

PREFACE

The Nebraska Political Accountability and Disclosure Act (the NPADA) (§49-1401 et seq, Nebraska Revised Statutes) regulates the financial activities of campaigns by candidates for state or local office in Nebraska. This Treasurer's Guide is designed to assist candidates and treasurers of candidate committees in complying with the provisions of the NPADA which pertain to campaign practices.

Under the NPADA, a candidate committee is formed whenever a candidate's campaign-related receipts or expenditures exceed \$5,000 during any calendar year. Every candidate committee is required to file a *Statement of Organization of a Political Committee* in connection with its formation.

Under the NPADA, a candidate committee is also required to file periodic *Campaign Statements* in connection with the candidate's election campaigns. Incumbent officeholders and other candidates may have an existing candidate committee from a previous election. Those existing committees are also subject to the filing requirements of the NPADA.

Any person (the committee, the candidate, and/or their treasurer) who fails to file required statements in a timely manner is subject to statutory late filing fees.

Under the NPADA, the candidate and the treasurer of his/her candidate committee are jointly responsible for filing complete and accurate disclosures of the committee's financial activities. These filings are considered public records and are made available to the public for inspection. The treasurer of a candidate committee is also responsible for maintaining detailed accounts, records, bills, and receipts necessary to substantiate the information disclosed in statements and reports filed with the Commission.

All filings submitted by a candidate committee are subject to review by the Commission's staff. In addition, all candidate committees are subject to audit by the Commission's staff. **Any person who fails to comply with provisions of the NPADA is subject to civil and/or criminal penalties.**

Reporting forms are available from the Commission upon request (in person, by mail, or by telephone). In addition, reporting forms can be downloaded from the Commission's website:

www.nadc.nebraska.gov/cf/forms.html

This Treasurer's Guide is not intended to be a substitute for the statutory reporting requirements of the NPADA or for the instructions provided with the reporting forms.

A Candidate Brochure, a separate publication, is also available from the Commission. Each candidate brochure is geared toward a specific election and includes important filing dates for that election.

Our staff is dedicated to helping candidates and treasurers of candidate committees comply with the NPADA. Please do not hesitate to contact us for whatever assistance you may need at:

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Lincoln, NE 68509
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www.nadc.nebraska.gov/staff.html

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RULES AND REGULATIONS

Additional information may be found in Title 4, Chapter 10, Rules and Regulations Governing Campaign Practices Under the Nebraska Political Accountability and Disclosure Act. Title 4, Chapter 10 is also known as Rule 10. Copies are available from the Commission. It may be viewed on the Commission's website www.nadc.nebraska.gov/rules.html

CANDIDATE BROCHURE

Each state election year the Commission publishes a Candidate Brochure which includes specific filing dates for that election. It also publishes Candidate Brochures for the Omaha and Lincoln City elections with specific filing dates. Committees should procure a copy of the Candidate Brochure for the election in which the candidate is seeking office.

WHO IS COVERED UNDER THE NPADA?

All candidates for state or local elective office in Nebraska are subject to the provisions of the Nebraska Political Accountability and Disclosure Act (the NPADA) pertaining to campaign practices. This includes candidates seeking the following elective offices:

- Governor;
- Secretary of State, Auditor of Public Accounts, State Treasurer, or Attorney General;
- Member of the State Board of Education;
- Member of the University of Nebraska Board of Regents;
- Member of the Public Service Commission;
- Member of the State Legislature;
- Member of a Public Power District's Board of Directors;
- Member of a Natural Resources District's Board of Directors;
- Member of a Technical Community College's Board of Governors;
- Any elected county office;
- Any elected city, village, or township office;
- Member of a school district's board of education;

- Any other elected state or local office in Nebraska.

Candidates for federal elective office are not subject to the provisions of the NPADA.

WHO IS A CANDIDATE?

Under the NPADA, you are a candidate if:

1. You receive a contribution or make an expenditure, or give consent for another person to do so, in connection with your nomination or election to a state or local elective office, regardless of whether the specific office is known at the time the contribution is received or the expenditure is made; or
2. You file for candidacy for state or local elective office with either the Secretary of State or the appropriate county official; or
3. You are an officeholder eligible for re-election to the same state or local elective office; or
4. You are an officeholder subject to a recall vote.

GENERAL REQUIREMENTS OF A CANDIDATE COMMITTEE

Under the NPADA, if a candidate raises, receives, or spends more than \$5,000 during a calendar year to support his/her nomination or election, then that candidate has formed a candidate committee.

NOTE: Candidates who have previously sought elective public office may already have a registered candidate committee. Information on currently registered committees may be obtained from the Commission.

Upon its formation, a candidate committee must:

1. Appoint a committee treasurer who is a qualified elector of the State of Nebraska.

2. Designate one account in a financial institution in Nebraska as the committee's official depository. All funds received by the committee must be deposited into this account. All expenditures made by the committee must be made from this account.

3. File a *Statement of Organization of a Political Committee* (NADC Form A-1) within **10 days** after the committee's formation. This statement must list the committee's name, street address, candidate, and treasurer. This statement must also list the location of the committee's depository account. If the committee is formed in the **30 days** immediately preceding the election, the committee must file its Statement of Organization within **2 days** after the committee is formed.

4. Pay a filing fee of \$100 payable to the State of Nebraska.

After its formation, a candidate committee must file periodic *Campaign Statements* (NADC Form B-1), which disclose contributions received and expenditures made by the committee.

A candidate committee must maintain adequate records to document all contributions received and all expenditures made by the committee, and to document contributions and expenditures reported on the committee's *Campaign Statements*.

RESPONSIBILITIES OF THE COMMITTEE TREASURER

Under the NPADA, each candidate committee must appoint a treasurer who is a qualified elector of the State of Nebraska. A committee may also designate an assistant treasurer to act in lieu of the treasurer. A candidate may appoint himself/herself as the committee treasurer. If the candidate chooses another individual to serve as committee treasurer and that position becomes vacant, then the candidate assumes the position until a replacement is named.

The treasurer is the key member of the committee and is responsible for maintaining the committee's records and for preparing all reports required under the NPADA. Each expenditure made by the

committee must be authorized by the committee's treasurer or the treasurer's designee.

The committee treasurer must keep a detailed record of the following:

- The name and address of each person, including the candidate, from whom a contribution is received by the committee, the date each contribution is received, and the amount of each contribution received. If the contributor is a political committee, the name of the contributor's treasurer must also be recorded. If the contribution is received through an intermediary (an "earmarked" contribution), the name and address of both the contributor and the intermediary must be recorded.
- The name and address of each person to whom an expenditure is made by the committee or an agent of the committee, the purpose of each expenditure, the date of each expenditure, and the amount of each expenditure. This information must also be recorded for disbursements from a petty cash fund, if the committee has one.
- The date and the amount of each loan received by the committee, the name and address of each lender, and the date and amount of each loan repayment. The name and address of any person who is either directly, indirectly, or contingently liable on each loan must also be recorded.

Under the NPADA, the committee treasurer must maintain detailed accounts, records, bills, and receipts necessary to substantiate the information contained in statements and reports filed with the Commission. The treasurer must maintain this documentation for at least five (5) years after the committee's dissolution, and must make these records available for inspection as requested by the Commission.

THE COMMITTEE DEPOSITORY

Under the NPADA, a candidate committee must designate one account in a financial institution in Nebraska as its official depository. All monies received and all cash expenditures made by the committee must pass through and be recorded in this account.

A candidate committee may establish secondary accounts for the sole purpose of depositing contributions received by the committee. These deposits must be promptly transferred to the committee's official depository. A candidate committee may not make expenditures from a secondary account.

A candidate committee should list the name of each contributor and the amount of each contribution on the committee's deposit slips.

Contributions received by a candidate committee shall not be commingled with the funds of any other person, including the personal funds of the candidate.

A candidate committee must preserve its account statements, deposit slips, cancelled checks, and account memos from the committee's depository account for a period of five (5) years after the committee's dissolution.

INVESTMENT OF COMMITTEE FUNDS

A candidate committee may invest its funds in interest-bearing accounts in Nebraska financial institutions. A candidate committee may also invest its funds in investments authorized in the Nebraska Capital Expansion Act (§§72-1261 through 72-1269, Nebraska Revised Statutes) and in the Nebraska State Funds Investment Act (§§72-1237 to 72-1260, Nebraska Revised Statutes).

CONTRIBUTIONS TO THE COMMITTEE

Under the NPADA, a "contribution" is defined as a payment, gift, subscription, assessment, expenditure, contract, payment for services, dues, advance, forbearance, loan, donation, pledge, or

promise of money or anything of monetary value to a person, which is made for the purpose of influencing the nomination or election of a candidate.

All contributions received by a candidate committee fall into one of four classes:

1. Cash contributions: are money (currency, checks, money orders, credit card and electronic payments) received by the committee. A cash contribution is considered received on the date it comes under the control of the candidate, the treasurer, or an agent of either (not the date it is deposited). Contributions in a mail box or post office box are considered received and under the control of the committee when delivered to the box. All contributions received by any individual acting on behalf of the committee must be reported to the committee treasurer within five (5) days of their receipt, and not later than the closing date of the current *Campaign Statement* due.

