

A Candidate's Guide to Campaign Finance in North Carolina

2020



NORTH CAROLINA
STATE BOARD OF ELECTIONS

1 CAMPAIGN FINANCE INFORMATION

The information provided in this part of the guide is relevant to candidates seeking offices in State, county and municipal elections. **Candidates filing for judicial and legislative seats must file all campaign finance reports with the State Board of Elections.** Only candidates for county or municipal offices will file campaign disclosure reports with their county boards of elections.

The statutes relevant to candidate campaign finance are included in Article 22A and Article 22M of Chapter 163 of the North Carolina General Statutes. These statutes may be reviewed at the following link:

<https://www.ncleg.gov/Laws/GeneralStatutes>

If legislative action or legal developments affect the information within this document, such changes will be noted and made available on the Campaign Finance section of the website of the State Board of Elections.

1.1 ORGANIZING THE COMMITTEE

A. When is a candidate required to set up a committee?

An individual must file organizational paperwork with the appropriate board of elections office within 10 days of whichever of these actions occurs first:

- any money is spent, any contributions or in-kind contributions are received in support of a candidacy; or
- a notice of candidacy; or
- a person is certified as the nominee of a political party for a vacancy.

The appropriate board of elections is the State Board if the candidate is running for statewide, judicial, or legislative office, and the county board if the candidate is running for a municipal or county office.

B. What forms are required in order to set up the committee?

The organizational paperwork must include:

- Statement of Organization-Candidate Committee (**CRO-2100A**)
- Certification of Financial Account Number Information (**CRO-3500**). Some banks will not set up an account for a committee until the committee is registered with the board of elections. In such a circumstance, a candidate shall provide the completed form as soon as the account is established.
- Organizational Report* (**CRO-1000, CRO-1100** and any additional forms required for detailed disclosure). The CRO-1100, "Detailed Summary," provides guidance as to what additional forms are required by citing each form number that corresponds to the listed transactions. Thus, for every line upon which a dollar amount has been entered, the form that must be filled out and submitted with the report is indicated in parentheses.

*If you are a candidate eligible to file a Certification of Threshold, the Organizational Report is not required. ([See the next section to determine Threshold eligibility.](#))

The organizational paperwork *should* also include the "Candidate Designation of Committee Funds" form (**CRO-3900**). This optional form is recommended to ensure the candidate's choice of committee fund distribution in the event that the candidate dies before the committee is closed.

C. What is meant by Certification of Threshold?

If a **county or municipal candidate** does not intend to raise or spend more than **\$1,000** in the election cycle, he or she may file a certification to that effect on the "Certification of Threshold" form (**CRO-3600**). As long as the committee remains under the threshold, the candidate does not have to file disclosure reports, which means that his or her organizational paperwork should consist only of CRO forms 2100A, 3500 and 3600.

Note: All monies raised or spent count towards the \$1,000 threshold, including money that the candidate spends out of pocket, in-kind contributions, loans etc.

A committee that intends to remain under the threshold must submit form CRO-3600 at the beginning of each election cycle OR upon organizing the committee (within the ten-day period allotted for submitting the organizational report). If a committee does not renew the certification by submitting a new CRO-3600 at the beginning of the next election cycle, the committee will be required to file disclosure reports.

Threshold committees that wish to close after the election must submit a Certification to Close Committee form, CRO-3400, by the end of the election year.

Please note that the option to file the Certification of Threshold is available **ONLY** to candidates seeking **county or municipal** offices. Candidates for legislative, judicial and statewide races are not eligible to file a Certification of Threshold.

D. What is treasurer training and who is required to complete the training?

Treasurer training is a mandatory course that provides instruction on campaign finance disclosure filing and compliance. The training is conducted in group sessions at the State Board of Elections and at regional locations at various times during the year. Training is also available online. Visit our website at www.ncsbe.gov/Campaign-Finance/training for details. All treasurers **MUST** complete treasurer training within three months of appointment and once every four years, regardless of the amount of money that is raised or spent. Treasurers for candidates that are eligible to file the Certification of Threshold must also complete the required training. *A schedule of upcoming training sessions is available at the end of this document and on the NCSBE website www.ncsbe.gov/Campaign-Finance/training.*

1.2 DISCLOSURE REPORTING

A. Are all candidates required to file disclosure reports?

MOST candidates are required to file disclosure reports. Only candidates for county or municipal offices that do not intend to raise or spend more than \$1,000 are eligible to file a Certification of Threshold and thus be exempt from filing disclosure reports.

