

TEXAS ETHICS COMMISSION

DIRECT CAMPAIGN EXPENDITURES DAILY PRE-ELECTION REPORT

FORM DAILY-E DCE – INSTRUCTION GUIDE

To Report Activity Occurring on or after ~~DDDU~~, 202



Revised ~~DDDU~~, 202

Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711

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Promoting Public Confidence in Government

FORM DAILY-E DCE – INSTRUCTION GUIDE

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These instructions are for the DIRECT CAMPAIGN EXPENDITURES DAILY PRE-ELECTION REPORT (FORM DAILY-E DCE). FORM DAILY-E DCE includes a cover sheet and Schedules F1, F2, F4, and T. All filers must submit the cover sheet, but only the schedules on which there is information to report need to be included.

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GENERAL INSTRUCTIONS

IMPORTANT UPDATES

Increased Disclosure Thresholds

As directed by section 571.064 of the Texas Government Code, the Commission is required to annually adjust certain reporting thresholds upward to the nearest multiple of \$10 in accordance with the percentage increase for the previous year in the Consumer Price Index for Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor.

These changes will be made effective January 1st of each calendar year; the affected numbers and corresponding new thresholds are located in 1 T.A.C. §18.31, which can be found here: <https://www.ethics.state.tx.us/rules/>. The higher itemization thresholds will be reflected on the paper forms and in these instructions, as applicable.

Verify that you are using the correct thresholds and forms that apply to your filing. For example, if you are filing a campaign finance report or lobby activities report that is due in January of 2021, you must use the forms and instructions that are applicable to the period ending December 31, 2020.

ELECTRONIC FILING

All persons filing campaign finance reports with the Texas Ethics Commission (Commission) are required to file those reports electronically unless the person is eligible to claim an exemption. Check the Commission's website at <https://www.ethics.state.tx.us> for more detailed information about electronic filing.

FILLING OUT THE FORMS

All reports filed on paper must be either handwritten in ink or typewritten. If you complete the report by hand, print everything other than your signature.

Always file the cover sheet of the campaign finance report form. You need to file only those schedules on which you have information to report.

A special pre-election report that is exempt from the electronic filing requirement is not required to be on a form prescribed by the Commission; it may be on regular stationery.

You must keep an exact copy of each report filed and all records necessary to complete the report for at least two (2) years after the deadline for filing the report.

If you have questions, call our office at (512) 463-5800.

TEXAS ETHICS COMMISSION GUIDES

The Commission publishes a Campaign Finance Guide for each type of filer. These guides are designed to explain your responsibilities as a filer. The Commission encourages you to read the

appropriate guide *before* you begin accepting political contributions or making or authorizing political expenditures.

PHOTOCOPIES OF FORMS

You may use photocopies of Commission forms. For example, if the space provided on Schedule F1 is insufficient, you may make copies of a blank Schedule F1 form and attach more pages as needed.

FILING DATE

A special pre-election report filed electronically must be received by the Commission no later than midnight of the first business day after the direct campaign expenditure is made. A special pre-election report that is filed on paper must be received by the Commission no later than 5 p.m. of the first business day after the direct campaign expenditure is made.

DIRECT CAMPAIGN EXPENDITURES DAILY PRE-ELECTION REPORT

These instructions are for persons, not acting in concert with another person, reporting the making of one or more direct campaign expenditures in an election from the person's own property using the DIRECT CAMPAIGN EXPENDITURES DAILY PRE-ELECTION REPORT (Form DAILY-E DCE). A complete report includes the cover sheet, and any of the following schedules on which there is information to report: F1, F2, F4, and T.

GENERAL INFORMATION

Use Form DAILY-E DCE to disclose making direct campaign expenditures supporting or opposing a candidate or candidates during the reporting period beginning the ninth day before election day and ending at 12 noon on the day before election day if the direct campaign expenditures exceed:

- \$2,020 in the aggregate to support or oppose a single candidate; or
- \$28,330 in the aggregate to support or oppose a group of candidates.

Direct campaign expenditures disclosed on this report must be disclosed again on the filer's next required report.

DIRECT CAMPAIGN EXPENDITURE DEFINITION

A "direct campaign expenditure" is a campaign expenditure that does not constitute a contribution by the person making the expenditure. A campaign expenditure is not a contribution from the person making the expenditure if:

- (A) it is made without the prior consent or approval of the candidate or officeholder on whose behalf the expenditure was made; or
- (B) it is made in connection with a measure, but is not a political contribution to a political committee supporting or opposing the measure.

