaign financial disclosure statement(s).

## 6. What details are required in campaign financial disclosure statements?

**CONTRIBUTIONS.** Contributions totaling one hundred dollars (\$100) or less from a single source during the reporting period may be totaled and reported as a single item. Single-Measure committees are required to list the full name, complete address, occupation, employer and amount(s), for each person or organization that contributes a total of more than one hundred dollars (\$100) during a reporting period. For example, a person who contributes fifty dollars (\$50) one day, fifty dollars (\$50) the following day and one dollar (\$1) the next day would have to be specifically listed on the campaign financial disclosure statement as having contributed one hundred one dollars (\$101), if all those monies were contributed during one reporting period. Likewise, a person who buys five (5) tickets to a campaign fundraiser at twenty-five dollars (\$25) each would have to be specifically listed on the campaign financial disclosure statement as having contributed one hundred twenty-five dollars (\$125).

**EXPENDITURES.** Expenditures totaling one hundred dollars (\$100) or less to a single payee during the reporting period are not required to be itemized. These expenditures may be broken down and totaled by general categories (such as contributions, supplies, etc.). For example, expenditures of fifty dollars (\$50) to five different candidates could be shown as "Contributions -- \$250." The law requires single-measure committees to list the full name, complete address amount and purpose for each person or organization to whom a total of more than one hundred dollars (\$100) was paid during a report period. **LOANS.** Itemized information must be provided for all loans for more than one hundred dollars (\$100) from one creditor during a reporting period. This information includes the full name and address of each creditor. The outstanding loan balance at the beginning of the reporting period, any additional loans received during that period, any loan payments made during the period and the outstanding loan balance at the end of the reporting period must also be disclosed.

**OBLIGATIONS.** All obligations owed at the end of a reporting period for more than one hundred dollars (\$100) to one creditor must be itemized. The itemized information includes the full name and address of the creditor. In addition, the outstanding obligations balance at the beginning of the reporting period, any additional obligations incurred during the period, any payments made to the creditor during the period and the outstanding obligations balance at the end of the reporting period must be disclosed.

**DETAILED DISCLOSURE.** Single-Measure committees are exempt from filing a detailed disclosure statement if neither contributions received nor expenditures made during a reporting period for which a statement is submitted exceed one thousand dollars (\$1,000). A single-measure committee claiming this exemption may complete only the front page of a campaign financial disclosure statement. The single-measure committee must report the balance of contributions on hand, outstanding loans and outstanding obligations.

## 7. What campaign financial disclosure statements may a single-measure committee have to file?

Below is a list of campaign financial disclosure reports that may be required to be filed by a single-measure committee (committee). The reports a committee is required to file will depend on the date that an appointment of a political treasurer statement is filed with the Registry of Election Finance or the local county election commission and the date of the election. In order to view the specific reports required for your current election, please refer to the Registry's website or contact your local county election commission.

**Early Semi-Annual Supplemental.** If a committee appoints a political treasurer before January 1 in the year of the election in which the committee expects to be involved, the committee must file early supplemental campaign financial disclosure statements by January 31 and July 15 of each year preceding the election. The early supplemental report must cover the period beginning with the date of the first contribution or first expenditure, whichever is earlier, or the date of the last early supplemental report. The ending dates of the reporting periods are January 15 and June 30 of each year.

The early semi-annual supplemental report does not need to be filed if it is within sixty (60) days of another report required under the Campaign Financial Disclosure Act.

**1st Quarter.** This campaign financial disclosure statement must be filed no later than April 10. The ending date of this report will be March 31. The beginning date of this report will depend upon whether this is the committee's first report and when the committee filed an Appointment of Political Treasurer Statement.

**2nd Quarter.** This campaign financial disclosure statement must be filed no later than July 10. The ending date of this report will be June 30. The beginning date of this report will depend upon whether this is the committee's first report and when the committee filed an Appointment of Political Treasurer Statement.

**3rd Quarter.** This campaign financial disclosure statement must be filed no later than October 10. The ending date of this report will be September 30. The beginning date of this report will depend upon whether this is the committee's first report and when the committee filed an Appointment of Political Treasurer Statement.

**4th Quarter.** This campaign financial disclosure statement must be filed no later than January 25. The ending date of this report will be January 15. The beginning date of this report will depend upon whether this is the committee's first report and when the committee filed an Appointment of Political Treasurer Statement.

**Pre-Referendum.** A campaign financial disclosure statement must be filed no later than seven (7) days before the election. The ending date of this report will be ten (10) days before the election. The beginning date of this report will depend upon whether this is the committee's first report and when the committee filed an Appointment of Political Treasurer Statement.

**Semi-Annual Supplemental Annual.** If a committee shows an unexpended balance of contributions, continuing debts and obligations, or an expenditure deficit on their 4th Quarter report in the year of the election, the committee must file a semi-annual supplemental campaign financial disclosure report by January 31 and July 15 each year until the campaign account is closed. The ending dates of the reporting periods are January 15 and June 30 of each year.

"Filed" means the date that the Registry or county election commission actually receives the committee's disclosure statement or the date of the postmark, if the statement is mailed by either certified or registered mail.

#### **8. Will a single-measure committee receive notice when a disclosure report is due?**

The Registry of Election Finance is required to notify a single-measure committee fourteen (14) days before any report is due. The county election commission is required to give seven (7) days notice for any report that is due.

#### **9. Are there contribution limits for single-measure committees?**

No. There are no limits on the amount of contributions that can be given to a single-measure committee.

#### **10. What activities are not campaign contributions?**

a) Volunteer Work. Services, including expenses provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or campaign committee are not contributions.

b) Publicity. Not included within the meaning of contribution is any news story, commentary or editorial distributed through the facilities of any broadcasting station, newspaper, magazine or other periodical publication, unless such facilities are owned wholly or in part or controlled by a political party, political committee or candidate.

c) Voter Registration Efforts. Any nonpartisan activity designed to encourage individuals to vote or to register to vote is not considered a campaign contribution.

d) Internal Communications. Not included within the meaning of contribution is any written, oral or electronically transmitted communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any person to public office. However, if the organization or corporation simply finances the dissemination, distribution or republication in whole or in part of campaign materials prepared by the candidate or candidate's committee, then such financing shall be considered a campaign contribution.

e) Other Candidate-Related Activities. Not included within the meaning of contribution is the use of real or personal property and the cost of invitations, food and beverages not exceeding one hundred dollars (\$100), voluntarily provided on an individual's residential premises for candidate-related activities.

#### **11. Are single-measure committees allowed to accept corporate contributions?**

It is legal for corporate funds to be used for aiding the passage or defeat of a measure in a referendum election.

#### **12. When must a report be filed if the due date falls on a weekend or holiday?**

Whenever a due date for a campaign financial disclosure statements falls on a weekend day or holiday, such report is due to be filed with the Registry of Election Finance or the county election commission, whichever is required, on the next business day.

"Filed" means the date that the Registry or county election commission actually receives the committee's disclosure statement or the date of the postmark, if the statement is mailed by certified or registered mail.

#### **13. How does a single-measure committee close out a campaign account?**

A campaign account may be closed out at any time when the single-measure committee has filed a campaign financial disclosure statement that shows no unexpended balance, continuing debts or obligations or expenditure deficit.

No additional reports are required after a campaign account is properly closed.

**14. Are there recordkeeping procedures established by the Registry, which must be used by political campaign committees?**

Yes. A single-measure committee is prohibited from commingling personal monies or any other funds with funds maintained in a campaign bank account.

Within ten (10) business days of the receipt of a campaign contribution, a committee is required to deposit the contribution into the committee's campaign bank account. For contributions received from a single source during a reporting period which total more than \$100, a committee is required to maintain a listing of the names, addresses, occupations and employers of those contributors and the amount and date of the contributions made by those contributors.

Additionally, committees must maintain all bank statements and cancelled checks for a campaign bank account. When feasible, a committee should make copies of campaign contribution checks.

Campaign bank account reconciliations must be performed by a committee to ensure that the bank account balances with the financial disclosure reports filed by the committee.

**15. How long must campaign records be maintained?**

All financial records used by a single-measure committee to prepare a campaign financial disclosure statement must be retained for at least one (1) year after the date of election to which the records refer. Records used in completing a supplemental disclosure statement shall be maintained for at least one (1) year after the date that the supplemental report is filed. If investigative procedures or an administrative hearing have been initiated against a single-measure committee, financial records relating to a campaign account must be maintained by the committee until the investigation or administrative hearing has been completed. The Registry of Election Finance and each county election commission shall maintain all reports filed with their respective offices for five (5) years. These records will be available for public inspection and copying.

**16. How does an individual inspect or obtain a copy of a campaign financial disclosure statement?**

In order to inspect or obtain copies of campaign financial disclosure statements filed by single-measure committees you may request the copies by email, telephone or in person at the Registry office. Check with your the appropriate local county election commission office in order to determine how you main obtain copies of PAC or single-measure committee reports filed in their office.

The Registry's charge for copying is 25¢ a page if our staff makes the copies and 10¢ if you make the copies in our office. You will need to check with the local county election commission or in order to determine their fees.

**17. What happens if a single-measure committee does not file the required reports on time or violates other provisions of the law?**

The Registry of Election Finance has the authority to impose civil penalties against a single-measure committee for failing to file a statement on time and ignoring subsequent warnings about the required report. The Registry also has the authority to impose civil penalties for other violations.

**Class One (1) Offenses.** The Registry may impose class one (1) civil penalties of twenty-five dollars (\$25) a day up to a maximum of seven hundred fifty dollars (\$750) for the late filing of any campaign financial disclosure report required to be filed either with the Registry or the county election commission. The law sets specific procedures that must be followed whenever the Registry or a county election commission discovers that a required report has not been filed.

The Registry staff or the county election commission, whichever office should have received a required campaign financial disclosure statement, must notify the committee by personal service or by return receipt requested mail that the report has not been received and that civil penalties of twenty-five dollars (\$25) a day will begin to accrue five (5) days after receipt of the notice until the report is filed or for thirty (30) days, whichever occurs first.

A committee that files the required report within that five-day grace period will not be subject to civil penalties.

**Class Two (2) Offenses.** The Registry also has the authority to impose civil penalties of up to ten thousand dollars (\$10,000) or fifteen percent (15%) of the amount in controversy, whichever is greater for a class two (2) offense involving both state and local elections. A class two offense is the failure to file a report within thirty-five (35) days of service of notice of a delinquent report or any other violation of the Campaign Financial Disclosure Act.

The law requires the Registry staff to send an assessment letter to the committee before any class two (2) civil penalties are imposed by the Registry, advising the committee of the factual basis of the violation, the maximum penalty and the date that a response must be filed.

**Contested Penalties.** To request a waiver, reduction or to in any way contest a penalty imposed by a county election commission, a candidate or committee for a local public office shall file a petition with the Registry. To appeal any penalty imposed by the Registry, a candidate or committee must file a petition with the Registry within thirty (30) days after the date that the order is issued. An assessment order issued by the Registry becomes final and cannot be appealed thirty (30) days after it has been issued.

#### **18. How does the Registry of Election Finance begin an investigation?**

**On Its Own Initiative.** The Registry of Election Finance may, on its own initiative, conduct an investigation whenever it believes that a violation of the Campaign Financial Disclosure Act may have occurred. If the Registry investigates the records of any selected candidate, it may also investigate the records of all other candidates running for the same office in the same district or other appropriate geographic area. The Registry has the authority to hold hearings, subpoena witnesses, administer oaths, and compel the production of books, correspondence, papers and other records.

**Upon Sworn Complaints.** An investigation also may be based on a sworn complaint. A registered voter of Tennessee may file a sworn complaint alleging that a statement filed regarding an election for which that voter was registered to vote does not conform to the law, that a statement filed is not accurate or that a person has failed to file a statement required by law. Sworn complaints regarding candidates or single-candidate political campaign committees for state public office should be filed with the Registry. Sworn complaints regarding elections for local public office should be filed with the district attorney general in the judicial district in which the voter resides.

#### **19. What guidelines will the Registry of Election Finance provide to political campaign committees regarding the Campaign Financial Disclosure Law?**

The Registry of Election Finance may issue written advisory opinions when questions arise about the Campaign Financial Disclosure Act and its requirements. Anyone wishing to receive guidance on his or her own campaign finance activities should contact the Registry prior to undertaking the questioned activity. The Registry will issue written advisory opinions to individuals based on written requests describing specific facts and circumstances. The Registry will issue opinions only as to prospective activities. A candidate may rely upon an advisory opinion without threat of sanction with respect to the particular issues addressed if the candidate conforms his or her conduct to the requirements of the advisory opinion.