
2008
*GUIDEBOOK FOR
CANDIDATE COMMITTEES*



*State of Hawaii
Campaign Spending Commission*

July, 2008

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This guidebook is provided as a reference and informational source. It should not be construed to constitute legal advice or authority. Readers should consult the Hawaii Revised Statutes and other sources for a complete and legal basis of the law or seek assistance from the Commission, or a Hawaii licensed attorney.

**SCHEDULE OF REPORTING DATES FOR
STATE SENATE, HONOLULU MAYOR, HONOLULU PROSECUTING
ATTORNEY, HONOLULU CITY COUNCIL, HAWAII MAYOR, HAWAII PROSECUTING
ATTORNEY, KAUAI PROSECUTING ATTORNEY, OHA AND BOE
CANDIDATES RUNNING IN THE 2008 ELECTION**

(Revised June, 2007)

REGISTRATION DEADLINES

Organizational Report

The Organizational Report must be filed within ten days of filing nomination papers for office or within ten days of the date the candidate or candidate's committee receives contributions or makes expenditures that amount to more than \$100 in the aggregate during the applicable election period, whichever occurs first. The report must include the amount, name and address of each person who contributed more than \$100 since the last election for the office being sought. (HRS, Section 11-194 and 11-196)

Affidavit To Voluntarily Agree With Campaign Expenditure Limits (Form CC-2)

The Affidavit must be filed no later than the candidate's filing of nomination papers with the chief election officer or county clerk. (HRS, Section 11-208)

Statement Of Intent To Seek Public Funds (Form CC-4)

The Statement must be filed before contributions can be considered qualifying campaign contributions for the purpose of receiving matching public funds. There is no specific deadline for filing the Statement. (HRS, Section 11-220)

REPORTING DEADLINES

(HRS, Sections 11-207.5, 11-212, 11-213, 11-222 and 11-224)

<u>DATE REPORT DUE</u>	<u>REPORTING PERIOD</u>	<u>REPORT</u>
<input type="checkbox"/> January 28, 2005	November 3-December 31, 2004 (This is the first report for the 2008 election period. Column B of the Disclosure Report should reflect activity during the period from November 3, 2004 through November 4, 2008.)	Supplemental
<input type="checkbox"/> July 29, 2005	January 1-June 30, 2005	Supplemental
<input type="checkbox"/> January 30, 2006	July 1-December 31, 2005	Supplemental
<input type="checkbox"/> July 28, 2006	January 1-June 30, 2006	Supplemental
<input type="checkbox"/> January 30, 2007	July 1-December 31, 2006	Supplemental
<input type="checkbox"/> July 31, 2007	January 1-June 30, 2007	Supplemental
<input type="checkbox"/> January 31, 2008	July 1-December 31, 2007	Supplemental
<input type="checkbox"/> July 31, 2008	January 1-June 30, 2008	1 st Preliminary Primary
<input type="checkbox"/> September 10, 2008	July 1-September 5, 2008	2 nd Preliminary Primary

- | | | |
|---|--------------------------------|--|
| <input type="checkbox"/> September 17, 2008 | September 6-September 16, 2008 | Late Contributions
(The "Late Contributions Report" is for reporting contributions from any person or entity that aggregates more than \$500 that are received by a candidate during the period of fourteen calendar days through four calendar days prior to the <u>Primary Election</u> . Late Contributions must also be reported on the Final Primary Report. <u>The report is not required if there are no Late Contributions.</u>) |
| <input type="checkbox"/> October 10, 2008 | September 6-20, 2008 | Final Primary |
| <input type="checkbox"/> October 10, 2008 | January 1-September 20, 2008 | Expenditures of Public Funds
(Required by candidates who received public funds for the <u>Primary Election</u> .) |
| <input type="checkbox"/> October 27, 2008 | September 21-October 20, 2008 | Preliminary General
(For candidates that won in the Primary Election and advanced to the General Election. This report is not required for candidates that lost or were elected to office in the Primary Election. See the Final Election Period Report.) |
| | <u>or</u> | |
| <input type="checkbox"/> October 27, 2008 | January 1-October 20, 2008 | Preliminary General
(This is the first election-year report for candidates that are running for the Office of Hawaiian Affairs and for candidates whose names did not appear on the Primary Election ballot but will appear on the General Election ballot.) |
| <input type="checkbox"/> November 3, 2008 | October 21-October 31, 2008 | Late Contributions
(The "Late Contributions Report" is for reporting contributions from any person or entity that aggregates more than \$500 that are received by a candidate during the period of fourteen calendar days through four calendar days prior to the <u>General Election</u> . Late Contributions must also be reported on the Final Election Period Report. <u>The report is not required if there are no Late Contributions or if a candidate lost or was elected to office in the Primary Election.</u>) |
| <input type="checkbox"/> December 4, 2008 | October 21-November 4, 2008 | Final Election Period
(For candidates that filed the Preliminary General Report.) |
| | <u>or</u> | |
| <input type="checkbox"/> December 4, 2008 | September 21-November 4, 2008 | Final Election Period
(For candidates that lost or were elected to office in the Primary Election and who did not file the Preliminary General Report.) |
| | <u>or</u> | |
| <input type="checkbox"/> December 4, 2008 | January 1-November 4, 2008 | Final Election Period
(For candidates whose aggregate contributions <u>and</u> aggregate expenditures for the election period total \$1,000 or less. All previous reports, with the exception of the Organizational Report, are not required to be filed.) |
| <input type="checkbox"/> December 4, 2008 | January 1-November 4, 2008 | Expenditures of Public Funds
(Required by candidates who received public funds for the <u>General Election</u> .) |
| <input type="checkbox"/> December 4, 2008 | LAST DAY TO APPLY | Application For Public Funds
Primary/1 st Special Election Matching Payment Period - 1/1/08 - 9/20/08
General/2 nd Special Election Matching Payment Period - 1/1/08 - 11/4/08 |

At the conclusion of the 2008 election period, candidates with a surplus or deficit must continue reporting with the Commission until the surplus has been disbursed or the deficit has been cleared. The first report for the 2012 election period is the Supplemental Report due on February 2, 2009, covering the period from November 5 through December 31, 2008.

The candidate committee may terminate its registration and reporting requirements by filing the "Request For Registration Termination" form, if the candidate committee has no surplus or deficit and the Commission approves the request.

**SCHEDULE OF REPORTING DATES FOR
STATE HOUSE, KAUAI MAYOR AND NEIGHBOR ISLAND COUNTY COUNCIL
CANDIDATES RUNNING IN THE 2008 ELECTION**

(Revised July, 2008)

REGISTRATION DEADLINES

Organizational Report

The Organizational Report must be filed within ten days of filing nomination papers for office or within ten days of the date the candidate or candidate's committee receives contributions or makes expenditures that amount to more than \$100 in the aggregate during the applicable election period, whichever occurs first. The report must include the amount, name and address of each person who contributed more than \$100 since the last election for the office being sought. (HRS, Section 11-194 and 11-196)

Affidavit To Voluntarily Agree With Campaign Expenditure Limits (Form CC-2)

The Affidavit must be filed no later than the candidate's filing of nomination papers with the chief election officer or county clerk. (HRS, Section 11-208)

Statement Of Intent To Seek Public Funds (Form CC-4)

The Statement must be filed before contributions can be considered qualifying campaign contributions for the purpose of receiving matching public funds. There is no specific deadline for filing the Statement. (HRS, Section 11-220)

REPORTING DEADLINES

(HRS, Sections 11-207.5, 11-212, 11-213, 11-222 and 11-224)

<u>DATE REPORT DUE</u>	<u>REPORTING PERIOD</u>	<u>REPORT</u>
<input type="checkbox"/> January 30, 2007	November 8-December 31, 2006 (This is the first report for the 2008 election period. Column B of the Disclosure Report should reflect activity during the period from November 8, 2006 through November 4, 2008.)	Supplemental
<input type="checkbox"/> July 31, 2007	January 1-June 30, 2007	Supplemental
<input type="checkbox"/> January 31, 2008	July 1-December 31, 2007	Supplemental
<input type="checkbox"/> July 31, 2008	January 1-June 30, 2008	1 st Preliminary Primary
<input type="checkbox"/> September 10, 2008	July 1-September 5, 2008	2 nd Preliminary Primary
<input type="checkbox"/> September 17, 2008	September 6-September 16, 2008 (The "Late Contributions Report" is for reporting contributions from any person or entity that aggregates more than \$500 that are received by a candidate during the period of fourteen calendar days through four calendar days prior to the <u>Primary Election</u> . Late Contributions must also be reported on the Final Primary Report. <u>The report is not required if there are no Late Contributions.</u>)	Late Contributions
<input type="checkbox"/> October 10, 2008	September 6-20, 2008	Final Primary

INTRODUCTION
(last updated 7-25-08)

The Campaign Spending Commission ("Commission") has prepared this guidebook pursuant to section 11-193(a)(2), Hawaii Revised Statutes ("HRS"), to assist candidates in complying with the reporting requirements of the campaign spending law. Also available is the "Treasurer's Manual" to assist campaign treasurers with developing and maintaining an organized recordkeeping system for contributions and expenditures.

