

***TREASURER'S GUIDEBOOK FOR
CANDIDATE AND NONCANDIDATE
COMMITTEES***



*State of Hawaii
Campaign Spending Commission
December 2021*

Preface

The Hawaii Campaign Spending Commission is dedicated to the integrity and transparency of the campaign finance process.

The Treasurer's Guidebook is provided for the treasurers of candidate committees and noncandidate committees pursuant to HRS §11-314(2). The Guidebook is intended to provide a uniform and simple method of recordkeeping, and should not be relied upon for legal requirements.

For updates, laws, rules and advisory opinions of the Campaign Spending Commission (Commission), refer to the Commission website at <https://ags.hawaii.gov/campaign>.

The treasurer has the fiduciary responsibility for the candidate or noncandidate committee. This means that the treasurer is responsible for all moneys received and all expenditures made by the candidate or noncandidate committee. It is an important responsibility that should be taken seriously.

The Commission understands that many committees rely on volunteers, such as friends or relatives, to maintain their financial records and has found that they are not always familiar with the responsibilities of the committee treasurer or with acceptable standards of proper recordkeeping. This Guidebook is provided to assist the treasurer with fulfilling their responsibilities successfully.

Although the treasurer may feel that taking a short cut here and there will save time, it is recommended that you follow the procedures contained in this Guidebook for a successful election experience.

In many cases, the Commission has found that individual volunteers, including the treasurer, "come and go" leaving the committee with inadequate records for the successors to use in preparing the required committee reports. By establishing a uniform set of procedures, the committee will be able to maintain an organized recordkeeping system that can be passed on from one treasurer to another.

The Commission would like to thank and acknowledge the assistance and services of Paul Kuramoto, CPA, CMA, in the production and publication of this Guidebook.

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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.

Introduction

Purpose of the Treasurer's Guidebook

Campaign treasurers play an integral role in the management of candidate and noncandidate committees. The range of experience for campaign treasurers stretches from the novice volunteer to someone who has been a treasurer over several elections and possibly for multiple candidate and noncandidate committees.

The target audience for this Treasurer's Guidebook is the novice treasurer.

The experienced treasurer may be a volunteer or a paid treasurer. The experienced treasurer is likely to be knowledgeable of Hawaii's campaign finance laws, and use an established recordkeeping system that leads to a high level of compliance. This type of treasurer will probably review this Guidebook, and selectively choose procedures to implement.

The novice treasurer is typically a volunteer who has agreed to "help out" with the candidate or noncandidate committee. The novice treasurer is likely to have minimal knowledge of campaign finance laws, possibly even minimal understanding of accounting procedures, and look to the Commission as an information resource. The Commission provides training related to campaign finance laws and in the use of the electronic filing system, and general guidance via the Guidebook for Candidate Committees and Guidebook for Noncandidate Committees with respect to various topics including registration, recordkeeping, reporting, and enforcement. In addition, the Commission's website provides access to the current versions of the Hawaii Revised Statutes, Hawaii Administrative Rules, Advisory Opinions, and significant/recent court decisions on campaign finance laws.

The Commission provides many training tools for the treasurer. However, training alone will not ensure success for the treasurer. It provides the foundation for the working knowledge that can only be attained through experience. To be successful, the treasurer must have an understanding of the Commission's electronic filing system and the committee's accounting system. The best tip for each system is:

- Filing System Manual – Print out (preferably in color) the user manual, and flip through the related pages as you complete the input for each filing task. The user manuals are comprehensive and easy to follow.

- Accounting System – Maintain a balanced checkbook. This means a bank reconciliation must be performed each time a bank statement is received. When the treasurer is confident that the checkbook balance is correct, then reporting accurate contribution or expenditure information is merely a matter of research.

Public Funding

The Hawaii Election Campaign Fund (HECF) is a trust fund within the State treasury. It is used to provide public funds for certain elections. The HECF is primarily funded through the checkbox on the Hawaii individual income tax returns, and may be supplemented by general fund appropriations.

The Commission administers the partial public funding program which has accounting and reporting requirements that are more complex than for non-publicly funded elections. For this reason, it is recommended that a novice treasurer defer to a more experienced person or familiarize themselves with the laws and rules that regulate the public funding program. A guidebook for partial public funding program is available on the Commission's website.

Overview of Guidebook Layout

The Treasurer's Guidebook consists of four (4) sections and an appendix.

- Section I – Role of the Treasurer – This section includes an overview of the treasurer's role with a committee's activities including the treasurer's duties and responsibilities.
- Section II – Cash Inflows – This section addresses the treasurer's role with respect to the recordkeeping and reporting of contributions, loans, other receipts, and use of a candidate's personal funds.
- Section III – Cash Outflows – This section addresses the treasurer's role with respect to the recordkeeping and reporting of expenditures, acquisition and disposal of durable assets, other expenditures, and issues related to staffing.
- Section IV – Termination – This section discusses the process of terminating a committee including record retention.

Guidebook Conventions

Perspective – To make the Treasurer’s Guidebook easier to read, the treasurer will often be referred to as “you” or “I.”

Exhibits – Exhibits embedded within the text may be just large enough to convey the concept presented. When the details of the exhibit could be pertinent, a full-page copy of the exhibit will be included in the Appendix.

Abbreviations – Abbreviations that are frequently used in the Treasurer’s Guidebook are included below:

General

- CSC or Commission – Hawaii Campaign Spending Commission

Filing Systems

- CFS – Candidate Filing System
- NCFS – Noncandidate Committee Filing System

Campaign Finance Laws

- HRS – Hawaii Revised Statutes
- HAR – Hawaii Administrative Rules
- AO – Advisory Opinions

Resources

The Commission’s website is the treasurer’s primary source of information. There you will find manuals and guidebooks located at <https://ags.hawaii.gov/campaign> as well as information about reporting, enforcement, training, and even reports from other committees.

For candidate committees, the following resources are available on our website by clicking on “Candidate Committees” and then “Guidebooks & Manuals” or go to

<https://ags.hawaii.gov/campaign/cc/cc-guidance/>:

1. Guidebook for Candidate Committees
2. Treasurer’s Guidebook
3. Candidate Filing System Manual
4. CFS Cyber-Learning Video Companion

Click on “Candidate Committees” and then “Public Funding Programs” or go to <https://ags.hawaii.gov/campaign/cc/public-funding-programs/partial-public-funding/> for the following resources:

1. Partial Public Funding Guidebook for Candidate Committees
2. Cyber-Learning Videos

For noncandidate committees, the following resources are available on our website by clicking on “Noncandidate Committees” and then “Guidebooks & Manuals” or go to <https://ags.hawaii.gov/campaign/nc/nc-guidance/>:

1. Guidebook for Noncandidate Committees
2. Treasurer’s Guidebook
3. Noncandidate Committee Filing System Manual
4. Cyber-Learning Videos

You will also find the following resources available on our website when you click on “Legal Resources”:

1. Hawaii Revised Statutes (HRS), Chapter 11, Part XIII (HRS §11-301 to §11-435)
2. Hawaii Administrative Rules (HAR), Chapters 3-160, 3-161, 3-162
3. Advisory Opinions
4. Court Decisions
5. Legislature
6. Schedule of Fines

Reporting Systems

Candidate and noncandidate committees must electronically register and file campaign disclosure reports pursuant to HRS Chapter 11, Part XIII. The Commission developed electronic filing systems to allow candidate and noncandidate committees to comply with the registration and filing requirements.

The Commission’s website is the main portal for these electronic filing systems. The electronic filing systems may also be accessed directly.

1. **Candidate Committees** – Click on “Candidate Committees,” then “Candidate Filing System,” and then “Candidate Filing System (“CFS”) Login” or go directly to <https://csc.hawaii.gov/CFS/>.

2. **Noncandidate Committees** – Click on “Noncandidate Committees,” then “Noncandidate Committee Filing System,” and then “Noncandidate Committee Filing System (“NCFS”) Login” or go directly to <https://csc.hawaii.gov/NCFS/>.

The treasurer, deputy treasurers, candidate, and chairperson should understand that the electronic filing systems were developed to be a system to prepare and file disclosure reports. It is not an accounting system, nor is it an information retrieval system. However, the electronic filing systems do facilitate recordkeeping functions such as maintaining a contributor’s name, address, employer, occupation, and aggregate contributions. Furthermore, the electronic filing systems segregate public and private information – until a report is filed, the campaign finance activity information is only accessible by the committee. This information is only released to the Commission and the public when the report is filed. Even after a report is filed, for privacy purposes, certain information such as resident phone numbers for committee members and the committee’s bank account number is blocked from public access – only the Commission may access the blocked information.

Training

While the Commission provides training classes that are targeted at candidates and campaign treasurers, attendance is not restricted so other campaign staff may benefit from the training. Training classes are provided in each county during election years. The schedule of training classes is published on the website and in the Commission’s biannual Newsletter.

Commission training classes are registered with the Hawaii State Board of Accountancy, and qualify for CPE credits for attending Certified Public Accountants.

In addition, the Commission website has cyber-learning videos for both candidate and noncandidate committees.

Tax Matters

Candidate and noncandidate committees should be aware that Federal and Hawaii tax laws related to income taxes, employment taxes, general excise and use taxes, and other taxes may be applicable. In addition, the candidate and noncandidate committees may be subject to informational requirements such as compliance with Form W-9 requests or Form 1099 filings. These taxes and tax information requirements do not fall within the jurisdiction of the Commission; thus, we recommend you consult with your tax advisor.

Tax ID Number – Candidate and noncandidate committees may need a Federal tax identification number for banks or to hire employees. The process may be completed online at the Internal Revenue Service website using Form SS-4. Although this process is fairly simple, it requires the

user to provide information related to the organization. The treasurer needs to know how the committee is organized and how the tax identification number will be used. The tax information required to complete this process does not fall within the jurisdiction of the Commission; thus, we recommend you consult with your tax advisor.

Section I

Role of the Treasurer

Overview

The role of campaign treasurer offers someone a number of benefits, including the chance to help to improve their communities, influence the political process, and expand their own knowledge.

The treasurer is a key member of the candidate or noncandidate committee along with the chairperson, finance chair and, for candidate committees, the candidate. When someone is approached to become a treasurer for a candidate or noncandidate committee, the first question that comes to mind is, "What does this involve?"

Fundraising usually comes to mind first, but this function is typically assigned to a finance chair. This is not the treasurer's primary role. In a small committee, the same person might have multiple roles such as the treasurer, chairperson, finance chair, and even the candidate.

Let's start with a look at the finance chair – the main fundraiser. The finance chair should be a person of impeccable honesty, with a strong commitment to the candidate, and should be both prominent and respected by potential contributors. The finance chair should be well organized and able to assemble and motivate others who have volunteered to serve as campaign committee fundraisers. The finance chair should be a leader who can hold each of the fundraisers to honor their commitments. The chair should know each donor's potential. For example, it is important to categorize possible donors, since it would be a critical mistake to ask a potential \$1,000 dollar contributor to only give \$100. The finance chair's responsibilities include forming the fundraising strategy and establishing certain ground rules for fundraising events.

The committee treasurer must have many of these same attributes, and also should be extremely familiar with all the pertinent campaign finance laws and disclosure requirements. Campaign finance laws and disclosure requirements are sometimes fairly complex and are certainly different for state and local elections as opposed to federal elections.

Treasurers must be able to stand their ground. For example, except where budgeted, expenditures should not exceed campaign revenues. This is a simple statement but a very complex issue. As the campaign gets closer to election day, the treasurer can come under tremendous pressure to exceed the budget, and to borrow money in order to finance necessary expenditures for success. Towards the end of a close race, the candidate, political advisors, and public relation consultants may make financial recommendations that were not agreed upon at the outset of the campaign. The treasurer must be the kind of person who can withstand this

pressure and to defend the original budget if funds are limited. Probably, the treasurer's biggest responsibility is to know when to say no.

Because of the extreme importance of the job, the treasurer is usually appointed very early and is one of the first key people involved in the campaign. The treasurer is charged with selecting a bank depository and determining compliance procedures for all applicable campaign finance laws and regulations.

For the experienced treasurer, establishing a formal budget is one of the first things to do for a committee. The budget should be flexible, and should actually be constructed backwards – that is, contributions and expenditures should be estimated from the date of the election back toward the current date. Cash flow budgets are critical. Because of the nature of campaign expenditures, many of the expenses must be paid for before they are incurred. Expenditures as well as contributions should be budgeted on a weekly basis, so committee officials always know where they stand in regard to the total budget. For budgeting purposes, the treasurer will have to rely on someone else in the committee who is more knowledgeable about contributions and expenditures.

Both candidate and noncandidate committees are required under HRS §11-321 to appoint a chairperson and treasurer, and to register both with the Commission. This is done by filing an Organizational Report. HRS §11-322 and §11-323 identify the information that must be included in the Organizational Report for both candidate and noncandidate committees. This information must be current. Any change in information previously reported in the Organizational Report must be filed with the Commission within ten (10) days of the change.

The treasurer should be especially familiar with HRS §11-324 because it specifically addresses rules for the treasurer. The key points in this section include:

- Itemized records must be established and maintained – The treasurer is tasked with the recordkeeping function for the committee.
- Reports must be properly prepared and filed – The treasurer must ensure the committee's financial activities are properly reported. Every report required to be filed must be certified by the treasurer and the candidate, for a candidate committee, or the treasurer and the chairperson, for a noncandidate committee.
- Deputy treasurers may be appointed – Having deputy treasurers is important because paragraph (d) of this section provides that, "only the treasurer and deputy treasurers shall be authorized to receive contributions or to make or incur expenditures on behalf of the

candidate committee or noncandidate committee.” Should something happen to the treasurer, the candidate or noncandidate committee can continue to operate through a deputy treasurer until a new treasurer is appointed.

- A candidate may be appointed as the treasurer or deputy treasurer. However, from a practical standpoint, it is not recommended for a candidate to serve as their committee treasurer. During the heat of a political campaign, there are so many different, ongoing campaign activities for the candidate to do that having another individual serving as the treasurer relieves much of the time pressures. This is especially relevant during the preparation and filing of pre-election disclosure reports since these reports are due five (5) days after the end of the reporting period. It is, however, helpful for the candidate to be a deputy treasurer. This allows the candidate to receive contributions or to make expenditures on behalf of the committee.

Lifecycle of the Committee

Put simply, both candidate committees and noncandidate committees start with the filing of an Organizational Report when activities meet certain trigger points (HRS §11-321) and end when the committees decide to terminate (HRS §11-326).

