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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

MEMO

Enclosed, for your information and files, are copies of additional Federal Election Commission decisions and releases:

ADVISORY OPINIONS

ADVISORY OPINION # 2 - STATE AND LOCAL PARTY COMMITTEE REQUIREMENTS
(Federal Register August 18, 1975, p. 36092)

ADVISORY OPINION # 3 - NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE ACTIVITIES
(Federal Register August 18, 1975, p. 36093)

ADVISORY OPINION # 9 - APPLICATION OF LIMITS TO UNOPPOSED PRIMARY CANDIDATES
(Federal Register August 19, 1975, p. 36242)

ADVISORY OPINION # 14 - INCUMBENT CONSTITUENT SERVICE AND OFFICE ACCOUNTS
(Federal Register August 13, 1975, p. 34084)

ADVISORY OPINION # 16 - CONTRIBUTIONS FROM INCORPORATED ASSOCIATION, AND
MISCELLANEOUS COMMITTEE REPORTING QUESTIONS
(Federal Register August 19, 1975, p. 36242)

NOTE: Requests for Advisory Opinions (AOR's) are numbered sequentially when they are published in the Federal Register for Public Comment. Advisory Opinions are given the same number as the AOR, and will not necessarily be issued in any sequential order. Earlier Advisory Opinions decided were numbers 1, 4, 5 and 6.



federal register

WEDNESDAY, AUGUST 13, 1975



PART III:

FEDERAL ELECTION COMMISSION

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ADVISORY OPINION 1975-14

Contributions by Banks, Corporations,
and Labor Unions to Defray Constituent
Service Expenses



FEDERAL ELECTION COMMISSION

[Notice 1975-23]

ADVISORY OPINION 1975-14

Contributions by Banks, Corporations, and Labor Unions to Defray Constituent Service Expenses

This advisory opinion is rendered under 2 U.S.C. § 437f in response to requests for advisory opinions submitted by Congressman M. Caldwell Butler, Congressman W. Henson Moore, and William J. Holayter, which were published together as AOR 1975-14 in the July 17, 1975, FEDERAL REGISTER (40 FR 30258). Interested parties were given an opportunity to submit written comments relating to the requests.

The requests generally ask the Commission whether, under the Federal Election Campaign Act of 1971 as amended (the Act), corporate, labor and banking contributions may be accepted for office account related purposes. Specifically, the following requests were made:

(a) Congressman W. Henson Moore states that he intends to send under the frank a questionnaire to his constituents in order to learn their feelings on various issues. Congressman Moore asks whether the Commission will treat as a corporate contribution to his campaign the donation by a corporation of the use of its computer to analyze the results of the questionnaire;

(b) William J. Holayter, Director of the Machinists Non-Partisan Political League, asks whether money in the League's educational fund, which is composed of dues money from various local lodges, may be donated to incumbent United States Senators and Representatives for their office accounts; and

(c) Congressman M. Caldwell Butler states that he intends to hold a Farm Conference for the purpose of allowing farmers and other agricultural interests in his district the opportunity to present their views to him and officials of Federal and State agricultural agencies. Congressman Butler asks whether the Commission will consider the conference to be official business so that contributions by incorporated state banks and bank holding companies will be permitted in order to defray expenses.

It is clear that the Federal Election Commission has the duty to formulate general policy with respect to the Act (2 U.S.C. § 437d(a) (9)), has the power to regulate amounts contributed to a holder of Federal office in order to defray expenses arising in connection with that office (2 U.S.C. § 439a), has the power to formulate general policy regarding contributions and expenditures (18 U.S.C. § 608), and has the power to formulate general policy regarding contributions or expenditures by national banks, corporations or labor organizations (18 U.S.C. § 610). Pursuant to these powers and duties, it is the determination of the Commission that contributions to and expenditures by an office account are to be treated as political contributions and expenditures, and are subject to the limi-

tations and prohibitions on such transactions.

Further, Congress has recognized the political value and campaign-related nature of material mailed under the frank and has provided in § 3210(f) of Title 39, United States Code, that:

The equivalent amount of postage * * * on franked mail mailed under the frank of the Vice President or a Member of Congress, and the cost of preparing or printing such frankable matter for such mailing under the frank, shall not be considered as a contribution to, or an expenditure by, the Vice President or a Member of Congress for the purpose of determining any limitation on expenditures or contributions with respect to any such official, imposed by any Federal, State, or local law or regulation, in connection with any campaign of such official for election to any Federal office. (Emphasis added)

Accordingly, contributions to and expenditures by a separate segregated franking account are contributions and expenditures for the purposes of the Federal Election Campaign Act of 1971, as amended, and Title 18, United States Code, except for the limitations contained in 18 U.S.C. § 608.

It is the opinion of the Commission that Congressional appropriations for staff salaries, newsletters, stationery, and travel are for legislative activities and, therefore are not subject to the limitations and prohibitions of the Act. It is the Commission's conclusion that these appropriations represent a Congressional determination of the amount necessary for the continued performance of the public duties of a Member of Congress, and that Congress has thus knowingly appropriated sufficient funds for the performance of these duties. Accordingly, additional money which is raised by a Member or his supporters shall be treated as a contribution made for purposes of influencing a Federal election and shall be governed by all appropriate limitations. Similarly, any expenditure from any office account shall be treated as an expenditure intended for purposes of influencing a Federal election and shall be controlled by all appropriate limitations. If Congress concludes that activities currently supported by an office account are in fact essential legislative functions, it remains the prerogative of Congress to appropriate additional funds necessary to fulfill these functions.

Support for the Commission's views may be found in *United States v. Brewster*, 408 U.S. 501, 92 S. Ct. 2531, 33 L.Ed.2d 507 (1972) in which the Supreme Court stated:

It is well known, of course, that Members of Congress engage in many activities other than the purely legislative activities. * * * These include a wide range of legitimate "errands" performed for constituents, the making of appointments with Government agencies, assistance in securing Government contracts, preparing so-called "newsletters" to constituents, news releases, and speeches delivered outside the Congress. The range of these related activities has grown over the years. They are performed in part because they have come to be expected by constitu-

ents, and because "they are a means of developing continuing support for future elections." Although these are entirely legitimate activities, they are political in nature rather than legislative, in the sense that term has been used by the Court in prior cases.

As an office account will be conclusively presumed to be used solely for political purposes, contributions to, expenditures by, and the general operation of an office account should be reported and otherwise treated as provided in Notice 1975-18 of the Federal Election Commission "Office Accounts and Franking Accounts; Excess Campaign Contributions," as published in the Federal Register.

The Commission intends to apply its policy on office accounts as follows:

(a) It is the opinion of the Commission that a corporate donation of the use of a computer to analyze the results of a questionnaire would constitute a corporate contribution made for purposes to influencing a Federal election. The fact that the questionnaire was mailed under the frank would not extend the coverage of 39 U.S.C. § 3210(f) to the analysis of questionnaire results, and accordingly the donation of the services of the corporate computer would constitute a corporate contribution prohibited under 18 U.S.C. § 610.

(b) It is the opinion of the Commission that money from the "educational fund" of a labor union may not be donated to the office accounts of incumbent United States Senators and Representatives, if the fund is composed of dues money from various local lodges of the union. Since the money in the fund would be derived from dues, and not from separate voluntary donations by union members to support the office accounts of Congressmen, contributions of this money by a union would be prohibited under 18 U.S.C. § 610.

(c) It is the opinion of the Commission that contributions by incorporated state banks, or bank holding corporations, to an agricultural conference organized by a Member of Congress would constitute a direct or indirect contribution by these banking institutions in connection with a federal election. If the agricultural conference is not funded directly through a Congressional appropriation, it will be conclusively presumed to be funded from an office or constituent service account utilized by the member of Congress for political purposes. Accordingly, contributions by state bank corporations or bank holding corporations to the conference would be prohibited under 18 U.S.C. § 610.

The Commission does not wish to discourage conferences involving policy development of important economic and other issues, but will examine the particulars of each such proposed conference for any implications under 18 U.S.C. § 610.

The provisions of this opinion represent the opinion of the Commission as to the effect of 2 U.S.C. § 437d(a) (9), 2 U.S.C. § 439a, 18 U.S.C. § 608, and 18

U.S.C. § 610 on contributions and expenditures from the office account of a Federal officeholder. The provisions of this opinion are reflected in the proposed regulations which the Commission has submitted to Congress (see the FEDERAL REGISTER, Notice 1975-18 of 40 FR 32951, "Office Accounts and Franking Accounts; Excess Campaign Contributions"). However, in order to provide sufficient notice for orderly compliance with this opinion,

Dated: August 7, 1975.

THOMAS B. CURTIS,
Chairman for the
Federal Election Commission.

[FR Doc.75-21080 Filed 8-12-75; 8:45 am]

Just Released

CODE OF FEDERAL REGULATIONS

(Revised as of May 1, 1975)

Title 27—Alcohol, Tobacco Products and Firearms----- \$7.70

[A Cumulative checklist of CFR issuances for 1975 appears in the first issue of the Federal Register each month under Title 11]

**Order from Superintendent of Documents,
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federal register

MONDAY, AUGUST 18, 1975



PART III:

FEDERAL ELECTION COMMISSION



ADVISORY OPINIONS



FEDERAL ELECTION COMMISSION

[Notice 1975-24, AO 1975-2 and AO 1975-3]

MICHIGAN DEMOCRATIC PARTY AND NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE

Advisory Opinions

AO 1975-2: MICHIGAN DEMOCRATIC PARTY

This advisory opinion is rendered under 2 U.S.C. 437f in response to a request submitted by the Michigan Democratic Party (hereinafter MDP) and published as AOR 1975-2 in the June 24, 1975, FEDERAL REGISTER (40 FR 26660). Interested parties were given an opportunity to submit written comments pertaining to the request.

The advisory opinion request by the MDP raises several issues. Each issue is discussed separately in the following advisory opinion.

1. The first question concerns the practice by the Michigan Democratic Party of maintaining two separate bank accounts—one for Federal election use and one for state election use. The party has established two separate accounts to assist it in meeting the different reporting requirements of the Federal law and of the Michigan state laws. The Federal election account is not the "official" account of the Michigan Democratic Party. The party's question is, then, whether the money from the Federal election account can be used for the 18 U.S.C. 608(f) state committee expenditures.

Section 608(f) does not specify that the expenditures made under this section must be from the "official" account of the state party. Therefore, the general section on campaign depositories, 2 U.S.C. 437(b), controls. Subsection 437(b)(2) provides:

The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more national or State banks as campaign depositories of such committee, and shall maintain a checking account for the committee at each such depository. All contributions received by such committee shall be deposited in such accounts. No expenditure may be made by such committee except by check drawn on such accounts, other than petty cash expenditures as provided in subsection (b).

The MDP has complied with the first requirement of this subsection by establishing a separate account for Federal elections. In addition, the MDP must designate the bank in which it maintains its separate account for Federal elections (or any other National or State banks) as the campaign depository of the committee. All contributions received or expenditures made pertaining to Federal elections must be deposited in or drawn from this account of the party. Each local party committee which intends to solicit contributions, receive contributions, or make expenditures in connection with any Federal election must establish a separate account for Federal election purposes as described above.

All contributions received by the MDP which the contributor designates to be

used for Federal election purposes and all contributions received which the MDP intends to use for Federal election purposes must be deposited in this account. Since the individual or political committee whose contribution is deposited in this account is making a contribution within the definition of 18 U.S.C. 591(e) the contribution limitations established in 18 U.S.C. 608(b) are applicable. In addition, the sections in Title 18 which prohibit contributions by certain types of contributors are applicable. 18 U.S.C. 610, 611, 613, 614 and 615.

2. The second question raised by the Michigan Democratic Party concerns the application of the expenditures limitations in 18 U.S.C. 608(f) to the state and local committees in Michigan and the proper place of filing reports by the local committees. Subsection 608(f)(3) provides:

The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds * * * (explanation of formula for determining limitation (emphasis added))

The term subordinate, as used in this section, includes all "branches" or "subsidiaries" which are officially a part of the State Party organization. By statute, each major party in Michigan is required to establish a county committee in each county, a district committee in each Congressional district, and a State central committee. (Hereinafter the County and Congressional committees are referred to as local committees.) Although the local committees of each party select the members of the state central committee of that party, each committee on each level retains independent statutory existence and exercises a substantial degree of autonomy with respect to all other committees in its finances and operations. When applied to the political party structure in Michigan, the term subordinate as used in § 608 includes all statutorily required local committees and any other committee which, by virtue of the bylaws of the Michigan Democratic Party, is part of the Democratic Party structure in the state. Therefore, all such committees are included within the state party expenditure limitation established in § 608(f)(3).

The Michigan Democratic Party may administer the § 608(f)(3) expenditure by one of the following methods, which the Commission does not intend to be an exhaustive statement of the alternative methods. In the first instance, the state central committee will be responsible for insuring that the expenditures of the entire party organization are within the limitations established in § 608(f)(3). Any § 608(f)(3) expenditure made by a local committee would have to be reported to the state central committee. The state central committee would be responsible for filing reports with the Commission pertaining to all

§ 608(f)(3) expenditures made by any branch of the party structure.

In the alternative, the state central committee may allocate the § 608(f)(3) expenditure among the local party committees in the following manner. The state committee and the local committees first agree upon an allocation formula whereby a portion of the total § 608(f)(3) expenditure limitation for each Federal candidate is allocated to local committees. The state committee, then, files a statement with the Commission setting forth the agreed upon allocation. This "allocation statement" shall contain, in addition to the allocation for each committee, the following information with regard to each committee which has not filed a statement of organization with the Commission: the name and address of the committee; the name, address, and position of the custodian of books and accounts; the name, address and position of other principal officers; and a listing of all banks, safety deposit boxes, or other repositories used. If the local committee has already filed a statement of organization, the "allocation statement" must contain the name and address of the local committee and the amount allocated to that committee, and state that a statement of organization has already been filed by that committee. Any changes in the information pertaining to the local committees which was submitted in the "allocation statement" must be reported by the local committee to the Commission within 10 days following the change.

Once the "allocation statement" has been filed with the Commission, the actual allocation to a local committee may be changed by an amended report submitted to the Commission by the state central committee. This report must be signed by authorized agents of both the state central committee and that particular local committee and state that both parties have agreed that the original allocation should be changed and set forth the amended allocation.

Each local committee (other than a political committee) which is listed in the "allocation statement" will be required to file appropriate reports of expenditures with the Commission if the total § 608(f)(3) expenditure allocation is in excess of \$100.¹ In addition, each local committee will be responsible for insuring that all § 608(f)(3) expenditures by that local committee are within the allocated amount. If the local committee exceeds its allocation as set forth in the "allocation statement" and, as a result, the total party expenditures in the state exceed the overall expenditure limitation in § 608(f)(3), the local committee, rather than the state party officials, will be charged with the responsibility for exceeding the expenditure limitation.

Although § 608(f)(3) specifically includes the local committees within the

¹ The Commission will be issuing regulations pursuant to 2 U.S.C. 434(e) which will detail this reporting requirement.

state party expenditure limitation, the local committees may be considered separate organizations for the purposes of applying the contribution limitations in § 608(b). If the local committees are in fact truly independent of the state central committee, then each local committee may contribute to Federal candidates. If the local committee qualifies under § 608(b)(2), its contribution limitation for each candidate is \$5,000. Otherwise, the limitation for each candidate is \$1,000 per candidate, 18 U.S.C. 608(b)(1). Each local committee is responsible for filing with the Commission any appropriate reports made necessary by reason of its contributions to Federal candidates.

3. The next question raised is whether the state committee is required to file the required reports and statements with the appropriate principal campaign committee or with the Commission. The state committee must file reports of any contributions received which are "earmarked" for a particular candidate with that candidate's principal campaign committee. The committee must also file a report pertaining to expenditures which are authorized by the candidate to be made on his or her behalf with the appropriate principal campaign committee.² Reports pertaining to all contributions and expenditures will be filed with the Commission.³ If the state committee has not registered, the statement of organization should be filed with the Commission.

4. Question 4 concerns the newsletter the Michigan Democratic Party publishes and sends to its members. The question is whether the newsletter comes within the expenditure exemption in 18 U.S.C. 591(f)(4)(C), which provides:

(C) Any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election of any person to Federal office;

Although a state political party does endorse federal candidates, many of the activities of the party are generally not to influence directly Federal elections, but to build a strong party organization. A newsletter of a political party will come within this expenditure exemption if the newsletter is distributed only to dues paying members of the party. Moreover, the state political party or other entity sending the newsletter must not be "organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office." 18 U.S.C. 591(f)(4)(C). This concept of being "organized primarily" for such purposes will be particularized

² This does not include 18 U.S.C. 608(f)(3) expenditures.

³ An Interim Guideline pertaining to the filing of the July 10 reports was published in the FEDERAL REGISTER on June 26, 1975. Regulations pertaining to reports due on October 10 and thereafter will be published in the FEDERAL REGISTER prior to the date when the reports are due.

by Commission regulations to be issued in the near future.

It is relevant to note that the party may solicit contributions to the Democratic Party in this newsletter (although not for any federal candidate). Such a solicitation will not make the newsletter an expenditure. Section 591(f)(4)(1) exempts from the definition of expenditure any costs incurred by a political committee with respect to the solicitation of contributions to such political committee, unless the solicitation is done by general public advertising.

5. The last question concerns the reporting requirements for the local committees of the Michigan Democratic Party which do not receive contributions for federal elections in excess of \$1,000 or which are not allocated more than \$100 of MDP's § 608(f)(3) expenditures.⁴ The question is whether 2 U.S.C. 437a, pertaining to reports by certain persons, requires such committees to file reports with the Commission. In particular, the MDP asks whether the phrase "commits any act directed to the public for the purpose of influencing outcome of an election" as used in § 437a, includes such routine activities by political committees as putting up a poster for a federal candidate.

The local committee of a state political party organization which is not required to file reports as a political committee or as a "person" under 2 U.S.C. 434(e) and which is not required to file reports of § 608(f)(3) expenditures, will not be required to file reports under § 437a. Certain "routine activities" of political committees described in the request could frequently come within the exemptions to the definition of contribution in 2 U.S.C. 431(e) and 18 U.S.C. 591(e). For example, a person who puts up posters for a federal candidate is usually volunteering his or her services without compensation. If that is the case, such activity is exempt from the definition of contribution by 2 U.S.C. 431(e)(5)(A) and 18 U.S.C. 591(e)(5)(A).⁵

This advisory opinion is issued on an interim basis only pending the promulgation by the Commission of rules and regulations of general applicability. Any

⁴ See discussion relating to question 2.

⁵ 2 U.S.C. 437a requires any person (other than an individual) "who expends any funds or commits any act directed to the public for the purpose of influencing the outcome of an election" to report the funds received by that person as if they were contributions under 2 U.S.C. 431(e) and payments of such funds as if they were expenditures under 2 U.S.C. 431(f). Therefore, even if the local committee were required to report under § 437a, the local committee would not be required to report the activity described in the request if the person putting up the posters was volunteering his services without compensation. The individual volunteering his services would not be making a contribution to the local committee since such volunteer activity is exempt from the definition of contribution. The local committee would not, in these circumstances, be making an expenditure since it is not compensating the individual for his time.

interpretation or ruling contained herein is to be construed as limited to the facts of the specific advisory opinion request and should not be relied on as having precedential significance except as it relates to those facts at the time of its issuance.

AO 1975-3: NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE

This advisory opinion is rendered under 2 U.S.C. 437f in response to a request submitted by the National Republican Congressional Committee (hereinafter NRCC) and published as AOR 1975-3 in the June 24, 1975, FEDERAL REGISTER (40 FR 26660). Interested parties were given an opportunity to submit written comments pertaining to the request.

This request states that NRCC provides certain services and property to Republican Members of the House of Representatives (hereinafter Member). These services are:

1. The NRCC's preparing and printing newsletters, questionnaires and other printed matter to be mailed by Members under the Congressional frank.

2. The NRCC's reprinting of excerpts from the Congressional Record to be mailed by Members under the Congressional frank.

3. The NRCC's paying the cost of tabulating responses to questionnaires sent by a Member to his constituents under the Congressional frank including the cost of using a computer for such tabulation.

4. The NRCC's reimbursing a Member for the cost of newsletter paper purchased by the Member from the House of Representatives Stationery Room to be used by the member in preparing materials to be mailed by the Member under the Congressional frank.

The NRCC requests the Commission to rule on the question of whether the described activities are noncampaign in nature and, therefore, do not count against the NRCC's contribution limitation to a candidate [18 U.S.C. 608(b)(2)] and do not apply to the Member's election expenditure limitations [18 U.S.C. 608(c)(1)(E)].

It is not necessary for the Commission at this time to reach the question of whether the activities described in paragraphs 1, 2 and 4 are noncampaign in nature. 39 U.S.C. 3210(f) is applicable to material sent under the Congressional frank. This section provides:

Notwithstanding any other provision of Federal, State, or local law, or any regulation thereunder, the equivalent amount of postage determined under section 3216 of this title on franked mail mailed under the frank of the Vice President or a Member of Congress, and the cost of preparing or printing such frankable matter for such mailing under the frank, shall not be considered as a contribution to, or an expenditure by, the Vice President or a Member of Congress for the purpose of determining any limitation on expenditures or contributions with respect to such official, imposed by any Federal, State, or local law or regulation, in connection with any campaign of such official for election to any Federal office. (Emphasis added.)

As long as the materials prepared by the NRCC are suitable to be mailed under the frank and, in fact, are mailed under the frank, the cost of preparing or printing the materials will not be charged against the contribution or expenditure limitations in 18 U.S.C. 608. For purposes of this opinion, the Commission assumes that such mailings are suitable to be mailed under the frank.

In paragraph 3, the NRCC requests the Commission to rule on its practice of paying the cost of tabulating responses to questionnaires sent by a Member to his

constituents under the Congressional frank including the cost of using a computer for such tabulation. The exemption in 39 U.S.C. 3210(f) only extends to the cost of preparing or printing the franked matter. Therefore, in determining whether the cost of tabulating responses is a contribution or expenditure subject to the appropriate limitations in 18 U.S.C. 608, the question is whether such activity is a contribution or expenditure within the general definition of 18 U.S.C. 591 (e) and (f). The Commission has proposed regulations providing that the

cited definitions apply to these activities and that they are therefore subject to limitation under 18 U.S.C. 608.

This advisory opinion is to be construed as limited to the facts of the request and should not be relied on as having any precedential significance except as it relates to those facts at the time of its issuance.

Dated: August 11, 1975.

NEIL STAEBLER,
Vice Chairman, For the
Federal Election Commission.

[FR Doc.75-21412 Filed 8-15-75;8:45 am]

FEDERAL ELECTION COMMISSION

[Notice 1975-27; AO 1975-9 and AO 1975-16]

ADVISORY OPINIONS

The Federal Election Commission announces the publication today of Advisory Opinions 1975-9 and 1975-16. The Commission's opinions are in response to questions raised by individuals holding Federal office, candidates for Federal office and political committees, with respect to whether any specific transaction or activity by such individual, candidate, or political committee would constitute a violation of the Federal Election Campaign Act of 1971, as amended, of Chapter 95 or Chapter 96 of Title 26, United States Code, or of sections 608, 610, 611, 613, 614, 615, 616, or 617 of Title 18 United States Code.

ADVISORY OPINION 1975-9

APPLICATION OF CONTRIBUTION AND EXPENDITURE LIMITS TO UNOPPOSED PRIMARY CANDIDATES

The Federal Election Commission renders this advisory opinion under 2 U.S.C. 437f in response to requests submitted by a candidate and a political committee. The requests were made public by the Commission and published in the FEDERAL REGISTER on July 9, 1975 (40 FR 28944). Interested parties were given an opportunity to submit comments relating to the requests.

The requesting parties seek an advisory opinion as to whether a primary election in which there is only one candidate for nomination is an "election" for purposes of the contribution and spending limitations of 18 U.S.C. § 608. In 18 U.S.C. 591(a) the term "election", as used in 18 U.S.C. 608, is defined as, *inter alia*, "a general, special, primary, or runoff election." The Commission's opinion is that this definition includes a primary election in which a candidate runs unopposed and without regard to whether his or her name appears on the ballot. The provisions of 18 U.S.C. 608 clearly state that the contribution and expenditure limitations "apply separately with respect to each election." No distinction is made between opposed and unopposed primary and general election candidates.

This conclusion is in accordance with the legislative history of the Federal Election Campaign Act Amendments of 1974, (the Act). The Senate bill (S. 3044) as reported from committee contained specific provisions which limited expenditures by unopposed candidates in both a primary and general election to 10 percent of the limits applicable to opposed candidates. The 10 percent limit on unopposed primary candidates was deleted by floor amendment during Senate debate while the 10 percent limit on candidates unopposed in the general election was dropped in conference with the House. Thus, the legislative history also indicates that it was not Congress' intent to make a distinction between opposed and unopposed candidates for purposes of either contribution or expenditure

limits. Accordingly, an unopposed candidate in a primary election is entitled to receive contributions and make expenditures with respect to that election within the limitations set by 18 U.S.C. 608.

The Commission further concludes that those expenditures made solely to defray expenses incurred with respect to the primary election would not be chargeable to the unopposed candidate's expenditure limits in the general election. Until further notice the Commission will assume that all expenditures made and required to be reported with respect to a forthcoming primary election are allocable to that primary election rather than to a subsequent general election.

ADVISORY OPINION 1975-16

INTERPRETATION OF PRINCIPAL CAMPAIGN COMMITTEE, REPORTING SCHEDULE, AND CAMPAIGN DEPOSITORY PROVISIONS; CONTRIBUTIONS FROM INCORPORATED MEMBERSHIP ORGANIZATION

This advisory opinion is rendered under 2 U.S.C. 437f in response to a request submitted by Congressman John D. Dingell and published as AOR 1975-16 in the July 17, 1975, FEDERAL REGISTER (40 FR 30259). Interested parties were given an opportunity to submit written comments pertaining to the request.

The advisory opinion request submitted by Congressman Dingell raises several issues. Each issue is discussed separately in the following advisory opinion.

1. The first question raised by Congressman Dingell concerns the types of political committees a candidate may establish. Each candidate is required to designate a political committee to serve as his or her principal campaign committee. 2 U.S.C. 432(f). The candidate may authorize any number of political committees to solicit or receive contributions on behalf of the candidate or to make expenditures on behalf of the candidate. This authorization must be in writing and signed by the candidate. The expenditures made on behalf of the candidate by these authorized political committees are applied to the candidate's overall expenditure limitation.

These authorized committees file reports with the principal campaign committee for the candidate on whose behalf the contributions are accepted or the expenditures are made. The principal campaign committee is required to compile the reports of these authorized committees and file these reports, together with the report on its own activity, with the Commission. 2 U.S.C. 432(f) (2) and (3).

All political committees must remain in existence and report until all of their debts and obligations are extinguished. 2 U.S.C. 434(b)(12). The Commission may by future regulation prescribe ways in which continuous reporting of outstanding debts and obligations of campaign committees which have become and remained insolvent for long periods of time may be suspended or terminated. Since the committees authorized by the

candidate report to that candidate's principal campaign committee, the candidate's principal campaign committee must remain in existence until all of its debts and obligations are extinguished and all of the debts and obligations of its authorized committees are extinguished or consolidated with the debts and obligations of the principal campaign committee.

2. The second question concerns the reporting requirements of committees which have registered with the Commission but which do not receive contributions or make expenditures in excess of \$1,000 during a particular calendar quarter. Generally, a committee is required to file a report of receipts and expenditures for each calendar quarter in which it received contributions in excess of \$1,000, or made expenditures in excess of \$1,000. 2 U.S.C. 434(a) (1) (C). The Commission is required to prepare and publish special reports listing those candidates for whom reports were filed as required and those candidates for whom such reports were not filed as so required. 2 U.S.C. 438(a) (7). If a political committee has registered with the Commission and has previously filed quarterly reports, the Commission will not know, in the absence of other information, whether such a committee has a continuous reporting obligation. Therefore, at the close of the first calendar quarter in which the committee does not receive or expend \$1,000, the committee must notify the Commission that "no more than \$1,000 was received or expended" during that calendar quarter and that quarterly reports will be suspended until such time as the committee receives or expends \$1,000 during a calendar quarter. Upon receipt of this type of notification, the Commission will remove the committee from the list of committees required to file quarterly reports. The Commission is in the process of developing a short form for this purpose.

This procedure will not affect the committee's obligation to file a pre-election report, 2 U.S.C. 434(a) (1) (A), or an end of the year report, 2 U.S.C. 434(a) (1) (B). If the committee determines that it has not received contributions or made expenditures during the calendar year in an aggregate amount exceeding \$1,000, the committee must so report to the Commission in the calendar year report. 2 U.S.C. 433(d). The Commission will, as noted in Part 1, promulgate regulations pertaining to reporting by committees with outstanding debts and obligations.

3. The third question concerns the time limit which is imposed between the receipt of a campaign contribution and the deposit of such a contribution in a campaign account. The Commission is currently in the process of proposing regulations which would establish such a time limit. Until such time as the regulations are prescribed, the Commission will require the contribution to be deposited within a reasonable time. The Commission considers five days after the receipt of the contribution by the treasurer or

other designated official of the political committee to be a reasonable time limit in which to deposit the contribution.

4. The last question is whether a political committee is prohibited by 18 U.S.C. 610 from accepting a contribution from a VFW Post which is incorporated.

Section 610 prohibits "any corporation whatever" from making a "contribution or expenditure in connection with any election" to Federal office and prohibits a candidate, political committee or person from accepting such a contribution.

The prohibitions in 610 apply, with limited exception, to contributions or expenditures by nonprofit corporations just as they apply to contributions or expenditures made by profit-making cor-

porations. If a nonprofit organization is created expressly and exclusively to engage in political activities, however, and has incorporated for liability purposes only, the general prohibitions in 610 will not apply to that corporation. That type of corporation is essentially a political committee and may contribute its assets to Federal candidates the same as unincorporated political committees. Other types of nonprofit corporations are subject to the prohibitions in 610, and, therefore, a candidate or political committee is prohibited from accepting a contribution from these types of nonprofit corporations.

A corporation which is subject to the prohibitions in 610 may, however, estab-

lish a separate segregated fund and may make contributions and/or expenditures in connection with Federal elections from that fund. A candidate or political committee may, in turn, accept a contribution from the separate segregated fund of a corporation.

This advisory opinion is issued on an interim basis only pending promulgation by the Commission of rules and regulations or policy statements of general applicability.

Dated: August 13, 1975.

NEIL STAEBLER,
Vice Chairman for the
Federal Election Commission.

[FR Doc. 75-21867 Filed 8-19-75; 8:45 am]



This a separate registered fund and may make contributions and or expenditures in connection with Federal elections from that fund. A candidate or political committee may in turn accept a contribution from the separate registered fund of a corporation.

The advisory opinion is based on an analysis of the Federal Election Commission's rules and regulations regarding the receipt of contributions from corporations and other entities.

corporation. If a nonprofit organization is created primarily and exclusively to engage in political activities, however, and has not been approved for listing purposes under the general provisions in 510 will not apply to that corporation. That type of corporation is essentially a political committee and may contribute in cases to Federal candidates the same as other corporations. Federal candidates' Other types of nonprofit corporations are subject to the prohibitions in 510 and, therefore, a candidate or political committee is prohibited from accepting a contribution from these types of nonprofit corporations.

other designated officer of the political committee to be a reasonable time limit in which to accept the contribution.

The last question is whether a political committee is prohibited by 510 from receiving a contribution from a VW-Post which is incorporated.

Section 510 prohibits "any corporation, partnership, or other entity" from making a contribution in connection with any election, to Federal office and prohibits a candidate, political committee or person from receiving such a contribution.

The prohibitions in 510 apply with limited exceptions to corporations and partnerships as they apply to individuals or persons.

Date: August 12, 1973
 Mr. [Name]
 Federal Election Commission

A corporation which is subject to the prohibitions in 510 is prohibited from accepting a contribution from these types of nonprofit corporations.

Section 510 prohibits "any corporation, partnership, or other entity" from making a contribution in connection with any election, to Federal office and prohibits a candidate, political committee or person from receiving such a contribution.

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523-5022

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

MEMO - OCTOBER 3, 1975

Enclosed for your information and files, are copies of additional Federal Election Commission decisions and guidelines.

