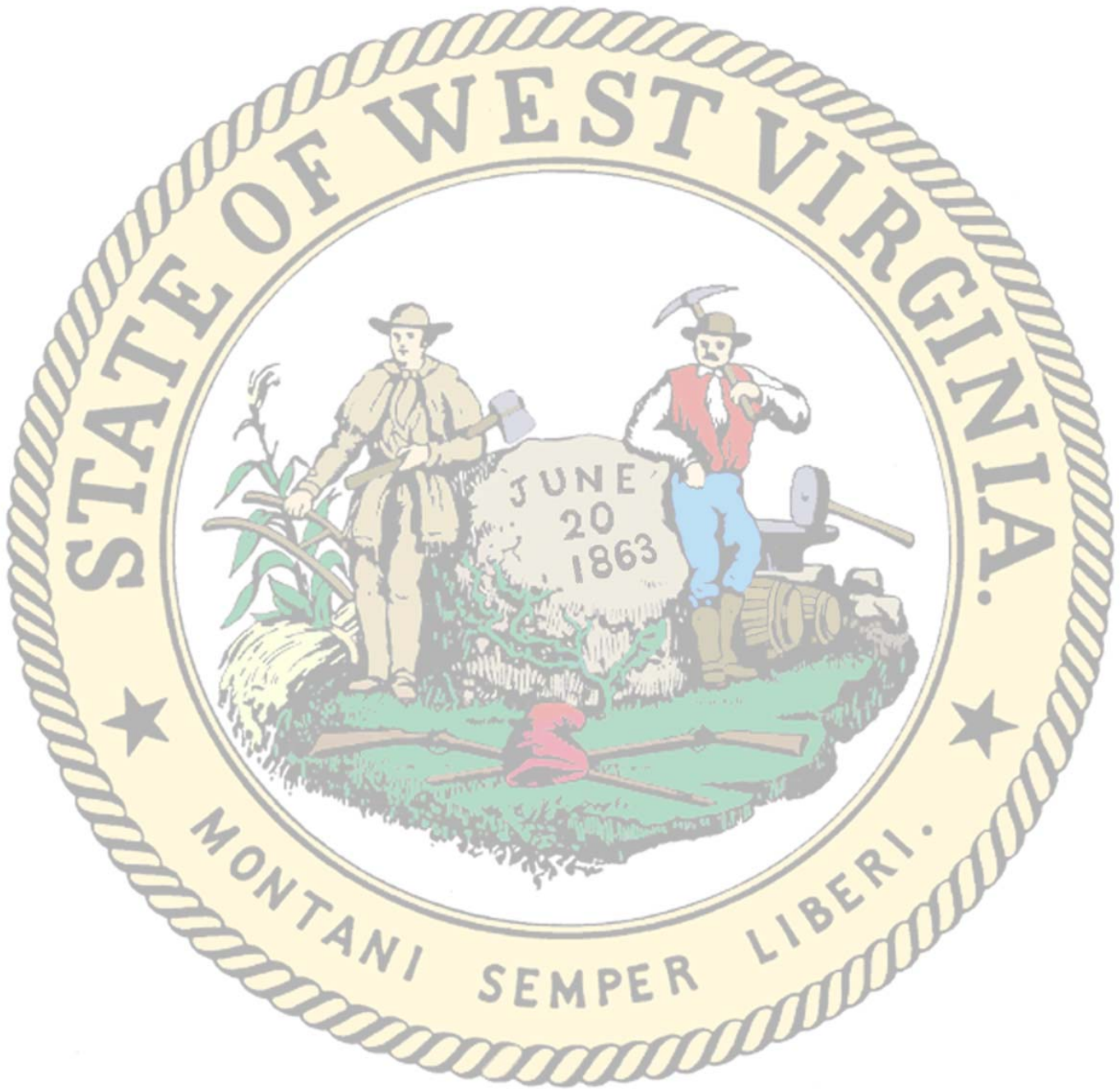


2016 BEST PRACTICES GUIDE FOR

CAMPAIGN FINANCE



WEST VIRGINIA SECRETARY OF STATE'S OFFICE
ELECTIONS DIVISION

Getting Started

(a) Every candidate, treasurer, person and association of persons, organization of any kind, including every corporation, directly, or by an independent expenditure, supporting a political committee established pursuant to paragraph (C), subdivision (1), subsection (b), section eight of this article or engaging in other activities permitted by this section and also including the treasurer or equivalent officer of the association or organization, expressly advocating the election or defeat of a clearly identified candidate for state, district, county or municipal office, and the treasurer of every political committee shall keep detailed accounts of every sum of money or other thing of value received by him or her, including all loans of money or things of value and of all expenditures and disbursements made, liabilities incurred, by the candidate, financial agent, person, association or organization or committee, for political purposes, or by any of the officers or members of the committee, or any person acting under its authority or on its behalf. (WV Code §3-8-5)

Who must file campaign finance reports?