2. In-kind contributions are anything of value other than money received by the committee. Goods and services donated to a committee (such as donated materials for yard signs or donated office space) are considered in-kind contributions. Advertising produced and paid for by someone else that is approved by or coordinated with the committee is considered an in-kind contribution to the committee. Expenses incurred by the committee, but paid for by others on the committee's behalf, are also considered in-kind contributions. An in-kind contribution is considered received on the date: when a service is provided; when a product is supplied; or, when a contract for goods or services exists. Unknown amounts must be estimated!

3. Pledged contributions are promises (oral or written) of future payments (cash or in-kind) to the committee. A pledged contribution is considered received on the date the pledge is made or promised to the committee, not when payment or delivery is actually made.

4. Loans are contributions of money deposited into the campaign bank account that will be repaid by the committee. Note: if the

candidate uses his or her own money (e.g. a credit card) to make purchases for the campaign and wishes to be reimbursed, that is not a loan, it is an unpaid bill owed to the candidate.

Under the NPADA, a candidate's own money or resources used for campaign purposes is considered a contribution.

Under the NPADA, an offer or tender of a contribution is considered a contribution, and the candidate committee must record and report the contribution as required, unless the contribution is rejected or returned by the committee within a reasonable time (and no later than the closing date of the next *Campaign Statement* required to be filed by the committee).

Under the NPADA, there are no dollar limitations on the amount that a person may contribute to a candidate committee.

Under the NPADA, there are certain restrictions on contributions that a candidate committee may accept:

- A contribution of more than \$50 in the form of currency may not be accepted. All cash contributions of more than \$50 must be received via written instrument (i.e., check) containing the names of the payor and the payee.
- A contribution from a person under contract with the Lottery Division of the Nebraska Department of Revenue as a lottery contractor for a major procurement (as defined under §9-803, Nebraska Revised Statutes), or from a person acting on behalf of such a lottery contractor, may not be accepted.

Also, a contribution from a lottery contractor (as defined under §9-803); an officer of a lottery contractor; a political action committee established by a lottery contractor; or anyone acting on behalf of a lottery contractor, one of its officers, or its political action committee may not be accepted by a candidate for state elective office.

- An anonymous contribution may not be accepted. All

anonymous contributions received by a committee must be donated to a tax-exempt charitable organization (a receipt from the charity is required as documentation).

EXCEPTION: Contributions in currency of \$50 or less received either as the result of a fundraising event or from the sale of political merchandise are not considered anonymous contributions.

Under the NPADA, a "fundraising event" is defined as an event such as a dinner, reception, testimonial, rally, auction, bingo or similar affair through which contributions are solicited or received by such means as purchase of a ticket, payment of an attendance fee, donations, chances for prizes*, or through purchase of goods or services.

*NOTE: Nebraska law prohibits the use of proceeds from lottery or raffle activity in any political campaign on behalf of any elected official or any other person who is or has been a candidate for state or local office. Please contact the Nebraska Department of Revenue-Charitable Gaming Division for further information on raffles and lotteries.

A contribution drawn on a joint checking account shall be considered a contribution from the person signing the check, unless the check is accompanied by a statement indicating the amount to be attributed to each person.

A contribution drawn on a business account shall be considered a contribution from the business entity. Under the NPADA, "business" includes any corporation, partnership, limited liability company, sole proprietorship, association, organization, trust, or entity.

A contribution made by a minor shall be reported as a contribution from the minor's parent or guardian.

A person may not make a contribution in a name other than the person's legal name. It is unlawful to hide the actual source of a contribution by giving the contribution to a person who by arrange-

ment will transfer the contribution to a candidate committee. Such an "earmarked" contribution may be made only if the intermediary or agent who transfers the contribution files a *Report of Earmarked Contribution* (NADC Form B-3) with the Commission and with the end recipient.

The following items are NOT considered contributions:

- An offer or tender of a contribution that is expressly and unconditionally rejected or returned;
- Volunteer personal services provided without compensation;
- Personal travel expenses of less than \$250 in a calendar year voluntarily incurred by an individual without any understanding that the costs will be directly or indirectly repaid;
- Food and beverages, not to exceed \$50 in value during a calendar year, which are donated by an individual and for which reimbursement is not given.

All contributions and other money received by a candidate committee should be recorded and deposited promptly. Contributions received by the candidate and other individuals acting on behalf of a committee must be reported promptly to the committee's treasurer and in no event later than the closing date of any *Campaign Statement* required to be filed by the committee.

NOTE: Any contribution of \$1,000 or more received during the fourteen days immediately prior to the day of the election is considered a "late contribution", and must be reported as such. A loan of \$1,000 or more received during the fourteen days immediately prior to the day of the election is also considered a "late contribution", and must be reported as such. Use NADC Form B-5. (See *Report of Late Contribution* on p. 26) "Late contributions" received must also be reported on the post-election *Campaign Statement*.

RESTRICTIONS ON LOANS AND INTEREST

Loan Restrictions: Under the NPADA, there are limits on the amount of loans a candidate and his/her committee may receive for campaign purposes. These limits apply to two separate and distinct time periods:

1. Prior to or during the first thirty (30) days after its formation, a candidate committee may not accept loans totaling more than \$15,000. Loans received during this initial period are not considered under any other loan limit.
2. Beginning with the thirty-first (31st) day after its formation, a candidate committee may not accept loans totaling more than fifty percent (50%) of contributions of money received which are other than the proceeds of loans. This restriction continues through the end of the term of the office to which the candidate sought nomination or election, regardless of whether the candidate is elected to office.

EXAMPLE, Six-Year Office: An officeholder first formed a committee on January 1, 2010 and was first elected in 2010. The candidate is running for re-election in 2016. Total loans accepted by his/her committee since February 1, 2010 (the 31st day after the formation of the committee in 2010) cannot exceed 50% of the contributions of money, other than loans, received by his/her committee since its inception on January 1, 2010.

EXAMPLE, Four-Year Office: An officeholder first formed a committee on January 3, 2012 and was first elected in 2012. The candidate is running for re-election in 2016. Total loans accepted by his/her committee since February 3, 2012 (the 31st day after formation of the committee in 2012) cannot exceed 50% of the contributions of money, other than loans, received by his/her committee since its inception on January 3, 2012.

EXAMPLE, Four-Year Office: An officeholder who was elected in November 2008 and was re-elected in November 2012, is running for a third term to the same office in the year 2016. Total loans

accepted by his/her committee cannot exceed 50% of the contributions of money, other than loans, received by his/her committee since January of 2013 when his/her second term of office began.

The provisions outlined in this section apply to loans from any source, including loans by the candidate to the committee. Contributions from the candidate, other than loans, are not restricted. For example, if a candidate wishes to contribute \$20,000 to his/her committee prior to or during the first 30 days after its formation, only \$15,000 (at most) of that amount could be in the form of a loan. The remaining \$5,000 would have to be a direct contribution which could not, at a later date, be repaid to the candidate. Furthermore, if a loan is received that requires a guarantor, the guarantor should be disclosed on Schedule C.

Interest payment restrictions: Under the NPADA, a candidate committee may not pay interest on a loan made to the committee by the candidate, by a member of the candidate's immediate family, or by a business with which the candidate is associated.

Immediate family means a child residing in the candidate's household, the spouse of the candidate, or an individual claimed by the candidate or the candidate's spouse as a dependent for federal income tax purposes.

Business with which the candidate is associated means a business:

- in which the candidate is a partner, limited liability company member, director, or officer; or
- in which the candidate or a member of the candidate's immediate family, as previously defined, is a stockholder of closed corporation stock worth \$1,000 or more at fair market value or which represents more than a five percent (5%) equity interest, or is a stockholder of publicly traded stock worth \$10,000 or more at fair market value or which represents more than a ten percent (10%) equity interest.

Under the NPADA, a "business" is defined as any corporation, partnership, limited liability company, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint-stock company, receivership, trust, activity, or entity.

EXPENDITURES OF THE COMMITTEE

Under the NPADA, an "expenditure" is defined as a payment, donation, loan, pledge, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities made for the purpose of influencing the nomination or election of a candidate.

NOTE: Prior to receiving an invoice or bill, a "promise of payment" exists when a service is provided; when a product is supplied; or when a contract or agreement for payment exists. If the exact amount owed is unknown, an estimate must be made.

There are certain restrictions on expenditures that a candidate committee may make:

- An expenditure may not be made without the express authorization of the committee's treasurer, assistant treasurer, or candidate.
- A cash expenditure of more than \$50 may not be made in the form of currency. All cash expenditures of more than \$50 must be made via written instrument drawn on the committee's depository account.
- A check written by the committee may not be made payable to "CASH", except to replenish the committee's petty cash fund.

A candidate committee must make all of its cash expenditures from its depository account, except for expenditures made from a petty cash fund. The uses of and record keeping requirements for a petty cash fund are specified in Title 4, Chapter 10, Section 005 of

the Nebraska Administrative Code – Petty Cash Funds, All Committees (see p. 67).

A candidate committee may not make contributions to another candidate committee or to a political party committee.