A – Trigger Points

Candidate Committee – Filing an Organizational Report is required within ten (10) days of the earlier of:

- The date the candidate files nomination papers for office; or
- The date the candidate or candidate committee receives contributions or makes or incurs expenditures of more than \$100 in the aggregate during the applicable election period.

Noncandidate Committee – Filing an Organizational Report is required within ten (10) days of receiving contributions or making or incurring expenditures of more than \$1,000 in the aggregate, in a two-year election period. This trigger point is shortened to two (2) days if this activity occurs within the thirty (30) day period prior to an election.

Organizational Report

The Organizational Report is a part of the electronic filing system. To get started on the electronic filing system, the Electronic Filing Form will provide the committee with a

username and password. For both the candidate committee and noncandidate committee, these forms are writable pdf forms that can be completed, printed, and mailed/delivered, or eSigned and emailed to the Commission. This form may also be used to report a change in the chairperson or treasurer. These forms are available on the Commission website.

- Candidate Committee Electronic Filing Form – Click on “Candidate Committees,” and then “Forms” or go to <https://ags.hawaii.gov/campaign/cc/cc-forms-2/>.
- Noncandidate Committee Electronic Filing Form – Click on “Noncandidate Committees,” and then “Forms” or go to <https://ags.hawaii.gov/campaign/nc/nc-forms-2/>.

With the CFS or NCFS username and password, the treasurer can log in to prepare and file an Organizational Report.

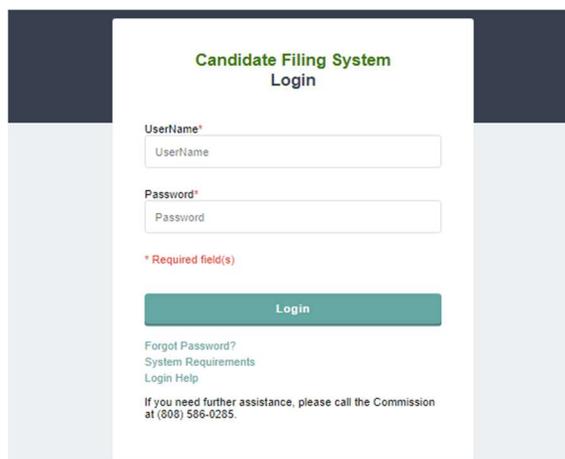


Exhibit 1
CFS Login Page

The Organizational Report provides the Commission with a committee’s contact information. Notices are sent to the address on record. So, it is of extreme importance for the committee to ensure that their Organizational Report is current – especially for receiving a notice regarding enforcement action.

Organizational Reports become public records after they are filed, and are available for viewing on the Commission website.

An Organizational Report is shown for a fictitious Moki Aloha’s candidate committee. Even though this Organizational Report is a public record, certain private information,

such as resident phone numbers, the treasurer’s e-mail address and bank account numbers, are blocked from public access, and only available to the committee and Commission.

HAWAII CAMPAIGN SPENDING COMMISSION			
ORGANIZATIONAL REPORT CANDIDATE COMMITTEE			
THIS REPORT IS FILED FOR THE FOLLOWING PURPOSE: Amended			
1. CANDIDATE AND CANDIDATE COMMITTEE:			
(a) Candidate Name:	Aloha, Moki	2. Web Page Address:	http://www.mokialoha.com
(b) Committee Name:	Friends for Moki K. Aloha	3. Office Sought:	House
(c) Address:	111 Aloha Street Suite 100 Honolulu HI 96813	4. District / County:	1 /
		5. Party Affiliation:	Independent
(d) Phone: (Bus)	(808) 222-3333	6. COMMITTEE DEPOSITORY (Bank):	
(Res)	(808) 444-5555	(a) Name:	Pacific Bank
		(b) Address:	44 First Street Honolulu HI 96813
		(c) Account Number:	333444555
OFFICERS:			
7. CHAIRPERSON		8. TREASURER	
(a) Name:	Strategist, Stan	(a) Name:	Finance, Fannie
(b) Address:	888 Center Street Honolulu HI 96815	(b) Address:	111 Smith Street Honolulu HI 96813
(c) Phone: (Bus)	(808) 123-4567	(c) Phone: (Bus)	(808) 345-6789
(Res)	(808) 456-7890	(Res)	(808) 567-8901
		(d) E-mail Address:	mokikaloha@mokialoha.com
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)	

Exhibit 2
CFS Organizational Report

B – Termination – Both candidate and noncandidate committees may terminate if:

- The committee files a request for termination of registration form;
- The committee files a report disclosing contributions and expenditures not previously reported;
- The committee has no surplus or deficit;
- The committee submits a copy of the committee’s closing bank statement;
- The committee pays all fines assessed by the Commission; and
- The request is approved by the Commission.


STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
 233 S. Beretania Street, Room 300
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 Phone: (808) 586-0285/Fax: (808) 586-0288
 www.hawaii.gov/campaign

CANDIDATE COMMITTEE REQUEST FOR TERMINATION OF REGISTRATION

Candidate Committee Name: _____

I hereby request to terminate the candidate committee's registration with the Campaign Spending Commission ("Commission") pursuant to Hawaii Revised Statutes ("HRS") §11-326. The committee has complied with the following requirements to terminate:

1. The committee has filed a report with the Commission disclosing contributions and expenditures not previously reported by the committee;
2. The committee has no surplus or deficit; and
3. The committee's bank account has been closed, and a copy of the closing bank statement is attached to this request or will be mailed or delivered to the Commission.

Please check the box if no committee bank account was opened because the committee received no monetary contributions and other campaign funds that needed to be promptly deposited in a depository institution in the name of the candidate or candidate committee pursuant to HRS §11-331(a).

I hereby certify that the information on this request for termination of registration is true and accurate:

Candidate's Signature _____ Date _____

WARNING

Termination of the committee's registration is not official until the Commission approves this request. The committee must continue to file reports until this request is approved by the Commission and your committee has received a signed copy. If you do not receive a signed copy within 10 days of filing this request, please call the Commission at (808) 586-0285.

FOR OFFICE USE ONLY

Approved By _____ Date _____

CC Termination Form (Rev. 09/2017)

Exhibit 3
Termination Form

Overview of the Election Period

The treasurer should become familiar with the term “election period” because it defines the major cut-off periods for reporting. Unlike businesses, candidate committees and noncandidate committees will report campaign finance activities based on dates within their election period – not necessarily at month-end, quarter-end or year-end.

For a candidate seeking election to a two-year office, the election period is the two-year time period starting on the day after the preceding general election for that office and ending on the day of the general election for that office.

For a candidate seeking election to a four-year office, the election period is the four-year time period starting on the day after the preceding general election for that office and ending on the day of the general election for that office.

For a special election, the election period is the time period starting on the day after the preceding general election for that office and ending on the day of the special election for that office.

Reports

It is the treasurer's responsibility to file all reports in a timely manner. It can be confusing for the treasurer to keep track of the filing due dates, so it is recommended that scheduled cut-off dates and related due dates be included on the committee's calendar of events. As a double-check, the upcoming filing due dates are published on the Commission's website, in the Commission's biannual Newsletter, as well as sent out in the Commission's email program and social media applications. Also available on the Commission's website is a downloadable calendar of events including (but not limited to) the candidate committee and noncandidate committee reporting schedules, the Commission's monthly meeting schedule, and the State holidays. This calendar can be downloaded by individuals into their Apple, Google, Microsoft, Outlook, and Yahoo calendars as well as many other calendar programs that use the standard iCal format.



Exhibit 4
CFS Screenshot Showing Reporting Deadline Message

All reports are required to be timely filed on the Commission's electronic filing system no later than 11:59 pm Hawaiian standard time on the filing due date.

The Commission's staff is available during office hours (Monday through Friday, 7:45 a.m. - 4:30 p.m.) to provide assistance with preparing and filing reports. Office hours **do not** extend until 11:59 p.m. on filing dates, so treasurers are encouraged to plan ahead. The Commission office is closed on State Holidays.

All reports are required to be certified as complete, true, and accurate by the treasurer and the candidate, for a candidate committee, or the treasurer and the chairperson, for a noncandidate committee.

Because the treasurer of each candidate committee and noncandidate committee is responsible for filing all reports, it behooves the treasurer to double-check that the report was filed with the Commission.

When the filing process has been completed, a Filing Confirmation page will appear. As your proof of filing, follow the instructions on the Filing Confirmation page to view and print your filing confirmation and report.

FILING CONFIRMATION

Thank you for filing your report. Please click the applicable link below to view and print your filing confirmation:

Type of Report Filed

[Disclosure / Late Contributions Reports](#)

[Statement of Qualifying Campaign Contributions](#)

[Expenditures of Public Funds Report](#)

View Filed Report

In addition to your filing confirmation above, please confirm that your filed report is complete and posted correctly on the Candidate Filing System Public Site. This step should be done with every report that you file.

Please click the link below to view and print your filed reports:

[Candidate Filing System Public Site](#)

**** Each filed Disclosure Report should have a "Disclosure Report" and "Schedules A through F" on the public site. If there is a blank screen or a technical error for any part of your report, please return to the Candidate Filing System, click "Amend Mode," click "File Report," click "Disclosure Report," and then file your report again. Blank screens or technical errors may occur if the system is overloaded.*

Exhibit 5

CFS Screenshot Showing Filing Confirmation Page

As much as paperless records support reducing voluminous records, paper still comprises a significant portion of any committee's records, such as for contribution receipts, invoices, bank statements, etc. Paper and paperless records are required to be retained for at least five (5) years after the report is filed.

There are generally three (3) types of reports:

- Scheduled disclosure reports;
- Special reports; and
- Nonscheduled reports.

A – Scheduled Disclosure Reports

The information contained in scheduled reports includes:

- Cash on hand
- Contributions Received
- Expenditures Made
- Other Receipts
- Loans (Candidate committees only – No loan may be made or received by a noncandidate committee)
- Unpaid Expenditures
- Acquisition or Disposition of Durable Assets.

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:	111 Aloha Street Suite 100 Honolulu HI 96813	
(d) Treasurer's Phone (Bus):	(808) 345-6789	
Section II - TYPE OF REPORT:		
Report Name:	2020-2022 1A Preliminary Primary January 1 - April 25, 2022	
Type:	<input type="checkbox"/> Amended	
Section III - SUMMARY OF RECEIPTS AND EXPENDITURES (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	\$99.42	
3. Total Receipts (From line 15)	\$139,002.52	\$139,602.52
4. Subtotal (Add Lines 2 and 3 for Column A and Lines 1 and 3 for Column B)	\$139,101.94	\$139,602.52
5. Total Expenditures (Not including Unpaid Expenditures) (From Line 19)	\$17,750.00	\$18,250.58
6. Cash on Hand at the Closing of this Reporting Period (Subtract Line 5 from Line 4)	\$121,351.94	\$121,351.94
7. Total Loans at the Closing of this Reporting Period	\$61,100.00	
8. Total Unpaid Expenditures at the Closing of this Reporting Period	\$5,000.00	
9. Debts Owed at the Closing of this Reporting Period (Add Lines 7 and 8)	\$66,100.00	
10. Surplus / Deficit (Subtract Line 9 from Line 6)	\$55,251.94	

Exhibit 6
Sample CFS Disclosure Report

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION Committee Name: Friends for Moki K. Aloha 2020-2022 1A Preliminary Primary January 1 - April 25, 2022				
SCHEDULE A - CONTRIBUTIONS RECEIVED				
Name and Address	Employer Occupation Non-Resident	Date Non-Monetary Category Non-Monetary Description	Amount	Aggregate
Sunset, Sammy 567 Sunset Drive Honolulu HI 96816	President ABC <input type="checkbox"/>	02/01/2022	\$1,000.00	1,000.00

Exhibit 6
Sample CFS Contributions Received Report

Scheduled reports apply to candidate committees and noncandidate committees and include:

- Preliminary reports for
 - A primary election
 - A general election
 - An initial special election
 - An initial nonpartisan election
 - A special election

- Final reports for
 - A primary election
 - A general election
 - A subsequent special election
 - A subsequent nonpartisan election

- Supplemental reports

The filing dates for scheduled reports vary depending on whether it is an election year and if you are a noncandidate committee, a candidate committee with a candidate not running in the next election, a candidate committee with a candidate whose name will appear on the ballot in the next election, or a candidate committee or noncandidate committee that does not plan to receive contributions or make expenditures of more than \$1,000 for the election period. Depending on these factors, your reporting schedule is available and posted on the Commission's website.

- For candidate committees, click on "Candidate Committees," and then "Reporting Deadlines" or go to <https://ags.hawaii.gov/campaign/cc/cc-reporting-schedules/>.
- For noncandidate committees, click on "Noncandidate Committees," and then "Reporting Deadlines" or go to <https://ags.hawaii.gov/campaign/nc-reporting-schedules/>.

Ultimately, together these reports will cover 365 days of the calendar year.

B – Special Reports

Special reports apply to candidate committees and/or noncandidate committees and include:

- Late Contributions Report
 - For making contributions aggregating more than \$500 to candidates who are on the ballot or receiving contributions from any person aggregating more than \$500 within the period of fourteen (14) calendar days through four (4) calendar days prior to the election to (primary or general), and due on or before the 3rd calendar day prior to the election.
- Late Expenditures Report (only noncandidate committees that make independent expenditures)
 - For making independent expenditures aggregating more than \$500 within the period of fourteen (14) calendar days through four (4) calendar days prior to the election (primary or general), and due on or before the 3rd calendar day prior to the election.
- Statement of Qualifying Campaign Contributions (only candidate committees participating in the partial public funding program)
 - For reporting qualifying campaign contributions defined as aggregate monetary contributions of \$100 or less from Hawaii residents received during the primary or general matching payment period, and received after the filing of the Statement of Intent to Seek Public Funds form.
- Expenditures of Public Funds Report (only candidate committees participating in the partial public funding program)
 - For certifying that all public funds paid to the candidate have been properly used.
 - This report must be electronically filed on the CFS:
 - No later than twenty (20) days after the primary election; and
 - No later than thirty (30) days after the general election.
 - Copies of all paid vendor invoices, receipts, cancelled checks, and/or bank statements must be filed by mail or in-person with the Commission within ten (10) days of filing each Expenditures of Public Funds Report.