- **Pre-candidates** for future offices
- All Existing **Candidate Committees**
- **Political Action Committees**
- **Political Party Executive Committees**
- **Legislative Caucus Committees**
- **Inaugural Committees**

What must be reported?

- **Monetary Contributions** (Money)
- **In-Kind Contributions** (Non-cash contributions of value)
- **Loans Received**
- **Expenditures**
- **Unpaid Bills**
- Transactions Due to a **Fund-raising Event**
- All **Other Income** (Returned checks or contributions, interest on bank accounts, etc.)
- Uses of **Excess Funds**

Every candidate, pre-candidate and elected official is required to file campaign finance reports until the committee is closed. Candidates running for or elected to executive committee positions are not required to file campaign finance statements.

There are two important time periods for campaign finance reports:

- The **transaction period** is the specific time period committees must track all contributions and expenditures for their campaign finance reports.
- Financial activity tracked during each transaction period must be recorded on the campaign financial statement and submitted during the appropriate **time period in which the report is due**.

Naming a Treasurer

A treasurer must be designated in writing at least 28 days before an election. If a candidate does not appoint a treasurer at least 28 days before an election, the candidate must serve as treasurer. Candidates for judicial offices may not be the treasurer for their own campaign.

All funds for a political committee are the responsibility of the treasurer, and all reporting requirements and financial transactions must be made through the committee's treasurer. Agents of the committee may make transactions on behalf of the committee and have the treasurer reimburse the transaction for the lawful expenses incurred by the agent. An agent may also accept contributions for the committee; however, the contributions must pass through the hands of the treasurer to ensure the contributions meet the acceptable criteria of a lawful contribution.

A treasurer or financial agent may resign, but a new treasurer must be designated before the resignation is official. The old treasurer continues to be responsible for the committee's finances until the new treasurer is appointed. The appointment is not official until a Change of Treasurer form is submitted to the proper filing office.

Record Keeping

Candidates and all persons supporting, aiding or opposing the nomination, election or defeat of any candidate shall keep for a period of **six months** records of receipts and expenditures which are made for political purposes.

What must be tracked?

Every committee "shall keep detailed accounts of every sum of money or other thing of value received by him or her, including all loans of money or things of value, and of all expenditures and disbursements made, liabilities incurred, by the candidate, financial agent, person, association or organization or committee, for political purpose or by any officers or members of the committee or any person acting under its authority or its behalf." (WV Code §3-8-5)

Records must include (but are not limited to):

- Contributions of money
- Contributions of items of value as an in-kind contribution
- Loans received by the committee and the loan agreement
- Amount of loans repaid by the committee
- Expenditures from the committee's funds
- Bills that have yet to be paid, including payments for staff
- Transactions related to fundraising events
- Usage of excess funds and receipts of excess funds

Opening a Candidate Committee

The Certificate of Announcement

At the time of filing your Certificate of Announcement, you must also pay a filing fee. If you are filing with the Secretary of State, this fee may be paid by check, credit card, cash or money order. Personal checks may be used; however, if the check is returned for insufficient funds, your candidacy will not be certified. Checks should be made payable to the Secretary of State's Office. Many of the filing fees are based on the salary of the position you are seeking. If the salary of the position you seek changes, the filing fee will change accordingly.

Please contact your County Clerk for specific fees for county offices and the type of payment they can accept.

For the 2016 election cycle, candidates must file a Certificate of Announcement during the period of:

Monday, January 11, 2016 through midnight on Saturday, January 30, 2016.

The Certificate of Announcement cannot be accepted prior to January 11, 2016. If the form is filed or postmarked before January 11, 2016, it will be returned and must be filed only during the proper filing period. Filings that are mailed must be post marked by the U.S. Postal Service no later than midnight on January 30, 2016. If you use an express shipping service (UPS, FedEx, DHL, etc.) your filing must be **received** by midnight on January 30, 2016. Dates provided by these services are not equivalent to postmarks.

Where to File:

Secretary of State for any Federal office, Statewide office, State Senate, House of Delegates or Judicial office (excluding Magistrate), or if you are running for an office on the ballot in more than one county.

County Clerk for any County Office.

Municipal Recorder for a candidate running for municipal office.

- Filing the Certificate of Announcement in the proper location is of the highest of importance. If the document is improperly filed, your ability to run for office could be seriously jeopardized. **Late filings cannot be accepted for any reason.**

Starting a Political Action Committee (PAC)

Who Must Register

A group must register as a PAC if they are:

- Soliciting contributions or spending funds in support or opposition of candidates or political parties in an election.
- A corporation planning to organize to solicit contributions and spend funds in support or opposition of candidates or political parties in an election.

