



Board Settlement Offer Policy

Settlement offers should be limited to those committees for whom the fine represents an undue hardship or who otherwise lack the funds or the ability to raise funds to pay the fine. The committee must be able to explain or demonstrate why they are unable to raise enough funds to pay the total fine.

Generally, a settlement offer should only be considered if the ratio of the fine to the committee's average fund balance or average total cash receipts, whichever is larger, on its 4 most recent Quarterly Reports is greater than 50%. Contributions on Schedule A-1 reports filed since the last Quarterly Report may be considered in this calculation, as may funds in other political committees, including federal committees, controlled by the candidate or committee requesting the settlement. A review of the fine-to-fund balance ratio may not be applicable if the requesting committee has filed a Final Report.

Settlement offers should, in most cases, not be accepted if the offered amount is less than 50% of the unpaid fine total; nor if the total penalty owed is less than \$500.

However, if the committee's average fund balance (see above) is \$1,000 or less:

- 1) if the total penalty owed is less than \$500, a settlement offer of at least 50% of the unpaid fine total may be acceptable; and
- 2) if the unpaid fine total exceeds the committee's average fund balance, a settlement offer of at least 50% of the committee's current fund balance may be acceptable.

Consideration may also be given to special circumstances, such as if a committee is fined for a late A-1 comprised of contributions or loans from the candidate to his/her own committee, or money transfers from a local chapter of a labor organization to its State organization. In addition, the Board may take into account the type of contribution at issue. For instance, a cash contribution being a liquid asset, makes it easier for the committee to pay an assessment vs. an in-kind donation in the form of goods or services. However, the value of an in-kind contribution shall be considered as well in terms of accepting a settlement offer.

The Committee's past filing history may also be considered as part of this determination.

There shall be no acceptance of a settlement for fines resulting from a Board finding of willfulness in connection with the delinquent filing.

The Board reserves the right to deviate from these guidelines regarding any offer, if the Board determines that the circumstances warrant such deviation.

**Unless otherwise stipulated, all settlements must be paid within 30 days. Failure to do so will result in the fine amount automatically reverting to the pre-settlement amount.*

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