This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

AUDIT DIVISION

2011-2012

MATERIALITY THRESHOLDS

Unauthorized Committees

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

TABLE OF CONTENTS

(CTRL+Click to go directly to the page)

Alternative Dispute Resolution Program 3
Clarifications 4
Knowing and Willful Violations of the Act 4
Receipt of Prohibited Contributions 5
Receipt of Contributions, Loans, Levin Donations in Excess of the Limitation 8
Receipt of Contributions of Currency in Excess of the Limitation 13
Contributions from Unregistered Political Organizations 15
Contributions in Excess of the Limitation Made by a Committee 17
Untimely Deposits of Contributions & Transmittals 19
Failure to Itemize Receipts or Expenditures 20
Failure to Itemize Loans, Loan Repayments & Debts and Obligations 22
Failure to Itemize Contributions from Political Committees 24
Omission of Disclosure Information for Receipts and Expenditures 26
Omission of Occupation and Name of Employer 28
Misstatement of Financial Activity 29
Increased Financial Activity 32
Recordkeeping - Receipts 33
Recordkeeping-Disbursements 35
Recordkeeping (§104.14) -Disbursements 36
Failure to File 24-Hour & 48-Hour Notices of Independent Expenditures 37
Allocation of Administrative, Generic Voter Drive, Exempt Activity, Fundraising, FEA & Direct Candidate Support 38
Coordinated Expenditures Made by Party Committees 40
Advances Made by Committee Staff & Other Individuals 42
Extensions of Credit Made by Commercial Vendors 43
Other Errors or Omissions 44

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Alternative Dispute Resolution Program

These thresholds include criteria for referring matters to the Commission's Alternative Dispute Resolution (ADR) program. The criteria for referring matters to ADR are an addition to the criteria for referring matters to the Office of General Counsel and are aimed at efficiently resolving certain violations arising from audits.

In certain instances, a concurrent MUR or Pre-MUR may be a factor for excluding a finding from referral to ADR. MURS and Pre-MURs must be reviewed to identify the issues involved and how close the MUR is to resolution. After discussions with the Audit Manager, a determination will be made about proposing a referral to ADR.

If any of the findings in the audit report meet the criteria to OGC, none of the findings will be referred to ADR.

In general, the Committees that will be referred to ADR include:

- Those where the findings breach our thresholds for inclusion in the interim audit report (IAR) and the Committee's response to the finding reduces the violation to a level that exceeds the threshold for inclusion in the report but is less than the threshold for referral to OGC.

- Those findings where in response to the audit report, the Committee filed amended reports that materially corrected the violation, but the original magnitude of the problem was large. This document includes ADR thresholds for Committees that file materially correct amended reports in response to the audit report.

- Finally, if a referral is to be made to OGC, an evaluation of the referral should be made in conjunction with the Audit Manager to determine if the matter is better suited for the ADR program. Such cases are those where the exclusionary factors above are not present, corrective action has been taken, and the case, as a whole, is not one that experience has shown would be a high priority in OGC. If the Audit Manager and the Assistant Staff Director agree, the recommended course of action will be presented to OGC for its comment. The comment period will be [redacted] calendar days, with OGC being able to extend the review period to a maximum of [redacted] days. At the end of that period, if no objection is received the referral will be processed.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Clarifications

1. **Federal Election Activity** is referred to as FEA.

2. **Non-federal Funds vs. Levin Funds** - Non-federal funds **cannot** be used to pay for any Federal Election Activity (Schedule H-6). However, Levin funds **can be** used to pay for Non-federal activity including the non-federal share of allocable expenses (Schedule H-4).

3. **Reported Amounts as basis for Threshold Amounts** - For all thresholds, the reported amount will be used if the reported amount is materially correct. If the reported amount is materially misstated, the auditor may use the committee's database provided that it has been reconciled to the bank.

4. **Rounding Threshold Amounts** - To determine the threshold amounts, apply the threshold percentage to the appropriate reported amount and round the result up to the nearest $100. For example, if the reported amount of contributions from individuals is [redacted], the threshold percentage is [redacted], the threshold amount is [redacted]

5. **Best Efforts** – The regulations address best efforts to obtain contributor information (11 CFR 104.7) and to obtain records for disbursements (11 CFR 102.9(d)).

Knowing and Willful Violations of the Act

Any matter, whether or not it meets the materiality threshold for inclusion in the interim audit report or referral to the Office of General Counsel, can still be referred to OGC if the auditor suspects there is a Knowing and Willful Violation of the Act (2 U.S.C. 437g (a)(5) and (d)). The auditor in conjunction with the Audit Manager and Assistant Staff Director will review; confer with OGC (Compliance Advice Team), the matter and decide if a referral will be made.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Receipt of Prohibited Contributions

Regulatory Cites
2 USC §§441 b, c, e & f
11 CFR §§106.6; 106.7 and 300.31(e) and (f)

Applicable to the following:

- Contributions from corporations, unions, national banks, government contractors, foreign nationals.
- Contributions in the name of another.
- Donations to the Levin Fund from a national state/local party committee, federal candidate, federal officeholder, and certain joint fundraising receipts.
- Donations to the Levin Fund that are unlawful under State law qualify as prohibited.
- Transfers received into the Levin account from any other State, district or local committee of any political party.
- Transfers from the non-federal account for other than allocated portion of shared expenses.

How the Threshold is applied:

- The dollar value of the projection of the error for UNRESOVLED apparent prohibited contributions and the UNTIMELY resolved apparent prohibited contributions are totaled and compared to the threshold below.
- Each category (Individuals & Levin Donations) is tested separately and the appropriate threshold applied is applied separately.
- The "single event threshold" may be applicable to prohibited contributions that do not meet inclusion in the interim audit report.

Criteria for Inclusion in the Audit Report:

100% Review and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the apparent prohibited contributions is greater than [redacted] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3X; for Levin receipts- Schedule L, Line 1(c)) and the dollar value of the apparent prohibited contributions exceeds [redacted] for the audit period

OR

- the dollar value of the apparent prohibited contributions is greater than [redacted] for the audit period.

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater.

Criteria for Referral to Office of General Counsel

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

A referral to OGC will be made if the response to the audit report does not reduce the prohibited amount to:

- [redacted] or less of the total reported amount of contributions from individuals/donations to the Levin Fund or the dollar value to [redacted] or less and the required refunds were **not** made

OR

- [redacted] or less and the required refunds were **not** made.