To register as a Political Action Committee in West Virginia, you must file a Statement of Organization with the Secretary of State's Office, County Clerk's Office, or the Municipal Clerk's Office.

PACs must file their Statement of Organization no later than 28 days before the election in which the PAC will be active.

When organizing your committee, you must designate a treasurer to be responsible for the finances. **Your organization may not receive or spend funds for political purposes if a treasurer has not been designated.**

The Statement of Organization must include the signatures of the chairperson and the treasurer of the committee. The treasurer who is designated will remain the treasurer until a new treasurer is designated.

Groups of individuals organizing for the purpose of issue advocacy only are not required to register as a PAC.

Corporate Political Action Committees

Although some types of corporate political activity are prohibited, a corporation may set up a corporate PAC. The corporation may solicit funds to a separate segregated fund to be used for political purposes only. Corporate PACs are regulated by the same rules and regulations as Non-Corporate PACs with these additional prohibitions:

- Receiving contributions from any other person than its stockholders and their immediate families and its executive or administrative personnel and their immediate families.
- Giving money or anything of value belonging to the corporation to the corporation's PAC.

- Using money gained by job discrimination, financial reprisal or physical force or money gained by a commercial transaction.
- Individuals soliciting a contribution at the time of the solicitation failing to inform those being solicited of their right not to contribute without punishment.

Contributions

Contribution Limitations

The contribution amounts that an individual may give to any committee are set by West Virginia State Code §3-8-12 to be valued at **\$1,000 per primary election** and **\$1,000 per general election**. It is unlawful for the committee to accept any contributed funds which exceed the contribution limit. Excess contributions must be returned to the contributor. All items of value (cash and in-kind contributions) given to a committee are counted toward this limitation of \$1,000. A candidate may contribute as much as they desire to their own campaign; however they cannot be reimbursed unless it is a loan, rather than a contribution.

Reporting Contributions

Contributions of \$250.00 or less must include the name of the contributor and the date the contribution was received by the committee.

Contributions over \$250.00 must include the name of the contributor, date the contribution was received by the committee, the contributor's occupation, the contributor's place of employment, or the affiliation of the political committee if it is not an individual.

Cash Contributions

The maximum cash contribution a committee may receive from a contributor is \$50. The name of the contributor and date of contribution must be recorded. All contributions over \$50 must be by means other than cash. Cash contributions over the amount of \$50 must be returned to the contributor.

Loans

A candidate, spouse of a candidate or a lending institution may give a loan to the candidate's committee. When a candidate committee takes a loan, even if it is from the candidate, must include a copy of the loan agreement for each loan with the next campaign finance report that is due. The loan agreement must state the date, amount, interest amount (if any), description of collateral, and full names and addresses of all persons involved in the loan.

A loan by the candidate to his or her committee may be forgiven. Loans from a spouse or lending institution may not be forgiven. If a loan is to be forgiven by a candidate to the committee, the loan should then be considered as a contribution from the candidate to the candidate's committee. To report the forgiving of a loan, the amount of the loan will be reported as a contribution to the committee from the candidate and the loan will be paid for, indicating that the committee no longer carries the liability.

In-Kind Contributions

An **in-kind** contribution is a contribution to a committee which is something of value, with the exception of money. Examples of in-kind contributions are food, drink and entertainment costs that are associated with a fund-raising event, the use of a cell phone, use of a car, discounts of a price, use of a home for a fund-raiser, etc. These contributions are to be reported at the fair market value of the use of the resources, and are subject to the contribution limits of the individual giving the contribution.

Other Income

Other income includes refunds on bills paid, interest on bank account, sale of equipment or any income not reported as a contribution or in-kind contribution.

Fund-Raisers (WV Code §3-8-1a)

A fund-raising event is “an event such as a dinner, reception, testimonial, cocktail party, auction or similar affair through which contributions are solicited or received by such means as the purchase of a ticket, payment of an attendance fee or by the purchase of goods or services.” (West Virginia Code §3-8-1a)

Fund-raising events are to be reported separately from other transactions, with those transactions being grouped by fund-raising event. A total Net Receipt of Funds must also be accounted for.

Raffles

Although raffles are a common way for a charitable organization to raise money, candidate committees and political action committees are prohibited from holding a raffle by West Virginia Code §47-21-2. Political Party Executive Committees are the only political organizations that can hold a raffle after obtaining a license. To organize a raffle the group must have a license from the West Virginia Tax Department.

Anonymous Contributions (WV Code §3-8-5a(j))

“Passing the hat” at a meet-the-candidate dinner or other type of fundraiser is used to bring in contributions anonymously. If a contribution is received anonymously, and the contributor cannot be identified, the money must be turned over to the State of West Virginia General Revenue Fund.