EXCEPTION: A candidate committee may purchase tickets for a fundraising event of another candidate committee or of a political party committee. The tickets may be purchased for the candidate, a member of the candidate's immediate family or for campaign workers to attend the fundraising event.

A candidate committee must maintain the following information concerning its expenditures in the committee's records:

- The full name and street address of each payee, plus the name and address of the actual provider of the goods or services if different than the payee.
- A description of the goods or services for which each expenditure was made.
- The date on which each expenditure was made.
- The amount of each expenditure.

A candidate committee must also maintain the information previously noted for expenditures made by an agent or independent contractor on behalf of the committee.

Under the NPADA, "expenditure" includes a promise of payment. Information concerning unpaid bills and other accrued expenses must be maintained and reported. A person, including a candidate, cannot be reimbursed for expenses incurred in a prior reporting period unless the campaign statement for the prior period discloses the expenses as unpaid.

Under the NPADA, there is no dollar limitation on the amount that a candidate committee may expend.

EXPENDITURES OF AGENTS AND CONTRACTORS

A candidate committee must maintain information regarding expenditures made by agents or independent contractors on behalf of the committee. The agent or independent contractor is required to provide this information to the committee.

EXAMPLE: A candidate committee contracts with an advertising agency to secure broadcast time for radio ads. The committee must keep records of the name of, address of, and amounts paid to the advertising agency. The committee must also keep records of the names of, addresses of, and amounts paid to radio stations by the advertising agency on the committee's behalf.

Other than for overhead or normal operating expenditures, **agents and independent contractors may not make expenditures on behalf of a candidate committee unless those expenditures are properly reported.** Any expenditure made by an agent or independent contractor, including an advertising agency, on behalf of a candidate committee must be reported in one of two ways:

1. By the candidate committee as if the committee made the expenditure directly to the vendor or payee; or
2. By the agent or independent contractor on an *Agent's Expenditure Report* (NADC Form B-10).

IMPORTANT: To avoid reporting problems, a candidate committee should consider including in any agreement with an agent or independent contractor a provision specifying who will report expenditures made by the agent or independent contractor on the committee's behalf. Failure to properly report expenditures made by agents or independent contractors may be subject to civil and/or criminal penalties.

CAMPAIGN ADVERTISING REQUIREMENTS

Printed materials that make reference to a candidate's campaign must contain the name and street address of the person or

committee paying for the matter. If the person paying for the matter acts at the direction of a committee, or receives reimbursement from a committee, then that committee is considered to be the person paying for the matter. The following is an example of a disclaimer for printed materials that complies with the law:

Paid for by the Sam Jones for Legislature Committee
1234 North 12th Street
Anywhere, NE 68000

Television and radio advertisements must also include the name of the person or committee who paid for the ads. However, that person's or committee's street address need not be included in the ad if the station(s) broadcasting the ad will agree to keep the person's or committee's name and street address on file and available to the public for six (6) months after the advertisement is broadcast.

A prerecorded message relating to a candidate disseminated by any means of telecommunication shall include (at the beginning of the message) the name of the person or committee who paid for the message. A person or committee disseminating by any means of telecommunication a message not prerecorded relating to a candidate shall disclose the name of the person or committee paying for the message upon the request of the recipient of the message. If the message is disseminated through an agent or employee of the person or committee making the expenditure for the message, the disclosure shall be of the identity of the person or committee making the expenditure. A message relating to a candidate which is disseminated by any electronic means (including the internet and email) shall include the name of the person making the expenditure. Note: State Law requires the registration of automatic dialing devices and the text of automatically dialed messages with the Public Service Commission. For more information contact the Public Service Commission at 1200 "N" Street, Suite 300, Lincoln, NE 68508. The telephone number is 402-471-3101 and the web address is www.psc.nebraska.gov.

Candidates who use their own personal resources and who do not exceed the \$5,000 threshold requiring formation of a committee are exempt from the requirements to identify campaign advertising. However, if the candidate exceeds the \$5,000 threshold requiring formation of a committee, this exemption would no longer apply.

Certain items that are printed or reproduced at the request of the candidate or his/her committee are exempt from the identification requirements. Exempt items include yard signs, bumper stickers, campaign buttons, balloons, T-shirts, billboards, and other items specified in Title 4, Chapter 8 of the Nebraska Administrative Code – Designation of Printed or Reproduced Items Exempt from Disclaimer Requirements and Rules and Regulations on the Size and Placement of Disclaimers (see p. 67).

USE OF CAMPAIGN FUNDS

Under the NPADA, a candidate committee must use its funds for goods, services and facilities in assistance of the candidate's nomination or election. In addition, the NPADA provides that certain specific uses of committee funds are permissible while other specific uses are prohibited. (See §§49-1419, 49-1446.01, 49-1446.02, and 49-1446.03, of the Nebraska Revised Statutes.)

Campaign expenses must be distinguished from a candidate's other expenses such as personal or office-holding expenses. For example, a car leased primarily by the campaign may be occasionally used for other business. Under such circumstances, accurate records of the use of the vehicle must be kept and the campaign committee must be reimbursed for the value of the non-campaign use.

Expenses unrelated to the campaign are either personal or office-holding expenses and may not be charged to the campaign, except for certain items described below. For example, membership fees in a professional organization such as a bar association or a medical association are considered personal expenses and may not be paid with campaign funds. However, membership fees for a service organization may be paid from campaign funds if the

organization is not one the candidate would normally join, but has done so to enhance his/her campaign.

Campaign funds may be used for expenses such as the following:

- The necessary continued operation of the campaign office or offices of the candidate committee;
- Social events primarily for the benefit of campaign workers and volunteers or constituents;
- Obtaining public input and opinion e.g., a public opinion survey;
- Repayment of campaign loans incurred prior to election day;
- Newsletters and other communications of information, thanks, acknowledgments, or greetings, or for the purpose of political organization and planning;
- Gifts of acknowledgment, including flowers and charitable contributions, except that gifts to any one natural person shall not exceed fifty dollars in any one calendar year;
- Meals, lodging, and travel by an officeholder related to his or her candidacy and for members of the immediate family of the officeholder when involved in activities related to his or her candidacy (including a national party convention) ;
- Conference fees, meals, lodging, and travel by an officeholder and his or her government staff when involved in activities related to the duties of his or her public office (including reasonable and necessary expenses of travel calculated to make the officeholder more effective, more knowledgeable or better able to fulfill his or her duties. See Advisory Opinion #133.);
- In the case of the candidate committee for the Governor, conference fees, meals, lodging, and travel by the Governor, his or her government staff, and his or her immediate family, when involved in activities related to the duties of the Governor.
- Babysitters when it is necessary that both the candidate and his/her spouse attend a campaign event. This type of expenditure is not permitted for an event relating to the duties of the officeholder.
- Cameras if used for campaign purposes. Any expense relating to personal use may not be paid with campaign funds. (See Advisory Opinion #105.)
- Mobile phones and other electronic devices used primarily for campaign purposes or for communicating with constituents. Documentation of amounts paid from campaign funds should be kept in committee records. All costs associated with personal or other private use must be reimbursed to the campaign.
- Christmas and other greeting cards.
- Donations or gifts to charitable organizations. (See Advisory Opinion #118 which permits gifts to a school 4-H project.)
- Attendance at a Nebraska Governor's Inaugural events by the candidate, the candidate's immediate family and the candidate's campaign workers
- Football tickets to be given as gifts, provided that no one individual receives gifts totaling a value of more than \$50 in any calendar year. Candidates may not make personal use of football tickets purchased with campaign funds.
- Lease of a vehicle for campaign purposes. If the vehicle is also used for non-campaign purposes, the prorated portion of such cost must be reimbursed to the committee. (See Advisory Opinion #85.)
- Membership fees to join service organizations (but not professional organizations) for the purpose of furthering one's candidacy. (See Advisory Opinion #88.)
- Establishment and maintenance of a legislative website by a

State Senator to communicate with constituents. (See Advisory Opinion #195)

- Office equipment such as typewriters or computers for use in the campaign or for soliciting public input and opinion, as long as the equipment is not located in the governmental office of the candidate and not used in connection with fulfilling the duties of public office. (See Advisory Opinion #60.)
- Public opinion polls. (See Advisory Opinion #80.)
- Registration or attendance fees for conferences related to the holding of public office.
- Subscriptions to newspapers which are published or circulated within the officeholder's district for the purpose of obtaining public input or opinion. (See Advisory Opinion #86.)
- Telephone and telefax machines in an officeholder's public office for use by the officeholder.

Campaign funds may **NOT** be expended for personal expenses, including expenses such as the following:

- Clothes for the candidate or his or her immediate family, including the rental of tuxedos, evening gowns or costumes. However, certain items of clothing, such as campaign T-shirts or hats, may be purchased for fundraising purposes or for campaign advertising.
- Contributions to the committee of another candidate, except for the purchase of tickets to a fundraising event of another candidate.
- Contributions to candidates for federal office. Exceptions may be made for the purchase of tickets to a fundraising event where it can be shown that the candidacy of the state or local candidate will receive a direct benefit through presence at the event.

