



Connection

2003-04

TDW Officers

Kellie Bailey
President
Austin

Alieca Hux
Vice President
Sulphur Springs

Wilma Allen
Secretary
Harker Heights

Gwen King
Treasurer
Fair Oak Ranch

Betty Richie
Past President
Graham

Board

Members

Donna Beth McCormick
Austin

Harriet Miller
Dallas

Karen Palmer
The Woodlands

Message from the *P*resident

Dear TDW Members:

It's that time again – Convention time. This year we are "Getting Down to Business". Along with the usual program and business meeting, this year's convention will include insightful and provocative panel discussions about our past, our present, and our plans for the future. My hope is to take what we learned from our conversations and answer the question, "Where do we go from here?"

We all know there are no single or simple answers to this question. But, there are answers and they lie within the hearts, souls and minds of TDW members. As President it is my responsibility and privilege to lead us, to challenge us, and to put into action a plan to achieve our goals that is based upon our vast experiences and expertise. You have my commitment to TDW and I need yours.

I am challenging each TDW chapter to help make this the most successful convention in our history, both in participation and funds raised. The "Chapter Challenge" is designed to inspire the chapters to participate and take ownership and pride in our annual convention. The TDW website will post the running tally to the "Chapter Challenge" and other convention information. Each chapter can meet the challenge in one or more of the following ways:

- send at least one member to the convention;
- nominate at least one member for a Star Award;
- submit a nomination for one of the individual or chapter awards;
- donate at least three items to the silent auction;
- volunteer;
- make an in-kind contribution; or
- become a financial sponsor.

With your assistance and enthusiasm we will work hard and have some fun in the process! Whether at the Friday night kick off, the election of officers, the panel discussions, the Star Awards lunch, the Saturday night fundraiser dinner, or the Sunday board meeting, we will be with friends and "Getting Down to Business". Join me!

Proud to be your president,
Kellie M. Bailey

What Every Chapter Should Know About Its Money

By Jane Hedgepath

TDW chapters in every corner of Texas have been active over the years and will certainly become more so in 2004. Chapters have supported candidates in every way: providing volunteers; walking blocks; making phone calls; sponsoring candidate forums—you name it. And, sooner or later, the chapters will have to face the campaign finance laws. Our candidates are asking for help. Chapters want to write contribution checks from the group's bank account; they want to buy radio newspaper ads promoting the Democratic Party and its candidates. But guess what? *A chapter can't raise and spend money in campaigns unless it complies with campaign finance laws and rules.* Those laws aren't just for candidates!

What follows is an outline designed to give each TDW chapter a place to start. This is not exhaustive and is certainly not legal advice—just a beginning resource. It is important to keep in mind, that this article only applies to campaign activities governed by Texas law, NOT federal. Federal campaigns have very different rules.

Who Needs a Political Committee?

TDW Chapters. Generally, *any* group (more than one person) that raises or spends money for campaigns face registration and reporting requirements.

A group that raises *or* spends more than \$500 in connection with election campaigns should register a political committee (PAC). The type of political committee a TDW local chapter would form is called a GPAC—a General-Purpose Political Committee. GPACs always file with the Texas Ethics Commission in Austin. This is a one-time, cumulative threshold. The chapter treasurer will need to keep reporting to the Texas Ethics Commission as long as the chapter has funds or until it dissolves the GPAC.

How Do We Register a GPAC?

It is simple. File an *Appointment of Campaign Treasurer* (Form GTA) with the Texas Ethics Commission. Do not wait to file this form. A GPAC may not spend more than \$500 unless it has been registered for sixty days and has accepted contributions of any amount from at least ten people. In addition, a GPAC cannot make expenditures in connection with an election unless it has been registered at least thirty days before that election.

How and Where Do We File Reports?

The Texas Ethics Commission prefers reports be filed (cont. p. 3)

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What Every Chapter Should Know About Its Money

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electronically. Go to the Texas Ethics Commission website for GPACs <http://www.ethics.state.tx.us/filinginfo/filers.html#>. This webpage has everything your chapter needs to know about what to file, how to file it and when to file it, including the free filing software.. The TEC's phone number is 1-800/325-8506 for further information. Once your chapter understands the process, the software will need to be downloaded a password .

What Do We Report?

What the chapter raises and spends. Generally, all the political contributions raised and all the political expenditures made are reported to the TEC. For every political dollar raised, the TEC wants to know the name, address, and occupation of each contributor and for each political expenditure, the TEC wants to know the date, amount, and, purpose.

