

(d) A legislative leadership committee may pay for the use of an office or other property owned by a legislator who has established or who controls the committee provided that the office or property is used by the committee and the payment does not exceed the fair market value for the bona fide use by the committee.

(e) A candidate committee, or a joint candidates committee, may purchase goods or services for use by the committee from a business or other enterprise in which the candidate who established or who controls the committee has a financial interest provided that the goods or services are bona fide and are sold to the committee at fair market value, or if sold at less than fair market value, provided that the committee reports receipt of an in-kind contribution in an amount that is the difference between the purchase price paid by the committee and the fair market value of the goods or services.

(f) A legislative leadership committee may purchase goods or services for use by the committee from a business or other enterprise in which the candidate who established or who controls the committee has a financial interest provided that the goods or services are bona fide and are sold to the committee at fair market value, or if sold at less than fair market value, provided that the committee reports receipt of an in-kind contribution in an amount that is the difference between the purchase price paid by the committee and the fair market value of the goods or services.

New Rule. R.1994 d.528, effective October 17, 1994.  
See: 26 N.J.R. 2753(a), 26 N.J.R. 4214(a).  
Amended by R.2000 d.322, effective August 7, 2000.  
See: 32 N.J.R. 1291(a), 32 N.J.R. 2930(a).  
Rewrote (e) and (f).

#### Case Notes

Failure to challenge regulation did not preclude challenge to regulation in federal court after defendants were indicted. *U.S. v. D'Alessio*, D.N.J.1993, 822 F.Supp. 1134.

Indictment for using surplus campaign funds to finance personal vacation had to be dismissed. *U.S. v. D'Alessio*, D.N.J.1993, 822 F.Supp. 1134.

#### 19:25-6.7 Ordinary and necessary officeholding expenses

(a) The term "ordinary and necessary expenses of holding public office" as used in N.J.A.C. 19:25-6.5(a)6 means any expense that reasonably promotes or carries out the responsibilities of a person holding elective public office, except that no funds received by a candidate, candidate committee, or joint candidates committee shall be used for the payment of any expense arising from the furnishing, staffing or operation of an office used in connection with the officeholder's official duties as an elected public official.

(b) The word "furnishing" as used in (a) above shall be construed to prohibit the use of contributions received by a candidate, candidate committee or joint candidates committee for the purchase or lease of furniture, equipment or other appointments that are physically situated at an office

facility used in connection with the officeholder's official duties as an elected public official. This prohibition shall not be applicable to the purchase or lease of office furniture or equipment situated in the residence of the officeholder and used in conjunction with the officeholder's duties.

(c) The word "staffing" as used in (a) above shall be construed to prohibit the use of contributions received by a candidate, candidate committee or joint candidates committee to pay a salary or fee as compensation to any person for performing duties to assist the officeholder in carrying out the officeholder's duties as an elected public official.

(d) The word "operation" as used in (a) above shall be construed to prohibit the use of contributions received by a candidate, candidate committee or joint candidates committee for the payment of any rent, utility or maintenance expense incurred for an office facility used in connection with the officeholder's official duties as an elected public official.

(e) Permissible uses of funds as ordinary and necessary expenses of holding public office shall include, but not be limited to, the following provided the costs are not paid for by the State of New Jersey, or by any political subdivision of the State:

#### 1. Costs of communications to constituents, including:

i. The production, circulation and postage of newsletters, mailings or other written materials for officeholding duties;

ii. The sponsorship or holding of a seminar or other meeting to be attended by constituents;

iii. The making of donations to charitable or non-profit organizations or activities that promote the welfare of constituents, such as the sponsorship of a neighborhood sports team;

iv. The framing of honorary resolutions for constituents; and

v. The nominal purchase of memorial or get-well gifts, flowers, party favors, or similar items for constituents or other persons involved in the execution of the officeholder's duties;