All contributions must be identified with the full name of the person or group which gave the donation. If the identification of the donor of a contribution cannot be determined, the donation must be given to the State of West Virginia General Fund. Send an amount equal to the anonymous contribution to the West Virginia Secretary of State’s office.

Political Contributions

Active Political committees are restricted to the types of contributions they may give and receive. The capacity to give or receive a contribution is dependent on the type of committee established. Below you will find a list of possible contribution types and if the contributions are acceptable to the committee.

As a State Candidate you may give up to \$1,000 to:

Executive Committee
Legislative Caucus Committee

As a State Candidate you may receive up to \$1,000 from:

State PAC
Executive Committee
Federal Committee
Corporation PAC

As a State Candidate you may NOT give money to the following:

Another State Candidate
PAC
Federal Committee

As a State Candidate you may NOT receive money from an Independent Expenditure PAC.

Persons Entering Into State Contract

...no person entering into any contract with the state or its subdivisions, or any department or agency of the state, either for rendition of personal services or furnishing any material, supplies or equipment or selling any land or building to the state, or its subdivisions, or any department or agency of the state, if payment for the performance of the contract or payment for the material, supplies, equipment, land or building is to be made, in whole or in part, from public funds may not, during the period of negotiation for or performance under the contract or furnishing of materials, supplies, equipment, land or buildings, directly or indirectly, make any contribution to any political party, committee or candidate for public office or to any person for political purposes or use; nor may any person or firm solicit any contributions for any purpose during any period. (WV Code §3-8-12(d))

Code of Fair Campaign Practices (WV Code §3-1B-5)

At the time of filing for office, you will have an opportunity to subscribe to the Code of Fair Campaign Practices. The code is a voluntary pledge to adhere to a few guidelines which will create an atmosphere of campaigning that is constructive, ethical, and good-natured. The code has been in existence since 1995.

Highlights of the Code Include:

- A pledge to adhere to campaign spending limitations
- To conduct your campaign openly and publicly
- To condemn false advertising or communications which are not fact
- To not coerce individuals under your authority to give contributions or election help
- To defend and uphold the right of every qualified voter to full and equal participation in the electoral process

Voluntary Contribution Limitations

| | <u>PRIMARY</u> | <u>GENERAL</u> |
|------------------------|----------------|----------------|
| Governor | \$1,000,000 | \$1,000,000 |
| Constitutional Officer | \$ 150,000 | \$ 150,000 |
| Supreme Court | \$ 50,000 | \$ 50,000 |
| Circuit Judge | \$ 50,000 | \$ 50,000 |
| State Senate | \$ 50,000 | \$ 50,000 |
| House of Delegates | \$ 25,000 | \$ 25,000 |

Contributions which do not exceed the limits designated for the primary election may not be added to the limits for the general election.

Voluntary Subscription to the Code

To subscribe to and to adhere to the Code of Fair Campaign Practices is voluntary. In no event may any person be required to adhere to or endorse the code.

In the event that an opponent to a subscribing candidate of the Code of Fair Campaign Practices exceeds the campaign spending limitations, the candidate who has subscribed to the code who has not exceeded the spending limitations shall be automatically released from the portion of the code establishing the campaign spending limitations.

Expenditures

All expenditures must be reported. Detailed accounts of all expenditures, disbursements made and liabilities incurred must be reported.

Money spent out-of-pocket on an election must be reported as an expenditure. If money is spent on behalf of a candidate, and is not reimbursed by the committee, it must be reported as an in-kind contribution, and is subject to contribution limitations.

An active candidate's committee (before the election date of the candidate) cannot give donations to other candidates committees or Political Action Committees. This activity is not permitted by West Virginia Code §3-8-9.

All expenditures must be made at a rate and an amount which is "proper and reasonable" to the services purchased.

An expenditure made is to be reported on the date in which the check is written or transfer of funds takes place.

Required information for all expenditures:

- The name of the person or business to which the expenditure was given
- The date of the transaction
- The purpose of the transaction
- The amount of the expenditure

Allowable Expenditures

A candidate or political committee may make expenditures only for the following purposes:

- Office expenses, overhead costs for headquarters, and for costs related to postage.
- Candidates who do not have headquarters may purchase or rent filing cabinets, other office equipment and furnishings, computers, computer hardware and software, scanners, typewriters, calculators, audio visual equipment
- Paid legitimate advertisements for the promotion of the candidate on the ballot
- Costs related to public meetings and political conventions such as food, drink, and entertainment
- Necessary traveling and hotel expenses
- Costs incurred with petitions for nomination of candidates
- Lists of registered voters, investigating an individual's right to vote and conducting proceedings to prevent unlawful registration or voting
- Taking voters to the polls

- Securing publication in newspapers, radio, and television broadcasting of information that is relevant to an election
- Conducting a public opinion poll or polls
- Legitimate advertising agency services
- The purchase of memorials, flowers or citations by political party executive committees or political action committees representing a political party
- The purchase of nominal, noncash expressions of appreciation following the close of the polls of an election or within thirty days thereafter
- The payment of dues or subscriptions to any national, state, local, or legislative caucus committee of any political party
- To employ persons to perform functions enumerated in WV Code §3-8-9, either on a full-time, part-time, or temporary basis.