C – Nonscheduled Reports

Nonscheduled reports apply to candidate committees and noncandidate committees and include:

- Organizational Report

- Notice of Intent to Hold a Fundraiser
- Statement of Information for Electioneering Communications (Not required by candidate committees beginning with the 2022 primary election)

The filing dates for nonscheduled reports are:

- Organizational Report
 - For any change in the information previously reported in the Organizational Report, and due within ten (10) days of the change.
- Notice of Intent to Hold a Fundraiser
 - A Notice of Intent to Hold a Fundraiser form must be filed by the person in charge of the fundraiser prior to the event. A fundraiser means any function held for the benefit of a candidate, candidate committee or noncandidate committee that is intended or designed, directly or indirectly, to raise contributions for which the price or suggested contribution for attending the function is more than \$25 per person. Refer to HRS §11-342 for the information required in the notice.


STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
 215 S. Hercules Street, Room 309
 Honolulu, Hawaii 96813
 Phone: (808) 556-0255/Fax: (808) 556-0258
 www.hawaii.gov/campaign

CANDIDATE COMMITTEE NOTICE OF INTENT TO HOLD A FUNDRAISER

Under Hawaii Revised Statutes §11-342, no fundraiser shall be held unless a notice of intent to hold the fundraiser is filed with the Campaign Spending Commission ("Commission") for which the price or suggested contribution for attending the fundraiser is more than \$25 per person. The person in charge of the fundraiser shall file the notice with the Commission prior to the fundraiser.

The following information must be provided:

Candidate Name: _____

Office Sought: _____ Include District/County if applicable: _____ / _____

Person in Charge of Fundraiser: _____

Address of Person in Charge: _____

Date of Fundraiser: _____ Time of Fundraiser: _____

Place of Fundraiser (i.e., Venue name and address): _____

Price or Suggested Contribution Per Person: \$ _____

WARNING:

The Commission's office is open Monday through Friday from 7:45 a.m. through 4:30 p.m. except on State Holidays. If a notice is submitted to our office on the same day the event is scheduled, an email receipt the notice prior to the fundraiser's start time and before our office closes for the day. Failure to comply with this requirement will result in a fine.

Notices for fundraisers held on Saturday, Sunday or State Holidays must be submitted to our office before 4:30 p.m. on the last business day prior to the Saturday, Sunday or State Holiday.

I hereby certify that the information on this notice is true and accurate:

Signature of Person in Charge: _____ Date: _____

CC Fundraiser Form (Rev. 09/2019)

Exhibit 7

Notice of Intent to Hold a Fundraiser

- Statement of Information for Electioneering Communications
 - A statement of information must be filed by each person (not including candidate committees) who makes an expenditure for electioneering

communications in an aggregate amount of more than \$1,000 during any calendar year within 24 hours of each disclosure date. Refer to HRS §11-341 for the definitions of electioneering communications and disclosure date, and for the information required in the statement.



**STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION**
235 S. Beretania Street, Room 300
Honolulu, Hawaii 96813
Phone: (808) 546-6285 Fax: (808) 546-6288
www.hawaii.gov/campaign

**STATEMENT OF INFORMATION FOR
ELECTIONEERING COMMUNICATION (9/15/21)**
(*Noncandidate Committees only)

For any person who will be broadcasting from a cable, satellite, television, or radio broadcast station; publishing in any periodical or newspaper or by electronic means which includes Facebook posts, Google ads, or other social media; or sending by mail any advertisement that refers to a clearly identifiable candidate and contains an appeal to vote for or against a candidate in the upcoming election, and spends in an aggregate amount of more than \$1,000 during any calendar year, you must file a Statement of Information for Electioneering Communication ("Statement") within 24 hours of executing a contract to make this expenditure if the advertisement is made, or scheduled to be made, either within 30 days before a primary or initial special election (i.e., July 14, 2022 to August 13, 2022) or within 60 days before a general or special election (i.e., September 9, 2022 to November 8, 2022). See, Hawaii Revised Statutes §11-341.

Once you file a Statement to disclose electioneering communications of more than \$1,000 in the aggregate, no further Statements are required to be filed no matter how much more money is spent on political advertisements in the same calendar year. Persons who fail to file the Statement or fail to timely file the Statement within 24 hours of executing a contract to make this expenditure, will be in violation of the campaign finance laws.

*This form must be filed in addition to the filing of any other report required by noncandidate committees.

Amended
Enter the Filing Date for the Statement you are amending: _____

Section I - Information for Person Making the Electioneering Communication

- Name of person or committee making the expenditure: _____
- Name of person or committee sharing or exercising discretion or control over the person making the expenditure: _____
- Custodian of books and accounts of the person or committee making the expenditure: _____
- If the expenditure was made by a noncandidate committee, business entity, or an organization, please provide the additional information:
Names and titles of the executives or board of directors who authorized the expenditure: _____
State of incorporation or formation: _____
Principal address: _____
- If the expenditure was made by an individual, please provide the additional information:
Address: _____
Occupation: _____
Employer: _____

Section II - Contributions Received for the Electioneering Communication

1. If the expenditure was made by a noncandidate committee or organization, please provide the names and addresses of all persons who contributed to the noncandidate committee or organization for the purpose of publishing or broadcasting the electioneering communication:

Name	Address

Form CS/CC-1 (09/2021)

2. If you are a noncandidate committee making only independent expenditures (Super PAC), then please provide the three (3) top contributors identified in the electioneering communication as required by HRS §11-391:

#	Name
1	
2	
3	

Section III - Expenditures Made for the Electioneering Communication

- Check which election the electioneering communication pertains: Primary/1st Special General/2nd Special
- Name of clearly identifiable candidate(s): _____
- Candidate(s) is/are supported or opposed: Supported Opposed
- Electioneering communication is made in coordination, cooperation, or concert with or at the request or suggestion of any candidate, candidate committee, or noncandidate committee, or agent of any candidate if any: Yes No
- If yes, please provide the name of the candidate, candidate committee, or noncandidate committee, or agent of any candidate involved: _____

6. Complete the following table (as applicable):

Name of Person to Whom the Expenditure was Made (i.e., Vendor)	Date the Contract for the Expenditure was Executed <small>(Form must be filed within 24 hours of the earliest contract date in this column. *See example below)</small>	Date the Advertisement will be Broadcast, Published, or Mailed <small>(Date should be within 30 days prior to the primary or within 60 days prior to the general)</small>	Amount

* For example, if you enter 7/1/2022 in this column as the contract execution date for the expenditure that exceeds the \$1,000 aggregate threshold, then you must file this form by 7/2/2022.

Signature of Person Completing Form _____ Filing Date _____

(Provide attachment for additional contributions reported in Section II, 1, and additional expenditures reported in Section III, 6.)

Exhibit 8
Statement of Information for Electioneering Communications

In summary, reporting compliance is one of the most important functions for candidate and noncandidate committees. Reports are the only formal communication with the Commission that provides information related to campaign finance activity. In addition, the transparency of public access is not available until the report is filed on the electronic filing system.

In past Commission enforcement actions, candidate committees that have not filed or filed late reports have claimed that their noncompliance was related to their campaign results. Having lost an election, having little or no cash on hand, and having little or no prospects of future fundraising, the candidate committees verbally claimed to have no campaign finance activity to report. However, until the reports are filed, neither the Commission nor the public has any knowledge of whether a committee has raised and spent one dollar or one million dollars. This is why it is important to not trivialize reporting compliance when there is little or no campaign finance activity.

Bank Accounts

The Organizational Report requires candidate committees and noncandidate committees to report the name and address of the depository institution in which the committee will maintain its campaign account and each applicable account number. Simply put, the committees must report all their bank accounts.

Type of Bank Accounts / Number of Bank Accounts

One of the first decisions the treasurer will face is the question of interest. Should the committee open a “regular” checking account? A checking account and a savings account? Or an interest bearing checking account? The question of interest arises because members of the candidate committees and noncandidate committees recognize that significant amounts of cash will be raised during the election period. It is a natural inclination to attempt to maximize benefits accruing from this cash.

From a practical perspective, it will be easier for the treasurer to keep things simple with only a “regular,” non-interest bearing checking account for the following reasons:

- Although a significant amount of cash will be raised, it will be quickly spent. A campaign account, whether a candidate committee account or noncandidate committee account, will not maintain a high cash balance throughout the election period.
- At the time of this publication, interest rates are at or near historical lows. The amount of interest earned will not be significant.
- Interest income may trigger Federal and State tax actions. The committee should consult their tax advisor regarding applicable income and general excise tax activity related to interest income.

Another question might relate to the number of bank accounts. Should there only be one account? Or, is it better to maintain a separate account for each island in the case of a state-wide campaign? Again, applying the simplicity theme, one bank account will be easier to maintain.

Opening a Bank Account

The committee bank account must be with a financial institution duly authorized to do business in the State of Hawaii, such as a bank, savings bank, savings and loan association, depository financial services loan company, credit union, intra-Pacific bank, or similar financial institution. Each bank has its own information requirements to open accounts which may include the

committee's Organizational Report as proof of being a registered committee with the Commission. The Commission will accommodate committees in this regard by allowing them to enter "Pending" in the required "Account Number" field with the initial filing of the Organizational Report, then filing an amended report within ten days of obtaining the account number. The candidate committee or noncandidate committee will be the account owner. This should match the information filed on the committee's Organizational Report. Information required that is common to all banks include:

- Name
- Address
- Tax identification number – Additional discussion may be found in Section I, Introduction – Tax Matters.
- Number of signers – For internal control purposes, many organizations prefer to have two (2) signers. Because the treasurer is likely to be a volunteer, the treasurer's presence is not likely to be daily. The same can be said of other campaign staff. From a practical perspective, especially in the middle of the campaign, coordinating the logistics for two (2) signers will be hectic. To satisfy internal control concerns, the treasurer might be better served to maintain strict physical control over blank checks, the expenditure approval process, the preparation of the checks, and control over undelivered and returned checks.

The treasurer will also need to consider:

- Who will be authorized signers? – The number of authorized signers should be limited to 2 to 3 people consisting of 1) the treasurer, 2) the candidate (in which case, the candidate should also be designated as a deputy treasurer), and 3) a deputy treasurer.
- What type of checks should be ordered? – This depends on the type of check-writing system the treasurer selects. If the check will be prepared manually, it is recommended to order checks with "carbon copies" to ensure the date, payee, and amount are recorded. If check-writing software is used, the software will record the date, payee, and amount, so "carbon copy" checks will not be needed. Instead, a "one-check-per page" voucher-style check is recommended because it will be easier to void and reprint a single, erroneous check than to reprint an erroneous check when using multiple checks per page.
- How many checks should be ordered? – This depends on the committee's plan. The treasurer needs to plan on writing one check for each expenditure. During the 2-3 months prior to a primary, general, or special election, a committee could write between 25-125 checks each month. However, during the other months, there may be fewer than 5 checks written each month. Due to this highly variable quantity of checks written, the treasurer

should significantly overestimate the number of checks to order. You do not want to run out of checks in the middle of an election.

- How many deposit slips should be ordered? – Fewer deposit slips than checks are needed because several contributions may be grouped together into a single deposit. However, contributions must be deposited within seven (7) days of receipt by a candidate committee or noncandidate committee. This requirement does not allow the treasurer to accumulate contributions for deposit beyond the seven (7) day window. For this reason, the treasurer should significantly overestimate the number of deposit slips to order. You do not want to run out of deposit slips in the middle of an election.
- Should the committee request a waiver or discount of the monthly service fee? – Candidate committees and noncandidate committees may consider themselves to be community organizations worthy of a waiver or discount of the monthly service fee. Some banks might concur. However, the treasurer must understand that such a waiver or discount of fees might subject the candidate committee or noncandidate committee and the bank to the rules related to non-monetary contributions unless the bank offers a waiver or the same discount of fees to all candidate committees and noncandidate committees.

Bank Statements – Debit / Credit Entries

For non-accountants, the debit and credit entries reflected on bank statements are often confusing because the debit or credit entries are from the bank's perspective, not the committee's perspective. Nevertheless, the treasurer must still record these entries in the committee's check register.

The following is a simple approach to recording the debit and credit entries reflected on bank statements.

- Identify the transactions that did not result from a check written or a deposit slip.
- Separate these transactions into:
 - Transactions that increase the account balance – For example, a direct deposit from a service which accepts credit card contributions on behalf of the committee.
 - Transactions that decrease the account balance – For example, the cost of checks ordered from the bank or service charges. Another common example is a debit card transaction.
- Record the transactions that increase the account balance the same as other deposits.
- Record the transactions that decrease the account balance the same as other checks.

Accurate recording of these transactions will facilitate the bank reconciliation.

Bank Reconciliation

Each candidate committee's and noncandidate committee's check register contains a record of the transactions (i.e., checks written, receipts from customers, etc.) that involve its checking account. The bank also creates a record of the committee's checking account when it processes the committee's checks, deposits, service charges, and other items. Soon after each month ends, the bank mails a bank statement to the committee or notifies the committee that the bank statement is available online within the committee's account. The bank statement lists the activity in the bank account during the recent month as well as the balance in the bank account.

When the committee receives its bank statement, the treasurer should verify that the amounts on the bank statement are consistent with the amounts in the committee's check register and vice versa. This process of confirming the amounts is referred to as reconciling the bank statement, bank statement reconciliation, bank reconciliation, or doing a "bank rec." The benefit of reconciling the bank statement is knowing that the amount of cash reported by the committee (i.e., book balance) is consistent with the amount of cash shown in the bank's records (i.e., bank balance).

Because of the number of checks written and deposits made each month, reconciling the amounts on the committee's books with the amounts on the bank statement can be time consuming. The process is complicated because some items appear in the committee's check register in one month, but appear on the bank statement in a different month. For example, checks written near the end of August are deducted immediately on the committee's books, but those checks will likely clear the bank account in early September. Sometimes the bank decreases the committee's bank account without informing the committee of the amount. For example, a bank service charge might be deducted from the bank account on August 31, but the committee will not learn of the amount until the committee receives the bank statement in early September. From these two examples, you can understand why there will likely be a difference in the balance on the bank statement (i.e., bank balance) vs. the cash balance on the committee's books (i.e., book balance). It is also possible (perhaps likely) that neither balance is the true balance. Both balances may need adjustment in order to report the true amount of cash.

After you adjust the balance per bank to be the true balance and after you adjust the balance per books to also be the same true balance, you have reconciled the bank statement. Most accountants would simply say that you have done the bank reconciliation or the "bank rec."

