

2021

Compliance Manual for



Continuing Political Committees (CPCs)
Legislative Leadership Committees (LLCs)
Political Party Committees (PPCs)

Summary of Requirements
Contribution Limits Chart

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION
609.292.8700 or Toll Free Within NJ 1.888.313.ELEC (3532)
www.elec.nj.gov
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INTRODUCTION

How to Use This Manual

The guidance provided in this Manual is applicable to Continuing Political Committees (CPCs), Legislative Leadership Committees (LLCs), and Political Party Committees (PPCs).

Throughout this Manual, the Following Abbreviations Apply:

Commission:	The New Jersey Election Law Enforcement Commission
CPC:	Continuing Political Committee
LLC:	Legislative Leadership Committee
PPC:	Political Party Committee
The “Act”:	“The New Jersey Campaign Contributions and Expenditures Reporting Act” (Citation: <u>N.J.S.A.</u> 19:44A-1 et seq.)
The “Regulations”:	The regulations promulgated under the “Act” (Citation: <u>N.J.A.C.</u> 19:25-1 et seq.)
Treasurer:	The organizational treasurer
Depository:	The organizational depository

Help Using This Manual

Any person who wishes to receive clarification concerning any item in this Manual should contact the Commission at (609) 292-8700, or toll free in New Jersey at 1 (888) 313-ELEC (3532). The Commission’s mailing address is: NJ Election Law Enforcement Commission, P.O. Box 185, Trenton, NJ 08625-0185.

Filing Information

All reports must be filed electronically. Filing a report on time requires the report to be received electronically by the Commission by 5:00 P.M. on the filing due date.

This Manual is not intended to supersede the Act and regulations, and in the event of any inconsistency, the Act and regulations prevail. Accordingly, it is recommended that you obtain a copy of the regulations by contacting the Commission or by accessing them on the Commission’s website *www.elec.nj.gov*.

DEFINITIONS

Continuing Political Committee (CPC) includes any group of two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association, including a political club, political action committee, civic association or other organization, which in any calendar year contributes or expects to contribute at least \$7,200 to aid or promote the candidacy of any individual, or the candidacies of individuals, for elective public office, or the passage or defeat of a public question or public questions, and which may be expected to make contributions toward such aid or promotion or passage or defeat during a subsequent election, provided that the group, corporation, partnership, association or other organization has been determined by the Commission to be a continuing political committee in accordance with N.J.S.A. 19:44A-8(b). **Note: No candidate or office holder can establish, authorize the establishment of, maintain, or participate directly or indirectly in the management or control of a continuing political committee.**

Legislative Leadership Committee (LLC) means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly, or the Minority Leader of the General Assembly pursuant to N.J.S.A. 19:44A-10.1 for the purpose of receiving contributions and making expenditures.

Political Party Committee (PPC) means the State committee of a political party organized pursuant to N.J.S.A. 19:5-4; any county committee of a political party organized pursuant to N.J.S.A. 19:5-3; or, any municipal committee of a political party organized pursuant to N.J.S.A. 19:5-2.

All three types of committees have a filing obligation every year. Please review the corresponding reporting charts in the manual for more information.

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Section 1 – Appointment of Officers and Depositories

A. Qualifications of Organizational Treasurers and Officers; Treasurer Training

Any competent person 18 years of age or older may serve as an organizational treasurer, deputy organizational treasurer, committee chairperson, committee vice-chairperson, or committee member provided that person maintains a resident address within the State of New Jersey, or alternatively files a Consent to Service of Legal Process (Form COC-C) at an address within the State. The committee must file a notice, on Form D-3, D-4, or D-5, whichever is applicable, within ten (10) days of the appointment of the chairperson and treasurer.

Treasurers for the State political party committees and the legislative leadership committees, as well as treasurers for Gubernatorial, Senate, and Assembly candidates **are required** to receive formal training with the Commission; training is optional, but recommended, for all other treasurers. Training is available through a website module (training can be completed online) or by attending a seminar. For information concerning the Treasurer Training Program, visit the Commission's website at www.elec.nj.gov.

No person serving as a chairperson of a political party committee (PPC) or a legislative leadership committee (LLC) shall be eligible to be appointed to or serve as:

1. Chairperson, campaign treasurer, or deputy campaign treasurer of a candidate committee or joint candidates committee, other than a candidate or joint candidates committee established to further the election of that person as a candidate;
2. Chairperson, campaign treasurer, or deputy campaign treasurer of a political committee; or,
3. Chairperson, treasurer, or deputy treasurer of a continuing political committee (CPC).

A treasurer may appoint a deputy treasurer. No later than five (5) days after such appointment, the treasurer shall file a notice of the appointment on Form D-3, D-4, or D-5, whichever is applicable, which has been certified as true and correct by the chairperson and treasurer. If there is a change in any of the information contained in the notice of the appointment, an amendment must be filed within ten (10) days of the change.

The committee shall notify the Commission in the case of the death, resignation, or removal of a treasurer within ten (10) days of its occurrence. The committee shall appoint a successor as soon as practicable but in no case more than twenty (20) days after the death, resignation, or removal of the treasurer and shall notify the Commission of the appointment of the successor within three (3) days of the appointment.

B. Organizational Depository

An organizational depository is any bank account, whether checking, savings, or other, that is established by a committee for the purpose of receiving contributions and making expenditures to aid or promote a candidate in an election or to support or oppose a public question. Any bank authorized by law to transact business in, and maintaining a branch or office in, the State, may be designated as an organizational depository. If the bank is located outside the State, the bank may be designated as a depository provided that the bank files a Consent to Service of Legal Process (COC-B) at an address within this State prior to accepting or receiving any committee funds.

A treasurer may designate additional depositories. If additional depositories are established, the treasurer shall, no later than five (5) days after such designation, file a notice of the additional depository with the Commission, on Form D-3, D-4, or D-5, whichever is applicable. The notice shall be certified as true and correct by the chairperson and treasurer. If there is a change in any of the information contained in the notice of the additional depository, an amendment must be filed within ten (10) days of the change.

For the limited purpose of investing organizational funds, a recognized investment institution authorized by law to transact business in the State, may be designated as an additional depository, provided that the invested funds are not used to benefit any person or enterprise in which a committee official has an economic interest. This type of depository must be **in addition to** the organizational depository established by the committee. If the investment institution is located outside the State, the investment institution must file a Consent to Service of Legal Process at an address within this State prior to accepting or receiving any committee funds.

Section 2 - Contributions

A. Defined: A contribution is a transfer of money or other thing of value, including loans. A contribution may be in the form of currency, check, or other negotiable instrument. A contribution may also be a non-monetary in-kind contribution.

B. Receipt and Deposit of Funds: All funds received by a committee must be deposited by the treasurer into the depository within ten (10) days of receiving them.

C. Date of Receipt: The date of receipt of a contribution is the date on which the treasurer, or any other person so authorized by the committee, receives the contribution, or, in the instance of an in-kind contribution, becomes aware of, or receives notice (whichever occurs first) of the expenditure on the committee's behalf. The date of receipt is not the date the treasurer deposits the contribution, unless it is deposited on the date received.

D. Contribution Limits: To assist treasurers with determining whether or not there are contribution limits in either receiving or giving contributions, refer to the following contribution limits chart.

Contribution Limits Chart for Candidates And Committees							
Entities Making Contributions	Entities Receiving Contributions						
	Candidate Committee*	Political Committee**	Continuing Political Committee	Legislative Leadership Committee	State Political Party Committee	County Political Party Committee	Municipal Political Party Committee
Individual to:	\$2,600 per election	\$7,200 per election	\$7,200 per year	\$25,000 per year	\$25,000 per year	\$37,000 per year	\$7,200 per year
Corporation or Union to:	\$2,600 per election	\$7,200 per election	\$7,200 per year	\$25,000 per year	\$25,000 per year	\$37,000 per year	\$7,200 per year
Association or Group to:	\$2,600 per election	\$7,200 per election	\$7,200 per year	\$25,000 per year	\$25,000 per year	\$37,000 per year	\$7,200 per year
Candidate Committee to:	\$8,200 per election	\$7,200 per election	\$7,200 per year	\$25,000 per year	\$25,000 per year	\$37,000 per year	\$7,200 per year
Political Committee to:	\$8,200 per election	\$7,200 per election	\$7,200 per year	\$25,000 per year	\$25,000 per year	\$37,000 per year	\$7,200 per year
Continuing Political Committee to:	\$8,200 per election	\$7,200 per election	\$7,200 per year	\$25,000 per year	\$25,000 per year	\$37,000 per year	\$7,200 per year
Legislative Leadership Committee to:	-	-	-	NO LIMITS	-	-	-
State Political Party Committee to:	-	-	-	NO LIMITS	-	-	-
County Political Party Committee to:	No limits, but from January 1 st through June 30 th of each year, a county political party committee is prohibited from making a contribution to another county political party committee and a county political party committee is prohibited from accepting a contribution from another county political party committee. A county political party committee is subject to other restrictions; see <u>N.J.A.C. 19:25-11.7</u> .						
Municipal Political Party Committee to:	-	-	-	NO LIMITS	-	-	-
National Political Party Committee to:	\$8,200 per election	\$7,200 per election	\$7,200 per year	\$25,000 per year	\$72,000 per year	\$37,000 per year	\$7,200 per year

A National Political Party Committee is the principal organization supporting election activities of a State political party committee, which activities include making contributions to that State political party committee pursuant to N.J.S.A. 19:44A-11.4a(2). There shall be no more than a single national political party committee of a political party for each State political party committee.