However, a referral to OGC or ADR will **NOT** be made if the response to the Audit Report reduces the prohibited contributions/donations to:

- greater than [redacted] but less than or equal to [redacted] of contributions from individuals or donations to the Levin Fund and the required refunds were made.

OR

- [redacted] or less and the required refunds were made.

How a committee can reduce the apparent prohibited amount
A committee must submit evidence that a contribution was not prohibited; was timely refunded or timely transferred.

Criteria for Referral to Alternative Dispute Resolution
A referral to ADR will be made if the response to the audit report does not reduce the prohibited amount to:

- less than or equal to [redacted] of the total reported amount of contributions from individuals/donations to the Levin Fund or the dollar value to [redacted] or less and the required refunds were made

OR

- [redacted] or less and the required refunds were made.

Single Event Threshold (Referral to OGC)
Consider this threshold if the threshold for inclusion in the audit report is not met.

Prohibited contributions will be referred after the exit conference response period if:

- the prohibited contribution is greater than [redacted]

AND

- the threshold for inclusion in interim audit report has not been met

AND

- the committee has not refunded the prohibited contribution.

Single Event Threshold (Referral to ADR)
Consider this threshold if the threshold for inclusion in the audit report is not met.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Prohibited contributions will be referred after the exit conference response period if:

- the prohibited contribution is greater than [redacted]

AND

- the threshold for inclusion in interim audit report has not been met

AND

- the committee has refunded the prohibited contribution (although untimely and/or subsequent to the date of the audit notification letter).

Applicable Policy

- The interim audit report must state whether the committee was in compliance with 11 CFR §103.3(b)(4). To determine compliance, the **sum** of excessive and prohibited contributions must be compared to the available cash.
- The prohibited amount should be refunded, transferred to the non-federal/Levin, or disposed of not later than [redacted] days from the date of deposit (provided that there is sufficient assurance the contributions are being deposited within 2 or 3 days of receipt). If transferred to the non-federal/Levin account, the committee must inform the contributor in writing and offer the option for a refund.
- If a contribution is referable to OGC or ADR (Single Event threshold) the contribution(s) in question will be addressed at the exit conference. The committee will have the 10-day post exit conference response period to demonstrate that the contribution was not from prohibited sources.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Receipt of Contributions, Loans, Levin Donations in Excess of the Limitation

Regulatory Cites
2 USC § 441a & 11 CFR §300.31(d)

Applicable to the following:

- Contributions received from individuals.
- Contributions received from political committees.
- Donations to a Levin fund account.
- Loans in excess of the contribution limitation by any person.
- Any portion of any loan endorsed or guaranteed by any person in excess of the limitation.

How the Threshold is applied:

- Each category (Individuals, Political Committees, Loans & Levin Donations) is tested separately and the appropriate threshold is applied separately.
- For Individuals- There are three separate characteristics: Non-Curable Excessives; Untimely Resolved Excessives; Curable Excessives.
- The dollar value of the projection of the error for "curable" and "untimely resolved" is combined and compared to the thresholds below.
- The "single event threshold" may be applicable to excessive contributions that do not meet inclusion in the interim audit report.

Criteria for Inclusion in the Audit Report:

100% Review and Dollar Unit Sample Reviews

Contributions From Individuals (**Non-Curables**)

The matter will be addressed in the interim audit report if:

- the dollar value of apparent excessive contributions is greater than [redacted] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3X; for Levin receipts-Schedule L, Line 1(c)) **and** the dollar value of apparent excessive contributions exceeds [redacted]

OR

- the dollar value of the apparent excessive contributions is greater than [redacted].

Tolerable Sampling Error=[redacted] or [redacted] of the sample error rate, whichever is greater.

Contributions From Individuals (**Untimely Resolved or Curable**)

The matter will be addressed in the interim audit report if:

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

- the combined dollar value of apparent excessive contributions is greater than [redacted] of the total reported amount of contributions from individuals (as reported on Line 11(a)(iii) of the Detailed Summary Page of FEC Form 3X; for Levin receipts-Schedule L, Line 1(c));

AND

- the dollar value of apparent excessive contributions exceeds [redacted].

Tolerable Sampling Error=[redacted] or [redacted] of the sample error rate, whichever is greater.

Contributions From Political Committees

The matter will be addressed in the interim audit report if:

- the dollar value of apparent excessive contributions is greater than [redacted] of the total reported amount of contributions from political committees **and** the dollar value of apparent excessive contributions exceeds [redacted]

OR

- the dollar value of the apparent excessive contributions is greater than [redacted].

Tolerable Sampling Error=[redacted] or [redacted] of the sample error rate, whichever is greater.

Donations to the Levin Fund

The matter will be addressed in the interim audit report if:

- the dollar value of apparent excessive donations is greater than [redacted] of the total amount of reported Levin donations **and** the dollar value of apparent excessive donations exceeds [redacted]

OR

- the dollar value of the apparent excessive donations is greater than [redacted].

Tolerable Sampling Error=[redacted] or [redacted] of the sample error rate, whichever is greater.

Audit Recommendation

The recommendation will:

- present the committee an opportunity to demonstrate that the apparent excessive contributions were not excessive or were timely resolved

AND

- afford the committee an opportunity to resolve any remaining unresolved apparent excessive contribution through refund, payment to the Treasury, if applicable, presumptive reattribution or transfer to the non-federal account.

Criteria for Referral to Office of General Counsel

A referral to OGC will be made if:

Contributions From Individuals (**Non-Curable**)

The response to the audit report does not reduce the apparent excessive contributions to:

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

- [redacted] or less of total reported amount of contributions from individuals[1] **or** the aggregate amount to [redacted] for individuals or less and the required refunds were **not** made

OR

- [redacted] or less and the required refunds were **not** made.

Contributions From Individuals (**Untimely Resolved or Curable Excessives**)

The response to the audit report

- does not reduce the apparent excessive contributions to [redacted] or less of total reported amount of contributions from individuals

OR

- the aggregate amount to [redacted] or less

AND

- the committee did not comply with the recommendation.

Contributions From Political Committees

The response to the interim audit report does not reduce the apparent excessive contributions to:

- [redacted] or less of total reported amount of contributions from political committees[1] **or** the aggregate amount to [redacted] or less and the required refunds were **not** made

OR

- [redacted] or less and the required refunds were **not** made.