- Contributions to political party committees, except for the purchase of tickets to a fundraising event or in cases where the candidate receives a direct benefit or service as a result of the contribution.
- Tickets or admission to social events.
- Installment payments for an automobile or other vehicle.
- Medical or dental expenses for the candidate or his or her immediate family.
- Mortgage or rental payments for the candidate's residence or temporary residence. (See Advisory Opinion #55.)
- Office supplies, staff, or furnishings for the governmental office of the candidate, including such items as typewriters, computers, microwaves, bookshelves, coffee makers, water coolers, televisions, cable hookups or access fees.
- Personal debts, including installment payments on personal loans (except campaign loans).
- Personal expenses, such as eyeglasses or contact lenses, or hair styling.
- Personal services, including those of lawyers and accountants, except for services rendered to the campaign subject to reporting pursuant to §49-1455, Nebraska Revised Statutes.
- Travel expenses by a spouse or immediate family member of an officeholder for activities related to the duties of the officeholder (With the exception of the Governor. See p. 17 and §49-1446.03).
- Lobbying, i.e. for the purpose of influencing matters before the Legislature.

All expenses paid from campaign funds must be supported by detailed records, including invoices or receipts. Expenses paid for travel may only include reasonable and necessary expenses for meals, lodging and travel that have not otherwise been reimbursed or paid by others. Records relating to the payment of travel expenses must include the date, destination and purpose of the travel as well as a description of the method for calculating reimbursement.

RECORD KEEPING REQUIREMENTS

The treasurer of each committee shall maintain detailed records for all contributions or other receipts of the committee. These records shall include all bank statements, deposit slips, receipts, and other written records necessary to document the following:

- The name and address of each contributor.
- The amount of each contribution or other receipt.
- The date of receipt for each contribution or other receipt (NOTE: a contribution is considered received on the date it is received by or comes under the control of the candidate, the treasurer, or an agent of either).
- The cumulative amount contributed by a person for the election period or annual reporting period.

The committee's records of contributions received must also contain the following information:

- For contributions received from a political committee, the full name of the contributing committee's treasurer.
- For in-kind contributions received, a description of the goods or services received and the value of those goods or services.
- For earmarked contributions received, the name and address of both the actual contributor of the funds and the intermediary or

agent who delivered the funds.

- For pledges received, the name and address of the person making the pledge, the date the pledge was made, the amount of the pledge, and the date the pledge is expected to be paid.
- For loans received, the name and address of the person making the loan, the date and the amount of the loan, and the name and address of any guarantor of the loan.
- Also for loans received, the date and amount of each repayment on each loan, and a copy of the check or other written instrument by which any loan repayment is made.
- The treasurer of each committee shall also maintain detailed records of all expenditures made by the committee. These records shall include all bank statements, cancelled checks, receipts, bills, invoices, and other written records necessary to document the following:
 - The full name and street address of each payee, plus the name and street address of the actual provider of the goods or services if different than the payee.
 - A description of the goods or services for which each expenditure was made.
 - The date each expenditure was made.
 - The amount of each expenditure.

If expenditures are made to an agent or independent contractor and the agent or contractor makes expenditures on behalf of the committee, a detailed record of such expenditures shall be obtained and kept with other committee records.

The committee's records shall include all bank statements and all cancelled checks for the committee's depository account. If the financial institution normally provides only photocopies of cancelled

checks, the photocopies of the cancelled checks shall be kept. If the financial institution does not normally provide either original or photocopied cancelled checks except upon request and/or for a charge, the committee need not keep photocopies of the cancelled checks in its records, but shall secure copies of those cancelled checks at its own expense if so requested by the Commission.

A check register, log or ledger of the checks issued on the official depository shall be maintained by the treasurer.

REMINDER: All committee records must be maintained for at least five (5) years after the committee's dissolution, and must be made available for inspection as requested by the Commission.

CANDIDATE COMMITTEE REPORTING REQUIREMENTS

Where to File: All candidate committees must file certain campaign statements and other reports with the Commission.

When to File: The NPADA establishes the due dates for the filing of required campaign statements and other reports. Further information on filing dates may be found below under the headings *Campaign Statement, All Elections* and *Campaign Statements, Annual*. If a statutory due date falls on a weekend or holiday, the actual due date for that filing is the next business day.

EXAMPLE: A required filing that falls due on a Sunday becomes due on Monday, the next business day.

A required campaign statement or other report is filed on time if it is either received in the Commission's office or postmarked by the U.S. Postal Service on or before its due date. The postmark provision does not apply to statements or reports sent by delivery services other than the U.S. Postal Service.

Statement of Organization of a Political Committee (NADC Form A-1): The Statement of Organization registers a candidate committee with the Commission. A candidate committee must file its Statement of Organization within ten (10) days after the

committee's formation (within ten days after exceeding \$5,000 in receipts or expenditures during any calendar year). If the committee is formed in the 30 days immediately preceding the election, the Statement of Organization must be filed within two (2) days.

A filing fee of \$100 must be paid at the time of filing a Statement of Organization. The check or money order should be made payable to the State of Nebraska.

A candidate committee must report any changes of information included in its Statement of Organization. These changes may be reported either on an amended Statement of Organization or on a *Campaign Statement*. It is important to promptly report any changes of the committee's address or treasurer. This helps ensure that the committee receives notices and bulletins from the Commission. Note that a valid Street address of the committee must be on file. However, a P.O. Box may be used for correspondence purposes only.

A committee's failure to file a *Statement of Organization of a Political Committee* as required is subject to late filing fees of \$25 per day, not to exceed \$750, and may also result in civil penalties.

The committee's registration will continue in effect until a *Statement of Dissolution of a Political Committee* (NADC Form A-2) is filed by the committee and accepted by the Commission.

Incumbent officeholders and other individuals who have previously sought elective office may have previously registered their committees with the Commission by filing a *Statement of Organization of a Political Committee*. Such committees **do not** receive additional exemptions for the first \$5,000 raised or spent in connection with subsequent elections.

Campaign Statement (NADC Form B-1), general information: All candidate committees are required to file periodic *Campaign Statements*. For a committee's initial *Campaign Statement*, the reporting period begins with the date the committee first raised,

received, or spent any funds in connection with the candidate's campaign, and ends on the closing date as specified in the NPADA. For a committee's subsequent *Campaign Statements*, the reporting period begins with the day after the closing date of the committee's previous *Campaign Statement*, and ends on the closing date as specified in the NPADA.

A committee's failure to file a *Campaign Statement* as required is subject to late filing fees of \$25 per day, not to exceed \$750 per statement, and may also result in civil penalties. Interest accrues on unpaid late filing fees and civil penalties. The candidate is personally liable for any unpaid late filing fee, civil penalty and interest.

ELECTRONIC FILING IS AVAILABLE FOR FILING NADC FORM B-1. The electronic filing program is very intuitive, includes helpful tips and will help you file correctly. An application to e-file must be submitted prior to using the electronic filing program. The application may be downloaded from our website at www.nadc.nebraska.gov/docs/e-filing-all-purpose-application-form.doc or www.nadc.nebraska.gov/pdf/e-filing-all-purpose-application-form.pdf

The application may be submitted in person, mailed, faxed or e-mailed. If submitting via fax or e-mail, an original signed copy of the form must also be filed with the Commission.

Campaign Statement, All Elections: Any committee that supports a candidate who is running in an election (whether or not the candidate will appear on the ballot) must file *Campaign Statements* as follows:

1. The first election *Campaign Statement* is due thirty (30) days before the election, with a closing date of thirty-five (35) days before the election.
2. The second election *Campaign Statement* is due ten (10) days before the election, with a closing date of fifteen (15) days before the election.

3. The post election *Campaign Statement* is due forty (40) days after the election with a closing date of thirty-five (35) days after the election.

EXCEPTION: for candidates running in the November general election, the post election *Campaign Statement* is due seventy (70) days after the election, with a closing date of December 31.

Check with the Commission or its website for the specific filing dates.

Campaign Statement, Annual: Any candidate committee that did not file election *Campaign Statements* during a calendar year must file an annual *Campaign Statement* on or before January 31 of the following year, with a closing date of December 31 of the year reported.

Report of Late Contribution (NADC Form B-5): Under the NPADA, a "late contribution" is defined as a contribution of \$1,000 or more received during the 14 days immediately prior to the day of the election. Note that a late contribution includes money, a loan, an in-kind contribution of goods or services or a pledge when the contribution has a value of \$1,000 or more. When the value of an in-kind contribution is unknown, a reasonable estimate of the value must be made to determine if it should be reported on NADC Form B-5.

A candidate committee must file a *Report of Late Contribution* for each "late contribution" which it receives in connection with an election. The due date for this report is two (2) calendar days after the "late contribution" is received.