A. ADVISORY OPINIONS

ADVISORY OPINION #20 - STATUS OF POLITICAL ACTION COMMITTEE (C. TAPE)
(Federal Register, October 1, 1975, p. 45292)

ADVISORY OPINION #22 - POLITICAL COMMITTEE TRANSFER OF FUNDS AND EXPENDITURE AUTHORIZATION
(Federal Register, October 1, 1975, p. 45295)

B. REQUESTS FOR ADVISORY OPINIONS (AOR)

AOR 73-78 (Federal Register, October 1, 1975, p. 45293)

C. REGULATIONS

DISCLOSURE OF FEDERAL CAMPAIGN FUNDS. Proposed Regulations on disclosure provisions of Title II, U.S.C. published for public comment prior to adoption by the FEC and subsequent transmittal to Congress. (Federal Register, September 29, 1975, p. 44698).

D. NOTE: PAST OPINIONS AND AOR'S

Federal Register reprints of the following materials have not yet been received, and therefore, have not been sent to you. They will be included in future mailings as soon as they come in. Please let us know if you do not have the Federal Registers and would like xerox copies of this material.

ADVISORY OPINION #15 - PAYMENT OF ROYALTIES BY CAMPAIGN COMMITTEES TO CANDIDATES (Federal Register, September 24, 1975, p. 44040)

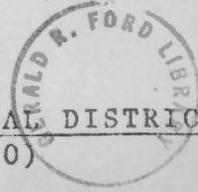
ADVISORY OPINION #35 - OFFICIALS OF POLITICAL COMMITTEES
(Federal Register, September 24, 1975, p. 44040)

ADVISORY OPINION #37 - INCORPORATION OF POLITICAL COMMITTEE
(Federal Register, September 11, 1975, p. 42303)

AOR 66-71 (Federal Register, September 22, 1975, p. 43664)

AOR 72 (Federal Register, September 24, 1975, p. 44041)

INTERIM GUIDELINES FOR TENNESSEE SPECIAL 5th CONGRESSIONAL DISTRICT ELECTION (Federal Register, September 22, 1975, p. 43660)



federal register

MONDAY, SEPTEMBER 29, 1975



PART II:

FEDERAL ELECTION COMMISSION



Federal Campaign Funds

Disclosure Regulations

FEDERAL ELECTION COMMISSION

[11 CFR Parts 100, 102, 103, 104, 105,
109, 110, 111]

[Notice 1975-51]

FEDERAL CAMPAIGN FUNDS

Disclosure Regulations

The Federal Election Commission today publishes a set of proposed regulations covering the disclosure provisions in Title 2, U.S.C. These regulations are intended to be comprehensive in this area, and generally cover 2 U.S.C. 431 through 437b.

Comment period. Interested persons are invited to submit written comments on these proposed regulations to the Rulemaking Section, Office of General Counsel, Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463. Comments should be received on or before October 29, 1975. The Commission emphasizes that comments from all affected parties are strongly desired. These regulations will implement an unusually complex statute and, as such, deserve the most careful public scrutiny and criticism.

Hearings. The Commission will soon announce public hearings on the proposed regulations.

Effective date. These regulations shall become effective on a date specified in a future notice published in the FEDERAL REGISTER, which effective date shall not be less than 30 calendar days after the date of this notice of proposed rulemaking, nor before approved by the United States Congress.

SUBCHAPTER A—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

PART 100—SCOPE AND DEFINITIONS

Subpart A—Scope

Sec.
100.1 Scope.

Subpart B—Meaning of Terms Used in This Subchapter

100.2	Candidate.
100.3	Commission.
100.4	Contribution.
100.5	Earmark, earmarked, or earmarking.
100.6	Election.
100.7	Expenditure.
100.8	Federal office.
100.9	File, filed or filing.
100.10	Identification.
100.11	Occupation.
100.12	Principal place of business.
100.13	Person.
100.14	Political committee.
100.15	Political committee.
100.16	National committee.
100.17	State.
100.18	State committee, subordinate committee.

AUTHORITY: Sec. 308, 86 Stat. 17, and sec. 311, 316, as redesignated and amended, 88 Stat. 1279, 1282, (2 U.S.C., 437d, 438). Interpret or apply section 301, 86 Stat. 11, as amended, 88 Stat. 1272, (2 U.S.C. 431).

Subpart A—Scope

§ 100.1 Scope.

This subchapter is issued by the Federal Election Commission under title III of the Federal Election Campaign Act of 1971 (Pub. L. 92-225), as amended in 1974 (Pub. L. 93-443), and is applicable

to campaigns for nomination or election to the offices of President and Vice President of the United States; and Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States. Although primarily implementing title III of the cited Act, these regulations should be read together with sections 591, 608, 610, 611, 613, 614, 615, 616, and 617 of the Federal Election Campaign Act Amendments of 1974 (Pub. L. 93-443), and all advisory opinions and policy statements interpreting those sections as issued by the Commission from time to time and published in the FEDERAL REGISTER. Separate regulations implementing chapters 95 and 96 of Title 26, United States Code will be issued by the Commission as Chapter II of this Title 11, CFR.

Subpart B—Meaning of Terms Used in This Subchapter

§ 100.2 Candidate.

An individual is deemed to be a candidate for Federal office whenever any of the following events occur, whichever comes first:

(a) The individual has taken the action necessary, under relevant state law (1) to qualify for ballot position in a primary, runoff, special or general election, or (2) to be considered for nomination by a state, district, or precinct caucus or convention of a political party; or

(b) The individual has personally, or through an authorized agent, received contributions or made expenditures as defined in this part. For purposes of this paragraph, an individual is deemed to have authorized an agent if, having knowledge, or reason to know, that any other person is receiving contributions or making expenditures on behalf of such individual, such individual fails to disavow or repudiate by letter filed with the Commission the acts of the agent within 10 days after he or she acquires notice thereof.

§ 100.3 Commission.

"Commission" means the Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463, telephone (202) 382-5162.

§ 100.4 Contribution.

(a) "Contribution" means—

(1) A gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or as a presidential or vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President.

(i) For purposes of paragraph (a) of this section

(A) The term loan includes a guarantee, endorsement and any other form of security where the risk of non-payment rests with the surety, guarantor or en-

dorser as well as with a political committee, candidate or other primary obligor.

(B) The term "money" includes currency of the United States or any foreign nation, checks, money orders or any other negotiable instrument payable on demand.

(C) The term "anything of value" includes, but is not limited to, the provision of goods, facilities, equipment, supplies, personnel, advertising, or other services without charge or at a charge which is below the usual charge for such items. The amount of the contribution of a thing of value shall be the difference between the fair market value at the time of the contribution of the goods or services contributed and the amount charged the contributee.

(i) Absent evidence to the contrary, the proceeds of a gift, subscription, loan, advance or deposit in paragraph (a) (1) of this section if such proceeds inure directly or indirectly to the benefit of a candidate or group of candidates for Federal office. Such proceeds shall be considered to inure to the benefit of such candidates if any part is or may be used directly or indirectly for the purpose of furthering the selection, designation, nomination, or election of any individual to any Federal office. Such proceeds may inure to the benefit of a candidate, whether or not the expense was paid or the obligation incurred before the commencement of political activities with respect to the selection, designation, nomination or election of the candidate or after such selection, designation, nomination, or election.

(2) A written contract, promise, or agreement such as a signed pledge card, whether or not legally enforceable, to make a contribution for the purpose stated in paragraph (a) (1) (ii) of this section.

(3) A transfer of funds to a political committee or candidate from another political committee or other political organization whether or not such organization is a political committee. A transfer of funds shall be deemed to have occurred whenever the treasurer or other designated agent of the transferee committee or the candidate obtains discretionary authority to use the funds which are the subject of the transfer.

(4) The payment for any purpose, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge. No compensation shall be deemed to have been paid:

(i) When an employee who is paid on an hourly or salaried basis and who is expected to be present at his employment for a specific number of hours each week, if the employee is released to perform services for a candidate pursuant to an understanding with the employer that the released time shall be made up within reasonable time thereafter.

(ii) When an individual who is salaried and is ordinarily expected to perform duties for the employer for a particular number of hours per week en-

gages in political activity during what would otherwise be his or her regular work week, so long as the average or expected number of compensable hours per week is completed by such individual.

(iii) To an employee who is compensated on a commission or piecework basis, i.e., is paid only for work actually performed, and whose time is considered the employee's own to use as he or she sees fit and who engages in political activity during what would otherwise be normal working hours.

(iv) Where the time used by the employee to engage in political activity is bona fide, although compensable, vacation time.

(b) The term "contribution" does not include:

(1) The value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, whether or not the services performed are those ordinarily performed in that individual's trade, business, or profession.

(2) The use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for campaign related activities to the extent that the cumulative value of such activities by any individual on behalf of any candidate do not exceed \$500 with respect to any election. For purposes of this paragraph a contribution by a married person shall not be attributed to a spouse.

(i) Where an individual allows use of his or her home for candidate-related activity, the duration of which is less than 24 hours, such as a coffee klatch or cocktail party, the rental value of the residence need not be computed for purposes of the \$500 exemption.

(ii) Where an individual allows repeated use of his or her residence for numerous events on behalf of a candidate or lends the use of his or her residence as a campaign headquarters or like facility, then the fair rental value must be computed for purposes of the above \$500 exemption.

(3) The sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the usual charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor and such vendor is not an organization proscribed by 18 U.S.C. 610 or 611 to the extent that the cumulative value of the difference between the usual charge and the cost of such food and beverage to the vendor does not exceed \$500.

(4) Any unreimbursed payments for travel or living expenses made by an individual who on his own behalf volunteers his personal services to a candidate to the extent that the cumulative value of such payments does not exceed \$500.

(5) The payment by a state or local committee of a political party of the costs of preparation, display, or mailing or

other distribution incurred by such committee with respect to a printed slate card, sample ballot, palm card, snipe, or other printed listing, of three or more candidates for any public office for which an election is held in the state in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of such listing made on broadcasting stations, or in newspapers, magazines, or other similar types of general public political advertising.

For purposes of this paragraph (b) (5) "other similar types of general public political advertising" includes general outdoor advertising facilities such as billboards or sky writing; but does not include yard signs, bumper stickers, car tops, or the reading of a printed list over private telephone facilities.

(6) The cost of any bona fide news story, commentary or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication of general circulation.

(7) The interest or other proceeds from the investment, in an interest-bearing account, note, bill, stock, bond or other similar device, of funds transferred out of a checking account in a campaign dispository, provided that the interest or other proceeds are paid in the ordinary course of business.

§ 100.5 Earmark, earmarked or earmarking.

"Earmark," "earmarked," and "earmarking" mean any and all designations, instructions or encumbrances (including but not limited to those which are direct or indirect, express or implied, oral or written) which cause or result in all or any portion of a contribution or expenditure being made to or expended for the benefit of a clearly identified candidate or political committee.

§ 100.6 Election.

"Election" means generally the process or contest by which individuals, whether opposed or unopposed, are chosen for nomination for election, or election, to Federal office. Specific types of elections, defined below, are included in this definition.

(a) General election is an election which is held in even numbered years on the Tuesday next after the first Monday in November, or an election which is held to fill a vacancy in a Federal office and which, in either case, is intended to result in the final selection of a single individual to the office at stake.

(b) Primary election is an election which is held prior to a general election, as a direct result of which candidates are nominated, in accordance with applicable state law, for election to Federal office in a subsequent election or which is held for the expression of a preference for the nomination of persons for the election to the office of President of the United States and/or which is held to select delegates to a national nominating convention. With respect to individuals seeking Federal office without nomi-

nation by a party, the primary election is deemed to occur on the day prescribed by applicable state law as the last day to qualify for a position on the general election ballot.

(c) Runoff election is any election held after a general or primary election prescribed by applicable state law as the means for deciding which candidate(s) should be certified as a nominee for the Federal office sought or as officeholder-elect.

(d) A caucus or convention of a political party, held to select a nominee is an election; a caucus or a convention of a political party held prior to a primary election and related to the nominating process is not a separate election but is part of the primary election.

§ 100.7 Expenditure.

(a) "Expenditure" means:

(1) A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or as a presidential or vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President.

(i) For purposes of paragraph (a) (1) of this section

(A) The term "payment" includes

(1) The repayment of a principal of any outstanding obligation the proceeds of which constituted a contribution under these regulations, and

(2) The payment of any interest during the period that the obligation is outstanding.

(3) A guarantee or endorsement by a candidate or any political committee of a loan made for one of the purposes set out in paragraph (a) of this section.

(B) The term "money" includes, currency of the United States or any foreign nation, checks, money orders or any other negotiable instrument payable on demand.

(C) The term "anything of value" includes, but is not limited to, the provision of goods, facilities, equipment, supplies, personnel, advertising, or other services without charge or at a charge which is below the usual charge for such items. The amount of the expenditure of a thing of value shall be the difference between the fair market value at the time of the expenditure of the goods or services expended and the amount charged the expende.

(ii) Absent evidence to the contrary, the proceeds of a gift, subscription, loan, advance or deposit shall be presumed to be made for one of the purposes set out in paragraph (a) (1) of this section if such proceeds inure directly or indirectly to the benefit of a candidate or group of candidates for Federal office. Such proceeds shall be considered to inure to the benefit of such candidates if any part is or may be used directly or indirectly for the purpose of furthering the

selection, designation, nomination, or election of any person to any Federal office. Such proceeds may inure to the benefit of a candidate whether or not the expense was paid or the obligation incurred before the commencement of political activities with respect to the selection, designation, nomination or election of the candidate or after such selection, designation, nomination, or election.

(2) A written contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure for the purpose stated in paragraph (a) (1) (ii) of this section, except that with respect to contracts for services, supplies, or other materials not in excess of \$500, payment for which must be made within 60 days, no expenditure shall be deemed to have occurred until payment is made or the time for payment has expired, whichever is earlier.

(3) A transfer of funds from a political committee or candidate to another political committee or other political organization whether or not such organization is a political committee. A transfer of funds shall be deemed to have occurred whenever the treasurer or other designated agent of the transferee committee or organization obtains discretionary authority to use the funds which are the subject of the transfer.

(b) The term "expenditure" does not include:

(1) (i) The cost of any bona fide news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication of general circulation, but does include the cost to the advertiser of an advertisement distributed through such facilities which is for the purpose stated in paragraph (a) (1) (ii) of this section, or

(ii) The cost of stories or comments written by or about Federal officeholders which appear in state and local party publications such as newsletters at substantially regular intervals and which are designed to inform party members about the activities of the officeholder; but

(iii) Except as provided in paragraph (b) (1) (ii) of this section, this subparagraph shall not apply to any facility which is owned, controlled by, in control of, or in common control with, any political committee or candidate. (Except that bona fide news stories published or broadcasted by a facility owned or controlled by a candidate shall not be deemed to be expenditures.)

(2) Non-partisan activity, designed to encourage individuals to register to vote, or to vote, which does not favor any particular political party or candidate.

(3) (i) Any communication by any membership organization or corporation to its employees, members or stockholders which is not distributed to the general public, so long as

(A) Such communication

(1) Does no more than describe the activities of any candidate or Federal officeholder, and

(2) Does not endorse, or solicit support (financial or otherwise) for such candidate or Federal officeholder,

(B) Such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office.

(i) For purposes of this paragraph, members means, in the case of a political party or club, dues paying members in good standing and not all enrolled members of the party generally.

Political parties or clubs pose special problems. Advisory Opinion 1975-2 addressed this problem in the context of a state party newsletter. The restrictions are drawn to be consistent with that Opinion. Obviously, the national committee newsletter would not qualify since such a committee is formed primarily for the purpose of influencing Federal elections.

(4) The use of real or personal property and the cost of invitations, food, and beverages, provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities to the extent that the cumulative value of such activities by such individual on behalf of any candidate do not exceed \$500 with respect to any election. For purposes of this subparagraph an exempted expenditure by a married person shall not be attributed to a spouse.

(5) Any unreimbursed payment for travel and living expenses made by an individual who, on his or her own behalf, volunteers his or her personal services to a candidate if the cumulative amount for such individual incurred with the respect to such candidate does not exceed \$500 with respect to any election.

(6) Any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to federal office.

(7) The payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card, sample ballot, palm card, snipe, or other printed listing, of three or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or other similar types of general public political advertising. For purposes of this subparagraph (7) "other similar types of general public political advertising" includes general outdoor advertising facilities such as billboards or skywriting, but does not include yard signs, bumper stickers, car-tops, or the reading of a printed list over private telephone facilities.

(8) Any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of 18 U.S.C. 610, would not constitute an expenditure by such corporation or labor organization.

(9) Transfer of funds out of a checking account in a campaign depository for the purpose of the investment of such funds in an interest-bearing account, note, bill, stock, bond or other similar device: *Provided*, That the principal and interest or other proceeds are deposited into the same checking account.

§ 100.9 File, filed or filing.

"File," "filed," and "filing" mean with respect to reports and statements required to be filed with the Commission under this chapter: (a) Delivery to the Federal Election Commission, 1325 K. Street NW., Washington, D.C. 20463, by the close of business of the prescribed filing date, or (b) deposit as registered or certified mail in an established U.S. Post Office and postmarked no later than midnight of the day of the filing date, except that pre-election reports so mailed must be postmarked no later than midnight of the twelfth day before the date of such election. Reports and statements sent by first class mail must be received by the Commission by the close of business of the prescribed filing date to be timely filed.

§ 100.10 Identification.

"Identification" means (a) in the case of an individual, his or her full first name, middle initial, or the designation NMI of the individual does not have a middle initial, last name, and full address of his or her principal place of residence, including postal zip code and (b) in the case of any other person, the full name and mailing address of such person.

§ 100.11 Occupation.

"Occupation" means job title or description of work performed.

§ 100.12 Principal place of business.

"Principal place of business" means the full name under which the enterprise conducts business, the mailing address of the enterprise, and the city in which the person is employed or conducts business.

§ 100.13 Person.

"Person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

§ 100.14 Political committee.

"Political committee" means any committee, club, association or other group of two or more persons organized or functioning for the purpose, wholly or in part, of making expenditures, or receiving contributions, of more than \$1,000 in value within a calendar year.

(a) The following are four categories of political committees:

(1) *Principal Campaign Committee.* "Principal Campaign Committee" means the political committee designated by a candidate as his or her principal campaign committee pursuant to 2 U.S.C. 432(f) (1).

(2) *Single Candidate Committee.* "Single Candidate Committee" means a political committee other than a principal

campaign committee which makes or receives contributions or makes expenditures on behalf of only one candidate.

(3) *Multicandidate Committee.* "Multicandidate Committee" means a political committee which makes or receives contributions or makes expenditures on behalf of two or more candidates.

(4) *Party Committee.* "Party Committee" means a political committee which represents a political party and is part of the official party structure at the national, state, or local level.

(b) A political committee is either an authorized committee or an unauthorized committee:

(1) *Authorized Committee.* An "authorized committee" is a political committee which is actually or constructively authorized by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate.

(2) *Unauthorized Committee.* An "unauthorized committee" is a political committee which has not been authorized in writing by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate.

(c) *Affiliated Committee.* An "affiliated committee" includes:

(1) All authorized committees of the same candidate.

(2) Multicandidate committees which (i) Have made or received or anticipate making or receiving transfers of funds to or from other multicandidate committees during the current calendar year, or

(ii) Are controlled by the same individual or group of individuals.

(3) Party committees of the same political party which have made or received or anticipate making or receiving transfers of funds to or from other party committees of the same political parties during the current calendar year.

(d) The term "political committee" does not include a group of individuals who act in concert for the purpose of making a single expenditure in a single transaction so long as the funds expended are the personal funds of the individuals concerned, the transaction does not involve any ongoing solicitation effort, the members do not continue to act in concert for the purpose of influencing a Federal election subsequent to the completion of the transaction, and the expenditure is not authorized by any candidate.

§ 100.15 Political Party.

"Political party" means an association, committee, or organization which nominates or selects a candidate for election to any Federal office, whose name appears on an election ballot as the candidate of such association, committee or organization.

§ 100.16 National committee.

"National committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level.

§ 100.17 State.

"State" means each state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

§ 100.18 State committee, subordinate committee.

(a) "State committee" means the organization which, by virtue of the bylaws of a political party is responsible for the day-to-day operation of such political party at the state level.

(b) "Subordinate committee of a state committee" is any organization which, by virtue of the bylaws of the state committee or the bylaws of a political party is responsible for the day-to-day operation of such political party at the level of city, county, neighborhood, ward, district, precinct or any other subdivision of a state, any other organization under the control or direction of the state committee.

PART 101—CANDIDATE STATUS AND DESIGNATIONS

Sec.

101.1 Duration of candidate status.

101.2 Candidate designations.

101.3 Waiver of candidate reporting.

AUTHORITY: Sec. 308, 86 Stat. 17, as amended, (2 U.S.C. 438), interpret and apply section ----, 86 Stat. 14, as amended, 2 U.S.C. ----.

§ 101.1 Duration of candidate status.

Once an individual becomes a candidate under § 100.2 of this subchapter, such status continues until all debts and obligations arising in connection with an election with respect to which the individual's status as a candidate arose are extinguished.

§ 101.2 Candidate designations.

(a) Within 10 days of attaining candidate status an individual is required to:

(1) File a Statement of a Candidate for Nomination or Election to Federal office on FEC Form ----, on which such candidate shall—

(i) Designate a principal campaign committee in accordance with § 103.5 of this subchapter, and

(ii) Designate at least one national or state bank as a campaign depository under § 104.1 of this subchapter, and

(2) File a Statement of Authorization of Political Committees other than a Principal Campaign Committee on FEC Form ----, on which such candidate shall designate which committees, if any other than his or her principal campaign committee will be authorized to accept contributions or make expenditures on behalf of such candidates.

(3) Commence filing personal reports of receipts and expenditures in accordance with Part 105 of this subchapter, unless a waiver of personal reporting is applied for and granted by the Commission under § 101.4.

(b) A candidate shall designate a separate campaign account for each election.

§ 101.3 Waiver of candidate reporting.

(a) Upon application on FEC Form ----, a candidate may be relieved of the duty personally to file reports of receipts and expenditures if the candidate certifies that he or she will comply with all the following conditions:

(1) Within 5 days after personally receiving any contribution the candidate will surrender possession of the entire contribution to the treasurer of his or her principal campaign committee without expending any of the proceeds thereof. No such contributions shall be commingled with the candidate's personal funds or accounts, and contributions in excess of \$100 conveyed by check, money order or other written instrument shall be consigned directly to the political committee and shall not be cashed or redeemed by the candidate.

(2) Such candidate will not make any personal expenditure for his or her campaign, except that this paragraph does not preclude a candidate from conveying personal funds to such candidate's designated principal campaign committee so long as the amount of funds so conveyed does not exceed the limit prescribed by 18 U.S.C. 608(a).

(b) After the candidate has submitted a duly certified statement on FEC Form ---- that he or she will conform to the conditions specified in § 101.4(a) of this subchapter, the Commission, after such investigation as it deems necessary, may grant a formal waiver relieving the candidate from the obligation to comply personally with the reporting requirements in 2 U.S.C. 434.

(c) The waiver continues in effect only to the extent that the candidate complies with the conditions under which it was applied for and granted.

PART 102—REGISTRATION OF POLITICAL COMMITTEES

Sec.

102.1 Registration of political committees.

102.2 Forms and filing.

102.3 Change or correction in information.

102.4 Discontinuance of registration.

102.5 Identification number.

102.6 State committees; establishment of segregated funds.

AUTHORITY: Sec. 308, 86 Stat. 17, as amended, (2 U.S.C. 438(a) (10) (Supp. 1975)), interpret and apply sec. 303, 86 Stat. 14, as amended, (2 U.S.C. 433 (Supp. 1975)).

§ 102.1 Registration of political committees.

(a) Each political committee shall file a Statement of Organization with the Federal Election Commission within 10 days after the effective date of this subchapter, within 10 days after the date of its organization, or within 10 days after the date on which the committee has information which causes it to anticipate receiving such contributions or making such expenditures exceeding \$1,000 whichever is later.

(b) Each authorized single candidate committee shall file the Statement of Organization required by paragraph (a) of this section, and any amendment

thereto, or termination thereof required by § 102.3 or § 102.4, with the affiliated principal campaign committee and concurrently shall file a copy of such Statement, amendment, or termination with the Commission.

§ 102.2 Forms and filing.

(a) The Statement of Organization shall be filed on Federal Election Commission form _____, which may be obtained from the Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463, telephone (202) 382-5162. The statement shall include the following:

(1) The name and address of the committee;

(2) The names, addresses, and relationships of affiliated or connected organizations (see paragraph (b) of this section);

(3) The area, scope or jurisdiction of the committee.

(4) The name, address, and committee position of the custodian of books and accounts.

(5) The name, address, and committee position of other principal officers, including officers and members of the finance committee, if any.

(6) The name, address, office sought, and party affiliation of (i) each candidate(s) for Federal office whom the committee is supporting and (ii) each candidate whom the committee is supporting for nomination or election to any other Federal office or to any public office whatever; and, additionally, if the committee is supporting the entire ticket of any party, the name of the party;

(7) A statement whether the committee's existence will continue beyond the calendar year;

(8) The disposition of residual funds which will be made in the event of dissolution;

(9) A listing of all banks, safety deposit boxes, or other repositories used;

(10) A statement listing any reports regarding candidates for Federal office filed under state or local law by the committee with state or local officers, and the names, addresses, and positions of such officers and,

(11) Such other information as shall be required by the Commission from time to time.

(b) (1) Affiliated organization means an affiliated committee as defined in § 100.14(e) of this subchapter. Only a principal campaign committee is required to report the names and addresses of all authorized committees.

(2) Connected organization includes any organization which is not a political committee but which organized or financially supported the registrant.

§ 102.3 Change or correction in information.

(a) Any change or correction in the information previously filed in the Statement of Organization shall be reported to the Commission within 10 days following the date of the change or correction by filing an amended Statement of Organization.

(b) In the case of a multicandidate committee, any change or correction resulting under paragraph (a) of this section from a change in the information required by § 102.2(a) (6) may be met by attaching an amended Statement of Organization to such committee's quarterly report required by Part 105 of this subchapter.

§ 102.4 Discontinuance of registration.

(a) Any political committee not having outstanding debts or obligations owed to or by it which, after having filed one or more Statements of Organization with the Commission, seeks to disband or determines that it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding \$1,000, shall so notify the Commission.

(b) Such notice of termination shall be noted on FEC Form _____ which shall be filed with the Commission or the principal campaign committee, where appropriate, and shall include a statement as to the disposition of residual funds if the committee is disbanding.

§ 102.5 Identification number.

Upon receipt of a Statement of Organization under this part, the Commission shall assign an identification number to the statement, acknowledge receipt thereof, and notify the political committee of the number assigned. This identification number shall be entered by the political committee on all subsequent reports or statements filed with the Commission under the Act, as well as on all communications concerning such reports or statements.

§ 102.6 Registration of state committees; establishment of Federal campaign committees.

Each state committee, and each subordinate committee of a state committee, which intends to solicit or receive contributions for or on behalf of, or make expenditures, or make transfers, in excess of \$1,000, to or on behalf of any candidate for Federal office, or any political committee which has solicited or received contributions for or on behalf of, or made expenditures or transfers to or on behalf of, any candidate for Federal office, shall either:

(a) Register as a political committee and report all receipts and expenditures, Federal or non-Federal, pursuant to these regulations, or

(b) Establish a separate Federal campaign committee. The Federal campaign committee shall designate a segregated Federal campaign account in either a state or national bank, which account may not receive contributions other than contributions earmarked for such account and any contribution or expenditure from which must be made exclusively to or for a candidate or candidates for Federal office. Such segregated Federal account may not receive transfers from an account established by a state committee or subordinate committee of a state committee, except another Federal campaign committee. Such com-

mittee shall file a Statement of Organization with the Commission and shall file reports and statements of contributions received and expenditures made, pursuant to Part 105 of this subchapter, for each account containing funds to be used in connection with any Federal election.

PART 103—ORGANIZATION OF POLITICAL COMMITTEES

Sec.	Organization.
103.1	Receipt of contribution.
103.2	Accounting for contributions and expenditures.
103.3	Photocopies of checks.
103.4	Petty cash fund.
103.5	Designation of principal campaign committee.
103.6	Unauthorized activity; notice.
103.7	Authorization of political committee.
103.8	Records, retention.
103.9	Segregated funds.

AUTHORITY: Sec. 308(a) (13), 86 Stat. 17, (2 U.S.C. 438), interpret or apply sec. 302, 86 Stat. 12, (2 U.S.C. 432, as amended).

§ 103.1 Organization.

(a) Every political committee shall have a chairman and a treasurer, who shall not be the same individual.

(b) No contribution or expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of either the chairman or the treasurer thereof.

(c) No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their authorized agents.

§ 103.2 Receipt of contribution.

Every person who receives a contribution in excess of \$10 on behalf of a political committee or candidate shall, on demand of the treasurer or candidate, and in any event within 5 days after receipt, render to the treasurer or candidate an account thereof, which shall include—

(a) The amount of the contribution by an individual, and the date received and,

(b) The identification of the contributor and, in the case of a contribution by an individual in excess of \$100, the occupation and principal place of business or employment, if any,

§ 103.3 Account of contributions and expenditures.

It shall be the duty of the treasurer of a political committee to—

(a) Keep an account of all contributions made to or for such committee, and, keep a record of—

(1) The identification of every person making a contribution in excess of \$10; and

(2) The occupation and principal place of business of individuals whose contributions aggregate in excess of \$100 in a calendar year; and

(3) The date received; and

(4) The amount of the contribution.

(b) Keep an account of all expenditures made by or on behalf of such committee, and

(1) The identification of every person to whom any expenditure is made,

(2) The date of the expenditure,

(3) The amount of the expenditure,

(4) The name of each candidate on whose behalf such expenditure was made, and

(5) The office sought by the candidate.

(c) Obtain and keep a receipted bill from the person to whom the expenditure is made for every expenditure made by or on behalf of a political committee—

(1) In excess of \$100;

(2) In a lesser amount if the aggregate amount of expenditures during a calendar year to the same person exceeds \$100;

(3) The receipted bill must contain

(i) The full name and address of the person to whom the expenditure is made,

(ii) The amount of the expenditure,

(iii) The purpose of the expenditure, and

(iv) The date the expenditure was made.

(4) In lieu of a receipted bill, the treasurer may keep

(i) The canceled check(s) showing payment(s) of the bill, and

(ii) The bill, invoice or other contemporaneous memorandum of the transaction containing the same information as required in paragraph (c) (3) of this section.

(d) The treasurer of each political committee and each candidate shall keep full and complete records of proceeds from the sale of tickets and mass collections at each dinner, luncheon, rally, and other fundraising events, and such records shall include the date, location, and nature of each event. He or she shall also keep full and complete records of the proceeds from the sale of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, jewelry, watches, trinkets, and similar materials, and such records shall reflect the cost of the items to the committee, the sale price, and the total volume sold of each general category of item. Such records shall be preserved in accordance with § 110.2 of this subchapter.

§ 103.4 Photocopies of checks.

Each committee or candidate which receives or anticipates receiving contributions in excess of \$25,000 during a calendar year shall maintain a photocopy of all contributor checks, money orders, or similar instrument which are for an amount in excess of \$100. Such checks will be kept in a manner which will allow each check to be associated with the appropriate bank deposit slip.

§ 103.5 Petty cash fund.

A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. If such a petty cash fund is maintained, it shall be the duty of the treasurer of such political

committee to keep and maintain a written journal of all disbursements from such fund, but such treasurer need not preserve receipts or invoices in connection with such transactions.

§ 103.6 Designation of principal campaign committee.

(a) When an individual becomes a candidate for Federal office (other than for election to the office of Vice President of the United States), he or she shall designate a political committee as his or her principal campaign committee.

(b) No political committee may be designated as the principal campaign committee of more than one candidate.

(c) No political committee which supports more than one candidate may be designated as a principal campaign committee, except that, after nomination, a candidate for the office of President of the United States may designate the national committee of such political party as his or her principal campaign committee.

§ 103.7 Authorization of political committee.

Any political committee authorized by a candidate to receive contributions or make expenditures must be authorized in writing by such candidate. Such authorization must include a designation of campaign depositories to be used by such political committee in accordance with § 101.3(a) (1) (ii).

§ 103.8 Unauthorized activity; notice.

Any unauthorized political committee shall—

(a) Publish a notice as set out in paragraph (b) of this section, stating that the committee is not authorized by a candidate and that the candidate is not responsible in any way for the activities of the committee.