Example: If you made an expenditure to prepare and distribute an endorsement letter in support of a candidate and you *did not get the candidate's approval* before you made the expenditure, you made a **direct campaign expenditure**. However, if you asked for and received the candidate's approval before making the expenditure, you made an in-kind contribution to the candidate.

WHERE TO FILE

A person making direct campaign expenditures must file this form with the Commission.

For more information, see the *Campaign Finance Guide for Political Committees*.

COMPLETING THE COVER SHEET

Each numbered item in these instructions corresponds to the same numbered item on the form.

- 1. FILER ID:** The Commission assigned a filer identification number when you contacted the Commission regarding filing a Form DCE. Enter this number wherever you see “Filer ID.”
- 2. TOTAL PAGES FILED:** After you have completed the form, count the total number of pages of this form and any attached schedules. Enter that number where indicated on the top line of page 1 only. Each side of a two-sided form counts as one page.
- 3. FILER NAME:** Enter the filer’s full name.
- 4. FILER ADDRESS:** Enter the filer’s complete mailing address.

SCHEDULE F1: POLITICAL EXPENDITURES

These instructions are for filers using SCHEDULE F1: POLITICAL EXPENDITURES to report direct campaign expenditures.

Use this schedule to disclose information about direct campaign expenditures from your own property for direct campaign expenditures that were made during the reporting period. Do not enter on this schedule unpaid incurred obligations or expenditures made by credit card. (Report unpaid incurred obligations on Schedule F2; report expenditures made by credit card on Schedule F4.)

Expenditures Made by Credit Card: You must disclose expenditures charged to a credit card on Schedule F4 and not on this schedule. When you pay the credit card bill, you must disclose the payment to the credit card issuer on Schedule F1 (used for political payments from political contributions). See instructions for Schedule F4: Expenditures Made by Credit Card for more information.

Itemization: You must enter direct campaign expenditures made during a reporting period that exceed \$2,020 in the aggregate to support or oppose a single candidate, or \$30,330 in the aggregate to support or oppose a group of candidates.

If the filer made more than one expenditure to the same payee, the total of which exceeded \$2,020 to support or oppose a single candidate, or \$30,330 to support or oppose a group of candidates, enter each expenditure separately. Direct campaign expenditures disclosed on this report must be disclosed again on the filer's next required report.

Notice to Candidates and Officeholders: If you made direct campaign expenditures in support of a candidate or officeholder, you should provide written notice to the candidate or officeholder who benefits from your activity. The notice should be given before the end of the reporting period during which you made the political expenditures. The notice should inform the person that you have made political expenditures on his or her behalf, and it should include your full name and complete address (street address or P.O. Box, city, state, and zip code).

Each numbered item in these instructions corresponds to the same numbered item on the form.

- 1. TOTAL PAGES SCHEDULE F1:** After you have completed Schedule F1, count the total number of pages. Each side of a two-sided form counts as one page.
- 2. FILER NAME:** Enter the filer's full name.
- 3. FILER ID:** See instructions for cover sheet, section 1.
- 4. DATE:** Enter the date the expenditure was made. Remember: expenditure obligations you incurred in this reporting period **but have not yet paid** are now entered on Schedule F2. Expenditures made by credit card are entered on Schedule F4.
- 5. PAYEE NAME:** Enter the full name of the person to whom the expenditure was made.

Note: If you make an expenditure for goods or services to benefit a candidate, officeholder, or other committee, enter the name of the vendor who sold the goods or services to you. Do

not enter the name of the person for whose benefit you made the expenditure. Include that information under Section 8, “Purpose of Expenditure.”

6. AMOUNT: Enter the exact amount of the expenditure.

“Expenditure from corporate funds” box: Check this box to indicate an expenditure paid in full or in part from contributions received from corporations or labor organizations.

7. PAYEE ADDRESS: Enter the complete address of the person to whom the expenditure was made.

8. PURPOSE OF EXPENDITURE: You must disclose the purpose of the expenditure in two parts: Category and Description. Merely disclosing the category of goods, services, or other thing of value for which the expenditure was made does not adequately describe the purpose of an expenditure.