Getting Help

Oahu Candidates:

The office of the Commission is open from 7:45 a.m. to 4:30 p.m., Monday through Friday. The office is closed on regular state holidays. If there are any questions regarding the reporting requirements or the Candidate Filing System, please contact our office or visit our website:

Website: www.hawaii.gov/campaign

Campaign Spending Commission
Leiopapa A Kamehameha Building
235 South Beretania Street, Room 300
Honolulu, Hawaii 96813

Telephone: (808) 586-0285

Fax: (808) 586-0288

Neighbor Island Candidates:

The Commission can be reached by calling the applicable toll-free number and entering the extension **60285**:

Kauai	274-3141
Maui	984-2400
Hawaii	974-4000
Molokai	1-800-GOV-INHI (486-4644)
Lanai	1-800-GOV-INHI

Public Inspection and Copies of Reports

All candidate and candidate committee reports filed with the Commission are available for public inspection on the Candidate Filing System website at <http://nc.csc.hawaii.gov/cfspublic> or by going to the Commission's website at www.hawaii.gov/campaign. These reports will be available on-line for ten years. Copies of reports may be downloaded from the Candidate Filing System or may be purchased in person from the Commission's office or requested via telephone, fax, mail at five cents per copy. Neighbor Island residents may make their requests directly to

the Commission office. Call the Commission at (808) 586-0285 for inquiries regarding reports filed prior to 2006.

Restrictions

The campaign spending law prohibits anyone from selling or using information from candidate reports for the purpose of soliciting contributions or for any commercial purpose.

CHAPTER I
REGISTRATION

Individual Qualifies as a Candidate for Campaign Spending Commission Purposes

An individual qualifies as a candidate when the individual does any of the following:

- ◆ Files nomination papers for an office with the county clerk's office or with the office of elections, whichever is applicable;
- ◆ Receives contributions in an aggregate amount of more than \$100 or makes or incurs any expenditures of more than \$100 to bring about the individual's nomination for election, or to bring about the individual's election to office;

A candidate must file an Organizational Report and periodic disclosure reports of campaign contributions and expenditures on the web-based Candidate Filing System.

Candidate Registration

A candidate registers with the Commission by electronically filing an Organizational Report on the web-based Candidate Filing System. A username and password to login to the system must first be obtained by going to the Commission's website at www.hawaii.gov/campaign, click on "Electronic Filing", and download the "Electronic Filing Form-Candidate Committee". The Candidate, Chairperson, and Treasurer must sign the form and the original must be mailed or delivered to the Commission office at 235 South Beretania Street, Room 300, Honolulu, Hawaii 96813. The Commission will e-mail the username and password to the e-mail address provided on the Electronic Filing Form.

The Candidate or designee must then login and electronically file the Organizational Report to register within ten days of qualifying as a candidate.

An elected official who is a candidate for election to the same office in successive elections and has not sought election to any other office during the period between elections is not required to re-file an Organizational Report unless there is a change in information required to be reported.

Limit of One Candidate Committee

A candidate shall have only one candidate committee.

Organizational Report

The Organizational Report requires the following information:



FOR OFFICE USE ONLY

Reg. No. _____

Date _____

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

CANDIDATE COMMITTEE
ELECTRONIC FILING FORM

Candidate Committee Name: _____

Each committee must electronically register and file periodic disclosure reports. (1) In order to register, the committee must first complete **and** mail or deliver this form to the Campaign Spending Commission at 235 S. Beretania Street, Room 300, Honolulu, Hawaii 96813. (2) A user name and password will be sent to the e-mail address of the treasurer. (3) **The committee must register by electronically filing an organizational report** within ten days of filing nomination papers for office, or receiving contributions or making expenditures that amount to more than \$100 in the aggregate during the applicable election period, whichever occurs first.

Hawaii Revised Statutes (HRS) section 11-195(a) requires that filed reports be “certified by the candidate and treasurer.” By signing this form, the candidate and treasurer certify that the information on all “electronically filed” reports and schedules are true and accurate. “Electronically filed” means that reports will be filed through the Internet on the Commission’s electronic filing system without the signature of the candidate and treasurer. All reports filed electronically with the committee’s user name and password are deemed to be filed by the committee.

This form also fulfills the requirement for a written acceptance of appointment for the chairperson and treasurer in HRS section 11-196(a)(3) and (4). If the chairperson or treasurer is changed, an amended “Electronic Filing Form” must be signed by the new chairperson or treasurer and mailed or delivered to the Commission **and** an amended Organizational Report must be electronically filed, both by the 10th calendar day after the change.

Candidate Signature Date

Office Sought

The candidate committee’s aggregate contributions and aggregate expenditures for the election period will total \$1,000 or less.

Print Candidate Name (First M.I. Last)

Chairperson Signature Date

Treasurer Signature Date

Print Chairperson Name (First M.I. Last)

Print Treasurer Name (First M.I. Last)

Phone: _____

E-mail: _____
(The user name and password will be sent to this e-mail address.)

Election Period

The election period is the two-year or four-year period for the office which the candidate is seeking.

Name and Mailing Address of the Candidate and Candidate Committee

The candidate name, committee name, mailing address and phone numbers are required on the Organizational Report. The mailing address is the address that the Commission will use to mail correspondence and notices to the candidate.

The candidate must also provide the office sought, district, county, and party affiliation. The candidate may provide a webpage address, if the candidate has one.

Type of Report

New Committee: A new committee is a committee that is not currently registered with the Commission at the time the Organizational report is filed.

Amended: Amended Organizational reports must be filed no later than the tenth calendar day after a change is brought to the attention of the candidate or campaign treasurer.

Chairperson and Deputy Chairperson

The candidate must appoint at least one chairperson. The chairperson's name, mailing address, business and residence phone numbers must be provided. The residence phone number will not appear on the public website. The chairperson must also sign the "Electronic Filing Form" to certify acceptance of the appointment. The candidate may be the chairperson.

A deputy chairperson may be appointed but is not required. If a deputy chairperson is appointed, the candidate must provide the name, mailing address, business and residence phone numbers of the deputy chairperson.

Campaign Treasurer and Deputy Campaign Treasurer

The candidate must appoint at least one campaign treasurer. **The candidate may appoint oneself as treasurer, however, it is strongly recommended that the treasurer be someone other than the candidate.** The treasurer's name, mailing address, business and residence phone numbers must be provided. The residence phone number will not appear on the public website. The treasurer must also sign the "Electronic Filing Form" to certify acceptance of the appointment.

A deputy campaign treasurer may be appointed but is not required. Up to five deputy treasurers may be appointed. If a deputy treasurer is appointed, the candidate must provide the name, mailing address, business and residence phone number of the deputy treasurer.

Only an appointed campaign treasurer and deputy campaign treasurer are authorized to receive contributions and make expenditures on behalf of the candidate. In case of death, resignation, or removal of the treasurer, the candidate committee shall promptly appoint a successor. During the period the office of treasurer is vacant, the candidate, chairperson or deputy treasurer shall serve as treasurer. Once a successor is appointed, an amended Organizational Report must be electronically filed with the Commission within ten days of the appointment to disclose the name of the successor.

Committee Depository (Bank)

The candidate must open at least one committee depository (e.g. a bank account) to maintain contributions and to make expenditures. The committee depository must be at a financial institution duly authorized to do business in the state, such as a bank, savings bank, savings and loan association, depository financial services loan company, credit union, intra-Pacific bank, or similar financial institution, the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, or the national credit union administration. The depository's name, address and account number must be provided. The account number will not appear on the public website.