#### 2. Purchase of items including:

i. A portable telephone, including a telephone in the vehicle used by the officeholder for official travel;

ii. Signs indicating the location of the office used by the officeholder for carrying out official duties whether or not such signs are situated on the premises;

iii. Janitorial supplies and other consumables for the office used in connection with the officeholder's official duties, and funding of a "petty cash" account established pursuant to N.J.A.C. 19:25-6.4(b) for that purpose; and

iv. Newspapers, magazines or other periodicals used in connection with carrying out officeholding duties;

3. Costs of dues for membership in educational organizations related to officeholding duties, and costs of registration and attendance at conferences or seminars attended in connection with officeholding duties. Such costs may include the reasonable expense of travel, lodging, and other subsistence expenses; and

4. Cost of travel by means other than by a vehicle as described in N.J.A.C. 19:25-6.8, Vehicle use, when such travel is undertaken in connection with the performance of duties as an elected officeholder, provided that such travel is not undertaken for any purpose resulting in a person or financial benefit to the candidate or officeholder.

New Rule, R.1994 d.528, effective October 17, 1994.  
See: 26 N.J.R. 2753(a), 26 N.J.R. 4214(a).

#### Case Notes

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#### 19:25-6.8 Vehicle use

(a) A candidate committee, joint candidates committee or legislative leadership committee may reimburse a candidate or officeholder for the use of a vehicle owned by that candidate or officeholder provided that:

1. The candidate or officeholder provides the committee with written records of:

- i. The date of the vehicle use;
- ii. The departure and arrival locations of the travel;
- iii. The number of miles the vehicle was used; and
- iv. The purpose of the use, which purpose must be for travel for campaign or officeholding duties; and

2. The rate of reimbursement does not exceed the rate permitted by the New Jersey Department of Treasury for compensating Executive Branch employees for use of personal vehicles, or the rate provided by the Internal Revenue Service for deduction of business travel mileage.

(b) A candidate committee, joint candidates committee or legislative leadership committee may purchase or lease a vehicle for campaign or officeholding travel by a candidate or officeholder provided that:

1. The vehicle or lease remains an asset of the committee; and

2. The candidate or officeholder reimburses the committee at fair market value for any travel made by the candidate or any other person that was not necessitated by campaign or officeholding duties.

New Rule, R.1994 d.528, effective October 17, 1994.  
See: 26 N.J.R. 2753(a), 26 N.J.R. 4214(a).  
Amended by R.2000 d.322, effective August 7, 2000.  
See: 32 N.J.R. 1291(a), 32 N.J.R. 2930(a).

In (a), inserted references to officeholders throughout; and in (b)1, inserted a reference to leases.

#### 19:25-6.9 Funds remaining unspent at death of candidate

Any funds remaining upon the death of a candidate in the campaign depository of the deceased candidate's candidate committee, or joint candidates committee, shall be used for one or more of the purposes set forth in N.J.A.C. 19:25-6.5 by the committee's treasurer, or by whomever has control of the depository upon the death of the candidate.

New Rule, R.1994 d.528, effective October 17, 1994.  
See: 26 N.J.R. 2753(a), 26 N.J.R. 4214(a).

#### 19:25-6.10 Use of funds for legal fees

(a) Contributions received by a candidate committee, joint candidates committee or legislative leadership committee may be used for reasonable fees and expenses of legal representation, the need for which arises directly from and is related to the campaign for public office or from the duties of holding public office. Examples of permissible uses of contributions, that is campaign funds, to pay legal fees and expenses shall include, but not be limited to, legal fees and expenses arising in connection with the following:

1. Litigation directly related to a recount proceeding pursuant to N.J.S.A. 19:28-1 or an election contest pursuant to N.J.S.A. 19:29-1, which proceeding or action will determine the election or nonelection of the candidate whose campaign funds are to be used to pay such expenses;

2. The defense of a defamation action against the candidate or officeholder whose campaign funds are to be used to pay such expenses, arising directly from the candidate's campaign for public office or from activities of the officeholder directly related to the discharge of the duties of holding public office;

3. The defense of an action or proceeding alleging a violation of the Act and naming as a respondent or defendant the candidate or officeholder whose campaign funds are to be used to pay such expenses; and

4. The defense of an action or proceeding before the Joint Legislative Committee on Ethical Standards or similar public body having authority to hear such action or proceeding and to impose sanctions against the officeholder by reason of his or her status as a holder of public office.