(b) Such notice shall be included on all literature, advertisements (including radio and television announcements and advertisements), stationery and similar material published or otherwise distributed by the committee or on its behalf in connection with its campaign activity.

§ 103.9 Records; retention.

The treasurer of every political committee shall preserve all receipts, bills, accounts and all other records required to be kept in accordance with the requirements of § 110.2 of this subchapter.

§ 103.10 Segregated funds.

All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

PART 104—CAMPAIGN DEPOSITORIES

Sec.	104.1	Notification of the Commission.
	104.2	Depositories.
	104.3	Deposits and expenditures.
	104.4	Presidential and Vice-Presidential candidate campaign depositories.

AUTHORITY: Sec. 308, 86 Stat. 17 (2 U.S.C. 438), interpret or apply sec. 302, 86 Stat. 12 (2 U.S.C. 437), as amended.

§ 104.1 Notification of the Commission.

(a) Each unauthorized single candidate committee, each multicandidate committee (whether authorized or unauthorized), and each party committee shall designate a state or national bank as its campaign depository on its Statement of Organization.

(b) Any other political committee shall inform the Federal Election Commission, or its appropriate principal campaign committee, of the bank(s) designated by its authorizing candidate pursuant to § 101.3 of this subchapter as its campaign depository(ies), by listing them in its Statement of Organization.

(c) Each registered political committee which changes its designated campaign depository(ies), shall amend its Statement of Organization pursuant to § 102.3(a) of this subchapter, listing the currently designated campaign depositories.

§ 104.2 Depositories.

Only national or state banks chartered by the United States or a state may be designated as campaign depositories. One or more depositories may be established in one or more states. One or more accounts may be established at a depository.

§ 104.3 Deposits and expenditures.

All contributions received by a candidate, his or her authorized political committee(s) and any other political committee(s) shall be deposited in the appropriate campaign depository by the candidate, or by the treasurer of such committee or his or her designee within 3 business days of the candidate's or treasurer's receipt thereof. An expenditure may be made by any committee only by check drawn on an account in a designated campaign depository, except expenditures to one person for \$100 or less in connection with a single transaction or purchase. Expenditures for \$100 or less may be made from a petty cash fund, maintained pursuant to § 103.4 of this subchapter.

§ 104.4 Presidential and Vice-Presidential candidate campaign depositories.

A presidential candidate's principal campaign committee, and any political committee authorized by such candidate to receive contributions or to make expenditures on his or her behalf in a state will utilize the bank(s) designated pursuant to § 101.3 of this subchapter as the candidate's campaign depository(ies) for that state. The campaign depository(ies) designated by a political party's candidate for President will be the campaign depository(ies) of that political party's candidate for the office of Vice-President.

PART 105—REPORTS BY POLITICAL COMMITTEES AND CANDIDATES TO THE FEDERAL ELECTION COMMISSION

Sec.	105.1	General.
	105.2	Form and content of reports.
	105.3	Disclosure of receipt and consumption of in kind contributions.
	105.4	Filing dates and periods covered.

Sec.	
105.5	Uniform reporting of contributions.
105.6	Uniform reporting of expenditures.
105.7	Preservation of records.
105.8	Allocation of expenditures among candidates.
105.9	Disclosure of earmarked contributions and expenditures.
105.10	Continuous reporting of debts and obligations.

AUTHORITY: Sec. 308(a) (13), 86 Stat. 17, as amended, (2 U.S.C. 438), interpret or apply sec. 304, 86 Stat. 14, as amended, (2 U.S.C. 434).

§ 105.1 General.

(a) Every political committee registered with the Commission or with a principal campaign committee under Part 102 of this subchapter, and unless granted a waiver pursuant to § 101.4 of this subchapter, every candidate for federal office (other than a candidate of or election to the office of Vice President), shall file reports of contributions and expenditures pursuant to this part.

(b) Each political committee which is required to file reports under this part shall continue to file reports until the committee has no outstanding debts or obligations owed to or by it, and has filed a Notice of Termination pursuant to § 102.4 of this subchapter.

(c) Each candidate required to file reports under this part shall continue to file such reports until all debts and obligations relating to such candidacy owed to or by such candidate are extinguished.

(d) Paragraphs (b) or (c) of this section notwithstanding, no political committee or candidate is required by any section of this subchapter to file any report in any quarter during which the political committee or candidate did not receive contributions or make expenditures in excess of \$1,000, but nothing in this paragraph shall be construed to relieve such committee or candidate of the obligation to file the pre-election, post-election and annual reports required by § 105.4(b). Any candidate or committee exempted from filing a quarterly report shall so notify the Commission on FEC Form ---- for the first quarter in which the exemption applies.

§ 105.2 Form and content of reports.

(a) Each report filed by a political committee or candidate under this part shall be on Federal Election Commission Form ----. Such forms may be obtained from the Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463.

(b) Each report filed under this part shall disclose:

(1) The amount of cash on hand at the beginning of the calendar year and at the beginning of the reporting period, including, but not limited to, money, balances on deposit in banks and savings and loan institutions, checks, negotiable money orders, and other paper commonly accepted by a bank in a deposit of cash, and cash funds in other repositories;

(2) The identification, occupation, and principal place of business, if any, of

each person who has made one or more contributions to or for such committee or candidate during the reporting period in an amount or value in excess of \$100, or in an amount of less than \$100 if the person's contributions within a calendar year aggregate in excess of \$100, together with the amount and date of such contributions;

(3) The total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (b) (2) of this section; candidates and committees, which, in addition to the required totals, itemize contributions not in excess of \$100, though not required to, shall itemize by attaching a separate schedule of such itemized contributions. Such itemized contributions shall not be commingled with the required itemized list of contributions in excess of \$100.

(4) The identification of each political committee from which the reporting committee or the candidate received, or to which the committee made, any transfer of funds in any amount during the reporting period, together with the amounts and dates of all transfers and complete disclosure, pursuant to § 105.9, of each transfer of earmarked funds.

(5) Each loan to or from any political committee and each election-related loan to a candidate during the reporting period in an amount or value in excess of \$100, or in an amount of less than \$100 if such loans to or from any person within a calendar year aggregate in excess of \$100, together with the identification, occupation, and the principal places of business, if any, of the lenders, endorsers, and guarantors, if any, and the date and amount of such loans;

(6) The total amount of proceeds from—

(i) The sale of tickets to each dinner, luncheon, rally, and other fundraising event;

(ii) Mass collections made at such events; and

(iii) Sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, jewelry, watches, trinkets and similar materials, so long as the items are sold by or through the candidate or an authorized committee.

(7) Each rebate, refund, or other receipt in excess of \$100 received during the reporting period and not otherwise listed under paragraphs (b) (2) through

(6) of this section together with the identification, date and amount received, occupation and principal place of business of each such person from whom such receipts have been received during the reporting period;

(8) The total sum of all receipts by or for such committee or candidate during the reporting period and the calendar year together with total receipts less transfers between affiliated political committees (as defined in § 100.12(f) of this subchapter) which support the same candidate and which do not support more than one candidate;

(9) The identification of each person to whom expenditures have been made by or on behalf of such committee or candidate within the reporting period in an aggregate amount or value in excess of \$100, or in an amount of less than \$100 if the aggregate exceeds \$100 within a calendar year together with the amount, date and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditures were made;

(10) The total sum of expenditures made by or on behalf of such committee or candidate during the reporting period and the calendar year together with total expenditures less transfers between affiliated political committees (as defined in § 100.14(c) of this subchapter) which support the same candidate and do not support more than one candidate;

(11) The amount and nature of outstanding debts and obligations owed by or to the committee including any contracts, agreements, or promises to make contributions or expenditures. (Section 105.10 sets forth the special reporting requirements applicable to debts and obligations.);

(12) Such other information as shall be required by the Commission from time to time.

(c) (1) Except as noted in paragraph (c) (2) of this section, each principal campaign committee shall consolidate its reports with those of all committees required to file reports with such principal campaign committee, the authorizing candidate, the applicable information provided by authorized multicandidate committees, and any contributions earmarked for the principal campaign committee's authorizing candidate received by unauthorized multicandidate committees. Such consolidation will be completed on FEC Form DC 4(a) and be submitted with the reports of the principal campaign committee, and the reports or applicable portions of reports of all other committees shown on the consolidation.

(2) For pre-election reports, the principal campaign committee may, if necessary, file the consolidated report without including the reports of committees required to file with such principal campaign committee.

(i) Committees required to file with a candidate's principal campaign committee shall file a copy of their report with the Commission by the 10th day preceding the election, in addition to filing with the principal campaign committee.

(ii) The principal campaign committee shall file with the Commission a consolidated report no later than 5 days before the election, such report to include reports from committees required to file with it.

§ 105.3 Disclosure of receipt and consumption of in-kind contributions.

Each contribution in-kind shall be valued at fair market value at the time of the contribution and reported on the appropriate schedule of receipts, identified as to its nature and listed as a "con-

tribution in-kind." The total amount of goods and services contributed in-kind shall be deemed to have been consumed in the reporting period. Each such contribution shall be declared as an expenditure at the same fair market value and reported on the appropriate expenditure schedule, identified as to its nature and listed as a "contribution in-kind."

(a) The fair market value of any good shall be the retail price of that good in the market from which it ordinarily would have been purchased at the time of its contribution.

(b) The fair market value of any services shall be the prevailing hourly, or piece work, rate charged for such services prevailing at the time such services were rendered.

(c) Contributions of stock, bonds, art objects, and other similar items shall be reported as follows:

(1) The committee or candidate shall report the item's fair market value on the date received, which shall be the contribution for purposes of the limits in 18 U.S.C. 608.

(2) When the item is sold, the committee or candidate shall also report the cash proceeds.

§ 105.4 Filing dates and periods covered.

Except as provided otherwise in this section, each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office shall file the reports of receipts and expenditures required under the part.

(a) *Pre-election and post-election reports.* In any calendar year in which an individual is a candidate for Federal office and an election for such office is held in such year, in such election,

(1) On or before the 10th day before the date on which such election is held.

(i) Such report shall be complete as of the 15th day before the date of such election.

(ii) Any such report filed by registered or certified mail must be postmarked not later than the close of the 12th day before the date of such election.

(2) On or before the 30th day after the date of the election. This report must be complete as of the 20th day after the date of such election.

(b) *Annual report.* In any calendar year by January 31 of the following calendar year, such report shall be complete as of the close of the calendar year with respect to which the report was filed.

(c) *Quarterly report.* On April 10, July 10, and October 10 following the close of the immediately preceding calendar quarter in which the candidate or political committee received contributions in excess of \$1,000 or made expenditures in excess of \$1,000.

(1) Such reports shall be complete as of the close of such calendar quarter.

(2) When the last day for filing any quarterly report required by paragraph (c) of this section occurs within 10 days prior to an election, or within 30 days after an election such quarterly report need not be filed so long as the pre-election

tion and post-election reports required by § 105.4(a) (1) are timely filed.

(d) If any contribution of \$1,000 or more is received subsequent to the 15th day, but more than 48 hours before 12:01 a.m. of the day on which an election is to be conducted, such information shall be reported directly to the Commission within 48 hours of receipt thereof. For purposes of this paragraph, report means—

(1) A letter signed by the treasurer or his designee hand delivered to the Commission within 48 hours of the receipt of the contribution, or

(2) A telegram to the Commission followed by a letter signed by the treasurer or his designee, sent registered or certified mail and postmarked within 48 hours of the receipt of the contribution.

For purposes of this paragraph (d) of this section only, "election" shall mean an election for which the ballot bears the name of the candidate, or delegates committed to such candidate, who received (or one of whose authorized committees received) the contribution.

(e) Except for the pre- and post-election reports required to be filed under paragraph (a) of this section prior to a general election, the annual report required to be filed by paragraph (b) of this section, and the reports required to be filed prior to a general election under paragraph (d) of this section, in any calendar year in which a general election is held, (not including a special election to fill a vacancy) each candidate, principal campaign committee and any other political committee which operates in more than one state shall file the reports required by this Part 105 by the 10th day of the month in each month except January, November, and December of such calendar year. Such reports shall be complete as of the last day of the month immediately preceding the month in which such report is filed. For candidates, monthly reporting requirement shall continue until a candidate files with the Commission a statement that his or her name will not appear on any ballot in a primary or the general election. Any candidate filing such a statement shall thereafter file reports pursuant to paragraphs (b) and (c) of this section.

§ 105.5 Uniform reporting of contributions.

(a) Each contributor of an amount in excess of \$100 shall be disclosed by identification, occupation, and principal place of business, if any. If a contributor's name or address is known to have changed since an earlier contribution reported during the calendar year, the exact name or address previously used shall be noted with each subsequent entry.

(b) In each case when a contribution received from a person in a reporting period is added to previously unitemized contributions from the same contributor and the aggregate exceeds \$100 within the calendar year, the identification, occupation, and principal place of business,

if any, of that contributor shall then be listed on the prescribed reporting forms.

(c) In determining the aggregate of a person's contributions during the calendar year all such contributions from the same donor shall be listed under the same name.

(d) Absent evidence to the contrary, any contribution made by check, money order, or other written instrument shall be reported as a contribution by the last person signing the instrument prior to delivery to the candidate or committee.

§ 105.6 Uniform reporting of expenditures.

(a) Each expenditure by or on behalf of a candidate or committee in excess of \$100 shall be disclosed and shall include the identification of the recipient.

(b) In each case when an expenditure made to a recipient in a reporting period is added to previously unitemized expenditures to the same expensee and the aggregate excess \$100 within the calendar year, the identification of that recipient shall be listed on the prescribed reporting forms.

§ 105.7 Allocation of expenditures among candidates.

A political committee making an expenditure for or on behalf of more than one candidate for Federal or non-Federal office shall allocate the expenditures among such candidates on a reasonable basis pursuant to Part 107 of this subchapter, and report the allocation for each Federal candidate to the Commission. The treasurer shall retain all documents supporting the allocation in accordance with § 110.2 of this subchapter.

§ 105.8 Disclosure of earmarked contributions and expenditures.

(a) Each candidate, political committee, and other person required to file reports under the Act who receives an earmarked contribution or makes an earmarked expenditure (including any transfer of funds) that is subject to the reporting requirements of the Act and this subchapter, shall report the full name and mailing address, occupation and principal place of business, if any, of the donor or any other person who originally earmarked the contribution or expenditure; the name and address of each political committee or candidate for whom the contribution or expenditure is earmarked; and the amount of such contribution or expenditure earmarked for each such candidate or political committee and the aggregate amount earmarked for each during the calendar year.

(b) The reporting required by this section shall be in addition to all other reporting of such contribution or expenditure required by the Act and this subchapter shall be performed by all candidates, political committees and other persons receiving, expending, or transferring earmarked funds.

§ 105.9 Continuous reporting of debts and obligations.

(a) Debts and obligations which remain outstanding after the election shall

be continuously reported until extinguished. See § 105.1(d). Such debts and obligations shall be reported on separate schedules together with a statement as to the circumstances and conditions under which each such debt and obligation is either incurred or extinguished.

(b) Except for a loan of money in the ordinary course of business, no debt, obligation, contract, agreement, or other promise to make an expenditure in connection with a single transaction of a value of \$500 or less, payment for which must be made within 60 days, need be reported under this part until payment is made or until such time for payment has expired, whichever is earlier.

PART 109—REPORTS ON CONVENTION FINANCING

- Sec.
109.1 Reports; committees shall report.
109.2 Reports; political parties.
109.3 Financial statements; time and content of filing.
109.4 Committees receiving Federal funds.
109.5 Convention expenses; definitions.

AUTHORITY: Sec. 308(a)(13), 86 Stat. 17, (2 U.S.C. 438), Interpret or apply section 307, 86 Stat. 16 (2 U.S.C. 437), as amended.

§ 109.1 Reports; committees shall report.

Each committee or other organization which

(a) (1) Represents a state, or a political subdivision thereof, or

(2) Represents any group of persons in dealing with officials of a national political party with respect to matters involving a convention held in such state or political subdivision to nominate a candidate for the office of President or Vice President,

(b) And receives or expends any funds in connection with such convention, shall file statements as set out in § 109.3.

§ 109.2 Reports; political parties.

Each committee or other organization, including a national committee, which

(a) Represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President, and

(b) Receives or expends any funds in connection with such convention, shall file statements as set out in § 109.3.

§ 109.3 Financial statements; time and content of filing.

(a) Each committee or organization required to file a financial statement as set out in §§ 109.1 and 109.2 above, shall, within 60 days following the last day the convention is officially in session, but not later than 20 days prior to the date of the general election, file with the Commission financial statements on FEC Form

(b) If the committee receives or expends any funds after the filing of the report required by § 109.3 above, it shall file quarterly reports at the end of each calendar quarter in which it receives or expends any funds. The quarterly report shall be filed within 10 days of the close

of the calendar quarter, complete as of the close of the calendar quarter.

(c) Each committee required to file under § 109.1 or § 109.2 above shall file a final report with the Commission within 10 days of the date upon which it disburses or otherwise ceases activity.

§ 109.4 Committees receiving federal funds.

Any committee which receives, directly or indirectly, all or part of the payment for Presidential nominating conventions under 26 U.S.C. 9008, shall, in addition to the report required to be filed under § 109.3 above, file quarterly reports—

(a) The first quarterly report shall be filed at the end of the calendar quarter in which the committee receives its first payment under 26 U.S.C. 9008. A report shall be filed for each subsequent quarter in which the committee receives or expends any funds, except that a report need not be filed at the end of the quarter in which the committee files the report required by § 109.3.

(b) The reports shall contain the same information as required to be filed under § 109.3, and shall be filed within 10 days after the close of the calendar quarter, complete as of the close of the calendar quarter.

§ 109.5 Convention expenses; definition.

For the purposes of this part, expenses "in connection with a convention", as used in §§ 109.1(b) and 109.2(b), means:

(a) Any expense for preparing, maintaining and dismantling the physical site of the convention, including but not limited to, rental of the hall, platforms and seating, decorations, telephones, security, and convention hall utilities;

(b) That portion attributed to convention activities of salaries and expenses of personnel whose responsibilities are planning, managing or conducting the convention, including staff members of convention committees and similar personnel;

(c) The expense of conducting meetings of convention policy committees, such as rules, credentials and platform, including but not limited to, costs of renting meeting space and printing materials, but not including travel and other personal expenses of committee members;

(d) The expenses incurred by the site selection, arrangements or other similar committee in securing a convention city and facility;

(e) The expense of establishing and managing a transportation system in a convention city for the use of delegates and other persons attending or otherwise connected with the convention;

(f) The expenses of entertainment activities, including but not limited to, dinners, concerts and receptions, which are part of official convention activity, but not including entertainment activities sponsored by, or on behalf of, candidates for nomination to President or Vice President, or state delegations;

(g) The expenses of printing official convention programs, agendas, tickets and other official publications and printing.

PART 110—FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

- Sec.
110.1 Verification.
110.2 Preservation of records.
110.3 Effect of acknowledgement and filing by the Commission.
110.4 Personal responsibility of person signing statement.

AUTHORITY: Sec. 306, 82 Stat. 17 (2 U.S.C. 438), Interpret or apply section 306, 86 Stat. 17 (2 U.S.C. —) as amended.

§ 110.1 Verification.

Each report or statement required to be filed with the Commission or with a principal campaign committee under this subchapter by a treasurer of a political committee, a candidate, or by any other person, shall be signed by the person filing such report or statement.

§ 110.2 Preservation of records.

(a) Every person filing a report or statement with the Commission or with a principal campaign committee under this subchapter shall preserve a copy thereof for a period of three years from the date of termination of the Committee, but in no event for a period of more than seven years from the last day of the calendar year in which the election was held for which the reports and statements were prepared.

(b) Every candidate, political committee, or other person required to file any report or statement with the Commission or with a principal campaign committee under this subchapter shall maintain records with respect to the matters required to be reported, including vouchers, worksheets, receipts, bills and accounts, which will provide in sufficient detail the necessary information and data from which the filed reports and statements may be verified, explained or clarified, and checked for accuracy and completeness, and shall keep such records available for audit, inspection, or examination by the Commission or its authorized representatives, for a period of not less than 3 years from the date of termination of the committee, but in no event for a period of more than seven years from the last day of the calendar year in which the election was held for which the records and statements were prepared.

§ 110.3 Effect of acknowledgement and filing by the Commission.

Any acknowledgment by the Commission of the receipt of any statement of organization or any report or statement filed under this subchapter is intended solely to inform the person filing the same of the receipt thereof by the Commission, and neither such acknowledgment nor the acceptance and filing of any such report or statement by the Commission shall constitute express or implied approval thereof, or in any manner indicate that the contents of any such report or statement fulfills the filing or other requirements of the Act or of the regulations thereunder.

§ 110.4 Personal responsibility of person signing statement.

(a) Each treasurer of a political committee, each candidate, and any other person required to file any report or statement with the Commission under these regulations and under this subchapter shall be personally responsible for the timely and complete filing of such report or statement and for the accuracy of any information or statement contained therein.

(b) Any willfully false or fraudulent statements or representations in such a report or statement will subject the person making the same to the criminal penalties provided under 18 U.S.C. 1001.

PART 111—FILING COPIES OF STATEMENTS WITH STATE OFFICERS

- Sec.
111.1 Filing requirements.
111.2 Filing copy of statement of organization.
111.3 Filing copy of reports of expenditures and contributions.
111.4 Time and manner of filing copy.
111.5 Duty of state officers; delegation of responsibility.

AUTHORITY: Sec. 308(a)(13), 86 Stat. 17, (2 U.S.C. 438) Interpret or apply sec. 309, 86 Stat. 18, (2 U.S.C. 439).

§ 111.1 Filing requirements.

A copy of each statement required to be filed with the Commission under this subchapter shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent state officer) of the appropriate state. For purposes of this part, the term "appropriate state" means the state or other jurisdiction designated in § 111.2 or § 111.3.

§ 111.2 Filing copy of statement of organization.

A copy of each statement of organization required to be filed with the Com-

mission under Part 102 of this subchapter shall be filed with the State officer of the state or other jurisdiction where the committee has its principal office.

§ 111.3 Filing copy of reports by Presidential and Vice Presidential candidates.

A copy of each report required to be filed with the Commission under Part 105 of this subchapter shall be filed with the state officer of each state or other jurisdiction in which an expenditure is made by a candidate for the office of President or Vice President, or on such a candidate's behalf, such report to contain at least all transactions pertaining to that state.

§ 111.4 Filing copy of reports by other Federal candidates.

A copy of each report required to be filed with the Commission under Part 105 of this subchapter shall be filed with the state officer of each state or other jurisdiction in which a candidate other than for President or Vice President for Federal office seeks election.

§ 111.5 Time and manner of filing copy.

A copy required to be filed with a state officer under this part shall be filed at the same time as the original report is filed with the Commission. Each such copy of a report or statement shall be a complete, true, and legible copy of the original report or statement filed with the Commission.

§ 111.6 Duty of state officers; delegation of responsibility.

(a) It is the duty of the Secretary of State, or the equivalent state officer,

(1) To receive and maintain in an orderly manner all reports and statements required to be filed with him;

(2) To preserve such reports and statements for a period of 10 years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives need be preserved for only 5 years from the date of receipt;

(3) To make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which it was received and to permit copying of any such report or statement by hand or by duplicating machine, requested by any person, at the expense of such person, such per copy expense to be reasonable.

(b) The Secretary of State, or the equivalent state officer, may delegate the authority for receiving and maintaining the reports and statements, if such delegation is not prohibited by state law.

(1) If such delegation occurs, the delegating official shall notify the Commission within 10 days of the date of the delegation;

(2) Notwithstanding any delegation of authority, the Secretary of State or the equivalent state officer, will be held responsible by the Commission for the proper receipt and maintenance of the reports and statements.

Dated: September 19, 1975.

NEIL STAEBLER,
Vice Chairman for the
Federal Election Commission.

[FR Doc. 75-25723 Filed 9-26-75; 8:45 am]

FEDERAL ELECTION COMMISSION

[Notice 1975-53]

OCTOBER 10 QUARTERLY REPORT

Interim Guideline

(a) Candidates or political committees which have received contributions in excess of \$1,000, or have made expenditures in excess of \$1,000, are required to file an October 10 Quarterly Report of Receipts and Expenditures as prescribed by the Federal Election Campaign Act, as amended. (2 U.S.C. 434(a)(1)(C).) The Commission advises that reporting parties observe the following guidelines:

(1) Candidates for the U.S. House of Representatives and political committees solely supporting such candidates should file with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, D.C. 20515.

(2) Candidates for the U.S. Senate and political committees solely supporting such candidates should file with the Secretary of the Senate, 119 D St. NE., Washington, D.C. 20510.

(3) Candidates for the Office of U.S. President and committees solely supporting such candidates should file with the Federal Election Commission, 1325 K St., Washington, D.C. 20463.

(4) Political committees supporting more than one candidate (multi-candidate committees) which have heretofore reported to two or more supervisory officers or which, if new, would have had to file with more than one supervisory officer (as, for example, a committee sup-

porting candidates for both the Senate and the Presidency), should file their October 10, 1975 report with the Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463. Multi-candidate committees supporting only candidates for the House of Representatives should file their October 10, 1975 report with the Clerk of the House of Representatives. Multi-candidate committees supporting only candidates for the Senate should file their October 10, 1975 report with the Secretary of the Senate. Multi-candidate committees which have heretofore filed only with the General Accounting Office or which, if new, would have filed only with the General Accounting Office, should file the October 10, 1975 report with the Federal Election Commission at the above address.

(a) No multi-candidate committee described in the foregoing paragraph need file with the principal campaign committees of the candidates supported, except that:

(1) Such multi-candidate committee which receives contributions earmarked by the contributor for any individual candidate or an authorized committee thereof shall report such contribution to that candidate's principal campaign committee and the Commission, and

(2) Any such multi-candidate committee which is authorized to make expenditures in behalf of a candidate should report any such expenditures to that candidate's principal campaign committee and the Commission. If no principal campaign committee has been designated, contributions and expendi-

tures to be reported under this paragraph should be reported to the Commission in a form which clearly identifies the candidate to whom they relate.

(b) Multi-candidate committees which have not heretofore filed with any supervisory officer should additionally file a registration statement under 2 U.S.C. Section 433. Such committees which support only candidates for the House of Representatives should register with the Clerk thereof. Such committees which support only candidates for the Senate should register with the Secretary thereof. All other such committees should register with the Commission.

(5) Persons subject to 2 U.S.C. 434(e) ("Contributions or expenditures by persons other than political committee or candidates") should file the October 10, 1975 report with the Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463.

(6) A report filed by registered or certified mail postmarked on or before October 10, 1975, shall be deemed a timely filing.

(7) Interim reporting forms published by the Commission should be used to file the prescribed report, except that forms issued by the previous Supervisory Officers may be used if the appropriate changes are made on the face of the forms.

Dated: September 25, 1975.

THOMAS B. CURTIS,
Chairman,
Federal Election Commission.

[FR Doc.75-26127 Filed 9-26-75;8:45 am]

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WEDNESDAY, OCTOBER 1, 1975



PART II:

FEDERAL ELECTION COMMISSION

■

FEDERAL ELECTION CAMPAIGN ACT

Advanced Notice of Proposed
Rulemaking; Advisory Opinions;
Advisory Opinion Requests

FEDERAL ELECTION COMMISSION

[Notice 1975-52]

ADVISORY OPINION

Federal Election Campaign Act

The Federal Election Commission announces the publication today of Advisory Opinion 1975-20. The Commission's opinion is in response to questions raised by individuals holding Federal office, candidates for Federal office and political committees, with respect to whether any specific transaction or activity by such individual, candidate, or political committee would constitute a violation of the Federal Election Campaign Act of 1971, as amended, of Chapter 95 or Chapter 96 of Title 26 United States Code, or of sections 608, 610, 611, 613, 614, 615, 616, or 617 of Title 18 United States Code.

The Commission points out that this advisory opinion should be regarded as an interim ruling which is subject to modification by future Commission regulations of general applicability. In the event that a holding in either opinion is altered by the Commission's regulations, the person to whom the opinion was issued will be notified.

ADVISORY OPINION 1975-20

STATUS OF POLITICAL ACTION COMMITTEE—COMMITTEE FOR THOROUGH AGRICULTURAL POLITICAL EDUCATION

This advisory opinion is rendered under 2 U.S.C. § 437f in response to a request for an advisory opinion submitted by Mr. J. S. Stone, Secretary of the Committee for Thorough Agricultural Political Education, and published in the July 29, 1975 FEDERAL REGISTER (40 FR 31878). Interested parties were given an opportunity to submit written comments pertaining to the request.

The Committee for Thorough Agricultural Political Education (C-TAPE) is a registered political committee which files periodic reports of receipts and expenditures with the Commission. C-TAPE contemplates undertaking some or all of a series of activities, described below, and requests guidance as to which are attributable to contribution and expenditure limitations and which must be reported.

The Commission has been advised, and assumes that all monetary outlays for C-TAPE's activities are made from a single, general account and that this account contains no corporate monies. Until such time as C-TAPE creates a separate, segregated fund solely utilized for contributions to and independent expenditures on behalf of Federal candidates, C-TAPE must report all receipts and disbursements which finance its suggested activity. The Commission relies upon the authority provided in the Federal Election Campaign Act of 1971, as amended (the Act) at 2 U.S.C. § 434 (b) (13) in order to require disclosure of disbursements which may not be considered "expenditures" subject to the limitations of Title 18. Unless total outlays for these activities are reported, there would be no conceivable way to account for cash balance on C-TAPE's

periodic statements; such an inevitable difficulty in auditing C-TAPE's reports would thwart the Commission's effective enforcement of the Act.

1. Voter registration drives and get-out-the-vote activities

C-TAPE inquires whether "expenses incurred in voter registration drives and get-out-the-vote activities" are chargeable independent expenditures. Under 18 U.S.C. § 608(e), independent expenditures "relative to a clearly identified candidate" cannot exceed an aggregate of \$1,000 per year. But, the definition of "expenditure" explicitly excludes "non-partisan activity designed to encourage individuals to register to vote or to vote." [18 U.S.C. § 591(f)(4)(B)]. It is the opinion of the Commission that disbursements for such activities which do not expressly or impliedly advocate the election or defeat of a particular candidate are not attributable to the independent expenditure limitation of § 608(e). To be exempt, C-TAPE's voter activity must be nondiscriminatory, with no efforts made to determine the candidate or party preference of individuals registered or turned out to vote.

2. Educational campaign seminars

The Commission regards in a similar manner any cost "of educating and training dairy farmers to be efficient and effective in organizing and participating in (1) political campaigns, (2) voter registration drives and (3) get-out-the-vote activities." The costs of these workshops are generally not attributable as independent expenditures if the nature and goals of the activity cannot be associated with the advancement of a "clearly identified candidate."

However, the Commission may regard the costs of political campaign seminars as chargeable, if the candidate allegiance of C-TAPE is known and if the seminars are conducted within the district of an endorsed candidate for the House of Representatives, or within the State of an endorsed Senatorial candidate.

3. Reimbursed travel

Third, C-TAPE asks whether "travel expenses of dairy farmers, their spouses, and employees of dairy cooperatives," in respect to the following, need be charged against contribution or expenditure ceilings: (1) travel to testify at hearings held by elected officials or public agencies; (2) travel to visit the public officials who represent them in either State or Federal offices; (3) travel to attend fund-raising dinners or political rallies. C-TAPE further inquires whether per diem payment, in addition to reimbursed expenses, is chargeable.

It is the opinion of the Commission that official legislative hearings, those financed by congressionally appropriated monies, are an integral part of the legislative process, and that participation in official administrative rulemaking or adjudicatory hearings and in congressional committee hearings is participation in the legislative process. Support for the

Commission's views can be found in *Gravel v. U.S.*, 408 U.S. 606 (1972) at 626, where the Supreme Court held that a Congressman's holding of committee hearings is "within the sphere of legitimate legislative activity." As the purposes of testifying may be presumed to be essentially unrelated to the advocacy of the defeat or election of a Federal candidate, reimbursed travel expenses will not count against the independent expenditure or "in-kind" contribution limitations.

Likewise, where the purpose of a visit to public officials is not campaign-oriented, reimbursed travel expenses are not contributions or expenditures. However, if dairy farmers or cooperative employees, during the course of their visit, undertake volunteer work for a portion or all of their visiting time on behalf of a candidate or the candidate's campaign committees, C-TAPE makes an "in-kind" contribution or independent expenditure in the amount of the reimbursed travel and per diem expenses. Under 18 U.S.C. § 591(e)(5)(A) personal services must be "provided without compensation" in order to be excluded from the definition of "contribution." Reimbursement of travel and per diem costs is a thing of value, and would be an attributable contribution "in-kind" independent expenditure by C-TAPE to candidates or campaign committees.