**NOTE: The contribution limit to a gubernatorial candidate is \$4,900 per election.*

***Public Question Political Committee and Independent Expenditure only committees may receive unlimited contributions.*

E. Return of Excessive Contributions: If a treasurer inadvertently receives and deposits a contribution in excess of a contribution limit, that portion of the contribution which exceeds the limit must be returned to the contributor within 48 hours of receipt.

The treasurer must make and maintain a written record of the excessive contribution containing the following:

1. The date the contribution was received;
2. The name and mailing address of the contributor;
3. If the contributor is an individual, the occupation of the individual and the name and mailing address of the individual's employer;
4. The amount of the contribution;
5. The amount of the contribution that exceeds the applicable contribution limit;
6. A photocopy of the check or written instrument received as a contribution; and,
7. A photocopy of the refund check issued by the committee.

The refunded transaction must be reported on the report for the quarter in which the refund occurred.

F. Time Frame for "Per Year" and "Per Election": As noted on the contribution limits chart found in this Manual, contributions are limited on a "per year" or "per election" basis. For the purpose of computing the "per year" limits, the calendar year is used. "Per election" means a specific election in which a candidate or political committee is participating. **Note: the primary election and general election are separate elections.**

G. Disclosure of Currency (Cash) Contributions in any Amount and Contributions Exceeding \$300 from One Source; Reporting of Occupation and Employer Information:

When a contribution is received in currency (cash) in any amount, or when a contribution is received in excess of \$300 in the aggregate from one source during the calendar year, that contribution must be disclosed in detail on a report to the Commission (either Form R-3 or Form C-3). The contributor's name and mailing address, the date of receipt, and the amount of the contribution must be disclosed on the reports. The total amount of all contributions received from the contributor in the calendar year to date must also be disclosed.

If the contributor is an individual, the individual's occupation as well as the name and mailing address of the individual's employer must be disclosed. When reporting occupation information, a description of the contributor's source of income must be provided, such as "florist," "attorney," "doctor," "custodian," or "electrician." Descriptions such as "self-employed," "owner," or "sole proprietor" do not identify occupation and are insufficient. If the contributor does not have a source of livelihood, a description such as "retired," "student," or "none" shall be reported, but in all cases some written description shall be provided and the information shall not be left blank.

When reporting the employer information, report the legal or trade name under which the employer does business. In the case in which a contributor's source of income is his or her own business or corporation, the employer should be reported as the legal or trade name under which the contributor does business. For example, if Joe Smith owns his own plumbing business called "Smith's Plumbing," the name of the employer is "Smith's Plumbing." The employer's mailing address is always the address from which the business is operated. For a contributor who does not have a source of livelihood and for which a description such as "retired," "student," or "none" was entered for the occupation, no employer address is required.

H. Calculating Contributions: Contributions from the same source must be aggregated. For example, a contributor may contribute \$250 to a committee during one quarter and then later contribute an additional \$150; this contributor is now a contributor of more than \$300. Once such aggregated contributions exceed \$300 in the aggregate from one source during the calendar year, disclosure of the contributor's name, mailing address, date of receipt, amount of the contribution that exceeded \$300 (i.e., the \$150 contribution), and aggregate contribution amount (i.e., \$400) must be provided on the appropriate report, as well as the occupation and the name and address of the contributor's employer if the contributor is an individual. Once a contributor has contributed in excess of \$300 in the aggregate from one source in a calendar year, all subsequent contributions in that year from that contributor must be disclosed.

A contribution may not be netted out to cover a fund-raising cost. For example, if a dinner ticket costs \$350 and the caterer will receive \$75 of that amount for the cost of the dinner, the contribution is still \$350 and reportable in full.

I. Contributions Received Immediately Before an Election (48-Hour Contribution Notices): Each treasurer shall file the Form 48-HR (through ELEC eFile) or Form C-3 (through the Commission's website if filing for Form A-3) with the Commission to report a contribution in excess of \$1,900 in the aggregate from one source, received between the closing date of the last quarterly report through the date of an election in which a committee is contributing or otherwise participating. The notice shall be filed within 48 hours of receipt of the contribution.

Note that the \$1,900 threshold is calculated by looking at the time frame prior to the election, not cumulatively over the calendar year. For example, if a committee is participating in a general election and if a contributor gives \$1,000 on October 1st and \$950 on October 10th, the contributor has exceeded the \$1,900 threshold and a 48-hour contribution notice is required.

The notice shall set forth the amount and date of receipt of the contribution and the name and mailing address of the contributor. If the contributor is an individual, occupation and employer information must also be disclosed. A committee is considered to be participating in an election (school board, municipal, runoff, primary, general, special, recall) if the committee makes or intends to make a contribution (currency, monetary, in-kind, or loan) in a particular election.

If a committee is participating in an election and expects to receive numerous contributions in excess of \$1,900 in the aggregate from one source during a 48-hour notice time frame, the 48-hour contribution notices may be accumulated and disclosed on a single, cumulative report filed on the 11th day preceding the election. After this cumulative 11-day pre-election report is filed, however, 48-hour contribution notices for additional reportable contributions must be filed up to and including the day of the election.

48-Hour Notice Time Frame	
Election	Period Covered
School Board	April 1 st - Election Day
Municipal	April 1 st - Election Day
Runoff	April 1 st - Election Day
Primary	April 1 st - Election Day
General	October 1 st - Election Day
Special and Recall	Contact Commission

Contributions subject to 48-hour contribution notices are always reported twice: once by 48-hour contribution notice and a second time when a report is filed for the applicable quarter.

J. In-Kind Contributions: An in-kind contribution is a non-monetary contribution that consists of goods or services. For example, someone may pay for food and beverages for a committee fundraiser. The committee that benefits from the in-kind contribution of food and beverages must report the receipt of an in-kind contribution in an amount equal to the fair market value of the cost of the food and beverages. However, voluntary, unpaid personal services are not reportable contributions.

A contribution in the form of paid personal services is required to be reported in an amount equal to the amount of salary, compensation, or consideration for the services paid by the contributor to the individual performing the services. Paid personal services means personal, clerical, administrative, or professional services, which are not paid for by the committee benefiting from the services. Upon receipt of a contribution in the form of paid personal services, the treasurer shall obtain a written statement from the person contributing the paid personal services, setting forth the amount of compensation paid by the contributor to the individual performing the services. For additional information concerning contributions of paid personal services, consult the regulations at N.J.A.C. 19:25-10.4 and 10.5.

K. Currency Contributions: Contributions of currency up to and including \$200 per calendar year are permitted only if the contributor submits with the contribution a form signed by the contributor giving the name and address of the contributor, the date of the contribution, the amount and, if the contributor is an individual, the individual's occupation and the full name and mailing address of his or her employer. Currency contributions in excess of \$200 in the aggregate annually from any one contributor are prohibited.

All currency contributions, regardless of amount, are reportable in detail. For committees filing the Form A-3, the currency contributions are reportable on the Form C-3.