Political Advertisements

All political advertisements and materials must have a disclaimer on them identifying who the advertising was paid for or on behalf of. When putting a disclaimer on the advertisement you must state the name of the person or committee authorizing its publication.

Unpaid Bills

All liabilities incurred by a committee must be reported. This includes all bills, or promises of payment that have been left unpaid at the end of the reporting period. A listing of unpaid bills will ensure that the committee does not ever have a negative ending cash balance, but still shows all transactions that have taken place. The transaction date of an unpaid bill will be the date that the vendor provides a bill for payment.

Excess Funds

After a candidate withdraws from an election, loses in a primary, loses in a general election or wins the election, the funds in possession of the committee that amount to more than the liabilities incurred for the election are considered Excess Campaign Funds. No person may receive or utilize excess campaign assets for personal economic gain. (WV CSR §146-3-7)

Completing the Campaign Finance Report

Determining What Form to Use

The **Long Form Campaign Financial Statement** includes all activities that required by WV Code §3-8-5a. If a committee answers YES to any of the following questions, a **Long Form** must be used:

- Has your committee received any loans?
- Has your committee held any fundraisers?
- Has your committee received any miscellaneous receipts, such as refunds or checking account interest?
- Does your committee have any unpaid bills or loans?
- Have you or anyone else given an in-kind contribution to your campaign?
- Has your committee given or received a transfer of excess campaign funds?
- Has your PAC made any Independent Expenditures within this reporting period?

The **Short Form Campaign Financial Statement** is designed to accommodate committees that do not have transactions beyond simple contributions and expenditures; it does not cover any other reporting requirements, such as loans and in-kind contributions, which are required by WV Code §3-8-5a.

Both the short and long finance forms require both the candidate or committee name and the treasurer's contact information. The candidate, agent, or treasurer must also sign the oath or affirmation at the end of the form.

Reporting Periods

- The reporting period during the election cycle to which the financial report applies must be indicated: primary-first, pre-primary, post-primary, general-first, pre-general, or post-general.
- Each election cycle reporting period covers a certain time span during the election cycle for which candidates and committees must report financial transactions.
- These reports are to be filed in succession of one another.

Additional Report Types

- **Annual Report:** Due annually, during off election years. Candidate and committees open during a non-election cycle must check the box for the annual report and fill in the calendar year.
- **Amended Report:** Filed to replace a previously submitted report to correct information. Both the amended report box and the reporting period that will be amended must be clearly marked.

- **Final Report:** Filed to close your account. The final report box must be marked. If the report is submitted during a required reporting period, the reporting period must also be noted. The committee's ending balance must be zero if filing a final report.

2016 Election Year Campaign Finance Reporting Schedule

| <u>REPORT</u> | <u>TRANSACTION PERIOD</u> | <u>REPORT DUE</u> |
|--|---------------------------------------|---|
| 2016 Annual/ Primary-First | March 28, 2015 – March 25, 2016 | March 26, 2016 – April 1, 2016 |
| Pre-Primary | March 26, 2016 – April 24, 2016 | April 25, 2016 – April 29, 2016 |
| Post-Primary | April 25, 2016 – May 22, 2016 | May 23, 2016 – June 21, 2016 |
| General-First | May 23, 2016 – September 25, 2016 | September 26, 2016 – September 30, 2016 |
| Pre-General | September 26, 2016 – October 23, 2016 | October 24, 2016 – October 28, 2016 |
| Post-General | October 24, 2016 – November 20, 2016 | November 21, 2016 – December 19, 2016 |
| 2017 Annual | November 21, 2016 – March 24, 2017 | March 25, 2017 – March 31, 2017 |
| ** 2017 Annual for candidates in past elections with open campaign accounts and pre-candidates for future elections: | | |
| | March 26, 2016 – March 24, 2017 | March 25, 2017 – March 31, 2017 |

2016 Election Year Campaign Finance Reporting Schedule for Candidates Elected on the Primary Ballot

| <u>REPORT</u> | <u>TRANSACTION PERIOD</u> | <u>REPORT DUE</u> |
|----------------------|----------------------------------|---------------------------------|
| 2015 Annual | March 29, 2014 – March 27, 2015 | March 28, 2015 – April 3, 2015 |
| General-First | March 28, 2015 – March 25, 2016 | March 26, 2016 – April 1, 2016 |
| Pre-General | March 26, 2016 – April 24, 2016 | April 25, 2016 – April 29, 2016 |
| Post-General | April 25, 2016 – May 22, 2016 | May 23, 2016 – June 21, 2016 |
| 2017 Annual | May 23, 2016 – March 24, 2017 | March 25, 2017 – March 31, 2017 |
| 2018 Annual | March 25, 2017 – March 30, 2018 | March 31, 2018 – April 6, 2018 |

Reporting Contributions of \$250 or Less

For each contribution of \$250 or less, the committee must include (1) the full name of the individual, association, or committee donating; (2) the amount of the contribution; and (3) the date the contribution was made.