While eligible candidates that file a Certification of Threshold are not required to file reports, all information pertaining to contributions and expenditures are required to be accurately maintained in the committee's records. This includes records of the candidate's personal spending on behalf of the campaign.

B. When are disclosure reports filed?

The State Board or county board of elections will provide notice before each report is due. For municipal elections, notices will be sent no fewer than five days and no more than 15 days before the due date. For all other elections, notices will be sent no fewer than five days and no more than 30 days before the due date. Notice will be sent to the treasurer of each candidate committee that is required to file. If a treasurer prefers to receive notices by email, he or she must check the box on the Statement of Organization – Candidate Committee (CRO-2100A). A treasurer that does not make the selection on the Statement of Organization will not receive notices by email.

The reporting schedule for 2020 State and County disclosure reports can be found at the following link.

<https://www.ncsbe.gov/Campaign-Finance/reporting-schedules>

2020 Reporting Schedule for statewide and county elections. This includes candidates participating in 2020 elections, Party Committees and State & County PACs.

Report Year	Report Name	Report Start Date	Report End Date	Report Due Date
2019	Year End Semi Annual	7/1/2019	12/31/2019	1/31/2020
2020	First Quarter Plus	1/1/2020	2/15/2020	2/25/2020
2020	Second Quarter	2/16/2020	6/30/2020	7/10/2020
2020	Third Quarter Plus	7/1/2020	10/17/2020	10/27/2020
2020	Fourth Quarter	10/18/2020	12/31/2020	1/12/2021

*The Mid-Year Semi Annual and Year-End Semi Annual reports are only due from candidates that are NOT participating in the 2020 elections.

2020	Mid-Year Semi Annual*	1/1/2020	6/30/2020	7/31/2020
2020	Year End Semi Annual*	7/1/2020	12/31/2020	1/29/2021

Report Year	Report Name	48 Hour Report Period	Report Due Date
2020	48-Hour Report Primary	2/16/2020 to 03/03/2020	within 48 Hours of receipt
2020	48-Hour Report General	10/18/2020 to 11/03/2020	within 48 Hours of receipt

48 Hour Reports are required to be filed within 48 hours if a contribution of \$1,000 or more is received during the 48 Hour Report Period.

C. What is included in a disclosure report?

All disclosure reports must include the Disclosure Report Cover form (CRO-1000), the Detailed Summary form (CRO-1100), and details for all contributions and expenditures occurring within the reporting period.

The Disclosure Report Cover is essential for showing the start and end dates of the transactions included, the type of report being submitted, and for providing a signature that attests to the truth of the report. A candidate/treasurer who signs a report must have completed the required training (unless the report is filed within the 90-day training grace period).

The Detailed Summary form is also required even if there has been no financial activity, in which case zeroes should be entered on the appropriate lines. However, if contributions have been received or expenditures made or debts incurred, then additional forms containing those transactions must be included with the report.

A helpful hint to remember when completing disclosure reports using our paper forms is that the Detailed Summary form (CRO-1100) serves as a forms guide as well as a summary of activity. The treasurer should refer to the transactions described on this form to determine which other forms, if any, are required to accompany the report. The required form for each transaction is noted on the same line as the transaction description.

This process is simpler for persons who use State Board software because the software generates the appropriate form for each transaction.