Donations to the Levin Fund

The response to the audit report does not reduce the apparent excessive contributions to:

- [redacted] or less of total reported amount of Levin Donations **or** the aggregate amount to [redacted] or less and the committee did not comply with the recommendations

OR

- [redacted] or less and the committee did not comply with the recommendation.

How a committee can reduce the apparent excessive amount

A committee must submit either evidence that a contribution was not excessive or evidence that the contribution was timely reattributed (either written or presumptive); refunded or transferred.

A referral to OGC or ADR will **NOT** be made if:

- the response to the Audit Report reduces the excessive contributions to greater than [redacted] but less than or equal to [redacted] of contributions/donations from individuals **and** the required refunds were made

OR

- [redacted] or less **and** the required refunds were made.

[1] For individuals the determination is based on [redacted] of contributions from individuals; for political committees the determination is based on [redacted] of contributions from political committees.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Criteria for Referral to Alternative Dispute Resolution

A referral to ADR will be made if:

Contributions From Individuals (**Non- Curable Excessives**)

The response to the audit report does not reduce the apparent excessive contributions to:

- [redacted] or less of total reported amount of contributions from individuals and the committee complied with the recommendation.

OR

- [redacted] or less and the committee complied with the recommendation.

Contributions From Individuals (**Untimely Resolved or Curable Excessives**)

The response to the audit report does not reduce the apparent excessive contributions to:

- [redacted] or less of total reported amount of contributions from individuals

AND

- the committee complied with the recommendation.

Contributions From Political Committees

The response to the interim audit report does not reduce the apparent excessive contributions to:

- [redacted] or less of total reported amount of contributions from political committees or the aggregate amount to [redacted] or less and the committee complied with the recommendation

OR

- [redacted] or less and the committee complied with the recommendation.

Levin Donations

The response to the audit report does not reduce the apparent excessive contributions to:

- [redacted] or less of total reported amount of Levin Donations or the aggregate amount to [redacted] or less and the committee complied with the recommendation

OR

- [redacted] or less and the committee complied with the recommendation.

Single Event Threshold (Referral to OGC)

Consider this threshold if the threshold for inclusion in the audit report is not met.

Excessive contributions will be referred after the exit conference response period if:

- the apparent excessive contribution is in excess of the relevant limitation by more than [redacted]

AND

- the threshold for inclusion in interim audit report has not been met

AND

- the committee has not refunded, reattributed, or transferred the excessive contribution. Contributions that have been untimely resolved may be referred to ADR.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Single Event Threshold(Referral to ADR)

Consider this threshold if the threshold for inclusion in the audit report is not met.

Excessive contributions will be referred after the exit conference response period if:

- the apparent excessive contribution exceeds the relevant limitation by more than [redacted]

AND

- the threshold for inclusion in interim audit report has not been met

AND

- the committee has untimely refunded, reattributed, or transferred the excessive contribution.

Applicable Policy

- The excessive contribution may be reattributed (either presumptive or written authorization) to another accountholder, refunded, or otherwise disposed of in an acceptable manner (such as transfer to a non-federal or Levin account) within [redacted] days of deposit (provided that there is sufficient assurance the contributions are being deposited within 2 to 3 days of receipt).
- Committees may transfer an excessive contribution to the non-federal account or Levin account. It will not be considered an error if, within [redacted] days of deposit, the committee informs the contributor in writing that his/her contribution was or will be transferred to the non-federal account or Levin account and gives the contributor the option to request a refund.
- If a contribution is referable to OGC or ADR (Single Event threshold) the contribution(s) in question will be addressed at the exit conference. The committee will have the 10-day post exit conference response period to demonstrate that the contribution was not excessive.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Receipt of Contributions of Currency in Excess of the Limitation

Regulatory Cite
2 USC § 441g and 11 CFR §110.4(c)

Applicable to the following:

- Currency contributions and contributions using a gift card or similar instrument in excess of $100 per contributor per year.
- Anonymous cash contributions in excess of $50.

How the Threshold is applied:

- The dollar value of the errors for excessive currency and excessive anonymous contributions are combined and compared to the threshold below for the audit period.

Criteria for Inclusion in the Audit Report:

100% Review and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the excessive currency and the dollar value of excessive anonymous contributions (added together) is greater than [redacted] of the total reported amount of contributions from individuals

AND

- the dollar value of the excessive currency exceeds [redacted].

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater.

Criteria for Referral to Office of General Counsel
A referral to OGC will be made if:

- the response to the audit report does not reduce the dollar value of the excessive amount to [redacted] or less of the total reported amount of contributions from individuals

OR

- the aggregate excessive amount to [redacted] or less

AND

- the committee did not comply with the recommendation.

How a committee can reduce the apparent excessive amount
A committee can reduce the amount of the errors by submitting evidence that a contribution was not excessive or evidence that the contribution was timely refunded, transferred or disposed. To be timely, contributions must be refunded or disposed of in an acceptable manner within [redacted] days

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

of deposit, provided that there is sufficient assurance that contributions are being deposited within 2 to 3 days of receipt.

Criteria for Referral to ADR

A referral to ADR will be made if:

- The response to the audit report does not reduce the dollar value of the excessive amount to [redacted] or less of the total reported amount of contributions from individuals

OR

- the aggregate excessive amount to [redacted] or less

AND

- the committee did comply with the recommendation.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Contributions from Unregistered Political Organizations

Regulatory Cite
11 CFR 102.5(b)

Applicable to the following:

- Political Party Committees-Contributions received from unregistered political organizations in excess of [redacted] per year.
- Other Political Committees- Contributions received from unregistered political organizations in excess of [redacted] per year.

How the Threshold is applied:

- The recipient political committee must demonstrate that the funds it received from the unregistered political organization were from ***permissible sources*** (such as a letter from the contributing organization attesting to the permissibility of the contribution). Although the contribution may be deemed permissible, it will still be considered excessive if in excess of the relevant limitation for an individual.
- The excessive amount for each calendar year is added together and applied against the threshold for the audit period.

Criteria for Inclusion in the Audit Report:

100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the apparent prohibited/excessive contribution is greater than [redacted] of total reported contributions (The sum of Lines 11a(iii), 11(b), 11(c))

AND

- the dollar value of the prohibited/excessive contribution exceeds [redacted].

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater.