L. Contributions by Check or Other Negotiable Instrument: Contributions greater than \$200 must be made by check or other negotiable instrument. When a contribution is received by check, the contributor must be identified as follows:

1. The individual signing the check is the contributor when a check is drawn on a **single or joint account** which that individual owns. If, on a joint account, both owners of the account sign the check and no other written instructions accompany the check, the amount of the check is attributed half to each person signing the check. If written instructions signed by each of the joint account owners specify a different allocation of the funds, the specified allocation applies. For example, assume a committee receives a check drawn on the account of "John and Mary Smith" in the amount of \$1,200 and John Smith signs the check. The committee must report the receipt of a \$1,200 contribution from John Smith. If, in the same example, both John and Mary Smith sign the check, the committee must report receiving a \$600 contribution from John Smith and a \$600 contribution from Mary Smith. Again, in the same example, if both John and Mary Smith sign the check, and accompany the check with written instructions, signed by both, indicating that \$500 should be allocated to John Smith and \$700 to Mary Smith, the committee will report a \$500 contribution from John Smith and a \$700 contribution from Mary Smith. Note: Occupation and employer information is required for both John and Mary Smith in this case.
2. If the check is signed by an authorized representative of a **corporation, labor organization, group, or association**, the contributor is the corporation, labor organization, group, or association. The person signing the check (i.e., the bookkeeper or the accountant) is **not** the contributor. Similarly, if a check is received from a candidate committee, joint candidates committee, political party committee, continuing political committee, legislative leadership committee, or political committee, the contributor is the respective committee and **not** the treasurer who signed the check.
3. If the check is drawn on an account of an individual, but signed by the individual's **trustee or guardian**, the contributor is the individual **not** the trustee or guardian.
4. If the check is drawn on an account of a sole proprietor that is an **unincorporated business**, the contributor is the individual who is the sole proprietor and the sole proprietor's signature must

appear on the check or on some other supporting written document. A sole proprietorship cannot be a contributor.

5. If the check is drawn on an account of a **partnership** or of a **limited liability company**, consult the section of this Manual on “Contributions from Partnerships, Limited Liability Partnerships, and Limited Liability Companies” for detailed guidance.

M. Contributions by Electronic Transfer of Funds: A committee may receive a contribution made by means of an electronic transfer of funds, including a credit card, provided that:

1. The date of receipt of the contribution is the date on which the account owner or credit card owner gives authorization that the contribution can be charged to the owner’s account or credit card;
2. The amount of the contribution is the total amount that the account owner or credit card owner authorizes to be charged to the account;
3. The account used to make the contribution must be owned by the individual contributor or other entity making the contribution; and,
4. The organizational treasurer must make and maintain all required records (see section of this Manual on “Record Keeping”).

A committee should follow detailed instructions set forth in Advisory Opinions 04-2001, 02-2006 and 01-2020 and be mindful that certain conditions must be met in order to comply with existing contribution and reporting requirements.

Note that any fees imposed on the committee arising out of contributions by electronic transfer of funds or credit card must be reported as expenditures to the financial institution assessing the fees. Contributions received by an electronic transfer of funds or credit card must be deposited within ten days of receipt directly into an organizational depository.

N. Contributions from an Estate: A contribution drawn on an account of an estate is attributable to the decedent, and the contribution limit applicable to an individual must be used. In order for the contribution to be accepted, the contribution check must be drawn on an account of an estate that has been admitted to probate, and the will of the decedent must provide a specific bequest authorizing the contribution to the recipient committee.

O. Contributions from Minors: A minor is any person under the age of 18 years. A contribution by a minor is attributed to the legal guardian(s) of the minor unless:

1. The minor is 14 years of age or older; and,
2. The contribution is made from funds comprised of the minor’s earned income; and,
3. Sworn statements are submitted with the contribution which state that the decision to contribute was solely that of the minor and that the funds used to make the contribution were comprised solely of the minor’s earned income.

P. Contributions from Partnerships, Limited Liability Partnerships, and Limited Liability Companies: A **partnership**, a **limited liability partnership (LLP)**, or a **limited liability company (LLC)** may not make contributions as an entity. A contribution drawn on the account of a partnership, limited liability partnership, or limited liability company must be signed by a partner(s) or member(s) and is a contribution from the partner or member who has signed the check or written instrument. In the case of a currency contribution, the partner or member who makes the contribution will be considered to be the contributor.

If it is the intent of the contributor that any portion of the contribution drawn on the account of a partnership, limited liability partnership, or a limited liability company is to be attributed to a partner or

individual who did not sign the check or written instrument, the following written information must be received and maintained by the treasurer:

1. Written instructions concerning the allocation of the contribution amount to a contributing partner, or among contributing partners; and
2. A signed acknowledgement of the contribution from each contributing partner who has not signed the contribution check or written instrument; and
3. Contributor information for each contributing partner (see the “Record Keeping” section in this Manual).

Note that if a partnership or limited liability company establishes and controls its own continuing political committee, the requirement to obtain a signed acknowledgement from each contributing partner or member is satisfied if the check from the partnership or limited liability company is accompanied by a list of names of all contributing partners or members, and a certification identifying any partner or member whose contributions to the continuing political committee exceed \$300 in the aggregate.

Q. Contributions from Affiliated Corporations, Associations, or Labor Organizations: If a committee receives a contribution from a corporation, association, or labor organization, the committee must aggregate the amount of that contribution with any other contribution received from the subsidiary, affiliate, branch, division, department, or local unit of that corporation, association, or labor organization. For more information on contributions received from affiliated corporations, associations, or labor organizations, consult the regulations at N.J.A.C. 19:25-11.9.

R. Contributions from Federal and Out-of-State Candidates and Committees: If a contribution is received by a committee from an organization or entity that is filing campaign finance reports with the Federal Election Commission or in another state (and not filing reports with the Commission), the contribution limit is the same as the limit for an association or group. Similarly, if a contribution is received from a candidate committee of a candidate for Federal elected office, or for elected office in another state, the contribution limit is the same as the limit for an association or group. A contribution received from the personal funds of an individual who is a candidate for Federal elected office, or a candidate for elected office in another state, is treated as a contribution from an individual.

S. Loans: A loan received by a committee or treasurer is a contribution by the lender until repaid and must be reported as a contribution and as an outstanding obligation from the lender. A loan is reported as a contribution at the time it is received and must be reported as an outstanding obligation for as long as it remains unpaid. Since a loan is a contribution, it is subject to contribution limits.

However, a commercial banking or lending institution is not the lender when the loan is guaranteed by a third-party person or entity and the loan is made in the ordinary course of business of the bank or lending institution. The guarantor of the loan is the contributor.

When a loan exceeds \$300 in the aggregate from one source during a calendar year, or if the loan is received in currency in any amount, the loan must be disclosed in detail.

The name and address of the lender must be disclosed. If the lender is an individual, his or her occupation and the name and mailing address of his or her employer must also be disclosed.

If there is a guarantor to the loan, the guarantor must be reported, and the contribution limit applies. A guarantor can guarantee an amount that when added to any other amount contributed by the guarantor does not exceed the contribution limit. The guarantor’s name and address shall be provided on the report filed with the Commission. If the guarantor is an individual, his or her occupation and the name and address of his or her employer shall also be provided.

It is prohibited to induce another to make a contribution by making a loan, or advance of money, or any thing of value, expressly for that purpose.

An obligation by a contributor to pay for goods or services, that is expected to be reimbursed by the committee, is reported as a contribution (subject to the contribution limits) and as an outstanding obligation of the committee.

T. Anonymous Contributions and Contributions Made in the Name of Another: Anonymous contributions are not permitted to be made by the contributor or accepted by the treasurer. A group contribution (a contribution made collectively by persons who are members of a contributing group) is not considered to be an anonymous contribution by any individual member of the group.

Similarly, contributions made in the name of another, or in a fictitious name, are not permitted to be made or accepted. A person is not permitted to contribute funds or property that does not actually belong to him or her or to contribute funds that were furnished to him or her by any other person or group for the purpose of making a contribution.

A contribution is not anonymous if the identity of the contributor was known to the treasurer at the time the contribution was received, but unknown at a later time due to the loss or destruction of records. Note that the failure to keep proper records is a violation of the Act for which penalties may be imposed.

Any anonymous contribution received by a treasurer shall not be used or expended but shall be returned to the contributor if his or her identity is known. If no contributor is found, the contribution shall escheat to the State. This procedure may be accomplished by depositing the funds in the depository, drawing a check payable to “Treasurer, State of New Jersey,” and forwarding the check to the Commission.

U. Prohibited Contributors: Banks, insurance corporations, public utilities, cable television corporations, as well as certain casino interests are prohibited from making contributions under statutes that are not part of the Act. These prohibited contributors are therefore not under the jurisdiction of the Commission (see N.J.S.A. 19:34-32, 19:34-35 and 5:12-138).