D. What methods are available for filing disclosure reports?

All committees may file disclosure reports electronically. Free software is available on the State Board website. All committees with a cumulative total of more than \$5,000 in contributions, in expenditures, or in loans to affect elections for statewide offices (governor, council of state, appellate judicial), are required by law to file reports electronically. G.S. § 163A-1418(j). Other candidates who have a cumulative total of more than \$10,000 in contributions, in expenditures, or in loans are required to file electronically. The Campaign Finance Remote Software can be downloaded from the State Board website at <http://www.ncsbe.gov/Campaign-Finance/reporting-software>. When filing electronically you are required

to send the report via email to the State Board of Elections and either hand deliver or send the Disclosure Report Cover with an original signature to the board of elections where your reports are filed (State or County).

A software manual, step-by-step instructions and new software instruction videos are available on our website <http://www.ncsbe.gov/Campaign-Finance/reporting-software>.

All other committees may file on paper forms. The Campaign Finance Reporting Forms can be found on the website at <http://www.ncsbe.gov/Campaign-Finance/reporting-forms>.

A series of questions and answer related to electronic filing is available at the end of this document.

E. Are there penalties for filing disclosure reports late?

Yes. Committees will be assessed civil penalties for reports that are not received or postmarked by the report due date.

A candidate committee report that does not affect a statewide election is penalized at \$50 per day up to a maximum of \$500. A candidate committee report that does affect a statewide election is penalized at a rate of \$250 per day up to a maximum of \$10,000. A report is considered to affect a statewide election if the committee made any contributions to or in support of a statewide candidate.

A committee's active status may be terminated for failure to file reports and pay assessed penalties. Once the committee's active status is terminated, the committee is not eligible to receive contributions or make expenditures.

F. Please remember, when submitting paperwork . . .

1. Forms can be typewritten or completed in blue or black ink (handwritten reports must not be completed in pencil).
2. Forms need not be stapled together.
3. Reports cannot be filed prior to the end of the reporting period.
4. Always enter the period start date and period end date on form CRO-1000.
5. A DATE and ORIGINAL signature are required on the Disclosure Report Cover (CRO-1000).

1.3 CAMPAIGN FINANCE LAW REGARDING CONTRIBUTIONS AND EXPENDITURES

A. What is the law regarding contributions?

- A contribution is anything of value given to support the candidate or candidate committee. Contributions include those received "in-kind," which are goods and services given to support a candidate or committee (for example, food contributed by individuals for fundraising events). Candidates required to file disclosure reports must report all contributions. Violations of the campaign finance laws could result in criminal or civil penalties.
- If a contributor contributes \$50 or less for the entire election period, that contributor's name, occupation, and contact information are not required to be reported. Such contributions may be reported on a form CRO-1205, which requires disclosure of only the date, amount, and form of payment. HOWEVER, please note that the treasurer must nevertheless collect that contributor's name, address and occupation. This information must be kept on file by the treasurer, since any contributor may eventually exceed \$50 and become subject to full disclosure.
- Only individuals, other NC political committees, and qualified entities may make contributions to a candidate committee. For "qualified entities," see G.S. §163-278.19(h).
- Effective January 1, 2019, the contribution limit is \$5,400 per election (except that candidates and their spouses may make unlimited contributions to the candidate's committee). The election period is:
 - January 1 of the previous year through the date of the primary.
 - the day after the primary through the day of the second primary (only for candidates on the ballot in the second primary), or
 - the day after the primary through December 31 of the election year.
- Contributions may be collected whether the candidate is opposed or unopposed in the election.

- Executive committees of political parties recognized under G.S. §163-96 may give unlimited contributions to the candidate's committee.
- Contributions from corporations, business entities, labor unions, professional associations, and insurance companies are prohibited. Unregistered political committees are also prohibited from making contributions.
- Anonymous contributions are prohibited. Whenever funds (contributions) are collected the committee must collect from each contributor his or her full name and mailing address. Anonymous "pass the hat" collections are prohibited. The contributor name and contact information MUST be collected by the committee even if the contributor name is not required to be reported. For all contributions in excess of \$50 in an election, the committee must also collect and report the contributor's job title or profession, and employer's name or employer's specified field of business activity. This includes funds raised through the sale of any good or service.
- All contributions of more than \$50 must be made with a verifiable form of payment. No cash contributions of more than \$50 may be accepted. This includes cash given to the campaign by the candidate.
- No contribution may be given in the name of another.
- All prohibited contributions are subject to forfeiture to the NC Civil Penalty and Forfeiture Fund. A person who knowingly receives prohibited contributions may also be subject to criminal or civil penalties.