Commingling: Campaign contributions must **not** be commingled with a candidate's personal or any other funds.

Initial Contribution Report

In addition to the Organizational Report, the candidate is required to initially file , Schedule A only, to provide the name, address, contribution amount and deposit date for each contributor who contributed more than \$100 since the last election. This Disclosure Report is filed electronically on the Candidate Filing System for the period in which in the contributions were received, even if that period has not yet ended.

These initial contributions must also be reported again on the regularly scheduled Disclosure Report. When the regularly scheduled Disclosure Report is filed, it will be filed as an amended Disclosure Report.

**STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION**

**ORGANIZATIONAL REPORT
CANDIDATE COMMITTEE**

THIS REPORT IS FILED FOR THE FOLLOWING PURPOSE: Registration of New Committee Amended

1. CANDIDATE AND CANDIDATE COMMITTEE:

(a) Candidate Name:	Aloha, Moki	2. Web Page Address:	
(b) Committee Name:	Friends for Moki K. Aloha	3. Office Sought:	House
(c) Address:	235 South Street	4. District / County:	29 /
	Honolulu HI 96813	5. Party Affiliation:	Democrat
(d) Phone: (Bus)	589-0002	6. COMMITTEE DEPOSITORY (Bank):	
	(Res) 895-2000	(a) Name:	Pacific Bank
		(b) Account Number:	20-202020

OFFICERS:

7. CHAIRPERSON		8. TREASURER	
(a) Name:	Stan, Strategist	(a) Name:	Fannie, Funds
(b) Address:	999 Center Street Honolulu HI 96815	(b) Address:	100 Smith Street Honolulu HI 96812
(c) Phone: (Bus)	578-4400	(c) Phone: (Bus)	563-0012
(Res)	758-4040	(Res)	532-0006
		(d) E-mail Address:	tony@csc.state.hi.us

9. DEPUTY CHAIRPERSON		10. DEPUTY TREASURER 1	
(a) Name:		(a) Name:	
(b) Address:		(b) Address:	
(c) Phone: (Bus)		(c) Phone: (Bus)	
(Res)		(Res)	

11. DEPUTY TREASURER 2		12. DEPUTY TREASURER 3	
(a) Name:		(a) Name:	
(b) Address:		(b) Address:	
(c) Phone: (Bus)		(c) Phone: (Bus)	
(Res)		(Res)	

13. DEPUTY TREASURER 4		14. DEPUTY TREASURER 5	
(a) Name:		(a) Name:	
(b) Address:		(b) Address:	
(c) Phone: (Bus)		(c) Phone: (Bus)	
(Res)		(Res)	

PLEASE READ CAREFULLY AND CHECK THE BOX IF IT APPLIES:

I do not plan to receive contributions or make expenditures in aggregate of more than \$1,000 during the election period. If I exceed the \$1,000 threshold, I understand that I must submit the required Disclosure Reports. Failure to file the required Disclosure Reports will result in a penalty pursuant to section 11-193(a)(5), Hawaii Revised Statutes.

Terminating Registration with the Commission

A candidate requests termination of the candidate's registration by electronically filing a "Request for Registration Termination" form on the Candidate Filing System. The termination form may be electronically filed at any time, provided that:

- ❖ The candidate will no longer be receiving any contributions or making any expenditures reportable to the Commission under law;
- ❖ The balance of the candidate's campaign fund is zero (no surplus);
- ❖ There are no unpaid expenditures to be paid (no deficit); and
- ❖ There are no outstanding loans to be paid (no deficit).

Also, a closing bank statement for each account must be mailed or delivered to the Commission to verify that all relevant bank accounts have been closed. If there are durable assets, the candidate must sell or otherwise dispose of the assets as permitted by law and report that to the Commission on "Schedule F-Durable Assets" on the Candidate Filing System. The filing of the termination form is only a request to terminate registration with the Commission. Termination is complete only upon approval by the Commission and after all fines and penalties have been paid.

Handling a Surplus

Candidate committees must continue reporting with the Commission until all surplus funds have been lawfully disbursed.

Handling Deficits

Outstanding Loans

A candidate may reclassify a personal loan to the candidate's committee as a contribution. There is no limit on how much a candidate can contribute to his or her committee.

Loans from immediate family members, with their permission, may also be reclassified as a contribution subject to the candidate's contribution limits for immediate family members.

Loans from other sources must be repaid in full within one year of the date that the loan was made. If not repaid within one year, all subsequent contributions received and any surplus retained shall only be used to repay the outstanding loan in full.

Unpaid Expenditures

Unpaid expenditures must be reported to the Commission until payment is made in full or the debt is forgiven. If unpaid expenditures are not paid or forgiven within one year of the debt, those unpaid expenditures shall be considered unpaid loans. Forgiven debts are considered non-monetary contributions subject to the candidate's contribution limit.

CHAPTER II

KEEPING RECORDS

A candidate is required to maintain records for at least five years, unless otherwise instructed by the Commission. Listed below are the records required for a candidate's contributions and expenditures. A candidate and campaign treasurer should refer to the "Campaign Treasurer's Manual" for assistance with developing and maintaining an organized recordkeeping system for contributions and expenditures.

Recording Contributions (Monetary and Non-monetary)

A candidate must establish and maintain an itemized record showing the amount of each monetary contribution and the description and fair market value of each non-monetary contribution of more than \$25. The Commission recommends that the candidate establish and maintain an itemized record of all contributions including those that are \$25 or less, to assure compliance with the requirement that candidates report the required information of all contributions aggregating more than \$100 during the election period.

The Commission requires that records be kept as follows:

- For identifying contributions that are \$100 or less – date of receipt and deposit, contributor's full name and address, and the amount; or
- In the case of small amounts aggregating less than \$500 obtained through multiple contributions made by ten or more persons at the same political function (e.g., calabash bowls), keep records describing the means, method and place for each contribution collected.

Contributions of More Than \$100

- ◆ Date of receipt and deposit;
- ◆ Contributor's full name and address;
- ◆ Contribution amount; and
- ◆ Contributor's employer and occupation (if contribution aggregates \$1,000 or more during the election period).

The amount of a non-monetary contribution is the fair market value at the time of the non-monetary contribution.

If all the information required above is not on file, the contribution shall be returned to the contributor within thirty days of deposit.

Recording Expenditures

A candidate must keep records of each expenditure as follows:

- ◆ Date of the expenditure;
- ◆ Payee's full name and address;

- ◆ Purpose of the expenditure (a brief description of why the expenditure was made); and
- ◆ Amount of the expenditure.

Detailed Reporting of Expenditures

Candidates must itemize all expenditures on consultants, advertising agencies and similar firms, credit card payments, salaries, and candidate reimbursements to permit a reasonable person to determine the ultimate intended recipient of the expenditures and their purpose.

Expenditures reported under vague purposes or consolidated into categories such as petty cash, Visa, Master Card, reimbursement to employee, or ad agency, are defective. All expenditures made, incurred, or authorized by or for a candidate must be reported, including the name and address of each payee and the amount, date, and purpose of each expenditure. Expenditures are to be reported based on the date that the goods are delivered or the service is provided to the candidate committee.

Financial institutions, lump sum cash payments, advertisement consultants or employment agencies, and individuals reimbursed for expenses, are viewed as intermediaries of expenditures. Any use of intermediaries that would have the result of concealing the true and complete nature of the expenditure results in a defective reporting of the expenditure.

CHAPTER III

REPORTING

All Candidate Disclosure Reports shall be filed electronically on the web-based Candidate Filing System. There are no exceptions or waivers. The Candidate Filing System User Manual is available on-line at www.hawaii.gov/campaign, by clicking on “Electronic Filing” and selecting the applicable user manual.

Disclosure Reports must be certified as true and correct. This certification requirement for electronically filed reports is met when the “Electronic Filing Form-Candidate Committee” with the original signatures of the Chairperson and Treasurer is filed with the Commission.

Whenever a report is required to be “filed”, this means the report shall be filed on the Candidate Filing System by the date and time specified for the filing of the report. In order to be timely filed, the report must be filed on the Candidate Filing System on or before 11:59 p.m. Hawaiian-Aleutian Standard time on the prescribed filing date. When any reporting day falls on a holiday or weekend, the deadline shall be the first working weekday after the date the report is due.