NOTE: The Commission considers a *Report of Late Contribution* to be a timely filing if it is received in the Commission's office or postmarked by the U.S. Postal Service on or before its due date. Any candidate committee which does not file a *Report of Late Contribution* in a timely manner is subject to late filing fees of \$100 per day for each of the first ten days the report remains unfiled. Beginning on the eleventh day an additional daily late fee of 1% of

the amount to be disclosed by the report is assessed, not to exceed 10%. In addition, any candidate committee's failure to file a required *Report of Late Contribution* may result in civil penalties. Interest accrues on unpaid late fees and civil penalties. State law makes the candidate personally liable for late fees, civil penalties and interest if the committee is unable to pay. Reports of Late Contribution may be faxed to the Commission office at 402-471-6599 and may also be e-mailed. You may call the Commission to confirm that the fax or e-mail has been received. It is the responsibility of the filer to insure that fax and electronic transmissions are received by the Commission.

Statement of Dissolution of a Political Committee (NADC Form A-2): Once formed, a candidate committee remains in existence, and subject to the reporting requirements of the NPADA, until it is formally dissolved. (See Dissolving a Candidate Committee on p. 32)

REPORTING REQUIREMENTS OF OTHERS

Report of Political Contributions of a Corporation, Union, or Other Entity (NADC Form B-7): Any corporation, labor organization, industry association, trade association, professional association, limited liability company (LLC) or limited liability partnership (LLP) which is either organized under Nebraska Law or does business within the State of Nebraska is subject to reporting requirements for its political contributions.

If such an organization makes a contribution (cash, in-kind, pledges, or loans) of more than \$250 to a candidate or committee (including an unregistered candidate committee), the organization must report the contribution to the Commission on NADC Form B-7. NOTE: Form B-7 may be filed electronically.

The contributor is responsible for filing this B-7 report. However, candidate committees should consider informing their contributors of this requirement and providing a copy of Form B-7. A contributor's failure to file this report as required is subject to late filing fees, and may also result in civil and/or criminal penalties.

Reportable contributions include direct contributions to the candidate or committee, personal services that have been provided, and independent expenditures.

Out of State Contribution Report (NADC Form B-9): Under the NPADA, a "major out-of-state contributor" is defined as a corporation, union, industry association, trade association, professional association, limited liability company (LLC) or limited liability partnership (LLP) that is not organized under the laws of the State of Nebraska and that makes contributions or expenditures totaling more than \$10,000 for Nebraska state and local elections during any calendar year. "Major out-of-state contributor" does not include an individual, a committee registered with the Nebraska Accountability and Disclosure Commission, a committee registered with the Federal Election Commission, or an entity required to file B-7 reports with the Nebraska Accountability and Disclosure Commission. Any "major out-of-state contributor" is required to report its contributions for Nebraska state and local elections to the Commission on NADC Form B-9.

The contributor is responsible for filing this B-9 report. However, candidate committees should consider informing their out-of-state contributors of this requirement. A contributor's failure to file this report as required is subject to severe late filing fees, and may also result in civil penalties.

Report of Earmarked Contribution (NADC Form B-3): Any person or committee who acts as an intermediary or agent for a contribution "earmarked" to a candidate committee is required to report the actual source of such a contribution to the Commission on NADC Form B-3. Under the NPADA, a completed copy of this form must also be filed with the candidate committee at the time an "earmarked" contribution is made.

The intermediary or agent is responsible for filing this B-3 report. However, if a candidate committee is aware that a contribution is earmarked, it should consider informing the intermediary or agent of this requirement. An intermediary's or agent's failure to file this

report as required is subject to late filing fees, and may also result in civil and/or criminal penalties.

Report of Independent Expenditure (NADC Form B-6): Under the NPADA, an "independent expenditure" is defined as an expenditure to support or oppose the nomination or election of a candidate which is not a contribution to a committee and which is not made at the direction of, under the control of, or with the cooperation of another person.

Committees [political party committees and PACs] are required to report on their *Campaign Statements* any independent expenditures that they have made to support or oppose state or local candidates. Corporations, labor organizations, industry, trade, or professional associations, limited liability companies and limited liability partnerships are required to report (on either their B-7 reports or their B-9 reports) any independent expenditures that they have made to support or oppose state or local candidates.

Any person, other than a committee, corporation, labor organization, industry, trade, or professional association, limited liability company, or limited liability partnership, which makes an independent expenditure of more than \$250 to support or oppose the nomination or election of a candidate must report such independent expenditure to the Commission on NADC Form B-6.

The person making the independent expenditure is responsible for filing this B-6 report. Any such person's failure to file this report as required is subject to late filing fees, and may also result in civil and/or criminal penalties.

Report of Late Independent Expenditure (NADC Form B-11): The NPADA defines a late independent expenditure as an independent expenditure of \$1,000 or more made by an independent committee (including a PAC) to support or oppose the nomination or election of a candidate or the qualification, passage or defeat of a ballot question. To qualify as a late independent expenditure, the expenditure must be made during the fourteen days immediately preceding the election. A Report of Late

Independent Expenditure must be filed with Commission within two (2) days after the late independent expenditure is made.

Agent's Expenditure Report (NADC Form B-10): Any agent or independent contractor of a candidate committee must disclose to the candidate committee information regarding expenditures made on the committee's behalf. In addition, any such agent or independent contractor may be required to file NADC Form B-10 with the Commission concerning expenditures made on behalf of a candidate committee.

Failure to file this B-10 report as required may result in civil and/or criminal penalties. To avoid reporting problems, a candidate committee should consider including in any agreement with any such agent or independent contractor a provision specifying who will report expenditures made by the agent on the committee's behalf.

AUDITING OF CANDIDATE COMMITTEES

The statements and reports filed by any candidate committee are subject to review by Commission staff. Committees are required to submit additional information if any statement or report filed with the Commission is incomplete or otherwise deficient.

The statements and reports filed by any candidate committee are subject to random field audits by Commission staff. A candidate committee's records must be made available to the Commission for inspection and audit upon a request of the Commission after reasonable notice.

ENFORCEMENT OF THE NPADA

The Commission acts as the primary civil enforcement agency for violations of the NPADA and of the rules and regulations promulgated thereunder. The State Attorney General has concurrent jurisdiction with the county attorney to enforce the criminal provisions of the NPADA.

The Commission investigates alleged violations of the NPADA and of its rules and regulations upon any of the following:

- The receipt of a *Complaint* signed under oath;
- The recommendation of the Commission's Executive Director;
or
- A motion of the Commission.

All proceedings relating to investigations of alleged violations of the NPADA are kept confidential until the Commission determines, through its investigation and after a formal hearing, that a violation has in fact occurred. If no violation is found, the matter remains confidential. However, the alleged violator may request that the proceedings be public.

If the Commission determines that a violation of the NPADA has in fact occurred, the Commission may then issue an Order requiring the violator to:

- Cease and desist the violation;
- File any required report, statement, or other information as directed; and/or
- Pay a civil penalty of not more than \$2,000 for each violation of the NPADA.

EXCEPTION: For violations of the restrictions on loans received by a candidate committee, the maximum civil penalty which may be imposed is the amount by which the loan limit was exceeded, even if that amount is more than \$2,000.

The Commission may refer potential criminal violations of the NPADA to the Attorney General for prosecution.

ADVISORY OPINIONS

Any person or committee directly covered or affected by the provisions of the NPADA may apply to the Commission for an Advisory Opinion.

A request for an Advisory Opinion must be in writing, and must set forth a specific transaction or activity that the person or committee requesting the opinion either plans to undertake or is presently undertaking and intends to continue in the future. A request for an Advisory Opinion should include a complete description of all the relevant facts involved in the transaction or activity at issue. Requests regarding general questions about or interpretations of the NPADA, hypothetical situations, or the activities of third parties will not be considered as requests for an Advisory Opinion.

Unless amended or revoked, an Advisory Opinion rendered by the Commission is binding upon the Commission in any subsequent charges before the Commission concerning the person or committee who requested the opinion and, in good faith, acted in reliance of that opinion (unless material facts were omitted or misstated in the request).

DISSOLVING A CANDIDATE COMMITTEE

A candidate who is no longer campaigning is encouraged to dissolve his/her candidate committee as soon as possible after an election.

A candidate who is not an officeholder may dissolve his/her candidate committee if the committee:

1. Does not expect to receive additional contributions;
2. Has paid all of its outstanding debts; and
3. Has disposed of all of its unexpended funds and any other committee assets.

A candidate who is an officeholder may dissolve his/her candidate committee if the committee meets the three conditions listed above, **and** if:

4. The committee reports no receipts or expenditures, other than final disposition of assets, on its most recent annual *Campaign Statement* filed after the candidate's election; and

5. The candidate agrees not to accept contributions or make expenditures until the calendar year in which the candidate next seeks reelection.

NOTE: A state officeholder (Governor, Secretary of State, Auditor of Public Accounts, State Treasurer, Attorney General, member of the State Board of Education, member of the University of Nebraska Board of Regents, member of the Public Service Commission, or member of the State Legislature) may not dissolve his/her candidate committee unless the officeholder declares that he/she has not and will not file for reelection to the same office or has withdrawn such filing. An officeholder subject to term limits who is not eligible for reelection may dissolve his or her committee.

A candidate committee that wishes to dissolve must file a *Statement of Dissolution of a Political Committee* with the Commission. This Statement of Dissolution, along with the committee's final *Campaign Statement*, must show that the committee has met all of the requirements to dissolve.