Criteria for Referral to the Office of General Counsel

A referral to OGC will be made if the response to the audit report does not reduce the prohibited amount to

- [redacted] or less of total reported contributions (The sum of Lines 11a(iii), 11(b), 11(c))

OR

- the aggregate excessive amount to [redacted] or less

AND

- the committee did not comply with the recommendation.

How a committee can reduce the apparent prohibited amount

A committee must submit the following

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

- Evidence that the contributing organization's funds were from permissible sources

OR

- Evidence that the contribution was timely refunded, transferred or disposed. To be timely, contributions must be refunded or disposed of in an acceptable manner within [redacted] days of deposit, provided that there is sufficient assurance that contributions are being deposited within 2 to 3 days of receipt.

Criteria for Referral to Alternative Dispute Resolution

A referral to ADR will be made if the response to the audit report does not reduce the prohibited amount to:

- [redacted] or less of total reported contributions (the sum of Lines 11a(iii), 11(b), 11(c))

OR

- the aggregate excessive amount to [redacted] or less

AND

- the committee did comply with the recommendation.

Criteria for Referral to the Reports Analysis Division

A referral to RAD will be made after the response to the audit report is received if:

- an unregistered political organization makes aggregate contributions which have not been refunded or transferred out, greater than [redacted] during the audit period (to the auditee)
- The referral should include relevant parts of the committee's response to the interim audit report.
- RAD will address registration of the unregistered committee. Audit will address the permissibility and possible excessive contribution.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Contributions in Excess of the Limitation Made by a Committee

Regulatory Cite
2 USC § 441a

Applicable to the following:

- Direct contributions of funds or in-kind contributions made by the Committee to another political committee.
- Coordinated expenditures under 2 USC §441a(d) have a separate threshold.

Criteria for Inclusion in the Audit Report:

100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of the aggregate excessive contributions is greater than [redacted] of the total reported contributions made

AND

- the aggregate dollar value of the excessive contributions is greater than [redacted].

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater.

Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if the response to the audit report does not reduce the dollar value of the aggregate excessive contributions to

- [redacted] or less of the total reported contributions made

OR

- the dollar value of the aggregate excessive contributions to [redacted] or less

AND

- the committee did not comply with the recommendation.

How a committee can reduce the apparent excessive amount

A committee can demonstrate that it did not make an excessive contribution or that it received a refund prior the exit conference.

Criteria for Referral to Alternative Dispute Resolution

The matter will be referred to ADR if the response to the audit report does not reduce the dollar value of the aggregate excessive contributions to

- [redacted] or less of the total reported contributions made

OR

- the dollar value of the aggregate excessive contributions to [redacted] or less

AND

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

- the committee did comply with the recommendation.

Applicable Policy

- The committee making the excessive contribution may seek a refund at any time. If the committee received a refund prior to the exit conference, there is no error. Therefore, only **unresolved** excessive contributions made at the time of the exit conference will be addressed in the interim audit report.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Untimely Deposits of Contributions & Transmittals

Regulatory Cites
11 CFR §103.3(a), 11 CFR §102.6(c)(4), 11 CFR §102.6(b)(1)

Applicable to the following:

- Contributions from individuals.
- Contributions from political committees and party committees.
- Contributions received via payroll deduction.

Criteria for Inclusion in the Audit Report:

100% and Dollar Unit Sample Review

This matter will be addressed in the interim audit report if:

- the total dollar value of the untimely deposits/transmittals is greater than [redacted] of the total amount of all deposits

AND

- the dollar value of the untimely deposits exceed [redacted].

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater.

Criteria for Referral to Alternative Dispute Resolution
A referral to ADR will be made if the response to the audit report does not reduce the amount of untimely deposits/transmittals to:

- [redacted] or less of the total amount of all deposits

AND

- the dollar value of the untimely deposits exceed [redacted].

How a committee can demonstrate contributions were not errors
To reduce the amount of untimely deposits/transmittals a committee must demonstrate that the deposits were made timely.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Failure to Itemize Receipts or Expenditures

Regulatory Cites
2 USC § 434(b) & (e)

Applicable to the following:

- Contributions from individuals (including in-kind and earmarked), (Schedule A, Line 11(a)(i))
- Transfers from Affiliated Committees (Schedule A, Line 12)
- Offsets to Operating Expenditures (refunds, rebates, returns of deposits) (Schedule A, Line 15)
- Refunds of Contributions Received (Schedule A, Line 16)
- Other Receipts (dividends, interests, etc.) (Schedule A, Line 17)
- Transfers from Non-Federal Account for Allocated Activity (Schedule H3, Line 18(a))
- Transfers from Levin Funds for Allocated FEA (Schedule H5, Line 18(b))
- Federal/Non-federal Allocated Expenses (Schedule H4, Line 21(a))
- Federal Operating Expenditures (Schedule B, Line 21(b))
- Transfers to Affiliated Committees (Schedule B, Line 22)
- Contributions to Federal Candidates and/or Political Committees (Schedule B, Line 23)
- Independent Expenditures (Schedule E, Line 24)
- Coordinated Expenditures (Schedule F, Line 25)
- Contribution Refunds made (Schedule B, Lines 28(a), (b), (c))
- Other Disbursements (Schedule B, Line 29)
- Federal/Levin Allocated FEA Expenses (Schedule H6, Line 30(a))
- Federal Election Activity Paid Entirely With Federal Funds (Schedule B, Line 30(b))
- Levin Receipts from Persons (Donations) (Schedule L-A, Line 1(a))
- Levin "Other Receipts" (Schedule L-A, Line 2)
- Levin Transfers to Federal Account (Schedule L-B, Line 4)
- Levin Disbursements (Schedule L-B, Line 5)

How the Threshold is applied:

- The categories of receipts or categories of expenditures should be combined, whenever possible.
- For example, all receipts itemization errors should be evaluated against the threshold calculated based on total receipts.

Criteria for Inclusion in the Audit Report:

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the aggregate dollar value of receipts/expenditures that were required to be itemized but were not, is greater than [redacted] of the total dollar value of all transactions itemized for the specific category(receipts/disbursements) and the aggregate dollar value is greater than [redacted]

OR

- the dollar value of the receipts/expenditures that were required to be itemized but were not, is greater than [redacted].

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater.

Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if the response to the audit report does not reduce the unitemized amount to

- [redacted] or less of the total dollar value of all transactions itemized for the specific category (receipts/disbursements) and the aggregate dollar value is greater than [redacted]

OR

- [redacted] or less for the specific category (receipts/disbursements)

AND

- the committee did **not** comply with the recommendation.

How a committee can demonstrate a transaction was itemized:

The committee can reduce the amount in error by demonstrating that the transactions were itemized on reports filed prior to the audit notification letter or show the transactions were not required to be itemized.

Criteria for Referral to ADR

The matter will be referred to ADR if the aggregate dollar value of receipts or expenditures that were required to be itemized but were not is

- greater than [redacted] of the dollar value of transactions itemized for the specific category and the aggregate dollar value is greater than [redacted]

OR

- greater than [redacted] for the specific category

AND

- the committee did comply with the recommendation.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Failure to Itemize Loans, Loan Repayments & Debts and Obligations

Regulatory Cite
2 USC § 434(b)

Applicable to the following:

Tested 100% only

- Loans Received (Schedules A and C, Line 13)
- Loan Repayments Received (Schedules B and C Line 14)
- Loans Repayments Made (Schedule B and C, Line 26)
- Loans Made (Schedule B and C, Line 27)

Tested 100% or DUS

- Debts and Obligations owed by the Committee (Schedule D, Line 10)
- Debts and Obligations owed to the Committee (Schedule D[3],Line 9)

How the Threshold is applied:

- This threshold is applied separately to each category. Errors are compared against the population (specific category(s)) that was tested.
- For Debts and Obligations owed by the Committee (Schedule D, Line 10) tested on a sample basis, all disbursement sample items are testable for potential debt reporting.
- The dollar value of the sample projection and the dollar value of the errors from the 100% review are totaled and compared to the threshold below.

Criteria for Inclusion in the Audit Report:

100% and Dollar Unit Sample Review

The matter will be address in the interim audit report if:

- the aggregate dollar value of the unreported amount for the category tested is greater than [redacted] of the aggregate dollar value of transactions that should have been reported (correct reportable) for each category and the aggregate dollar value is greater than [redacted] during the audit period

OR

- the dollar value of the transactions not itemized for the category tested is greater than [redacted].

[3] The full amount of any debt for a shared (F/NF or F/Levin) expense should be itemized on Schedule D.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater.

Criteria for Referral to the Office of General Counsel

The matter will be referred to OGC if the response to the audit report does not reduce the aggregate dollar value of the unreported amount for the category tested to:

- [redacted] or less of the total dollar value of disbursements and the aggregate dollar value is greater than [redacted]

OR

- [redacted]

AND

- the committee did not comply with the recommendation.

How a committee can demonstrate a transaction was itemized:

The committee can reduce the amount in error by demonstrating that the transactions were itemized on reports filed prior to the audit notification letter or by showing that the transaction did not require itemization.

Criteria for Referral to ADR

The matter will be referred to ADR if the response to the audit report does not reduce the aggregate dollar value of the unreported amount for the category tested to

- [redacted] or less of the total dollar value of disbursements and the aggregate dollar value is greater than [redacted]

OR

- [redacted] or less

AND

- the committee did comply with the recommendation.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Failure to Itemize Contributions from Political Committees

Regulatory Cite
2 USC § 434(b) & (e)

Applicable to the following:

- Contributions received from political committees.

Criteria for Inclusion in the Audit Report:

100% Review

The matter will be included in the interim audit report if:

- the dollar value of contributions from political committee not itemized is greater than [redacted] of the total reported amount of the contributions received from political committees and the aggregate dollar value is greater than [redacted]

OR

- the dollar value of the contributions from political committees not itemized is greater than [redacted].

Criteria for Referral to the Office of General Counsel
The matter will be referred to OGC if the response to the audit report does not reduce the dollar value of contributions from political committee that were not itemized to

- [redacted] or less of the total reported amount of the contributions received from political committees and the aggregate dollar value is greater than [redacted]

OR

- [redacted] or less

AND

- the committee did not comply with the recommendation

How a committee can demonstrate a transaction was itemized:
To reduce the dollar value of contributions from political committees that were not itemized a committee must demonstrate that the contributions were itemized on reports filed prior to the audit notification letter.

Criteria for Referral to Alternative Dispute Resolution
The matter will be referred to ADR if the response to the audit report does not reduce the dollar value of contributions from political committee that were not itemized to

- [redacted] or less of the total reported amount of the contributions received from political committees and the aggregate dollar value is greater than [redacted]

OR

- [redacted] or less

AND

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

- the committee complied with the recommendation.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Omission of Disclosure Information for Receipts and Expenditures

Regulatory Cites
2 USC § 434(b) and 11 CFR §§104.3 & 300.36(a)

Applicable to the following:

- Contributions from individuals (including in-kind and earmarked), (Schedule A, Line 11(a)(i))
- Contributions from political committees (Schedule A, Lines 11(b) & 11(c))
- Transfers from Affiliated Committees (Schedule A, Line 12)
- Offsets to Operating Expenditures (refunds, rebates, returns of deposits) (Schedule A, Line 15)
- Refunds of Contributions Received (Schedule A, Line 16)
- Other Receipts (dividends, interests, etc.) (Schedule A, Line 17)
- Transfers from Non-Federal Account for Allocated Activity (Schedule H3, Line 18(a))
- Transfers from Levin Funds for Allocated FEA (Schedule H5, Line 18(b))
- Federal/Non-federal Allocated Expenses (Schedule H4, Line 21(a))
- Federal Operating Expenditures (Schedule B, Line 21(b))
- Transfers to Affiliated Committees (Schedule B, Line 22)
- Contributions to Federal Candidates and/or Political Committees (Schedule B, Line 23)
- Independent Expenditures (Schedule E, Line 24)
- Coordinated Expenditures (Schedule F, Line 25)
- Contribution Refunds made (Schedule B, Lines 28(a), (b), (c))
- Other Disbursements (Schedule B, Line 29)
- Federal/Levin Allocated FEA Expenses (Schedule H6, Line 30(a))
- Federal Election Activity Paid Entirely With Federal Funds (Schedule B, Line 30(b))
- Levin Receipts from Persons (Donations) (Schedule L-A, Line 1(a))
- Levin "Other Receipts" (Schedule L-A, Line 2)
- Levin Transfers to Federal Account (Schedule L-B, Line 4)
- Levin Disbursements (Schedule L-B, Line 5)
- Debts and Obligations (Schedule D)

How the Threshold is applied:

- Best Efforts-If during the review "best efforts" are documented for those items lacking adequate disclosure information, such items will **not** be considered errors.
- The categories of receipts/expenditures should be combined, whenever possible. For example, all receipt disclosure errors should be evaluated against the threshold calculated based on total receipts.
- The threshold is applied to transactions that are itemized (including memo entries) on the committee disclosure reports.