B. What is the Law Regarding Expenditures?

- Candidate committees may only make expenditures for nine purposes:
 1. Expenditures resulting from the candidate's campaign for public office.
 2. Expenditures resulting from holding public office.
 3. Donations to an organization described in Section 170(c) of the Internal Revenue Code of 1986 (26 U.S.C. § 170(c)), provided that the candidate or the candidate's spouse, children, parents, brothers, or sisters are not employed by the organization.
 4. Contributions to a national, State, district or county committee of a political party or a caucus of the political party or an affiliated party committee.
 5. Contributions to another candidate or candidate's campaign committee.
 6. To return all or a portion of a contribution to the contributor.
 7. Payment of any penalties against the candidate or candidate's campaign committee for violation of North Carolina's Campaign Finance Laws.
 8. Payment to the Escheat Fund established by Chapter 116B of the General Statutes.
 9. Legal expense donation not in excess of four thousand dollars (\$4,000) per calendar year to a legal expense fund established pursuant to Article 22M of Chapter 163 of the General Statutes.
- If the candidate committee is required to file disclosure reports, all expenditures must be reported.
- Any expenditure that is made for **media** purposes must be paid for by check or other verifiable form of payment. All expenditures of more than \$50 must be made with a verifiable form of payment.
- Expenditures for non-media purposes that are less than \$50 may be reported without disclosing the payee. The report must still disclose the form of payment, date, amount, purpose and account code for the account from which the expenditure was made.

C. Helpful Hints...

- Do not "pass the hat" or collect any contributions, however small the amount, without recording the contributor name and contact information.
- Do not accept cash from a contributor in excess of \$50.
- Do not accept a contribution, including an "in-kind" contribution, from a business, corporation, professional association, labor union or insurance company.
- A person who purchases something from a candidate has made a contribution to that candidate's committee. All such contributions, however small, must be disclosed.
- Volunteers raising contributions on behalf of the committee must turn those over to the treasurer within seven days of receipt so that the records are current, as required by State law.
- Do not accept blank checks. The contributor must indicate the intended recipient on the payee line of the check.

1.4 MEDIA REQUIREMENTS

A. What is a legend?

A legend is the disclosure statement included on certain print media, TV and radio advertisements. When a disclosure legend is required, the legend must include the statement "Paid for by [Name of candidate, committee, individual or other entity]" and must indicate whether the ad was authorized or not authorized by a candidate (does not apply to ads purchased by candidates). See G.S. §163-278.39 for complete requirements.

B. What advertisements require the legend?

Newspaper ads, newspaper inserts, airplane streamers, pamphlets, billboards, sound truck advertising, portable signs (lighted or non-lighted; may be on wheels to be pulled around), periodicals, TV ads, radio ads, outdoor advertising facilities, magazines, cards of any size, fliers, mass mailings (20,000 or more households, cumulative per election, in a statewide election and 2,500 households, cumulative per election, in any other election).

C. What materials do not require the legend?

Buttons, bumper stickers, yard signs, window posters (approximately 14 x 22 inches and posters used in stores, on stakes in yards, etc.), barn posters made at generally no cost (3 x 5 ft.), campaign paraphernalia such as balloons, shopping bags, nail files, etc., imprinted with a campaign message.

D. Am I required to put the legend on a palm card/business card?

Yes.

E. What are the size requirements for the legend?

For print media, the legend must be 5% of the printed space of the ad or 12-point type, whichever is greater.

For television, the visual disclosure legend must be 4% of vertical picture height. Television advertisements that are paid for by a candidate or candidate campaign committee must contain an easily identifiable photograph of the candidate for at least two seconds appearing simultaneously with the visual disclosure legend.

For radio, the disclosure statement must last at least two seconds, provided the statement is spoken so that its contents may be easily understood.

