

Committee Treasurers

Federal Election Commission

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Importance of Treasurer

Under federal law, a political committee¹ must have a treasurer before it conducts financial transactions. If you are the treasurer of a political committee, you should be aware that you have special responsibilities under the law. These duties are set forth in the Federal Election Campaign Act (the Act) and the Federal Election Commission (FEC) regulations.

The treasurer is responsible for:

- Filing the committee's registration form;
- Depositing receipts;
- Authorizing expenditures;
- Monitoring contributions;
- Keeping records;
- Signing all reports and statements; and
- Filing all reports and statements on time.

While the treasurer is responsible for seeing that these activities are carried out, committee support staff, volunteers or professional consultants may actually perform the duties. For example, a properly designated assistant treasurer may sign reports in the treasurer's absence, and an accountant or bookkeeper may handle the recordkeeping and reporting duties. Nevertheless, the treasurer remains responsible for the committee's compliance with the federal campaign finance law. Committee treasurers should therefore have a basic understanding of the law and the treasurer's responsibilities.



¹ A "political committee" is a specially defined term in the Act and regulations. Not all groups active in federal elections are considered political committees under the law. For more information, consult Section 100.5 of Commission regulations or the appropriate Campaign Guide. These publications are available free of charge from the Commission and are also available on-line at the Commission's web site.

Treasurer's Responsibilities

Registering the Committee

A political committee must register under federal law by filing a Statement of Organization (FEC Form 1). The committee treasurer must sign the form and see that it is filed within 10 days after the committee qualifies as a "political committee" under the Act.²

On the form, the committee provides basic information about the committee (such as its name, address and bank) and officially designates the treasurer and custodian of records.

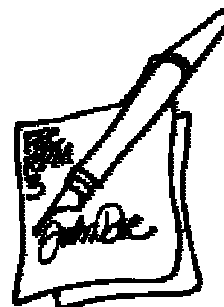
Receipts and Expenditures

The treasurer must make sure that committee receipts are deposited in the designated campaign depository (i.e., the bank or credit union) within 10 days of receipt.

The treasurer must also authorize all committee expenditures or designate agents, either orally or in writing, who may authorize expenditures. Note that candidates who make financial transactions in connection with their campaigns are regarded, under the law, as agents of their respective committees.

Recordkeeping and Reporting

The treasurer is responsible for the timely and accurate filing of financial reports with the federal and state governments.³ To carry this out, and to monitor compliance with the law's limits and prohibitions, the regulations require a treasurer to maintain records of receipts and disbursements from the very beginning of the committee's operations. The federal campaign finance law is very specific about the information that must be documented and reported.



The treasurer must also sign the required reports or obtain a password that serves as a signature on reports filed electronically.

Monitoring Contributions

The committee may not accept contributions from sources prohibited under the law or contributions that exceed that law's limits. Similarly, the committee may not make contributions that exceed the legal limits. The treasurer is responsible for monitoring contributions received and made by the committee to ensure compliance with these requirements. Keeping accurate records of receipts and disbursements is essential for this purpose.

² See the instructions for FEC forms for information on where to file statements and reports. Forms are available free of charge from the Commission, as are FEC Campaign Guides, which include material on how to fill out forms. These materials are also available on the Commission's web site.

³ Presidential, U.S. Senate and U.S. House of Representatives campaign committees, PACs and party committees are exempt, under the Commission's State Filing Waiver Program, from filing paper copies of their federal campaign finance reports with the state election officers of 49 states and 2 territories. Paper copies of the federal reports are still required to be filed with the appropriate offices in Guam, Montana and Puerto Rico. Visit the Commission's web site to view the complete listing of states and territories that qualify for filing waivers. Contact state officials for further information on specific state reporting obligations.

Treasurer's Liability

Compliance with FEC Law

Treasurers are responsible for carrying out their duties under the law, even if their committees have incorporated for liability purposes.