There are contributions that cannot be deposited into the chapter's GPAC. These contributions should be placed into a separate account with the source documented. The main prohibitions are from certain corporations, labor organizations, minor children, and foreign nationals. However, if a corporation or labor organization make a contribution from its own PAC, it is not a prohibited source and the money can be deposited into your chapter's GPAC. The foreign national prohibition does not apply to people who have permanent resident status; "green cards."

Taxpayer Identification Number (TIN/EIN)

Your TDW chapter should have an Employer (or Taxpayer) Identification Number (EIN or TIN). Do not use a personal social security number or your local chapter's existing bank account. A separate identification number and bank account need to be acquired. Federal identification numbers can be requested using IRS Form SS-4. These forms are available online at www.irs.gov.

Political Organization Registration with IRS

If your chapter usually has or expects to have "gross receipts" of \$25,000 in a year, your chapter must register with the IRS to maintain its tax-exempt status. If your chapter raises more than \$25,000 in a year and does not register with the IRS, your chapter will owe taxes. Only when your chapter registers with the IRS and files reports to the TEC will it be exempt from paying federal taxes and reporting to the IRS because only then does the IRS considers it a Qualified State or Local Political Organization (QSLPO)

This registration with the IRS MUST be done online. Go to www.irs.gov. On the left-hand menu, choose Charities & Non-Profits, then Political Organizations. Choose "New Filing Requirements for Tax-Exempt Political Organizations. Start by going to the linked Fact Sheet 2002-13. When you fill out form 8871, mark that your chapter is a Qualified State or Local Political Organization.

Your chapter may have to do a form 990 (probably 990-EZ), an information return familiar to charities. Your chapter may also have to do a form 1120-POL, but only if your chapter has taxable income over \$100 in a year. Usually, the taxable income is from an investment or interest income from the bank account, this is NOT contributions. Once your chapter complete these forms, follow the filing instructions and send it off to the IRS.

It take some time to understand all these rules and procedures. So, I am offering a workshop for all the chapter treasurers at the convention. On Friday, February 20th at 4:00 I will walk the treasurers through this whole process. Pass the word around and bring your laptops, if you have them!

2004-2005 Candidates for TDW Office

President Elect – Alieca Hux, Sulphur Springs
Vice President – Gwen King, Fair Oak Ranch
Secretary – Wilma Allen, Harker Heights
Treasurer – Donna Beth McCormick, Austin
Board Member – Harriet Miller, Dallas
Board Member – Marcia Livesay, Greenville
Board Member – Susie Blackmon, Rusk

Elections are held on February 21, 2004 at our annual convention.

TDW Board Member Runs for State Representative

Harriet Miller, founding president of North Dallas TDW is running for State Representative District 102. Her Republican opponent has been in office since 1989 and he was not even opposed the last time he ran. She is a first time candidate with a hard race ahead of her. She needs all the support Texas Democratic Women members can give.



TDW Co-Sponsors Successful Campaign Camp

Texas Democratic Women co-sponsored the Texas Democratic party's 2003 Campaign Camp in Dallas September 19-21, 2003, conducted by Grassroots Solutions of Washington, D.C. The training program covered three tracks: *Introduction to Management for Future Paid Professionals*, for those who want to be staff on a campaign within two years; *Management for Political Veterans*, to give your election team the modern management fundamentals to be successful at the grassroots level; and *How to be a Better Candidate*, an introduction and preparation for a run at elected office. Each session was lead by a top political consultant, some from national firms and some from Texas.

The Camp sold out prior to the event and had a waiting list. It drew a wide audience including elected officials, activists, labor, and other women's political organizations. Attendees praised the Camp as being invaluable for the thorough approach. After participants listened to the lecture portion, they had the opportunity to practice what they had just learned through exercises that reinforced the discussions. These included: writing and giving a stump speech; writing and filming a TV commercial; writing a press release; preparing a campaign budget; and meeting a crisis. All of the attendees were then given notebooks with extensive materials covering the subjects presented.



January 31, 2004

Last day to make hotel reservations for convention.

Contact: Radisson 1.800.333.3333

February 20-24

Texas Democratic Women
2004 Annual Convention
Radisson on Town Lake
Austin

Mark your calendar for these dates. See inserted pages for more information on the Convention. See you there!