Performing the Bank Reconciliation

There are different ways to perform the bank reconciliation. Many banks will print a form on the backside of the bank statement for their customers to fill out. The end result of completing this form is a bank reconciliation. Most accounting software have a bank reconciliation module “built in.” The user simply activates the module, enters the bank balance, inputs “unrecorded” transactions, and checks off the book balance transactions that appear on the bank statement. Most bank reconciliation modules have an “unreconciled amount” that counts down to zero. At zero, the bank reconciliation is done, and can be printed out for the committee’s records.

Following is a manual bank reconciliation process that can be used in lieu of the backside of a bank statement or software module.

Step 1 – Adjusting the Balance per Bank

The first step is to adjust the balance on the bank statement to the true, adjusted, or corrected balance. The items necessary for this step are listed in the following schedule:

Step 1	Balance per Bank Statement on August 31, 20XX
	Adjustments
	Add: Deposits in Transit
	Deduct: Outstanding Checks
	Add or Deduct: Bank Errors
	Adjusted / Corrected Bank Balance

Deposits in transit are amounts already received and recorded by the committee, but are not yet recorded by the bank. For example, a committee deposits its cash receipts of August 31 into the bank's Sunday convenience branch on August 31. The bank will process this deposit on the morning of September 1. As of August 31 (i.e., the bank statement date), this is a deposit in transit.

Because deposits in transit are already included in the committee's book balance, there is no need to adjust the committee's records. However, deposits in transit are not yet on the bank statement. Therefore, they need to be listed on the bank reconciliation as an increase to the balance per bank in order to report the true amount of cash.

- A helpful rule of thumb is "put it where it isn't." A deposit in transit is on the committee's books, but it isn't on the bank statement. Put it where it isn't: as an adjustment to the balance on the bank statement.

Outstanding checks are checks that have been written and recorded in the committee's check register, but have not yet cleared the bank account. Checks written during the last few days of the month plus a few older checks are likely to be among the outstanding checks.

Because all checks that have been written are immediately recorded in the committee's check register, there is no need to adjust the committee's records for the outstanding checks. However, the outstanding checks have not yet reached the bank and the bank statement. Therefore, outstanding checks are listed on the bank reconciliation as a decrease in the balance per bank.

- Recall the helpful tip "put it where it isn't." An outstanding check is on the committee's books, but it isn't on the bank statement. Put it where it isn't: as an adjustment to the balance on the bank statement.

Bank errors are mistakes made by the bank. Bank errors could include the bank recording an incorrect amount, entering an amount that does not belong on a committee's bank statement, or omitting an amount from a committee's bank statement. The committee should notify the bank of its errors. Depending on the error, the correction could increase or decrease the balance shown on the bank statement. Since the committee did not make the error, the committee's records are not changed.

Step 2 – Adjusting the Balance per Books

The second step of the bank reconciliation is to adjust the balance in the committee's check register so that it is the true, adjusted, or corrected balance. Examples of the items involved are shown in the following schedule:

Step 2	Balance per Books on August 31, 20XX
	Adjustments
	Deduct: Bank Service Charges
	Deduct: NSF Checks & Fees
	Deduct: Check Printing Charges
	Add: Interest Earned (Note: Interest earning accounts are not recommended)
	Deduct: Outstanding Checks
	Add or Deduct: Committee Errors
	Adjusted / Corrected Book Balance

Bank service charges are fees deducted from the bank statement for the bank's processing of the checking account activity (i.e., accepting deposits, posting checks, mailing the bank statement,

etc.). Other types of bank service charges include the fee charged when a committee overdraws its checking account and the bank fee for processing a stop payment order on a committee's check. The bank might deduct these charges or fees on the bank statement without notifying the committee. When that deduction occurs, the committee usually learns of the amounts only after receiving its bank statement.

Because the bank service charges have already been deducted on the bank statement, there is no adjustment to the balance per the bank. However, the service charges will have to be entered as an adjustment to the committee's books. The committee's check register will need to be decreased by the amount of the service charges.

- Recall the helpful tip "put it where it isn't." A bank service charge is already listed on the bank statement, but it isn't on the committee's books. Put it where it isn't: as an adjustment to the check register on the committee's books.

A NSF check is a check that was not honored by the bank of the person or committee writing the check because that account did not have a sufficient balance. As a result, the check is returned without being honored or paid. (Note: NSF is the acronym for "not sufficient funds." Often the bank describes the returned check as a return item.) When the NSF check comes back to the bank in which it was deposited, the bank will decrease the checking account of the committee that had deposited the check. The amount charged will be the amount of the check plus a bank fee.

Because the NSF check and the related bank fee have already been deducted on the bank statement, there is no need to adjust the balance per the bank. However, if the committee has not yet decreased its check register balance for the returned check and the bank fee, the committee must decrease the balance per books in order to reconcile.

Check printing charges occur when a committee arranges for its bank to handle the reordering of its checks. (This also applies for printed deposit slips.) The cost of the printed checks will automatically be deducted from the committee's checking account.

Because the check printing charges have already been deducted on the bank statement, there is no adjustment to the balance per bank. However, the check printing charges need to be an adjustment on the committee's books. They will be a deduction to the committee's check register.

- Recall the general rule, "put it where it isn't." A check printing charge is on the bank statement, but it isn't on the committee's books. Put it where it isn't: as an adjustment to the check register on the committee's books.

Interest earned will appear on the bank statement when a bank gives a committee interest on its account balances. (Note: Interest earning accounts are not recommended. However, if the committee chooses an interest earning account, then this becomes a reconciliation item.) The amount is added to the checking account balance and is automatically on the bank statement. Hence, there is no need to adjust the balance per the bank statement. However, the amount of interest earned will increase the balance in the committee's check register on its books.

- Recall "put it where it isn't." Interest received from the bank is on the bank statement, but it isn't on the committee's books. Put it where it isn't: as an adjustment to the check register on the committee's books.

Errors in the committee's check register result from the committee entering an incorrect amount, entering a transaction that does not belong in the account, or omitting a transaction that should be in the account. Since the committee made these errors, the correction of the error will be either an increase or a decrease to the balance in the check register on the committee's books.

Step 3 – Comparing the Adjusted Balances

After adjusting the balance per bank (Step 1) and after adjusting the balance per books (Step 2), the two adjusted amounts should be equal. If they are not equal, you must repeat the process until the balances are identical. The balances should be the true, correct amount of cash as of the date of the bank reconciliation.

Does this sound tedious? Something you will look forward to doing every month? Bank reconciliations can be simplified by using accounting software. To perform the bank reconciliation, the treasurer merely needs to check off each transaction that appears on the bank statement.

Accounting Systems

Any accounting system, whether manual or software, needs to provide the financial information needed by the candidate committee and noncandidate committee to satisfy its internal information purposes for planning and management and its external information purposes for reporting. For internal purposes, the committee will need to know how much cash is available, how much and when additional cash inflows are expected, how much cash has been spent, and how much and when additional cash outflows are expected. This information will help the

committee evaluate how effectively its financial operations support its election activity goals. For external purposes, the committee needs the accounting system to support its Commission reporting requirements. The primary difference between accounting for candidate committees and noncandidate committees compared to commercial enterprises lies in the reporting of contributions – a reporting function of the Commission’s electronic filing system.

A complete and accurate check register, along with an understanding of the committee’s budget, allows the treasurer to satisfactorily meet the committee’s internal informational purposes. The check register will record the cash inflows and outflows, and maintain the account book balance. A key process to maintain the accuracy of the check register is to perform a bank reconciliation as soon as practically possible upon receipt of the bank statement.

The reports prepared and filed using the Commission’s electronic filing systems allow the treasurer to satisfactorily meet the committee’s external informational purposes. The treasurer needs to understand that the CFS and NCFS are reporting systems that rely on accounting information. To facilitate this reporting process, some treasurers may look toward accounting software. In consideration of the time and effort of reporting contributions, the CFS and NCFS typically perform better than commercial accounting software. The CFS and NCFS retain contributor information and track the aggregate contributions. However, to address check writing and cash management tasks, accounting software can allow the committees to continue with their daily activity and still provide the accounting information needed for input to the CFS and NCFS.

Based on an understanding of the information that will be reported, the treasurer needs to rely on a system of accounts and recordkeeping which summarizes the campaign activity to be inputted into the electronic filing system. Regardless of whether the treasurer uses accounting software or a detailed, manual check register, there are accounting procedures and documents that need to be maintained, not only for reporting but also to satisfy audit requirements.

Manual Accounting

A manual accounting system can be as simple as maintaining a complete and accurate check register. Timely entries and mathematical accuracy are key to accomplishing this goal. A check register is simply a checkbook. Deposits add to the cash balance, and expenditures reduce the cash balance. A check register may be purchased from an office supply store or maintained on an EXCEL spreadsheet. Either way, the attribute that makes it a manual accounting system is that each entry and summary must be performed individually; without any automated maintenance of information such as contributor or vendor records.

The cutoff dates for preliminary and final reports often fall in the middle of the month. It is easy to visualize the complexity of manually summarizing the accounting information needed for the reports.

Accounting Software

Popular business accounting software, such as QuickBooks Online or Sage 50cloud, will satisfactorily provide the information needed to prepare the reports. QuickBooks Online is one example of many online accounting software packages that can be purchased on an affordable monthly subscription basis.

The heart of accounting software is check writing. Vendor information is only input once, and it is maintained by the software for subsequent use. At the time the check information is input, amounts are easily assigned to one or more accounting categories. To promote efficiency, check information can be entered as the information becomes available, and a batch of checks may be printed at one time.

- Accounting categories are commonly referred to as a chart of accounts. The Appendix – Exhibit 9 contains an example of a simple chart of accounts that can be used by committees.

Deposits are recorded when made. Because the CFS and NCFS maintain contributor information, it is not necessary to record detailed deposit information into the accounting system – only the total amount of each deposit. Deposit information can be assigned to one or more accounting categories. This makes it just as easy to record and track a vendor refund as it is for a contribution.

Furthermore, accounting software allow journal entries. Journal entries can simplify recording non-check transactions such as non-monetary contributions which need to be reported as both a contribution and an expenditure.

Using accounting software, cut-off dates are as simple to handle as entering the beginning date and ending date of the information needed.

Bank reconciliations are also simplified by using accounting software. To perform the bank reconciliation, the treasurer merely needs to check off each transaction that appears on the bank statement. For any transactions that appear on the bank statement, but have not been recorded in the check register, most accounting software provide an “on the fly” feature to input the transaction.

Accounting System Recommendation

Accounting software, such as QuickBooks, is recommended for the treasurer to use in conjunction with the CFS or NCFS. The check writing and bank reconciliation features should be enabled and used regularly to maximize the efficiency and effectiveness of the software. Use of the check writing feature will force the treasurer to keep current with depositing and recording cash receipts. Otherwise, the software will warn of insufficient funds. The bank reconciliation feature will clearly identify outstanding checks for follow-up. Staying current in the accounting system will make it easier when committee reports are prepared.

Recordkeeping Files Recommendation

HRS §11-324 contains two key paragraphs related to the treasurer's responsibility to maintain committee records.

- HRS §11-324 (f) – The treasurer shall maintain detailed accounts, bills, receipts, and other records to establish that reports were properly prepared and filed.
- HRS §11-324 (g) – The records shall be retained for at least five (5) years after the report is filed.

A 3-ring binder format is recommended because it allows easy access to records in the middle of a file, and is relatively inexpensive. Many bank statements are already “pre-punched” in the 3-hole format, and office supply stores have 3-hole storage envelopes for odd sized receipts. Three types of recordkeeping files are recommended:

1. Permanent Records
2. Bank Statements
3. Committee Report Records

Permanent Records

These are the committee records that do not support the transactional activity of the periodic committee reports.

Examples of permanent records include:

- Organizational Report information

- CFS and NCFS registration information (i.e., your username and password to login to the respective electronic filing systems)
- Bank account information (i.e., signature card and debit card authorization form)
- Loan documentation
- Tax matters
- Contracts and agreements

A committee may add other categories of records that it deems permanent in nature.

Bank Statements

Bank statements are issued monthly, and with a month-end cut-off date. Committee reports have varied cut-off dates, so unless a committee report cut-off date is at month-end, there will not be a clean matching to the related bank statement. For this reason, it is recommended that bank statements be retained in a record file separate from committee report records.

Bank statements have changed dramatically over the past few years. The most obvious change is that cancelled checks and deposit slips are no longer returned with the monthly bank statement. The bank retains images of the check and deposit records. Some banks provide the images of the cancelled checks and deposit slips along with the bank statements, and some make the images available online. This has significantly reduced the bulk associated with bank statements. The sight of boxes full of oversized envelopes containing bank statements along with the cancelled checks and deposit slips is quickly disappearing.

Some banks allow their customers to eliminate paper statements and review their bank statements online. As long as the bank's record retrieval complies with the committee's 5-year retention requirement, online bank statements should pose no problem. A prudent treasurer should test online bank record retrieval to ensure the retrieved images are sufficiently legible, and to understand the retrieval process in advance of the need to actually retrieving a record.

Committee Report Records

A recommended filing scheme is to file the printed report together with all its related records. This filing scheme allows the committee to store the records in chronological order, and to establish a tickler file for the secure disposal of the records as each set of records attains its 5-year old status.

In other words, the committee will have 1 binder for each committee report or dividers within 1 binder for each report if the activity for your committee is not substantial.

The binder will contain the following records only for the report period:

- A copy of the report
- A copy of the accounting software report
 - In QuickBooks, this is known as the Transaction Detail by Account report.
 - The report period from and to dates can be set to match the committee report period.
- Copies of all deposit records for contributions, loan proceeds and other receipts
 - These include: deposit slips, copies of checks received, contributor information and any other pertinent documents.
 - Loan documentation should be kept with the committee's permanent records.

If the committee decides to maintain paperless records, the record files should follow the organizational structure recommended above.

Section II Cash Inflows

Overview

Cash inflows represent the items that increase the checking account balance. The committee reports group these into the following 3 main groups:

- Contributions Received
- Loans (only applies to candidate committees)
- Other Receipts

Contributions

Candidate committees and noncandidate committees must maintain all of the following information:

- The amount and date of deposit of each contribution.
- The name and address of each contributor who makes contributions aggregating more than \$100 in an election period. If this information is not maintained, the contribution must be returned to the contributor within thirty (30) days of deposit.
- The occupation and employer of each contributor who makes contributions aggregating \$1,000 or more during an election period for candidate committees and contributions aggregating more than \$100 during an election period for noncandidate committees. If this information is not maintained, the contribution must be returned to the contributor within thirty (30) days of deposit.