In the third case, the Commission may regard refunding for travel to fund-raising dinners or political rallies as subject to the independent expenditure limitations of 18 U.S.C. § 608(e). C-TAPE provides a direct benefit to its members by subsidizing their transportation to a campaign function, and this benefit may inure to the benefit of the candidate.

The Commission has been advised that per diem expenses, as paid by C-TAPE, include the cost of hiring substitute labor for the farms of those members and employees of dairy cooperatives who travel to testify at hearings, to visit public officials and to attend political functions. In each case considered, per diem payment will be treated in the same manner as travel reimbursement.

4. Information expenses

C-TAPE lists, as other possible expenses, the "costs of informing public officeholders, consumers, and the general public about farmer cooperatives, dairy industry, beef and dairy imports, and agriculture" by films, speakers, advertisements and other techniques. Unless C-TAPE specifically endorses or supports a clearly identified candidate through these methods, or alerts the public to its political activities relative to a clearly identified candidate, such costs are not attributable independent expenditures.

5. Official non-campaign functions

C-TAPE may plan to "share in the expenses of non-campaign meetings or functions held by public officials," examples including (1) Governor's conferences, (2) annual meetings of associations of local and State public officials,

and (3) inaugural balls. Assuming that office-related activities on the State or local level are not conducted to directly assist the Federal campaign of any "clearly identified candidate," expenses for a Governor's conference or an association's annual meeting are not attributable to the ceiling of 18 U.S.C. § 608(e) [See, in general AO 1975-14, The FEDERAL REGISTER, 40 FR 34084]. Similarly, unless ticket money from inaugural balls held for State or Federal officials is contributed to or expended on behalf of a Federal candidate or the candidate's committees, the purchase of tickets for inaugural balls is not subject to limitations by the Act.

6. Small gifts

Sixth, C-TAPE requests whether "the purchase of small Christmas or birthday gifts . . . i.e. cheese (\$5-\$25)" to Federal candidates or officeholders must be considered "in-kind" contributions, and applied toward the \$1,000 or \$5,000 contribution limitation. 18 U.S.C. § 608(b)(1)-(2). It is the opinion of the Commission that such small "bona fide" gifts are not "in-kind" contributions. Unlike earmarked monies to a principal campaign committee or to a Federal office account, a gift of dairy products is not directed by the donor for use in "political activities." [See AO 1975-14, The FEDERAL REGISTER, 40 FR 34084]. The Commission's opinion on this point is influenced by the minimal value of C-TAPE's suggested gifts.

The Commission notes that, at best, such gifts stand at the periphery of that area of activity which led the Congress to enact 18 U.S.C. § 203, over which the Commission has no jurisdiction.

7. Honorariums

Finally, C-TAPE requests a decision as to the status of honorariums paid to Federal public officeholders for appearances before dairy farm organizations. A Federal officeholder may not accept an honorarium of more than \$1,000 for any one appearance, speech or article, or accept honorariums aggregating more than \$15,000 in any calendar year. 18 U.S.C. § 616. If a Federal official is, under the Act, a candidate for Federal office at the time that he makes an appearance or speech before a substantial number of people within his electorate, any honorarium given for these actions shall be treated as a contribution subject to the mission ruled in AO 1975-8 that " . . . once an individual (including an officeholder) becomes a candidate for Federal office, all speeches made before substantial numbers of people, comprising a part of the electorate with respect to which the individual is a Federal candidate, are presumably for the purpose of enhancing the candidacy." 40 FR at 36747. A public appearance of a candidate before a substantial audience, whose members "could be influenced to take affirmative action in support of his candidacy as a result of that appearance," is made, in the Commission's view, for the purpose of influencing a Federal election. [See AO

NOTICES

1975-13, The FEDERAL REGISTER, 40 FR 36747.] Any payment by a political committee to a candidate for Federal office in connection with such an appearance must accordingly be treated as an attributable contribution.

It is to be particularly noted that "contributions" and "expenditures" by national banks, corporations or labor unions are separately defined in 18 U.S.C. § 610; the Commission's determinations respecting the attribution of contribution and expenditure limits to C-TAPE's activity as defined in 18 U.S.C. § 591 should not be read to control the application of 18 U.S.C. § 610 to similar activity.

This advisory opinion is issued on an interim basis only pending promulgation by the Commission of rules and regulations or policy statements of general applicability.

Dated: September 25, 1975.

THOMAS B. CURTIS,
Chairman for the
Federal Election Commission.

[FR Doc. 75-26071 Filed 9-30-75; 8:45 am]

[Notice 1975-55, AOR 1975-43 and 1975-73—1975-78]

ADVISORY OPINION REQUESTS
Federal Election Campaign Act

In accordance with the procedures set forth in the Commission's Notice 1975-4, published on June 24, 1975 (40 FR 26660), Advisory Opinions Requests 1975-43 and 1975-73 through 1975-78 are published today. Some of the Requests consist of similar inquiries from several sources which have been consolidated in cases where appropriate.

Interested persons wishing to comment on the subject matter of any Advisory Opinion Request may submit written views with respect to such requests within 10 calendar days of the date of the publication of the request in the FEDERAL REGISTER. Such submission should be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Section, 1325 K Street, NW., Washington, D.C. 20463. Persons requiring additional time in which to respond to any Advisory Opinion Request will normally be granted such time upon written request to the Commission. All timely comments received by the Commission will be considered by the Commission before it issues an advisory opinion. The Commission recommends that comments on pending Advisory Opinion Requests refer to the specific AOR number of the Request commented upon, and that statutory references be to the United States Code citations, rather than to the Public Law Citations.

AOR 1975-43: Establishment by Corporation of Voluntary Employee Political Donation Program (Request Edited by the Commission).

Note: The following supplements the original request AOR 1975-43 published on September 3, 1975, at 40 FR 40676.

Gentlemen:

[This letter explains the distinction between the TRW Good Government Program and the TRW Good Government Fund. The "Fund" is but one aspect of our "Program" and was the aspect which registered with the Commission on August 7, 1975. By this letter we are also supplementing our original request for an advisory opinion.]

The TRW Good Government Program

TRW uses the phrase "Good Government Program" to include all activity on the part of TRW to encourage our employees to participate in the political process including visits by candidates to our plants, discussion of the issues by the employees, the urging of all employees to vote and the encouragement of employees to financially support the candidate or committee of their choice by direct contributions or by designated contributions through payroll deduction. The employee designates the recipient of his financial support and the amount to TRW and TRW simply withholds the amount and forwards it to the designated recipient on behalf of the employee. * * *

TRW Good Government Fund

The TRW Good Government Fund is one aspect of the TRW Good Government Program involving a separate segregated fund to which employees may contribute but allowing a committee of TRW employees to use their discretion as to which candidates or parties should be supported. Obviously, the TRW Good Government Fund is a "political committee" under the new law and therefore, the registration * * * was filed.

Our request for advice involved only the designated portion of our program. * * * [W]e would like to supplement our request for advice by this letter of clarification and, in addition, would like to formally request advice from the FEC on the following points:

(1) Is there any registration requirement for the designated portion of our program and, if so, precisely what form of registration would be called for?

(2) At what intervals must the money withheld from the employees be distributed to the designated recipients? * * *

WILLIAM A. HANCOCK,
Senior Counsel.

Source: William A. Hancock, Senior Counsel, TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117 (September 8, 1975).

AOR 1975-73: A. Senior Citizens Conference—Contributions by Companies; Expenses paid from Member's Stationery Account; Use of Room owned by Chamber of Commerce. B. Travel to Members District—Expenses Paid by Sponsoring Civic Group or from Member's Stationery Account. (Request Edited and Paraphrased by the Commission)

A. On the understanding that * * * questions concerning the proposed cam-

campaign laws may be resolved via an advisory opinion from the Commission, I herewith submit the following inquiry for an opinion from the Commission.

Every summer since coming to Congress, I have held a Senior Citizens Conference for the elderly in my district. This Conference has many facets which cause me to question how the Commission would rule should proposed Federal Election Commission rules [Notice 1975-13, "Office Accounts and Franking Accounts; Excess Campaign Contributions", 40 FR 32951, August 5, 1975] go into effect.

The Conference is held to aid the elderly with their problems dealing with the Federal government. For each conference I have had on hand representatives from agencies like Social Security, Veterans Service Office, social services, city and county fire departments and police departments, city and county officials, and the State Office on Aging to answer the often perplexing questions the elderly may have.

What worries me, however, are the underlying foundations on which the Conference is supported. I refer to the contributions of refreshments, mailings (about the Conference), decorations, and door prizes by local companies. The latter items not only enhance the Conference's drawing power, but set an informal atmosphere in which the senior citizens may feel comfortable to ask questions which they normally may not ask. [How would the Senior Citizens Conference be treated under the proposed regulation, i.e. is it "political" or "legislative"? What effect does such a determination have upon: (1) the contributions by the companies, and (2) the attendance of the various Federal, State, and local officials?]

Should the Conference be viewed as a campaign event, I would like to be advised on the legality of using my stationary account, an account that is allotted to me by law to use at my discretion, to help finance the Conference.

Also, please advise me as to [my use of] a room for the Conference owned by a non-profit corporation (Chamber of Commerce).

B. . . .

As you know, a Member of Congress is entitled to a certain number of trips to and from the district. The trips are paid out of the money allotted by law. Should a civic group in my district ask me to address them, how would the Commission rule if the travel expenses were paid for (a) by the sponsoring civic group? or (b) from my stationary account (after exhausting my Congressionally allotted trips)?

JAMES G. MARTIN,
Member of Congress.

Source: Honorable James G. Martin, U.S. House of Representatives, 115 Cannon House Office Building, Washington, D.C. 20515 (September 10, 1975).

AOR 1975-74: Contributions by Individuals to National Political Parties in Non-election Years (Request Edited by the Commission).

[on behalf] of the Republican National Committee, we [request advisory opinions] regarding several interpretations of the law

1. Question—if a contributor gives \$25,000 to the National Committee of a major political party in 1975, does this \$25,000 apply or in any way count against what the contributor may give to the same National Committee and/or any Federal candidate in 1976?

2. Question—if a contributor to the National Committee of a major political party makes a contribution which is not earmarked to the National Committee in 1975 and that National Committee contributes some money to the principal campaign committee of a Federal candidate in 1976, is the contributor in violation of the law if he contributes to that same candidate in 1976? Assume that the aggregate of these contributions is something in excess of \$1,000.

3. Question—if a contributor gives \$1,000 in 1975 to a Federal candidate for his 1976 primary, if the candidate does not win the primary, is the \$1,000 contribution counted against the contributor's over-all \$25,000 in 1976?

EDMUND E. PENDELTON,
FOR WILLIAM C. CRAMER,
Counsel to the Republican National
Committee.

Source: Republican National Committee, by Counsel, William C. Cramer, Cramer, Haber & Becker, 475 L'Enfant Plaza, SW., Suite 4100, (August 14, 1975).

AOR 1975-75: Contributions by the Legislative Interest Committee of Illinois Dentists to a Federal Candidate or to a Political Committee (Request Edited by the Commission).

DEAR MR. CHAIRMAN: Recently the Commission issued an opinion, AO 1975-16, pertaining to contributions from an incorporated membership organization. The opinion stated, "If a non-profit organization is created expressly and exclusively to engage in political activities, however, and has incorporated for liability purposes only, the general prohibitions in Section 610 will not apply."

There is a non-profit organization of dentists incorporated under the law of the State of Illinois known as the Legislative Interest Committee of Illinois Dentists or LICID.

Article II of its Constitution states it shall be a corporation not for profit.

Article III lists its objectives as follows: The objective of this organization shall be to promote and further the interests of the public and dental profession in matters of legislation and administrative regulations, to develop among the public and the dental profession an awareness of political issues

which relate to public health and welfare, and to disseminate dental health information to the public.

Article V states membership shall be comprised of any dentist licensed to practice his profession in the state of Illinois and who makes payment of dues . . . etc.

LICID was organized by the Illinois State Dental Society about fifteen years ago. Its only function was and is to support candidates to the Illinois legislature. It does not get involved in legislative issues as this item is handled by the state dental society. It does not disseminate information on dental health. This also is handled by the state dental society.

Our question is twofold: can such an incorporated organization contribute to the support of a federal candidate? Can we as an unincorporated organization that supports candidates for federal office accept contributions from such an incorporated organization?

EDWARD M. DONELAN.

Source: Edward M. Donelan, Executive Secretary, American Dental Political Action Committee, Suite 1006, 1101 17th Street, NW., Washington, D.C. 20036 (September 10, 1975).

AOR 1975-76: Use of Opinion Poll Results by Candidates (Request Edited by the Commission).

DEAR MR. CURTIS: This is an Advisory Opinion Request.

Suppose a multi-candidate political committee, not authorized by any candidate, contracts with a public opinion polling firm to make a national sampling of voter opinion on political issues and potential policy proposals which might be advanced by candidates for Federal office. Then, suppose the committee decides to make copies of the poll results and give them to one or more selected candidates. Is this treated as an in-kind contribution? If it is treated as an in-kind contribution, what value, above the cost of copying the poll, should be placed on the transmittal of the poll results? Assuming the cost of the poll to be \$20,000, how should the following cases be treated?

Case 1. The Committee decides on June 1, 1976 to give copies of the Poll to four Federal candidates. Should the Committee report \$5,000 of in-kind contributions to each candidate?

Case 2. Three months after Case 1, on September 1, 1976, the Committee decides to give copies of the same poll to four other selected Federal candidates. How should the committee report these acts?

Case 3. Suppose that, instead of giving the results to many candidates, the Committee decides June 1, it wants to give the results only to one Federal candidate. Would giving the candidate a copy of the poll exceed the \$5,000 maximum allowed contribution to candidates for Federal office?

Case 4. The Committee decides to give the poll results to four Federal candidates and one gubernatorial candidate. Does giving the poll results to non-Fed-

eral candidates affect how the committee must report its giving of the poll results to Federal candidates?

Polls are often taken by multi-candidate committees for individual Congressional Districts. Suppose a committee contracts with a polling firm to run a \$10,000 poll covering candidate preference and in a given Congressional District. How should the following cases be treated?

Case 5. The poll is taken before any candidate has declared. The Committee, partly on the basis of the poll results, decides to support a person who subsequently declares his candidacy. Would giving the poll to their chosen candidate exceed the \$5,000 contribution limit? Should the fact that the poll had value to the Committee in its internal decision-making process affect the evaluation of the in-kind contribution?

Case 6. The poll is taken before any candidate has declared. The committee decides to give copies of the poll to three of the six candidates who, subsequently, file in the Congressional race. How should the committee report these acts? Would it make any difference if one or more of the three candidates given the poll had been filed as a candidate before the poll was taken?

Case 7. The poll is taken after all six candidates have filed, and the information obtained by committee from the poll indicates that voters in the district strongly feel that previous experience in the armed services is desirable for a congressional candidate. Only one of the six candidates is a veteran. The committee decides to support the veteran. It gives him a \$1,000 contribution. But it mails each candidate a copy of the section of the public opinion poll which refers to the voters' strong preference for veterans. No other campaign finds this information useful, but the veteran, who had not previously planned to do so, works his military experience into his campaign media plans. How should the committee report these acts? What if the committee had not made the decision to support the veteran but still mailed all the poll results to all six candidates containing information which, in the event, was used only by the veteran?

Case 8. A Federal candidate has already spent all the money he is allowed to spend in a close two-man general election campaign. He is scheduled to participate in a major television debate with his opponent on the weekend before the election. Without informing the candidate in advance, the committee decides to mail the candidate at his home address a detailed synopsis of a \$3,000 political-issue voter survey. The candidate receives and opens the envelope and reads the useful poll results just before going to the TV station for the debate. Just by reading his mail, has the candidate accepted an in-kind contribution which puts him in violation of the spending limits? Or must multi-candidate committees (and individuals) not give political advice to a Federal candidate if having

[Notice 1975-54]

ADVISORY OPINION

Federal Election Campaign Act

the advice would put the candidate over the spending limits?

MORTON C. BLACKWELL.

Source: Morton C. Blackwell, Chairman, Committee for Responsible Youth Politics, 3128 N. 17th Street, Arlington, Virginia 22201 (September 10, 1975).

AOR 1975-77: Whether Royalties Are Subject to Limitations on Acceptance of Excessive Honorariums (Request Edited by the Commission).

DEAR MR. CURTIS: In accordance with the new financial disclosure law (P.L. 93-443) I would like to request an advisory opinion with respect to Title 18 U.S.C. 616.

According to my understanding, the law places a \$1,000 limit in payment for speeches, articles and honorariums, not to exceed an aggregate sum of \$15,000 per year.

I would like your opinion on whether royalties from the publication of a book by a Congressman would fall under this statute of limitations.

J. BRIAN SMITH.

Source: Congressman John J. Rhodes by J. Brian Smith, Press Secretary, 2310 Rayburn House Office Bldg., Washington, D.C. 20515 (September 10, 1975).

AOR 1975-78: Fundraising Costs Exempt From Expenditure Limits (Request Edited by the Commission).

DEAR MR. CURTIS: I am writing to obtain the guidance of the Commission . . . [as to] what items of expense may properly be included as a cost "incurred by a candidate in connection with the solicitation of contributions by such candidate," in order that the expenditure not be counted toward the expenditure limits set in the law.

In the case of a fund-raising dinner, for example, would any or all of these items be includable as fund-raising costs:

- (1) Mailing costs for ticket solicitation.
- (2) Costs of printing tickets, invitations and solicitations.
- (3) Costs of lunches and transportation for volunteers working on the project.
- (4) Costs of food at the dinner.
- (5) Costs of beverages and favors furnished at the dinner.
- (6) Costs of associated expenses such as parking, entertainment, hall rental, honorarium for speaker, and costumes for attendants.

SPARK MATSUNAGA,
Member of Congress.

Source: Representative Spark Matsunaga, House of Representatives, 442 Cannon House Office Building, Washington, D.C. 20515 (September 10, 1975).

Dated: September 25, 1975.

THOMAS B. CURTIS,
Chairman for the
Federal Election Commission.

[FR Doc. 75-26129 Filed 9-30-75; 8:45 am]

The Federal Election Commission announces the publication today of Advisory Opinion 1975-22. The Commission's opinion is in response to questions raised by individuals holding Federal office, candidates for Federal office and political committees, with respect to whether any specific transaction or activity by such individual, candidate, or political committee would constitute a violation of the Federal Election Campaign Act of 1971, as amended, of Chapter 95 or Chapter 96 of Title 26 United States Code, or of sections 608, 610, 611, 613, 614, 615, 616, or 617 of Title 18 United States Code.

The Commission points out that these advisory opinions should be regarded as interim rulings which are subject to modification by future Commission regulations of general applicability. In the event that a holding in either opinion is altered by the Commission's regulations, the persons to whom the opinions were issued will be notified.

ADVISORY OPINION 1975-22

Transfer From Principal Campaign Committee to State Political Party: Expenditures on Behalf of a Candidate

This opinion is issued pursuant to 2 U.S.C. §437f in response to a request for an advisory opinion by Senator Strom Thurmond and published in the FEDERAL REGISTER of July 29, 1975 (40 FR 31879). Interested persons were given an opportunity to submit written comments pertaining to the request.

Senator Thurmond has requested a determination of the proper treatment of two factual situations under the Federal Election Campaign Act of 1971, as amended. The first situation is as follows:

1. The principal campaign committee of a candidate is the payee of a check. Upon receiving the check, the only action taken is an endorsement by the treasurer and immediate forwarding to a State committee of a political party. Does this constitute a receipt and expenditure by the principal campaign committee?

By endorsing the check, the treasurer of the principal campaign committee has exercised sufficient control over the check to amount to a receipt by that committee. In addition, all contributions received by the principal campaign committee must be deposited in the candidate's designated campaign depository. 2 U.S.C. 437b.

The principal campaign committee may transfer funds to a State political party by a check drawn on this account. Any such transfer, from one political committee to another, at least where the latter committee is a political committee under the Act, is an expenditure under 18 U.S.C. 591(f).

The second question the Senator raised is as follows:

2. If a person or political committee is specifically authorized to solicit and re-

ceive contributions, and specifically un- authorized to make expenditures, will the incidental expenditure of that per- son or committee be treated as expendi- tures by the candidate's principal cam- paign committee or as independent expenditures.

Under Title 18, a candidate may not authorize or request a person or political committee to undertake activity which necessarily includes the incurring of costs without authorizing the person or political committee to make the ordinary and necessary expenditures inherent in such activity. In this situation, the costs incurred in connection with a sollicita-

tion of funds for a candidate would be an expenditure within the meaning of 18 U.S.C. 591(f) (1), subject, however, to any exemption under 591(f) (4). An expendi- ture is made on behalf of a candidate if it is made by any person authorized or requested by the candidate, an author- ized committee of the candidate, or an agent of the candidate, 18 U.S.C. 608(c) (2) (B) (ii). An expenditure made on be- half of a candidate is chargeable against the candidate's limitation in 18 U.S.C. 608(c) (1). If a person or political com- mittee solicits contributions for a candi- date without being authorized or re- quested by the candidate, an authorized

committee of the candidate, or an agent of the candidate, then the costs incurred would be an independent expenditure and subject to the limitation of 18 U.S.C. 608(e).

This advisory opinion is issued on an interim basis only pending promulgation by the Commission of rules and regula- tions or policy statements of general applicability.

Dated September 25, 1975.

THOMAS B. CURTIS,

Chairman for the

Federal Election Commission,

[FR Doc. 75-20130 Filed 9-30-75; 8:45 am]

FEDERAL ELECTION COMMISSION

[11 CFR Part 1071]

[Notice 1975-561]

ALLOCATION OF CAMPAIGN EXPEN- DITURES AND CONTRIBUTIONS; IMPLE- MENTATION OF FEDERAL ELECTION CAMPAIGN ACT

Advance Notice of Proposed Rulemaking

The Federal Election Commission (FEC) was established by the Federal Election Campaign Act Amendments of 1974 (Pub. L. 93-443, 2 U.S.C. 431 et seq.). The FEC is responsible for the adminis- tration of, for obtaining compliance with, and for formulating policy with respect to the Federal Election Campaign Act of 1971, as amended (the Act), and sec- tions 608, 610, 611, 613, 614, 615, 616, and 617 of Title 18, United States Code (the Act and these sections are collectively referred to herein as the "Statutory Pro- visions"). Pursuant to these responsibil- ities, the FEC is preparing regulations to implement certain of the Statutory Provisions; the FEC proposes to make rules with respect to some or all of the allocation situations set forth herein below. Such regulations will be designed to insure that all persons and organiza- tions subject to the Statutory Provisions are equally treated, and that the public interest requiring a clear development of constitutional safeguards is served. In addition, such regulations will be de- signed to be reasonable and practical, so that they may be understood and effec- tively used by the public and those who are subject to them.

Any interested person or organization is invited to submit written comments to the FEC concerning any part of this notice. The facts, opinions, and recom- mendations presented in writing, in re- sponse to this notice will be considered in drafting regulations related to the Statutory Provisions.

Set forth below is a general description of the subjects and issues concerning al- location that the FEC believes require the most immediate attention:

GENERAL ALLOCATION SITUATIONS

A. The Commission seeks guidance and comments on the allocation or attribu- tion of contributions and expenditures made with the intent or effect of influ- encing the campaign of one or more can- didates for federal office. Specifically, the Commission is concerned with the ap- propriate allocation of contributions and expenditures:

- 1. By a single candidate who engages in campaign activity in the course of other business or personal activities;
2. By one candidate campaigning on behalf of another, or among two or more candidates campaigning together;
3. Between a political party committee and the candidate(s) it supports;
4. By a non-party political committee among the candidate(s) it supports;
5. By other "persons" on behalf of can- didate(s).

CONSIDERATIONS IN ALLOCATION

B. The Commission solicits public comment on the development of basic

PROPOSED RULES

principles and policy guidelines for the allocation of contributions and expendi- tures by, between and among candidates and committees. For example:

- 1. Should the Commission seek to pro- mulgate rules that permit reasonable es- timated allocations to be determined by candidates and committees themselves, recognizing that this may risk inequities and difficulties in enforcement, or should the rules be specific, thereby giving can- didates and committees greater guid- ance?
2. Should the rules establish a single strict formula (such as an allocation of contributions and/or expenditures equal- ly among candidates benefited) or should a more detailed and specific for- mula or formulas be established by the Commission? This involves the same question of possible inequities and en- forcement difficulties vs. more complex rules as in #1 above.
3. Should enforcement of allocation rules and/or formulas rely on self-police- ing or on Commission enforcement and compliance actions?
4. Should party and non-party polit- ical committees be treated the same or differently?

EXAMPLES OF ALLOCATION QUESTIONS

C. The Commission invites public com- ment on the following questions as illustrative of those to which general principles and specific regulations would apply:

- 1. Allocation of activities of a single candidate:
a. Incumbent President: How should the political travel, appearance and fund-raising expenses of an incumbent President be allocated or attributed? For security reasons, Presidents use special transportation such as Air Force One. For both safety and official government activities with those that are political or campaign-related in nature, to what extent should activities be classified as po- litical expenditures and be attributable to expenditure limitations?
b. Non-incumbent candidate for Pres- ident: Are all travel expenses by a non- incumbent candidate for President chargeable to the candidate's expendi- ture limitations?
c. Expenses for incumbent Members of Congress: Members of Congress are allowed a specified number of trips to their State or Districts at Government expense. Are all trips above this allot- ment a "political expenditure"? Are such "official business" trips campaign ex- penditures if political appearances are made?
d. Travel expenses for non-incumbent candidates for Congress: How should such trips be treated?
e. Expenses between private personal expenses and campaign expenditures? A candidate incurs both normal and ex- traordinary travel and living expenses while campaigning. To what extent are such activities campaign expenditures?
f. Of fundraising expenses for Presi- dential candidates? Should fundraising expenses for Presidential candidates be allocated on a state-by-state basis?

- g. Of expenditures made jointly by or on behalf of both State or local and Fed- eral candidates?
h. Of contributions and expenditures between primary and general elections?
1. Of expenditures made in two or more States?
2. Allocation among two or more can- didates:
a. Of travel expenses for candidates campaigning on behalf of other candi- dates: Should such costs be charged to the appropriate limits of candidates, a portion to each candidate, or to neither candidate?
b. Of expenditures made jointly by two or more Federal candidates on their own behalf?
3. Allocation between party-related or- ganizations and candidate:
a. Of National Party expenditures for headquarters, benefiting Presidential candidate, and other Federal, state, and local candidates?
b. Of expenditures for partisan regis- tration and get-out-the-vote activities which benefit, directly or indirectly, candidates for Federal offices?
c. Of expenses for mass mailings, phone banks and other similar activities by multi-candidate and political party committees on behalf of two or more Federal candidates?
d. Of goods and services provided by the Senate Recording Studio, House Re- cording Studio, Republican or Demo- cratic Senatorial Campaign Committee, the Democratic National Congressional Committee or National Republican Con- gressional Committee to Members of Congress or candidates for Federal of- fice?
e. Of paid workers, headquarters and other goods and services provided by po- litical parties to all candidates on the Party ticket.
1. Of day-to-day administrative and general overhead expenses of political party committees?
4. Allocation by committees other than party committees among candidates:
a. Of consulting, polling, photographic and recording services and other similar services provided on a pooled basis by multi-candidate and political party com- mittees to two or more Federal candi- dates?
b. Of fundraising expenses by multi- candidate committees made directly or indirectly, on behalf of identifiable can- didates for Federal office?
5. By other "persons":
a. Of travel expenses of nationally prominent figures who campaign on be- half of candidates? Are such outlays contributions "in-kind"?
8. Comment Period. Comments should be mailed to Rulemaking Section, Office of General Counsel, Federal Election Com- mission, 1325 K Street, NW., Washing- ton, D.C. 20463 by October 14, 1975. For further information call (202) 382-5162.

SEPTEMBER 26, 1975.

NEIL STRAUER,

Vice Chairman, for the

Federal Election Commission,

[FR Doc. 75-26295 Filed 9-30-75; 8:45 am]

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[Revised as of January 1, 1975]

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WEDNESDAY, MAY 26, 1976



PART II:

FEDERAL ELECTION CAMPAIGN ACT



Proposed Regulations



FEDERAL ELECTION COMMISSION

[11 CFR Ch. I]

[Notice 1976-27]

FEDERAL ELECTION CAMPAIGN ACT

Notice of Proposed Rulemaking

The Federal Election Commission today publishes proposed regulations under the Federal Election Campaign Act of 1971, as amended in 1974, and 1976. The proposed regulations include Parts 100-108 (Disclosure), Part 109 (Independent Expenditures), Part 110 (Contribution and Expenditure Limitations), Part 111 (Compliance Procedures), Part 112 (Advisory Opinion Procedures), Part 113 (Office Accounts), Part 114 (Corporation and Union Political Activity), Part 115 (Government Contractors), Parts 120-124 (Convention Financing), Parts 130-134 (Presidential Primary Matching Funds).

The Commission will welcome immediate critical commentary with regard to the proposed regulations. The period for comment will close on Monday June 14, 1976.

The Commission also announces the following schedule of hearings on the proposed regulations:

Monday, June 7, 1976, Parts 100-108 (Disclosure), Chaired by Commissioner Joan D. Alkens.

Tuesday, June 8, 1976, Parts 112 (Advisory Opinion Procedure), 113 (Office Accounts), 120-124 (Convention Financing), 130-134 (Presidential Primary Matching Funds), Chaired by Commission Chairman Vernon W. Thomson.

Wednesday, June 9, 1976, Part 109 (Independent Expenditures), Part 110 (Contribution and Expenditure Limitations), Part 111 (Compliance Procedure), Chaired by Commissioner Robert O. Tiernan.

Friday, June 11, 1976, Part 114 (Corporation and Union Political Activity), Part 115 (Government Contractors) Chaired by Commissioner Thomas E. Harris.

Hearings will commence at 9:30 a.m., on each of the dates described. After a luncheon recess at 12:30 p.m., the hearings will resume at 2:00 p.m.

Persons wishing to testify should submit a request in writing to the above designated chairmen for the respective hearings, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. It will be appreciated if copies of prepared testimony are supplied to the Commission at the same address at least one working day prior to the date upon which the testimony is to be submitted. The prepared material should be submitted to the Commission's Office of General Counsel, as should any other written commentary regarding these proposed regulations.

In particular, the Commission requests comment on: § 100.7(b)(5)(i), relating to the reporting of communications; the definition of common control in §§ 100.14(c)(2) and 110.3(a); the definition of independent expenditure in § 109.1; all of the provisions of Part 110, covering contribution and expenditure limitations; all of the provisions of Part 114, covering corporate and union fundraising, and especially the definition of

§ 114.1, and the solicitation sections, § 114.5 and 6; and Part 133, covering termination of payments to Presidential candidates receiving matching funds.

The Commission stresses the importance it attaches to the comment and hearing procedure which is initiated by this notice. Last year's hearings on disclosure, for example, produced many useful amendments to the then pending regulations. The Commission accordingly encourages the most thoroughgoing analysis and criticism of the materials published today.

Dated: May 24, 1976.

VERNON W. THOMSON,
Chairman for the
Federal Election Commission.

PART 100—DISCLOSURE

Subpart A—Scope

Sec.	Scope.
100.1	Scope.
Subpart B—Meaning of Terms Used in This Subchapter	

100.2	Candidate.
100.3	Commission.
100.4	Contribution.
100.5	Support.
100.6	Election.
100.7	Expenditure.
100.8	Federal office.
100.9	File, filed or filing.
100.10	Identification.
100.11	Occupation.
100.12	Principal place of business.
100.13	Person.
100.14	Political committee.
100.15	Political party.
100.16	National committee.
100.17	State.
100.18	State committee, subordinate committee.

AUTHORITY: Sec. 308, 86 Stat. 17, and sections 311 and 316, as redesignated and amended, 88 Stat. 1279, 1282, 2 U.S.C. §§ 437d, 438. Interpret or apply section 301, 86 Stat. 11, as amended, 88 Stat. 1272, 2 U.S.C. § 431.

Subpart A—Scope

§ 100.1 Scope.