The penalty for not filing a report by the due date is \$50 per day for the first seven days beginning with the date after the due date of the report and, thereafter, \$200 per day, not to exceed 25 percent of the total contributions or expenditures, whichever is greater, for the period covered by the report; provided that the minimum penalty for a report filed more than four days after the due date shall be \$200. However, if a committee does not file the reports due within ten days of an election (the second preliminary primary report and the preliminary general report) by the due date, the fine shall be \$300 per day, not to exceed 25 percent of the total contributions or expenditures, whichever is greater, for the period covered by the report; provided that the minimum penalty shall be \$300.

The Commission shall provide notice of a substantially defective or deficient report. If the corrected report is not filed with the commission’s electronic filing system on or before the fourteenth day after the notice of deficiency has been mailed, the penalty for a substantially defective or deficient report shall be \$50 per day for the first seven days beginning with the fifteenth day after the notice was sent and, thereafter, \$200 per day, not to exceed 25 percent of the total contributions or expenditures, whichever is greater, for the period covered by the report; provided that the minimum penalty for not filing a corrected report more than eighteen days after the notice was sent shall be \$200.

Disclosure Report

The Disclosure Report is a summary of receipts and expenditures for the applicable reporting periods. Candidates may also be required to attach the following schedules to the Disclosure Report:

- ◆ Schedule A Contributions Received;
- ◆ Schedule B Expenditures Made;
- ◆ Schedule C Other Receipts;
- ◆ Schedule D Loans;
- ◆ Schedule E Unpaid Expenditures; and
- ◆ Schedule F Durable Assets

For detailed instructions on completing the Disclosure Report and Schedules go to www.hawaii.gov/campaign. Click on the "Electronic Filing" box on the right hand side of the homepage. Click on "CC Administrator-User Guide" or "CC User-User Guide" for directions on filing candidate committee disclosure reports on the web-based Candidate Filing System.

Short Form Report

The Disclosure Report also serves as the Short Form Report for candidates with aggregate contributions and aggregate expenditures of \$2,000 or less each, in a reporting period. After entering contributions, expenditures, and if applicable, other receipts and loans, into the Candidate Filing System schedules, the Candidate Filing System will create the Disclosure Report Short Form when you click on "Preview/Print Report". You must then click on "File Report" to file the report. This means no Schedules will appear on the public website, only the Disclosure Report.

First Supplemental Report

The Commission places emphasis on this Supplemental Report as it is the first report for the new "election period" for candidates that previously ran in an election and who are required to continue reporting due to a surplus or deficit. (For list of reports due after the First Supplemental Report, see the applicable "Schedule of Reporting Dates" at the front of this guidebook.)

The first Supplemental Report is "zero based" meaning aggregate contributions and expenditures for the election period begin at zero.

The first Supplemental Report shall include the following:

- ◆ Carryover cash on hand;
- ◆ Carryover of any liabilities (loans and unpaid expenditures); and
- ◆ Any contributions, expenditures and other campaign financial activity occurring from the day after the general election through the last day of the election year.

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION DISCLOSURE REPORT

Section I - CANDIDATE AND CANDIDATE COMMITTEE:		
(a) Candidate Name:	Aloha, Moki	
(b) Committee Name:	Friends for Moki K. Aloha	
(c) Address:	235 South Street Honolulu HI 96813	
(d) Treasurer's Phone (Bus):	563-0012	
Section II - TYPE OF REPORT:		
Report Name:	2006-2008 1st Preliminary Primary January 1 - June 30, 2008	
Type:	<input type="checkbox"/> Amended <input type="checkbox"/> Short Form	
Section III - SUMMARY OF RECEIPTS AND DISBURSEMENTS (Complete Section IV of this form Before Completing This Section)		
	COLUMN A TOTAL THIS PERIOD	COLUMN B ELECTION PERIOD TOTAL TO DATE
1. Cash on Hand at the Beginning of the Election Period		\$0.00
2. Cash on Hand at the Beginning of this Reporting Period	\$0.00	
3. Total Receipts (From line 15)	\$13,007.00	\$13,007.00
4. Subtotal (Add Lines 2 and 3 for Column A and Lines 1 and 3 for Column B)	\$13,007.00	\$13,007.00
5. Total Disbursements (Not including Unpaid Expenditures) (From Line 19)	\$8,575.00	\$8,575.00
6. Cash on Hand at the Closing of this Reporting Period (Subtract Line 5 from Line 4)	\$4,432.00	\$4,432.00
7. Total Loans at the Closing of this Reporting Period	\$8,500.00	
8. Total Unpaid Expenditures at the Closing of this Reporting Period	\$6,000.00	
9. Debts Owed at the Closing of this Reporting Period (Add Lines 7 and 8)	\$14,500.00	
10. Surplus / Deficit (Subtract Line 9 from Line 6)	-\$10,068.00	

**Section IV - DETAILED SUMMARY OF RECEIPTS AND DISBURSEMENTS
(If Necessary, Complete Schedules A through E Before Completing This Section)**

RECEIPTS	COLUMN A TOTAL THIS PERIOD	COLUMN B ELECTION PERIOD TOTAL TO DATE
11. Contributions From:		
(a) Individuals / Non-candidate Committees / Other Entities / Political Parties		
(i) Monetary and Non-Monetary Contributions of \$100 or less	\$0.00	\$0.00
A) (ii) Monetary and Non-Monetary Contributions of More Than \$100 (Schedule	\$4,500.00	\$4,500.00
(iii) Subtotal (Add Lines 11(a)(i) and 11(a)(ii))	\$4,500.00	\$4,500.00
(b) Candidate's Immediate Family		
(i) Monetary and Non-Monetary Contributions of \$100 or less	\$0.00	\$0.00
A) (ii) Monetary and Non-Monetary Contributions of More Than \$100 (Schedule	\$0.00	\$0.00
(iii) Subtotal (Add Lines 11(b)(i) and 11(b)(ii))	\$0.00	\$0.00
12. Total Contributions (Add Lines 11(a)(iii) and 11(b)(iii))	\$4,500.00	\$4,500.00
13. Other Receipts (including Candidate's Own Funds) (Schedule C)	\$7.00	\$7.00
14. Loans (Schedule D)	\$8,500.00	\$8,500.00
15. Total Receipts (Add Lines 12 through 14)	\$13,007.00	\$13,007.00
DISBURSEMENTS		
16. Expenditures Made (Schedule B)	\$8,575.00	\$8,575.00
17. Loans Repaid or Forgiven (Schedule D)	\$0.00	\$0.00
18. Unpaid Expenditures Paid or Forgiven (Schedule E)	\$0.00	\$0.00
19. Subtotal Disbursements (Add Lines 16 through 18)	\$8,575.00	\$8,575.00
20. Unpaid Expenditures (Schedule E)	\$6,000.00	\$6,000.00
21. Total Disbursements (Add Lines 19 through 20)	\$14,575.00	\$14,575.00

The first Supplemental Report for the 2010 election period must be electronically filed no later than February 2, 2009 for campaign financial activity from November 5, 2008 through December 21, 2008.

Reporting Cash on Hand

Election Period

The Candidate Filing System will show the cash on hand at the beginning of the applicable election period.

Reporting Period

The Candidate Filing System will show the cash on hand at the beginning of the applicable reporting period. The closing cash on hand for the current reporting period will appear on the next report as the beginning cash on hand.

Reporting Contributions - Schedule A

Monetary Contributions

Use Schedule A for reporting contributions of more than \$100.

For each contribution, the candidate must report the following:

- ◆ Date of the deposit;
- ◆ Contributor's full name and mailing address;
- ◆ Contributor's employer and occupation (if contribution aggregates \$1,000 or more during the election period);
- ◆ Contribution amount for the reporting period; and
- ◆ Aggregate contribution amount for the election period.

The employer and occupation information is required only for contributions that aggregate \$1,000 or more during the election period.

Non-monetary Contributions

All non-monetary contributions valued at more than \$100 shall be reported on Schedule A in the same manner as monetary contributions. In addition, the amount of a non-monetary contribution must also be recorded in the candidate's total expenditures (Schedule B) to avoid inflating the reported cash on hand.