Reporting Contributions of Over \$250

Once contributions from an individual, association, or committee reach an accumulated total of more than \$250 during an election cycle, the committee must collect and record additional information on the campaign finance report.

Required information from contributors of more than \$250:

- Full name
- Amount of contribution
- Date the contribution was made
- Residential and mailing addresses

Individual contributors only:

- Occupation (e.g., attorney, doctor, homemaker, retired)
- Employer (this is the contributor's primary employer; if self-employed it should be noted; if homemaker or retired, "not applicable" may be used)

Political committees only:

- Political affiliation of the committee (or if the donation comes from a business-affiliated PAC, the business that the PAC is sponsored by)

Reporting a Fund-Raising Event

If a committee hosts a fund-raising event, such as a dinner or reception for the purpose of raising money for the campaign, the *Long Form Campaign Financial Statement* must be used to report committee finances.

Fund-Raising Event: All contributions received at a fundraising event must only be reported on the fund-raising events page of the campaign financial statement. Committees must report contributor information under the same requirements for reporting contributions as outlined above.

Total Monetary Contributions: Total of money received (cash or check) in connection with this particular fund-raising event.

Total Expenditures: All committee funds spent in relation to the fund-raising event. These expenditures are to be listed on the itemized expenditures page of the campaign financial statement.

Net Receipts: The total amount of funds accumulated in relation to the fund-raising minus all committee expenses.

In-Kind Contribution: A donation of goods or services used toward the fund-raising event that can be assigned a monetary value. In-kind contributions must be itemized in the in-kind contributions section of the campaign financial statement.

Reporting Other Income and In-Kind Contributions

If the committee receives “other income” or an in-kind contribution, the *Long Form Campaign Financial Statement* must be used to report the committee finances.

Other Income: Income that does not fit the definition of a contribution, such as interest on a bank account, refunds, or the sale of equipment. Information required for the other income category includes the date of the receipt, source of the income, the type of receipt (brief description), and the amount of the transaction.

In-Kind Contributions: a donation of goods or services used toward the campaign. The amount of an in-kind contribution should be reported at the fair market value of the goods received or services rendered. The committee should include the full name of the contributor, date of the transaction, description of the contribution, and the value. If the value of the contribution is over \$250, additional contributor information is required: address, occupation and employer if it is an individual, and affiliation if it is a PAC.

Reporting Loans

If a loan is taken for a candidate’s committee, the information required on the loans page of the *Long Form Campaign Financial Statement* must be completed, and a copy of the loan agreement must be included with the same financial statement.

The following information must be reported on outstanding loans:

- The name and address of the bank, candidate, or candidate’s spouse making the loan;
- The balance of the loan carried from the previous report;
- The amount of all new loans received during this period;
- Repayments made during the reporting period;
- The outstanding balance at the end of the reporting period for each loan listed.

Reporting Expenditures

All expenditures made by a political committee must be reported. The following information is required for all expenditures:

- Date of the expenditure – the date the check is written or the money is transferred to any person to pay for goods or services rendered.
- Name and address of person or vendor to whom the expenditure was given.
- Purpose – The purpose of the expense must be a reason outlined in §3-8-9 of West Virginia code.

Online Campaign Finance Reporting System (CFRS)

Our new online Campaign Finance Reporting System (CFRS) is available for any committees that file campaign finance reports with the Secretary of State's office. Candidates for Governor, Secretary of State, Attorney General, Auditor, Treasurer, Commissioner of Agriculture and Supreme Court of Appeals must file campaign finance reports electronically.

With the CFRS, you can record, sort and submit your campaign finance reports online without organizing, transferring totals to other pages, and tallying totals in the report yourself. The CFRS will not allow many errors to occur and will correct most unnecessary mistakes you may otherwise overlook by mistake.

Submitting your campaign finance reports online will eliminate errors in math, transferring balances between reports, and entering information in the incorrect area of your report. At the touch of a button, you can file your report with the Secretary of State's office, no longer leaving your committee wondering if the reports have been filed accurately.

Please contact the Secretary of State's office if you are interested in using our CFRS.