This subchapter is issued by the Federal Election Commission under title III of the Federal Election Campaign Act of 1971 (Public Law 92-225), as amended in 1974 (Public Law 93-443), and as amended in 1976 (Public Law 94-____) and is applicable to campaigns for nomination or election to the offices of President and Vice President of the United States; and Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

Subpart B—Meaning of Terms Used in This Subchapter

§ 100.2 Candidate.

An individual is a candidate for Federal office, whether or not elected, whenever any of the following events occur:

(a) The individual has taken the action necessary, under relevant state law, to qualify in a primary, runoff, special or general election convention or caucus; or

(b) The individual has received contributions or made expenditures, or has given consent for any other person to

receive contributions or make expenditures, with a view toward bringing about his or her election; or

(c) If after written notification by the Commission that any other person is receiving contributions or making expenditures on the individual's behalf, the individual fails to disavow this activity by letter to the Commission within 30 days of receipt of the notification.

§ 100.3 Commission.

"Commission" means the Federal Election Commission 1325 K Street, N.W., Washington, D.C. 20463.

§ 100.4 Contribution.

(a) "Contribution" means—

(1) A gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President. For purposes of subsection (a),

(i) The term "loan" includes a guarantee, endorsement and any other form of security where the risk of non-payment rests with the surety, guarantor or endorser as well as with a political committee, candidate or other primary obligor. A loan is a contribution to the extent that the obligation remains outstanding.

(ii) The term "money" includes currency of the United States or of any foreign nation, checks, money orders or any other negotiable instrument payable on demand.

(iii) The term "anything of value" includes securities, goods, facilities, equipment, supplies, personnel, advertising, services or other in-kind contributions provided without charge (other than volunteer services under § 100.4(b)(2)) or at a charge which is below the usual charge for the items. The amount of the contribution of a thing of value is the difference between the usual charge for the goods or services at the time of the contribution and the amount charged the candidate or political committee.

(iv) "Purpose of influencing".

A gift, subscription, loan, advance or deposit of money or anything of value made to a candidate or political committee, directly or indirectly, is considered to be made for the purpose of influencing the nomination for election, or election to Federal office, except gifts of a personal nature are presumptively not made for the purpose of influencing an election.

(2) The donation of costs of fundraising, such as the cost of a meal as part of a fundraising dinner;

(3) A written contract, promise, or agreement such as a signed pledge card, whether or not legally enforceable, to make a contribution.

(4) A transfer of funds to a political committee or candidate from another

political committee, other political organization or other similar source whether or not such organization is a political committee. The transfer occurs whenever the treasurer or other designated agent of the transferee committee or the candidate obtains control over the funds.

(5) The payment by any person other than a candidate or political committee of compensation for the personal services of another person which are rendered to a candidate or political committee without charge. No compensation is considered paid to an employee:

(i) (A) Who is paid on an hourly or salaried basis;

(B) Who is expected to perform duties for an employer for a particular number of hours per period; and

(C) Who engages in political activity during what would otherwise be a regular work period;

if the taken or released time is made up or completed by that employee within a reasonable period.

(ii) Who is paid on a commission or piece-work basis, or is paid only for work actually performed, whose time is considered the employee's own to use as he or she sees fit and who engages in political activity during what would otherwise be normal working hours.

(iii) Where the time used by the employee to engage in political activity is bona fide, although compensable, vacation time or other earned leave time.

(6) The extension of credit for a length of time beyond normal business or trade practice, unless the creditor has made a commercially reasonable attempt to collect the debt, see § 114.10.

(b) The term "contribution" does not include:

(1) Payments made for the purpose of determining whether an individual should become a candidate, such as conducting a poll, if the individual does not otherwise subsequently become a candidate.

(2) The value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee.

(3) The rental value of an individual's residence used for campaign-related activity.

(4) The use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided without charge by an individual, in rendering voluntary personal services to a candidate on the individual's residential premises, to the extent that the cumulative value of those activities by any individual on behalf of the candidate do not exceed \$500 with respect to an election. For purposes of this paragraph a contribution by a married individual shall not be attributed to a spouse.

(5) The sale of any food or beverage by a vendor (whether incorporated or not) for use in a candidate's campaign at a charge less than the normal or comparable commercial charge, if the charge for use in a candidate's campaign is at least equal to the cost of food or beverage

to the vendor, to the extent that the cumulative value of the difference between the normal or comparable commercial charge and the cost of such food and beverage to the vendor does not exceed \$500 for an election.

(6) Any unreimbursed payments for travel or living expenses related to the travel made by a person who volunteers services to a candidate, to the extent that the cumulative value of the payments does not exceed \$500 for an election.

(7) The payment of the costs of preparation, display, or mailing or other distribution incurred by a state or local committee of a political party, with respect to a printed slate card, sample ballot, palm card, or other printed listing, of three or more candidates for any public office for which an election is held in the state in which the committee is organized. The subsection shall not apply in the case of costs incurred by the committee with respect to the preparation and display of listings made on broadcasting stations, or in newspapers, magazines, and similar types of general public political advertising such as billboards, posters, signs and bumper stickers.

(8) Any news story, commentary or editorial of any broadcasting station, newspaper, magazine, or other periodical publication unless the facility is owned or controlled by any political party, political committee or candidate.

(9) Any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of § 441b of the Act, would not constitute an expenditure by the corporation or labor organization.

(10) An honorarium, as defined in § 110.11.

(11) Legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for the services is a person other than the regular employer of the individual rendering the services), other than services attributable to activities which directly further the election of a designated candidate or candidates for Federal office, but amounts paid or incurred for the services shall be reported in accordance with Part 104.

(12) Legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with this Act or chapter 95 or 96 of the Internal Revenue Code of 1954 (unless the person paying for the services is a person other than the regular employer of the individual rendering the services) but amounts paid or incurred for these services shall be reported in accordance with Part 104.

(13) A loan of money by a national or State bank made in accordance with applicable banking laws and regulations, and in the ordinary course of business, but these loans (i) shall be reported in accordance with Part 104; and (ii) shall be considered a loan by each endorser or guarantor, in that proportion to the unpaid balance that each endorser or guar-

antor bears to the total number of endorsers or guarantors.

(14) A gift, subscription, loan, advance or deposit of money or anything of value made to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility which is not for the purpose of influencing the election of any candidate in any particular election for Federal office, except that such a transaction shall be reported in accordance with Part 104.

§ 100.5 Support.

The term "support" means to make a contribution of any amount or value to, or to make an expenditure of any amount or value on behalf of, a candidate or political committee.

§ 100.6 Election.

"Election" means the process by which individuals, whether opposed or unopposed, seek nomination for election, or election, to Federal office. Specific types of elections, defined below, are included in this definition.

(a) *General election.* "General election" means:

(1) (i) An election held in even numbered years on the Tuesday next after the first Monday in November, or

(ii) An election which is held to fill a vacancy in a Federal office (special election) and which is intended to result in the final selection of a single individual to the office at stake.

(b) *Primary election.*

(1) "Primary election" means an election

(i) Which is held prior to a general election, as a direct result of which candidates are nominated, in accordance with applicable state law, for election to Federal office in a subsequent election, or

(ii) Which is held for the expression of a preference for the nomination of persons for the election to the office of President of the United States, or

(iii) Which is held to elect delegates to a national nominating convention.

(2) With respect to individuals seeking Federal office as independent candidates, or without nomination by a major party (as defined in 26 U.S.C. § 9002(6)), the primary election is considered to occur at the choice of the candidate—

(i) The day prescribed by applicable state law as the last day to qualify for a position on the general election ballot, or

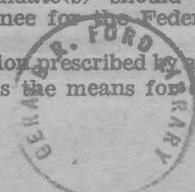
(ii) The date of the last major party primary election, caucus or convention in that state.

(iii) In the case of non-major parties, the date of the nomination by that party.

(c) *Runoff election.* "Runoff election" means any election held after a

(1) Primary election prescribed by applicable state laws as the means for deciding with candidate(s) should be certified as a nominee for the Federal office sought, or

(2) General election prescribed by applicable state law as the means for de-



ciding which candidate should be certified as an officeholder elect.

(d) *Caucus or convention.*

A caucus or convention of a political party which has authority to select a nominee is an election.

(e) *Special election.* "Special election" means an election which is held to fill a vacancy in a Federal office, and which may be a primary, general or runoff election.

§ 100.7 Expenditure.

(a) "Expenditure" means:

(1) A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or to the office of presidential or vice presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates for a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President.

(1) For purposes of subparagraph (1)

(A) The term "payment" includes

(1) The repayment of the principal of any outstanding obligation, the proceeds of which constituted a contribution under these regulations, and

(2) The payment of any interest on an obligation, and

(3) A guarantee or endorsement by a candidate or a political committee of a loan.

(B) The term "money" includes, currency of the United States or of any foreign nation, checks, money orders or any other negotiable instrument payable on demand.

(C) The term "anything of value" includes, securities, goods, facilities, equipment, supplies, personnel, advertising, services, or other in-kind contributions provided without charge (other than volunteer services under § 100.4(b)(2)) or at a charge which is below the usual charge for the items. The amount of the expenditure of a thing of value is the difference between the usual charge for the goods or services at the time of the expenditure and the amount charged the candidate or committee.

(2) A written contract, promise, or agreement, whether or not legally enforceable, to make any expenditure.

(3) A transfer of funds from a political committee to another political committee or candidate. A transfer occurs whenever the treasurer or other designated agent of the transferee committee or the candidate obtains control over the funds.

(4) An independent expenditure, see Part 109.

(b) The term "expenditure" does not include:

(1) Contributions by an individual from personal funds to a political committee or candidate.

(2) Payments made for the purpose of determining whether an individual should become a candidate, such as con-

ducting a poll, if the individual does not become a candidate.

(3) Any news story, commentary, or editorial of any broadcasting station, newspaper, magazine, or other publication, unless the facility is owned or controlled, by any political party, political committee or candidate.

(4) Non-partisan activity, designed to encourage individuals to register or to vote. For purposes of this section, non-partisan activity means that no effort is made to determine the party or candidate preference of individuals before encouraging them to register or to vote.

(5) (i) Any communication by a membership organization or corporation to its members or stockholders, so long as the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization, including a labor organization, or by a corporation, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election, be reported to the Commission on FEC Form 7. For the purpose of this paragraph—

(A) "Labor organization" means a national or international union in the case of a communication going to its national membership, or means a state or local union in the case of a communication going to the state or local members;

(B) "Election" means all elections for Federal office taking place on the same day in a state, except that the Presidential general election is one election;

(C) "Communication primarily devoted" means a newspaper, pamphlet or other writing, a phone bank, phone calls, a broadcast or other oral presentation, the principal purpose or effect of which is the express advocacy of the election or defeat of a clearly identified candidate;

(D) The aggregate costs exceeding \$2,000 per election shall be reported on the filing dates provided in § 104.4, and shall include the total amount expended and the candidate supported.

(ii) For purposes of this paragraph, "members" means, in the case of a political party or club (which is not organized primarily for the purpose of influencing the nomination for election, or election of any person to Federal office), dues paying or contributing members in good standing and not all enrolled members of the party.

(6) The use of real or personal property and the cost of invitations, food and beverages voluntarily provided without charge by an individual, to a candidate, on the individual's residential premises, to the extent that the cumulative value of those activities by the individual on behalf of a candidate do not exceed \$500 with respect to an election. For purpose of this subparagraph an expenditure by

a married individual shall not be attributed to a spouse.

(7) Any unreimbursed payment for travel or living expenses related to the travel made by a person who volunteers services to a candidate, to the extent that the cumulative amount for an individual incurred with the respect to a candidate does not exceed \$500 for an election.

(8) The rental value of an individual's residence used for campaign-related activity.

(9) Any communication by a person which is not made for the purpose of influencing the nomination for election, or election of an individual to Federal office.

(10) Any payments from non-campaign funds for routine living expenses of a candidate which would have been incurred without candidacy, including food and residence.

(11) The payment of the costs of preparation, display, or mailing or other distribution incurred by a state or local committee of a political party with respect to a printed slate card, sample ballot, palm card, or other printed listing, or three or more candidates for any public office for which an election is held in the state in which the committee is organized. The subsection shall not apply in the case of costs incurred by a committee with respect to a preparation and a display of listings made on broadcasting stations, or in newspapers, magazines, and similar types of general public political advertising, such as billboards, posters, signs and bumper stickers.

(12) Any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph, 2 U.S.C. section 441(b), would not constitute an expenditure by the corporation or labor organization.

(13) (i) Any costs incurred by a candidate or his or her authorized committees in connection with the solicitation of contributions by a candidate who has received Presidential Primary Matching Fund Payments (or a minor or new party candidate receiving general election public financing under 26 U.S.C. § 90004) not exceeding 20% of the expenditure limitation applicable to the candidate.

(ii) For purposes of this subsection, "in connection with the solicitation of contributions" means any cost reasonably related to fund raising activity, including the costs of printing and postage, the production of and space or air time for advertisements used for fund-raising, and the costs of meals, beverages and other costs associated with a fund-raising reception or dinner.

(iii) The fundraising expenditures need not be allocated on a state by state basis, except where the fundraising activity is aimed at a particular state and takes place within 28 days of a primary election, convention or caucus, see § 110.

Subsection (ii), defining an expenditure made in connection with solicitation of contributions, generally follows.

AO 1975-78, which set the broad policy in this area.

Accord: AOs 1975-62 and 33, and OCs 1975-27 and 105.

(14) Legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for the services is a person other than the regular employer of the individual rendering the services), other than services attributable to activities which directly further the election of a designated candidate or candidates for Federal office but amounts paid or incurred for the services shall be reported in accordance with Part 104.

(15) Legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with this Act or chapter 95 or 96 of the Internal Revenue Code of 1954 (unless the person paying for the services is a person other than the regular employer of the individual rendering the services) but amounts paid or incurred for these services shall be reported in accordance with part 104.

(16) A loan of money by a national or State bank made in accordance with the applicable banking laws, but such a loan shall be made in accordance with § 100.4(b) (13).

§ 100.8 Federal office.

"Federal office" means the office of the President, or Vice President, Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

§ 100.9 File, filed or filing.

"File," "filed," and "filing" means with respect to reports and statements required to be filed under this Chapter:

(a) Delivery to the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, the Secretary of the Senate, Washington, D.C. 20510, or the Clerk of the House of Representatives, Washington, D.C. 20515, as required by Part 105, by the close of the prescribed filing date, or

(b) (1) Deposit as registered or certified mail in an established U.S. Post Office and postmarked no later than midnight of the day of the filing date, except that pre-election reports so mailed must be postmarked not later than midnight of the twelfth day before the date of the election.

(2) Reports and statements sent by first class mail must be received by the close of business of the prescribed filing date to be timely filed.

§ 100.10 Identification.

"Identification" means (1) in the case of an individual, his or her full name, including first name, middle name or initial, if available, last name, and full address of his or her principal place of residence, and (2) in the case of any other person, the full name and mailing address.

§ 100.11 Occupation.

"Occupation" means principal job title or position and whether or not self-employed.

§ 100.12 Principal place of business.

"Principal place of business" means the full name under which the business is conducted and the city in which the person is employed or conducts business.

§ 100.13 Person.

"Person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

§ 100.14 Political committee.

"Political committee" means any committee, club, association or other group of persons which anticipates receiving, or receives contributions, or makes expenditures, totaling more than \$1,000 in value during a calendar year.

(a) The following are four categories of political committees:

(1) *Principal campaign committee.* "Principal campaign committee" means the political committee designated by a candidate as his or her principal campaign committee pursuant to § 101.2.

(2) *Single candidate committee.* "Single candidate committee" means a political committee other than a principal campaign committee which makes or receives contributions or makes expenditures on behalf of only one candidate.

(3) *Multicandidate committee.* "Multicandidate committee" means a political committee which (i) has been registered with the Commission, Clerk or Secretary for at least 6 months; (ii) has received contributions designated for Federal elections from more than 50 persons; and (iii) (except for any State political party organization) has made contributions to 5 or more Federal candidates see § 110.

(4) *Party committee.* "Party committee" means a political committee which represents a political party and is part of the official party structure at the national, state, or local level.

(b) A political committee is either an authorized committee or an unauthorized committee:

(1) *Authorized committee.* An "authorized committee" is a political committee which is authorized in writing by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate, or has not been disavowed pursuant to § 100.2(c).

(2) *Unauthorized committee.* An "unauthorized committee" is a political committee which has not been authorized in writing by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate, or has been disavowed pursuant to § 100.2(c).

(c) *Affiliated committee.* An "affiliated committee" includes:

(1) All authorized committees of the same candidate.

(2) (i) Multicandidate committees other than national, state, or subordinate state party committees, and the House and Senate campaign committees of each party which are under common control.

(ii) The possession of the power or ability by one committee, association, group or person, whether directly or indirectly, to direct or cause the direction

of the management and policies of a political committee shall constitute common control.

(iii) For purposes of this subsection, or directed or controlled means possession of the authority, power or ability or one entity to create, fund, establish policies for, or otherwise direct the activities of another entity. For example:

(A) All of the political committees set up by a single corporation and its subsidiaries are treated as a single political committee;

(B) All of the political committees set up by a single national or international union and its local unions are treated as a single political committee;

(C) All of the political committees set up by an organization of unions and all its state and local central bodies are treated as a single political committee;

(D) All the political committees established by a trade association and its state and local members are treated as a single political committee. For organizations not covered by the above, indicia of this authority, power or ability include:

(1) Ownership or significant control of voting securities;

(2) Provisions of by-laws, constitutions or other document by which one entity has the authority, power or ability to direct another entity;

(3) The authority, power or ability to hire, appoint, discipline, discharge, demote or remove or otherwise influence the decision of the officers or members of an entity;

(4) Similar patterns of contributions;

(5) The transfer of funds between committees which represent a significant portion of the funds of either the transferor or transferee committee.

(iv) Committees shall not be deemed to be under common dominion and control merely because they engage in joint solicitation or activities on a shared cost basis, in proportion to their respective membership or the membership of the parent committee, association, group or person.

(v) A committee, association, or any other group or persons which is affected by the definition or indicia of common control set forth, supra, may demonstrate to the Commission any independent factual circumstances which it believes rebut a finding of common control.

§ 100.15 Political party.

"Political party" means an association, committee, or organization which nominates or selects a candidate for election to any Federal office, whose name appears on an election ballot as the candidate of the association, committee or organization.

§ 100.16 National committee.

"National committee" means the organization which, by virtue of the by-laws of a political party, is responsible for the day-to-day operation of the political party at the national level.

§ 100.17 State.

"State" means each state of the United States, the District of Columbia, the

Commonwealth of Puerto Rico, and any territory or possession of the United States.

§ 100.18 State committee, subordinate committee.

(a) "State committee" means the organization which, by virtue of the by-laws of a political party, is responsible for the day-to-day operation of the political party at the state level.

(b) "subordinate committee of a state committee" means any organization which, by virtue of the by-laws of the state committee, is responsible for the day-to-day operation of the political party at the level of city, county, neighborhood, ward, district, precinct or any other subdivision of a state, or any organization under the control or direction of the state committee.

PART 101—CANDIDATE STATUS AND DESIGNATIONS

Sec.

- 101.1 Duration of a candidate status.
101.2 Candidate designations.
101.3 Waiver of candidate reporting.

AUTHORITY: Sec. 308, 86 Stat. 17, as amended, 2 U.S.C. § 438, interpret and apply 86 Stat. 14, as amended, 2 U.S.C. § 432(f), § 435(b), and § 437b.

§ 101.1 Duration of candidate status.

Once an individual becomes a candidate under § 100.2 and does not have a waiver of candidate reporting under § 101.3, he or she continues to be a candidate for reporting purposes until all debts and obligations for which the candidate is personally obligated arising in connection with the election are extinguished. Candidacy then may be terminated by letter, containing the information required by § 102.4.

§ 101.2 Candidate designations.

Within a reasonable period after attaining candidate status an individual is required to:

(a) file a Statement of a Candidate for Nomination or Election to Federal Office on FEC Form 2, or file by a letter containing the same information in which such candidate shall—

(1) Designate a principal campaign committee in accordance with § 103.5, and

(2) designate at least one national or state bank as a campaign depository under § 103.1, and

(b) File a Statement of Authorization on FEC Form 2a or by letter containing the same information for any political committee other than a principal campaign committee which will be authorized to accept contributions or make expenditures on behalf of that candidate.

(c) Commence filing personal reports of receipts and expenditures in accordance with Part 105, unless a waiver of personal reporting is obtained under § 101.3, or unless reporting is exempted under § 105.1(c).

(d) If the candidate, or his or her authorized committee(s), receive contributions designated for the general election prior to the date of the primary

election, the candidate or his or her authorized committee(s) shall use acceptable accounting methods to distinguish between contributions received for the primary election and contributions received for the general election. Acceptable methods include, (1) the designation of separate accounts for each election, caucus or convention and (2) the establishment of separate books and records for each election.

§ 101.3 Waiver of candidate reporting.

A candidate is relieved of the duty personally to file reports and keep records of receipts and expenditures if the candidate indicates on FEC Form 2 or a letter and states that:

(a) Within 5 days after personally receiving any contributions the candidate will surrender possession of the entire contribution to the treasurer of his or her principal campaign committee without expending any of the proceeds thereof. No contributions shall be commingled with the candidate's personal funds or accounts. Contributions conveyed by check, money order or other written instrument shall be consigned directly to the political committee and shall not be cashed or redeemed by the candidate.

(b) The candidate shall not make any unreimbursed expenditures for his or her campaign, except that this paragraph does not preclude a candidate from making an expenditure from personal funds to the candidate's designated principal campaign committee which shall be reported by the committee as a contribution received.

(c) The waiver shall continue in effect as long as the candidate complies with the conditions under which it was applied for.

PART 102—REGISTRATION AND ORGANIZATION OF POLITICAL COMMITTEES

Sec.

- 102.1 Registration of political committees.
102.2 Forms and filing.
102.3 Change or correction in information.
102.4 Discontinuance of registration.
102.5 Identification number.
102.6 Registration of State committees; establishment of campaign committees by political committees.
102.7 Organization.
102.8 Receipt of Contribution.
102.9 Accounting for contributions and expenditures.
102.10 Petty cash fund.
102.11 Designation of principal campaign committee.
102.12 Authorization of political committees.
102.13 Notice; solicitation of contributions.
102.14 Records, retention.
102.15 Segregated funds.

AUTHORITY: Sec. 308, 86 Stat. 17, as amended, 2 U.S.C. § 438(a)(1) (Supp. 1975), interpret and apply section 303, 86 Stat. 14, as amended, 2 U.S.C. §§ 431, 433 and 437.

§ 102.1 Registration of political committees.

(a) Each political committee except as specified in subsections (b) and (c), shall file a Statement of Organization with the Federal Election Commission, the Secretary of the Senate, or the Clerk

of the House, as appropriate, within 10 days after the date of its organization, or within 10 days after the date on which the committee has information which causes it to anticipate receiving contributions or making expenditures exceeding \$1,000 in a calendar year for Federal candidates, whichever is later.

(b) Each authorized single candidate committee shall file the Statement of Organization required by paragraph (a) of this section, and any amendment thereto, or termination thereof required by sections 102.3 or 102.4 of this Part, with the affiliated principal campaign committee. The principal campaign committee shall file a copy of this Statement, amendment, or termination as in (a).

(c) A political committee which has previously filed a Statement of Organization with the Commission, the General Accounting Office, the Clerk of the House of Representatives or the Secretary of the Senate, and has not validly terminated is not required to file a new Statement.

§ 102.2 Forms and filing.

(a) The Statement of Organization shall be filed on Federal Election Commission Form 1, which may be obtained from the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. The Statement shall include the following:

(1) The name and address and type of committee;

(2) The names, addresses, and relationships of affiliated or connected organizations (see paragraph (b) of this section);

(3) The area, scope or jurisdiction of the committee.

(4) The name, address, and committee position of the custodian of books and accounts.

(5) The name, address, and committee position of other principal officers, including assistant treasurer and assistant secretary (if any) and officers and members of the finance committee, if any.

(6) The name, address, office sought, and party affiliation of (i) each candidate(s) for Federal office whom the committee is supporting and (ii) each candidate whom the committee is supporting for nomination or election to any other public office; or if the committee is supporting the entire ticket of any party, the name of the party and the state in which the election is held.

(7) A statement whether the committee's existence will continue beyond the calendar year;

(8) The disposition of residual funds which will be made in the event of dissolution;

(9) A listing of all banks, safety deposit boxes, or other repositories used;

(10) A statement listing any reports (other than those required by these regulations) regarding candidates for Federal office filed under state or local law by the committee with state or local officers, and the names, addresses, and positions of such officers. See 2 U.S.C. § 435 and § 111.7.

(b) (1) "Affiliated organization" means an affiliated committee as defined in

§ 100.14(c) of this subchapter. Only a principal campaign committee is required to report the name and address of all other authorized committees of its candidate. The other authorized committees need only report the name of their principal campaign committees.

(2) "Connected organization" includes any organization which is not a political committee but which organized or financially supported the registrant.

§ 102.3 Change or correction in information.

Any change or correction in the information previously filed in the Statement of Organization shall be reported within 10 days following the date of the change or correction by filing an amended Statement of Organization or by filing a letter noting the change(s).

§ 102.4 Discontinuance of registration.

(a) Any political committee not having outstanding debts or obligations owed to or by it incurred on behalf of Federal candidates which, after having filed one or more Statements of Organization, seeks to disband or determines that it will not longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding \$1,000, shall file a notice of termination on FEC Form 3 or by letter containing the same information with the Commission, the Clerk of the House or the Secretary of the Senate, as appropriate. The notice shall contain a final report of receipts and disbursements, including a statement as to the disposition of residual funds if the committee is disbanding.

(b) A principal campaign committee may not terminate until

(1) All debts of other authorized committees of a candidate have been extinguished and,

(2) The candidate is no longer a candidate.

§ 102.5 Identification number.

Upon receipt of a Statement of Organization under this Part, or upon Commission review of statements already filed, an identification number shall be assigned to the statement, receipt shall be acknowledged, and the political committee shall be notified of the number assigned. This identification number shall be entered by the political committee on all subsequent reports or statements filed under the Act, as well as on all communications concerning reports and statements.

§ 102.6 Registration of state committees; establishment of campaign committees by political committees.

(a)(1) Each state committee, and each subordinate committee of a state committee, which intends to solicit, receive, or make contributions or expenditures, in excess of \$1,000, to, for or on behalf of any candidate for Federal office, or

(2) Any political committee which has solicited or received contributions for or on behalf of, or made expenditures or transfers to or on behalf of, any candidate for Federal office, shall either:

(b)(1) Register as a political committee and report all receipts and expenditures, Federal and non-Federal, pursuant to these regulations and establish separate accounts for Federal and non-Federal contributions and expenditure; or

(2) Establish a separate Federal campaign committee, which shall register as a political committee. The Federal campaign committee shall establish a segregated Federal account in either a state or national bank.

(c) An account established for Federal candidates, or a separate Federal campaign committee, may not—

(1) Receive contributions other than contributions

(i) Designated for the committee, or

(ii) Received as the result of a solicitation which expressly states that the contribution will be used for Federal elections; or

(2) Receive transfers from an account or committee established by a state committee, subordinate committee of a state committee, or another political committee except from another Federal campaign account or committee.

(d) The Federal campaign committee or account may make transfers for any lawful purpose. The committee shall file a Statement of Organization and shall file reports and statements pursuant to Part 105.

§ 102.7 Organization of political committees.

(a) Every political committee shall have a chairman and a treasurer, who shall not be the same individual.

(b) A political committee may designate—

(1) A vice chairman who shall act as chairman in the event of a temporary or permanent vacancy in the office;

(2) An assistant treasurer who shall act as treasurer in the event of a temporary or permanent vacancy in the office.

(c) No contribution or expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of the chairman or the treasurer.

(d) No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or an agent, authorized orally or in writing by the chairman or treasurer.

§ 102.8 Receipt of contribution.

Every person who is not an authorized agent of the treasurer or candidate, and who receives a contribution in excess of \$50 on behalf of a political committee or candidate shall, on demand of the treasurer or candidate, and in any event within 5 days after receipt, render to the treasurer or an authorized agent or candidate an accounting thereof, which shall include—

(a) The exact amount of the contribution and the date received and,

(b) The identification of the contributor and, in the case of a contribution in excess of \$100, the occupation and principal place of business or employment, if any.

§ 102.9 Accounting for contributions and expenditures.

It shall be the duty of a candidate (not having received a waiver under § 101.2) and of the treasurer of a political committee or an agent authorized by the treasurer to receive contributions and/or make contributions to—

(a) Keep an account of all contributions made to or for the committee, and,

(1) The identification of every person making a contribution or contributions aggregating in excess of \$50; and

(2) The occupation and principal place of business of individuals whose contributions aggregate in excess of \$100 in a calendar year, and

(3) The date received, and

(4) The amount of the contribution.

(b) Keep an account of all expenditures made by or on behalf of the committee, and

(1) The identification of every person to whom any expenditure is made,

(2) The date of the expenditure,

(3) The amount of the expenditure,

(4) The name of each candidate on whose behalf the expenditure was made, and

(5) The office sought by the candidate.

(c) Obtain and keep a receipted bill from the person to whom the expenditure is made for every expenditure made by or on behalf of a political committee—

(1) In excess of \$100;

(2) In a lesser amount if the aggregate amount of expenditures during a calendar year to the same person exceeds \$100;

(3) The receipted bill shall contain

(i) The full name and address of the person to whom the expenditure is made,

(ii) The amount of the expenditure,

(iii) The purpose of the expenditure, and

(iv) The date the expenditure was made.

(4) Instead of a receipted bill, the treasurer may keep

(i) The canceled check(s) showing payment(s) of the bill, and

(ii) The bill, invoice or other contemporaneous memorandum of the transaction containing the same information as required in (c)(3) of this section.

(d) Keep full and complete records of proceeds from the sale of tickets and mass collections at each dinner, luncheon, rally, and other fundraising events, and these records shall include the date, location, and nature of each event. He or she shall also keep full and complete records of the proceeds from the sale of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, jewelry, and similar materials, and these records shall reflect the cost of the items to the committee, the sale price, and the total volume sold. These records shall be preserved in accordance with § 104.

(e) Use his or her best efforts to obtain the required information, and shall keep a complete record of the efforts to do so.

§ 102.10 Petty cash fund.

A political committee may maintain a petty cash fund out of which it may

make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. If a petty cash fund is maintained, it shall be the duty of the treasurer of the political committee to keep and maintain a written journal of all disbursements, including the purpose of each disbursement from the fund. The treasurer need not preserve receipts or invoices in connection with the transaction except as provided in § 102.9(c). A check made payable to "cash" shall not be made in excess of \$100 except to replenish a petty fund.

§ 102.11 Designation of principal campaign committee.

(a) Each candidate for Federal office (other than for election to the office of Vice President of the United States), shall designate a political committee as his or her principal campaign committee, see § 101.2, even if the candidate does not plan to use the committee to receive or expend funds.

(b) No political committee may be designated as the principal campaign committee of more than one candidate.

(c) No political committee which supports more than one candidate may be designated as a principal campaign committee, except that, after nomination, a candidate for the office of President of the United States may designate the national committee of a political party as his or her principal campaign committee.

(d) (1) For the purposes of this subsection, any occasional, isolated or incidental support of a candidate shall not be construed as "support" of that candidate.

(2) For purposes of this subsection, "occasional, isolated incidental support" means making contributions to, or expenditures on behalf of, a candidate from another candidate's principal campaign committee not exceeding \$1000 for any election when combined with any personal contributions from the contributor candidate.

§ 102.12 Authorization of political committee.

(a) (1) Any political committee authorized by a candidate to receive contributions or make expenditures shall be authorized in writing by the candidate. The authorization shall include a designation of campaign depositories to be used by such political committee in accordance with § 101.2.

(2) or in the event that an individual fails to disavow activity pursuant to § 100.2(e) and is therefore a candidate upon notice by the Commission, he or she shall authorize the Committee in writing and designate a campaign depository in accordance with § 101.2.

(b) A candidate is not required to authorize a national, state or subordinate state party committee which solicits funds to be expended on the candidate's behalf pursuant to 2 U.S.C. § 441a(d).

§ 102.13 Notice; solicitations of contributions.

Each political committee shall include on the face or front page of all literature

and advertisements soliciting contributions the following notice:

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

§ 102.14 Records; retention.

The treasurer of a political committee shall preserve all receipts, bills, accounts and all other records in accordance with the requirements of § 110.2.

