

GUIDANCE FOR LIMITED LIABILITY COMPANIES & RECIPIENTS OF THEIR CONTRIBUTIONS

EFFECTIVE JANUARY 31, 2019

FOR LIMITED LIABILITY COMPANIES (LLCs) and PROFESSIONAL LIMITED LIABILITY COMPANIES (PLLCs)

Beginning January 31, 2019, new laws govern how much Limited Liability Companies (LLCs) may contribute to political candidates and certain committees in New York State.

- LLCs are now limited to an aggregate \$5,000 annual contribution limit to all candidates and committees, with the exception of Housekeeping, Independent Expenditure, and ballot proposition committees.
- All contributions made to a campaign or political committee by an LLC shall be attributed to each member of the LLC in proportion to the member's ownership interest in the company.
- By December 31st of any year in which an LLC makes a contribution or expenditure, the LLC must file with the New York State Board of Elections a statement of identity of all direct and indirect owners of the membership interests in the Limited Liability Company and the proportion of each direct or indirect member's ownership interest.
- Applies to contributions made on or after January 31, 2019.

FOR CANDIDATES AND POLITICAL COMMITTEES

Upon receipt of a contribution *of any amount* from a Limited Liability Company (LLC) beginning January 31, 2019, the contribution must be disclosed on Schedule C, and then **allocated** on Schedule O of the applicable filing. It is incumbent upon the treasurer to obtain all the required information from the contributing LLC.

Report the contribution on Schedule C with all required details

- Choose LIMITED LIABILITY COMPANY (LLC) from Contributor Type dropdown
- Complete fields:
 - Date Received
 - Amount of Contribution
 - Method of Payment
 - Check Number (if applicable)
 - Contributor Name
 - Contributor Address
 - Explanation (if applicable)
- Save the transaction

Break down the contribution on Schedule O, allocating the percentage of the contribution commensurate with percentage ownership in the LLC.

- Choose PARTNERS from the dropdown (*current EFS Software does not allow for a separate LLC choice*)
- Complete fields:
 - Date Transacted (Contribution Date)
 - Transaction Amount (Contribution Amount)
 - Name of LLC (*current EFS Software labels this "Partnership"*)
 - Name of Individual with Ownership Interest (*current EFS Software labels this "Partner"*)
 - Address of Individual with Ownership Interest (*current EFS Software labels this "Partner"*)
 - Amount Attributed to that Individual (commensurate with percentage ownership in the LLC)
 - Disclose "LLC" in the Explanation Field to differentiate from partnership allocations
- Save the transaction
- Repeat the process for all members with ownership interest

FOR EXAMPLE:

A Limited Liability Company, PoliticalContributor LLC, contributes \$1,000 to the A12345 committee on February 1, 2019. PoliticalContributor LLC has four members, each with a 25% ownership interest in the company.

(1) The A12345 committee discloses the contribution on its next required filing.

The A12345 committee adds the transaction, with all applicable details, on **Schedule C**.

The screenshot shows the 'Schedule C' form in a software interface. The title is 'SCHEDULE C - MONETARY CONTRIBUTIONS RECEIVED FROM: ALL OTHER'. The form includes the following fields and values:

- Filing Year: 2019
- Filer ID: A12345
- Cut-Off Date: 07/11/2019
- Due Date: 07/15/2019
- * Date Received: 02/01/2019
- * Unitemized:
- * Contributor Type: LIMITED LIABILITY COMPANY (LLC)
- * Name (Contributor): PoliticalContributor LLC
- * Street: One Disclosure Way
- * City: Compliance
- * State: NY
- * Zip: 12345
- * Amount: \$1,000.00
- * Method: Check
- * Check #: 0001

At the bottom, there is an 'Explanation:' field which is currently empty. Navigation buttons for Search, Delete, Save, and Close are located at the bottom right.

The A12345 committee breaks down the contribution, with portions allocated to each member's interest commensurate with his/her ownership interest in the company, on **Schedule O**.

The following screenshot shows how to report Owner 1 on Schedule O.

The same process should be repeated for Owner 2, Owner 3, and Owner 4.

The screenshot shows the 'Schedule O' form in a software interface. The title is 'Schedule O'. The form includes the following fields and values:

- Filing Year: 2019
- Filer ID: A12345
- Cut-Off Date: 07/11/2019
- Due Date: 07/15/2019
- * Date Transacted: 02/01/2019
- * Transaction Amount: 1000.00
- * Partners or Subcontractors?: PARTNERS
- * Name (Partnership): PoliticalContributor LLC
- * First Name (Partner): Owner 1 First Name
- * Last Name (Partner): Owner 1 Last Name
- * Amt Attributed: 250.00
- * Street: Owner 1 Address
- * City: Owner 1 City
- * State: NY
- * Zip: 12345

At the bottom, there is an 'Explanation:' field containing the text 'LLC'. Navigation buttons for Search, Delete, Save, and Close are located at the bottom right.

(2) PoliticalContributor LLC must file a statement of identity of all direct and indirect owners of the membership interests in the Limited Liability Company and the proportion of each direct or indirect members ownership interest with the New York State Board of Elections by December 31, 2019.