Criteria for Inclusion in the Audit Report:

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the aggregate dollar value of disclosure errors is greater than [redacted] of the total reported amount of receipts/expenditures itemized on the committee's reports and the aggregate dollar value exceeds [redacted]

OR

- the dollar value of the disclosure errors is greater than [redacted].

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater.

Criteria for Referral to the Office of General Counsel
The matter will be referred to OGC if the response to the audit report does not reduce the amount of disclosure errors to:

- [redacted] or less of the amount of receipts/expenditures itemized on the committee's reports and the aggregate dollar value exceeds [redacted].

OR

- [redacted] or less

AND

- the committee did not comply with the recommendation.

How a committee can demonstrate a transaction was correctly disclosed
To reduce the dollar value of disclosure errors the committee must demonstrate that the disclosure was correct or that best efforts were made to obtain, maintain and submit the required information.

Criteria for Referral to Alternative Dispute Resolution
The matter will be referred to ADR if the response to the audit report does not reduce the amount of disclosure errors to:

- [redacted] or less of the amount of receipts/expenditures itemized on the committee's reports and the aggregate dollar value exceeds [redacted]

OR

- [redacted] or less

AND

- the committee complied with the recommendation.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Omission of Occupation and Name of Employer

Regulatory Cites
2 USC § 434(b) and 11 CFR §§ 104.3 & 100.12

Applicable to the following:

- The threshold is applied to contributions from individuals that are itemized (including memo entries) on the committee disclosure reports.

How the Threshold is applied:

- Best Efforts-If during the review "best efforts" are documented for those items lacking adequate disclosure information, such items will **not** be considered errors.

Criteria for Inclusion in the Audit Report:

100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar value of itemized contributions having missing or inadequate occupation/name of employer is greater than [redacted] of the dollar value of all itemized contributions

AND

- the aggregate dollar value exceeds [redacted].

Tolerable Sampling Error= [redacted] or [redacted] of the error, whichever is greater.

Criteria for Referral to Alternative Dispute Resolution
The matter will be referred to ADR if:

- the aggregate dollar value of itemized contributions having missing or inadequate occupation/name of employer is greater than [redacted] of all itemized contributions requiring such disclosure.

AND

- the aggregate dollar value exceeds [redacted].

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Misstatement of Financial Activity

Regulatory Cite
2 USC § 434(b)

Applicable to the following:

- Discrepancies between reported financial activity (receipts, disbursements, and cash on hand) and the activity reportable according to the bank reconciliation.
- Discrepancies between reported Levin Fund Activity (receipts, disbursements, and cash on hand) and the activity reportable according to the Levin Fund Account.

How the Misstatement is Presented in the Report:

- If only receipts or disbursements are materially misstated, the finding will explain the beginning cash on hand, ending cash on hand, receipt, and disbursement misstatements in order for the committee to file complete and accurate amendments.
- If only cash on hand is materially misstated, the committee will be requested to amend its latest report filed to correct the cash on hand balance Receipt and disbursement discrepancies should be presented to the committee at the exit conference even though these will not appear in the audit report.

Criteria for Inclusion in the Audit Report:
The matter will be addressed in the interim audit report if:

Misstated Activity (Receipts or Expenditures) Threshold

- if the reported amount of receipt or expenditures, when compared to the correct reportable amount per the bank, is misstated by greater than [redacted]

AND

- the misstated amount of receipts /expenditures is greater than [redacted].

Absolute Value of Misstated Activity (Receipts or Expenditures) Threshold

- if the sum of the absolute values of the identified receipt/expenditure errors (disregarding signs), when compared to the correct reportable amount of receipts/expenditures per the bank, is greater than [redacted]

AND

- the misstated amount of receipts/expenditures (disregarding signs) is greater than [redacted].

Cash on Hand Threshold

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

- the reported amount of cash on hand (either beginning or ending) is misstated by greater [redacted] of either the correct reportable amount of receipt or expenditures, whichever is greater.

AND

- the misstated amount exceeds [redacted].

Criteria for Referral to the Office General Counsel

After determining if the response to the audit report has reduced the misstated amount of receipts or expenditures (See "How a committee can reduce the misstated amount"), the matter will be referred to OGC if any of the conditions are met in #1, #2 or #3 below:

:

1. Receipts and Expenditures

- the reported amount of receipts or expenditures was misstated by greater than [redacted]

AND

- the reported amount of receipts or expenditures was misstated by greater than [redacted].

2. Receipts and Expenditures

- Amended reports do not reduce the misstated amount of receipts/expenditures to less than the threshold for inclusion in the interim audit report.

3. **Absolute Value of Misstated Activity (Receipts or Expenditures)**

- the sum of the absolute values of the identified receipt/expenditure errors (disregarding signs) was greater than [redacted] of the respective correct reportable amounts.

How a committee can reduce the misstated amounts:

The committee can reduce the misstated amount by demonstrating that the audited reports were materially correct or misstated by a lesser amount.

Criteria for Referral to Alternative Dispute Resolution

The matter will be referred to ADR if:

Receipts and Expenditures

- the threshold for referral to OGC has not been breached

AND

- the misstated amount of receipts/expenditures was between [redacted] and [redacted]

AND

- the misstated amount is greater than [redacted].

Absolute Value of Misstated Activity (Receipts or Expenditures)

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

- the sum of the absolute values of the identified receipt/expenditure errors (disregarding signs) is between [redacted] and [redacted].

Applicable Policy

- The calculation of the dollar amount of the absolute value does **not** include the amount of "unexplained differences."
- If differences between bank and reported amounts are the result of timing differences, discuss with Audit Manager not pursuing this part of the misstatement finding. For example, [redacted] in contributions are received on December 15, 2007 but not deposited until January 15, 2008 and reported in the report covering January.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Increased Financial Activity

Regulatory Cite
2 USC § 434(b)

Applicable to the following:

- Any Committee that was assigned RAD referral points for '**increased reported activity**' (Receipts or Disbursements)-Refer to RAD referral.