§ 102.15 Segregated funds.

All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of that committee.

PART 103—CAMPAIGN DEPOSITORIES

Sec.

- 103.1 Notification of the Commission.
- 103.2 Depositories.
- 103.3 Deposits and expenditures.
- 103.4 Vice-Presidential candidate campaign depositories.

AUTHORITY: Sec. 308, 86 Stat. 17, 2 U.S.C. § 438, Interpret or apply section 302, 86 Stat. 12, 2 U.S.C. § 433 and § 437b.

§ 103.1 Notification of the Commission.

Each committee shall notify the Commission of the banks it has designated as its depositories, pursuant to §§ 101.2 and 102.3.

§ 103.2 Depositories.

Only national or state banks chartered by the United States or a state may be designated as campaign depositories. One or more depositories may be established in one or more states. One or more accounts may be established in a depository.

§ 103.3 Deposits and expenditures.

(a) All contributions received by a candidate, his or her authorized political committee(s) and any other political committee(s) shall be deposited in a checking in the appropriate campaign depository by the candidate, or by the treasurer of the committee or his or her agent, within 10 days of the candidate's or treasurer's receipt thereof. An expenditure may be made by a candidate or committee only by check drawn on an account in a designated campaign depository, except expenditures to one person for \$100 or less made from a petty cash fund maintained pursuant to § 102.10.

(b) Contributions which appear to be illegal shall be, within 10 days—

- (1) Returned to the contributor; or
- (2) Deposited into the campaign depository, and reported in which case the treasurer shall make and retain a written record noting the basis for the appearance of illegality. The treasurer shall take all reasonable steps to determine the legality of the contribution. Refunds shall be made when a contribution is determined to have been illegal, and the treasurer shall so note by amending the current report or noting on the candidate's or committee's next required report.

§ 103.4 Vice-Presidential candidate campaign depositories.

The campaign depository(ies) designated by a political party's candidate for Presidents shall be the campaign depository(ies) of that political party's candidate for the office of Vice-President.

PART 104—REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

Sec.

- 104.1 General.
- 104.2 Form and content of reports.
- 104.3 Disclosure of receipt and consumption of in-kind contributions.
- 104.4 Filing dates.
- 104.5 Uniform reporting of contributions.
- 104.6 Uniform reporting of expenditures.
- 104.7 Allocation of expenditures among candidates.
- 104.8 Disclosure of earmarked contributions and expenditures.
- 104.9 Continuous reporting of debts and obligations.
- 104.10 Waiver of reporting requirements.
- 104.11 Political committees; cash on hand.
- 104.12 Members of Congress; reporting exemption.
- 104.13 Formal requirements regarding reports and statements.

AUTHORITY: Sec. 308(a) (13), 86 Stat. 17, as amended, § U.S.C. § 438, interpret or apply section 304, 86 Stat. 14, as amended, 2 U.S.C. § 434.

§ 104.1 General.

(a) Each political committee registered with the Commission, the Clerk of the House, the Secretary of the Senate, or with a principal campaign committee (Part 102 of this subchapter) shall file quarterly reports of contributions and expenditures (unless waived) until:

- (1) All debts and obligations relating to that committee's Federal election activity are extinguished; and
- (2) The committee has filed a valid Notice of Termination (§ 102.4).

(b) Each candidate for Federal office (other than a vice-presidential candidate) shall file quarterly reports of contributions and expenditures until all debts and obligations relating to that candidacy on which he or she is personally obligated are extinguished, unless the candidate is granted a waiver pursuant to § 101.3, or has terminated candidate status under § 101.1.

(c) (1) In an election year, a political committee or candidate is exempt from filing a quarterly report if the political committee or candidate did not receive contributions in excess of \$1,000 or make expenditures in excess of \$1,000 in that quarter.

(2) In any year in which the election for which an individual is a candidate is not held, the candidate and his or her authorized committees shall only be required to file quarterly reports for a calendar quarter in which the candidate or committee received contributions or made expenditures, or both, the total amount of which, taken together, exceeds \$5,000. However,

(3) the political committee or candidate shall notify the Commission in writing at the close of the first quarter in which the exemption applies; and

(4) The political committee or candidate shall continue to file the pre-election, post-election and annual reports required by § 104.4 until terminated or waived; and

(5) If any one of a candidate's authorized committees (including a principal campaign committee) receives or expends in excess of \$1,000, all authorized committees shall file reports with the principal campaign committee, which shall file the consolidated report pursuant to § 104.2(c).

§ 104.2 Form and content of reports.

(a) Except as noted below, each report filed by a political committee or candidate under this part shall be on FEC Form 3, and shall reflect all receipts and disbursements of a candidate or committee.

Forms may be obtained from the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

(b) Each report filed under this part shall include all receipts and disbursements from the close of the last period reported to the close of the current reporting period, and shall disclose:

(1) The amount of cash on hand at the beginning of the calendar year and at the beginning of the reporting period, including currency, balances on deposits in banks and savings and loan institutions, checks, negotiable money orders, and other paper commonly accepted by a bank in a deposit;

(2) The identification, occupation, and principal place of business, if any, of each person who has made a contribution to or for the committee or candidate during the reporting period in an amount or value in excess of \$100, or in an amount of less than \$100 if the person's contributions within a calendar year total more than \$100, together with the amount and date of such contributions;

(3) (i) The total of contributions made to or for a committee or candidate during the reporting period and not reported under subparagraph (2) of this paragraph;

(ii) Candidates and committees, which, in addition to the required totals, choose to itemize contributions not in excess of \$100, shall itemize these by attaching a separate schedule. Contributions of \$100 or less shall not be commingled with the required itemized contributions in excess of \$100.

(4) The identification of each political committee or other political organization from which the reporting committee or the candidate received, or to which the reporting committee or the candidate made, any transfer of funds in any amount during the reporting period, together with the amounts and dates of all transfers and complete disclosure, pursuant to § 110.6 of each transaction involving earmarked funds;

(5) Each:

(i) (A) Loan to or from any political committee; or

(B) Loan to a candidate or his or her authorized committees which is:

(ii) (A) Over \$100 in value and made during the reporting period; or

(B) Less than \$100 in value and the total of the loans from the maker is over \$100 shall be reported together with the identification, occupation, and principal place of business, if any, of each lender, endorser, or guarantor, as the case may be. The report shall include the date and amount of the loan.

(6) The total amount of proceeds from—

(i) The sale of tickets to each dinner, luncheon, rally, and other fundraising event;

(ii) Mass collections made at these events; and

(iii) Sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, jewelry, and similar materials, as long as the items are sold by the candidate or an authorized committee.

(7) Each receipt in excess of \$100 received during the reporting period, not otherwise listed under subparagraphs (2) through (6) of this paragraph, together with the identification, date and amount received, occupation and principal place of business of each such person from whom such receipts have been received during the reporting period; including

(i) The interest or other proceeds from the investment, in an interest-bearing account, note, bill, stock, bond or other similar device, of funds transferred out of a checking account in a campaign depository and

(ii) Rebates and refunds received by the candidate or committees;

(8) (i) The total of all receipts by or for the committee or candidate during the reporting period and the calendar year; and

(ii) Total receipts less transfers between affiliated political committees (as defined in § 100.14).

(9) The identification of each person to whom expenditures have been made by or on behalf of the committee or candidate within the reporting period which total more than \$100, or in an amount less than \$100 if the total exceeds \$100 within a calendar year, together with the amount, date and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditures were made;

(10) The total of expenditures made by or on behalf of the committee or candidate during the reporting period and the calendar year together with total expenditures less transfers between affiliated political committees (as defined in § 100.14(c)) candidate;

(11) The amount and nature of outstanding debts and obligations owed by or to the committee including any written contracts, agreements, or proposals to make contributions or expenditures. (Section 104.9 of this part sets forth the special reporting requirements applicable to debts and obligations.

(c) (1) Except as noted in (2) below, each principal campaign committee shall consolidate in its report for each election the reports required to be filed with it,

including (i) the candidate's report (unless waived) and (ii) reports submitted to it by any authorized committees and (iii) the principal campaign committee's own report. The consolidation shall be completed on FEC Form 3b and be submitted with the reports of the principal campaign committee and the reports or applicable portion of reports of the committees shown on the consolidation.

(2) For pre-election reports, the principal campaign committee may, if necessary, file the consolidated report disclosing the total receipts and expenditures by all authorized committees with respect to that election without including all of the detailed reports of committees required to file with it.

(i) Committees required to file with a principal campaign committee shall file a copy of their report with the Commission or with the Clerk of the House, or the Secretary of the Senate, as custodian for the Commission by the 10th day preceding the election, in addition to filing with the principal campaign committee, unless the principal campaign committee files a complete consolidated report 10 days prior to the election under (c) (1) above.

(ii) The principal campaign committee shall then file a consolidated report no later than 5 days before the election, the report to include the detailed reports from committees required to file with it, if the detailed report was not filed 10 days prior to the election.

(d) Candidates and authorized committees which are following § 101.2(b) shall report primary and general activity separately.

§ 104.3 Disclosure of receipt and consumption of in-kind contributions.

(a) (1) Each in-kind contribution shall be valued at the usual and normal charge on the date received and reported if in excess of \$100 on the appropriate schedule of receipts, identified as to its nature and listed as a "contribution in-kind."

(2) Except for items noted in (c) below, each contribution shall be reported as an expenditure at the same usual and normal charge and reported on the appropriate expenditure schedule, identified and listed as an "in-kind contribution."

(b) (1) The usual and normal charge of goods shall be the retail price of those goods in the market from which they ordinarily would have been purchased at the time of their contribution.

(2) The usual and normal charge of any services, other than those provided by an unpaid volunteer, shall be the hourly or piecework rate charge for the services prevailing at the time the services were rendered.

(c) Contributions of stock, bonds, art objects, and other similar items to be liquidated shall be reported as follows:

(1) If the item has not been liquidated at the close of a reporting period, the committee or candidate shall report as a memo entry (not as cash) the item's fair market value on the date received, including the identification (and where in

excess of \$100, occupation and principal place of business) of the contributor.

(2) When the item is sold, the committee or candidate shall report the proceeds on the report of receipts and expenditures, including the identification (and where in excess of \$100, occupation and principal place of business) of the purchaser, if known and the identification of the contributor.

§ 104.4 Filing dates.

(a) Except as provided otherwise in this section, each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to that office shall file the reports of receipts and expenditures required under this part.

(b) Pre-election and post-election reports. (1) Candidates. (i) Pre-election report. Individuals not having a waiver under § 101.3 shall file a pre-election report no later than the 10th day before every election in which they are a candidate.

(A) Each report filed by registered or certified mail shall be postmarked not later than the 12th day before the election.

(B) This report shall disclose all receipts and disbursements as of the 15th day before the election.

(ii) Post-election report.

(A) Individuals required to file a pre-election report shall also file a post-election report no later than the 30th day after the election.

(B) This report shall include all receipts and disbursements as of the 20th day after the election.

(2) Principal campaign committees. The principal campaign committee of every candidate shall file pre- and post-election reports in the same manner as specified for candidates by subparagraph (1). The pre-election report shall be a consolidated report of all authorized political committees of the candidate or a detailed report. See § 104.2(c).

(3) Authorized political committees. Authorized political committees shall file pre- and post-election reports with the principal campaign committee or the Clerk of the House or the Secretary of the Senate, as custodian for the Commission pursuant to § 104.2(c) (2) (1).

(4) Contributions to Presidential candidates from political committees which are not reporting monthly—

(i) Political committees which make a contribution to a Presidential candidate shall file pre- and post-election reports relating to the election next occurring after the contribution is made.

(ii) If the contribution is made less than 15 days before an election, the contribution shall be reported on the post election report relating to that election.

(iii) For the purposes of this subparagraph, contributions to the principal campaign committee of a Presidential candidate are considered contributions relating to the next election in which that candidate is on the ballot or has a slate of authorized delegates on the ballot. If two or more elections are held on one day, the contribution shall be

considered to relate to each election on that day in which the candidate is a candidate.

(c) *Annual report.* In any calendar year in which an individual is a candidate but there is no election for the office sought, an annual report shall include all transactions as of December 31 and shall be filed by January 31 of the following year.

(d) *Quarterly report.* A report shall be filed on April 10, July 10, October 10, and January 31 following the close of the immediately preceding calendar quarter in which the candidate or political committee received contributions in excess of \$1,000 or made expenditures in excess of \$1,000, or, in non-election years, when contributions and expenditures together exceed \$5,000, see § 102.

(1) These reports shall include all receipts and disbursements as of the close of the calendar quarter.

(2) When the last day for filing any quarterly report required by (c) above occurs within 10 days before or after an election, the quarterly report need not be filed so long as the pre-election reports required by § 104.4(b) (1) are timely filed.

(e) If any contribution of \$1,000 or more is received by a candidate, a treasurer or his or her authorized agent subsequent to the 15th day, but more than 48 hours before 12:01 a.m. of the day on which an election is to be conducted, the identification, occupation and principal place of business of the contributor shall be reported to the Commission, the Clerk of the House or Secretary of the Senate, as custodian for the Commission, within 48 hours of receipt. For purposes of this paragraph, report means—

(1) A letter signed by the treasurer or his or her agent, hand delivered within 48 hours of the receipt of the contribution, or

(2) A telegram, or mailgram followed by a letter signed by the treasurer or his or her agent, sent registered or certified mail and postmarked within 48 hours of the receipt of the contribution.

For purposes of this subparagraph (e) only, "election" means an election for which the ballot bears the name of the candidate, or delegates committed to the candidate, who received (or one of whose authorized committees received) the contribution, or an election for which a candidate is conducting a write-in campaign.

(f) *Monthly reporting.* (1) In any calendar year in which a general election is held, each Presidential candidate who makes contributions or expenditures in more than one state, his or her principal campaign committee and any other authorized committee, shall file the reports required by this Part 105 by the 10th day of the month in each month except January, November, and December of the calendar year, instead of pre- and post-primary reports and quarterly reports. These reports shall include all receipts and disbursements as of the last day of the month immediately preceding the month in which the report is filed.

(2) The pre- and post-election reports required to be filed under paragraph (b) relating to a general election, the 4th quarterly reports required to be filed under paragraph (d) and the reports required to be filed prior to an election under paragraph (e), shall nevertheless be filed.

(3) For candidates, the monthly reporting requirement shall continue until a candidate files with the Commission a statement that his or her name will not appear on any ballot in a primary or the general election. Any candidate filing this statement shall thereafter file reports pursuant to paragraphs (c) and (d) of this section.

(4) Political committees which make contributions or expenditures in more than one state, may, upon request to and approval by the Commission, file monthly reports as set out above.

§ 104.5 Uniform reporting of contributions.

(a) Each contributor of an amount in excess of \$100 shall be disclosed by identification, occupation, and principal place of business, if any. If a contributor's name or address is known to have changed since an earlier contribution reported during the calendar year, the exact name or address previously used shall be noted with the first subsequent entry.

(b) In each case when a contribution received from a person in a reporting period is added to previously unitemized contributions from the same person and the aggregate exceeds \$100 within a calendar year, the identification, occupation, and principal place of business, if any, of that contributor shall then be listed on the prescribed reporting forms.

(c) Absent evidence to the contrary, any contribution made by check, money order, or other written instrument shall be reported as a contribution by the last person signing the instrument prior to delivery to the candidate or committee.

All contributions from the same person during the calendar year shall be listed under the same name.

§ 104.6 Uniform reporting of expenditures.

(a) A candidate or committee shall report each expenditure by or on behalf of a candidate or committee in excess of \$100, and shall include the identification of the recipient.

(b) In each case when an expenditure made to a recipient in a reporting period is added to previously unitemized expenditures to the same recipient and the total exceeds \$100 for the calendar year, the identification of that recipient shall be listed on the prescribed reporting forms.

§ 104.5 Uniform reporting of contributions.

(a) Each contributor of an amount in excess of \$100 shall be disclosed by identification, occupation, and principal place of business, if any. If a contributor's name or address is known to have changed since an earlier contribution re-

ported during the calendar year, the exact name or address previously used shall be noted with the first subsequent entry.

(b) In each case when a contribution received from a person in a reporting period is added to previously unitemized contributions from the same person and the aggregate exceeds \$100 within a calendar year, the identification, occupation, and principal place of business, if any, of that contributor shall then be listed on the prescribed reporting forms.

(c) Absent evidence to the contrary, any contribution made by check, money order, or other written instrument shall be reported as a contribution by the last person signing the instrument prior to delivery to the candidate or committee.

All contributions from the same person during the calendar year shall be listed under the same name.

§ 104.6 Uniform reporting of expenditures.

(a) A candidate or committee shall report each expenditure by or on behalf of a candidate or committee in excess of \$100, and shall include the identification of the recipient.

(b) In each case when an expenditure made to a recipient in a reporting period is added to previously unitemized expenditures to the same recipient and the total exceeds \$100 for the calendar year, the identification of that recipient shall be listed on the prescribed reporting forms.

§ 104.7 Allocation of expenditures among candidates.

A political committee making an expenditure on behalf of more than one candidate for Federal or non-Federal office shall allocate the expenditure(s) among the candidates on a reasonable basis pursuant to Part 106, and report the allocation for each Federal candidate. The treasurer shall retain all documents supporting the allocation in accordance with § 110.2.

§ 104.8 Continuous reporting of debts and obligations.

(a) Debts and obligations which remain outstanding after the election shall be continuously reported until extinguished. See § 105.1(b). These debts and obligations shall be reported on separate schedules together with a statement explaining the circumstances and conditions under which each debt and obligation is incurred or extinguished.

(b) A debt, obligation, or other promise to make an expenditure of \$500 or less, shall be reported as of the time payment is made or no later than 60 days after incurrence, whichever comes first. A loan of money in the ordinary course of business and any debt or obligation over \$500 shall be reported as of the time of the transaction.

§ 104.9 Waiver of reporting requirements.

Upon application to the Commission, a political committee may be relieved, at the discretion of the Commission, of the duty to file reports of receipts and dis-

bursements if the treasurer of that political committee certifies that the political committee

(a) Primarily supports persons seeking State or local office; and

(b) Does not operate in more than one state or does not operate on a statewide basis.

§ 104.10 Political committees; cash on hand.

Political committees and candidates which have cash on hand at the time of registration (which committee or candidate anticipates using in an election) shall disclose on their first report the source(s) of these funds, including the information required by Part 104.2. The cash balances are assumed to be composed of those contributions most recently received by the committee or candidate.

§ 104.11 Members of Congress; reporting exemption.

A Member of the Congress is not required to report, as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him by the Senate Recording Studio, the House Recording Studio, or by an individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Representatives, or if the services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee. This subsection does not apply to recording services furnished during the calendar year before the year in which the Member's term expires.

§ 104.12 Formal requirements regarding reports and statements.

(a) Each individual having the responsibility to file a report required under this subchapter shall sign the original report.

(b) Each candidate, political committee, or other person required to file any report or statement under this subchapter shall:

(1) Maintain records with respect to the matters required to be reported, including vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and date from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness;

(2) Preserve a copy of each report or statement filed; and

(3) Keep those records and reports available for audit, inspection, or examination by the Commission or its authorized representatives for a period of not less than 3 years from the end of the year in which the report or statements was filed.

(c) Acknowledgments by the Commission, the Clerk of the House, or the Secretary of the Senate, of the receipt of statements of organization or reports or

statements filed under this subchapter are intended solely to inform the person filing the report of its receipt and neither the acknowledgment nor the acceptance of a report or statement shall constitute express or implied approval, or in any manner indicate that the contents of any report or statement fulfill the filing or other requirements of the Act of these regulations.

(d) Each treasurer of a political committee, each candidate, and any other person required to file any report or statement under these regulations and under the Act shall be personally responsible for the timely and complete filing of the report or statement and for the accuracy of any information or statement contained in it.

PART 105—DOCUMENT FILING

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|-------|---|
| Sec. | |
| 105.1 | Place of filing; House candidates and committees. |
| 105.2 | Place of filing; Senate candidates and committees. |
| 105.3 | Place of filing; Presidential candidates and committees. |
| 105.4 | Place of filing; Committees and others. |
| 105.5 | Microfilm copies of original reports filed with the Clerk and the Senate Secretary forwarded to the Commission. |
| 105.6 | Reports filed with the Clerk and Secretary; copies transmitted to Commission. |

AUTHORITY: 2 U.S.C. § 437d and will implement 2 U.S.C. §§ 432, 433, 434, and 438.

§ 105.1 Place of filing; House candidates and committees.

Reports and statements and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by a candidate for nomination or election to the office of Representative in/or Delegate or Resident Commissioner to, the Congress of the United States, and by the candidate's principal campaign committee shall be filed in original form with and received by the Clerk of the House of Representatives, as custodian for the Federal Election Commission.

§ 105.2 Place of filing; Senate candidates and committees.

Reports and statements and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by a candidate for nomination or election to the office of United States Senator and by the candidate's principal campaign committee shall be filed in original form with and received by the Secretary of the Senate, as custodian for the Federal Election Commission.

§ 105.3 Place of filings; Presidential candidates and committees.

Reports and statements and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by a candidate for nomination or election to the office of President and Vice President of the United States, and by the candidate's principal campaign committee shall be

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filed in original form with the Federal Election Commission.

§ 105.4 Place of filing; committees and others.

(a) Reports and statements, and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by political committees (other than a candidate's principal campaign committee and other authorized committees of a candidate).

(1) Which support only candidates for nomination or election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, shall be filed in original form with and received by the Clerk of the House of Representatives as custodian for the Federal Election Commission.

(2) Which support only candidates for nomination or election to the office of United States Senator, shall be filed with, and received by the Secretary of the Senate, as custodian for the Federal Election Commission.

(b) Reports and statements, and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by all other political committees, and all persons making independent contributions or expenditures, shall be filed in original form with the Federal Election Commission.

§ 105.5 Microfilm copies of original reports filed with the Clerk and the Senate Secretary forwarded to the Commission.

Upon receiving a report or statement filed under §§ 105.1, 105.2 and 105.4(a), the Secretary of the Senate and the Clerk of the House shall each forward to the Commission a microfilm copy of each report and statement filed with each of them as promptly as possible after receipt of the original report or statement, together with an index to the microfilmed reports and statements.

§ 105.6 Reports filed with the Clerk and Secretary; copies transmitted to the Commission.

(a) Upon receiving a statement or report filed under §§ 105.1, 105.2 and § 105.4(a), the Secretary of the Senate and the Clerk of the House of Representatives shall each forward to the Commission, as promptly as possible after receipt, a photocopy or photocopies of each report or statement.

(b) The Secretary of the Senate and the Clerk of the House shall place on each report and statement received a time and date stamp reflecting the time and date the original report or statement was received.

PART 106—ALLOCATION OF CANDIDATE AND COMMITTEE ACTIVITIES

Sec.

106.1 Allocation of expenditures among (or between) candidates and activities.

106.2 Allocation of expenditures among States by candidates for Presidential nomination.

Sec.

106.3 Allocation of expenses between campaign and non-campaign related travel by a candidate.

AUTHORITY: Sec. 308, 86 Stat. 17, as amended (2 U.S.C. § 438). Interpret or apply sections 301-308, 86 Stat. 18, (2 U.S.C. §§ 431-437) and 18 U.S.C. § 608(c) (4).

§ 106.1 Allocation of expenditures among (or between) candidates and activities.

(a) General Rule—Expenditures made on behalf of more than one candidate shall be attributed to each candidate in proportion to the benefit each can be reasonably expected to derive. The amount attributed shall be reported by each candidate or his or her authorized committee(s) in proportion to the benefit reasonably expected to be derived or, if the expenditure is unauthorized, it shall be reported as an independent expenditure by the person making it.

(b) An authorized expenditure made by a candidate or political committee on behalf of another candidate shall be reported as a contribution in-kind (transfer) to the candidate on whose behalf the expenditure was made, except that expenditures made by party committees pursuant to, 2 U.S.C. § 441(a) need not be so reported.

(c) Exceptions. (1) Expenditures for rent, overhead general administrative and other day-to-day costs of political committees need not be attributed to individual candidates, unless these expenditures are made on behalf of a clearly identified candidate or candidates.

(2) Expenditures for educational campaign seminars, for training of campaign workers and for registration or get-out-the vote drives of multicandidate committees need not be attributed to candidates unless these expenditures are made on behalf of a clearly identified candidate or candidates.

(d) For purposes of this section "clearly identified" means—

- (1) The candidate's name appears;
- (2) A photograph or drawing of the candidate appears; or
- (3) The identity of the candidate is apparent by unambiguous reference.

(e) Party committees and other political committees which have established Federal campaign committees pursuant to § 102.6 shall allocate administrative expenses on a reasonable basis between Federal and non-Federal activities in proportion to the amount of funds expended on Federal and non-Federal elections, or on another reasonable basis.

§ 106.2 Allocation of expenditures among states by candidates for presidential nomination.

(a) Expenditures made by a candidate or his or her authorized committee(s) which seek to influence the nomination of a candidate for the Office of President in a particular state shall be attributed to that state. This allocation of expenditures shall be reported on FEC Form 3C.

(b) Expenditures for administrative, staff and overhead costs directly relating

to the national campaign headquarters shall be reported but need not be attributed to individual states. Expenditures for staff, media, printing and other goods and services used in a campaign in a specific state shall be attributed to that state.

(c) An expenditure by a presidential candidate for use in two or more states, which cannot be attributed in specific amounts to each state, shall be attributed to each state based on the voting age population in each state which can reasonably be expected to be influenced by such expenditure.

(1) Expenditures for publication and distribution of newspaper, magazine, radio, television and other types of advertisements distributed in more than one state shall be attributed to each state in proportion to the estimated viewing audience or readership of voting age which will reasonably be expected to be influenced by these advertisements.

(2) Expenditures for travel within a state shall be attributed to that state. Expenditures for travel between states need to be attributed to any individual state.

§ 106.3 Allocation of expenses between campaign and noncampaign related travel.

(a) All expenditures for campaign-related travel paid for by a candidate from a campaign account or by his or her authorized committees or by any other political committee shall be reported.

(b) (1) Travel expenditures paid for by a candidate from personal funds, or from a source other than a political committee, shall constitute reportable expenditures if the travel is campaign-related.

(2) Where a candidate's trip involves both campaign-related and non-campaign related stops, the expenditures allocable for campaign purposes are reportable, and are calculated on the actual cost-per-mile of the means of transportation actually used, starting at the point of origin of the trip, via every campaign-related stop and ending at the point of origin.

(3) Where a candidate conducts any campaign-related activity in a stop, the stop is a campaign-related stop and travel expenditures made are reportable. Campaign-related activity shall not include any incidental contacts.

(c) (1) Where an individual, other than a candidate, conducts candidate-related activities on a trip, the portion of the trip attributed to each candidate shall be allocated on a reasonable basis.

(2) Travel expenses of a candidate's spouse and family are reportable as expenditures only if the spouse or family members conduct campaign-related activities.

(d) Expenses incurred by a candidate for the United States Senate or House of Representatives for travel between Washington, D.C., and the state or district in which he or she is a candidate need not be reported as expenditures, unless the expenses are paid by a can-

didate from a campaign account, by a candidate's authorized committee(s), by any other political committee(s), or from an office account, see Part 113.

(e) Notwithstanding (b) and (c) above, the reportable expenditure for a candidate who uses government conveyance or accommodations for travel which is campaign-related is the rate for comparable commercial conveyance or accommodation. In the case of a candidate authorized by law or required by national security to be accompanied by staff and equipment, the allocable expenditures are the costs of facilities sufficient to accommodate the party, less authorized or required personnel and equipment. If such a trip includes both campaign and non-campaign stops, equivalent costs are calculated in accordance with paragraphs (b) and (c) of this section.

PART 107—CONVENTION REPORTS

- Sec.
- 107.1 Reports; committees shall report.
- 107.2 Reports; political parties.
- 107.3 Convention reports; time and content of filing.
- 107.4 Convention expenses; definitions.

AUTHORITY: Secs. 308(a)(13), 86 Stat. 17, 2 U.S.C. 438, interpret or apply section 307, 86 Stat. 16, 2 U.S.C. 437, as amended.

§ 107.1 Reports by Municipal and Private Host Committees.

Each committee or other organization which represents a state, a political subdivision thereof, or any other group of persons, in dealing with officials of a national political party with respect to matters involving a presidential nominating convention held in that state, shall file reports with the Commission as set out in § 107.3 of this Part.

§ 107.2 Reports by political parties.

(a) Each committee or other organization, including a national committee which represents a national major, minor, or new political party in making arrangements for the convention of that party held to nominate a candidate for the office of President or Vice President shall file reports with the Commission as set out in § 107.3 of this Part.

(b) A state party committee or a subordinate committee of a state party committee which assists delegates and alternates to the convention from that state with travel expenses and arrangements, or which sponsors caucuses, receptions and similar arrangements, or which sponsors caucuses, receptions and similar activities at the convention site need not report under this Part 107.

§ 107.3 Convention reports time and content of filing.

(a) Each committee organization required to file under §§ 107.1-2 shall within 60 days following the last day the convention is officially in session, but not later than 20 days prior to that date of the general election; file with the Commission a convention report on FEC Form 4, which shall contain all receipts

and disbursements in connection with the convention and shall be complete as of ____ days following the convention.

(b) If the committee spends or receives any funds after 60 days following the convention, the committee shall file, no later than 10 days after the end of the next calendar quarter, a report disclosing all transactions completed as of the close of that calendar quarter and shall continue to file quarterly reports until all debts and obligations have been extinguished.

(c) Each committee shall file a final report with the Commission not later than 10 days after it ceases activity, unless such status is reflected in either the reports submitted pursuant to §§ 107.3 (a) or (b).

§ 107.4 Convention expenses; definition.

For the purposes of this part, receipts and disbursements, in connection with a convention, means convention expenses as defined in Part 120 of these regulations.

PART 108—FILING COPIES OF REPORTS AND STATEMENTS WITH STATE OFFICERS

- Sec.
- 108.1 Filing requirements.
- 108.2 Filing copies of reports of Presidential and Vice Presidential candidates.
- 108.3 Filing copies of reports by other Federal candidates and committees.
- 108.4 Filing copies of reports by committees supporting Presidential candidates.
- 108.5 Time and manner of filing copies.
- 108.6 Duty of state officers.
- 108.7 Effect on state law.

AUTHORITY: Sec. 308(a)(13), 86 Stat. 17, 2 U.S.C. § 438, interpret or apply section 309, 86 Stat. 18, 2 U.S.C. §§ 439 and 453.

§ 108.1 Filing requirements.

A copy of each statement and report required to be filed under this subchapter shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent state officer) of the appropriate state. For purposes of this part, the term "appropriate state" means the state or jurisdiction designated in § 108.2 or § 108.3.

§ 108.2 Filing copies of reports by Presidential and Vice Presidential candidates.

A copy of each report and statement required to be filed shall be filed by the candidate or authorized committee with the state officer of each state or other jurisdiction in which an expenditure is made during a reporting period by a candidate for the office of President or Vice President or on the candidate's behalf, the report to contain at least all transactions pertaining to that state.

§ 108.3 Filing copies of reports by other Federal candidates and committees.

A copy of each report and statement required to be filed under this subchapter by other candidates and political committees shall be filed with the state officer of each state or other jurisdiction

in which a candidate, other than for President or Vice President, seeks election.

§ 108.4 Filing copies of reports by committees supporting Presidential candidates.

Committees, other than a presidential candidate's principal campaign committee, and other authorized committees, which make contributions to, or expenditures on behalf of, presidential candidates shall file a copy of reports and statements only in the state(s) in which the recipient and contribution committees have their headquarters.

§ 108.5 Time and manner of filing copies.

A copy required to be filed with a state officer under this part shall be filed at the same time as the original report is filed. Each copy of a report or statement shall be a complete, true, and legible copy of the original report or statement filed.

§ 108.6 Duty of State officers.

It is the duty of the Secretary of State, or the equivalent state officer,

(a) To receive and maintain in an orderly manner all reports and statements required to be filed;

(b) To preserve such reports and statements for a period of 10 years from date of receipts, except that reports and statements relating solely to candidates for the House of Representatives need be preserved for only 5 years from the date of receipt;

(c) To make the reports and statements filed available for public inspection and copying during regular office hours commencing as soon as practicable but not later than the end of the day on which it was received and to permit copying of any such report or statement by hand or by duplicating machine, requested by any person, at the expense of such person, such per copy expense to be reasonable.

§ 108.7 Effect on state law.

(a) The provisions of the Federal Election Campaign Act of 1971, as amended, and rules and regulations issued thereunder, supersede and preempt any provision of state law with respect to election to Federal office.

(b) Federal law supersedes state law concerning the (1) Organization and registration of political committees supporting federal candidates; (2) Disclosure of receipts and expenditures by Federal candidates and political committees, and (3) Limitations on contributions and expenditures regarding Federal candidates and political committees.

(c) The Act does not supersede state laws which provide for the (1) Manner of qualifying as a candidate; (2) Dates and places of elections; (3) Voter registration; (4) Prohibition of false registration, voting fraud, theft of ballots and similar offenses; or (5) Candidate's personal financial disclosure are not superseded by Federal law.

PART 109—INDEPENDENT EXPENDITURES

Sec.	
109.1	Definition.
109.2	Reporting of independent expenditures.
109.3	Certification of independent expenditures.
109.4	Non-authorization notice.

§ 109.1 Definition.

(a) "Independent Expenditure" means an expenditure by a person for a communication expressly advocating the election or defeat of a clearly identifiable candidate which:

(1) Is made without the direct or indirect cooperation or prior consent of or consultation with the candidate or any agent or authorized committee of the candidate;

(2) Is not made either directly or indirectly in concert with or at the request or suggestion of, the candidate or any agent or authorized committee of the candidate.

(b) For the purpose of this definition—

(1) "Person" means an individual, partnership, committee, association or any organization or group of persons but does not mean a labor organization, corporation, or national bank, see Part 114;

(2) "Expressly advocating" means any communication containing a message advocating election or defeat;

(3) "Clearly identifiable candidate" means that a candidate's name, photo, or drawing appears, or the candidate's identity is otherwise apparent by unambiguous reference.

(4) "Made with the direct or indirect cooperation or with the consent of, or consultation with, or by request or suggestion of a candidate or any agent or authorized committee of the candidate" means:

(i) Any arrangement, coordination, or direction by the candidate or his/her agent prior to the publication, distribution, display or broadcast of the communication; an expenditure will be presumed to be so made when it is—

(A) Based on information about the candidate's needs, desires, projects, etc., provided to the expending person by the candidate, or the candidate's agent with a view towards an independent expenditure;

(B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent.

(ii) The financing of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agent.

(iii) The ratification of past independent expenditures which causes the person to make similar such expenditures in the future;

(iv) But does not include providing, upon request, the expending person with

Commission guidelines on independent expenditures.

(c) An expenditure not qualifying under this definition as an independent expenditure shall be a contribution in kind to the candidate and an expenditure by the candidate, unless otherwise exempted.

§ 109.2 Reporting of independent expenditures.

(a) Every political committee, other than an authorized committee of a candidate shall report to the Commission in its report of itemized expenditures each independent expenditure in excess of \$100 during a reporting period.

(1) The report shall contain the identification of the person to whom it was made, the amount and date of the expenditure, the candidate's name and address, and the office he/she seeks, and whether the expenditure was in support of or in opposition to such candidate.

(2) This information shall be filed in a report (monthly, quarterly, pre-election or post-election) covering any period in which any independent expenditure exceeding \$100 is made.

(b) Every other person, including political committees not otherwise reporting, who make independent expenditures or contributions toward an independent expenditure aggregating in excess of \$100 during a calendar year shall file with the Commission on FEC Form 5.

(1) The report shall contain the identification of the person to whom it was made, the amount and date of the expenditure, the candidate's name and address and the office he/she seeks and whether the expenditure was in support of or in opposition to such candidate.

(2) The report shall be filed at the end of the reporting period (quarterly, pre-election, or post-election) during which the expenditure was made, and in any reporting period thereafter in which additional independent expenditures are made.

(c) Independent expenditures by any person or any political committee of \$1,000 or more made after the fifteenth day, but more than 24 hours before any election shall be reported within 24 hours of such independent expenditure, pursuant to § 104.4(e).

§ 109.3 Certification of independent expenditures.

(a) Each of the filings pursuant to § 109.2 shall include a certification under the penalty of perjury that such expenditure was not made in cooperation, consultation or concert with, or at the request or suggestion of any candidate and did not involve the financing of the dissemination, distribution, or republication in whole or in part of any broadcast or any written graphic or other form of campaign materials prepared by the candidate, his campaign committee or their agent.

§ 109.4 Non-authorization notice.

(a) A notice appearing clearly and conspicuously as part of any broadcast, advertisement, pamphlet, letter, outdoor

advertising facility or other campaign material constituting an independent expenditure shall state:

(1) That the communication is not authorized by any candidate;

(2) The name and address of the person who is financing the communication, including in the case of a political committee the names of the officers and the name of any affiliate or connection organization required to be disclosed under § 102.2(a)(2).

(b) For purposes of this section "clearly and conspicuously" means on the face or front page of the printed matter or at the beginning or end of broadcast or telecast matter.

PART 110—CONTRIBUTIONS AND EXPENDITURE LIMITATIONS AND PROHIBITION

Sec.	
110.1	Contributions by persons.
110.2	Contributions by multi-candidate committees.
110.3	Affiliated committees; transfers.
110.4	Prohibited contributions.
110.5	Annual contribution limit.
110.6	Earmarked contributions.
110.7	Party committee expenditures.
110.8	Presidential expenditure limits.
110.9	Miscellaneous provisions.
110.10	Expenditures by candidates.
110.11	Communications; advertising.
110.12	Honorariums.

§ 110.1 Contributions by persons.

(a) (1) No person (except multi-candidate committees under § 110.2) shall make contributions to any candidate and his or her authorized political committees with respect to any election to Federal office which in the aggregate exceed \$1,000.

(2) "With respect to any election" means—

(i) In the case of a contribution designated in writing for a particular election, the election so designated, except that a contribution made after a primary election, caucus or convention, and designated for the primary election, caucus or convention shall be made only to the extent that the contribution does not exceed debts outstanding from the primary election, caucus or convention.

(ii) In the case of a contribution not designated in writing for a particular election,

(A) For a primary election, caucus or convention, if made before the date of the election, caucus or convention, or

(B) For a general election if made after the date of the primary election.

(b) (1) No person (except multicandidate committees under § 110.2) shall make contributions to the national committee of a political party, or to any political committee established, maintained or controlled by a national party, which in the aggregate exceed \$20,000 in any calendar year.

(2) The recipient committee shall not be an authorized committee of any candidate.

(c) No person shall make contributions to any other political committee which in the aggregate exceed \$5,000 in any calendar year.

(d) The limitations in (b) and (c) apply to contributions made to committees making independent expenditures, see Part 109.

(e) A contribution by a partnership shall—

(1) Be attributed to each partner in direct proportion to his or her share of the partnership profits, according to instructions provided by the partnership, or

(2) Be attributed by agreement of the partners, as long as—

(i) Only the profits of the partners to whom the contribution is attributed are reduced (or losses increased), and,

(ii) These partners' profits are reduced (or losses increased) in proportion to the contribution attributed to each of them; and,

(3) Not exceed \$1,000 to any candidate with respect to any election.

(f) If an individual is a candidate for more than one Federal office, a person may contribute \$1,000 for each election for each office, as long as—

(1) The contributor clearly designates in writing for which office each contribution is intended, and

(2) The candidate maintains separate campaign organizations, including separate principal campaign committees and separate accounts, and

(3) No funds are transferred, loaned or otherwise contributed between or among the separate campaigns and no expenditures are made by one campaign on behalf of another campaign, except as provided in 110.3(a) (2) (iii).

(g) (1) Contributions made to retire debts resulting from elections held prior to January 1, 1975 are not subject to the limitations of this Part 10, so long as contributions and solicitations to retire these debts are clearly designated for that purpose.

(2) Contributions made to retire debts resulting from elections held after December 31, 1974 are subject to the limitations of the Part 110.

(h) A person may contribute to a candidate or his or her authorized committee with respect to a particular election and also contribute to a political committee which has supported, or anticipates supporting, the same candidate in the same election, as long as

(1) The political committee is not the candidate's principal campaign committee or other authorized committee;

(2) The contributor does not give with the knowledge that a substantial portion will be contributed to that candidate for the same election; and

(3) The contributor does not retain control over the funds.

(i) (1) Even though a spouse in a single income family has contributed \$1,000 to a candidate for an election, the other spouse may similarly contribute \$1,000 to the same candidate for the same election.

(2) Minor children (children under 18 years of age) may contribute up to \$1,000 to a candidate for an election if—

(i) The funds, goods or services contributed are owned or controlled ex-

clusively by the minor child, such as income earned by the child, the proceeds of a trust for which the child is the beneficiary, or a savings account opened and maintained exclusively in the child's name; and

(ii) The contribution is not made from the proceeds of a gift, the purpose of which was to provide funds to be contributed, or is in any other way controlled by another individual.

(j) (1) The limitations on contributions in this subsection shall apply separately with respect to each election, except that all elections held in a calendar year for the office of President of the United States (except a general election for that office) shall be considered to be one election.

(2) An election in which a candidate is unopposed is a separate election.

(k) Transfers between and among political committees which are the national, state, district or local committees, and subordinate committees thereof, of the same political party are unlimited.

§ 110.2 Contributions by multi-candidate committees.

(a) No multi-candidate political committee shall make contributions—

(1) To any candidate and his authorized political committees with respect to any election for Federal office, which, in the aggregate, exceed \$5,000; "with respect to any election" has the same meaning as in § 110. (a) (2);

(2) To the political committees established and maintained by a national political party in any calendar year, which, in the aggregate, exceed \$15,000;

(i) The recipient committee shall not be an authorized committee for any candidate;

(ii) "Political committees established and maintained by a national political party" means the national committee, Senate and House committees, and any subordinate committees established and maintained by them; or,

(3) To any other political committee in any calendar year which, in the aggregate, exceed \$5,000.

(b) Transfers between and among multi-candidate committees which are the national, state, district or local committees, and subordinate committees thereof, of the same political party are unlimited.

(c) For purposes of this section, "multi-candidate political committee" means a political committee which—

(1) Has been registered with the Commission, the Clerk, the Secretary for at least six months;

(2) Has received contributions for Federal elections from at least 50 persons; and

(3) Has made contributions to at least 5 Federal candidates. This subparagraph does not apply to state political party committees, but does apply to subordinate state party committees.

(d) Notwithstanding any other provision of the Act, the Republican and Democratic Senatorial campaign committees, or the national committee of a political party, or any combination thereof, may

contribute not more than a combined total of \$17,500 to a candidate for nomination or election to the Senate during the calendar year of the election for which he or she is a candidate. No more than \$5,000 may be contributed to a candidate in a year other than that election year. It shall be considered to be part of the \$17,500 total contribution limit for that election year.

(e) (1) The limitations on contributions in this subsection (other than (d)) shall apply separately with respect to each election, except that all elections held in a calendar year for the office of President of the United States (except a general election for that office) shall be considered to be one election.

(2) An election in which a candidate is unopposed in separate election.

§ 110.3 Affiliated committee; transfers.

(a) (1) (i) For the purpose of limitations in §§ 110.1 and 110.2, contributions shall be considered to be made by a single political committee (including a single separate segregated fund) if made by more than one political committee (including a separate segregated fund) established, financed, maintained or controlled by any corporation, labor organization, or any other person, including any parent, subsidiary, branch, division, department or local unit thereof, or by a group of those persons.

(ii) For purposes of this subsection, "established, financed, directed or controlled" means possession of the authority, power or ability of one entity to create, fund, establish policies for, or otherwise direct the activities of another entity. For example:

(A) All of the political committees set up by a single corporation and its subsidiaries are treated as a single political committee;

(B) All of the political committees set up by a single national or international union and its local unions or other subordinate organizations are treated as a single political committee;

(C) All of the political committees set up by an organization of national or international unions and all its state and local central bodies are treated as a single political committee;

(D) All the political committees (other than party committees) established by the membership organizations, such as trade associations or other groups of persons and its state and local entities are treated as a single political committee;

(E) All the political committees established by a group of persons.

(iii) For organizations not covered by (i) above, indicia of this authority, power or ability include:

(A) Ownership of a controlling interest in voting shares or securities;

(B) Provisions of by-laws, constitutions or other document by which one entity has the authority, power or ability to direct another entity;

(C) The authority, power or ability to hire, appoint, discipline, discharge, demote or remove or otherwise influence the decision of the officers or members of an entity;



(D) Similar patterns of contributions;
 (E) The transfer of funds between committees which represent a significant portion of the funds of either the transferor or transferee committee.

(iv) One entity shall not be considered to be established, financed, directed or controlled by another entity solely because the two entities engage in a joint solicitation on a shared cost basis in proportion to membership or other reasonable basis of apportionment.

(2) This section shall not limit transfers between—

(i) Political committees of the funds raised through joint fundraising;

(ii) Authorized committees of the same candidate, or between the candidate and his or her authorized committees, if the candidate has not received a waiver from reporting;

(iii) The primary campaign and general election campaign of a candidate, of funds unused for the primary;

(iv) The principal campaign committees of a candidate seeking nomination or election to more than one Federal office, as long as—

(A) The transfer is made when the candidate is not actively seeking nomination or election to more than one office. For purposes of this subparagraph, "not actively seeking" means a committee having filed a termination report with the Commission, or having notified the Commission that the candidate or his authorized committees will make no further expenditure, except in connection with the retirement of debts outstanding at the time of the notification;

(B) The limitations on contributions by persons are not exceeded by the transfer. To assure this, the contributions making up the funds transferred shall be reviewed, beginning with the last received and working back until the amount transferred is reached. Contributions shall be excluded if, when added to contributions already made to the transferee principal campaign committee, they cause the contributor to exceed his or her limitation; and

(C) The candidate has not received funds under 26 U.S.C. §§ 9004 or 9034.

(b) (1) For the purposes of the limitations in §§ 110.1 and 110.2, all contributions made by a single political committee established, financed, maintained, or controlled by each of—

(i) The national committee of a political party and,

(ii) By the state committee of a political party, shall not be considered to be made by a single political committee.

(2) For example, as a result of (1) above,

(i) The national committee of a party (or the House campaign committee), and the state committee of a party, including all of its subordinate committees, each may contribute \$1000 (\$5000 if a multi-candidate committee) to a candidate for President of the United States or for the House for each election.

(ii) A state committee, including all of its subordinate committees, may contribute \$1000 (\$5000 if a multi-candidate committee) to a Senate candidate for each election. The national committees

and the Senate campaign committees have special limitations regarding Senate candidates, see § 110.2(d).

§ 110.4 Prohibited contributions.

(a) (1) A foreign national shall not make a contribution, or expressly or impliedly promise to make a contribution, in connection with a convention, caucus, primary, general, special or runoff election in connection with any local, state or Federal public office.

(2) No person shall solicit, accept or receive a contribution as set out above from a foreign national.

(3) For purposes of this subsection, "foreign national" means—

(i) A foreign principal, as defined in 22 U.S.C. § 611(b); or

(ii) An individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined in 8 U.S.C. § 1101(a) (20);

(iii) Except that "foreign national" shall not include any individual who is a citizen of the United States.

(b) (1) No person shall—

(i) Make a contribution in the name of another;

(ii) Knowingly permit his or her name to be used to effect that contribution; or,

(iii) Knowingly accept a contribution made by one person in the name of another.

(2) Examples of "contribution in the name of another" include—

(i) Giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time of the contribution is made, see § 110.6; or

(ii) Making a contribution of money or anything of value and attributing as the source of the money or the thing of value another person when in fact the contributor is the source.

(c) (1) With respect to any campaign for nomination for election, or election, to Federal office, no person shall make contributions to a candidate or political committee of currency of the United States, or of any foreign country, which in the aggregate exceed \$100.

(2) A candidate or committee receiving a cash contribution in excess of \$100 shall promptly return the amount over \$100 to the contributor.

(3) A candidate or committee receiving an anonymous cash contribution in excess of \$50 shall promptly dispose of the amount over \$50. The amount over \$50 may be used for any lawful purpose unrelated to any Federal election, campaign or candidate.

§ 110.5 Annual limitation.

(a) No individual shall make contributions aggregating more than \$25,000 in any calendar year.

(b) For purposes of this section,

(1) Any contribution made in a year other than in the calendar year in which an election is held shall be considered to be made during the calendar year in

which the election is held, as long as the contribution is made with respect to a particular candidate and election;

(2) An individual's contribution to a political committee in a non-election year shall not be attributable to the calendar year in which an election is held, as long as the political committee is not the principal campaign committee, or other authorized committee, of a candidate, and as long as the contribution is not otherwise designated for a particular election.

(c) The limitation in (a) applies to contributions made to a person who is making independent expenditures, see Part 109.

§ 110.6 Earmarked contributions.

(a) All contributions by a person made on behalf of or to a candidate, including contributions which are in any way earmarked or otherwise directed to the candidate through an intermediary or conduit, are contributions from the person to the candidate.

(b) For purposes of this section, earmarked means a designation, instruction or incumbrance (including those which are direct or indirect, express or implied, oral or written) which results in all or any part of a contribution or expenditure being made to, or expended on behalf of, a clearly identified candidate or a candidate's authorized committee.

(c) The intermediary or conduit of the earmarked contributions shall report the original source and intended recipient of the contribution to the Commission, the Clerk of the House of Representatives, or the Secretary of the Senate, as appropriate (see Part 105), and to the intended recipient.

(1) The report to the Commission, Clerk or Secretary shall be included in the conduit or intermediary's next due quarterly, pre- or post-election or annual report, and shall,

(i) If the contribution passed through the conduit's account, disclose each contribution, regardless of amount, on schedules of itemized receipts and expenditures;

(ii) If the contribution was passed on in the form of the contributor's check, disclose each contribution on a separate schedule attached to the conduit's next report.

(2) The report to the intended recipient shall be made when the contribution is passed on to the intended recipient.

(3) The reports in (1) and (2) above shall contain—

(i) The identification of the contributor, and if the contribution exceeds \$100, the contributor's occupation and principal place of business;

(ii) The amount of the contribution, the date received by the conduit; and the intended recipient as designated by the contributor;

(iii) The date the contribution was passed on to the intended recipient, and whether the contribution was passed on in cash, by the contributor's check, or by the conduit's check.

(d) (1) A conduit or intermediary's contribution limits are not affected by

passing on earmarked contributions, except where the conduit exercises any direction or control over the choice of the recipient candidate.

(2) If a conduit exercises any direction or control over the choice of the recipient candidate, the contribution shall be considered a contribution by both the original contributor and the conduit, and shall be so reported by the conduit to the Commission, Clerk or Secretary, as appropriate, and to the recipient, and so reported by the recipient candidate in its report of contributions received.

§ 110.7 Party expenditures.

(a) (1) The national committee of a political party may make expenditures in connection with the general election campaign of any candidate for President of the United States affiliated with the party.

(2) The expenditure shall not exceed an amount equal to 2 cents multiplied by the voting age population of the United States.

(3) Any expenditure under subsection (a) shall be in addition to—

(i) Any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for President of the United States; and

(ii) Any contribution by the national committee to the candidate permissible under § 110.1 except to candidates receiving general election public financing, see Part 140-45.

(4) The national committee of a political party may not make independent expenditures (see Part 109) in connection with the general election campaign of a candidate for President of the United States.

[Alternative] [(4) Expenditures by the national committee of a political party on behalf of a candidate for president affiliated with or nominated by that party in connection with the general election campaign of a candidate for President shall be presumed not to be independent expenditures. If the national committee makes a showing that the expenditures are independent, they may be made without regard to (a) (2) of this section]

(b) (1) The national committee of a political party, or a state committee of a political party, including any subordinate committee of a state committee, may make expenditures in connection with the general election campaign of a candidate for Federal office in that state who is affiliated with the party.

(2) The expenditures shall not exceed—

(i) In the case of a candidate for election to the office of Senator, or of Representative from a state which is entitled to only one Representative, the greater of—

(A) Two cents multiplied by the voting age population of the state; or

(B) Twenty thousand dollars; and

(ii) In the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other state, \$10,000.

(3) Any expenditure under subsection (c) shall be in addition to any contribu-

tion by a committee to the candidate permissible under § 110.1 (2 U.S.C. 441a).

(4) The party committees identified in (b) (1) may not make independent expenditures in connection with the general election campaign of candidates for Federal office.

[Alternative] [(4) Expenditures by the party committees identified in (b) (1) on behalf of candidates for Federal office affiliated with or nominated by that party in connection with the general election campaign of a candidate for Federal office shall be presumed not to be independent expenditures. If the party committees make a showing that the expenditures are independent, they may be made without regard to (a) (2) of this section]

(c) For limitation purposes, state committee includes subordinate state committees, and state committees and subordinate state committees combined shall not exceed the limits in (b) (2). To ensure compliance with the limitations, the state committee shall administer the limitation in one of the following ways:

(1) The state central committee shall be responsible for insuring that the expenditures of the entire party organization are within the limitations, including receiving reports from any subordinate committee, and filing consolidated reports showing all expenditures in the state with the Commission; or

(2) (i) The state committee shall file with the Commission an allocation statement setting forth the amounts each subordinate committee in the state will expend on which Federal candidate, as agreed upon by the state committee and the subordinate committees;

(ii) The state committee shall file with the allocation statement a list of participating subordinate committees which have filed a Statement of Organization with the Commission, Clerk or Secretary, and for those subordinate committees which have not filed a Statement of Organization, the information required in a Statement of Organization, see Part 102;

(iii) Each subordinate committee will be responsible for ensuring that it does not exceed its allocated limitation, and shall register with and report to the Commission as if it were a political committee if its expenditures exceed \$100 in a calendar year. If its expenditures in the aggregate exceed \$1,000, it shall register as a political committee pursuant to Part 103 and report pursuant to Part 105; or

(3) Any other method, submitted in advance and approved by the Commission which permits control over expenditures.

§ 110.8 Presidential candidate expenditure limitations.

(a) No candidate for the office of President of the United States who is eligible under 26 U.S.C. § 9003 (relating to conditions for eligibility for payments) or under 26 U.S.C. § 9033 (relating to eligibility for payments) to receive payments from the Secretary of the Treasury and has received payments, may make expenditures in excess of—

(1) \$10,000,000 in the case of a campaign for nomination for election to the office, except the aggregate of expenditures under this subparagraph in any one state shall not exceed the greater of 16 cents multiplied by the voting age population of the state or \$200,000; or

(2) \$20,000,000 in the case of a campaign for election to the office.

(b) (1) The expenditure limitations shall not be considered violated if, after the day of the primary or general election, convention or caucus, receipt of refunds and rebates causes a candidate's expenditures to be within the limitations.

(c) For the state limitations in (a) (1)—

(1) Expenditures made in a state after the date of the primary election, convention or caucus relating to the primary election, convention or caucus count toward that state's expenditure limitation;

(2) Expenditures for fundraising activities targeted at a particular State and occurring within 28 days of the state's primary election, convention or caucus shall be presumed to be attributable to the expenditure limitation for that state, § 100.7(b) (1) (relating to the 20% fundraising exemption) notwithstanding. The presumption may be rebutted to the extent that funds raised in the state exceed amount expended in the state.

(d) (1) If an individual is a candidate for more than one Federal office, or for a Federal office and a state office, he or she must designate separate principal campaign committees and establish completely separate campaign organizations.

(2) No funds, goods or services, including loans and loan guarantees, may be transferred between or used by the separate campaigns, except as provided in § 110.3(a) (2) (iv).

(3) Except for Presidential candidates receiving Presidential Primary Matching Funds, see 2 U.S.C. § 9032, or General Election Public Financing, see 2 U.S.C. § 9002, campaigns may share personnel and facilities, as long as expenditures are allocated between the campaigns, and payments are made from campaign accounts reflecting the allocation.

(e) (1) A political party may make reimbursement for the expenses of a candidate who is engaging in party-building activities, without the payment being considered a contribution to the candidate, and without the unreimbursed expense being considered expenditures counting against the limitations in (a) (1), so long as—

(i) The event is a legitimate party event or appearance; and

(ii) No aspect of the solicitation, setting and remarks or activities of the candidate were for the purpose of influencing the candidate's nomination or election.

(2) (i) An event or appearance meeting the requirements of (e) (1) and occurring prior to January 1 of the year of the election for which the individual is a candidate is presumptively party related;

(ii) Notwithstanding the requirements of (e) (1), an event or appearance occur-

ing on or after January 1 of year of the election for which the individual is a candidate, is presumptively for the purpose of influencing the candidate's election, and is governed by the contribution and expenditure limitation of this Part 110.

(iii) The presumptions in (i) and (ii) may be rebutted by a clear showing to the Commission that the appearance or event, was, or was not, party related, as the case may be.

(f) (1) Expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States.

(2) Expenditures from personal funds made by a candidate for Vice President shall be considered to be expenditures by the candidate for President, if the candidate is receiving General Election Public Financing, see 26 U.S.C. § 9004 (d).

(g) An expenditure is made on behalf of a candidate, including a vice presidential candidate, if it is made by—

(1) An authorized committee or any other agent of the candidate for purposes of making any expenditure; and

(2) Any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure; or

(3) A committee not authorized in writing, so long as it is requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure.

§ 110.9 Miscellaneous.

(a) *Violation of limitations.* No candidate or political committee shall accept any contribution or make any expenditure in violation of the provisions of Part 110. No officer or employee of a political committee shall accept a contribution made for the benefit or use of a candidate or make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this Part 110.

(b) *Fraudulent misrepresentation.* No person who is a candidate for Federal office or an employee or agent of such a candidate shall—

(1) Fraudulently misrepresent himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

(2) Willfully and knowingly participate in or conspire to participate in any plan, or design to violate paragraph (1).

(c) *Price index increase.* (1) Each limitation established by § 110.7 and § 110.8 shall be increased by the annual percent difference of the price index, as certified to the Commission by the

Secretary of Labor. Each amount so increased shall be the amount in effect for that calendar year.

(2) For purposes of paragraph (1)—the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

(d) *Voting age population.* The Commission shall annually publish the voting age population based on an estimate of the voting age population of the United States, of each state, and of each congressional district, provided to the Commission by the Secretary of Commerce. The term "voting age population" means resident population, 18 years of age or older.

§ 110.10 Expenditures by candidates.

(a) Except as provided in Parts 130–39 and 140–49 pertaining to Presidential candidates, candidates for Federal office may make unlimited expenditures from personal funds.

(b) (1) For purposes of this subsection, "personal funds" means the total assets to which the candidate has legal and rightful title or over which the candidate has beneficial enjoyment under applicable federal or state law, and

(2) To which the candidate had access to or control over at the time he or she became a candidate, including funds from immediate family members.

(c) If a candidate did not have access to or control over the funds at the time he or she became a candidate, no person may contribute more than \$1,000 per election.

§ 110.11 Communications; advertising.

(a) (1) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication—

(i) If authorized by a candidate, his authorized political committees or their agents, shall clearly and conspicuously state that the communication has been authorized and by what candidate, authorized committee or agent; or

(ii) If not authorized by a candidate, his authorized political committees, or their agents, shall clearly and conspicuously state that the communication is not authorized by any candidate, and state the name of the person who made or financed the expenditure for the communication, including, in the case of a political committee the name of any affiliated or connected organization required.

(2) For purposes of this section, "clearly and conspicuously" means

(i) On the face or front page of printed matter, or at the beginning or end of a broadcast or telecast matter, and shall include the name of the committee, and the committee's treasurer; and

(ii) In a manner calculated to provide actual notice to a reader, listener or viewer.

(b) No person who sells space in a newspaper or magazine to a candidate, an authorized committee of a candidate, or an agent of the candidate or committee, for use in connection with the candidates' campaign for nomination or for election, shall charge an amount for the space which exceeds the amount charged for comparable use of the space for non-campaign purposes.

§ 110.12 Honorariums.

(a) No person while an elected or appointed officer or employee of any branch of the Federal Government shall accept—

(1) Any honorarium of more than \$2,000 (excluding amounts accepted for actual travel and subsistence expenses for such person and spouse or an aide to such person, and excluding amounts paid or incurred for any agents' fees or commissions for any appearance speech, or article); or

(2) Honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$25,000 in any calendar year.

(b) The term "honorarium" means a payment of money or anything of value received by an officer or employee of the Federal government, regardless of whether it is offered gratuitously or for a fee, if it is accepted as consideration for an appearance, speech, or article. An honorarium does not include payment for or provision of actual travel and subsistence, including transportation, accommodations and meals for the officer or employee and spouse or an aide, and does not include amounts paid or incurred for any agents' fees or commissions.

(1) Officer or Employee. The term "officer or employee of the Federal government," or "officer or employee" means any person appointed or elected to a position of responsibility or authority in the United States government, regardless of whether the person is compensated for this position; and any other person receiving a salary, compensation, or reimbursement from the United States government, who accepts an honorarium for an appearance, speech, or article. Included within this class is the President; the Vice President; any Member of Congress, any judge of any court of the United States; any Cabinet officer; and any other elected or appointed officer or employee of any branch of the Federal government.

(2) Appearance. "Appearance" means attendance at a public or private conference, convention, meeting, social event, or like gathering, and the incidental conversation or remarks made at that time.

(3) Speech. "Speech" means an address, oration, or other form of oral presentation, regardless of whether presented in person, recorded, or broadcast over the media.

(4) Article. "Article" means a writing other than a book, which has been or is intended to be published.

(c) The term "honorarium" does not include:

(1) An award. An award is a gift of money or anything of value given;

(i) Primarily in recognition of religious, charitable, scientific, educational, artistic, literary, or civil achievement;

(ii) Based on a selection process with established criteria and which does not require the officer or employee to apply for or take any other action in the way of competition for the award;

(iii) Gratuitously under circumstances which do not require the recipient to make an appearance or speech, or write an article as a condition for receiving the award; and

(iv) Is not made to serve in place of an honorarium of a contribution.

(2) A gift. A gift is a voluntary conveyance of real or personal property which is made gratuitously, and is not supported by consideration, and is not made to serve in place of an honorarium or a contribution.

(3) A stipend. A stipend is payment for services on a continuing basis, including a salary. A stipend can not be paid by a political committee other than a candidate's principal campaign committee or other authorized committee to that candidate.

PART 111—COMPLIANCE PROCEDURE

Sec.	Scope.
111.1	Scope.
111.2	Complaint; filing.
111.3	Initial processing.
111.4	Notification.
111.5	Investigation.
111.6	Commission action.
111.7	Conciliation.
111.8	Disclosure of commission action.
111.9	Civil proceedings.
111.10	Issuance of subpoena and subpoena duces tecum.
111.11	Depositions.
111.12	Service of subpoenas and notices of deposition.
111.13	Motions to quash.
111.14	Witness fees and mileage.

§ 111.1 Scope.

These regulations provide procedures for processing apparent violations of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431, *et seq.*) and chapters 95 and 96 of the Internal Revenue Code of 1954 (26 U.S.C. § 9001, *et seq.* and 9031, *et seq.*).

§ 111.2 Complaint; filing.

(a) Any person may file a complaint with the Commission setting forth grounds for believing that a person has violated the Act or 26 U.S.C., chapters 95 and 96. A complaint shall be in writing and signed, and shall be sworn to and notarized.

(b) A complaint shall contain:

(1) The full name, address and telephone number of the complainant;

(2) A clear and concise statement of the acts which are alleged to constitute a violation of the Act;

(3) Any documentation of allegations of the complaint available to the complainant.

§ 111.3 Initial processing.

The General Counsel will review all materials filed with the Commission and

report to the Commission on the factual and legal bases for the apparent violation. On the basis of the General Counsel's report and the relevant materials, the Commission will determine by the agreement of at least four of its members whether it has "reason to believe" that the Act or chapters 95 or 96 of the Internal Revenue Code of 1954 have been or will be violated and order any investigation it believes necessary.

§ 111.4 Notification.

Upon determination by agreement of four members of the Commission that it has reason to believe that a violation of the Act has occurred, the General Counsel will notify respondent of that determination, providing a copy of the complaint or summary of the matters brought into question and advising respondent that he or she should submit any factual or legal information which he believes demonstrates that no action should be taken against him.

§ 111.5 Investigation.

(a) In any case in which the Commission finds it has reason to believe that a violation of the Act or Chapters 95 or 96 has occurred or will occur, it shall order an investigation into those matters about which it believes it needs further information.

(b) If a complaint is filed by a candidate, any investigation will include an investigation of the reports and statements filed by the complaining candidate, pursuant to 2 U.S.C. § 437g(a)(3). The Commission may direct, upon the recommendation of the General Counsel, that an investigation be conducted with regard to each candidate for the Federal office sought by respondent.