Contributions are further split into:

- Monetary Contributions; and
- Non-monetary Contributions

A – Monetary Contributions – These are contributions received by the committee in the form of cash, check, or money order. These contributions, along with other receipts, must be deposited into the bank account within seven (7) days of receipt by the committee. The treasurer should refer to HRS Chapter 11, Part XIII, subpart E for the specific laws governing contributions.

Prohibited contributions include:

- False name contributions;
- Anonymous contributions;
- Fundraising on state or county property;
- Contributions by state and county contractors; and
- Contributions by foreign nationals or foreign corporations.

The treasurer should be aware of a significant exception to the prohibition of anonymous contributions. At some campaign events, such as a coffee hour, the committee may have a “calabash bowl” available for small cash contributions. To qualify for this exemption, you must have a minimum of 10 people contributing to this “calabash bowl,” and the total contributions collected must be less than \$100. It is recommended that a committee volunteer watch the “calabash bowl,” and record the names of the people and the amounts contributed. Report the contributions as one lump sum using the deposit date for the contributions, the name of the function, and the address of where the function was held. Refer to HRS §11-353(d) for more information.

Limited contributions include:

- Contributions by a person to a candidate committee during an election period are limited to:
 - \$2,000 to a candidate seeking a 2-year office;
 - \$4,000 to a candidate seeking a 4-year, non-statewide office; and
 - \$6,000 to a candidate seeking a 4-year, statewide office.

The CFS has a validation feature that will notify the committee if these limits are exceeded. This allows the committee to take corrective action before filing their reports.

- Contributions by a person to a noncandidate committee are limited to \$1,000 aggregate in an election. However, this \$1,000 threshold does not apply to ballot issue committees or independent expenditure committees.
- Contributions by a dependent minor are reported in the name of the minor, but are attributable to the minor’s parent or guardian for purposes of contribution limits.

- Contributions by the candidate's immediate family are limited to \$50,000 in an aggregate amount of loans and contributions during an election period. In the CFS, the contributor information includes a drop-down to identify a member of the candidate's immediate family. Note: HRS §11-302 defines "immediate family" 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.
- Contributions to a party cannot exceed \$25,000 aggregate in any two-year election period under HRS §11-360.
- Aggregations of contributions and expenditures that are financed, maintained or controlled by a common organization are discussed at HRS §11-361 and it would be prudent to familiarize yourself with these provisions. Note: HRS §11-361 instructs you on how to handle contributions by various organizations, including but not limited to partnerships, limited liability companies, earmarks, and dependent minors.
- Contributions to candidate committees from nonresident persons are limited to 30% of the total contributions received for each election period. The simplest way to monitor compliance is through the CFS. In the CFS, the contributor information includes a checkbox to identify a nonresident contributor. The treasurer should be sure to use this validation feature because the CFS will calculate the percent of total contributions from nonresident persons. Candidate committees are required to return excess nonresident contributions to the contributors within thirty (30) days of the end of the election period. If not, the excess nonresident contributions will escheat to the Hawaii Election Campaign Fund.

Credit card contributions are monetary contributions. More committees are accepting credit card contributions than in past elections for convenience. Whether the committee decides on an "in-house" approach or vendor approach for processing credit card contributions, the treasurer needs to understand how to attribute the contribution amount to the contributor. For credit card contribution processing, the deposit into the committee's bank account is "net" of processing fees. That is, the amount of the credit card contribution is reduced by processing fees and then deposited into the committee's bank account. Based on the reports from the credit card processor or vendor, the treasurer needs to attribute the full amount of the credit card contribution to the contributor and record the processing fee as an expenditure. The treasurer must be careful to not attribute only the "net" amount of the credit card contribution to the

contributor. This will result in an incorrect contribution amount, and may result in a violation of contribution limits.

B – Non-Monetary Contributions – Although non-monetary contributions do not increase the checking account balance, they are included as contributions on the committee reports. To keep the records in balance, non-monetary contributions are reported as both contributions and expenditures. Non-monetary contributions are attributed to the contributor the same as monetary contributions, and are subject to the same prohibitions and limits.

Because these are non-cash transactions, non-monetary contributions are difficult to track. The information requirements for monetary contributions apply equally to nonmonetary contributions. The committee needs to document the description and value of the non-monetary contribution. Valuation of non-cash transactions is a key factor for aggregating total contributions for a contributor.

The treasurer of a candidate committee needs to be especially cognizant of HRS §11-363 entitled, “Other Contributions and Expenditures.” This section identifies situations and actions related to expenditure, electioneering communications or payments by a noncandidate committee or another person that could be considered to be a contribution and expenditure to the candidate. This issue is commonly referred to as independent vs. coordinated activity. The treasurer should review this section to ensure an in-depth understanding of the issue.

Contributions that exceed the limits set forth in HRS §11-357, §11-358, §11-359, and §11-360 are known as excess contributions. Candidate committees and noncandidate committees should be aware of how excess contributions are treated. If you find an excess contribution within seven (7) days of receipt and have not deposited the contribution, you can return the excess to the contributor and you do not have to report it in your disclosure report or to the Commission. If, however, you are outside this window of time, but you are able to return the excess contribution to the contributor within thirty (30) days of receipt, the excess will not escheat to the HECF in accordance with HRS §11-364. If this thirty (30) day window has elapsed, then the excess will escheat to the HECF pursuant to HRS §11-364. Note: Fines may also be assessed against the excess contributor. Therefore, it is important that if you discover an excess contribution, contact the Commission as soon as possible.

Loans

Loans only apply to candidate committees. Loans to or from a noncandidate committee are prohibited.

Loans must be included in the candidate committee reports. For any loan in excess of \$100, a copy of the executed loan document must be received by the Commission by 4:30 pm of the filing date for the report covering the reporting period when the loan was received.

Proper documentation for each loan includes:

- Terms of the loan, including the interest and repayment schedule;
- The name, address, and employer and occupation of the lender;
- The name and address of each person liable directly; and
- The date, amount, and purpose of each loan.

If a loan is not properly reported or documented, it will be treated as a contribution.

There are four (4) allowed sources for loans:

1. The candidate's own funds.
2. A financial institution regulated by the State or a federally chartered depository institution. This type of loan must be made in accordance with applicable law in the ordinary course of business.
3. The candidate's immediate family. These loans are limited to \$50,000 in an aggregate amount during an election period. These loans are also subject to a limit of \$50,000 in an aggregate amount of loans and contributions during an election period. Note: HRS §11-302 defines "immediate family" 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.
4. Persons other than the candidate, financial institution or the candidate's immediate family. These loans are limited to \$10,000 in an aggregate amount during an election period. If the \$10,000 limit is reached, any other loans are prohibited until the \$10,000 loan is repaid. If the loan is not repaid within one (1) year from the date of the loan, any other loans are prohibited. Furthermore, until the loan is repaid, all campaign funds, including subsequent contributions, must be used to repay the outstanding loan.

Sometimes the candidate, volunteer or employee might make expenditures on behalf of the candidate committee. The advances are not considered loans if:

- These expenditures do not exceed \$1,500 within a thirty (30) day period;
- Reimbursement is subject to documentation that includes a dated receipt as well as a written description of the name and address of each payee, and amount, date, and purpose of each expenditure; and
- The committee makes the reimbursement within forty-five (45) days of the expenditure.

Other Receipts

Other receipts must be included in the candidate committee and noncandidate committee reports. Other receipts include the candidate's personal funds, interest, rebates, refunds, proceeds from the sale of durable assets and public funds received by a candidate committee, and any other funds that are received by a candidate committee or noncandidate committee. Other receipts do not include contributions received from other persons or loan proceeds.

This information must include the amount, date of deposit and description of the other receipts, and the name and address of the source of each of the other receipts.

Recommended Procedures

The treasurer, as the responsible party, needs to establish procedures to comply with the reporting requirements. The main difference between financial reports for commercial enterprises and committee reports lies in the details reported for cash inflows. The procedures apply to all cash inflows – contributions, loans, and other receipts.

The major areas of focus include:

- Preceding Receipt of Cash
- Cash Received and Deposited
- Committee Reports

Preceding Receipt of Cash

In anticipation of filing a complete and accurate committee report, the treasurer needs to work with the committee's fundraising volunteers to ensure the required information is collected at the time of receipt. Going back, after-the-fact, to collect the required information is more time consuming and more difficult to accomplish than collecting the information at the time the

contribution or loan is received. Furthermore, such contact may unfavorably influence a contributor.

Many committees have an information form that the committee fundraisers give to contributors to complete and return along with their contributions. Printing companies that are familiar with political campaigns have various types of combination forms that incorporate the information form with the return envelope. This convenience encourages contributors to complete the information. If you cannot find a local printing company, an Internet search for “political campaign solicitation envelopes” may provide online alternatives.

The information should be comprehensive to address the different reporting requirements. The information should include:

- Name
- Address
- Telephone Number
- Email Address
- Occupation
- Employer

HRS §11-333 requires the name and address of each contributor who makes contributions aggregating more than \$100 in an election period, and further requires the occupation and employer of each contributor who makes contributions aggregating more than \$1,000 in an election period. For noncandidate committees, HRS §11-335 requires the name, address, occupation and employer for each contributor who makes contributions aggregating more than \$100 in an election period. A footnote containing this requirement on the information form or on your website for online contributions will reduce the number of follow-up requests for information.

Additional lines or checkboxes should be included to identify or address:

- Checks drawn on a joint checking account with only one signature (a contribution is attributed to the person that signs the check)
- Dependent minors, need to identify parent or guardian
- Immediate family members
- Non-residents of Hawaii
- State or county contractors
- Foreign national or foreign corporations

Cash Received and Deposited

Because contributions received must be deposited within seven (7) days of the date of receipt, the treasurer should plan on processing monetary contributions received on a weekly basis. The processing interval may need to be shortened depending on the volume of receipts – especially just before and after fundraising events.

To facilitate processing deposits, the treasurer should order a “Deposit Only” endorsement stamp. Stamping the back of checks received precludes the need to endorse each check.

A self-inking “Deposit Only” stamp should be ordered with the following information:

For Deposit Only
[Name of Committee]
[Name of Bank]
[Bank Account Number]

Committees using online payment processors for receiving contributions must ensure that contributions are deposited or transferred into the committee’s depository account within seven (7) days of receipt.

Committee Reports

The committee needs to assign the same person to check the incoming mail regularly to ensure cash receipt procedures are consistently followed.

1. Incoming checks along with the information forms should be separated from other mail.
2. Incoming checks should be stamped with the “Deposit Only” stamp.
3. Incoming checks along with the information forms should be forwarded to the treasurer.

The treasurer’s tasks related to cash receipts are:

1. Review the information form for completeness.
2. Finish incomplete forms.
 - The contributor may need to be contacted for this information. A contributor may be more cooperative in providing the information if contacted by the treasurer, candidate, or chairperson.

3. Prepare the cash receipts for deposit.
 - There is no need to conserve deposit slips. Banks process multiple deposits as easily as a single deposit, so the treasurer is encouraged to “spread out” the receipts instead of trying to “squeeze” as many receipts as possible into a single deposit. If there is a question or error related to deposits, it is much easier to troubleshoot individual deposits that have fewer items than many items.
4. Enter the check information onto the deposit slip.
 - Sometimes the face of the deposit slip has space for a few checks and the backside has space to list several checks. It is recommended to only use the backside to list the checks and to carry the total to the face.
5. Verify the accuracy of the deposit slip total.
 - It is recommended to use a printing calculator to add up the checks. The tape showing the checks and total is the proof of mathematical accuracy.
6. The treasurer should make a copy of the deposit slip, verification tape, and checks.
 - Be sure to include only the items related to that single deposit. This copy is an important component of the committee report records.

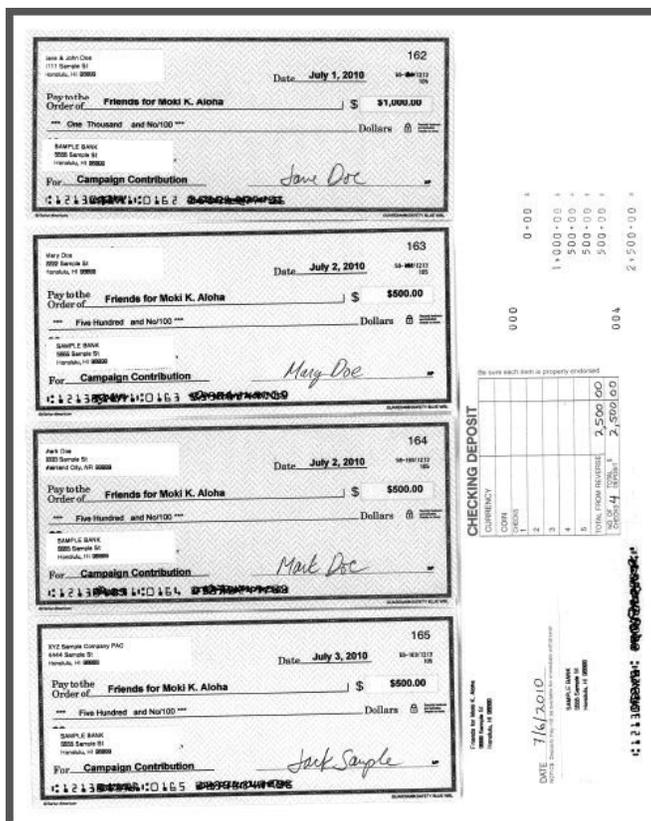


Exhibit 10
Copy of Contribution Checks and Deposit Slip

7. The treasurer needs to make the deposit within seven (7) days of receipt of the contribution.
8. The bank will provide a receipt for each deposit.
 - The deposit receipt is the committee's proof of deposit. It should be safeguarded until the deposit is shown in the bank statement. It is recommended to affix the receipt to the copy of the deposit slip, verification tape, and checks.
9. The treasurer needs to record the deposit into the accounting system.
 - Because the details of the deposit are on the copy of the deposit slip, verification tape, and checks, only the total and date of each deposit needs to be entered into the accounting system.

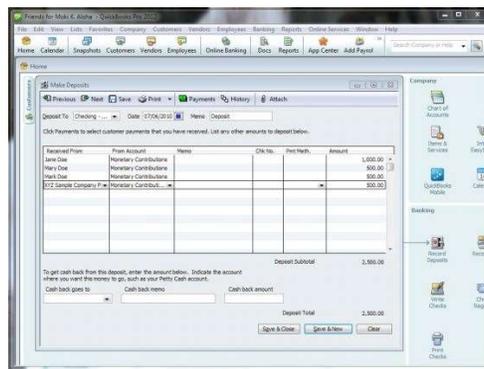


Exhibit 11
Recording Deposits

10. The treasurer needs to record the details of the contributions into the CFS or NCFS.
 - Although this can be done at any time, it is better to input and verify the contribution information in the CFS or NCFS at the time of the deposit. This timing will eliminate the processing crunch-time pressures placed upon the treasurer when committee reports are due.
 - The details of the contributions are found on both the information forms and the copy of the deposit slip, verification tape, and checks.
11. After the contribution information has been entered into the CFS or NCFS, the treasurer should file the documents into its proper Committee Reports file.

Section III

Cash Outflows

Overview

Cash outflows are the expenditures and loan repayments of the committee. Other than for petty cash purchases, it is recommended that committee payments be made by check. This means that the signature on the check indicates that the payment has been authorized by the check signer. The treasurer needs to ensure that the available cash and committee budget are communicated to all signers. The checks used for these payments should be generated by the check writing feature of the selected accounting software. Even at the insistence of the candidate, chairperson, or other committee staff, the treasurer should never allow any pre-signed checks. The treasurer should also never allow any check signer custody over blank checks. This is commonly requested in the heat of an election when someone says that a pre-signed or blank check is needed to pay a committee expenditure because the amount is not known at the time of the requested pre-signed or blank check. If any problem arises from pre-signed or blank checks, the treasurer is ultimately responsible. The treasurer's biggest responsibility is to know when to say no.

The use of debit cards is allowed but must be strictly monitored to prevent the misuse of campaign funds and to ensure that all purchases made via the committee's debit card are timely and accurately reported on the committee's disclosure reports as expenditures.

Generally, committee funds may be used for any directly related committee purposes. The treasurer should refer to HRS §§11-381 and 11-382 for the specific laws governing expenditures. Notably, candidate committees' expenditures are statutorily regulated.

For candidate committees, prohibited expenditures include:

- Expenditures to support the campaign of any other candidate other than the candidate with which they are directly associated;
- Expenditures to campaign against any other candidate not directly opposing the candidate with which they are directly associated; or
- Expenditures for personal expenses.

For candidate committee, limited expenditures include:

- Donations to community organizations, public schools and public libraries, as well as scholarships to full-time students are limited to twice the maximum amount that one person may contribute to a candidate committee and may only be given during a prescribed period of time. You cannot make a charitable donation from the date you file

your nomination papers to the date of the general election unless you are declared duly and legally elected to office prior to the general election or are unsuccessful in the primary or special primary election, and full-time student scholarship awards are prohibited from the filing deadline for nomination papers to the date of the general election unless you are duly and legally elected to office prior to the general election or are unsuccessful in the primary or special primary election.

- The purchase of not more than two (2) tickets for each fundraiser event held by another committee.
- Party contributions so long as the contributions are not earmarked for another candidate.
- Ordinary and necessary expenses incurred in connection with the candidate's duties as an office holder.

All committee payments should be made by check. Accounting software, such as QuickBooks, allows the payment information to be inputted separately from the check printing. This means the treasurer can input the invoice information as received and print (and mail out) checks in batches. This is more efficient than entering check information and printing each check individually. Of course, situations will arise when a rush payment is needed, but the treasurer needs to limit these dysfunctional requests. Otherwise, the treasurer will spend too much time responding to "special" situations instead of addressing the committee's overall accounting and reporting requirements. The treasurer needs to have a feel for the election activity in order to balance the committee's resources of time and money.

- QuickBooks maintains vendor lists. The vendor information includes the payment mailing address which will print out on the check. This allows the committee to use window envelopes for its payments. Window envelopes can be a significant time saver.

Durable Assets

Durable assets are non-consumable supplies or equipment with a minimum purchase value of \$250 and a useful life of twelve months or more.

Any acquisition or disposition of a durable asset by a candidate committee or noncandidate committee must be reported on the CFS and NCFS durable assets schedule. The report must include the following information:

- Detailed description and value of the durable asset at the time of acquisition or disposition;
- Date of acquisition or disposition; and
- Name and address of the durable asset vendor or contributor.

Durable assets purchased from a vendor are also reported as expenditures at the time the durable asset was acquired.

Credit Card Payments

A common accounting and reporting error results from the payment of a credit card bill. The vendor and description for a credit card payment is often reported as a payment to XYZ Credit Card Company for credit card charges. Even though a single check payable to the credit card company may be used to make the payment, the committee report needs to show the amount, date, vendor name, address, and purpose of each credit charge that is associated with the payment.

Candidate, Volunteer or Employee Reimbursement

Sometimes the candidate, volunteer or employee might make expenditures on behalf of the candidate committee. Even though a single check payable to the candidate, volunteer, or employee may be used to make the payment, the committee report needs to show the amount, date, vendor name, address, and purpose of each reimbursable expenditure that is associated with the payment. Reimbursements to the candidate, volunteer or employee should be made soon after the expenditure is made. Expenditures that exceed \$1,500 within a thirty (30) day period and not reimbursed within forty-five (45) days of the expenditure are considered loans.

Petty Cash

In any organization, cash-on-hand is the easiest of an organization's resources to misuse. A petty cash fund for candidate committees and noncandidate committees is discouraged. However, this is one area that is extremely difficult for a treasurer to disallow. Instead, the treasurer may allow a petty cash fund, and strictly control its use.

A petty cash fund should have the following attributes:

- A petty cash fund should be just that – petty cash. The size of the petty cash fund should be limited to \$100 or \$200, and strict policies are needed to govern its use.
- All receipts for any purchases made from the petty cash fund must be kept together with the cash in the petty cash fund.
- The sum of all receipts for any purchases made from the petty cash fund together with the cash balance in the petty cash fund must equal the amount of petty cash fund. For example, a \$200 petty cash fund that has \$122.04 in cash must have \$77.96 of receipts.

When the petty cash fund needs to be replenished, a common error is to write a check for the established amount of the fund. For example, a \$200 check might be written for a \$200 petty cash fund. This is only done when the petty cash fund is initially funded. To replenish the petty cash fund, a check payable to cash should be written in the amount of the sum of the receipts. This way, total cash in the petty cash fund after replenishment will equal the established amount of the fund.

Even though a single check payable to cash may be used to replenish the petty cash fund, the committee report needs to show the amount, date, vendor name, address, and purpose of each receipt that is associated with the replenishment.

Paid Staff vs. Volunteers

This is one topic where the scope of a committee's activities plays a significant role. For example, a candidate committee for a state-wide office might need compensated staff, whereas a candidate running for State House might have a candidate committee staffed solely by volunteers.

For candidate committees or noncandidate committees, paid staff (even just one) adds significantly more Federal and State compliance requirements than using volunteers. Paid staff may be employees or independent contractors. Either type of paid staff will trigger tax and labor law requirements. These requirements can extend beyond an election period, and the treasurer is responsible for this extended compliance. Having paid staff is not recommended. However, if paid staff cannot be avoided, the treasurer should consult a tax advisor. The treasurer's consultation regarding these tax matters should include the question of whether paid staff should be employees or independent contractors.

Recommended Procedures

The treasurer, as the responsible party, needs to establish procedures to comply with the reporting requirements. Preparing input for committee reports has two (2) phases:

- Entry into the accounting system
 - Accounting software will process cash outflows from the initial entry of payment information, through check writing, and result in a report that shows the details of each expenditure.

- Entry into the electronic filing system
 - The transaction details contained in the accounting software reports provide the source of entry information for the CFS and NCFS.

Control over the expenditure of a committee's campaign funds needs to be strictly controlled by the treasurer. Unless the volume of expenditure activity becomes overwhelming, the treasurer should personally perform the expenditure functions.

Requests for expenditures may come from several sources. Examples include:

- Incoming mail, email and other electronic means, or online invoices
- Hand-carried invoices
- Verbal requests from vendors or committee staff
- Candidate, volunteer, or employee expenditure reimbursement
- Recurring payments, such as loan repayments, rent, utilities, and staff compensation

The treasurer's tasks related to expenditures are:

1. Each request for expenditure needs to be available for review in a paper format. Sound internal control practices call for some type of request form that identifies the who, what, when, and where of the expenditure, and clearly documents the authorization. In the heat of an election, even the simplest of forms will, in all likelihood, not be used. The treasurer should at least make handwritten notes, initial and date the invoice, receipt, or copies. Even a plain sheet of paper that contains the treasurer's handwritten notes is better than nothing.
 - While paperless recordkeeping environments are becoming more common in commercial enterprises, it is recommended that the treasurer memorialize expenditure requests in a paper format. The reason for this is that the expenditure request will become an integral part of the committee records which support its committee records, and will be filed together with other committee reports for the same committee report. After the treasurer gains knowledge and experience regarding committee reports and documentation, a migration to a paperless recordkeeping environment may be initiated.
 - To maintain consistency and ease of use, letter size paper, 3-hole punched, and 3-ring binders are recommended.
 - When the documents include thermal printing or are odd-sized, it is recommended the document be copied to prevent fading or loss. The original should be affixed to the copy. This copy also provides generous white space to enter notes such as vendor information or details related to the expenditure.
 - All verbal requests need to be documented on paper. The treasurer needs to make sure the information from the verbal request contains the same required information as all other expenditure requests.

- Candidate, volunteer, or employee expenditure reimbursement requests need to identify the person making the request and show the amount, date, vendor name, address, and purpose of each reimbursable expenditure that is associated with the payment.
2. Review and approve each request for expenditure.
 - The treasurer needs to exercise judgment when determining the level of control over the review and approval of expenditure requests. Too much control may hinder the committee's ability to match election activity, and too little control may jeopardize the committee's resources.
 - Simply initialing and dating the request will suffice to document the review and approval of the treasurer. Some treasurers may wish to use a more formal method, such as an approval stamp or multiple authorizations.
 3. Input the expenditure information into the check writing module of the accounting system.
 - Because the accounting software maintains vendor lists, the vendor information need only be input the first time a vendor is used.
 - The vendor input also allows tracking of other information. For example, there is often a checkbox to track vendors that may require a Form 1099-MISC at the end of the year. The treasurer should consult a tax advisor with any questions regarding this tax matter.

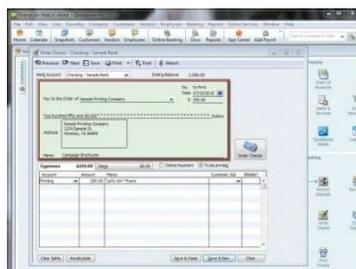


Exhibit 12
Writing Checks

4. Print and deliver the expenditure checks.
5. Print and review the report of transaction details.
 - In QuickBooks, this is known as the Transaction Detail by Account report.

Friends for Moki K. Aloha - QuickBooks Pro 2012 - Transaction Detail by Account

2:54 PM 05/25/12

Friends for Moki K. Aloha
Transaction Detail by Account
January through July 2010

Type	Date	Num	Name	Memo	Split	Amount	Balance
Checking - Sample Bank							
Deposit	07/06/2010			Deposit	-SPLIT-	2,500.00	2,500.00
Check	07/10/2010		Sample Catering C...	Food & Beve...		-500.00	2,000.00
Check	07/10/2010		Sample Printing Co...	Campaign B...	Printing	-250.00	1,750.00
Check	07/10/2010		Sample Office Sup...	Supplies & C...	-SPLIT-	-300.00	1,450.00
Total Checking - Sample Bank:						1,450.00	1,450.00
Monetary Contributions							
Deposit	07/06/2010		Jane Doe	Deposit	Checking - Sa...	-1,000.00	-1,000.00
Deposit	07/06/2010		Mary Doe	Deposit	Checking - Sa...	-500.00	-1,500.00
Deposit	07/06/2010		Mark Doe	Deposit	Checking - Sa...	-500.00	-2,000.00
Deposit	07/06/2010		XYZ Sample Comp...	Deposit	Checking - Sa...	500.00	-2,500.00
Total Monetary Contributions:						-2,500.00	-2,500.00
Food & Beverages							
Check	07/10/2010		Sample Catering C...	For picnic rally	Checking - Sa...	500.00	500.00
Total Food & Beverages:						500.00	500.00
Office Supplies							
Check	07/10/2010		Sample Office Sup...	Envelopes, T...	Checking - Sa...	150.00	150.00
Total Office Supplies:						150.00	150.00
Printing							
Check	07/10/2010		Sample Printing Co...	"Loha Wiv" F...	Checking - Sa...	250.00	250.00
Check	07/10/2010		Sample Office Sup...	Copies	Checking - Sa...	150.00	400.00
Total Printing:						400.00	400.00
TOTAL						0.00	0.00

Exhibit 13
Transaction Detail by Account

6. Using the report of transaction details, input the expenditure information into the CFS or NCFS.
 - In a similar manner to accounting software, the CFS and NCFS maintain vendor lists. The vendor information need only be inputted the first time a vendor is reported.
 - Input of vendor information may be done at any time. To alleviate the time pressure during the preparation and filing of committee reports, it is recommended that the treasurer input and maintain vendor information at the time vendor information becomes available.

7. After the expenditure information is entered into the CFS or NCFS, the treasurer should file the documents into its proper Committee Reports file.

Section IV Termination

Overview

When someone accepts the position of committee treasurer, the termination process is not one of the foremost topics of consideration. Win or lose, election day does not necessarily mean the end for a candidate committee. Nor does election day mean the end for a noncandidate committee.

Termination is discussed at HRS §11-326. Both candidate and noncandidate committees may terminate if:

- The committee files a Request for Termination of Registration form;
 - The form is available on the Commission’s website as a writable/printable PDF form that can be completed, printed, signed and mailed/delivered, or eSigned and emailed to the Commission.
 - Click on “Candidate Committees,” and then “Forms” or go to <https://ags.hawaii.gov/campaign/cc/cc-forms-2/>.
 - Click on “Noncandidate Committees,” and then “Forms” or go to <https://ags.hawaii.gov/campaign/nc/nc-forms-2/>.



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
 235 S. Beretania Street, Room 300
 Honolulu, Hawaii 96813
 Phone: (808) 586-6285/Fax: (808) 586-6288
 www.hawaii.gov/campaign

CANDIDATE COMMITTEE REQUEST FOR TERMINATION OF REGISTRATION

Candidate Committee Name: _____

I hereby request to terminate the candidate committee’s registration with the Campaign Spending Commission (“Commission”) pursuant to Hawaii Revised Statutes (“HRS”) §11-326. The committee has complied with the following requirements to terminate:

1. The committee has filed a report with the Commission disclosing contributions and expenditures not previously reported by the committee;
2. The committee has no surplus or deficit; and
3. The committee’s bank account has been closed, and a copy of the closing bank statement is attached to this request or will be mailed or delivered to the Commission.