As part of a candidate committee's final distribution of assets, unexpended funds of the committee may be transferred to:

- Another candidate committee;
- A political party committee;
- A ballot question committee;
- A tax exempt charitable institution;

- The State of Nebraska or any agency thereof or a fund of any political subdivision of the State subject to the Nebraska Budget Act; or
- The contributors of the funds, provided that no contributor receives more than the amount contributed.

Any physical assets of a dissolving committee must be transferred to one or more of the persons set forth above or be sold at a reasonable price with the proceeds transferred as set forth above.

NOTE: Electronic equipment is considered to have no value more than 4 years after the purchase date (see Commission Resolution #04-02). Please feel free to contact the Commission office for assistance in reporting the value of any electronic equipment less than 4 years old.

After a Statement of Dissolution has been filed, and after a final review by Commission staff, a committee will be notified whether its Statement of Dissolution has been accepted.

REMINDER: Once formed, a candidate committee is subject to the reporting requirements of the NPADA until its Statement of Dissolution has been accepted.

A dissolved candidate committee may not make any further contributions or expenditures.

A dissolved candidate committee must maintain its records for a period of five (5) years after its dissolution.

PREPARATION OF CAMPAIGN STATEMENTS

NOTE: Page numbers used in this section refer to the page numbers of various schedules on the *Campaign Statement* form (NADC Form B-1).

Summaries of Receipts, Expenditures, and Cash Balance (p. 2):

The Summary of Receipts lists summary information regarding contributions and other receipts received by the committee during the reporting period covered by the *Campaign Statement*. In addition, the Summary of Receipts lists the committee's total receipts for the election period to date.

During an election period, ending year-to-date receipts from one *Campaign Statement* must equal beginning year-to-date receipts on the next *Campaign Statement*.

The Summary of Expenditures lists summary information regarding expenditures made by the committee during the reporting period covered by the *Campaign Statement*. In addition, the Summary of Expenditures lists the committee's total expenditures for the election period to date.

During an election period, ending year-to-date expenditures from one *Campaign Statement* must equal beginning year-to-date expenditures on the next *Campaign Statement*.

The Cash Balance Summary lists summary information regarding cash activity of the committee during the reporting period covered by the *Campaign Statement*. The Cash Balance Summary is a summary of the committee's checkbook; the ending cash balance from this summary should agree with or reconcile to the balance in the committee's depository account as of the closing date of the *Campaign Statement*.

The ending cash balance from one *Campaign Statement* must equal the beginning cash balance on the next *Campaign Statement*.

Schedules of Contributors (pp. 3-4):

The schedules of contributors list the name and street address of all persons who have contributed more than \$250 to the committee

during the election period (or annual reporting period) covered by the *Campaign Statement*. Individuals, including the candidate, are listed on Schedule A; contributors other than individuals are listed on Schedule B.

Persons who have contributed \$250 or less to the committee during the election period (or annual reporting period) should not be listed on these schedules.

The schedules of contributors are cumulative for the election period. A contributor listed on one *Campaign Statement* during an election period must be listed on all subsequent *Campaign Statements* for that election period, even if that contributor did not make any new contributions during the period being reported.

An election year *Campaign Statement* must list the name and address of every person who has contributed more than \$250 to the committee during the election period to date.

Please note that a committee's post general election *Campaign Statement* must list the name and address of every person who contributed more than \$250 to the committee during the entire election period.

Schedule of Expenditures (p. 6):

The schedule of expenditures lists the name and street address of all persons who received more than \$250 from the committee for goods and services during the reporting period covered by the *Campaign Statement*, along with a description of each expenditure.

The schedule of expenditures also lists this same information for all persons who received more than \$250 from an agent of the committee on the committee's behalf. For example, the committee directly pays \$1,000 to "Agent A" who purchased advertising for \$500 from "Company B", the information for both "Agent A" and "Company B" must be disclosed.

The purpose of each expenditure listed on this schedule should provide a brief but adequate description of the goods or services obtained. For example, the label "Rent" would be inadequate (What was rented, and for how long?).

Descriptions of reimbursements to candidates must contain detailed explanations including the allowable purpose of the expense (within or attached to the campaign statement).

Descriptions of "Travel" expenditures listed on this schedule need to include the allowable purposes of the travel. Documentation including the dates of the travel, departure and destination points must be maintained in the committee records.

Descriptions for expenses that are not directly campaign related must include enough detail to illustrate their allowable purpose.

The schedule of expenditures is not cumulative. An expenditure should be listed on only one *Campaign Statement*.

Schedule of Unpaid Bills (p. 7)

The schedule of unpaid bills lists accounts payable and other accrued expenses owed by the committee as of the close of the reporting period.

NOTE: Goods and services for which the committee has incurred an obligation to pay are reportable as unpaid bills or accrued expenses even if payment is not yet due and the specific amount to be paid is not yet known. Make an estimate if required.

For unpaid bills of more than \$250, information required to be listed includes the date the bill was incurred, the name and street address of the creditor, a description of the goods or services received, and the amount owed (or a reasonable estimate, if the actual amount is not known).

Unpaid bills of \$250 or less are not listed individually, but are reported in total on this schedule.

Once listed on this schedule, an unpaid bill remains on this schedule until it is paid, forgiven, or otherwise disposed of.

EXAMPLES AND FORMS

A completed sample of a *Statement of Organization of a Political Committee* (NADC Form A-1) and a *Campaign Statement* (NADC Form B-1) are reproduced on the pages following the examples set out here.

The sample *Statement of Organization* is an example for a candidate committee. For those items not applicable to the committee, the sample shows "N.A." in the appropriate spaces.

The sample *Campaign Statement* (NADC Form B-1, Revised January 2015) represents the second primary *Campaign Statement*, due 10 days prior to the primary election. This particular sample statement is for the hypothetical committee that filed the foregoing *Statement of Organization of a Political Committee*. The committee is reporting only the statutorily required information and is not listing all donors and payees (those \$250 or less).

A listing of hypothetical campaign situations that a typical candidate committee may expect to encounter is provided below.

I. CASH BALANCE CARRY-OVER

1. Situation:

James Smith received his first contribution on January 15, but did not file for office until February 6. (This situation is not illustrated in sample forms.)

Explanation of Entry:

The Citizens for Smith committee's beginning cash balance would be zero, and the committee's first *Campaign Statement* would include all contributions received on and after January 15.

2. Situation:

The post-primary (forty days after the election) *Campaign Statement* for the Citizens for Smith committee listed an \$850 ending cash balance. (This situation is not illustrated in sample forms.)

Explanation of Entry:

The Citizens for Smith committee's first general campaign statement for the General Election should report \$850.00 on line 18 "Cash on hand at beginning of period" in the cash balance summary (which is equal to "Cash on hand at close of this period" from line 25 of the previous report).

II. RECEIVING AND REPORTING CONTRIBUTIONS

1. Situation:

The Citizens for Smith committee received a \$300 cash contribution from Joseph Q. Public on April 14.

Explanation of Entry:

This contribution must be included in the total "Cash Contributions This Period From: Other Individuals" (Line 2(B) of the Summary of Receipts). Since the amount is more than \$250, this contribution must also be itemized on Schedule A.

2. Situation:

The Citizens for Smith committee received a \$200 cash contribution from Mary Kay Jones on April 14, and received an additional \$75 cash contribution from Mary Kay Jones on April 15.

Explanation of Entry:

These contributions must be included in the total "Cash Contributions This Period From: Other Individuals" (Line 2(B) of the Summary of Receipts). Since the cumulative amount from this contributor is more than \$250, these contributions must also be itemized on Schedule A.

3. Situation:

The Citizens for Smith Committee received a \$300 cash contribution from the Political Action Committee on April 14.

Explanation of Entry:

This contribution must be included in the total "Cash Contributions This Period From: All Other Sources" (Line 2(C) of the Summary of Receipts). Since the amount is more than \$250, this contribution must also be itemized on Schedule B.

4. Situation:

The Citizens for Smith committee had received a \$50 contribution from the Central Party on April 3 (within the first Primary reporting period). The Citizens for Smith committee received an additional \$300 cash contribution from the Central Party on April 17 (during the 2nd primary reporting period).

Explanation of Entry:

The \$50 contribution received on April 3 was already included in "Cash Contributions This Period From: All Other Sources" (Line 2(C) of the Summary of Receipts) on the committee's first primary *Campaign Statement*. The contribution from the Central Party was not more than \$250, so that contribution was not itemized on Schedule B of the first primary *Campaign Statement*.

The \$300 contribution received on April 17 would be included in the total "Cash Contributions This Period From: All Other Sources" (Line 2(C) of the Summary of Receipts) of the committee's *Campaign Statement* for the current (second primary) reporting

period. In addition, since the cumulative amount of contributions from the Central Party now is more than \$250, those contributions must all be itemized on Schedule B of the current (second primary) *Campaign Statement*.

5. Situation:

The Citizens for Smith committee received an additional \$200 cash contribution from the Central Party on September 3, which was during the reporting period of the 1st general (Thirty days before) election statement. (This situation is not illustrated in sample forms.)