Reporting Expenditures - Schedule B

Information reported on Schedule B includes the following:

- ◆ Date of the expenditure;
- ◆ Vendor's full name and address;
- ◆ Purpose of the expenditure (a brief description of why the expenditure was made); and

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION

Committee: Friends for Moki K. Aloha
Report On: 2006-2008 1st Preliminary Primary January 1 - June 30, 2008

Schedule A - Contributions Received

Name and Address	Employer	Date	Amount
	Occupation	Non-Monetary Category	Aggregate
	Non-Monetary Description		
Smith, Lani K. 1234 Poki Street Honolulu HI 96824	King Hospital	01/30/2008	\$1,000.00
	Administrator		\$1,000.00
CFS Political Action Committee 2121 Cane Street Honolulu HI 96859		02/21/2008	\$2,000.00
			\$2,000.00
James, Taylor 530 North Ave Honolulu HI 96856	General Manager	02/21/2008	\$500.00
	NEWS Radio		\$500.00
B & C Construction 1010 Pali Rd Honolulu HI 96868		03/20/2008	\$1,000.00
			\$1,000.00
Total			\$4,500.00

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION

Committee: Friends for Moki K. Aloha
Report On: 2006-2008 1st Preliminary Primary January 1 - June 30, 2008

Schedule B - Expenditures Made

Name and Address	Date	Category	Amount
Purpose of Expenditure or Non-Monetary Description			
Office of Elections 985 Pearl Street Honolulu HI 96829	02/01/2008	Filing Fee	\$25.00
	Nomination fees		
Excellent Printing 8562 Makaha Street Honolulu HI 96857	02/03/2008	Printing	\$3,500.00
	Campaign brochure		
Hawaii Newspaper Agency 3050 Route Drive Honolulu HI 96836	02/15/2008	Advertising	\$300.00
	Ad for fundraiser		
Excellent Printing 8562 Makaha Street Honolulu HI 96857	02/15/2008	Printing	\$350.00
	Printing of fundraiser tickets		
FoodMart 1050 Plum Lane Honolulu HI 96836	02/20/2008	Food & Beverages	\$2,200.00
	Food for fundraiser		
US Postal Service Main Branch Honolulu HI 96813	02/28/2008	Postage/Mailing	\$550.00
	Postage for mailing campaign brochure		
Sharp Office Supply 469 Alii Rd Honolulu HI 96867	03/25/2008	Office Supplies	\$150.00
	Office supplies		
Computer Shack 536 Moana Blvd Honolulu HI 96869	03/25/2008	Durable Assets	\$1,500.00
	Laptop		
Total			\$8,575.00

- ◆ Amount of the expenditure.

Expenditures are reported on Schedule B regardless of the amount.

An expenditure is made or incurred when the services are rendered or the product is delivered. (Accrual basis).

Expenditures for durable assets must be reported on "Schedule B - Expenditures Made" and "Schedule F-Durable Assets" in the Candidate Filing System. The disposition of a durable asset is also reported on Schedule F.

Reporting Other Receipts - Schedules C

Candidates must report all "Other Receipts" that were received during the applicable reporting period on Schedule C on the Candidate Filing System. "Other Receipts" includes interest, returns, refunds, rebates, candidate's funds and public funds.

Information to be reported on Schedule C includes the following:

- ◆ Date of the deposit;
- ◆ Source's full name and address;
- ◆ Description of the other receipt; and
- ◆ Other Receipt amount for the reporting period.

Other Receipts are reported on Schedule C regardless of the amount.

Reporting Loans - Schedule D

Information reported on Schedule D of the Candidate Filing System includes the following:

- ◆ Source of the loan (Candidate, Immediate Family, Financial Institution, Other);
- ◆ Date of the loan;
- ◆ Lender's full name, address, employer and occupation;
- ◆ Loan amount at the beginning of the reporting period;
- ◆ New loan amount for the reporting period;
- ◆ Loans repaid or forgiven during the reporting period; and
- ◆ Loan amount at the closing of the reporting period.
- ◆

Reporting Unpaid Expenditures - Schedule E

An expenditure is made or incurred when services are rendered or the product is delivered. Expenditures, which are made or incurred, but not paid, are considered unpaid expenditures. If unpaid expenditures are not paid or forgiven within one year, the unpaid expenditures become unpaid loans.

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION

Committee: Friends for Moki K. Aloha

Report On: 2006-2008 1st Preliminary Primary January 1 - June 30, 2008

Schedule C - Other Receipts

Name and Address	Date	Category	Amount
Description of Other Receipt			
Pacific Bank 1319 Prince Street Honolulu HI 96869	03/30/2008	Interest	\$1.00
Interest-March			
Pacific Bank 1319 Prince Street Honolulu HI 96869	04/30/2008	Interest	\$2.00
Interest-April			
Pacific Bank 1319 Prince Street Honolulu HI 96869	05/30/2008	Interest	\$2.00
Interest-May			
Pacific Bank 1319 Prince Street Honolulu HI 96869	06/30/2008	Interest	\$2.00
Interest-June			
Total			\$7.00

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION

Committee: Friends for Moki K. Aloha

Report On: 2006-2008 1st Preliminary Primary January 1 - June 30, 2008

Schedule D - Loans

Name and Address	Date	New Loan Amount	Forgiven
	Loan Source	Amount Repaid or Forgiven	Loan Balance
Purpose of Loan			
Aloha, Moki K. 235 South Street Honolulu HI 96813	01/30/2008	\$1,000.00
	Candidate		\$1,000.00
	Campaign Loan		
Aloha, Mary 235 South Street Honolulu HI 96813	02/05/2008	\$2,500.00
	Immediate Family		\$2,500.00
	Campaign Loan		
Pacific Bank 1319 Prince Street Honolulu HI 96869	02/20/2008	\$5,000.00
	Financial Institution		\$5,000.00
	Campaign Loan		
Total		\$8,500.00	

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION

Committee: Friends for Moki K. Aloha

Report On: 2006-2008 1st Preliminary Primary January 1 - June 30, 2008

Schedule E - Unpaid Expenditures

Name and Address	Date	Amount	Forgiven
	Category	Amount Repaid or Forgiven	Balance
	Purpose of Expenditure		
KSKS Radio 562 Makaha Street Honolulu HI 96836	05/30/2008	\$6,000.00	...
	Advertising		\$6,000.00
	Radio ads		
Total		\$6,000.00	

Information reported on Schedule E includes the following:

- ◆ Date of the unpaid expenditure;
- ◆ Vendor's full name and address;
- ◆ Purpose of the expenditure;
- ◆ Amount of unpaid expenditure at the beginning of the reporting period;
- ◆ New unpaid expenditure for the reporting period;
- ◆ Repaid or forgiven unpaid expenditures during the reporting period; and
- ◆ Amount of unpaid expenditures at the closing of the reporting period.

Unpaid expenditures are reported on Schedule E regardless of the amount.

Reporting Durable Assets – Schedule F

A candidate committee should use Schedule F to report and track durable assets. Information reported on Schedule F includes the following:

- ◆ Date durable asset was acquired;
- ◆ Source's full name and address;
- ◆ Description of the durable asset; and
- ◆ Acquisition amount of the durable asset.

Durable assets must be reported with every report until disposed of and reported as follows:

- ◆ Date the durable asset was disposed;
- ◆ Name of the person receiving the durable asset; and
- ◆ Disposition amount.

The proceeds from the sale of durable assets must also be reported on Schedule C (Other Receipts).

Late Contributions Report

The Late Contributions Report must be filed by candidates that receive contributions aggregating more than \$500 from any person within the period of fourteen calendar days through four calendar days prior to a primary, special primary, general, or special general election. The report is required to be electronically filed no later than three calendar days prior to the election.

The report requires the following information:

- ◆ Date of the contribution;
- ◆ Name and address of the contributor;
- ◆ Employer and occupation of the contributor;
- ◆ Contribution amount; and
- ◆ Aggregate contribution amount for the election period.

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION

Committee: Friends for Moki K. Aloha

Report On: 2006-2008 1st Preliminary Primary January 1 - June 30, 2008

Schedule F - Durable Assets

Name and Address	Date	Method of Disposition	Disposition Amount
	Acquisition Amount	To Whom	
	Description of Durable Asset		
Computer Shack 536 Moana Blvd Honolulu HI 96869	03/25/2008		
	\$1,500.00		
	Laptop		
Total	\$1,500.00		

Schedule F - Durable Assets Prior to this Reporting Period

Name and Address	Date	Method of Disposition	Disposition Amount
	Acquisition Amount	To Whom	
	Description of Durable Asset		
Total			
No records			

Late contributions must also be reported on the applicable disclosure reports. The Late Contributions report is not required if there are no late contributions.

