

Norma Smith response to PDC - Smith, Norma: Alleged violation of RCW 42.17A.445 for transfer of campaign funds, not surplus funds, to the House Republican

[Norma Smith](#) (Tue, 12 Sep at 10:31 AM) via Email

To the Public Disclosure Commission,

In response to the complaint from William Smith, it appears that Mr. Smith is not familiar with what is considered “surplus funds”. From the PDC manual:

Am I required to open a separate bank account for surplus funds?

Only if you are spending your surplus funds on non-reimbursed public-office related expenses. A surplus funds bank account is a perpetual account – each time you run for office and are left with surplus funds, they may be deposited into the surplus funds bank account regardless of which office you sought. (e.g., Surplus funds from a city council campaign can be deposited into an account that contains surplus funds from a state legislative campaign.) Only surplus funds can be deposited into the surplus funds bank account!(<https://www.pdc.wa.gov/am-i-required-open-separate-bank-account-surplus-funds>)

By reading this it is clear that surplus funds can exist without having to reside in a separate bank account. Therefore, transferring funds from a candidate committee that are “surplus” is allowed.

To insure we were properly following the intended guidance of the PDC, my Treasurer Tom Perry requested and received clarification from Jennifer Hansen at the PDC, which is provided for you in the attached email exchange.

Please do not hesitate to contact my Treasurer, Tom Perry or myself with additional questions. Thank you.

Norma Smith

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Fox Blackhorn

From: Jennifer Hansen <jennifer.hansen@pdc.wa.gov>
Sent: Tuesday, September 09, 2014 3:10 PM
To: Tom Perry
Subject: RE: Making transfers to committees

It is definitely not wrong to do this. It is simply not necessary. I'm fraid that some of the candidates are getting the impression from the caucus committees that they **must** create a surplus account in order to give surplus funds to the caucus.

Jennifer Hansen
Filer Assistance Specialist
Tel: =60-586-4560
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From: Tom Perry [mailto:dawgperry@gmail.com]
Sent: Tuesday, September 09, 2014 2:58 PM
To: Jennifer Hansen
Subject: RE: Making transfers to committees

Thanks for the clarification.

Is it WRONG to move the money through the surplus account? Should I correct this if it appened? Or can we just leave it and do it the right way going forward?

Thanks,
Tom

From: Jennifer Hansen [mailto:jennifer.hansen@pdc.wa.gov]
Sent: Tuesday, September 09, 2014 2:56 PM
To: Tom Perry
Subject: RE: Making transfers to committees

The money does not need to be transferred to a surplus funds account first and then given to HROC. The only circumstance where a surplus account must be set up and used is when funds are used for non-reimbursed public office related expenses.

I can tell you that HROC has been advising candidates that they should create a surplus account to transfer funds to them. This is not necessary, however several candidates have been following the advice given by HROC.

Jennifer Hansen
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From: Tom Perry [mailto:dawgperry@gmail.com]

Sent: Tuesday, September 09, 2014 1:48 PM

To: Jennifer Hansen

Subject: Making transfers to committees

Jennifer,

It looks like there is confusion on the proper way for a campaign to transfer funds to committees like HROC. It is my understanding that the campaign needs to move funds into their surplus funds account, then make the transfer from that account. It appears that it is being done both ways by various campaigns.

Can you please confirm the correct method?

Thanks,
Tom Perry