Also, federal law prohibits foreign nationals from making contributions or expenditures in connection with any U.S. election (federal, state or local) either directly or through another person. This prohibition applies to foreign-owned corporations and associations, as well as to foreign governments, political parties, and certain individuals and partnerships. For further information, contact the Federal Election Commission at (800) 424-9530. The website of the Federal Election Commission is linked to the Commission’s website at: www.elec.nj.gov.

No corporation or labor organization shall provide to any of its officers, directors, attorneys, agents, or other employees any additional increment of salary, bonus, or monetary remuneration which is intended by the corporation or labor organization to be used for the express purpose of paying or making a contribution (see N.J.S.A. 19:44A-20.1).

V. Restrictions on Contributions by Certain Businesses: Contributions by certain business entities that have or are seeking New Jersey government contracts, a practice known as “Pay-to-Play,” are subject to restrictions. A contribution made prior to the award of a contract may disqualify a business entity from receiving a contract and making a reportable contribution during the term of a contract is prohibited. These restrictions apply to contracts at the State, Legislative, county, and municipal levels of government. In general, regulation of these contributions is a matter of government procurement law; therefore, for additional information, visit the Department of the Treasury’s website at www.nj.gov/treasury/ or the pertinent Legislative, county or municipal government entity for contract information. Contact the Commission at (609) 292-8700 or toll free within New Jersey at 1 (888) 313-ELEC for information concerning the reporting of a contribution.

Also, certain business entities must comply with a “Pay-to Play” disclosure law. This law requires that prior to entering into a contract that is not publicly advertised with a government entity of more than \$17,500, a business entity must disclose to that government entity certain contributions made during the past year. Further, business entities that have received \$50,000 or more in a calendar year through government contracts must file with the Commission an annual disclosure form on March 30th to report information for the previous calendar year. For additional information, contact the Special Programs staff of the Commission.

W. Record Keeping – Contributions: The treasurer shall make and maintain a written record of all funds and contributions, including non-monetary contributions, by recording the name and address of each contributor, the amount of the contribution, the date the contribution was received regardless of the amount of the contribution, and the name of the account on which a contribution check is drawn. If a contributor is an individual, the treasurer shall keep a record of the individual’s occupation, and the name and mailing address of the individual’s employer. If a contribution check is received from a partnership entity or from a limited liability entity, the following written information must be received and maintained by the committee: written instructions concerning the allocation of the contribution amount to a contributing partner(s) or member(s); a signed acknowledgment of the contribution from each contributing partner or member who has not signed the contribution check or other written instrument; and, contributor information for each contributing partner or member.

All records required to be made shall be maintained for at least four (4) years after the date of the report to which they are relevant, or a period of four (4) years after the transaction to which they relate occurred, whichever is longer.

Section 3 – Expenditures

A. Defined: Expenditures include both actual disbursements paid, and outstanding obligations incurred but not yet paid. Also included in the term “expenditure” is every transfer of money or other thing of value, any pledge, commitment, or the assumption of liability to transfer money or other thing of value. All expenditures must be made through the treasurer from the committee’s depository, except petty cash fund expenditures.

B. Unlimited Expenditures: There are no monetary limitations on the total amount of expenditures made by a committee.

C. Expenditure Reporting: Committees filing the detailed report, Form R-3, must disclose all expenditures, including “street money,” regardless of the amount of the expenditure. Information required to be disclosed includes the date the expenditure was made or incurred; the full name and address of the payee; the purpose of the expenditure; the amount of the expenditure incurred and/or disbursed; and, the check number, if applicable. When reporting the purpose of the expenditure, a description of the specific election-related purpose must be provided (i.e., “newspaper advertising,” “postage,” “printing of campaign fliers,” “rent,” “telephone expense,” etc.). Generic, non-informative descriptions such as “operations,” “petty cash,” “expenses,” or “reimbursement” are not permitted.

D. Expenditures Made Immediately Before the Primary and General Elections (48-Hour Expenditure Notices): Expenditures of money or other things of value in excess of \$1,900 in the aggregate made, incurred, or authorized in an election by a committee to support or defeat a candidate, or to aid the passage or defeat of a public question, must be reported, in writing, within 48 hours. The relevant time frame for this type of expenditure reporting is April 1st up to and including the date of the primary election, and October 1st up to and including the date of the general election. The Form 48-HR (if utilizing ELEC eFile) or the Form E-3 (if filing short forms through the Commission’s website) is designed for 48-hour expenditure reporting. The treasurer is required to electronically file and certify the report.

If a committee expects to make numerous expenditures in excess of \$1,900 prior to an election, the 48-hour expenditure notices may be accumulated and disclosed on one report filed on the 11th day preceding the election. After this cumulative 11-day pre-election report is filed, however, 48-hour expenditure notices for additional reportable expenditures must be filed up to and including the day of the election.

Expenditures subject to 48-hour notices are always reported twice: once by 48-hour notice and a second time when the report is filed for the applicable quarter.

E. Political Identification Statements: All committees are required to label all political communications with a political identification statement (“paid for by” language).

The term political communication includes a press release, pamphlet, flyer, form letter, sign, billboard, paid advertisement printed in any newspaper or other publication or broadcast on radio or television, or telephone call featuring a recorded message, or delivered or accessed by electronic means, including, but not limited to, the Internet, or any other form of advertising directed to the electorate.

The following items are exempt from the labeling requirement:

1. A bona fide news item or editorial contained in any publication of bona fide general circulation;
2. Small, tangible items of de minimis value commonly used in election campaigns to convey a political message, including, but not limited to, buttons, combs, and nail files; and,
3. Advertising space costing no more than \$50 in a political program book distributed at a fundraising event, provided that the payment for the advertising space is subject to reporting under the Act.

The “paid for by” language must contain the name and business address of the committee and clearly state that the committee financed or “paid for” the communication. Note that the name and address information of a committee must be the same information that appears on the Form D-3, D-4, or D-5, whichever is applicable, filed by the committee. The requirement to label all communications applies to committees filing the Form A-3 or the Form R-3 and also applies to communications that are in-kind contributions.

The following are examples of political identification statements:

“PAID FOR BY THE ANYTOWN REPUBLICANS, 123 MAIN STREET, ANYTOWN, NJ”

“PAID FOR BY THE ABC PAC, 1234 MAIN STREET, ANYTOWN, NJ.”

F. Expenditures Made by a Committee on Behalf of a Candidate: Coordinated spending on behalf of a candidate or joint candidates committee by a committee is an in-kind contribution to the candidate and an expenditure by the committee. The committee making the coordinated expenditure has the duty to provide, within 48 hours of making or authorizing the expenditure, written notice to the recipient candidate or joint candidates committee containing:

1. The name and address of the payee,
2. The amount of the expenditure,
3. The date the expenditure was made or authorized, and
4. The purpose of the expenditure.

G. Independent Expenditures: An expenditure by a committee to support or defeat a candidate, made without the cooperation or prior consent of, or in consultation with or at the request or suggestion of, a candidate or any person or committee acting on behalf of a candidate is an independent expenditure. An expenditure for a communication to aid the passage or defeat of a public question, which expenditure is made without consultation with, or at the suggestion of, any person or committee supporting or opposing a public question, is also an independent expenditure.

H. Street Money: Expenditures made to individuals to aid or promote a candidate or committee in an election, or the passage or defeat of a public question, or to promote or encourage the participation of voters in an election are commonly referred to as street money.

All street money expenditures must be paid by check drawn on the designated depository of the committee making the payment, regardless of the amount paid, and the check must be made payable to the recipient. Payment of street money **may not** be made in currency.

Street money must be paid by check to the individual who actually performs the services. In the event that a continuing political committee, legislative leadership committee, or political party committee makes payment to a vendor, group, association, or other entity, for the purpose of making street money disbursements, the continuing political committee, legislative leadership committee, or political party committee retains responsibility for reporting the identity of each individual who receives any street money payment from the vendor, group, or association. The payment to the vendor, group, association, or other entity must be made by check.

Every street money expenditure must be reported as follows:

1. The date the expenditure was made;
2. The check number;
3. The name and address of the recipient individual (payee) who is performing the services; and, the name and address of the vendor, group, association, or other entity which further distributes street money to other individuals. If a vendor, group, association, or other entity further distributes street money to other individuals, the vendor, group, association, or other entity must make all payments by check and the name and address of every individual receiving street money, the date street money was received, and the amount of street money are required to be reported by the reporting entity that provided the street money funds;
4. The purpose of the expenditure, including an itemization of the specific services provided by the recipient individual (payee); and,
5. The amount of the expenditure.