Nonelection Year Reporting

Nonelection years are years in which there are no regularly scheduled state and local elections (odd-numbered years).

During a nonelection year, all candidates who are registered with the Commission and have a surplus or deficit are required to file two Supplemental Reports. Supplemental Reports must be filed until a candidate files nomination papers to be on the election ballot or terminates registration with the Commission.

- The first Supplemental Report, covering campaign financial activity from January 1 through June 30th, must be filed on July 31st or if July 31st falls on a Saturday, Sunday, or holiday designated in HRS section 8-1, the next succeeding day that is not a Saturday, Sunday, or holiday.
- The second Supplemental Report, covering campaign financial activity from July 1 through December 31st, must be filed on January 31st or if January 31st falls on a Saturday, Sunday, or holiday designated in HRS section 8-1, the next succeeding day that is not a Saturday, Sunday, or holiday.

Reporting for Candidates with Aggregate Contributions and Expenditures of \$1,000 or Less

A candidate whose aggregate contributions and expenditures for the election period total \$1,000 or less need not file the first preliminary primary, second preliminary primary, final primary, preliminary general, or special election reports, but shall electronically file a Final Election Period Report.

Candidates are required to notify the Commission, by checking the appropriate box that they do not plan to receive contributions and make expenditures of more than \$1,000 for the election period, on the Electronic Filing Form.

If a candidate exceeds the \$1,000 threshold at any time during the election period, the candidate must file all applicable disclosure reports from the beginning of the candidate's campaign, including preliminary primary and general reports, final or special election reports. All subsequent reports must be filed thereafter until the candidate terminates registration with the Commission.

Filing Amendments

The candidate must electronically file an amended report if the candidate:

- ◆ Discovers that an earlier report contained erroneous information; or

- ◆ Is ordered to amend the report by the Commission.

An amended report is filed by clicking on “Amend Mode” in the Candidate Filing System, going to the relevant Schedules and making the applicable changes, validating and then filing the report. Each report previously filed after the period covered in the Amended report, will need to be amended following the process described above.

Year End Bank Statement

The end of the year Supplemental Report must be accompanied by a bank statement for each account to confirm the status of all account balances through the end of the year. The reported cash on hand balance must reconcile with your bank statement.

Refunds and Returned Contribution Checks

Contribution Refunds

When a candidate refunds a contribution, the candidate must report the refund on Schedule B as an expenditure.

Contribution Check with Insufficient Funds

If a candidate receives a contribution check and the check cannot be cashed due to insufficient funds, the contributor's check should be returned with a letter.

If the contribution has not yet been reported, the Disclosure Reports do not have to be amended. If the contribution had been reported, the candidate must amend the appropriate Disclosure Reports.

- ◆ If the contribution amount was \$100 or less and was previously reported, the candidate should file an amended Disclosure report for the period that the contribution was originally reported in and subtract the amount of the check from the contributions of \$100 or less line; or
- ◆ If the contribution amount was more than \$100 and was previously reported, the candidate must file an amended Disclosure Report for the period that the contribution was originally reported and delete the contribution from Schedule A, which will subtract the amount of the check from the contributions of more than \$100 line.

Amended reports must be filed for all Disclosure Reports that originally reported this contribution.

Filing Confirmation

When your report is filed electronically, a “Filing Confirmation” page will appear on your Candidate Filing System screen. You may print this page as a receipt. The “Filing Confirmation” page confirms that the Commission has received the report. Neither the acknowledgment nor the receipt of the report constitutes expressed or implied approval, or in any manner indicates that the contents of the report fulfills the requirements of the campaign spending laws and rules.

CHAPTER IV

CONTRIBUTIONS, LOANS, and OTHER RECEIPTS

Contribution Defined

A contribution is anything of value given to influence the nomination for election, or election, of any candidate to office and includes the following:

- ◆ A gift;
- ◆ Subscription;
- ◆ Deposit of money or anything of value including personal services;
- ◆ Cancellation of a debt or legal obligation; and
- ◆ Purchase of tickets to fundraisers.

Types of Contributions

Monetary Contributions

A monetary contribution may be made by check, credit card or cash. Cash contributions of more than \$100 shall not be accepted by the candidate without issuing a receipt to the contributor.

Non-monetary Contributions

Non-monetary contributions include, but are not limited to the following:

- ◆ The donation of goods offered without charge or at an unreasonably low charge;
- ◆ The payment, by any person other than a candidate of compensation for the services of another person which are rendered to the candidate without charge or at an unreasonably low charge;
- ◆ An expenditure made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate; and
- ◆ The financing by any person or political party of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written or other campaign materials prepared by the candidate, the candidate's committee or agents.

Fair Market Value

- ◆ Goods (such as facilities, equipment, supplies and consumable items) are valued at the price the goods would cost if purchased or rented at the time the non-monetary contribution is made. For example, if someone donates the use of a facility, the non-monetary contribution is the usual and normal charge to rent the facility at the time of the non-monetary contribution.
- ◆ Services (such as consultant services) are valued at the prevailing commercial rate at the time the services are rendered.

The fair market value of a non-monetary contribution is included in a person's aggregate contributions.

Volunteers

When services are volunteered--not paid for by any person--this is not a non-monetary contribution. However, if someone other than the candidate pays volunteers for their services, the activity is no longer considered volunteering and the payments are a non-monetary contribution to the candidate.

Fundraiser Tickets

The entire amount paid to attend a political fundraiser or to purchase a fundraiser ticket is a contribution. For example, if a contributor pays \$100 to buy a fundraiser ticket to a candidate's golf tournament, the contributor has made a \$100 contribution to the candidate, even though the golf fees may have cost the candidate \$35.

Earmarked Contributions

An earmarked contribution is a contribution received by a committee or party on the condition that the funds be contributed or expended on certain candidates. When a party collects and transmits earmarked contributions to a candidate, the amount of the earmarked contribution is counted toward the contribution limit of the party and the person contributing such funds.

Contribution Limits

This section highlights the laws concerning the limits on contributions to a candidate's campaign.

Contribution Limits

The contribution limits vary according to the office that a candidate is seeking. The contribution limits that apply to the three types of offices are as follows:

- ◆ A candidate seeking nomination or election to a two-year office-Aggregate contributions not to exceed \$2,000 during an election period;
- ◆ A candidate seeking nomination or election to a four-year nonstatewide office-Aggregate contributions not to exceed \$4,000 during an election period;
- ◆ A candidate seeking nomination or election to a four-year statewide office-Aggregate contributions not to exceed \$6,000 during an election period.

No person or any other entity shall make contributions in excess of these limits.

The following is a list of offices and their respective contribution limits:

Two-Year (\$2,000)	State House of Representative County Council (Hawaii, Maui, Kauai)
Four-Year Nonstatewide (\$4,000)	State Senate Mayor Prosecuting Attorney City Council (Honolulu) Board of Education
Four-Year Statewide (\$6,000)	Governor Lt. Governor Office of Hawaiian Affairs

Election Period

“Election period” means the two-year period between general election days if a candidate is seeking nomination or election to a two-year office and the four-year time period between general election days if a candidate is seeking nomination or election to a four-year office. The current election periods are as follows:

- ◆ Two-year office (2008 Election Period) - November 8, 2006, through the day of the next general election which is November 4, 2008;
- ◆ Four-year office (2008 Election Period) - November 3, 2004, through the day of the next general election which is November 4, 2008.

Limits for the Candidate's Immediate Family

Contributions from a candidate's immediate family are exempt from the above limitations but are limited in the aggregate to \$50,000 in any election period. The aggregate amount of \$50,000 includes any loans made for campaign purposes from the candidate's immediate family to the candidate. A candidate's immediate family is defined as a candidate's spouse or reciprocal beneficiary, and any child, parent, grandparent, brother, or sister of the candidate, and the spouses or reciprocal beneficiaries of such persons. “Reciprocal beneficiary” has the same meaning as in HRS section 572C-3.

Limits on Candidate's Personal Funds

Loans and contributions by candidates to their own candidate committee are exempt from any limits.

When a candidate uses personal funds for campaign purposes, the candidate may classify the personal funds as an other receipt or a loan to the candidate's committee. If a candidate classifies the personal funds as an other receipt, the candidate cannot be reimbursed. However, if the

candidate classifies the personal funds as a loan, the candidate's committee may reimburse the candidate at a future time.

Spouse and Dependent Minor Contributions

A husband and wife are treated as separate persons for contribution limit purposes. A person may not make a contribution on behalf of a spouse or any other individual. Any contribution by check will be attributed to the spouse that signs the check.

A contribution by a dependent minor must be reported in the name of the minor but is counted against the contribution limit of the minor's parent or guardian. Therefore, you must obtain the parent's name and enter it into the Candidate Filing System.

Contributions to be Promptly Deposited; Acknowledgment.

The date a contribution is deposited into a financial institution is the date used for reporting that contribution. A contribution must be deposited no later than seven days after a candidate or any individual authorized to receive contributions on behalf of the candidate has received a contribution.

Failure to timely deposit a contribution shall not obviate the requirement to disclose and report the contribution. The Commission recommends that the candidate devise a workable method to ensure that contributions are deposited in a timely manner. A cash contribution exceeding \$100 must be acknowledged immediately with a receipt.

Excess Contributions

An excess contribution is any contribution over the legal limit. An excess contribution returned to the donor within seven days after actual receipt need not be disclosed and reported as a contribution. If the seven day window is missed, any excess contribution must be returned to the original contributor within thirty days of receipt of the excess contribution. Any excess contribution not returned to the original contributor within thirty days shall escheat to the Hawaii Election Campaign Fund. The contributor is still subject to a fine even if the contribution is returned within thirty days.

Prohibited Contributions

False Name Contributions

A contribution made in the name of another person is prohibited. Contributions to candidates must be from a person's own money and reported in the name of the same person. A contribution by a person that is reimbursed or in any way compensated by another person is prohibited.

All contributions made in the name of a person other than the owner shall escheat to the Hawaii Election Campaign Fund.

Anonymous Contributions

No candidate shall knowingly receive, accept, or retain an anonymous contribution of any amount, or enter or cause such contribution to be entered in the candidate's account as an anonymous contribution or in a name other than the true name of the person who actually furnished the contribution. If a candidate receives an anonymous contribution and the contributor cannot be identified, the contribution shall escheat to the Hawaii Election Campaign Fund.

Candidates may retain anonymous contributions that aggregate less than \$500 when obtained through multiple contributions made by ten or more persons at the same political function (e.g., calabash bowls). Detailed records must be retained of the political function.

Foreign National Contributions

No contributions or expenditures shall be made to or on behalf of a candidate by a foreign national or foreign corporation. A domestic subsidiary of a foreign corporation, a domestic corporation that is owned by a foreign national, or a local subsidiary where financial control is retained by the foreign corporation, may not make contributions or expenditures.

An individual is eligible to make a contribution if the individual has a "green card" indicating that he or she has been lawfully admitted for permanent residence and the source of the funds are generated locally.

Nonresident Contributions

Contributions from any person, except for a member of the candidate's immediate family, who is not a resident of the state at the time the contributions are made, including a noncandidate committee organized under the laws of another state and whose participants are not residents of the state, shall not exceed twenty percent of the total contributions received by a candidate or candidate's committee for each reporting period.

Contractor Contributions

Contributions from any person with certain contracts with the state, any of its counties, or any department or agency are prohibited. These are contracts for the rendition of personal services, the buying of property, or furnishing any material, supplies, or equipment to the state, any of its counties, department or agency thereof, or for selling any land or building to the State, any of its counties, or any department or agency thereof, if payment for the performance of the contract or payment for material,

supplies, equipment, land, property, or building is to be made in whole or in part from funds appropriated by the legislative body, at any time between the execution of the contract through the completion of the contract.

Loans

A loan is an advance of money, goods, or services with a promise to repay in full or in part within a specified period of time. Any loan to a candidate in excess of \$100 shall be documented and disclosed by reporting the lender, including the lender's name, address, employer, and occupation and purpose of the loan. The document shall contain the terms of the loan, including the interest and repayment schedule. A copy of the executed loan document shall be manually submitted at the same time the report in which the loan was received is electronically filed. Failure to document the loan or disclose the loan to the Commission shall cause the loan to be treated as a contribution.

A loan must be reported until fully repaid. If a lender cancels the debt (forgives the loan) in whole or in part, the amount of the cancelled debt (loan) shall be treated as a contribution and will be applied to the contribution limit for that person.

A "loan" does not include expenditures made on behalf of a committee by a candidate, volunteer, or employee if:

(1) A candidate, volunteer, or employee's aggregate expenditures do not exceed \$1,500 within a thirty day period;

(2) A dated receipt, and a written description of the name and address of each payee and the amount, date, and purpose of each expenditure is provided to the committee before the committee reimburses that candidate, volunteer, or employee within forty-five days of the expenditure being made.

A candidate may receive and accept loans in an aggregate amount not to exceed \$10,000 during an election period. If the \$10,000 limit is reached, the candidate is prohibited from receiving or accepting any other loans until the \$10,000 is repaid in full. If the loan is not repaid within one year of the date that the loan is made, all subsequent contributions received and any surplus retained shall be used to repay the outstanding loan in full.

Certain loans are exempt from the \$10,000 loan limit and the requirement that the loan be repaid within one year : (1) loans by a financial institution regulated by the state or a federally chartered depository institution and made in accordance with the applicable laws in the ordinary course of business; (2) a loan by a candidate of the candidate's own funds; or (3) a loan from immediate family members of a candidate.

Other Receipts

This section describes other receipts that must be reported by the candidate.

Loans

Any loan to a candidate or candidate committee shall be reported as an other receipt. Additionally, for loans in excess of \$100, the candidate shall provide the following documentation:

- ◆ Lender's name;
- ◆ Address;
- ◆ Employer and occupation;
- ◆ Purpose of loan;
- ◆ Amount; and
- ◆ Executed loan document with the terms of the loan, including the interest and repayment schedule.

Public Funds

Public funds received by a candidate must be reported as an other receipt.

Interest

The candidate must report interest earned on the committee depositories as an other receipt.

Returns, Refunds and Rebates

The candidate must report returns by vendors of deposits, refunds and rebates as an other receipt. Rebates must be offered in the ordinary course of business and on the same terms and conditions as those offered to nonpolitical entities, otherwise they must be reported as contributions.

CHAPTER V

EXPENDITURES

Expenditure Defined

An expenditure, when made or incurred for the purpose of influencing the nomination for election, or election, of any candidate to office whether or not the candidate has filed nomination papers, includes the following:

- ◆ Any purchase or transfer of money or anything of value;
- ◆ A promise or agreement to purchase or transfer money or anything of value;
- ◆ Payment incurred or made; and
- ◆ The use or consumption of a non-monetary contribution.

An expenditure is made or incurred when the services are rendered or the product is delivered. (Accrual basis)

Voluntary Campaign Expenditure Limits

A candidate can voluntarily agree to limit the candidate's campaign expenditures by filing the "Affidavit to Voluntarily Agree with Campaign Expenditure Limits" form ("Affidavit") (Form CC-2) with the Commission. The last day to file the Affidavit is the date the candidate files nomination papers with the chief election officer or county clerk. Once the Affidavit is filed, it cannot be withdrawn.

Benefits of Filing the Affidavit

A candidate is entitled to the following benefits when the Affidavit is filed:

- ◆ Discounted filing fee;
- ◆ Contributors may take a tax deduction; and
- ◆ Eligibility for public funds.

Refer to the "Public Funding Guidebook Candidate Committees" for information regarding qualifying and applying for public funds.

Candidates Not Filing the Affidavit

If a candidate has not filed an Affidavit, the candidate must inform all contributors in writing immediately upon receipt of the contribution that they are not entitled to a state tax deduction for their contributions to the candidate.

Expenditure Limit Periods

Expenditure limits are applied on a per election basis:

- ◆ Primary Election - January 1, 2008 through September 20, 2008
- ◆ General Election - September 21, 2008 through November 4, 2008

By signing the Affidavit, the candidate agrees to limit expenditures for both elections. The candidate is prohibited from complying with the expenditure limit for one election and not complying with the expenditure limit for the other election. The candidate must distinguish primary and general election expenditures.