(b) Permissible use of funds for legal fees and expenses shall not include such fees and expenses incurred in connection with the candidate or officeholder's personal or business affairs, or which would otherwise qualify as "personal use" under N.J.A.C. 19:25-6.5(c).

New Rule, R.1998 d.118, effective March 2, 1998.  
See: 29 N.J.R. 5056(a), 30 N.J.R. 862(a).

## SUBCHAPTER 7. RECORDKEEPING

### 19:25-7.1 Recordkeeping requirements

(a) An organizational or campaign treasurer, or deputy organizational or campaign treasurer of a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, shall make and maintain a written record of all funds and contributions, including non-monetary contributions, and shall record the name and address of the contributor, the amount and date the contribution was received, the name of the account on which a contribution check is drawn and if the contributor is an individual, the occupation of the individual and the name and mailing address of the individual's employer.

(b) An organizational or campaign treasurer, or deputy organizational or campaign treasurer, of a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, shall make and maintain a written record of all funds expended by the committee, including the name and address of the recipient, the amount and date of the expenditure, and the purpose of the expenditure. The organizational or campaign treasurer, or deputy organizational or deputy campaign treasurer, shall include as part of the record of each expenditure a receipt, invoice, bill, or other documentation for each expenditure made from each campaign, organizational, or additional depository.

(c) The campaign or organizational treasurer of a candidate committee, joint candidates committee, or legislative leadership committee shall include as part of the record of any expenditure of such a committee, a notation or other reference disclosing which of the six enumerated permissible uses of funds set forth in N.J.A.C. 19:25-6.5(a) is applicable to the expenditure.

(d) A candidate, the candidates of a joint candidates committee, or the chairman of a political committee, continuing political committee, political party committee, or legislative leadership committee, shall take such steps as are necessary and appropriate to insure that a campaign treasurer, or organizational treasurer, appointed by the candidate

committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, complies with the record-keeping requirements of this section and this chapter.

Amended by R.1989 d.99, effective February 21, 1989.  
See: 20 N.J.R. 2640(a), 21 N.J.R. 458(a).

Added text in (a) "was received".

Recodified from 19:25-8.1 and amended by R.1993 d.509, effective October 18, 1993.

See: 25 N.J.R. 3429(b), 25 N.J.R. 4753(a).

Amended by R.2000 d.322, effective August 7, 2000.

See: 32 N.J.R. 1291(a), 32 N.J.R. 2930(a).

In (a), inserted "the name of the account on which a contribution check is drawn" following "received".

Amended by R.2004 d.280, effective July 19, 2004.

See: 36 N.J.R. 1895(a), 36 N.J.R. 3418(a).

In (b), added the last sentence.

### 19:25-7.2 Recordkeeping for credit card transactions

(a) Whenever a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee purchases, or authorizes purchase of, goods or services by use of a credit card, the campaign or organizational treasurer shall make and maintain a record of the following information:

1. The exact name or title of the owner of the card, and the name of the lending institution that issued the card;
2. The date of the purchase;
3. The name and address of the vendor from whom the purchase was made;
4. The purpose of the purchase; and
5. The cost and description of the goods or services purchased.

New Rule, R.1993 d.509, effective October 18, 1993.  
See: 25 N.J.R. 3429(b), 25 N.J.R. 4753(a).

### 19:25-7.3 Period of retention

All records required to be made pursuant to this subchapter shall be maintained for a period of not less than four years after the date of the election to which they are relevant, or a period of not less than four years after the transaction to which they relate occurred, whichever is longer.

Recodified from 19:25-8.2 and amended by R.1993 d.509, effective October 18, 1993.

See: 25 N.J.R. 3429(b), 25 N.J.R. 4753(a).

Amended by R.2004 d.280, effective July 19, 2004.

See: 36 N.J.R. 1895(a), 36 N.J.R. 3418(a).

Substituted "pursuant to this subchapter" for "by N.J.A.C. 19:25-7.1".