In December 2004, the Commission approved a Statement of Policy to clarify when, in the course of an enforcement proceeding, a treasurer is subject to Commission action in his or her official or personal capacity, or both. The policy explains that in enforcement actions where a political committee is a respondent, the committee's treasurer will typically be subject to Commission action only in his or her official capacity. However, when information indicates that a treasurer has knowingly and willfully violated the Act, recklessly failed to fulfill duties specifically imposed by the Act, or intentionally deprived himself or herself of facts giving rise to the violation, the Commission will consider the treasurer subject to action in a personal capacity and make findings accordingly.⁴

If a committee changes treasurers, the Commission may substitute the new treasurer as a respondent in the enforcement proceeding in his or her official capacity because an official capacity action is an action against the treasurer's position. If an outgoing treasurer is personally liable, the Commission may pursue that predecessor treasurer individually (therefore not substituting the incoming successor in a personal capacity). The successor treasurer would, however, be named in the official capacity.

Administrative Fines

Under the Commission's Administrative Fines Program, committees may be required to pay civil money penalties if they file a report late or fail to file a report. Committee treasurers may be liable for civil money penalties if reports are not filed or not filed on time. FEC regulations specify how penalties are calculated, how late filers and nonfilers are notified of Commission actions and how committees and their treasurers can challenge the Commission's findings. A detailed summary of the Administrative Fines program, as well as Administrative Fine Calculators, is available on the FEC web site at www.fec.gov/af.shtml.

Committee's Debts

The Act and Commission regulations do not govern a treasurer's personal liability for payment of the committee's debts. In Advisory Opinion 1975-102, the Commission said: "In general, debt claims and liabilities are subject to relevant State law, and the Committee's 'responsibility' for satisfying the obligations would have to be determined with reference to those laws."

⁴ See the Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings on the Commission's web site or in the January 3, 2005 *Federal Register*, Vol. 70, No. 1.

Designation of Officers

Under the federal campaign finance law, a committee must officially designate a treasurer and custodian of records. (The same person may hold both positions.) If it wishes, the committee may also designate an assistant treasurer who shall assume the duties and responsibilities of the treasurer in the event of a temporary or permanent vacancy or unavailability of the treasurer. It is unnecessary to disclose the names and positions of other officers appointed by the committee such as a chairman or director.

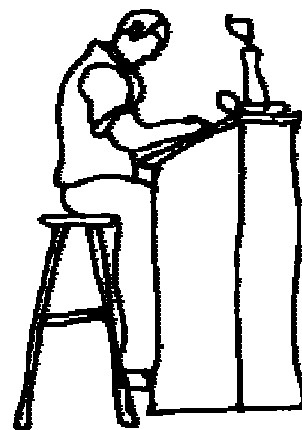
Treasurer

Any U.S. citizen (or “green card” holder), per 11 CFR 110.20(i), can become a treasurer. No special training is required, but a knowledge of basic accounting principles is helpful. Otherwise, the treasurer may wish to obtain the services of a bookkeeper or accountant.

A committee treasurer is officially designated on the Statement of Organization, FEC Form 1.

Assistant Treasurer

If the treasurer is unable to exercise his or her duties (for example, is not available to sign a report or upload an electronic filing), only an assistant treasurer who has been officially designated on the Statement of Organization may assume the treasurer's duties. This is also true if the current treasurer resigns. Under the law, a political committee may not accept contributions or make expenditures without a treasurer. An officially named assistant treasurer, however, may function as the treasurer until a new treasurer is designated on an amended Statement of Organization. To avoid delays in reporting and other compliance problems that could develop in the treasurer's absence, the Commission recommends that committees designate an assistant treasurer on their Statements of Organization.



The assistant treasurer may be named when the treasurer first files the Statement of Organization or at a later time, in which case the treasurer would file an amended Statement of Organization.

Custodian of Records

The Statement of Organization also calls for the name of the custodian of records. The treasurer may act as custodian or appoint another person. If someone other than the treasurer is named, the treasurer nevertheless remains responsible for seeing that proper records are kept.

Change in Officers

Any change in the information disclosed on the Statement of Organization, including a change in officers, must be reported within 10 days after the change takes place. The treasurer must file either an amended Statement of Organization or a signed letter. Electronic filers must electronically file the entire Statement of Organization to report a

change. Paper filers report a change by filing either an amended Statement of Organization or a signed letter which includes the committee's name, identification number (assigned by the FEC when the Statement of Organization is originally filed) and information pertaining to the change.

For example, the treasurer must file an amended Statement of Organization to designate an assistant treasurer if that officer was not named on the original form. If there is a change in treasurer, the form may be signed by either the outgoing or incoming treasurer.