I. Petty Cash Fund: In general, all expenditures must be made from the organizational depository. However, an expenditure to establish a petty cash fund may be made if it does not exceed \$100 for the purpose of occasional and incidental expenses. Also, an expenditure of \$100 or less may be made to reimburse a committee worker who has personally incurred occasional and incidental expenses on behalf of the committee.

J. Expenditures Made by Debit Card: A debit card that is owned by, and issued in the name of, a committee may be used to make an expenditure provided that the debit card draws against funds in the organizational depository. A debit card expenditure transaction is reported by providing the following information:

1. The name and address of the vendor from whom the purchase was made;
2. The date of the purchase;
3. A description of the purpose of the purchase, including a specific itemization of the goods or services acquired;
4. The amount of the purchase; and,
5. The use of the term “debit card” on reports filed with the Commission in place of a check number for the transaction.

K. Credit Card Transactions: Whenever goods or services are purchased with the use of a credit card that is owned by and issued in the name of the committee, the treasurer shall make and maintain a record, and disclose on reports, the following information:

1. The name and address of the lending institution that issued the credit card account;
2. The check number, payment date, and amount of the expenditure paid to the issuer of the credit card; and,
3. For each purchase itemized on the statement issued for the credit card account, the name and address of the vendor, the date and amount of the purchase, and a description of the purpose of the purchase, including a specific itemization of the goods or services acquired. When describing the purpose of an expenditure, descriptions such as “expenses,” “reimbursement,” or “operations” are not adequate. Examples of satisfactory descriptions include “newspaper advertising,” “telephone expense,” and “printing of brochures.”

Note that if a credit card expenditure is made on behalf of a committee and the credit card account is **not established in the name of the reporting committee**, the cardholder is deemed to have made an in-kind contribution to the committee. If reimbursement is made, the amount can be adjusted as a refund to the contribution. Under these circumstances, all of the above information is required to be reported, along with the exact name or title of the cardholder; purpose and description; date, and amount.

L. Record Keeping – Expenditures: The treasurer shall make and maintain a record of all funds expended, including the name and address of the recipient, the amount and date of the expenditure, and the purpose of the expenditure. The treasurer shall include as part of the record of each expenditure a receipt, invoice, bill, or other documentation for each expenditure made from the organizational or additional depository.

All records required to be made, shall be maintained for at least four (4) years after the date of the report to which they are relevant, or a period of four (4) years after the transaction to which they relate occurred, whichever is longer.

Section 4 – Filing Information

A. Electronic Filing: For information regarding electronic filing, visit the Commission’s website at www.elec.nj.gov. Electronic filing of short forms is available directly on ELEC’s website and Form R-3 is filed electronically using the Commission’s web-based filing application. Before you plan to file electronically, a registration application must be completed. After completion of the registration application, a Registration Number and Personal Identification Number (PIN) will be provided to the applicant and will be used in place of the signature. **Note: Each person required to sign reports will need to obtain their own registration and PIN numbers.**

B. Reports: A CPC, LLC, and PPC must file either Form A-3 or Form R-3. The Form A-3 is applicable to any committee that expects to expend \$7,200 or less during the upcoming calendar year, including a committee spending no money at all. The Form A-3 is due on January 15th of the year in which the threshold of \$7,200 or less is applicable. The Form R-3 is applicable to any committee that expends in excess of \$7,200 during a calendar year. The Form R-3 is filed quarterly, as follows:

Filing Date	Financial Activity Included
April 15	January 1 to March 31
July 15	April 1 to June 30
October 15	July 1 to September 30
January 15	October 1 to December 31

If any of the above dates fall on a weekend or holiday, the next business day becomes the due date. If a committee files the Form A-3 and total expenditures later exceed the \$7,200 threshold, the treasurer shall file the Form R-3 on the date relevant to the calendar quarter in which the \$7,200 was exceeded. The initial Form R-3 shall include all activity from the beginning of the calendar year. The treasurer shall continue to file quarterly reports for the remainder of the calendar year.

In addition to filing either the Form A-3 or Form R-3, there may be other reports required of a committee. Please consult the section of this Manual pertinent to your committee type to review **all** of the reports that may be required of your committee.

Note that committees may also have filing requirements (outside the Commission’s jurisdiction) with the Internal Revenue Service or with the Federal Election Commission. To obtain additional information regarding these requirements, contact these agencies directly. A direct link to the website of the Internal Revenue Service and the website of the Federal Election Commission is provided on the Commission’s website for your convenience.

C. Filing on Time:

Completed reports must be filed by 5:00 p.m. on the filing date.

D. Preparation of Electronic Reports: Electronic filing is **mandatory** for all committees. The report must be filed by 5:00 p.m. Short form filers can file required forms or reports directly on ELEC’s website. Form R-3 must be filed electronically using the Commission’s web-based filing application.

E. Elec Address: Using the correct address is important because using the walk-in address for mailing purposes will result in substantial delay.

- **For Regular, U.S. Mail:**
NJ Election Law Enforcement Commission
P.O. Box 185, Trenton, NJ 08625-0185
- **For a Commercial Delivery Service (FedEx, UPS, etc.) or Walk-in:**
NJ Election Law Enforcement Commission
25 South Stockton Street, 5th Floor, Trenton, NJ 08608.
Telephone: (609) 292-8700 or 1 (888) 313-ELEC (3532)-Toll Free Within NJ.

F. Availability of Forms and Instructions:

Visit the Commission's website to obtain forms, filing dates, compliance manuals, information regarding electronic filing, advisory opinions, an unofficial text of the Commission's regulations, and other important information. The website address is: www.elec.nj.gov

G. Public Inspection of Documents: Any person may, upon completion of the "Open Public Records Act" form, request to receive or examine a photocopy of a public document filed with the Commission. A photocopier is available for use by the public in the Commission's public records room. The first 50 pages of photocopying in the public room are provided free of charge. Thereafter, a reasonable fee for photocopying will be charged for photocopies or computer-generated data and is payable in advance of receipt of the documents.

Beginning in May of 1999, the Commission began to disclose reports on its website. Accordingly, most campaign and committee reports filed from May of 1999 to the present will be available for viewing by visiting the Commission's website (www.elec.nj.gov). If you do not have access to the Internet, the Commission maintains several Internet-ready stations in its public records room. The public records room is open from 9:15 a.m. to 4:45 p.m., Monday through Friday. There is no charge to use the Internet stations. Up to 50 pages may be printed from the Commission's website free of charge; thereafter, there is a graduated fee scale for each page printed.

Note that the Commission maintains a database of contributors that can be easily searched. Simply key in the name of an individual, business, or political entity, and a list of all contributions made by the donor will appear. This database covers certain time periods and elections. Check the website for further information.

H. Enforcement: Each reporting transaction (i.e., receipt of a contribution, making of an expenditure, or the occurrence of any other event which is subject to reporting requirements) that is not reported in the manner, or not filed on the date established for reporting or filing, constitutes an offense pursuant to the Act and subject to the penalties provided at N.J.S.A. 19:44A-22. Similarly, each record keeping transaction (i.e., receipt of a contribution, making of an expenditure, or the occurrence of any other event which is subject to record keeping requirements) that is not made or maintained in the manner required for record keeping constitutes an offense pursuant to the Act and subject to the penalties provided at N.J.S.A. 19:44A-22. Also, contribution limit, political identification, public financing, and other requirements of the Act must be observed, and violations of those requirements are subject to penalties pursuant to N.J.S.A. 19:44A-22 and other civil penalty provisions in the Act. The Commission is empowered to conduct investigations, subpoena records and testimony of individuals, hold hearings, and impose monetary fines for each offense. Criminal penalties for certain willful violations are also specified in the Act.

Section 5 – Continuing Political Committee (CPC) Information

A continuing political committee (CPC) is a group of two or more persons that expects to contribute at least \$7,200 per year on an ongoing basis toward the success or defeat of candidate(s) or public

question(s). (See the statutory definition in the front section of this Manual.) For a complete description of the filing obligations of a CPC, consult the reporting chart, found in this Manual.

The group may be a corporation, partnership, association, political club, political action committee, civic association, or other organization. **No candidate or office holder can establish, authorize the establishment of, maintain or participate directly or indirectly in the management or control of any CPC.** Please note that individuals maintaining campaign accounts before and after an election are also considered candidates.