Please check the box if no committee bank account was opened because the committee received no monetary contributions and other campaign funds that needed to be properly deposited in a depository institution in the name of the candidate or candidate committee pursuant to HRS §11-351(a).

I hereby certify that the information on this request for termination of registration is true and accurate:

Candidate’s Signature: _____ Date: _____

WARNING

Termination of the committee’s registration is not official until the Commission approves this request. The committee must continue to file reports until this request is approved by the Commission and your committee has received a signed copy. If you do not receive a signed copy within 10 days of filing this request, please call the Commission at (808) 586-6285.

FOR OFFICE USE ONLY

Approved By: _____ Date: _____

CC Termination Form (Rev. 09/2017)

Exhibit 3

Request for Termination of Registration

- The committee files a report disclosing contributions and expenditures not previously reported;
- The committee has no surplus or deficit;
 - To achieve this, a committee may need to address disposition of funds.
 - Details of the disposition of funds are shown at HRS §11-384 for candidate committees. These terms need to be fully understood and complied with, otherwise the funds will escheat to the Hawaii Election Campaign Fund. For Noncandidate committees, surplus funds must be returned to the contributors.
- The committee delivers a copy of the committee's closing bank statement; and
 - The closing bank statement should show a zero balance.
- The request is approved by the Commission.
 - This approval signifies the "official" termination of the candidate committee or noncandidate committee.

An approved termination of a committee is not the end of a treasurer's responsibilities.

- The five (5)-year record retention requirement continues to apply.
- Tax matters, such as Form 1099-MISC, may continue to apply. The treasurer should consult a tax advisor to determine whether such tax matters apply.

Appendix Exhibit 1

Electronic Filing System Login Page

The screenshot shows a login page for the Candidate Filing System. The page has a white background with a dark blue header and footer. The main content area is white and contains the following elements:

- Candidate Filing System Login** (Title)
- UserName*** (Label) with a text input field containing "UserName".
- Password*** (Label) with a text input field containing "Password".
- * Required field(s)** (Red text indicating required fields).
- Login** (Green button).
- [Forgot Password?](#)
- [System Requirements](#)
- [Login Help](#)
- Text: "If you need further assistance, please call the Commission at (808) 586-0285."

CFS Login Page

The screenshot shows a web browser window displaying the Noncandidate Committee Filing System (NCFS) login page. The browser address bar shows "https://cschawaii.gov/NCFS/". The page header includes "Department of Accounting and General Services" and "Campaign Spending Commission". The main content area is titled "Noncandidate Committee Filing System" and contains a login form with the following elements:

- Login** (Title)
- UserName** (Label) with a text input field.
- Password** (Label) with a text input field.
- Login** (Button).
- [System Requirements](#)
- [Login Help](#)
- [Password Reset](#)

NCFS Login Page

Appendix Exhibit 2

Organizational Report

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

ORGANIZATIONAL REPORT
CANDIDATE COMMITTEE

THIS REPORT IS FILED FOR THE FOLLOWING PURPOSE: <input type="checkbox"/> Registration of New Committee <input checked="" type="checkbox"/> Amended			
1. CANDIDATE AND CANDIDATE COMMITTEE:			
(a) Candidate Name:	Aloha, Moki	2. Web Page Address:	
(b) Committee Name:	Friends of Moki Aloha	3. Office Sought:	House
(c) Address:	235 South Beretania St Room 300	4. District / County:	1 /
	Honolulu HI 96813	5. Party Affiliation:	Democrat
(d) Phone: (Bus)	(808) 000-0000	6. COMMITTEE DEPOSITORY (Bank):	
		(a) Name:	Sample Bank
		(b) Address:	333 Bank Street Honolulu HI 96813
(Res)		(c) Account Number:	
OFFICERS:			
7. CHAIRPERSON		8. TREASURER	
(a) Name:	Last Name, First Name	(a) Name:	Last Name, First Name
(b) Address:	235 South Beretania St Room 300 Honolulu HI 96813	(b) Address:	235 South Beretania St Room 300 Honolulu HI 96813
(c) Phone: (Bus)	(808) 000-0000	(c) Phone: (Bus)	(808) 000-0000
		(d) E-mail Address:	
9. DEPUTY CHAIRPERSON		10. DEPUTY TREASURER 1	
(a) Name:		(a) Name:	
(b) Address:		(b) Address:	
(c) Phone: (Bus)		(c) Phone: (Bus)	
11. DEPUTY TREASURER 2		12. DEPUTY TREASURER 3	
(a) Name:		(a) Name:	
(b) Address:		(b) Address:	
(c) Phone: (Bus)		(c) Phone: (Bus)	

CFS Organizational Report
Sample Candidate – Moki Aloha

Appendix Exhibit 3

Termination Form



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
 235 S. Beretania Street, Room 300
 Honolulu, Hawaii 96813
 Phone: (808) 586-0285/Fax: (808) 586-0288
 www.hawaii.gov/campaign

CANDIDATE COMMITTEE REQUEST FOR TERMINATION OF REGISTRATION

Candidate Committee Name: _____

I hereby request to terminate the candidate committee's registration with the Campaign Spending Commission ("Commission") pursuant to Hawaii Revised Statutes ("HRS") §11-326. The committee has complied with the following requirements to terminate:

1. The committee has filed a report with the Commission disclosing contributions and expenditures not previously reported by the committee;
2. The committee has no surplus or deficit; and
3. The committee's bank account has been closed, and a copy of the closing bank statement is attached to this request or will be mailed or delivered to the Commission.

Please check the box if no committee bank account was opened because the committee received no monetary contributions and other campaign funds that needed to be promptly deposited in a depository institution in the name of the candidate or candidate committee pursuant to HRS §11-351(a).

I hereby certify that the information on this request for termination of registration is true and accurate:

Candidate's Signature Date

WARNING

Termination of the committee's registration is not official until the Commission approves this request. The committee must continue to file reports until this request is approved by the Commission and your committee has received a signed copy. If you do not receive a signed copy within 10 days of filing this request, please call the Commission at (808) 586-0285.

FOR OFFICE USE ONLY

Approved By Date

CC Termination Form (Rev. 09/2017)

Candidate Committee
Request for Termination of Registration

Appendix Exhibit 4

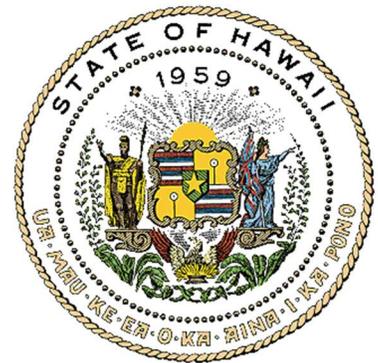
Reporting Due Date Reminder



Welcome to the Candidate Filing System!

The next report for Candidates Running in the 2022 Election and on the Primary Ballot is the 1A Preliminary Primary Report due May 2, 2022, covering the period January 1, 2022 through April 25, 2022.

Please visit www.hawaii.gov/campaign for more information regarding this report, to follow us on Facebook and Twitter, and to subscribe to receive informational emails from the Commission.



CFS Screenshot Showing Reporting Deadline Message

Appendix Exhibit 5

Filing Confirmation Page

FILING CONFIRMATION

Thank you for filing your report. Please click the applicable link below to view and print your filing confirmation:

Type of Report Filed

[Disclosure / Late Contributions Reports](#)

[Statement of Qualifying Campaign Contributions](#)

[Expenditures of Public Funds Report](#)

View Filed Report

In addition to your filing confirmation above, please confirm that your filed report is complete and posted correctly on the Candidate Filing System Public Site. This step should be done with every report that you file.

Please click the link below to view and print your filed reports:

[Candidate Filing System Public Site](#)

**** Each filed Disclosure Report should have a "Disclosure Report" and "Schedules A through F" on the public site. If there is a blank screen or a technical error for any part of your report, please return to the Candidate Filing System, click "Amend Mode," click "File Report," click "Disclosure Report," and then file your report again. Blank screens or technical errors may occur if the system is overloaded.*

CFS Screenshot Showing Filing Confirmation Page

Appendix Exhibit 6

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:	111 Aloha Street Suite 100 Honolulu HI 96813	
(d) Treasurer's Phone (Bus):	(808) 345-6789	
Section II - TYPE OF REPORT:		
Report Name:	2020-2022 1A Preliminary Primary January 1 - April 25, 2022	
Type:	<input type="checkbox"/> Amended	
Section III - SUMMARY OF RECEIPTS AND EXPENDITURES (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	\$99.42	
3. Total Receipts (From line 15)	\$139,002.52	\$139,602.52
4. Subtotal (Add Lines 2 and 3 for Column A and Lines 1 and 3 for Column B)	\$139,101.94	\$139,602.52
5. Total Expenditures (Not including Unpaid Expenditures) (From Line 15)	\$17,750.00	\$18,250.58
6. Cash on Hand at the Closing of this Reporting Period (Subtract Line 5 from Line 4)	\$121,351.94	\$121,351.94
7. Total Loans at the Closing of this Reporting Period	\$61,100.00	
8. Total Unpaid Expenditures at the Closing of this Reporting Period	\$5,000.00	
9. Debts Owed at the Closing of this Reporting Period (Add Lines 7 and 8)	\$66,100.00	
10. Surplus / Deficit (Subtract Line 9 from Line 6)	\$55,251.94	

Candidate Committee
Sample CFS Disclosure Report

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION Committee Name: Friends for Moki K. Aloha 2020-2022 1A Preliminary Primary January 1 - April 25, 2022				
SCHEDULE A - CONTRIBUTIONS RECEIVED				
Name and Address	Employer Occupation Non-Resident	Date Non-Monetary Category Non-Monetary Description	Amount	Aggregate
Sunset, Sammy 567 Sunset Drive Honolulu HI 96816	President ABC <input type="checkbox"/>	02/01/2022	\$1,000.00	1,000.00

Candidate Committee
Sample CFS Contributions Received Report

Appendix Exhibit 8

Statement of Information for Electioneering Communications



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
 235 S. Beretania Street, Room 300
 Honolulu, Hawaii 96813
 Phone: (808) 586-0285 Fax: (808) 586-0288
 www.hawaii.gov/campaign

**STATEMENT OF INFORMATION FOR
ELECTIONEERING COMMUNICATION (9/15/21)**
 (*Noncandidate Committees only)

For any person who will be broadcasting from a cable, satellite, television, or radio broadcast station; publishing in any periodical or newspaper or by electronic means which includes Facebook posts, Google ads, or other social media; or sending by mail any advertisement that refers to a clearly identifiable candidate and contains an appeal to vote for or against a candidate in the upcoming election, and spends in an aggregate amount of more than \$1,000 during any calendar year, you must file a Statement of Information for Electioneering Communication ("Statement") within 24 hours of executing a contract to make this expenditure if the advertisement is made, or scheduled to be made, either within 30 days before a primary or initial special election (i.e., July 14, 2022 to August 13, 2022) or within 60 days before a general or special election (i.e., September 9, 2022 to November 8, 2022). See, Hawaii Revised Statutes §11-141.

Once you file a Statement to disclose electioneering communications of more than \$1,000 in the aggregate, no further Statements are required to be filed no matter how much more money is spent on political advertisements in the same calendar year. Persons who fail to file the Statement or fail to timely file the Statement within 24 hours of executing a contract to make this expenditure, will be in violation of the campaign finance laws.

*This form must be filed in addition to the filing of any other report required by noncandidate committees.

Amended
 Enter the Filing Date for the Statement you are amending: _____

Section I - Information for Person Making the Electioneering Communication

1. Name of person or committee making the expenditure: _____

2. Name of person or committee sharing or exercising discretion or control over the person making the expenditure: _____

3. Custodian of books and accounts of the person or committee making the expenditure: _____

4. If the expenditure was made by a noncandidate committee, business entity, or an organization, please provide the additional information:
 Names and titles of the executives or board of directors who authorized the expenditure: _____
 State of incorporation or formation: _____
 Principal address: _____

5. If the expenditure was made by an individual, please provide the additional information:
 Address: _____
 Occupation: _____
 Employer: _____

Section II - Contributions Received for the Electioneering Communication

1. If the expenditure was made by a noncandidate committee or organization, please provide the names and addresses of all persons who contributed to the noncandidate committee or organization for the purpose of publishing or broadcasting the electioneering communication:

Name	Address

2. If you are a noncandidate committee making only independent expenditures (Super PAC), then please provide the three (3) top contributors identified in the electioneering communication as required by HRS §11-393:

Name	Amount

Section III - Expenditures Made for the Electioneering Communication

1. Check which election the electioneering communication pertains: Primary/1st Special General/2nd Special

2. Name of clearly identifiable candidate(s): _____

3. Candidate(s) is/are supported or opposed: Supported Opposed

4. Electioneering communication is made in coordination, cooperation, or concert with or at the request or suggestion of any candidate, candidate committee, or noncandidate committee, or agent of any candidate if any: Yes No

5. If yes, please provide the name of the candidate, candidate committee, or noncandidate committee, or agent of any candidate involved: _____

6. Complete the following table (as applicable):

Name of Person to Whom the Expenditure was Made (i.e., Vendor)	Date the Contract for the Expenditure was Executed (Form must be filed within 24 hours of the earliest contract date in this column. *See example below)	Date the Advertisement will be Broadcast, Published, or Mailed (Date should be within 30 days prior to the primary or within 60 days prior to the general)	Amount

* For example, if you enter 7/1/2022 in this column as the contract execution date for the expenditure that exceeds the \$1,000 aggregate threshold, then you must file this form by 7/2/2022.

Signature of Person Completing Form _____ Filing Date _____

(Provide attachment for additional contributions reported in Section II, 1, and additional expenditures reported in Section III, 6.)

Form CSC3C-1 (09/2021)

Statement of Information for Electioneering Communications

**Appendix
Exhibit 9**

**Chart of Accounts
Example**

<u>General</u>		<u>Committee Expenditures</u>	
1000	Checking Account	5000	Advertising, Media & Collateral Materials
2000	Loan		
2100	Unpaid Expenditures	5010	Bank Charges, Merchant Fees & Adjustments
3000	Surplus/Deficit Adjustments	5020	Candidate Headquarters
		5030	Candidate Fundraiser Tickets
		5040	Conference Fees
		5050	Contract, Employee & Professional Services
		5060	Contribution to Political Party
		5070	Donations
		5080	Durable Assets (Supplies/Equipment)
		5090	Employer/Volunteer Gifts
		5100	Events & Activities
		5110	Filing Fee, Escheat, Fine
		5120	Food & Beverages
		5130	Membership & Subscription Fees
		5140	Printing, Postage, Mailing & Freight
		5150	Refund
		5160	Surveys, Polls, Research & Voter Lists
		5170	Taxes & Insurance
		5180	Travel & Lodging
		5190	Vehicle, Gas & Parking
<u>Committee Receipts</u>			
4000	Monetary Contributions		
4100	Non-Monetary Contributions		
4200	Candidate's Personal Funds		
4300	Public Funds		
4400	Interest Income		
4500	Other Income		

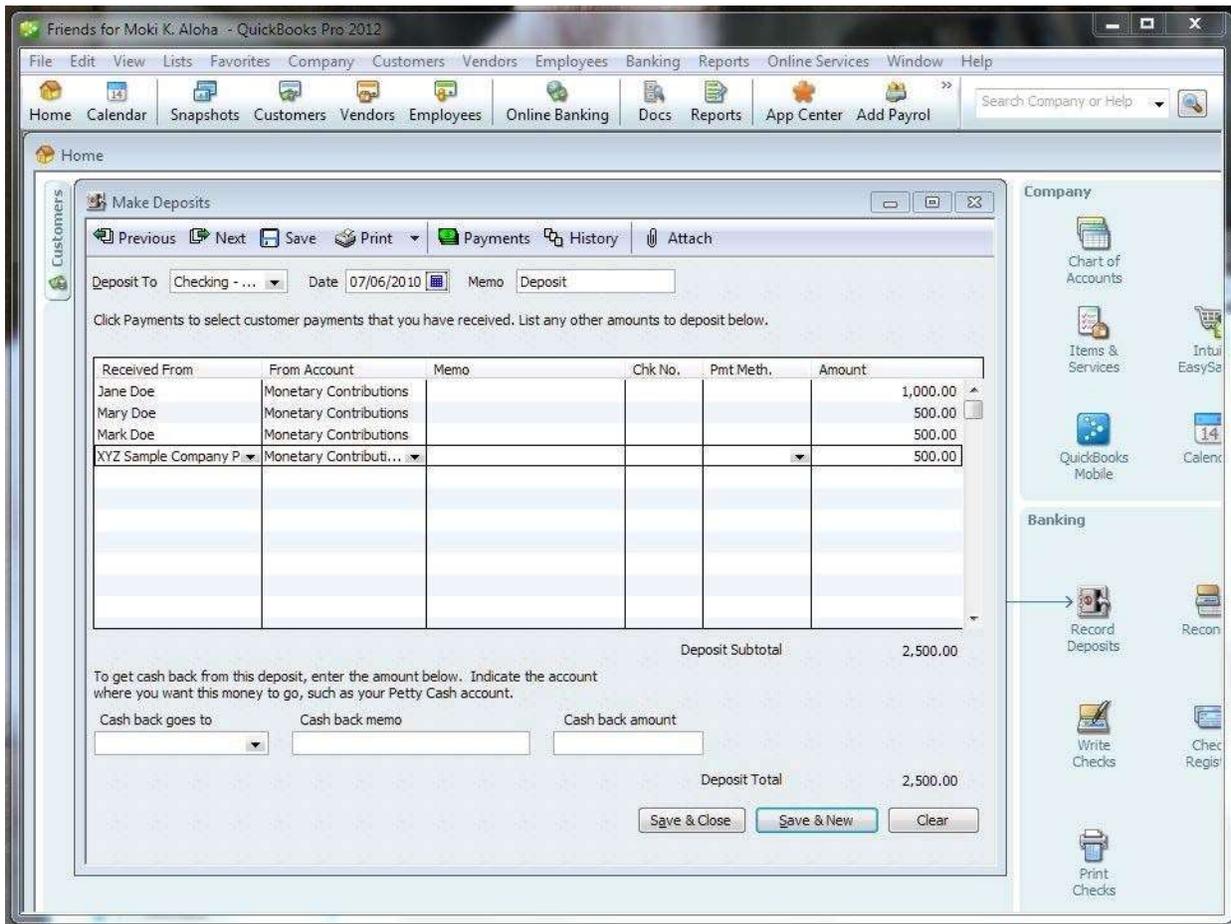
Appendix Exhibit 10 Checks & Deposit Slips

<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p>Jane & John Doe 1111 Sample St Honolulu, HI 99999</p> <p style="text-align: right;">Date <u>July 1, 2010</u> 162</p> <p>Pay to the Order of <u>Friends for Moki K. Aloha</u> \$ <u>1,000.00</u></p> <p>*** One Thousand and No/100 *** Dollars</p> <p>SAMPLE BANK 2020 Sample St Honolulu, HI 99999</p> <p>For <u>Campaign Contribution</u> <u>Jane Doe</u></p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p>Mary Doe 2020 Sample St Honolulu, HI 99999</p> <p style="text-align: right;">Date <u>July 2, 2010</u> 163</p> <p>Pay to the Order of <u>Friends for Moki K. Aloha</u> \$ <u>500.00</u></p> <p>*** Five Hundred and No/100 *** Dollars</p> <p>SAMPLE BANK 2020 Sample St Honolulu, HI 99999</p> <p>For <u>Campaign Contribution</u> <u>Mary Doe</u></p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p>Mark Doe 2020 Sample St Honolulu, HI 99999</p> <p style="text-align: right;">Date <u>July 2, 2010</u> 164</p> <p>Pay to the Order of <u>Friends for Moki K. Aloha</u> \$ <u>500.00</u></p> <p>*** Five Hundred and No/100 *** Dollars</p> <p>SAMPLE BANK 2020 Sample St Honolulu, HI 99999</p> <p>For <u>Campaign Contribution</u> <u>Mark Doe</u></p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>XYZ Sample Company PAC 4444 Sample St Honolulu, HI 99999</p> <p style="text-align: right;">Date <u>July 3, 2010</u> 165</p> <p>Pay to the Order of <u>Friends for Moki K. Aloha</u> \$ <u>500.00</u></p> <p>*** Five Hundred and No/100 *** Dollars</p> <p>SAMPLE BANK 2020 Sample St Honolulu, HI 99999</p> <p>For <u>Campaign Contribution</u> <u>Jack Sample</u></p> </div>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: right;">0.00</td> <td style="width: 50%; text-align: left;">0.00</td> </tr> <tr> <td style="text-align: right;">1,000.00</td> <td style="text-align: left;">1,000.00</td> </tr> <tr> <td style="text-align: right;">500.00</td> <td style="text-align: left;">500.00</td> </tr> <tr> <td style="text-align: right;">500.00</td> <td style="text-align: left;">500.00</td> </tr> <tr> <td style="text-align: right;">500.00</td> <td style="text-align: left;">500.00</td> </tr> <tr> <td style="text-align: right;">2,500.00</td> <td style="text-align: left;">2,500.00</td> </tr> </table> <p style="text-align: center; font-size: small;">Be sure each item is properly endorsed</p> <table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <thead> <tr> <th colspan="2" style="text-align: left;">CHECKING DEPOSIT</th> </tr> <tr> <th style="width: 80%;">CURRENCY</th> <th style="width: 20%;">TOTAL FROM REVERSE</th> </tr> </thead> <tbody> <tr> <td>COIN</td> <td style="text-align: right;">2,500.00</td> </tr> <tr> <td>CHECKS</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>1</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>2</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>3</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>4</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>5</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>TOTAL FROM REVERSE</td> <td style="text-align: right;">2,500.00</td> </tr> <tr> <td>NO. OF CHECKS</td> <td style="text-align: right;">4</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">2,500.00</td> </tr> </tbody> </table> <p style="font-size: x-small;">Friends for Moki K. Aloha Honolulu, HI 99999</p> <p style="font-size: x-small;">DATE <u>7/6/2010</u></p> <p style="font-size: x-small;">SAMPLE BANK 2020 Sample St Honolulu, HI 99999</p>	0.00	0.00	1,000.00	1,000.00	500.00	500.00	500.00	500.00	500.00	500.00	2,500.00	2,500.00	CHECKING DEPOSIT		CURRENCY	TOTAL FROM REVERSE	COIN	2,500.00	CHECKS	0.00	1	0.00	2	0.00	3	0.00	4	0.00	5	0.00	TOTAL FROM REVERSE	2,500.00	NO. OF CHECKS	4	TOTAL	2,500.00
0.00	0.00																																				
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CHECKS	0.00																																				
1	0.00																																				
2	0.00																																				
3	0.00																																				
4	0.00																																				
5	0.00																																				
TOTAL FROM REVERSE	2,500.00																																				
NO. OF CHECKS	4																																				
TOTAL	2,500.00																																				

Sample Copy of Contribution Checks and Deposit Slip

Appendix Exhibit 11

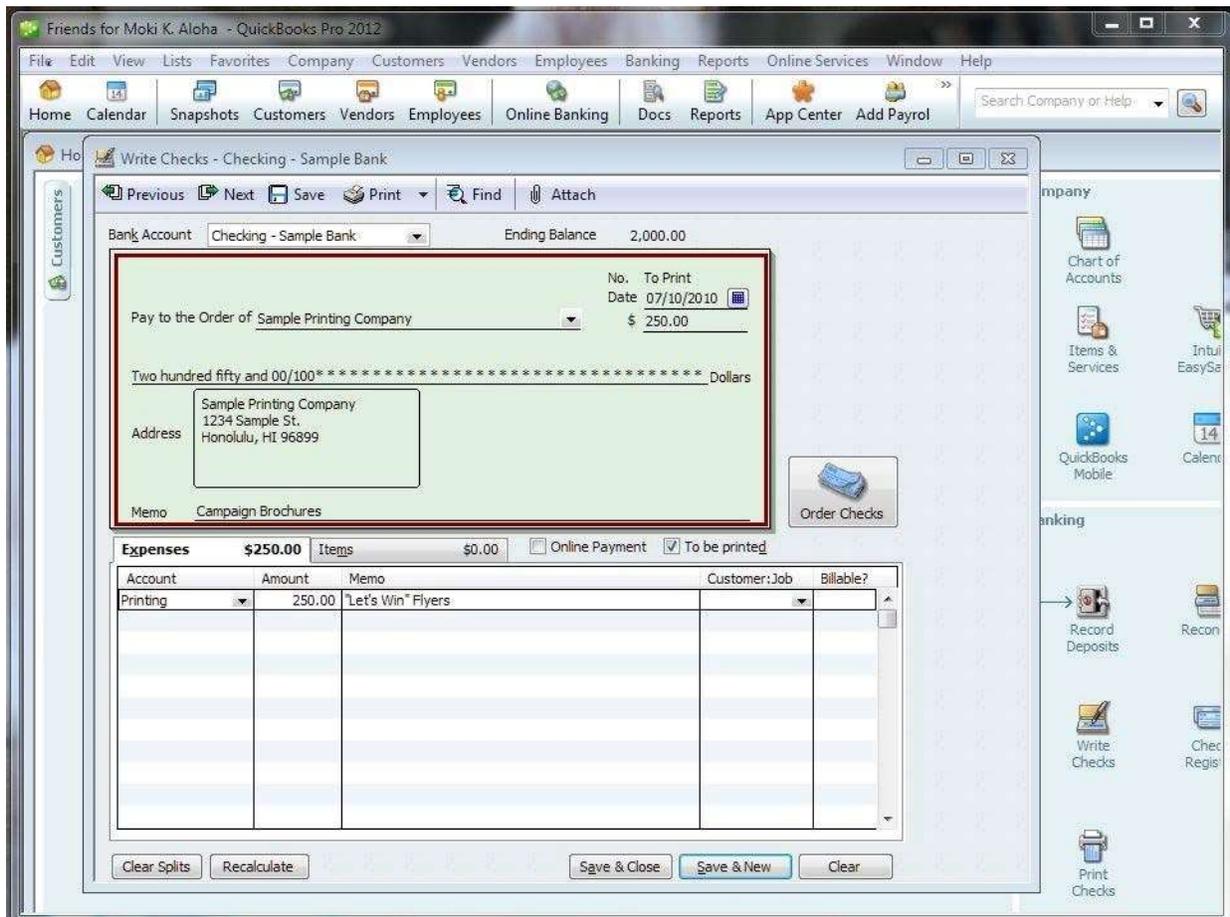
Recording Deposits



Record Deposits function in QuickBooks

Appendix Exhibit 12

Writing Checks



Write Checks function in QuickBooks

Appendix Exhibit 13

Transaction Detail by Account

2:51 PM
05/25/12

Friends for Moki K. Aloha
Transaction Detail by Account
January through July 2010

Accrual Basis

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Checking - Sample Bank								
Deposit	07/06/2010			Deposit		-SPLIT-	2,500.00	2,500.00
Check	07/10/2010		Sample Catering C...			Food & Beve...	-500.00	2,000.00
Check	07/10/2010		Sample Printing Co...	Campaign B...		Printing	-250.00	1,750.00
Check	07/10/2010		Sample Office Sup...	Supplies & C...		-SPLIT-	-300.00	1,450.00
Total Checking - Sample Bank							1,450.00	1,450.00
Monetary Contributions								
Deposit	07/06/2010		Jane Doe	Deposit		Checking - Sa...	-1,000.00	-1,000.00
Deposit	07/06/2010		Mary Doe	Deposit		Checking - Sa...	-500.00	-1,500.00
Deposit	07/06/2010		Mark Doe	Deposit		Checking - Sa...	-500.00	-2,000.00
Deposit	07/06/2010		XYZ Sample Comp...	Deposit		Checking - Sa...	-500.00	-2,500.00
Total Monetary Contributions							-2,500.00	-2,500.00
Food & Beverages								
Check	07/10/2010		Sample Catering C...	For picnic rally		Checking - Sa...	500.00	500.00
Total Food & Beverages							500.00	500.00
Office Supplies								
Check	07/10/2010		Sample Office Sup...	Envelopes, T...		Checking - Sa...	150.00	150.00
Total Office Supplies							150.00	150.00
Printing								
Check	07/10/2010		Sample Printing Co...	"Let's Win" F...		Checking - Sa...	250.00	250.00
Check	07/10/2010		Sample Office Sup...	Copies		Checking - Sa...	150.00	400.00
Total Printing							400.00	400.00
TOTAL							0.00	0.00

Transaction Detail by Account report in QuickBooks