Assistance from the FEC

The Commission offers free publications to help treasurers carry out their duties. Treasurers should refer to the Federal Election Campaign Act and the FEC regulations. The Commission also recommends that treasurers consult the following FEC publications (as appropriate):

- *Campaign Guide for Congressional Candidates and Committees*;
- *Campaign Guide for Political Party Committees*;
- *Campaign Guide for Corporations and Labor Organizations* (which covers the activities of PACs – political action committees – established by profit and nonprofit corporations and by labor unions);
- *Campaign Guide for Nonconnected Committees* (which covers rules for PACs not established by corporations or unions); and
- *Advisory Opinions* (a brochure which explains how to request clarification of the election law regarding proposed committee activities).

To further assist treasurers, the Commission automatically sends them a monthly newsletter, the *Record*, and reporting notices, both of which announce reporting deadlines. The notices also contain FEC reporting forms. In addition, the Commission conducts workshops and conferences throughout the country to explain the requirements of the campaign finance law. See www.fec.gov/info/outreach.shtml.

You can order FEC publications, extra forms and additional subscriptions to the *Record* by phone or by e-mail. Call the FEC on the toll-free number, 800/424-9530 or e-mail info@fec.gov. FEC publications, extra forms and a schedule of reporting dates are also available on the FEC web site, www.fec.gov.

The Commission operates a public information office to help committee staff understand and comply with the campaign finance law. Call the toll-free number or send an e-mail if you have any questions on this brochure or other aspects of the law. FEC staff are waiting to help you.

Treasurer's Index to Act and Regulations

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The Federal Election Campaign Act and FEC regulations contain several provisions on the treasurer's responsibilities. For easy reference to those provisions, the indexes below list the specific citations.

The Act

The Federal Election Campaign Act is contained in Title 2 of the United States Code (2 U.S.C.). The following provisions expressly mention the legal obligations of treasurers:

- Agents designated by treasurer, Section 432(a)
- Authorization of expenditures, Section 432(a)
- Best efforts in recordkeeping and reporting, Section 432(i)
- Contributions forwarded to treasurer, Section 432(b)
- Preservation of records and reports, Section 432(d)
- Prohibited contributions and expenditures, Sections 441a(f), 441b(a), 441c(a), 441e(a) and 441f
- Recordkeeping obligations, Section 432(c)
- Filing obligations, Section 434(a)(1)
- Vacancy in office, Section 432(a)

The Regulations

FEC regulations are contained in Title 11 of the Code of Federal Regulations (11 CFR). The following provisions expressly mention the legal obligations of treasurers:

- Administrative fines program, Sections 111.30 through 111.46
- Assistant treasurer, Section 102.7(a)
- Agents authorized by treasurer, Sections 102.7(c) and 102.9
- Authorization of expenditures, Section 102.7(c)
- Best efforts in determining contribution's legality, Section 103.3(b)
- Best efforts in recordkeeping and reporting, Sections 102.9(d) and 104.7
- Contributions forwarded to treasurer, Section 102.8
- Custodian of separate segregated fund, Section 114.6(d)(5)
- Deposit of receipts, Section 103.3(a)
- Electronic filing, Section 104.18
- Preservation of records and reports, Sections 102.9(c) and 104.14(b)(2) and (3)
- Prohibited contributions and expenditures, Sections 110.4(b) and (c), 110.9, 110.20(b) and (c), 114.2(a) and (b) and 115.2
- Recordkeeping obligations, Sections 102.9 and 104.14(b)
- Reporting obligations, Sections 104.1(a) and 104.14(d)
- Signature of treasurer, Section 104.14(a)
- Vacancy in office, Section 102.7(a) and (b)

Treasurer's Index to Material on the FEC Web Site

- Publications: www.fec.gov/info/publications.shtml
- Forms: www.fec.gov/info/forms.shtml
- Schedule of Reporting Dates: www.fec.gov/info/report_dates.shtml
- Administrative Fines Calculator: www.fec.gov/af_calc_a_20030416.shtml
- Workshops and Conferences: www.fec.gov/info/outreach.shtml
- State Filing Waiver: www.fec.gov/pages/statefiling.shtml
- Policy Statement: www.fec.gov/law/policy/2004/notice2004-20.pdf