Late, Incomplete or Inaccurate Statements

If a financial report has not been submitted in a timely manner, your committee may be subject to the penalty provisions of West Virginia Code §3-8-7. If a report is submitted early, it cannot be accepted. A report which is submitted early will not include all financial transactions until the completion of the final day of the reporting period.

Some incomplete or inaccurate reports will also need to be returned to the committee. If a report is returned to your committee, late penalties may be issued until the report is submitted to the proper filing official. The most common incomplete or inaccurate statements that are returned include:

- Committee name and election year are not accurate
- Wrong reporting period box marked
- Contributions and expenditures not for the indicated reporting period
- Final report indicated with an ending balance, unpaid bills or loans
- Oath or Affirmation not signed or not signed by an appropriate person

Penalty Provisions

According to West Virginia Code §3-8-7, failure to file a financial statement is a misdemeanor, punishable by up to a year in jail, a fine of \$500 or both, at the discretion of the court. This penalty also applies to "grossly incomplete or inaccurate" financial statements. Civil penalties of \$25 a day for each day a report is late or grossly inaccurate may also be levied. Candidates who have not filed the required campaign finance reports for the Primary Election will not be placed on the General ballot. Candidates that have not filed the required financial reports for the General Election cannot assume the duties of their office until all required reports are properly filed.

West Virginia law allows the Secretary of State (or the County Clerk or Municipal Recorder) to review or audit financial reports in order to ensure compliance with campaign finance laws. They are required to submit the names of individuals who have failed to file financial statements, or have filed incomplete or inaccurate financial statements, to the county prosecuting attorney for action.

Record Keeping

Candidates “and all persons supporting, aiding or opposing the nomination, election or defeat of any candidate shall keep for a period of **six months** records of receipts and expenditures which are made for political purposes.” (WV Code §3-8-2)

After the Election

After a candidate withdraws from an election, loses in a primary, loses in a general election or wins the election, the funds in possession of the committee that amount to more than the liabilities incurred for the election are considered **Excess Campaign Funds**. No person may receive or utilize excess campaign assets for personal economic gain. (WV CSR§146-3-7)

Allowable Uses of Excess Campaign Funds

The **only** allowable expenditures of excess campaign funds are outlined here:

- **Transfer of funds from a candidate’s committee to the same candidate’s committee for a subsequent election year**
A new committee must be formed or a Pre-Candidacy Statement filed for the subsequent election year prior to making the transfer of funds. There is no limitation of the amount of funds that may be transferred.
- **Contribution to another candidate’s committee, political action committee, or a local executive committee**
The limit on these contributions is \$1,000 per cycle.
- **Contribution to any state political party executive committee or a legislative caucus committee**
The limit on this contribution is \$15,000.
- **Return of contributions on a pro-rata basis to each donor.**
- **Transfer to any national or local committee of any political party**
The limit on these contributions is \$1,000.

- **Offsetting any usual and customary expense incurred in connection with the duties as a holder of public office**

Any items purchased will become the property of the State, or the district, county, or municipality of the office that is held. Although “usual and customary expense” is not defined, there must be some evidence of a common usage for their purpose.

- **Making a charitable contribution**

There is no monetary limitation for charitable contributions.

Closing the Committee

A committee is considered to be open until a Final Report is filed stating that the committee has no outstanding loans, bills, and an ending balance of zero. Any Final Report which does not meet these criteria will be returned. A Final Report does not need to be filed during a specific reporting period, but must include all activity up to date of the report being filed. Once a Final Report is filed the committee may not raise or spend any funds. A new candidate committee must be created for every election cycle in which a candidate is running for office.

Dissolution of a PAC

In addition to having no unpaid bills or a balance of funds at the time of submitting a Final Report, a political action committee must file a Notice of Dissolution of a Political Committee form. This form affirms the committee will no longer accept contributions or make expenditures, and cease activity as a political committee. This form must be filed at the same time the Final Report is submitted to the proper filing office to finalize the dissolution of a PAC.

Independent Expenditures

Any paid advertisement that is done without the “consultation or coordination” of a candidate or a candidate’s committee is considered an independent expenditure. A disclaimer must be present on all independent expenditures stating “Paid for by (committee or individual’s name)” and also that the advertisement “is not authorized by any candidate or candidate’s committee.”

There is no limit on the amount of funds that can be spent on Independent Expenditures. However, there is an additional reporting requirement for these expenditures. Any individual or organization making independent expenditures must follow the reporting dates set by West Virginia Code §3-8-5.

Any individual, PAC, corporation, or executive committee may make an “independent expenditure” in an attempt to influence the election or defeat of a candidate for office. This expenditure must be made without the consultation or coordination of the candidate or candidate’s committee to be considered independent. If the expenditure is made in consultation or coordination with the candidate or candidate’s committee, the expenditure will be considered an in-kind contribution to the candidate’s committee and will be limited to the \$1,000 contribution limits.