A. How to Form a CPC: In order to form a CPC, a CPC Registration Statement (Form D-4) must be completed, certified as true and correct by the chairperson and treasurer, and forwarded to the Commission. The Registration Statement requires that certain actions be taken before completion. For example, a chairperson and treasurer must be appointed and a depository must be designated. Any bank authorized by law to transact business in, and maintaining a branch or office in, the State of New Jersey may be designated as the organizational depository. A CPC may designate a bank outside the State provided that the bank files a Consent to Service of Legal Process at an address within this State prior to accepting or receiving any organizational funds.

The Commission shall certify (by letter) a CPC upon the satisfactory completion and filing of the Registration Statement.

B. CPCs Established by Certain Regulated Industries: There are certain regulated industries that are, by law, barred from making political contributions:

- No corporation carrying on the business of a bank, savings bank, co-operative bank, trust, trustee, savings indemnity, safe deposit, insurance, railroad, street railway, telephone, telegraph, gas, electric light, heat or power, canal or aqueduct company, or having the right to condemn land, or to exercise franchises in public ways granted by the state or any county or municipality, and no corporation, person, trustee or trustees, owning or holding the majority of stock in any such corporation, shall pay or contribute money or thing of value in order to aid or promote the nomination or election of any person, or in order to aid or promote the interests, success or defeat of any political party. (N.J.S.A. 19:34-32).

Similar prohibitions exist for casino enterprises; see N.J.S.A. 5:12-138. The Commission has no statutory authority to interpret or administer these statutes.

C. CPC Name - Use of an Acronym or Abbreviation: A CPC may apply to the Commission for approval of an acronym or abbreviation of its complete, official name or title. If approved, the CPC shall use the acronym or abbreviation in all documents and reports submitted or filed with the Commission, as well as in all solicitations for contributions, in all political identification statements, in all paid media advertisements purchased or paid for by the committee in support of, or in opposition to, any candidate or public question, and in all contributions made by the committee to candidates or other committees.

To apply for the use of an acronym or abbreviation, report the desired acronym or abbreviation on the Registration Statement where indicated. When the Commission certifies the entity as a CPC, approval of the acronym or abbreviation will be granted or denied.

D. Quarterly Form R-3 Reports: CPCs must file quarterly Form R-3 reports on the 15th of April, July, October, and January of each year. The Form R-3 reports require disclosure of a CPC's contributions and expenditures.

While the amount of all contributions must be disclosed, only those contributions in excess of \$300 in the aggregate from one source during a calendar year, and currency contributions in any amount, must be disclosed in detail. Accordingly, for those contributors who give more than \$300 in the aggregate during a calendar year, or currency in any amount, the CPC must disclose the date and the amount of the contribution, and the contributor's name, address, and, if the contributor is an individual, occupation and employer information. All expenditures, regardless of amount, must be disclosed.

E. Short Form A-3 Reports: If a CPC does not plan to expend in excess of \$7,200 during a given calendar year, an abbreviated, short-form filing (Form A-3) may be submitted on January 15th of the relevant year. When filing the Form A-3, contributions in excess of \$300 in the aggregate from one source and currency contributions in any amount must be reported on the Form C-3. The Form C-3 is due on each of the quarterly due dates (the 15th of April, July, October, and January).

F. 48-Hour Contribution and Expenditure Notices: Committees have an obligation to file 48-hour notices for certain contributions and expenditures. See the “Contributions” and “Expenditures” sections of this Manual for additional information.

G. CPC Contribution Limits: Consult the Contribution Limits Chart found in this Manual for a complete description of the applicable limits.

If a CPC is established and controlled by the partners or members of a partnership or limited liability company, consult the Commission’s regulations at N.J.A.C. 19:25-11.10 (d) for information concerning contributions to the CPC from the partnership or limited liability company.

H. Equal Attribution Rule: A CPC may contribute \$8,200 per election to a candidate. Since a candidate may maintain both a candidate committee and a joint candidates committee, the \$8,200 per election limit is the total amount that the CPC may contribute to that candidate. The CPC cannot contribute \$8,200 to the candidate committee and another \$8,200 to the joint candidates committee. When making a contribution, the “equal attribution rule” must be applied. Assume, for example, that candidate A and candidate B together maintain a joint candidates committee, and that each also maintains an individual candidate committee. If the CPC contributes \$1,000 to the joint candidates committee in an election, the \$1,000 contribution is equally attributed to candidate A (\$500) and candidate B (\$500). If the CPC wants to contribute again in that election to candidate A’s individual committee and candidate B’s individual committee, the CPC can contribute only another \$7,700 to each.

I. Dissolution/Finalization of a CPC: A CPC can terminate quarterly reporting provided that:

1. The CPC has ceased making contributions to aid or promote any candidate or committee in New Jersey and certifies that fact to the Commission, in writing, by filing the Form CPC-F;
2. The final quarterly Form R-3 makes a final accounting of funds, including the disposition of any remaining balance; and,
3. The CPC is dissolved.

The CPC chairperson and treasurer must file, and each certify, the final quarterly report.

Reporting Chart – Continuing Political Committees (CPC)

	Form	Date Filed	Explanation
	D-4	No later than 10 days after CPC becomes eligible to be certified	Registration Statement. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
For CPC expending \$7,200 or less during a calendar year	A-3	January 15	In lieu of long Form R-3 filing, the form A-3 can be filed once to cover the calendar year in which the CPC plans to expend \$7,200 or less. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
	C-3	April 15 July 15	To disclose contributions in excess of \$300 and currency (cash) contributions in any amount. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
For CPC expending more than \$7,200 during a calendar year	R-3	April 15 July 15	Long Form R-3 must be filed quarterly. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
	C-3	A cumulative report 11 days before an election	To report a contribution in excess of \$1,900 in the aggregate from one source between the closing date of the last quarterly report up to the 13 th day before an election in which the committee is contributing or otherwise participating.
	C-3	Within 48 hours of receipt	To report a contribution in excess of \$1,900 in the aggregate from one source between the closing date of the last quarterly report through the date of an election in which the committee is contributing or otherwise participating.
	E-3	A cumulative report 11 days before an election	To report an expenditure in excess of \$1,900 in the aggregate made, incurred, or authorized from April 1 up to 13 days before any primary election in which a committee is participating, or from October 1 up to 13 days before a general election in which a committee is participating.
	E-3	Within 48 hours of the expenditure	To report an expenditure in excess of \$1,900 in the aggregate made, incurred, or authorized from April 1 up to and including the day of any primary election in which a committee is participating, or from October 1 up to and including the day of any general election in which the committee is participating.

NOTE: The above chart represents the reporting requirements of a CPC **after** the registration statement has been filed and the entity has been certified as a CPC.

Section 6 - Legislative Leadership Committee (LLC) Information

A legislative leadership committee (LLC) is a committee which is established or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly, or the Minority Leader of the General Assembly. (See the statutory definition in the front section of this Manual.) For a complete description of the filing obligations of an LLC, consult the reporting chart, found in this Manual.

A. How to Form an LLC: There may be four leadership committees: one for each political party in each House of the Legislature.

Each of the four leaders, or a person authorized by any of the legislative leaders to establish a leadership committee, shall appoint committee members and adopt bylaws for the maintenance of the committee.

B. Appointment of a Treasurer and Designation of a Depository: Each LLC shall appoint a treasurer and designate a depository no later than the date on which it first receives a contribution, or makes or incurs an expenditure. Treasurers of LLCs are required to receive formal training with the Commission; visit the Commission's website at www.elec.nj.gov to obtain additional information.

C. Registration Statement: Within ten (10) days of establishing an LLC, a Registration Statement (Form D-5) must be filed.

The Registration Statement must be certified as true and correct by the legislative leader who established or authorized the establishment of the LLC, as well as by the treasurer.

Within thirty (30) days of establishing an LLC, the treasurer shall file and certify as true and correct the Form D-5N, Notice of Membership. The Form D-5N must contain the names, addresses, and telephone number (if listed) of the chairperson, vice-chairperson, and all other members of the committee.

The LLC or its treasurer must file an amendment to the Registration Statement when the information reported on the Registration Statement or the Notice of Membership changes. The amendment must be filed within three (3) days of the change.

D. State Political Party Committee as an LLC: The State political party committee may be designated as an LLC. If the State political party committee is so designated, a separate depository of the State political party committee shall be established and designated as a depository solely for receiving funds and making expenditures for the LLC.

E. LLC Name - Use of an Acronym or Abbreviation: An LLC may apply to the Commission for approval of an acronym or abbreviation of its complete, official name or title. If approved, the LLC shall use the acronym or abbreviation in all documents and reports submitted or filed with the Commission, as well as in all solicitations for contributions, in all political identification statements, in all paid media advertisements purchased or paid for by the LLC in support of, or in opposition to, any candidate or public question, and in all contributions made by the LLC to candidates or other committees.

