



NORTH CAROLINA STATE BOARD OF ELECTIONS

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February 4, 2019

Via First Class Mail

Dear Committee Officer,

As we conclude another busy election cycle, please take a moment to determine the current and future status of your political committee. Committees have several options – these options impact your committee’s ongoing obligation to complete and file disclosure reports during the 2020 election cycle.

Committee Closes

Committees that do not wish to continue fundraising or making expenditures may choose to close their committee. The committee must make sure that:

- All funds must be expended and reported, and the committee bank account must be at a zero balance;
- All debts and obligations must be satisfied;
- All outstanding loans must be repaid or forgiven;
- A Final Report must be filed that discloses any contributions and expenditures made or received since the end date of the committee’s last filed disclosure report; and
- A Certification to Close form (CRO-3400) must be filed with the Final Report.

NOTE: For Candidate Committees only, please remember that all funds remaining in the committee account must be spent in accordance with N.C.G.S. § 163A-1433 (also cited as N.C.G.S. § 163-278.16B).

Once a committee is closed, in order to return to active status, the committee must submit a new organizational report – including a new Statement of Organization, Certification of Treasurer, Certification of Financial Accounts, and Organizational Disclosure Report.

Committee Remains Active

Committees that will continue to raise and spend money must remain in an active status. No forms are required; you will automatically receive a notice of report due for the 2019 Mid-Year Semi Annual Report, due no later than July 26, 2019.

Relevant Statute: N.C.G.S. §163A-1418 (also cited as N.C.G.S. §163-278.9).

Committee Becomes Inactive

A committee that has funds remaining in their bank account and has plans to resume fundraising and spending in the future may choose to change its status to inactive. Unlike a committee that chooses to close, an inactive committee can retain funds in the committee bank account during the period of inactivity. During the period a committee is inactive, it is not eligible to receive contributions or make expenditures. Also, it is not required to file disclosure reports until activity resumes.

NOTE: The Certification of Inactive Status form (CRO-3200) must be filed with a Disclosure report. You may file a form CRO-3200 with the 2019 Mid Year Semi Annual Report, which may be submitted no earlier than July 1, 2019, and is due no later than July 26, 2019.

Once a committee becomes inactive, in order to return to active status, the committee must submit a Certification to Return to Active form (CRO-3300). The committee cannot accept any contributions or make any expenditures until this form is received by the appropriate Board of Elections office.

Relevant Statute: N.C.G.S. § 163A-1420 (also cited as N.C.G.S. § 163-278.10).

Committee Files Under Threshold

The threshold status is ONLY available to Political Party Committee and County/Municipal Candidate Committees.

If a Party Committee does not intend to raise over \$1,000.00 or spend over \$1,000.00 for the 2020 Election Cycle, it may complete and file a Certification of Threshold form (CRO-3600). By completing this form, the committee is exempt from filing disclosure reports for this election cycle, which started on January 1, 2019 and ends on December 31, 2020.

Please be aware of the following key points and requirements:

- This form must be filed no later than **February 19, 2019;**
- Threshold status does not carry over from one Election Cycle to the next;
NOTE: Any committee that had threshold status during the 2018 Election Cycle must submit a new form for this Election Cycle.
- All Party Committees that do not file a Certification of Threshold will be considered active and will be required to file all regularly scheduled reports.
- The committee must keep internal records of ALL contributions and expenditures. This information should be in a format that is readily available to Board of Elections staff upon request. **Failure to maintain these records could result in the forfeiture of contributions.**

If the committee files a *Certification of Threshold* form and later exceeds \$1,000.00 in receipts or expenditures during the election cycle, the committee must

immediately notify the appropriate Board of Elections by filing the Certification of Threshold and marking the section for withdrawing from the threshold status. It would then file the next scheduled Disclosure report. **NOTE:** This report must contain all committee receipts and expenditures from the beginning of the election cycle.

Relevant Statute: N.C.G.S. §163A-1421 (also cited as N.C.G.S. §163-278.10A).

If you have any questions about the status options described above, please contact the State Board of Elections. **It is extremely important to understand that your committee must follow the requirements of the status it designates. Failure to do so could result in criminal and civil penalties.**

Mandatory Electronic Filing

Effective January 1, 2017, all committees that raise or spend more than \$10,000.00 during an Election Cycle are required to file reports electronically. Many committees started electronic filing during the last two years.

NOTE: Effective with the 2019 Mid Year Semi Annual Report, committees that fail to report electronically when required may be subject to a civil penalty.

The 2019 Mid Year Semi Annual Report is the first report in the election cycle for most committees. If your intent is to file electronically for the 2020 Election Cycle, you are strongly encouraged to consider electronically filing this report.

For the last reporting period, the State Board of Elections received reports electronically from over 1,200 committees. If you have never filed electronically, please consider downloading the Campaign Finance Remote Software now, and familiarizing yourself with the various processes.

NOTE: Software and help topics are available on our website at www.ncsbe.gov under Campaign Finance, Reporting Software.

Relevant Statute: N.C.G.S. § 163A-1418 (also cited as N.C.G.S. § 163-278.9).

Officer Changes

Please remember, you must notify the appropriate Board of Elections office of any change to treasurer, assistant treasurer or custodian of books within ten days of that change. You must notify by completing and filing an amended Statement of Organization (CRO-2100).

NOTE: Please ensure that you choose the correct version of this form (A – G) based on the type of Committee (Candidate, Party, etc.).

Relevant Statute: N.C.G.S. §163A-1412 (also cited as N.C.G.S. §163-278.7).

Maximum Contribution Increase

There is an important update regarding the maximum contribution limitation. The State Board of Elections is required to evaluate the maximum contribution limitation every two years pursuant to 163-278.13 (a1). The maximum contribution limitation as of January 1, 2019 is \$5,400 and remains in effect through December 31, 2020.

Questions about any of the above items may be directed to the State Board of Elections Disclosure Department either by telephone at 919-814-0700 or by email to campaign.reporting@ncsbe.gov.

Sincerely,

A handwritten signature in cursive script that reads "Sheryll Harris".

Sheryll Harris
Compliance & Disclosure Manger