F. What information must be included in the legend statement?

Please refer to the Media section in the Campaign Finance Manual that is available on the State Board of Elections website www.ncsbe.gov.

Mandatory Compliance Training

For NC Candidate, Party & Referendum Committee Treasurers
(This training is not for PACs or IE Committees*)

(Training is required once every four years for all NC Treasurers including those under the \$1,000 threshold)

2020 Mandatory In-Person – State and Regional Training Schedule

County	Date	Time	Location
A schedule of all regional training dates, times and locations is included with the candidate packet and is also available online at https://www.ncsbe.gov/Campaign-Finance/training .			

Complete instructions for registering and accessing the training website are included on the next page. The following are helpful tips to remember when attempting to register or complete the training.

The system may not immediately provide you with a listing of session dates to select from. If this happens, log-out and wait until the next day to log-in, the dates should appear. Some users experience an issue with launching the online training in the Google Chrome browser. If you experience this issue, log out of the training website and use another internet browser to access the training. This online course currently does NOT contain audio.

Attendees arriving more than 15 minutes after the session begins may not receive credit & will need to re-schedule.

The SBE reserves the right to cancel any session due to low registration, weather or other unforeseen reasons. Only attendees that pre-register will be notified of any possible cancellation.

To register for a Software Training in Raleigh or via phone:

Email your request to campaign.reporting@ncsbe.gov - one of our trainers will contact you to schedule a session.


***PAC's and IE Committees should visit www.ncsbe.gov/Campaign-Finance/training for their specialized schedule.**

How to Register & Complete Mandatory Compliance Training (on-line & in-person)



1. To access the training registration, type this link: <https://ncgov.csod.com/> in your Internet browser address bar.
2. To create an account, click “**Register – Click here to create account**” link.
3. Complete all *required fields to create your new account. First/Last Name, Email Address, User ID and Password are **required fields**. Click **Login (Recommended User ID is first initial followed by last name)**

(Password requirements: 8-20 characters, upper & lower case, alpha & numeric).

4. Click on the **VOTE** icon for your training: 
5. If you are unable to locate the **VOTE** icon indicated above, Search for the course by training title or keyword(s). Type ‘**Elect**’.
6. Click on the training title of your preference, **classroom** or **online**.
7. If a **classroom session** is selected, you will be taken to the next screen to **REQUEST** the session you would like to attend. **Troubleshooting:** The system may not immediately provide you with a listing of session dates to select from. If this happens, **log-out** and **wait until the next day to log-in**, the dates should then appear.
8. You will be prompted to complete a short form for reporting purposes. Full Name, Phone Number, Address, and Email Address are **required fields**. All other fields should be completed **if they apply**. Click on **SUBMIT**.

NCSBE - NC State Board of Elections Details	
Full Name:	<input type="text"/>
Email:	<input type="text"/>
Phone Number:	<input type="text"/>
Address:	<input type="text"/>
NCSBE - First Committee Candidate Name:	<input type="text"/>
NCSBE - First County Name:	<input type="text"/>
NCSBE - Second Committee Candidate Name:	<input type="text"/>
NCSBE - Second County Name:	<input type="text"/>
NCSBE - Third Committee Candidate Name:	<input type="text"/>
NCSBE - Third County Name:	<input type="text"/>

9. If **online training** is selected, you will be taken to the next screen, select **REQUEST**.
 - Select **REGISTER**. (The system will process your registration.)
 - Select **LAUNCH**. The course will proceed to load in a new window.
 - There is no audio for the on-line training.

Online Course Troubleshooting Notes:

- Do Not use Google Chrome as your web browser - Internet Explorer or Firefox will work for most users.
 - Ensure all slides are viewed and the last slide plays out automatically.
 - If you experience problems with the course launching, please ensure your browser pop-up blocker is turned off for this site. You may also get prompted to update or enable Adobe Flash Player, which is required.
10. If you need to return to the course or after you have completed the course (either on-line or in-person) you will use the user ID & password that you created to log back in to view and print your certificate from the transcript page.

For additional assistance please email campaign.reporting@ncsbe.gov or visit website at: <http://www.ncsbe.gov/Campaign-Finance>

Persons that do not register for training via this on-line LMS will not receive credit for training!

Mandatory Electronic Filing - Frequently Asked Questions

Q1. I am expecting to have very little activity for my election. Do I still need to file my reports electronically?

Any committee that raises or spends in excess of \$10,000.00 in an election cycle will be a mandatory electronic filer. Any committee that does not exceed the \$10,000.00 limit will not be expected to file their reports electronically, but can certainly file them voluntarily.

Q2. What are the benefits of filing electronically?

The software performs all of the calculations for you thereby making your reports more accurate and less time consuming for the user. In addition, the software maintains a database of all contributors and payees which also saves time by eliminating the need to enter repetitive information.

Q3. How do I obtain the reporting software?

The Campaign Finance Remote Software (CFRS) is available on the State Board of Elections website at www.ncsbe.gov/Campaign-Finance/reporting-software. The software is available for download. There are also short instructional videos, a manual and help topics that will get you started.

Q4. I have a really old pc (dial-up, tablet, Mac), will this software work on my device?

The Reporting software is a stand-alone application built for the Windows operating system; there is no support for setting up the application to run over a network. The following Windows operating platforms are supported, but the software will operate on various Windows operating platforms (including Windows 10):

- Windows XP SP3
- Windows 7 32bit

Q5. When is the best time to start using the software?

You can start at any time but it's easier to start at the beginning of a committee or the beginning of an election cycle so that your election totals are correct.

Q6. Is there a form that I need to file with the BOE indicating that I am planning to exceed \$10,000?

No, once a committee exceeds \$10,000 they are expected to start using the software and filing future reports electronically.

Q7. Can I create a pdf file and email that in as my electronic filing?

No. A pdf is not the correct format for electronic filing. Your electronically filed report must be imported into the State Board of Elections and Ethics Enforcement internal software, and so we need a data file.

Q8. Why am I emailing my electronic reports to the State? I am a municipal/county candidate.

Currently we do not have internal software that the County Boards of Election can use, and so they are unable to accept and process electronic reports. All electronic reports will be made available on the NCSBE website, and the county boards will provide a link to each committee on their website.

Q9. How can I determine that my electronic report was received?

A reply email is sent for each report that is filed electronically and all electronic reports will be available on the NCSBE website. The website is updated each evening with all reports that have been imported for the day. You can search for your report by selecting Campaign Finance – Report Search.

Q10. I heard that the state was working on web based software. Is that available?

We do not anticipate the new software being available during the 2020 election.

Q11. Do I still need to file a signed cover page manually if I have filed an electronic report?

Yes. The law requires that reports are filed under an original signature, so you must file a signed Disclosure Report Cover with your State or County Board of Elections.

Q12. We are planning to have three very large fundraisers. Will I be able to assist my treasurer with data entry duties using this software?

Unfortunately, the software is a stand-alone application which cannot easily be shared between users. Downloading the software to a laptop which can be shared between users is what we would recommend.

Q13. What happens if a committee exceeds \$10,000.00 and doesn't file their reports electronically?

Hardcopy reports reflecting that a committee has exceeded the \$10,000.00 limit will be processed as "report not received" until that report is properly filed electronically. Reports filed late or not received are assessed daily penalties.

Q14. If I want to receive training for the software, how do I register my interest?

Software training is provided at the NCSBE office, on a one to one basis. If enough interest is generated, we may be able to offer software training workshops. There are currently no plans to offer regional software training. There are short instructional videos, a manual and help topics that will get you started on the software page of the NCSBE website. <http://www.ncsbe.gov/Campaign-Finance/reporting-software>

Register your interest in software training by emailing campaign.reporting@ncsbe.gov. You can also use this email address if you have any related questions.

Q15. If I have questions about how to use the software, who should I ask?

You should call or email your questions to NCSBE at 919-814-0700 or campaign.reporting@ncsbe.gov.