

RPV Guide to Campaign Finance for Official Committees

Introduction

The federal and state governments regulate the financing of elections and the role of political parties in the campaign finance system. The requirements are different for federal elections on the one hand and state and local elections on the other.

Political party groups have the same accounting and regulatory challenges as any other group (Little League, PTA, community association, fraternal and social organizations, small businesses) as well as these additional campaign finance rules.

This guide is intended to provide an overview of the campaign finance rules unique to political party groups in Virginia. It does not address the requirements of other areas of law, except in passing.

Before proceeding, it's important to note that several terms specifically defined in Federal or state statutes do not have their common meaning, so it's important to be careful when using those terms (contribution, expenditure, coordinated, and committee are just a few examples).

The information provided is for general informational purposes only and does not constitute legal advice. It is not a substitute for the advice of a qualified attorney. You should not take any action based solely on the information provided without seeking legal counsel from a licensed attorney.

State and Local Elections

For state and local elections, the [Campaign Finance Disclosure Act of 2006](#) (CFDA) governs official committees of the Republican Party of Virginia. Official committees are referred to as "Political Party Committees" under the Act (and a Political Party Committee is one type of "Political Committee"). See [§ 24.2-945.1](#).

Political party committees must file a statement of organization and file quarterly and large contribution reports unless an exemption applies. See §§ [24.2-950.1](#), [24.2-950.6](#), [24.2-950.7](#).

The Department of Elections has prepared a useful [Political Party Summary of Laws and Policies](#) that describes the filing requirements.

Mandatory Reporting Committees

The following political party committees must always report:

- State political party committees
- Congressional District political party committees
- Unit political party committees for cities and counties with a population of 100,000 or more.
 - The population is determined from the most recent unadjusted United States decennial census. [§ 1-235](#).
 - The Weldon Cooper Center at UVA has a [helpful table of 2020 Census population for each city and county](#).
 - The following cities and counties must report based on the 2020 Census—Albemarle, Alexandria, Arlington, Chesterfield, Fairfax County, Hampton, Hanover, Henrico, Loudoun, Montgomery, Newport News, Norfolk, Prince William, Richmond City, Roanoke City, Spotsylvania, Stafford, and Virginia Beach.
 - The law is not clear regarding combined units, but any combined unit with a population of 100,000 or more should report. As of the 2020 census, none of our combined units had a large enough population.
- All political party committees that, in a calendar year, accept more than \$15,000 in contributions or make more than \$15,000 in contributions and expenditures.
 - Contribution means anything of value provided to a political committee for the purpose of expressly advocating the election or defeat of a clearly identified state or local candidate. §§ [24.2-945.1](#), [24.2-101](#). Volunteer services are excluded from the definition of contribution.
 - Expenditure means anything of value provided or disbursed by a political committee for the purpose of expressly advocating the election or defeat of a clearly identified state or local candidate. §§ [24.2-945.1](#), [24.2-101](#).

See [§ 24.2-950.1](#).

Exemption

An exemption applies to two types of committees so long as they remain at \$15,000 or less in contributions accepted and contributions and expenditures made:

- Legislative District Committees

- Unit Committees with a population of fewer than 100,000 in the 2020 Census.

As soon as a political party committee exceeds \$15,000 in contributions accepted or contributions and expenditures made, it must file a statement of organization, and its first report must include all receipts and disbursements for that calendar year. [§ 24.2-950.1](#).

Any committee that does not anticipate receiving contributions or making expenditures in excess of \$200 in a calendar year is also exempt. [§ 24.2-950.2](#).

Regular Reporting

Once a statement of organization has been filed, political party committees must file quarterly reports with all financial activity. They must also file “large dollar contribution reports” within three business days of receiving a contribution or loan of \$10,000 or more. [§ 24.2-950.7](#).

Committees that accept contributions or make expenditures of \$10,000 in any calendar year are required to file electronically.

Committees that do not meet that threshold may file using paper forms, but must file copies with both the general registrar for its jurisdiction and the Department of Elections. [§ 24.2-950.8](#).

For convenience and for its data validation tools, the Department of Elections’ [COMET](#) system for electronic filing should be used by all political party committees.

Other Requirements

Additional requirements related to bookkeeping, records retention, and specific rules about how expenditures can be made are outlined in the Code section on treasurer requirements and responsibilities. [§ 24.2-950.3](#).

Expenses must be paid by check or electronic debit from the Committee’s designated bank account. The treasurer or other authorized officer of the committee may be reimbursed, but the expense must be fully documented and include receipts identifying the nature of the expense and names and addresses of each person paid by the officer being reimbursed. (Petty cash funds may be maintained, but complete records are required; because of the recordkeeping requirements RPV recommends against maintaining such an account). Funds may be transferred to earn interest so long as all transferred funds and any interest are transferred back to the designated bank account before being expended.

Anonymous contributions may not be accepted. Even for contributions that do not need to be reported (because they do not exceed \$100), the Code requires that the name and address of the person making the contribution and its amount be recorded in the committee’s books.

Charitable gaming laws prohibit political committees from conducting raffles or other games of chance as fundraisers. [§ 18.2-340.15 et seq.](#)

Federal Elections

For federal elections, the [Federal Election Campaign Act of 1971](#) (FECA or the Act) governs official committees of the Republican Party of Virginia.¹ The Federal Election Commission (FEC or the Commission) has also promulgated regulations under FECA in [Title 11 of the Code of Federal Regulations \(CFR\)](#).

The FEC has prepared a useful [Campaign Guide for Political Party Committees](#) that describes the requirements of law, regulation, and other regulatory or enforcement guidance applicable to political parties.

The law distinguishes between party organizations and party committees. Official committees of the RPV are *party organizations* until they reach one of the thresholds described below and become a *political committee* triggering registration and reporting requirements.

Both party organizations and party committees are regulated, although only party committees must register and report.

Party Organizations

Party organizations, even before they meet a threshold that would require registration, are subject to several important rules regarding federal elections, most importantly, all funds raised and spent in connection with federal elections are subject to the amount limitations and source prohibitions of the Act. (Chapter 2 of the Guide describes these amount limitations and source prohibitions; Appendix B further details the rules that apply to party organizations, including accounting, recordkeeping and volunteer activities.)

This means that any party organization that intends to participate in federal elections must either:

- maintain a separate account for federally-permissible funds, or
- only accept donations that would be allowed under federal law. This means declining some donations that would be allowed under state law, but are over the federal limit or from an impermissible source.

Party Committee Filing Thresholds

The registration thresholds that turn a party organization into a party committee are:

¹ The [Federal Election Campaign Act of 1971 as amended](#) has been principally classified at [Chapter 301 of Title 52 of the U.S. Code](#). For convenience, this document uses citations to that classification and provides links to the US Code presented by the [Legal Information Institute of Cornell Law School](#).

- Raises more than \$5,000 in contributions per year (Funds specifically solicited or donated for the purpose of influencing federal elections count against this threshold, as do funds received in response to a solicitation that indicates receipts will be used to support or oppose a clearly identified federal candidate).
- Spends more than \$5,000 in exempt party activities per year (these are specifically defined activities, including but not limited to: slate cards and sample ballots that meet specific criteria, campaign materials to be distributed by volunteers such as yard signs and posters, and voter drives for presidential nominees that meet specific criteria).
- Makes more than \$1,000 in contributions to all Federal candidates combined per year (e.g., \$750 to a U.S. Senate nominee and \$750 to a U.S. House nominee).
- Spends more than \$1,000 in other expenditures per year (expenditures to influence a federal election that do not count as exempt party activities). [52 USC § 30101 \(4\)\(C\)](#)

Within 10 days of exceeding any of these thresholds, a party committee must file Form 1 - Statement of Organization with the FEC. [52 USC § 30103](#)

Political committees must file regular reports with the FEC and keep records to support those reports. [52 USC § 30104](#)

Political committees of the same party within a state are affiliated for purposes of contribution limits and candidate-related expenditures (for example, an individual donor has a limit of \$10,000 to Republican political committees; that individual could not give \$10,000 to RPV and another \$10,000 to a congressional district committee). [52 USC 30116\(a\)\(5\)](#)

Additional rules related to allocating expenses between federal and state accounts may also become relevant.

There are also rules prohibiting engaging in coordinated communications with a candidate committee.

An overview of all these different rules exceeds the scope of this guide. They are all detailed in the Campaign Guide referenced earlier in this section.

Practical Advice for Unit Committees

The Federal and state campaign finance requirements are complicated and can require considerable volunteer resources or paid contractors to ensure compliance. There are no shortcuts to compliance with the law, but this Guide presents four scenarios on how you might want to organize—

Low Dollar–Flexible Option

To spend small amounts in both Federal and state elections, a committee could open a single account and accept only federally-permissible funds, raising and spending less than \$5,000 each year. No reporting required.

High State–Limited Federal

To spend larger amounts on state and local races and carry out limited activity in Federal elections, a committee could open two bank accounts—one state and one federal. The first \$5,000 in permissible funds can be deposited into the Federal account. All other funds would be deposited into the state account. Federal activity would be funded from the Federal account. Only state reporting required.

Federal–Limited State Reporting

A committee can register and file at the Federal level. It can spend Federal funds on both Federal and state elections. It can maintain a separate state account for any funds that are not federally-permissible. If the state account remains below \$15,000 in a calendar year (and the unit doesn't meet the population threshold), it can avoid state reporting. State account funds can be spent for any state election purpose. Federal funds can be spent for Federal or state purposes. Only Federal reporting required (or minimal state reporting).

Maximum Options–Maximum Reporting

Committees can register and file at both levels and carry out as much activity as their fundraising can support. This option also allows for allocation of spending between federal and state accounts that can provide increased flexibility in Federal years. It has the highest and most complicated reporting burden.