Explanation of Entry:

This \$200 contribution must be included in the total "Cash Contributions This Period From: All Other Sources" (Line 2(C) of the Summary of Receipts). Since the Central Party had made contributions totaling \$350 during the Primary Election reporting periods, the \$200 contribution must be listed on Schedule B. In addition, aggregate contributions of more than \$250 received during the Primary Election must be relisted for the General Election. Therefore, the committee would relist the earlier contributions totaling \$350 from the Central Party under "Total Contributions Previously Reported During the Election Period" and the additional \$200 would be listed under "Cash Contributions This Period" on Schedule B.

6. Situation:

Ralph Simpson, Jason Farr, and Freida Jones contributed items to be sold at an auction that was held to raise funds for James Smith's campaign. These items were all sold at the auction. (This situation is not illustrated in sample forms.)

Explanation of Entry:

These contributions must be included in the total of "In-Kind Contributions This Period From: Other Individuals" (Line 7(B) of the

Summary of Receipts) at the amount for which they were sold at the auction. An offsetting entry for the same amount must be included in the total of "In-Kind Expenditures This Period" (Line 15 of the Summary of Expenditures). The cash from the auction would be included as an adjustment to cash (on line 24 of the Cash Balance Summary). In addition, if an individual donated items that sold for a total of more than \$250, then that individual would be included on Schedule A with a description of the in-kind contribution in the "Name and Street Address" column or in the space provided on page 8. This explanation presumes that the auction is geared toward individuals wishing to purchase the sale items at the best price and not necessarily supporting the candidate. Consequently, if an auction winner bid unreasonably higher than fair market value, they would be considered a contributor (subject to reporting) for the amount over and above the fair market value of the item.

III. RECORDING AND REPORTING FUND RAISERS

Situation:

A \$55 per person fund raising dinner was held to raise funds for the committee. Contributions totaled \$5,500 of which \$4,500 was from individuals (excluding the candidate) and \$1,000 was from other sources. Also, the estimated bill of \$1,500 from X Hotel for the expense of the dinner had not been received or paid at the close of the reporting period.

Explanation of Entry:

The amount of the contributions received from individuals must be included in the total of "Cash Contributions This Period From: Other Individuals" (Line 2(B) of the Summary of Receipts) and the amount received from "other sources" must be included in the total of "Cash Contributions This Period From: All Other Sources" (Line 2(C) of the Summary of Receipts)

Since the estimated bill from the X Hotel is more than \$250, it must be itemized as an unpaid bill on Schedule D, Section 2.

IV. RECEIVING AND REPORTING PLEDGE CONTRIBUTIONS

1. Situation:

On April 11, Jack Smith pledged to give the Citizens for Smith committee a \$500 contribution. As of the closing date for the reporting period, he had made no payments of the amount pledged.

Explanation of Entry:

Since a pledge is a contribution, it must be reported on the committee's *Campaign Statement*. The amount must be included in the total amount of "Unpaid Pledges This Period From: Other Individuals" (Line 8(B) of the Summary of Receipts). Since the amount pledged is more than \$250, the pledge must be itemized on Schedule A.

2. Situation:

On April 25, Bob Johnson makes a payment of \$50 on a \$500 pledge he had made in February, a prior reporting period.

Explanation of Entry:

The \$50 payment will be included in the total "Cash Received in Payment of Pledges Reported in a Prior Period" (Line 19 of the Cash Balance Summary). This payment does not change the total amount of Mr. Johnson's contribution listed on Schedule A, \$500 appears under "Total Contributions Previously Reported During the Election Period."

3. Situation:

On April 12, Joe Cook pledged to give the Citizens for Smith committee a \$350 contribution. On April 15 (still within the same reporting period), Joe Cook made a \$50 cash payment on his pledge.

Explanation of Entry:

Pledges are reported at the net of pledges received during the period less any payment on those pledges during the same period. A cash payment on a pledge made in the same reporting period is considered a cash contribution for that reporting period. This cash payment must be included in the total "Cash Contributions This Period from Other Individuals" (Line 2(B) of the Summary of Receipts). The balance of the pledge will be reported on Line 8(B) of the Summary of Receipts, "Unpaid Pledges This Period From: Other Individuals". Since the total amount from this contributor is more than \$250, these contributions must also be itemized on Schedule A. Report \$50 in the "cash contributions this period" column and \$300 in the "unpaid pledges this period" column.

4. Situation:

On April 14, a Political Action Committee pledged to give the Citizens for Smith committee a \$350 contribution. As of the closing date for the reporting period no payment has been made on the pledge.

Explanation of Entry:

Since a pledge is considered a contribution it must be reported on the committee's *Campaign Statement*. The amount must be included in the total amount of "Unpaid Pledges This Period From: All Other Sources" (Line 8(C) of the Summary of Receipts). Since the total amount from this contributor is more than \$250, this pledge must also be itemized on Schedule B.

V. RECEIVING AND REPORTING IN-KIND CONTRIBUTIONS

1. Situation:

On April 15, Acme Furniture donated two desks to the Citizens for Smith committee. The fair market value of the desks was determined to be \$300. The donation of the desks constitutes an in-kind contribution.

Explanation of Entry:

This contribution must be included in the total of "In-Kind Contributions This Period From: All Other Sources" (Line 7(C) of the Summary of Receipts) with an offsetting entry in the total of "In-Kind Expenditures This Period" (Line 15 of the Summary of Expenditures). Since the amount is more than \$250, this contribution must also be itemized on Schedule B with a description of the in-kind contribution in the "Name and Street Address" column or in the space provided on page 8.

2. Situation:

Joseph Q. Public gave the Central County Political Party Committee a \$300 check with the understanding that the county party committee would use (earmark) it for the benefit of the Citizens for Smith Committee. On April 16, the county party committee furnished the Citizens for Smith committee a computerized voter listing valued at \$300, along with a copy of the *Report of Earmarked Contribution* indicating that this was an earmarked contribution from Joseph Q. Public.

Explanation of Entry:

This contribution is an earmarked in-kind contribution from Joseph Q. Public to the Citizens for Smith committee. This contribution must be included in the total of "In-Kind Contributions This Period From: Other Individuals" (Line 7(B) of the Summary of Receipts) with an offsetting entry in the total of "In-Kind Expenditures This Period" (Line 15 of the Summary of Expenditures.) Since this amount is more than \$250, this contribution must also be itemized on Schedule A under the name of Joseph Q. Public as the actual source of the contribution. A description of the in-kind contribution must be provided in the "Name and Street Address" column or in the space provided on page 8.

VI. RECEIVING AND REPORTING LOANS

1. Situation:

On April 15, the Citizens for Smith committee borrowed \$575 from the First Bank of Anywhere. Jack Smith was the co-signer. (The treasurer reviewed the committee records and determined that the loan did not exceed the restrictions on loans as outlined on pages 10-11 of this guide.)

Explanation of Entry:

Loans received must be reported on Schedule C, Section 1. In the first column list the lender's name and address and the co-signer's name and address. In Column B (Amount Received This Period) enter the amount of the loan. The total of Column B will be carried forward to "Loans Received This Period" (line 3 of the Summary of Receipts).

2. Situation:

On April 22, Frank Good paid \$150 on the Citizens for Smith committee's loan with the First Bank of Anywhere. (NOTE: Frank Good had made a \$200 cash contribution to the Citizens for Smith committee on April 12.)

Explanation of Entry:

This payment constitutes a loan repayment by a third party and must be reported on Schedule C, Section 1. Since the cumulative contributions from Frank Good are more than \$250, his name and address should be listed in the first column and the repayment amount entered in Column E. This payment must also be reported in the total of "Loans Repaid By Third Parties This Period" (Line 11 of the Summary of Receipts) and in the total of "In-Kind Contributions This Period From: Other Individuals" (Line 7(B) of the Summary of Receipts) with an offsetting entry in the total of "In-Kind Expenditures This Period" (Line 15 of the Summary of Expenditures). Again, since the cumulative contributions from Frank Good are more than \$250, this payment must also be listed on Schedule A as an in-kind contribution from Frank Good

3. Situation:

On April 22, the Citizens for Smith committee made a payment of \$100 on the principal amount of its loan from First Bank of Anywhere.

Explanation of Entry:

Loan repayments by the committee must be reported on Column C (amount repaid this period) of Schedule C, Section 1. This repayment must also be included in the total "Deduct Loan Repayments" (Line 5 of the Summary of Receipts).

4. Situation:

On April 22, the First Bank of Anywhere forgave \$275 of the balance remaining on the Citizens for Smith committee's loan.

Explanation of Entry:

The forgiven amount must be reported on Schedule C, Section 1 in Column D ("Amount Forgiven This Period"), and in the Summary of Receipts, line 12 ("Loans Forgiven This Period"). The amount forgiven is considered an in-kind contribution by First Bank of Anywhere and must be reported in the total of "In-Kind Contributions This Period From: All Other Sources" (Line 7(C) of the Summary of Receipts) with an offsetting entry in the total of "In-Kind Expenditures This Period" (Line 15 of the Summary of Expenditures). Since the total contributions from the First Bank of Anywhere are more than \$250, the forgiven loans must also be listed on Schedule B as an in-kind contribution from the First Bank of Anywhere.