**19:25-7.4 Affidavit for missing records**

(a) An organizational or campaign treasurer unable to produce any record required to be made pursuant to N.J.A.C. 19:25-7.1, Recordkeeping requirements, shall submit to the Commission within 10 days after the Commission so requests an affidavit specifying which record cannot be produced and the reasons the record is unavailable. The affidavit shall specify:

1. Whether a written record was made at the time of the transaction and, if so, the name of the person who made it, the position of that person in the campaign or organization, and the reasons the record is no longer available; or

2. If no contemporaneous record was made, the name of the person, if any, assigned responsibility for making such a record and the reasons the record was not made.

(b) Any affidavit prepared pursuant to (a) above shall include a re-creation of the missing records based on bank statements, copies of negotiated checks or instruments, or any other source. A description of the efforts undertaken to re-create the missing record shall be included in the affidavit.

(c) The submission of an affidavit pursuant to (a) above shall not preclude or otherwise estop the Commission from undertaking penalty proceedings for failure to make or maintain records.

New Rule, R.1989 d.100, effective February 21, 1989.  
See: 20 N.J.R. 3009(a), 21 N.J.R. 459(a).  
Recodified from 19:25-8.3 and amended by R.1993 d.509, effective October 18, 1993.  
See: 25 N.J.R. 3429(b), 25 N.J.R. 4753(a).

## SUBCHAPTER 8. CANDIDATE, JOINT CANDIDATES, AND POLITICAL COMMITTEE REPORTING

### 19:25-8.1 Candidate or joint candidates committee election fund reports

(a) A candidate committee, or a joint candidates committee, shall file election fund reports of all contributions received, all expenditures made, and all other transactions of the election fund subject to reporting under the act and these regulations.

(b) The term "election fund reports" shall mean election-cycle reports as defined in N.J.A.C. 19:25-8.2(b), or quarterly reports as defined in N.J.A.C. 19:25-8.3(b), which reports shall be filed in accordance with N.J.A.C. 19:25-8.12, Time and place of filing reports.

(c) The initial election fund report of a candidate committee, or joint candidates committee, shall be either a 29-day preelection report or a quarterly report. In the event the committee is established within five months or less of the due date of the 29-day preelection report for the election in which the candidate or joint candidates is or are seeking office, the committee shall file the 29-day preelection report described in N.J.A.C. 19:25-8.2 report as its initial election fund report. However, if the committee is established more than five months prior to the due date of the 29-day preelection report for the election in which the candidate or joint candidates is or are seeking office, the committee shall file as its initial election fund report any quarterly report described in N.J.A.C. 19:25-8.3 that is due for filing within five months of the date the committee is established.

(d) The initial election fund report shall begin with the reporting of the first contribution received or expenditure made in the election (including funds or other benefits received and payments made to determine whether or not an individual should become a candidate), and shall report all subsequent contributions, expenditures, or other reportable transactions of the election fund occurring before the closing date applicable to the report.

(e) A candidate committee, or joint candidates committee, shall continue to file election fund reports for an election until such time as it terminates its reporting requirements and files a final election fund report for that election pursuant to N.J.A.C. 19:25-8.11.

(f) A candidate for nomination for, or for election to, the office of Governor, the office of member of the Senate, or the office of member of the General Assembly shall, in the circumstances described in N.J.A.C. 19:25-3.3, be required to file election fund reports using electronic filing software supplied to the candidate by the Commission.

Amended by R.2000 d.322, effective August 7, 2000.

See: 32 N.J.R. 1291(a), 32 N.J.R. 2930(a).

Rewrote (d); and in (e), inserted references to elections.

Amended by R.2005 d.192, effective June 20, 2005.

See: 37 N.J.R. 754(a), 37 N.J.R. 2228(a).

Added (f).

### 19:25-8.2 Election-cycle reports

(a) A candidate committee, or joint candidates committee, shall file election-cycle reports during any election in which the candidate, or joint candidates, is or are seeking election, or nomination for election.

(b) The term "election-cycle reports" shall mean the reports described below, which reports shall be due for filing on the following dates and shall report all contributions, expenditures, or other transactions of the election fund occurring within the following periods of time: