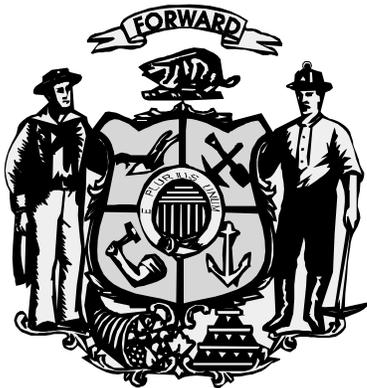


CAMPAIGN FINANCE OVERVIEW

INDEPENDENT EXPENDITURE COMMITTEES

**March
2016**



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REGISTRATION REQUIREMENTS

Introduction

An Independent Expenditure Committee (IEC) is defined as:

any person, other than an individual, or any permanent or temporary combination of 2 or more persons unrelated by marriage that satisfies any of the following:

1. It has the major purpose of making independent expenditures, as specified in the person's organizational or governing documents, the person's bylaws, resolutions of the person's governing body, or registration statements filed by the person under this chapter.
2. It uses more than 50 percent of its total spending in a 12-month period on independent expenditures and expenditures made to support or defeat a referendum. In this subdivision, total spending does not include a committee's fundraising or administrative expenses.

Additionally, IECs do not have to register unless they receive contributions or make disbursements of over \$2,500 in the aggregate in a calendar year.

The Government Accountability Board has developed this guide to assist independent expenditure committees in understanding the law, meeting the registration and financial reporting requirements, and complying with contribution limits and prohibitions. If after reading through these materials you have questions or need additional information, contact our office at (608) 261-2028.

When Independent Expenditure Committees are Required to Register

Under Wisconsin campaign finance statute §11.0602, a new independent expenditure committee must register within 10 days of passing the threshold of \$2,500 of activity in a calendar year.

All independent expenditure committees must register at the state level – with the Government Accountability Board. IECs register online at <http://cfis.wi.gov>. When completed, to activate your registration, you must print the form and send a signed copy to the Government Accountability Board by email (gabcfis@wi.gov), fax (608-264-9319) or US mail (PO Box 7984, Madison, WI 53707).

After filing the registration statement, an independent expenditure committee may begin receiving and disbursing campaign funds. The committee's financial activities must be reported to the filing officer on campaign finance reports (ETHCF-2S, 2SE, 2SU or 2a), *unless the committee has claimed an exemption from filing finance reports*. These reports will disclose information on the receipts, expenditures, incurred obligations and loans of the committee.

Completing a Registration Statement

Several items of information are required on an IEC's registration statement (ETHCF-1). When any of this information changes, an amendment to the registration statement must be filed in a timely manner (**within 10 days**).

Required Registration Information

- Along with the name and contact information, new committees must also supply a four-digit PIN number. The PIN number will be used when submitting any reports or changing registration information in the CFIS website.
- If an IEC has a sponsoring organization, please provide the name of that organization. “Sponsoring organization” means an entity that establishes, administers, or financially supports a political action committee or an independent expenditure committee.
- All committees are required to have an active treasurer. Please make sure the email address for the treasurer is kept up to date, so the committee receives notices of filing deadlines and other communications. Failure to keep this information current may result in the committee being penalized for failure to file necessary reports.
- Additional contacts are not required. However, the Government Accountability Board recommends having more than one contact person for the committee.
- Every independent expenditure committee must have a campaign account, and provide the name and address of the financial institution. To open the campaign account, it may be necessary to complete a request for Employer Identification Number (EIN) using form SS4. This form should be available from your financial institution or from an IRS office or website <http://www.irs.gov/charities/political/index.html>.
- After registration, every committee will be issued an Ethics ID#. This ID# also serves as the ‘username’ to login to the CFIS website. We recommend that this ID#, along with the full committee name, appear on all committee checks.

Exemption From Filing Campaign Finance Reports

Registrants who are eligible for an exemption from filing campaign finance reports should complete this section. The exemption requirements are explained below.

Certification

The committee treasurer must sign the registration statement certifying that the information is true, correct, and complete. When G.A.B. staff receive the signed statement, they will activate the committee, and the CFIS website will send the Ethics ID# (which is also the username) and a password to the email address(es) on file.

Amending a Registration Statement

When any of the information reported on the registration statement changes, the statement must be amended by filing a new ETHCF-1 within 10 days. This can be done in CFIS through the View/Edit Registration Screen. The treasurer may also file the amended ETHCF-1 paper form, checking the “yes” box at the top of the form to indicate that it is an amendment.

EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS

Eligibility

Committees may be eligible for an exemption from filing campaign finance reports if campaign finance activity is low enough to meet the following criterion:

The committee anticipates that it will not accept contributions, OR make disbursements, accept loans and incur other obligations in an aggregate amount exceeding \$2,000 in a calendar year.

The treasurer must sign and date the request for exemption on the campaign registration statement (ETHCF-1) or exemption reverification (ETHCF-14). An indication of limited activity (exemption) under this section is effective only for the calendar year in which it is granted. If a committee wishes to renew its exempt status for the following year, it should file the ETHCF-14 or a new ETHCF-1. Board staff will be providing notice to committees in each year that they need to re-verify their exemption.

If a committee was not on exempt status previously and requests exemption beginning after January 1st of a calendar year, the committee must file a report covering all activity up to the date of the request.

Financial Records During Exemption

When a committee is exempt, it is not required to file any campaign finance reports (ETHCF-2S, 2SE, 2SU or 2a). However, the treasurer is required to keep financial records adequate to meet the requirements of campaign finance law. Records must be kept of all contributions to the committee and of all expenditures.

Revoking Exemption

If a decision is made at a later date to exceed the \$2,000 limit on contributions or disbursements, the committee must amend its campaign registration statement immediately, by checking the box: “*This registrant is no longer eligible to claim exemption*” on either the ETHCF-1 or ETHCF-14.

The committee is then required to file finance reports covering all transactions from January 1 of that calendar year. Any reports past their deadline should be filed immediately.

MAJOR PROVISIONS OF CAMPAIGN FINANCE LAW

Included below is a summary of some of the major provisions of campaign finance law. A copy of Chapter 11, *Wisconsin Statutes*, as well as other campaign finance rules, guidelines and reporting advice can be found on the campaign finance website at <https://cfis.wi.gov>, by clicking the **General Information** button on the bottom left.

Prohibited Contributions

Certain contributions are prohibited by Wisconsin law. A committee may not accept the following types of contributions:

1. Anonymous contributions of more than \$10;
2. Contributions in cash of more than \$100;
3. Contributions given in the name of someone other than the contributor (these are laundered contributions);

Independent expenditure committees may accept unlimited amounts from individuals, party committees, PACs, and other independent expenditure committees. IECs may also accept unlimited contributions from corporations, associations, labor unions, and tribes, even though those entities may not give to candidates or PACs.

Contribution Limits

There are no contribution limits on donations to independent expenditure committees.

Independent expenditure committees may not make contributions to candidates, party committees, legislative campaign committees, or PACs. This ban includes both monetary contributions and in-kind contributions.

Other Income from Businesses

Businesses may make contributions under some circumstances, but the rules vary by the type of business.

1. Corporations **may contribute** to independent expenditure committees in the State of Wisconsin.
2. Sole-proprietorships may contribute. The contribution must be reported under the name of the individual owner.
3. Partnerships may contribute. The contribution must be reported under the names of the individual owners. The partnership may agree beforehand on how to allocate a portion of the contribution to each partner. If the partnership does not inform the candidate how the contribution should be allocated between the partners, then the contribution should be divided up according to each partner's share of the partnership's profits.
4. LLCs taxed as a sole-proprietorship or partnership may contribute. The contribution must be reported under the name(s) of the individual owner(s). If there is more than one owner, contributions should be allocated as described in the partnership section above.

Occasionally, a committee may receive other income, like interest on a savings or checking account, or a refund of a security deposit, from a business. This other income is not a contribution, and may be accepted from any type of business. The income should be reported on Schedule 1-C (Other Income), rather than Schedule 1-A, where contributions are reported.

In-Kind Contributions

An in-kind contribution is any good, service or property offered to the committee free of charge or at less than the usual cost, or payment of a registrant's obligations for such goods, services or property. For example, if a volunteer purchases stamps that are used for a mailing and is not reimbursed for the cost of the stamps, the value of the stamps is an in-kind contribution to the committee from that volunteer. When an individual is paid to work on behalf of a committee by another committee or some other individual, the payment for those services is an in-kind contribution to the committee that benefits from the work. If an individual offers to provide food and beverages for a fundraiser at less than the ordinary market price, the difference between the ordinary market price and the cost to the committee is an in-kind contribution from the individual.

The treasurer must agree to accept an in-kind contribution before it is given. Before making an in-kind contribution to a committee, the contributor is required to notify an authorized person and obtain either oral or written consent to the contribution. If the contributor does not know the actual value of the contribution, a good faith and reasonable estimate of the fair market value should be provided.

An in-kind contribution received by the committee is reported as both a receipt and expenditure. This procedure allows the committee to disclose the receipt of the contribution on its campaign finance report along with cash contributions received. Then, in order to keep the committee's cash balance accurate, the amount of the in-kind is reported as an expenditure. The two entries offset each other and do not affect the cash balance.

If an estimate of the value of an in-kind contribution is the only value available at the time the committee is required to file a report, the committee must report the estimated value of the contribution. When the actual value of the estimated in-kind contribution is known, the actual amount is reported as a contribution and an expenditure on the campaign finance report.

In-kind contributions are subject to the same itemization thresholds and the same contribution limits as cash contributions. Cash contributions and in-kind contributions from a single contributor are added together for the purposes of determining compliance with the year-to-date amount for a specific contributor.

Returned Contributions

Any contribution you return to the donor after depositing it in the committee's account must be reported as a returned contribution to the contributor. Any contribution returned to the donor uncashed within 15 days of receipt has not been accepted and does not get reported.

Contributions Transferred through Conduits

A conduit receives contributions from individuals, deposits those contributions in a financial institution, and then transfers the contributions to a committee selected by the original contributor. The conduit may not exercise any discretion over the amount or ultimate recipient of the contributions. A conduit is required to register with the Government Accountability Board.

When a conduit transfers contributions, it writes a single check for the total amount of all individual contributions designated for that committee. It is required to provide a transmittal letter with the check. This letter must identify the organization as a conduit, and list the individual contributors, the amount of each individual's contribution, and the date the individual authorized their contribution (see Wis. Admin. Code GAB § 1.855).

Contributions transferred through conduits are reported as contributions received from the individuals listed in the transmittal letter. These contributions are reported under the individual's name. They are subject to itemization on the same basis as other individual contributions.

Obligations

“Obligation” means any express agreement to make a disbursement, including all of the following:

- (a) A loan or loan guarantee.
- (b) A promise or a payment to purchase, rent, or lease tangible personal property.
- (c) A promise or a payment for a service that has been or will be performed.

INDEPENDENT EXPENDITURES AND COORDINATION

Independent Expenditures

An IEC may decide to influence an election by making independent expenditures for or against candidates. To meet the statutory definition of independent expenditure, the expense must be for express advocacy:

11.0101 (11) “Express advocacy” means a communication that contains terms such as the following with reference to a clearly identified candidate and that unambiguously relates to the election or defeat of that candidate:

- (a) “Vote for”.
- (b) “Elect”.
- (c) “Support”.
- (d) “Cast your ballot for”.
- (e) “Smith for ... (an elective office)”.
- (f) “Vote against”.
- (g) “Defeat”.
- (h) “Reject”.
- (i) “Cast your ballot against”.

“Issue Ads” that do not meet these criteria are not independent expenditures. However, a registered IEC must report all of its receipts and expenses, including expenses for issue ads, when it files its regular campaign finance reports (the ETHCF-2). Expenses on issue ads are not required to be itemized under campaign finance law – only the date, amount, and purpose (issue advocacy) of the expense must be reported.

Political action committees may make independent expenditures and contribute directly to candidates. These committees are governed by a separate group of statutes and have a separate Campaign Finance Overview documenting those rules.

72 Hour Reporting of Independent Expenditures

Independent expenditure committees that spend more than \$2,500 on express advocacy in the 60 days before a primary election must also file a special report within 72 hours documenting their expenditures. It is the date the communication takes place, not necessarily the day the expense is paid, that determines whether it falls within the 60 day period.

Committees required to file 72 hour reports of independent expenditures must do that either through the CFIS website, or by faxing or emailing the ETHCF-7 report, within 72 hours of the communication occurring. Directions on filing these reports in CFIS can be found here: <http://www.gab.wi.gov/campaign-finance/training>.

When a committee submits an ETHCF-7 report, either through CFIS or by fax or email, the treasurer will also file an oath that the committee has not coordinated with the candidate committee. Under previous law, committees making independent expenditures had to file an oath (the GAB-6) covering an entire calendar year, stating which candidates the committee intended to support or oppose through independent expenditures. Now, a similar oath is repeated for each separate communication and filed with each ETHCF-7 report. Since oaths must be witnessed by a notary, a paper copy of each ETHCF-7 must always be mailed to the Government Accountability Board.

Coordination with Candidate Committees

An IEC **may not** coordinate with a candidate committee about a communication containing express advocacy. If coordination occurs, the activity is no longer an independent expenditure, and instead qualifies as contribution. The definition of coordination is listed below:

- 11.1203(2)(a)** For purposes of this section, an expenditure for express advocacy is coordinated if any of the following applies:
1. The candidate, candidate's agent, legislative campaign committee of the candidate's political party, or the candidate's political party communicates directly with the political action committee, independent expenditure committee, other person, or individual making the expenditure to specifically request that the political action committee, independent expenditure committee, other person, or individual make the expenditure that benefits the candidate and the political action committee, independent expenditure committee, other person, or individual explicitly assents to the request before making the expenditure.
 2. The candidate, candidate's agent, legislative campaign committee of the candidate's political party, or the candidate's political party exercises control over the expenditure or the content, timing, location, form, intended audience, number, or frequency of the communication.

Under *Wis. Stats.* 11.0601(3)(b), independent expenditure committees may not give contributions to candidates, or any committee except referendum committees and other independent expenditure committees. All committees are audited on a yearly basis to ensure that they have not accepted contributions contrary to law.

ATTRIBUTION STATEMENTS ON POLITICAL LITERATURE (DISCLAIMERS)

Disclaimers

No disbursement by a **registered committee** may be made anonymously and no contribution or disbursement may be made in a fictitious name or by one person or organization in the name of another.

- (a) Every printed advertisement, billboard, handbill, sample ballot, television or radio advertisement, or other communication containing express advocacy which is paid for by any contribution or disbursement shall clearly identify its source.
- (b) Every communication described under par. (a) the cost of which is paid for or reimbursed by a committee, or for which a committee assumes responsibility, whether by accepting a contribution or making a disbursement, shall identify its source by the words "Paid for by" followed by the name of the committee making the payment or reimbursement or assuming responsibility for the communication and may include the name of the treasurer or other authorized agent of the committee.

Attribution statements do not apply to communications containing express advocacy printed on small items, which would normally require a disclaimer, but cannot be conveniently printed, including text messages, social media communications, and certain small advertisements on mobile phones.

Formats for Disclaimers

When a communication is paid for by a committee, the disclaimer must include the words “Paid for by,” followed by the name of the committee:

“Paid for by the ABC Committee.”

Additionally, any IEC making independent expenditures to submit an affirmation under oath, must also include the words "Not authorized by any candidate or candidate's agent or committee" in every communication containing express advocacy.

“Paid for by the ABC Committee, Not authorized by any candidate or candidate's agent or committee.”

CAMPAIGN FINANCE REPORTS (GAB-2S, 2SE, 2SU, or 2a)

All registrants that are not exempt from filing must file campaign finance reports. Committees must continue to file periodic reports until termination of their registration. These reports must be filed with the appropriate local filing officer when due. Any IEC that spends more than \$1,000 in a campaign period (two years) must file reports electronically through the CFIS website.

When to file Reports

All committees must file continuing reports in January and July of each year until they terminate their registration. Independent expenditure committees that support or oppose candidates on the ballot must file a pre-primary and a pre-election report due 8 days before the primary or general election.

Itemization of Reporting Periods and Elections:

Spring Primary: A committee that engages in activity concerning a spring primary must file: (1) a pre-primary report; (2) a pre-election report; and (3) annually in each year of an election cycle, a report on January 15 and July 15.

Spring Election: A committee that engages in activity concerning a spring election must file: (1) a pre-election report; and (2) annually in each year of an election cycle, a report on January 15 and July 15.

Partisan Primary: A committee that engages in activity concerning a partisan primary must file: (1) a pre-primary report; (2) a pre-election report; (3) in an odd-numbered year, a report on January 15 and July 15; and (4) in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September.

General Election: A committee that engages in activity concerning a general election must file: (1) a pre-election report; (2) in an odd-numbered year, a report on January 15 and July 15; and (3) in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September.

Reporting deadlines can be found at: (<http://www.gab.wi.gov/campaign-finance/limits-deadlines>)

How to Complete the ETHCF-2S Campaign Finance Reports

There are three ways to file a campaign finance report:

- Using the online screens in the Campaign Finance Information System (“CFIS”),
- Using the CFIS upload templates (ETHCF-2SU), or
- Using a ETHCF-2SE Excel workbook with schedules that may be found on the G.A.B. website at <http://www.gab.wi.gov/forms>.

If you choose to use the Excel spreadsheet, you should e-mail your completed document to Board staff at gabcfis@wi.gov and we will upload the information contained in the spreadsheet into CFIS for you.

Every committee must use one of the specified, approved forms. A committee that chooses to use the Excel or SU upload template with schedule detail must use the template approved by the Commission. **If your template does not match any fields listed in this document, you are using the wrong template and it will not upload properly.** Please contact the Government Accountability Board for the correct form.

For detailed instructions on how to complete and file the campaign finance report, go to <https://cfis.wi.gov> and click on the **Manuals** link in the center of the page.

In the rare case that your committee is allowed to file a paper report, please contact G.A.B. staff.

Information Required

The information listed on the campaign finance report discloses the financial activity of the committee. The law requires disclosure of income, disbursements, and incurred obligations. In addition, disclosure is required for obligations, including loan guarantees, and for estimated in-kind contributions. Committee treasurers must exercise diligence in acquiring and furnishing the contributor information required. Under current state law, treasurers are required to make a “good faith effort” to obtain all information required on the reports. For all contributors, you must disclose the individual’s name and address. If the individual’s year-to-date total exceeds \$200, you must also provide the individual’s occupation.

IECs will almost always file the ETHCF-2 campaign finance reports electronically through the CFIS website. The help screens on that site may answer some of your questions, and you can also obtain a paper or PDF copy of the ETHCF-2 - each of the report schedules has detailed instructions for completing it on the back. When you have entered all transactions for a reporting period, the CFIS system will automatically generate the ETHCF-2 report for you, and place all transactions on the appropriate schedules.

All contributions received by the committee must be reported in Schedule 1 (Receipts) of the campaign finance report. Contributions and loans from individuals are listed in Schedule 1A (Contributions Including Loans From Individuals). Contributions from other committees, such as political action committees, political party committees, and other independent expenditure committees, are reported in Schedule 1B (Contributions from Committees). All other income, such as loans from financial institutions, contributions returned from other registrants, refunds, returns of deposits or interest on investments are reported in Schedule 1C (Other Income and Commercial Loans). The date which must be provided for all contributions is the date the committee **received** the contribution, that is, the date it acquired possession and control of the contribution, **not** the date of deposit or date on the check (unless all dates are the same).

All money spent by the committee is reported in Schedule 2 (Disbursements) of the campaign finance report. General operating expenditures are listed in Schedule 2A (Gross Expenditures). Contributions to other

political committees (independent expenditure committees may contribute only to referendum committees and other IECs) are listed in Schedule 2B (Contributions to Committees).

Additional information required to be disclosed is reported in Schedule 3 (Additional Disclosure) of the campaign finance report. All obligations of the committee such as unpaid bills are listed in Schedule 3A (Incurred Obligations Excluding Loans). Loans and the individuals who guarantee loans for the committee are listed in Schedule 3B (Loans).

Schedule 4 (Termination Request) of the campaign finance report or the ETHCF-13 form (termination request) is used for requests to terminate a committee.

No-Activity Report (Postcard Report)

If a committee receives no contributions, makes no disbursements and incurs no obligations during a reporting period, the registrant may file a postcard report form, ETHCF-2a. This postcard form should be used **only** when there has been no financial activity and the cash balance remains unchanged during the reporting period. If there is any financial activity, a registrant is required to use the regular campaign finance report form, ETHCF-2S, 2SU or 2SE.

Reporting Campaign Finance Transactions

Reporting Receipts

In preparing to report receipts on a campaign finance report, please remember the following:

1. Anonymous contributions of \$10 or less can be accepted. Under this threshold, the individual donor's name and address do not have to be tracked. If any anonymous receipts of more than \$10 are received, the excess donations must be donated to the common school fund or to charity.
2. Anonymous contributions of \$10 or less can be grouped together and reported as a single amount on the campaign finance report. If the total is more than \$10, committees should add a comment describing the circumstances of the receipt.
3. Any non-anonymous contribution must be itemized, and include the person's name and address.
4. Contributions of \$100 or less may be accepted in cash. Contributions over \$100 must be made by check, or by other negotiable instrument.
5. If a single contribution is over \$200 (or if one person's total contributions for the calendar year go over \$200) the committee must report not only the contributor's name and address, but also the contributor's occupation.
6. Contributions from individuals received through a conduit are reported as receipts. They are treated in the same manner as other individual contributions.
7. A contribution given from a joint checking account should be reported as a contribution from the individual that signed the check. If any part of the amount on the check is intended to be contributed by the other owner of the account, that amount should be clearly indicated on the check or in some other writing which accompanies the check.
8. Receipts from raffles, auctions, garage sale, and other similar fundraising events are individual contributions (unless anonymous under \$10) and must be entered as a receipt.
9. Contributions received from a sole proprietorship or partnership are reported as individual contributions under the name of the owner(s).
10. All contributions from political committees, regardless of the amount, must be itemized and entered as a receipt from the contributing committee. The full name and address of the registrant, the date and the amount of the contribution are required.

11. In-kind contributions (a gift of goods or services, rather than money) are reported at their fair market value at the time of contribution. These contributions are reported as both a receipt and an expenditure. As a receipt, they are entered as a contribution type of “in-kind”, with the appropriate information about the contributor. This offsetting expenditure entry is necessary because an in-kind contribution is treated as if cash was given, and then used to buy the item contributed.
12. A loan from an individual is considered a contribution. It must be reported as a contribution and as a loan. Payments on the loan should be reported as expenditures and the cumulative amount paid in a reporting period is also reported. Loans from political committees are considered contributions and are reported.
13. Returned contributions received from other registrants, refunds, interest income and loans from commercial lenders are also reported as money received by the campaign. They are listed as “other income” rather than contributions.

Reporting Disbursements - Gross Expenditures

In preparing Schedule 2 of the campaign finance report, the treasurer should remember the following:

1. An expenditure that exceeds \$20 in amount or value must be itemized and include the name and address of the person or business to whom it was made and the date and amount of the payment.
2. The specific political purpose of an expenditure must be reported. Please remember that the purpose of campaign finance reports is to inform the public. The descriptions should provide a person, perhaps unfamiliar with the intricacies of campaigning, with information on the nature of the expenditure and how it relates to the political process. For example, if food has been purchased for a fundraiser or for a party for workers, give the purpose as “food for fundraiser” or “food for party for campaign workers.” Do not write “food” only. If T-shirts are purchased for resale by the committee, give the purpose as “campaign T-shirts for resale,” not “T-shirts” only.
3. An in-kind contribution of goods or services to another committee must be itemized, regardless of the amount. The itemization must include the name and address of the registrant on whose behalf the disbursement (in-kind contribution) is made, the name and address of the original vendor of the goods or services, and the date and amount of the disbursement.
4. The receipt of an in-kind contribution is also reported as an in-kind expenditure. If the candidate or other person makes an in-kind contribution to the committee, the in-kind expenditure must include the name of the original vendor of the goods or services, and the political purpose of the expenditure.
5. Payments made on loans and incurred obligations are reported as expenditures. The cumulative amount paid to each creditor is reported.
6. All financial institution service charges should be listed as itemized expenditures depending on the amount.
7. Contributions to other political registrants should be reported and must be itemized regardless of the amount transferred. The itemization must list the name and address of the registrant receiving the contribution, the date and amount of the contribution.
8. A letter should be sent to the filing officer within 5 days of donating money to a charitable organization, the Common School Fund, or any government entity. The letter should include the date of the donation, the name of the organization, and shall provide an explanation to the filing officer of why the funds were not retained by the committee. See 11.1302 *Wis. Stats.*

Reporting Incurred Obligations

1. Incurred obligations are to be reported when an enforceable agreement has been reached. If the exact amount of the obligation has not yet been defined, the amount of the obligation must be estimated. Although the committee may not have received a bill, the amount recorded should be a good faith estimate of the amount owed.

2. Each obligation must be carried forward on subsequent reports until the obligation has been reduced to zero.

Reporting Loans

It is important to remember the following information concerning the recording and reporting of loans:

1. A loan from an individual or a political committee is reported as a contribution in Schedule 1A (individual) or in Schedule 1B (political committee) and is listed in Schedule 3B.
2. A loan from a financial institution is reported in Schedule 1C as other income and in Schedule 3B as a loan.
3. Each payment on a loan must be reported as an expenditure in Schedule 2A. The cumulative amount of the payments made on a loan is reported in Schedule 3B.

Filing Fee

Every IEC registered with the Government Accountability Board whose disbursements exceed a total of \$2,500 in any calendar year must pay an annual filing fee of \$100. This provision does not apply to candidates or personal campaign committees. For IECs, administrative and fundraising expenses do not count toward the \$2,500 threshold. IECs should total the amount of contributions and independent expenditures, plus any amount spent urging voters to vote for or against a referendum question – if that total is more than \$2,500, then the committee owes a fee. The payment is made to the G.A.B. and is due no later than January 15th following the calendar year for which the fee was required. If a committee becomes subject to registration during the year, it must pay the fee when it registers.

If a committee terminates during a year, and spends more than \$2,500 in that year, the registrant must pay the \$100 filing fee with its termination request.

Any committee required to pay the filing fee who fails to do so within the time prescribed will be referred to the Board for further action. The statutes provide for a forfeiture of \$500 plus three times the filing fee which is \$300.

TERMINATION OF REGISTRATION AND REPORTING REQUIREMENTS

A committee may terminate its registration if it meets the following requirements:

1. Determines that all financial activity will stop, and that it will no longer receive contributions, make disbursements, or incur obligations; and
2. Files a termination campaign finance report showing that all incurred obligations have been paid or satisfied, and that the cash balance has been reduced to zero; and,
3. Completes a request for termination in Schedule 4 (Termination Request) or form ETHCF-13.

Committees registered with the Government Accountability Board must pay the filing fee, if required for that year, before terminating their committee. Be sure to inform the filing officer that your committee is requesting termination when filing the committee's final campaign finance report. Simply filing a report with a \$0 balance does not terminate your committee.

Disposal of Residual Funds

Residual funds may be used for any purpose not prohibited by law, including:

1. Returning money to contributors in amounts that are not more than the contributor's original contribution (note: the treasurer may choose which contributors to refund. You *are not required* to pro-rate and return a portion to all contributors); or
2. Donating money to any tax-exempt charitable organization or the Common School Fund; or
3. Transferring money to another registrant (another IEC or a referendum committee); or
4. Using any combination of the above.

Prior to making these disbursements, make sure the committee does not have any pending fees or settlement offers.