Criteria for Inclusion in the Audit Report:
The matter will be addressed in the interim audit report if:

Misstated Activity (Receipts or Expenditures) Threshold

- if the reported amount of receipts or expenditures as **originally reported,** when compared to the correct reportable per bank for receipts or expenditures, is misstated by greater than [redacted].

AND

- the misstated amount of receipts or expenditures is greater than [redacted].

Criteria for Referral to ADR
The matter will be referred to ADR if:

Receipts and Expenditures

- receipts or expenditures as **originally reported** when compared to the correct reportable per bank, is misstated by greater than [redacted]

AND

- the misstated amount of receipts or expenditures is greater than [redacted], excluding amounts previously referred to ADR by RAD for the audit period.

Applicable Policy

- For increased activity, the original reports filed are compared to the correct reportable per the bank.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Recordkeeping - Receipts

Regulatory Cites
2 USC § 432(c) & 11 CFR 300.30(d)

Applicable to the following:

- The failure to maintain contributor records (copies of contributor checks for amounts > $50 or credit card processing records) or other documentation for receipts for the federal account or Levin Fund.

How the Threshold is applied:

- Best Efforts-If during the review "best efforts" are documented for those items lacking records, such items will not be considered errors.

Criteria for Inclusion in the Audit Report:

100% and Dollar Unit Sample Review

Contributions (Other than Payroll Deduction)

The matter will be addressed in the interim audit report if:

- the dollar amount of the undocumented receipts(other than loans) is greater than [redacted] of the total amount of reported receipts (other than loans).

AND

- the dollar amount of the undocumented receipts (other than loans) exceeds [redacted]

Tolerable Sampling Error=[redacted] or [redacted] of the sample error rate, whichever is greater.

Payroll Deduction Contributions

The matter will be addressed in the interim audit report if:

- the dollar amount of undocumented receipts is greater than [redacted] of the total dollar amount of receipts collected through payroll deduction.

Tolerable Sampling Error=[redacted] or [redacted] of the sample error rate, whichever is greater

Criteria for Referral to the Office of General Counsel
The matter will be referred to OGC if:

- the response to the audit report does not reduce the dollar amount undocumented receipts (other than loans) to [redacted] or less ([redacted] or less for payroll deduction receipts)

AND

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

- the dollar amount of the undocumented receipts (other than loans) is greater than [redacted].

How a committee can reduce the amount of undocumented receipts:
The committee can reduce the dollar amount of undocumented receipts (other than loans) by locating and submitting the missing documents, or demonstrating best efforts. See the Error Definitions for the procedure to be followed in obtaining missing records without compromising the sample.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Recordkeeping-Disbursements

Regulatory Cites
2 USC §§ 432(c) & (d) and 11 CFR §§102.9 and 106.7

Applicable to the following:

- The failure to obtain and maintain canceled checks, invoices, and other documentation for expenditures for the Federal account(s) or the Levin Fund.
- The failure to maintain a monthly log for employees.

How the Threshold is applied:

- Best Efforts-If during the review "best efforts" are documented for those items lacking records, such items will not be considered errors.
- This threshold is to be applied separately to Levin Fund disbursements.
- This threshold is to be applied separately to each category (§102.9 and §106.7). Errors are compared against the population (specific category) that was tested.

Criteria for Inclusion in the Audit Report:

100% and Dollar Unit Sample Review

The matter will be addressed in the interim audit report if:

- the dollar amount of the undocumented disbursements is greater than [redacted] of the total amount of reported disbursements[4]

AND

- the dollar amount of the undocumented disbursements exceeds [redacted]

Tolerable Sampling Error= [redacted] or [redacted] of the sample error rate, whichever is greater

Criteria for Referral to the Office of General Counsel
The matter will be referred to OGC if:

- the response to the audit report does not reduce the undocumented amount of disbursements to [redacted] or less

AND

- the dollar amount of the undocumented disbursements exceeds [redacted].

How a committee can reduce the amount of undocumented disbursements:

[4] The denominator for 106.7 errors is the total amount of payroll paid to employees for whom a log is required (allocated and non-federal employees).

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

The committee can reduce the dollar amount of undocumented disbursements by locating and submitting the missing documents or demonstrate best efforts. Obtaining records from a third party does not demonstrate that the committee's records were complete.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Failure to File 24-Hour & 48-Hour Notices of Independent Expenditures

Regulatory Cites
11 CFR § 104.4(a), (b) & (c) and 104.5(f) & (g)

Applicable to the following:

- Any person who makes independent expenditures aggregating $10,000 or more between January 1, 2011, up to the 20th day before the election (including a special election or run-off election). (48-Hour Notices)
- Any person who makes independent expenditures aggregating $1,000 or more made after the 20th day but more than 24 hours, before 12:01 A.M. of the day of an election. (24-Hour Notices)

How the Threshold is applied:

- Expenditures subject to 48-hour or 24-hour notification are tested separately on a 100% basis.
- The dollar value of the errors for 24-Hour Notices and 48-Hour Notices are combined and compared to the threshold below.

Criteria for Inclusion in the Audit Report:

100% Review

The matter will be included in the interim audit report if:

- the dollar amount of notices not filed or filed late is greater than [redacted] of the total dollar amount of reported independent expenditures

AND

- the dollar value of notices not filed or filed late is greater than [redacted].

Criteria for Referral to the Office of General Counsel
The matter will be referred to OGC if:

- the response to the audit report does not reduce the dollar amount of notices not filed or filed late to [redacted] or less

AND

- the dollar amount of notices not filed or filed late is greater than [redacted].

How a committee can reduce the amount notices not filed:
To reduce the dollar amount of notices not filed or filed late, the committee must demonstrate that the notices were not required to be filed or were filed timely.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Allocation of Administrative, Generic Voter Drive, Exempt Activity, Fundraising, FEA & Direct Candidate Support

Regulatory Cite
11 CFR §§106.6, 106.7, and 300.33(d)(2)

Applicable to the following:

- The receipt of funds from the non-federal account and/or from the Levin Fund.
- Expenditures made by the Committee's non-federal or Levin Fund.

Criteria for Inclusion in the Audit Report:

100% Review

The matter will be addressed in the interim audit report if:

- the amount of over-funding by the non-federal account/Levin Fund (combined) in connection with federal elections or federal election activity is greater than [redacted] of total allocable expenditures (federal, non-federal and Levin shares)

AND

- the dollar amount of over-funding is greater than [redacted].