VII. LOAN RESTRICTIONS

1. Situation:

On March 15, the candidate considered making a contribution to his committee. At that date, what amount of this contribution

could have been in the form of a loan? (This situation is not illustrated in sample forms.)

Explanation of Entry:

Before or during the first 30 days after its formation, a candidate committee may accept a total of \$15,000 in loans. This committee was formed on February 15. Since March 15 is within this initial 30-day period, and since the committee had received no other loans at that time, the candidate could have loaned his committee up to \$15,000 on March 15.

2. Situation:

On April 25, candidate James Smith wants to make a contribution to the Citizens for Smith committee. What amount of this contribution can be in the form of a loan? (This situation is not illustrated in sample forms.)

Explanation of Entry:

The Citizens for Smith committee was formed on February 15. Since April 25 is outside the initial 30-day period, this committee can only accept loans in the aggregate amount of 50% of contributions of money received ("cash" contributions) other than the proceeds of loans. This amount must be determined from a review of committee records.

VIII. REPORTING CASH EXPENDITURES

1. Situation:

The committee purchased a used printer for \$225 and \$50 worth of paper from ZZ Supplier. Both purchases were made and paid for during the same reporting period.

Explanation of Entry:

These expenditures must be included in the total of "Cash Expenditures This Period" (Line 14 of the Summary of

Expenditures). Since the cumulative amount paid to ZZ Supplier during the reporting period is more than \$250, these expenditures must also be itemized on Schedule D, Section 1.

2. Situation:

The Citizens for Smith committee retained the ABC Advertising Agency on April 10. On April 23, the Citizens for Smith committee issued a \$4,000 check to the agency. On April 24, the agency issued checks, drawn upon the agency's account, to Channel 55 for \$2,500 and to WOOO Radio for \$700.

Explanation of Entry:

Because the advertising agency acted as an agent for the Citizens for Smith committee in purchasing broadcast time, the committee must itemize the agency's expenditures (to any payee receiving more than \$250) that were made on the committee's behalf. The Radio and TV stations receiving more than \$250 would be detailed directly below the \$4,000 expenditure to ABC advertising, or listed on a separate sheet. The \$4,000 expense would be included in the Summary of expenditures, line 14 as usual.

3. Situation

The Citizens for Smith reimbursed candidate James Smith \$500 for purchases of campaign materials from Hardware Store, Inc. (This situation is not illustrated in sample forms.)

Explanation of Entry:

Because candidate Smith acted as an agent for his own campaign, any of his purchases aggregating more than \$250 from any vendor must also be listed disclosing the name and address, date, description, and amount for purchases from those vendors. The committee must list the details for his campaign purchases from Hardware Store, Inc. directly below the \$500 reimbursement to candidate Smith or listed on a separate sheet.

IX. REPORTING UNPAID BILLS AND OTHER ACCRUED EXPENSES

Situation:

The Woods Lumber Company made yard sign material for the Citizens for Smith during the reporting period. At the close of the reporting period the Citizens for Smith committee had not received a bill from Woods Lumber Company for the yard sign material. The amount was estimated to be \$275.

Explanation of Entry:

Since the estimated debt is more than \$250, it must be itemized on Schedule D, Section 2 "Unpaid Bills and Other Accrued Expenses".

X. RECEIVING AND REPORTING REFUNDS

Situation:

The Citizens for Smith committee received a refund of \$7.50 from X.Y.Z. Office Equipment Company for an overpayment of a previous bill.

Explanation of Entry:

Refunds are not contributions, but must be accounted for in the adjustments (line 24 of the Cash Balance Summary) of the committee's *Campaign Statement* so as to reflect the correct ending cash balance. Explain the adjusting entry on Schedule C, Section 2 "Miscellaneous Transactions" or in the space provided on page 8.

XI. REPORTING ANONYMOUS CONTRIBUTIONS

Situation:

On April 14, the Citizens for Smith committee received \$25 in currency in the mail without any donor identity.

Explanation of Entry:

The committee cannot accept an anonymous contribution. An anonymous contribution should not be deposited and must instead be transferred to a tax-exempt charitable organization. A receipt must be obtained from the organization. The anonymous contribution must be reported on Schedule C, Section 2 "Miscellaneous Transactions". A copy of the receipt from the organization must be attached to the *Campaign Statement* when it is filed.

XII. REPORTING INVESTMENTS

Situation:

The Committee for Bob transferred \$10,000 into a certificate of deposit (or CD). During the period it earned \$500 interest. (This situation is not illustrated in sample forms.)

Explanation of Entry:

The initial transfer of the \$10,000 principal would be reported as a negative "adjustment to cash" on line 24 of the Cash Balance Summary and described on Schedule C - Section 2. Since the interest is rolled into the investment, the \$500 earned during the period would only be kept in the records of the committee and is NOT reported on line 4 of the Summary of Receipts. The period ending value of the investment of \$10,500 would be reported on line 26 of the Cash Balance Summary. In the future, when the CD is cashed in, the full value (principal plus interest minus penalty etc.) of the CD would be reported as a positive "adjustment to cash" on line 24 of the Cash Balance Summary with further description on Schedule C - Section 2.

TITLE 4 - NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

CHAPTER 8 - DESIGNATION OF PRINTED OR REPRODUCED ITEMS EXEMPT FROM DISCLAIMER REQUIREMENTS AND RULES AND REGULATIONS ON THE SIZE AND PLACEMENT OF DISCLAIMERS.

(Adopted September 11, 1987 and amended on October 19, 1990)

STATUTORY AUTHORITY

This rule is adopted pursuant to the provisions of section 49-14,123(1) and section 49-1474.01.

8-(1) Scope and Application: This rule designates the items relating to a candidate or a committee which are printed or reproduced at the request of a candidate or committee which are exempt from the disclaimer requirements of section 49-1474.01 and establishes rules and regulations determining the size and placement of disclaimers on non-exempt items relating to a candidate or committee which are printed or reproduced at the request of such a candidate or committee.

8-(2) Designation: Pursuant to section 49-1474.01(2) the following items relating to a candidate or committee which are printed or reproduced at the request of such candidate or committee are exempt from the disclaimer requirements of section 49-1474.01(1): windshield stickers, yard signs, bumper stickers, campaign buttons, balloons, Christmas cards, address books, ashtrays, badges & badgeholders, cigarette lighters, clothespins, T-shirts, coasters, combs, cups, earrings, emeryboards, envelopes, erasers, flyswatters, frisbees, glasses, golf balls, golf tees, hats, horns, icescrapers, keyrings, knives, letter openers, magnifying glasses, matchbooks, mini-pocket calculators, nailclippers, nailfiles, napkins, noisemakers, paper & plastic cups, paper & plastic plates, paperweights, pencils, pendants, pennants, pens, pinwheels, plastic table wear, pocket protectors, potholders, ribbons, rulers, shoehorns, staple removers, sunglasses, sunvisors, swizzle sticks, tickets to fundraisers, whistles, billboards, electronic signs, palm or business cards, magnetic stickers, bookmarkers.

8-(3) Size: Disclaimers on non-exempt items relating to a candidate or committee which are reproduced or printed at the request of such candidate or committee shall be of such size so as to be legible.

8-(4) Placement: The disclaimer on printed material shall clearly state in an area apart from any text the name and street address of the person paying for the production, distribution or printing of the printed material.

8-(5) Printed Material With More Than One Page: Printed material requiring a disclaimer containing more than one page need only contain the disclaimer on one page of the printed material if the pages of the printed material are taped together, stapled together, or otherwise bound together, or if it clearly appears that the multiple pages of the printed material constitute one document such as by consecutive numbering of pages. Inserts or appendices must contain a separate disclaimer unless physically attached to material containing a disclaimer.

8-(6) Envelopes: A disclaimer appearing on an envelope containing political material does not constitute a proper disclaimer on the political material. There is no requirement that a disclaimer appear on an envelope containing printed material.

8-(7) Person Paying For the Production, Distribution or Posting of Printed Material: If an individual acts as an agent for another in paying for the printing, production, distribution or posting of printed political materials or is to be reimbursed by another for the payment, that individual is not the person paying for the production, distribution or posting of political material. The ultimate source of the payment is the person who pays for the production, distribution or posting of printed material.

Title 4, Chapter 10, Section 005, Nebraska Administrative Code

005. Petty Cash Funds, All Committees. A committee may maintain a petty cash fund out of which it may make expenditures not in excess of fifty dollars (\$50) to any person in connection with a single purchase or transaction.

01. A written record of petty cash disbursements must be kept if a petty cash fund is maintained including the date and amount of payment, the name and address of the payee, and the purpose of the disbursement.

02. No check shall be made payable to cash except to replenish a petty cash fund, and such check shall be drawn only upon the official committee depository.

03. Contributions, loans, and other funds received in cash or by written instrument or from the disposition of in-kind contributions may not be used for petty cash. Such cash, checks, written instruments and proceeds must be deposited directly into a committee's designated depository.

04. Receipts and invoices shall be obtained in connection with any purchase or transaction from a petty cash fund. Such receipts and invoices shall be preserved for five (5) years and shall be made available for inspection as authorized by the Commission.