Exceeding the Expenditure Limits

A candidate who voluntarily agrees to the expenditure limit and exceeds the respective expenditure limit for either the primary or general election is required to notify the chief election officer or county clerk, pay the full filing fee, notify all opponents and the Commission by telephone and in writing the day the expenditure limit is exceeded. All contributors shall be informed, within thirty days of exceeding the expenditure limit, that tax deductions for their contributions are no longer available.

Expenditure Guidelines

The following guidelines are provided here for reference purposes only. Candidates should consult with the Commission for any expenditure that may be of a questionable nature. There are further limitations on the types of expenditures permitted from public funds by a candidate who has voluntarily agreed to expenditure limits.

Authorized Campaign Expenditures

These are expenses that are predominantly and directly related to a candidate's campaign to influence the nomination or election of the candidate. Authorized campaign expenditures include, but are not limited to, the following:

- ◆ Airfare and hotel accommodations;
- ◆ Meal or food expenses incurred at a fundraising event or other campaign activity;
- ◆ Professional services that are necessary in a candidate's campaign to seek the nomination or election of the candidate;
- ◆ Penalties, fines, judgments, or settlements imposed on a candidate or candidate committee by a court or regulatory agency and related to a campaign to seek the nomination or election of the candidate; and
- ◆ Personal gifts to campaign employees or volunteers subject to specific thresholds.

Prohibition on Personal Expenses

A personal expense means any expense that would exist irrespective of a candidate's campaign to seek nomination or election to office. Candidates are prohibited from using contributions for any personal expense, including, without limitation, the following:

- ◆ Household food items and supplies purchased for daily personal consumption by the candidate, a family member of the candidate, or candidate committee;
- ◆ Gifts or donations for weddings, Christmas, birthdays, funerals or other personal occasions;
- ◆ Clothing usually and customarily worn for everyday wear; provided that a campaign expense for clothing identifying the candidate or campaign for an office shall not be prohibited;
- ◆ Tuition and educational fees or expenses not directly related to the performance of duties or responsibilities in a candidate's campaign for elected office;
- ◆ Mortgage, rent, and utility expenses for a personal residence; provided that if a clearly segregated portion of the personal residence is being used for campaign purposes, contributions may be used to reimburse the owner of the property a fair rental value for the actual apportioned and actual use of the personal residence;
- ◆ Entertainment or sporting events;
- ◆ Dues, fees, or other expenses to a country club, health club, recreational or exercise facility and not arising from a fundraising activity or function held at the facility; provided that contributions may be used to pay for membership dues or other expenses in a community or civic organization where the candidate is directly involved in the activities of the organization;
- ◆ Compensation for personal services paid to the candidate or candidate's immediate family or relatives, unless the payments are for bona fide services necessary to maintain a campaign to influence the nomination or election of the candidate and is comparable to the compensation paid to other persons in the community providing similar services; and
- ◆ Legal expenses not related to the nomination or election of a candidate.

Expenses that Provide a Mixed Benefit to the Candidate

Contributions may be used to purchase or lease goods or services that provide a mixed benefit to the candidate; provided that an amount attributed to a personal benefit for the candidate shall be determined and the candidate shall reimburse to the committee unless the personal benefit is de minimus.

Contributions may be used to provide a mixed benefit to the candidate, including without limitation, the following:

- ◆ Purchase or lease of a vehicle, including any operation and maintenance costs, where the title to the vehicle is in the name of the candidate committee;

- ◆ Reimbursement for the use of a personal vehicle, not including operation and maintenance expenses, shall be authorized and documented for audit purposes at the most current mileage rate adopted, from time to time, by the Department of Accounting and General Services, State of Hawaii, at the time the vehicle is used; and
- ◆ Lease of real property to a candidate or candidate committee for a renewable period not to exceed one year.

Contributions to Organizations

Campaign funds may be contributed to any community service, educational, youth, recreational, charitable, scientific or literary organizations, provided that in any election cycle, the total amount of all contributions from campaign funds is not more than the maximum amount that one person or other entity may contribute to the candidate pursuant to HRS, section 11-204(a).

No contributions from campaign funds shall be made from the date the candidate files nomination papers to the date of the general election.

Note: The purchase of a fundraiser ticket from any organization listed above should be reported as a donation to the organization, not as a candidate fundraiser ticket and not as an “other” category for a gift.

Durable Assets

Durable assets are supplies and equipment purchased by the candidate committee with a purchase value of at least \$250 and a useful life of twelve months or more. Durable assets include, but are not limited to, an automobile, computer equipment, television, refrigerator or other similar goods to be used during the candidate’s campaign.

Durable assets must be electronically reported until the asset has been sold or donated. The acquisition of any durable asset is reported on the Candidate Filing System on “Schedule F Durable Assets”. The disposition of a durable asset is also reported on Schedule F.

CHAPTER VI

SURPLUS and DISPOSITION OF FUNDS

Surplus Funds

Surplus funds may be used after a general or special election for any fundraising activity for the candidate, for any other politically related activity sponsored by the candidate, or for any ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an elected state or county office. Surplus funds may also be used for contributions to any community service, educational, youth, recreational, charitable, scientific or literary organizations, provided that in any election cycle, the total amount of all contributions from surplus funds is not more than twice the maximum amount that one person or other entity may contribute to the candidate pursuant to HRS, section 11-204(a).

A "politically related activity" means activities whose purpose is to influence the outcome of a future election. Such activities include a "mahalo party" soon after the election, and newsletters to supporters.

Additionally, "ordinary and necessary expenses" are expenses that bear a direct relation to the office and are necessary for carrying out the duties of the office and include expenses for office equipment or supplies.

Disposition of Funds

A candidate who receives contributions for an election but fails to file nomination papers for that election must return all residual funds to contributors no later than ninety days after the date on which nominations for that election must be filed. Contributions not returned to contributors must escheat to the Hawaii Election Campaign Fund.

Candidates who withdraw or cease to be candidates because of death, term limits, disqualification, resignation, or other personal reasons shall return all residual funds to contributors no later than ninety days after the candidate ceases to be a candidate. Residual funds not returned to contributors shall escheat to the Hawaii Election Campaign Fund.

Candidates who:

- ◆ Are elected to office, may expend surplus funds pursuant to HRS section 11-206, but under no circumstances shall expenditures be made from funds after four years from the date of the election for which the contributions were received; or
- ◆ Failed to be nominated or elected to office, may expend surplus funds pursuant to HRS section 11-206, but under no circumstances shall expenditures be made from funds after one year from the date of the election for which the contributions were received.

Contributions not returned to contributors shall escheat to the Hawaii Election Campaign Fund.

CHAPTER VII

ADVERTISEMENTS

An advertisement includes:

- (1) Any communication, exclusive of bumper stickers or other sundry items, that:
 - (A) Identifies a candidate either directly or by direct implication;
 - (B) Advocates or supports the nomination for election of the candidate;
 - (C) Advocates or supports the election of the candidate; or
 - (D) Advocates or supports the candidate's defeat.

All advertisements shall state who paid for the ad, by listing the name and address of the candidate or committee paying for the advertisement, and the words "paid for by" should be used. Additionally, the advertisement shall contain a notice in a prominent location that the literature or advertisement is published, broadcast, televised, or circulated either "with the approval and authority of the candidate", or "without the approval and authority of the candidate", provided that in the event that the literature or advertisement is paid for by a candidate or committee directly associated with a candidate, the notice of approval and authority need not be included.

The penalty for not complying with the requirements above is a fine not to exceed \$25 for each advertisement that lacks the required disclaimer and no more than \$5,000 aggregate, e.g. one newspaper is one advertisement, 1,000 newspapers is 1,000 advertisements.

CHAPTER VIII

AUDIT and ENFORCEMENT

The law authorizes audits of committees. The Commission also has enforcement authority. The Commission may issue an order affecting any person violating any laws in the Hawaii Revised Statutes Contributions and Expenditures Subpart and may assess an administrative fine in the manner prescribed as follows:

- (1) If a natural person, an amount not to exceed \$1,000 for each occurrence or an amount equivalent to three times the amount of an unlawful contribution or expenditure, whichever is greater; or
- (2) If a corporation, organization, association, or labor union, it shall be punished by a fine not exceeding \$1,000 for each occurrence; and
- (3) Whenever a corporation, organization, association, or labor union violates this subpart, the violation shall be deemed to be also that of the individual directors, officers, or agents of the corporation, organization, association, or labor union, who have knowingly authorized, ordered, or done any of the acts constituting the violation.