(a) Category: Select a category of goods, services, or other thing of value for which an expenditure is made. If none of the listed categories apply, select “Other” and enter your own category. Examples of acceptable categories include:

Advertising Expense

Accounting/Banking

Consulting Expense

Contributions/Donations Made By Candidate/Officeholder/Political Committee

Credit Card Payment

Event Expense

Fees

Food/Beverage Expense

Gifts/Awards/Memorials Expense

Legal Services

Loan Repayment/Reimbursement

Office Overhead/Rental Expense

Polling Expense

Printing Expense

Salaries/Wages/Contract Labor

Solicitation/Fundraising Expense

Transportation Equipment and Related Expense

Travel In District

Travel Out Of District

Other (Enter your own category, if none of the listed categories apply)

(b) Description: Enter a brief statement or description of the campaign activity that was conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure. State whether the expenditure was to support or oppose a candidate, officeholder, political party, or ballot measure, and identify the candidate, officeholder, political party, or ballot measure.

"Check if travel outside of Texas" box: Check this box if the expenditure was for travel outside of Texas. The description of a political expenditure for travel outside of Texas must include detailed information. Report this information on Schedule T.

"Check if Austin, TX, officeholder living expense" box: For expenditures made on or after July 1, 2014, check this box if the expenditure is an officeholder expense for living in Austin, Texas.

For examples of acceptable ways to disclose the purpose of an expenditure, including both a description of the category of goods or services received in exchange for the expenditure and a brief statement or description of the campaign activity that is conducted by making the expenditure, see the "Examples: Purpose of Expenditures" on page 13.

- 9. DIRECT EXPENDITURE TO BENEFIT CANDIDATE/OFFICEHOLDER:** If the filer made a direct campaign expenditure to benefit a candidate or officeholder, enter the full name of the candidate or officeholder and the name of the office sought or held, including the district, precinct, or other designation of the office, as applicable. (Attach additional sheets to list multiple candidates.) Do not complete this section if the direct campaign expenditure was made for an election on a measure.

SCHEDULE F2: UNPAID INCURRED OBLIGATIONS

These instructions are for filers using SCHEDULE F2: UNPAID INCURRED OBLIGATIONS to report direct campaign expenditures.

Use this schedule to disclose information about obligations to make a direct campaign expenditure that you incurred during the reporting period but have not yet paid. Do not enter on this schedule obligations that were incurred and paid or expenditures made by credit card during the reporting period. (Report obligations incurred and paid during the reporting period on Schedule F1; report expenditures made by credit card on Schedule F4.)

Notice to Candidates and Officeholders: See the instructions for Schedule F1.

Itemization: You must enter direct campaign expenditures obligations incurred during a reporting period that exceed \$2,020 in the aggregate to support or oppose a single candidate, or \$30,330 in the aggregate to support or oppose a group of candidates.

If you incurred more than one obligation to the same payee, the total of which exceeded \$2,020 to support or oppose a single candidate, or \$30,330 to support or oppose a group of candidates, enter each expenditure separately. Direct campaign expenditures disclosed on this report must be disclosed again on your next required report.

Each numbered item in these instructions corresponds to the same numbered item on the form.

- 1. TOTAL PAGES SCHEDULE F2:** After you have completed Schedule F2, count the total number of pages. Each side of a two-sided form counts as one page.
- 2. FILER NAME:** Enter the filer's full name.
- 3. FILER ID:** See instructions for cover sheet, section 1.
- 4. TOTAL OF UNITEMIZED UNPAID INCURRED OBLIGATIONS:** Do not complete this section. All direct expenditures that meet the thresholds for daily reporting must be itemized.
- 5. DATE:** Enter the date you incurred the expenditure obligation. Remember: Political expenditure obligations you incurred *and* paid in this reporting period are entered on Schedule F1.
- 6. PAYEE NAME:** Enter the full name of the payee of the expenditure obligation.
- 7. AMOUNT:** Enter the amount of the incurred expenditure obligation.
- 8. PAYEE ADDRESS:** Enter the complete address of the payee of the expenditure obligation.
- 9. TYPE OF EXPENDITURE:** This section does not apply to you. You may leave this section blank, or check the "Political" box.
- 10. PURPOSE OF EXPENDITURE:** See instructions for Schedule F1, section 8.