To apply for use of an acronym or abbreviation, an LLC should report the desired acronym or abbreviation on the Registration Statement where indicated. When the Commission certifies the entity as an LLC, approval of the acronym or abbreviation will be granted or denied.

F. Quarterly Form R-3 Reports: LLCs must file quarterly Form R-3 reports on the 15th of April, July, October, and January of each year. The Form R-3 report requires disclosure of an LLC's contributions and expenditures.

While the amount of all contributions must be disclosed, only those contributions in excess of \$300 in the aggregate from one source during a calendar year, and currency contributions in any amount, must be disclosed in detail. Accordingly, for those contributors who give more than \$300 in the aggregate during a

calendar year, or currency in any amount, the LLC must disclose the date and the amount of the contribution, and the contributor's name, address, and, if the contributor is an individual, occupation and employer information. All expenditures, regardless of amount, must be disclosed.

G. Short Form A-3 Reports: If an LLC does not plan to expend in excess of \$7,200 during a given calendar year, an abbreviated, short-form filing (Form A-3) may be submitted on January 15th of the relevant year. When filing the Form A-3, contributions in excess of \$300 in the aggregate from one source during a calendar year, along with currency contributions in any amount must be reported on the Form C-3. The Form C-3 is due on each of the quarterly dates (the 15th of April, July, October, and January).

An LLC treasurer filing the Form A-3 must also file 48-hour notices of certain contributions and expenditures.

H. 48-Hour Contribution and Expenditure Notices: Committees have an obligation to file 48-hour notices for certain contributions and expenditures. See the "Contributions" and "Expenditures" sections of this Manual for additional information.

I. LLC Contribution Limits (Incoming Contributions): Consult the Contribution Limits Chart in this Manual for a complete description of the applicable limits.

J. LLC Contribution Limits (Outgoing Contributions): An LLC may contribute unlimited amounts to candidates, political committees, CPCs, PPCs, and other LLCs.

K. Use of Contributions by an LLC: All contributions received by an LLC shall be used only as follows:

1. The payment of campaign expenses (any expense incurred or expenditure made for the purpose of paying for or leasing items or services used in connection with an election campaign);
2. Contributions to any charitable organization described in section 170(c) of the Internal Revenue Code of 1954 as amended or modified, or nonprofit organization which is exempt from taxation under section 501(c) of the Internal Revenue Code of 1954, except any charitable organization of which the candidate or a member of the candidate's immediate family is a paid officer, director or employee or receives compensation for goods or services provided to the organization;
3. Transmittal to a candidate, candidate committee, joint candidates committee or to a political committee, CPC, LLC or PPC;
4. The payment of the overhead and administrative expenses related to the operation of the LLC;
5. The pro-rata repayment of contributors except that contributors of \$300 or less may be excluded from repayment; or,
6. The payment of ordinary and necessary expenses of holding public office, as explained further in this section.

L. Personal Use: No contribution can be used to purchase items or services that may reasonably be considered to be for the personal use of any of the members of the LLC. In general, "personal use" means any use of contributions to pay or fulfill a commitment, obligation, or expense of any person that would arise or exist irrespective of a legislator's campaign or irrespective of the legislator's ordinary and necessary expenses of holding public office.

Examples of personal use include:

- A mortgage payment on property (other than property owned by the LLC);
- A purchase, loan, or lease payment on a vehicle not owned or leased by the LLC making the payment;

- The purchase of clothing, household food, and personal hygiene or health items or services;
- A tuition payment, unless made for a course of study specifically related to the candidacy or officeholding duties of the legislator who established or who controls the LLC making the payment;
- A payment for dues, fees, or gratuities paid to a country club, fitness club, or other social or fraternal association, to its employees, or to a person working on its premises, unless the payment is part of the cost of a fundraising event held on the premises; or,
- The payment of a salary to a legislator by an LLC established by or under the control of that legislator.

M. Limitations on Permissible Expenses: An LLC may pay a salary or fee to a family member of a legislator who has established or who controls the LLC provided that the salary or fee paid for bona fide services received by the LLC does not exceed fair market value.

An LLC may pay for the use of an office or other property owned by a legislator who has established or who controls the LLC, provided that the office or property is used by the committee and the payment does not exceed the fair market value for the bona fide use by the LLC.

An LLC may purchase goods or services for use by the LLC from a business or other enterprise in which a legislator who established or who controls the LLC has a financial interest, provided that the goods or services are bona fide, and are sold or provided to the LLC at fair market value, or if sold or provided at less than fair market value, that the LLC reports the receipt of an in-kind contribution to the extent the price is under fair market value.

N. Ordinary and Necessary Officeholder Expenses: The term “ordinary and necessary expenses of holding public office” means any expense that reasonably promotes or carries out the responsibilities of a person holding elective public office, except that no funds received by an officeholder shall be used for the payment of any expense arising from the furnishing, staffing, or operation of an office used in connection with the officeholder’s official duties as an elected public official.

The word “furnishing” means using contributions for the purchase or lease of furniture, equipment, or other appointments that are physically situated at an office facility used in connection with the legislator’s official duties as an elected public official. This prohibition shall not be applicable to the purchase or lease of office furniture or equipment situated in the residence of the legislator and used in conjunction with the legislator’s duties.

The word “staffing” means using contributions to pay a salary or fee as compensation to any person for performing duties to assist the legislator in carrying out the legislator’s duties as an elected public official.

The word “operation” means using contributions for the payment of any rent, utility, or maintenance expenses incurred for an office facility used in connection with the legislator’s official duties as an elected public official.

Permissible uses of funds as ordinary and necessary expenses of holding public office include, but are not limited to, the following, provided the costs are not paid for by the State of New Jersey, or by any political subdivisions of the State:

1. Costs of communications to constituents, including:
 - a. The production, circulation, and postage of newsletters, mailings, or other written materials for officeholding duties;
 - b. The sponsorship or holding of a seminar or other meeting to be attended by constituents;

- c. The making of donations to charitable or non-profit organizations or activities that promote the welfare of constituents, such as the sponsorship of a neighborhood sports team;
 - d. The framing of honorary resolutions for constituents; and,
 - e. The nominal purchase of memorial or get-well gifts, flowers, party favors, or similar items for constituents or other persons involved in the execution of the legislator's duties.
2. Purchase of items, including:
- a. A portable telephone, including a telephone in the vehicle used by the legislator for official travel;
 - b. Signs indicating the location of the office used by the legislator for carrying out official duties whether or not such signs are situated on the premises;
 - c. Janitorial supplies and other consumables for the office used in connection with the legislator's official duties, and funding of a "petty cash" account; and,
 - d. Newspapers, magazines, or other periodicals used in connection with carrying out officeholding duties.

Costs of dues for membership in educational organizations related to officeholding duties, and costs of registration and attendance at conferences or seminars attended in connection with officeholding duties are considered permissible uses of funds. Such costs may include the reasonable expenses of travel, lodging, and other subsistence expenses.

O. Travel and Vehicle Use: Costs of travel by means other than a vehicle are permissible uses of funds, when the travel is undertaken in connection with the performance of a legislator's duties as an elected officeholder. The travel expenses should not be incurred for any purpose resulting in a personal or financial benefit to the legislator.

Costs of travel by a vehicle owned by a legislator are also permissible uses of funds. An LLC may reimburse a legislator for the use of a vehicle owned by the legislator when:

1. The legislator provides the committee with written records of:
 - a. The date of the vehicle use;
 - b. The departure and arrival locations of the travel;
 - c. The number of miles the vehicle was used;
 - d. The purpose of the use, which purpose must be for travel for campaign or officeholding duties; and,
2. The rate of reimbursement does not exceed the rate permitted by the New Jersey Department of Treasury for compensating Executive Branch employees for use of personal vehicles, or the rate provided by the Internal Revenue Service for deduction of business travel mileage.

An LLC may purchase or lease a vehicle for campaign or officeholding travel by a legislator provided that:

1. The vehicle remains an asset of the LLC; and,
2. The legislator reimburses the LLC at fair market value for any travel made by the legislator or any other person that was not necessitated by campaign or officeholding duties.

P. Use of Funds for Legal Fees: Legal fees and expenses incurred in connection with the candidate's or officeholder's personal or business affairs may not be paid from contributions. For additional information, consult the Commission's regulations at N.J.A.C. 19:25-6.10.

Q. Dissolution/Finalization of a Legislative Leadership Committee: The Act makes no provision for the dissolution of an LLC presumably because LLCs are ongoing in nature, and, these committees continue even if the controlling leadership changes.

Reporting Chart – Legislative Leadership Committees (LLC)			
	Form	Date Filed	Explanation
	D-5	No later than 10 days after LLC is established	Registration Statement. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
For LLC expending \$7,200 or less during a calendar year	A-3	January 15	In lieu of long Form R-3 filing, the Form A-3 can be filed once to cover the calendar year in which the LLC plans to expend \$7,200 or less. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
	C-3	April 15 July 15 October 15 January 15	To disclose contribution in excess of \$300 and currency (cash) contributions in any amount. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
For LLC expending more than \$7,200 during a calendar year	R-3	April 15 July 15 October 15 January 15	Long Form R-3 must be filed quarterly. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
	C-3	A cumulative report 11 days before an election	To report a contribution in excess of \$1,900 in the aggregate from one source between the closing date of the last quarterly report up to the 13 th day before an election in which the committee is contributing or otherwise participating.
	C-3	Within 48 hours of receipt	To report a contribution in excess of \$1,900 in the aggregate from one source between the closing date of the last quarterly report through the date of an election in which the committee is contributing or otherwise participating.
	E-3	A cumulative report 11 days before an election	To report an expenditure in excess of \$1,900 in the aggregate made, incurred, or authorized from April 1 up to 13 days before any primary election in which a committee is participating, or from October 1 up to 13 days before a general election in which a committee is participating.
ALL LLCs regardless of amount expended during a calendar year, <u>may</u> have to file:	E-3	Within 48 hours of the expenditure	To report an expenditure in excess of \$1,900 in the aggregate made, incurred, or authorized from April 1 up to and including the day of any primary election in which a committee is participating, or from October 1 up to and including the day of any general election in which the committee is participating.

Section 7 – Political Party Committee (PPC) Information

The term “political party committee” (PPC) means the State committee of a political party (organized pursuant to N.J.S.A. 19:5-4), a county committee of a political party (organized pursuant to N.J.S.A. 19:5-3) or a municipal committee of a political party (organized pursuant to N.J.S.A. 19:5-2). For a complete description of the filing obligations of a PPC, consult the reporting chart, found in this Manual.

A. How to Form a PPC:

State Committee: The members of the State committee of each of the political parties are elected at the primary election of the year in which a Governor is to be elected.

County Committee: The members of the county committee of the political parties are elected annually at the primary election.

Municipal Committee: The members of the municipal committee of the political parties consist of the elected members of the county committee, residing within that municipality. (See N.J.S.A. 19:5-2.)

B. Distinction between “PPC” and “CPC”: If a group or organization has formed in a manner other than that which is statutorily defined for a State, county, or municipal PPC, the group or organization may be a CPC. For example, if a town has a political club named “Village Republicans” or “Village Democrats” and the club is not the Republican or Democratic municipal PPC, then the “Village Republicans” or “Village Democrats” are not considered a PPC.

This distinction becomes very important when considering a group’s contribution limits and filing requirements.

Remember: Only the PPCs formed pursuant to the requirements of the statute are PPCs under the Act.

C. Designation of Treasurer and Depository: PPCs are required to designate a treasurer and depository on or before July 1st of each year. Within ten (10) days of that designation, the Form D-3 must be filed with the Commission containing the treasurer and depository information. Every depository established and maintained by a PPC must be disclosed on the Form D-3. Treasurers of the **State** Political Party Committees are required to receive formal training with the Commission. Treasurers for these committees should visit the Commission’s website at www.elec.nj.gov to obtain additional information.

D. Quarterly Form R-3 Reports: PPCs must file quarterly Form R-3 reports on the 15th of April, July, October, and January of each year. The Form R-3 reports require disclosure of a PPC’s contributions and expenditures.

While the amount of all contributions must be disclosed, only those contributions in excess of \$300 in the aggregate from one source during a calendar year, and currency contributions in any amount, must be disclosed in detail. Accordingly, for those contributors who give more than \$300 in the aggregate during a calendar year, or currency in any amount, the PPC must disclose the date and the amount of the contribution, the contributor’s name, address, and, if the contributor is an individual, occupation and employer information. All expenditures, regardless of amount, must be disclosed.

E. Short Form A-3 Reports: If a PPC does not plan to expend in excess of \$7,200 during a given calendar year, an abbreviated, short-form filing (Form A-3) may be submitted on January 15th of the relevant year, in lieu of the Form R-3. When filing the Form A-3, contributions in excess of \$300 in the aggregate from one source during a calendar year, and currency contributions in any amount, must be reported on the Form C-3. The Form C-3 is due on each of the quarterly due dates (the 15th of April, July, October, and January). A PPC treasurer filing the Form A-3 must also file 48-hour notices of certain contributions and expenditures.

F. 48-Hour Contribution and Expenditure Notices: Committees have an obligation to file 48-hour notices for certain contributions and expenditures. See the “Contributions” and “Expenditures” sections of this Manual for additional information.

G. Political Party Committee Contribution Limits (Incoming Contributions): Consult the Contribution Limits Chart in this Manual for a complete description of the applicable limits. Note: Contributions accepted by a county political party committee are subject to certain limits. From January 1 through June 30 of each year, county political party committees are prohibited from accepting contributions from other county political party committees.

H. Political Party Committee Contribution Limits (Outgoing Contributions): Consult the Contribution Limits Chart in this Manual for a complete description of the applicable limits. Note: Contributions made by a county political party committee are subject to certain limits. From January 1 through June 30 of each year, county political party committees are prohibited from making contributions to other county political party committees. Also, a county political party committee is permitted to make a contribution up to \$7,200 in a calendar year to a municipal political party committee in another county; up to \$8,200 per election to a candidate seeking office in another county; up to \$7,200 per election to a candidate for State Legislature in a legislative district in which less than 20% of the legislative district’s population resides in the county; up to \$37,000 per election to a candidate for State Legislature in a legislative district in which at least 20% but less than 40% of the legislative district’s population resides in the county. See the regulations at N.J.A.C. 19:25-11.7 for further information.

I. Contributions from a National Political Party Committee: A national political party committee is defined as the principal organization supporting election activities of a State political party committee, which activities include the making of contributions to that State political party committee. There can be no more than a single national committee of a political party of each State political party committee. A national political party committee cannot contribute more than \$72,000 per year to the State PPC, \$37,000 per year to a county PPC, and \$7,200 per year to a municipal PPC.

J. Dissolution/Finalization of a PPC: There is no statutory provision for the dissolution of PPCs because PPCs are ongoing in nature and these committees continue even if the leadership changes.

Should the name, membership, or depository information of the PPC change, an amended Form D-3 must be filed with the Commission (see Designation of Treasurer and Depository) within three (3) days of the change.

Reporting Chart – Political Party Committees (PPC)

	Form	Date Filed	Explanation
	D-3	July 10	Designation of Treasurer and Depository. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
For PPC expending \$7,200 or less during a calendar year	A-3	January 15	In lieu of long Form R-3 filing, the Form A-3 can be filed once to cover the calendar year in which the PPC plans to expend \$7,200 or less. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
	C-3	April 15 July 15 October 15 January 15	To disclose contributions in excess of \$300 and currency (cash) contributions in any amount. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
	D-3	July 10	Designation of Treasurer and Depository. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
For PPC expending more than \$7,200 during a calendar year	R-3	April 15 July 15 October 15 January 15	Long Form R-3 must be filed quarterly. If the due date falls on a weekend or holiday, then the next business day becomes the due date.
	C-3	A cumulative report 11 days before an election	To report a contribution in excess of \$1,900 in the aggregate from one source between the closing date of the last quarterly report up to the 13 th day before an election in which the committee is contributing or otherwise participating.
		Within 48 hours of receipt	To report a contribution in excess of \$1,900 in the aggregate from one source between the closing date of the last quarterly report through the date of an election in which the committee is contributing or otherwise participating.
	E-3	A cumulative report 11 days before an election	To report an expenditure in excess of \$1,900 in the aggregate made, incurred, or authorized from April 1 up to 13 days before any primary election in which a committee is participating, or from October 1 up to 13 days before a general election in which a committee is participating.
ALL PPCs, regardless of amount expended during a calendar year may have to file:		Within 48 hours of the expenditure	To report an expenditure in excess of \$1,900 in the aggregate made, incurred, or authorized from April 1 up to and including the day of any primary election in which a committee is participating, or from October 1 up to and including the day of any general election in which the committee is participating.