Criteria for Referral to the Office of General Counsel
The matter will be referred to OGC if:

- the response to the audit report **does not** reduce the amount of over-funding by the non-federal account/Levin Fund to [redacted] or less

AND

- the dollar value of overfunding is greater than [redacted]

AND

- the necessary refunds to the non-federal account or Levin Fund have **not** been made.

How a committee can reduce the over-funding amount:
To reduce the amount of over-funding, the committee must demonstrate expenditures causing the over-funding were properly paid by either the non-federal and/or Levin Fund.

Criteria for Referral to ADR
The matter will be referred to ADR if:

- the response to the audit report reduces the amount of over-funding by the non-federal account/Levin Fund to [redacted] or less

BUT

- the dollar value of overfunding is greater than [redacted]

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

AND

- the necessary refunds to the non-federal account or Levin Fund have been made.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Coordinated Expenditures Made by Party Committees

Regulatory Cite
2 USC § 441a(d)

Applicable to the following:

- Coordinated expenditures that are or should be itemized on Form 3X, Schedule F.

Presumption of Coordination

- Expenditures cannot be presumed to be coordinated.
- There must be evidence of coordination for those expenditures which the Committee does not claim as coordinated expenditures.
- Absent such evidence, the expenditures are considered independent expenditures which are not limited.

Criteria for Inclusion in the Audit Report:

100% Review

The matter will be addressed in the interim audit report if:

- the dollar amount of coordinated expenditures in excess of the limitation is greater than [redacted] of the respective coordinated expenditure limitation

AND

- the aggregate dollar amount of the excessive coordinated expenditures is greater than [redacted].

Criteria for Referral to the Office of General Counsel
The matter will be referred to OGC if:

- the response to the audit report does not reduce the dollar amount in excess of the coordinated expenditure limitation to [redacted] or less

AND

- the aggregate dollar amount of excessive coordinated expenditures is greater than [redacted].

AND

- the committee did not comply with the recommendation.

How a committee can demonstrate the limitation was not exceeded:
The committee must demonstrate that the expenditures were not coordinated; not over the limitation; or, that it received all or part of the national committee's limit to cover the excessive amount of coordinated expenditures (if a local party committee-they must demonstrate that they received the State party's limit).

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Criteria for Referral to Alternative Dispute Resolution

The matter will be referred to ADR if:

- the response to the audit report does not reduce the dollar amount in excess of the coordinated expenditure limitation to [redacted] or less

AND

- the aggregate dollar amount of excessive coordinated expenditures is greater than [redacted]

AND

- the committee did comply with the recommendation.

Applicable Policy

- If the committee did not make direct contributions to the candidate equal to the contribution limitation, the committee's remaining contribution limit will be added to the coordinated expenditure limit when determining the amount in excess of the 441a(d) limitation.
- State party committees and national party committees (all three national parties share the same limit, Example: RNC, NRSC, and NRCC) each have a separate but identical coordinated expenditure limitation. It is not unusual for either committee to assign to the other all or part of its limitation. However, if the state party committee indicates that the national party committee assigned its limit (to the state party); the state party committee must have a letter to that effect from the national party committee. The assignment letter can not be dated after the expenditures have been made.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Advances Made by Committee Staff & Other Individuals

Regulatory Cite
11 CFR §116.5

Criteria for Inclusion in the Audit Report:

100% Review

The matter will be addressed in the interim audit report if:

- the unreimbursed amount is greater than [redacted] of total amount of reported contributions from individuals

OR

- the unreimbursed amount per individual is greater than [redacted], at any time.

Criteria for Referral to the Office of General Counsel
The matter will be referred to OGC if:

- the response to the audit report does not reduce the unreimbursed amount to [redacted] or less of the total reported contributions from individuals

OR

- the response to the audit report does not reduce the unreimbursed amount per individual to [redacted] or less.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Extensions of Credit Made by Commercial Vendors

Regulatory Cite
11 CFR §116.3

How to apply this Threshold

- If you are using a combination of invoices, each invoice must be outstanding greater than [redacted] days.
- This threshold is applied ***separately*** to each vendor.

Criteria for Inclusion in the Audit Report:

100% Review

The matter will be addressed in the interim audit report if:

- [redacted] or more is owed and outstanding for greater than [redacted] days from the date of incurrence; generally the invoice date.

Criteria for referral to the Office of General Counsel
The matter will be referred to OGC if:

- the committee has not demonstrated that the vendor has acted in the ordinary course of the vendor's business

OR

- the response to the audit report does not reduce outstanding amount owed to less than [redacted] or the number of days to [redacted] or less.

How a committee can demonstrate a vendor acted in the ordinary course of business:
The committee/vendor will submit documentation that the committee was treated like any other client, to include billing practices, attempts to collect the outstanding amount, etc.

For a committee to reduce the outstanding amount owed or the number of days an amount was outstanding, it must demonstrate the amount owed was less than [redacted] or that the amount was not outstanding more than [redacted] days.

This document does not bind the Commission,
nor does it create substantive or procedural rights.
For more information, see http://www.fec.gov/law/procedural_materials.shtml

Other Errors or Omissions

Applicable to the following:
The errors or omissions detailed below generally would not be mentioned in the audit report, unless (1) the Committee fails to amend its filings or practices; or (2) there appears to be a willful violation of the Act with respect to the error or omission.

- Imperfections relating to FEC Form 1 and amendments thereto (i.e., disclosures of depositories, officers, candidates supported, etc.).
- Failure to include the 2 USC § 441d notice.
- Disclosure of receipts or expenditures on the incorrect FEC Form 3X line number.
- Failure to notify prospective contributors in accordance with 11 CFR § 102.5(2)(i), (ii) and (iii).

Applicable to the following:
The matters detailed below generally will be mentioned in the interim audit report and may result in a referral to the Office of General Counsel.

- Commingling of personal funds and Committee funds (2 USC § 432(b)(3)).
- Termination with debts outstanding if total amount is greater than [redacted] (11 CFR § 102.3).
- Expenditures of over [redacted] in currency, if the excessive amount(s) totals more than [redacted] (2 USC § 432(h)(2)).
- Debt settlement not disclosed and disposed of in accordance with proper Commission procedures (11 CFR §116.4).