In addition to reports due during regular reporting periods, any individual or organization must file additional reports when making a:

- \$1,000 single time/aggregate expenditure made within a calendar year,
- \$500 or more expenditure for any county office or single county judicial candidate within 15 days and before 12 hours of an election,
- \$1,000 or more expenditure for any statewide, legislative or multi county judicial candidate within 15 days and before 12 hours of an election, or
- \$10,000 or more anytime expenditure.

All independent expenditures must have a “clear and conspicuous public notice” identifying the person who paid for the expenditure and that it had not been authorized by any candidate or candidate’s committee.

Electioneering Communications

Any communication defined as electioneering communications must have a disclaimer clearly stating “Paid for by (committee name)”. If the Electioneering Communication is an Independent Expenditure, the communication must also include that “it is not authorized by any candidate or candidate’s committee.” If the communication is made for television, it must be spoken clearly and appear on the screen at the end of the advertisement.

All independent expenditures and electioneering communications reports will be posted on the Secretary of State’s website at www.wvsos.com.

Supreme Court Public Campaign Financing

The West Virginia Legislature has created a program using public monies to finance some campaigns for elected office. This program is known as the West Virginia Supreme Court of Appeals Public Financing Campaign Program.

The public financing option is only available to candidates the Justice of the West Virginia Supreme Court seat that is up for election in 2016.

Participation is voluntary for any candidate who chooses to receive the public monies. Public monies are provided only to qualified candidates. Candidates accepting public monies cannot raise and spend other contributions. Rules, laws, and explanation of the program may be found on the Secretary of State's website under "Elections" and "2016 West Virginia Supreme Court of Appeals Public Campaign Financing Program Information."

Division of Highways Rules for the Placement of Political Signs

Signs or posters cannot be placed on or above a Division of Highways right of way, which normally stretches 20 feet from the center line of a public road. Distances do vary, however, so please contact the West Virginia Division of Highways if you are uncertain.

Signs or posters near rights of way must comply with the outdoor advertising statute in Chapter 17, Article 19, Section 1 of the West Virginia Code, and must also conform to any municipal ordinances regulating outdoor advertising.

Signs or posters cannot be placed on Division of Highways traffic control signs nor block such signs, and cannot obscure the view of any connecting road or intersection.

Signs or posters cannot be placed on elements in nature, such as rocks or trees.

Avoid placing materials on fence posts, utility poles, or other stationary objects on private property without consent of the property owners.

Political overhead banners cannot be erected over any county, state or federal highway.

2016 Election Campaign Finance Deadlines for West Virginia Candidates and Political Committees

as required by §3-8-5 of the W.Va. Code

| REPORT | REPORTING PERIOD | REPORT DUE | EXEMPTIONS |
|---|---|---|---|
| Primary - First Report (2016 candidates & political committees) | March 28, 2015 through March 25, 2016 | March 26, 2016 through April 1, 2016 | Candidates and political committees in which the total of all financial transactions during the reporting period does not exceed \$500 may submit a waiver. |
| 2016 Annual Report (for candidates in past elections with open campaign accounts & pre-candidates for future elections) | March 28, 2015 through March 25, 2016 | March 26, 2016 through April 1, 2016 | |
| Pre-Primary Report | March 26, 2016 through April 24, 2016 | April 25, 2016 through April 29, 2016 | No exemptions. All 2016 candidates and political committees must file a report. |
| Post-Primary Report | April 25, 2016 through May 22, 2016 | May 23, 2016 through June 21, 2016 | No exemptions. All 2016 candidates and political committees must file a report. |
| General - First Report | May 23, 2016 Through September 25, 2016 | September 26, 2016 through September 30, 2016 | Candidates and political committees in which the total of all financial transactions during the reporting period does not exceed \$500 and in which there are no outstanding loans or unpaid bills may submit a waiver. |
| Pre-General Report | September 26, 2016 through October 23, 2016 | October 24, 2016 through October 28, 2016 | No exemptions. All 2016 candidates with open campaigns must file a report. All committees must file report. |
| Post-General Report | October 24, 2016 through November 20, 2016 | November 21, 2016 through December 19, 2016 | No exemptions. All 2016 candidates with open campaigns must file a report. All committees must file a report. |
| 2017 Annual Report (2016 candidates & political committees) | November 21, 2016 through March 24, 2017 | March 25, 2017 through March 31, 2017 | Candidates and political committees in which the total of all financial transactions during the reporting period does not exceed \$500 may submit a waiver. |
| 2017 Annual Report (for candidates in past elections with open campaign accounts & pre-candidates for future elections.) | March 26, 2016 through March 24, 2017 | March 25, 2017 through March 31, 2017 | |

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