§ 111.6 Commission action.

After review of the relevant materials obtained during the investigation, the Commission will by agreement of at least four of its members determine whether there is reasonable cause to believe that respondent has committed or is about to commit a violation of the Act or of Chapter 95 or 96 of the Internal Revenue Code of 1954. In the event that the Commission so determines it will inform the respondent of its decision and seek voluntary compliance by the respondent.

§ 111.7 Conciliation.

(a) Within a reasonable time after the Commission has determined that it has reasonable cause to believe that the Act or Chapter 95 or 96 of the Internal Revenue Code of 1954 has been or will be violated, the General Counsel shall attempt to correct or prevent the violation by informal methods of conference, conciliation and persuasion.

(b) If a tentative conciliation agreement is reached with respondent, the General Counsel will submit it to the Commission for approval by agreement of at least four members.

(c) If, after attempting conciliation for the appropriate period of time (see 2 U.S.C. § 437g(a)(5)(A)) the General Counsel concludes that no acceptable

conciliation agreement can be reached, he or she will prepare a report for the Commission which sets forth the reasons for the failure to obtain voluntary compliance.

§ 111.8 Disclosure of commission action.

If the Commission (a) has notified respondent of its decision that he or she has not violated the Act, it will make available to the public its determination and the basis for it; or

(b) Has concluded that it has "reasonable cause to believe" that a violation has occurred, it will make available the results of any conciliation attempts, including any conciliation agreement entered into.

§ 111.9 Civil proceedings.

The Commission, on the recommendation of the General Counsel after attempts to correct or prevent any violation by informal methods of conference, conciliation or persuasion have been unsuccessful, may determine by the agreement of at least four of its members that there is probable cause to believe that a violation of the Act or Chapter 95 or 96 of the Internal Revenue Code of 1954 has or will occur and may direct the General Counsel to commence civil proceedings and seek appropriate relief.

§ 111.10 Issuance of subpoenas and subpoena duces tecum.

(a) The Chairman or the Vice Chairman shall issue subpoenas requiring the attendance and testimony of witnesses and the production of documentary or other tangible evidence upon request by the General Counsel.

(b) Any party may request the General Counsel to subpoena particular persons or evidence, but such subpoenas shall not be obtainable as a matter of right.

§ 111.11 Depositions.

In any proceeding or investigation, the Commission, upon written notice, may order testimony to be taken by deposition before a person designated by the Commission to administer oaths.

§ 111.12 Service of subpoenas and notices of depositions.

(a) Service of a subpoena or notice of deposition upon a person named therein shall be made by delivering a copy to that person in the manner described by subparagraphs (b), (c) and (d). Fees for one day's attendance and mileage shall be tendered as specified in § 111.14.

(b) Whenever service is to be made upon a person who is represented in the pending proceeding by an attorney, the service may be made upon the attorney.

(c) Delivery of a copy of a subpoena or notice of deposition and tender of the fees to a natural person may be made by handing them to the person; or leaving them at his office with the person in charge thereof; or leaving them at his dwelling place or usual place of abode with some person of suitable age and discretion then residing therein; or mailing them by registered or certified mail to him at his last known address; or

by any method whereby actual notice is given to him and the fees are made available prior to the return date.

(d) When the person to be served is not a natural person, delivery of a copy of the subpoena or notice of deposition and tender of the fees may be effected by handing them to a registered agent for service, or to any officer, director, or agent in charge of any office of such person, or by mailing them by registered or certified mail to such representative at his last known address; or by any method whereby actual notice is given to such representative and the fees are made available prior to the return date.

§ 111.13 Motions to quash.

(a) Any person to whom a subpoena is directed may, prior to the time specified therein for compliance, but in no event more than 5 days after the date of service of such subpoena, apply to the Commission, to quash or modify such subpoena, accompanying such application with a brief statement of the reasons therefor.

(b) The Commission may deny the application, or upon notice to the person upon whose request the subpoena was issued, and opportunity for reply, may (1) deny the application; (2) quash or (3) modify the subpoena.

§ 111.14 Witness fees and mileage.

(a) Witnesses summoned before the Commission shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees are paid for like services in the courts of the United States.

(b) Witness fees and mileage shall be paid by the party at whose instance the witnesses appear.

(1) Section 111.10 provides for issuance of subpoenas over the signature of the Chairman or Vice-Chairman without a majority vote of the Commission. In the General Counsel's opinion, 2 U.S.C. § 437d(a)(3), which provides for issuance of subpoenas over the signature of the Chairman or Vice-Chairman gives the legal authority to issue subpoenas without a majority vote of the Commission particularly since, under the regulations, a party can move to quash a subpoena and obtain a ruling of the Commission as a whole before a subpoena becomes effective. Requiring a vote of a majority of the Commissioners before a subpoena is issued will in many instances delay obtaining materials to which there is no objection while providing no more opportunity to a subpoenaed party to object.

(2) A provision (see § 111.10(b)) has been inserted stating that a party has a right to provide the General Counsel with the names and records they think should be subpoenaed but explicitly stating that they do not have an independent right to obtain such materials.

(3) Section 111.11 substitutes a simple provision notifying the parties that once the Commission has opened a pro-

ceeding or investigation, it may order that testimony be taken by deposition by designating a person to take the testimony. This substitutes for the draft on depositions and interrogatories which was premised on the holding of full administrative hearings.

(4) The time for filing a motion to quash the subpoena (Sec. 111.13) has been extended from 2 to 5 days, on the basic consideration that 2 days provides insufficient time for analysis and objection.

PART 112—ADVISORY OPINION PROCEDURE

Sec.

- 112.1 Request for advisory opinions.
- 112.2 Public availability of requests.
- 112.3 Written comments on requests.
- 112.4 Preliminary discussion of requests.
- 112.5 Issuance of advisory opinions.
- 112.6 Reliance on advisory opinions.
- 112.7 Reconsideration of advisory opinions.

§ 112.1 Requests for advisory opinions.

(a) Any (1) Holder of Federal office; (2) Candidate for Federal office; (3) Political committee; (4) National committee of a political party; or (5) Authorized agent of any of the foregoing persons if the agent discloses the identity of his or her principal may request, in writing, an advisory opinion concerning application to a specific factual situation of a general rule of law (i) stated in the Federal Election Campaign Act of 1971, as amended, or chapters 95 or 96 of the Internal Revenue Code of 1954, or (ii) duly prescribed as a rule or regulation by the Commission.

(b) Requests shall include all facts relevant to the specific factual situation with respect to which the request is made.

(c) Advisory opinion requests may be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Section, 1325 K Street, N.W., Washington, D.C. 20463.

(d) Upon receipt by the Commission, each advisory opinion request (AOR) shall be assigned an AOR number for reference purposes.

§ 112.2 Public availability of requests.

(a) Advisory opinion requests submitted under § 112.1 shall promptly be made public at the Commission.

(b) A copy of the original request shall be available for public inspection and purchase, except when it involves a compliance action (see Part 111), at the Federal Election Commission, Public Records Division, 1325 K Street, N.W., Washington, D.C. 20463, telephone (202) 382-7012.

(c) Advisory opinion requests may be made public through other means, and publication in those cases shall be either in the form originally submitted or in an edited or paraphrased form as the Commission considers appropriate.

§ 112.3 Written comment on requests.

(a) Interested persons are invited to submit written comments concerning advisory opinion requests.

(b) Written comments may be submitted within 15 calendar days of the date the request is made public at the Commission. The Commission may in its discretion shorten the comment period on

a particular request where there is reasonable cause for doing so.

(c) Comments on advisory opinion requests should refer to the AOR number of the request, statutory references should be to the United States Code citations, rather than to Public Law citations.

(d) Additional time in which to comment may be granted upon written request or in the discretion of the Commission.

(e) Written comments and requests for additional time to comment shall be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Section, 1325 K Street, N.W., Washington, D.C. 20463.

(f) Before it issues an advisory opinion the Commission shall consider all timely comments received.

§ 112.4 Preliminary discussion of requests.

The Commission shall preliminarily discuss each pending Advisory Opinion Request in public session prior to the circulation of any draft opinion.

§ 112.5 Issuance of advisory opinions.

(a) Within a reasonable time after receiving a written request properly made under § 112.1 the Commission shall issue a written advisory opinion.

(b) The Commission may issue advisory opinions pertaining only to the Federal Election Campaign Act of 1971, as amended, chapters 95 or 96 of the Internal Revenue Code of 1954, or rules or regulations duly prescribed under those statutes.

(c) No advisory opinion may state a general rule of law, other than one which is stated in the Federal Election Campaign Act of 1971, as amended, or chapters 95 or 96 of the Internal Revenue Code of 1954, until that general rule is prescribed by the Commission as a rule or regulation pursuant to 2 U.S.C. section 438(c).

(d) No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this § 112.5; however, this subsection does not preclude distribution by the Commission of information consistent with the Act and chapter 95 or 96 of the Internal Revenue Code of 1954.

(e) When issued by the Commission each advisory opinion shall be made public and sent by mail, or personally delivered, to the person who requested the opinion.

§ 112.6 Reliance on advisory opinions.

(a) An advisory opinion rendered by the Commission under this Part 112 may be relied upon by:

(1) Any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered, and

(2) Any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

(b) Notwithstanding any other provision of law, any person who relies upon any provision or finding of an advisory opinion in accordance with subsection (a) of this § 112.6 and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by the Federal Election Campaign Act of 1971, as amended, or by chapter 95 or 96 of the Internal Revenue Code of 1954.

§ 112.7 Reconsideration of advisory opinions.

The Commission may reconsider advisory opinions on written request by the party originally submitting the request or request of a Commissioner who voted with the majority that approved the opinion.

PART 113—OFFICE ACCOUNTS: EXCESS CAMPAIGN FUNDS

Sec.
 113.1 Definitions.
 113.2 Deposits of funds contributed to a Federal or State officeholder.
 113.3 Reports of office accounts.
 113.4 Reports of franking accounts.
 113.5 Contribution and expenditure limitations.

§ 113.1 Definitions.

When used in this part—

(a) *Funds contributed.* "Funds contributed" means all funds including, but not limited to gifts, loans, advances, credits or deposits of money which are contributed for the purpose of supporting the activities of a Federal or state officeholder; except for funds appropriated by Congress, a state legislature, or similar public appropriation.

(b) *Office account.* "Office account" means an account established for the purpose of supporting the activities of a Federal or state officeholder but does not include an account used exclusively for funds appropriated by Congress, a state legislature, or similar public appropriation, or a personal account of the officeholder which is not used principally for the purpose of supporting such activities, or an account used exclusively for activities pursuant to 39 U.S.C. § 3210 (a "franking" account).

(c) *Federal officeholder.* "Federal officeholder" means an individual elected to or serving in the office of President or Vice President of the United States; or a Senator or a Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

(d) *State officeholder.* "State officeholder" means an individual elected to or serving in any elected public office within a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico or any subdivision thereof.

(e) *Excess campaign funds.* "Excess campaign funds" means amounts received by a candidate as contributions which he or she determines are in excess of any amount necessary to defray his or her campaign expenditures.

§ 113.2 Deposits of funds contributed to a Federal or State officeholder.

All funds contributed to a Federal officeholder, or state officeholder who is a candidate for Federal office, shall be deposited into one of the following accounts:

- (a) An account of the officeholder's principal campaign committee or other authorized committee pursuant to Part 103; or
- (b) An office account; or
- (c) An account used exclusively for activities pursuant to 39 U.S.C. § 3210 (franking account).

§ 113.3 Reports of office accounts.

(a) All Federal officeholders having office accounts shall report as if such account is a political committee, pursuant to Part 104, and on forms provided for that purpose.

(b) If a Federal officeholder has not designated a principal campaign committee, he or she shall file the reports required by § 113.3(a) with the Clerk of the House of Representatives in the case of a Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, or with the Secretary of the Senate in the case of a United States Senator, or with the Commission in the case of the President and Vice-President.

(c) When a Federal officeholder has designated a principal campaign committee, he or she shall file the reports required by § 113.3(a) with the principal campaign committee, which shall append them to its next regular report.

(d) When a state officeholder having an office account becomes a candidate for Federal office, pursuant to 2 U.S.C. § 431 (b), he or she shall file the reports with the principal campaign committee as if such account is a political committee, pursuant to Part 104, and on forms provided for that purpose. The principal campaign committee shall append them to its next regular report.

§ 113.4 Reports of franking accounts.

(a) (1) All Federal officeholders and former Federal officeholders having a franking account used exclusively for activities pursuant to 39 U.S.C. § 3210 shall file reports on April 10 and October 10 of each year with the Clerk of the House of Representatives in the case of a Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, or with the Secretary of the Senate in the case of a United States Senator or the Vice-President.

(2) In an election year, the report shall be filed with the pre-election report, due 10 days before the election, rather than on October 10.

(b) The April 10 report shall include all receipts and expenditures made from October 1 of the prior year to March 31 of the year in which the report is filed. The October 10 report shall include all receipts and expenditures made from April 1 to September 30 (or, in an election year, 15 days before the election) of each year.

These reporting obligations shall be effective prospectively on the effective date of this regulation (designated Part 113).

(c) These reports shall include the name, address, occupation and principal place of business of all persons making contributions aggregating in excess of \$100 during the reporting period. Such reports shall include the name and address of all persons receiving expenditures aggregating more than \$100 during the reporting period.

(d) Forms will be provided by the Commission to implement this section.

§ 113.5 Contribution and expenditure limitations.

(a) Any contributions to, or expenditures from, an office account which are made for the purpose of influencing a Federal election shall be subject to 2 U.S.C. § 441a and Part 110 of these regulations.

(b) No cash contribution exceeding \$100 shall be made to an account listed in § 113.2 (see § 110.4(d)).

(c) If any treasury funds of a corporation or labor organization are contributed to an office account, no funds from that office account may be used in connection with a Federal election.

PART 114—CORPORATE AND LABOR ORGANIZATION ACTIVITY

Sec.
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§ 114.1 Definitions.

"Contribution and Expenditure".
 (a) For purposes of this section and 12(h) of the Public Utility Holding Company Act (15 U.S.C. 791(h))—

(1) The term contribution or expenditure shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan by a National or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, political party or committee, organization or any other person in connection with any election to any of the offices referred to in § 114.2 (a) or (b) as applicable.

(2) The term contribution and expenditure shall not include—

(1) Communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to

its members and their families on any subject; or

(ii) Nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families or by a labor organization aimed at its members and their families; or

(iii) The establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, or capital stock.

(b) "Establishment, Administration and Solicitation Costs" means the cost of office space, phones, salaries, utilities, supplies, fundraising and other expenses incurred in setting up and running a separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock. Corporate and labor organization treasury monies may be used for establishment, administration and solicitation costs. However, the corporation or labor organization may not use the establishment, administration and solicitation process as a means of exchanging treasury monies for voluntary contributions. For example, a contributor may not be paid for his or her contributions through a bonus, expenses account or other form of direct or indirect compensation. A corporation or labor organization may utilize a raffle or other fundraising device which involves a prize, so long as state law permits and the prize is not disproportionately valuable. A reasonable practice to follow is for its separate segregated fund to reimburse the corporation or labor organization for solicitation expenditures which exceed 33% of the money contributed.

(c) "Executive or administrative personnel" means individuals employed by a corporation who are paid on a salary rather than hourly basis and who have policymaking, managerial, professional, or supervisory responsibilities.

(1) This definition includes:

(i) The individuals who run the corporation's business such as officers, other executives, and plant, division and section managers; and

(ii) Individuals following the recognized professions, such as lawyers and engineers.

(2) This definition does not include:

(i) Professionals who are represented by a labor organization; or

(ii) Salaried foremen and other salaried lower level supervisors having direct supervision over hourly employees.

(iii) Former or retired executive or administrative personnel who are not stockholders.

(d) "Labor organization" means any organization of any kind, or any agency or employee representative committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay hour of employment, or conditions of work.

(e) "Members" means all persons who are, currently satisfying the requirements for membership in a membership organization, trade association, cooperative or corporation without capital stock and in the case of a labor organization, persons who are currently satisfying the requirements for membership in a local, national, or international labor organization. Members of a local union are considered to be members of any national or international union of which the local union is a part and of any federation with which the local, national or international union is affiliated. A person is not considered a member under this definition if the only requirement for membership is a contribution to a separate segregated fund.

(f) "Method of facilitating the making of contributions" means the manner in which the contributions are received or collected such as, but not limited to, payroll deduction or checkoff systems, other periodic payment plans or return envelopes enclosed in a solicitation request.

(g) "Method of soliciting voluntary contributions" means the manner in which the solicitation is undertaken including but not limited to mailings, oral requests for contributions, and hand distribution of pamphlets.

(h) "Stockholder" means the registered owner under the applicable state law.

(i) "Voluntary contributions" are contributions which have been obtained by the separate segregated fund of a corporation or labor organization in a manner which is in compliance with § 114.5 (a) and which is in accordance with other provisions of the Act.

§ 114.2 Prohibitions on contributions and expenditures.

(a) National banks, or any corporation organized by authority of any law of Congress, are prohibited from making a contribution or expenditure, as defined in § 114.1(a), in connection with election to any political office, including local, state and Federal offices, or in connection with any primary election or political convention or caucus held to select candidates for any political office, including any local, state, or Federal office. Such national banks and corporations may engage in the activities permitted by this Part, except to the extent that such activity is foreclosed by provisions of law other than the Act.

(b) Any corporation whatever or any labor organization is prohibited from making a contribution or expenditure, as defined in § 114.1(a) in connection with any Federal election.

(c) A candidate, political committee, or other person is prohibited from knowingly accepting or receiving any contribution prohibited by this section.

(d) No officer or director of any corporation or any national bank, and no officer of any labor organization shall consent to any contribution or expenditure by the corporation, national bank, or labor organization prohibited by this section.

§ 114.3 Internal communications.

(a) An internal communication is a communication made in connection with a Federal election, and

(1) One which a corporation directs to its stockholders and executive or administrative personnel and their families; or

(2) One which a labor organization directs to its members and their families.

(b) Expenditures for internal communications which expressly advocate the election or defeat of a clearly identified candidate must be reported in accord with § 100.7(b)(5).

(c) A corporation or labor organization may make internal communications of a partisan or nonpartisan nature. The manner in which internal communications can be made includes, but is not limited to:

(1) Allowing a candidate to address the stockholders and executive or administrative personnel of the corporation and their families at a meeting, convention, or other regularly scheduled function of the corporation which is primarily held for other purposes or allowing a candidate to address the members of a labor organization and their families at a meeting, convention, or other regularly scheduled function of the labor organization which is primarily held for other purposes.

(2) The distribution of printed material of a partisan or nonpartisan nature by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and their families, provided:

(i) That the material is produced at the expense of the corporation or labor organization or the separate segregated fund of either; and

(ii) That the material represents the views of the corporation or labor organization and is not a republication or reproduction, in whole or in substantial part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agents.

(3) Partisan or nonpartisan registration and get-out-the-vote activity by a corporation aimed at its stockholders and executive or administrative personnel and their families by a labor organization aimed at its members and their families.

§ 114.4 Communications to other persons.

(a) A corporation can support nonpartisan registration and get-out-the-vote activities which are not restricted to its stockholders and executive or administrative personnel and their families and a labor organization can support those activities which are not restricted to its members and their families if:

(1) The corporation or labor organization jointly sponsors the activities with a civic or other nonprofit organization which does not endorse candidates or political parties and if the activities are conducted by the other organization; and

(2) These activities are initiated and implemented without regard to political preference.

(3) A corporation or labor organization may donate funds to be used for nonpartisan registration and get-out-the-vote activities to civic or other non-profit organizations which do not endorse candidates or political parties.

(b) Under the following circumstances, corporations may permit candidates (or their representatives) on corporate premises to address or meet employees in addition to stockholders and executive or administrative personnel:

(1) If a candidate for the House or Senate is permitted on the premises, all candidates for that seat who request to appear must be given the same opportunity to appear; or

(2) If a Presidential candidate is permitted on the premises, all candidates for that office who request to appear must be given the same opportunity to appear.

(3) A corporation, its stockholders, executive or administrative personnel or other employees of the corporation or its separate segregated fund shall make no effort, either oral or written, to solicit or direct or control contributions by members of the audience or group to any candidate in connection with any appearance by any candidate under this section; and

(4) A corporation, its stockholders, executive or administrative personnel or other employees of the corporation or its separate segregated fund shall not, in connection with any candidate's appearances, endorse or otherwise support one particular candidate or group of candidates over another candidate or group of candidates.

(c) A labor organization may permit candidates (or their representatives) on the organization's premises to address employees of the labor organization in addition to members of the labor organization if the conditions in subsection (b) (1) and (2) are met. No official, member, or employee of a labor organization or its separate segregated fund shall make any effort, either oral or written, to solicit or direct or control contributions by members of the audience to any candidate in conjunction with any appearance by any candidate under this subsection. The labor organization must conduct the candidate's appearances under this section in a manner in accordance with subsection (b) (4).

§ 114.5 Separate segregated funds.

(a) *Voluntary contributions to a separate segregated fund.* (1) A separate segregated fund is prohibited from making a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues; fees, or other monies required as a condition of membership in a labor organization or a condition of employment, or by monies obtained in any commercial transaction. For purposes of this section, fees or monies paid as a condition of acquiring or retaining member-

ship or employment are monies required as a condition of membership, or employment even though they are refundable upon request of the payor.

(2) A corporation or labor organization or the separate segregated fund of either may not enforce a guideline for contributions, as by requiring that a certain percent of salary or wages must be contributed or that a certain percent of employees or members must contribute.

(3) Any person soliciting an employee or member for a contribution to the separate segregated fund must inform such employee or member of the political purposes of the fund at the time of the solicitation.

(4) Any persons soliciting an employee or member for a contribution to a separate segregated fund must inform the employee or member at the time of such solicitation, of his or her right to refuse to so contribute without any reprisal.

(5) Any written solicitation for a contribution to a separate segregated fund which is addressed to an employee or member must contain statements which comply with the requirements of subsections 2 and 3.

(b) *Control of funds.* A corporation, membership organization, cooperative, corporation without capital stock or a trade association or labor organization can exercise control over its separate segregated fund.

(c) *Disclosure.* Separate segregated funds are subject to the following disclosure requirements:

(1) A corporation or labor organization or the separate segregated fund of either is *not* required to report any payment or obligation incurred which is not a contribution or expenditure, as defined in § 114.1(a), except that the costs incurred by a membership organization, including a labor organization, or by a corporation, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election be reported in accordance with § 100.7(b) (5).

(2) A separate segregated funds is subject to all other disclosure requirements as set forth in Part 104.

(d) *Contribution limits.* Separate segregated funds are subject to the contribution limitations set forth in Part 110.

(e) *Solicitations.* Except as specifically provided in §§ 114.6, 114.7 and 114.8, a corporation and/or its separate segregated fund or a labor organization and/or its separate segregated funds is subject to the following limitations on solicitations:

(1) A corporation, or a separate segregated fund established by a corporation is prohibited from soliciting contributions to such a fund from any person other than its stockholders, and their families and its executive or administrative personnel and their families.

(2) A labor organization, or a separate segregated fund established by a labor

organization is prohibited from soliciting contributions to such a fund from any person other than its members and their families. [optional: or the executive or administrative personnel of the labor organization and their families.]

(f) *Acceptance of contributions.* A separate segregated fund may accept contributions from persons otherwise permitted by law to make contributions.

(g) *Availability of methods.* Any corporation, including its subsidiaries, branches, divisions, and affiliates, that utilizes a method of soliciting voluntary contributions or facilitating the making of voluntary contribution, shall make available that method, on written request and at a cost sufficient only to reimburse the corporation for the expenses incurred thereby, to a labor organization representing any members working for the corporation, its subsidiaries, branches, divisions, and affiliates. For example:

(1) If a corporation or any of its subsidiaries, branches, division or affiliates utilizes a payroll deduction plan, check-off system or other plan which deducts contributions from the payroll or dividend checks of stockholders or executive or administrative personnel, the corporation shall, upon written request of the labor organization make that method available to members of the labor organization who wish to contribute to the separate segregated fund of the labor organization representing any members working for the corporation, or any of its subsidiaries, branches, divisions or affiliates. The corporation shall make the payroll deduction plan available to the labor organization at a cost sufficient only to reimburse the corporation for the actual expenses incurred thereby.

(2) If a corporation utilizes a computer for addressing envelopes or labels for a solicitation to its stockholders or executive or administrative personnel, the corporation shall, upon written request, allow the labor organization to utilize or program the computer to address envelopes or labels for a solicitation to its members. The corporation shall make the computer available at a cost sufficient only to reimburse the corporation for the actual expenses incurred thereby.

(3) If a corporation uses corporate facilities, such as a company dining room or cafeteria, for meetings of stockholders or executive or administrative personnel at which solicitations are made, the corporation shall, upon written request of the labor organization make the facilities available to the labor organization for meetings to solicit its members. The corporation shall make the facilities available at a cost sufficient only to reimburse the corporation for the actual expenses incurred thereby.

(4) If a corporation uses no method to solicit voluntary contributions or to facilitate the making of voluntary contributions from stockholders or executive or administrative personnel, it is not required by law to make any method available to the labor organization for its members. The corporation and the labor organization may agree upon mak-

ing any method available which is not otherwise required by law.

(3) The availability of methods for twice yearly solicitations is subject to the provisions of § 114.6(e).

(h) *Methods permitted by law to labor organizations.* Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members.

§ 114.6 Twice yearly solicitations.

(a) A corporation and/or its separate segregated fund may make a total of two written solicitations per calendar year of its employees other than stockholders, executive or administrative personnel and their families. Employees as used in this section does not include former or retired employees who are not stockholders. Nothing in this subsection shall limit the number of solicitations a corporation may make of its stockholders and executive or administrative personnel under § 114.5(e).

(b) A labor organization and/or its separate segregated fund may make a total of two written solicitations per calendar year of employees, executive or administrative personnel or stockholders of a corporation in which the labor organization represents members working for the corporation. Nothing in this subsection shall limit the number of solicitations a labor organization may make of its members under § 114.5(e).

(c) *Written solicitation.* A solicitation under this section may be made only by mail addressed to stockholders, executive or administrative personnel or employees at their residences. All written solicitations must disclose:

(1) The existence of the trust arrangement described hereinafter;

(2) That the corporation, labor organization or the separate segregated fund of either cannot be informed of persons who do not make contributions; and

(3) That persons who, in a calendar year, make a single contribution of less than \$50 or multiple contributions that aggregate less than \$100 shall maintain their anonymity by returning their contributions to the trustee.

(d) *The Trustee arrangement.* In order to maintain the anonymity of persons who do not wish to contribute and of persons who wish to respond with a single contribution of less than \$50 or multiple contributions aggregating less than \$100 in a calendar year, and to satisfy the recordkeeping provisions, the corporation, labor organization or separate segregated fund of either shall establish a trust arrangement for collecting the contributions.

(1) The trustee shall be a fiduciary of the separate segregated fund. The trustee for a separate segregated fund established by a corporation shall not be a

stockholder, officer, executive or administrative personnel or employee of the corporation, or an officer or employee of its separate segregated fund. For purposes of this subsection, stockholder does not include a financial institution which is the registered owner of stock held in trust. The trustee for a separate segregated fund established by a labor organization shall not be a member, officer or employee of the labor organization or its separate segregated fund.

(2) The trustee shall keep the records of contributions received in accordance with the requirements of Part 102 and shall also:

(i) Establish a campaign depository and deposit contributions in accordance with the provisions of Part 103;

(ii) Provide the fund with the identification of any person who makes a single contribution of \$50 or more and the identification, occupation, and principal place of business of any person who makes multiple contributions aggregating over \$100. The trustee must provide this information within a reasonable time prior to the reporting date of the fund under § 104.

(iii) Periodically forward all funds in the campaign depository, by check drawn on that account, to the separate segregated fund; and

(iv) Treat all funds which appear to be illegal in accordance with the provisions of Part 103.3(b).

(3) The trustee shall not (i) make the records of persons making a single contribution of less than \$50 or multiple contributions aggregating less than \$100 available to any person other than representatives of the Federal Election Commission or law enforcement officials;

(ii) Provide the corporation or the labor organization or the separate segregated fund of either with any information pertaining to persons who, in a calendar year, make a single contribution of \$50 or less or multiple contributions aggregating less than \$100 except that the trustee can forward to the corporation, labor organization or separate segregated fund of either the total number of contributions received; or

(iii) Provide the corporation, labor organization, or the separate segregated fund of either with any information pertaining to persons who have not contributed.

(4) The corporation, labor organization or the separate segregated fund of either shall provide the trustee with a list of all contributors indicating the name address and amount contributed which have been made directly to the separate segregated fund by any person within the group of persons solicited under this section.

(e) *Availability of methods.* (1) A corporation of labor organization or the separate segregated fund of either may not use a payroll deduction plan, a check-off system, or other plan which deducts contributions from an employee's paycheck as a method of facilitating the making of contributions under this section.

(2) The twice year solicitation may only be used by a corporation or labor organization to solicit contributions to its separate segregated fund and may not be used for any other purpose.

(3) A corporation is required to make available to the labor organization any method utilized by the corporation to make the twice yearly solicitation of employees and of stockholders who are not employees.

(i) If the corporation solicits employees during a calendar year under this section, the corporation shall

(A) Make the method utilized by the corporation available to the labor organization; or

(B) If the corporation does not wish to disclose the names and addresses of employees in any fashion, the corporation shall make the names and addresses of stockholders and employees available to an independent mailing service which shall be retained by both the corporation and the labor organization for twice yearly mailings.

(ii) Prior to the time of any solicitation under (i) above, the corporation and labor organization shall agree on whether the method will be made available or whether an independent mailing service shall be retained by both the corporation and the labor organization.

(iii) If the corporation does not solicit employees under this section, the corporation is required to make available to the labor organization any method utilized by the corporation to make a written solicitation of stockholders or executive or administrative personnel under § 114.5(e) during the calendar year. If the corporation does not wish to disclose the names and addresses in any fashion, the corporation shall make the names and addresses available to an independent mailing service retained by the labor organization for this purpose.

(iv) If the corporation makes no written solicitation of employees under this section or of stockholders or executive or administrative personnel under § 114.5(e) during the calendar year, the corporation is not required to make any method available to the labor organization.

(v) Nothing in subsection (e) (3) shall prevent a corporation and labor organization from agreeing upon making other methods available which are otherwise not required.

(4) If there are several labor organizations with members employed by a single corporation, the labor organization, either singularly or jointly, may not make a combined total or more than two written solicitations per calendar year. A written solicitation may contain a request for contributions to each separate segregated fund established by the various labor organizations making the combined mailing.

Prior to time that a mailing is made by any labor organization in a calendar year, the several labor organizations must agree among them as to which of them will make such solicitations.

§ 114.7 Membership organizations, cooperative, or corporations without capital stock.

(a) Membership organizations, cooperatives or corporations without capital stock, or separate segregated funds established by such persons may solicit contributions to the fund from members of the organization, cooperative, or corporation without capital stock.

(b) Nothing in this section waives the prohibition on contributions to the separate segregated fund by corporations, national banks, or labor organizations which are members of a membership organization, cooperative, or corporation without capital stock.

(c) The question of whether a professional organization is a corporation is determined by the law of the state in which the professional organization exists.

(d) The term membership organization as used in this section does not include a trade association which is, in whole or in part, made up of corporations; solicitations by such trade associations are governed by § 114.8.

(e) There is no limitation upon the number of times an organization under this section may solicit its members.

(f) There is no restriction under this section on the method of solicitation or the method of facilitating the making of contributions which may be used.

(g) A membership organization, cooperative, or corporation without capital stock and the separate segregated funds of the organizations are subject to the prohibition in § 114.5(a).

(h) A membership organization, cooperative or corporation without capital stock may communicate with its members under the provisions of § 114.3.

§ 114.8 Trade associations.

(a) A trade association or a separate segregated fund established by a trade association may solicit contributions from the stockholders and executive or administrative personnel of the member corporations of such trade association and the families of such stockholders and personnel if:

(1) The member corporation involved has separately and specifically approved the solicitation, in writing; and

(2) The member corporation has not approved a solicitation by any other trade association during the calendar year.

(b) There is no limitation on the number of times a trade association which complies with the requirements of subsection (a) may contact potential contributors.

(c) There is no restriction on the method of facilitating the making of contributions which a trade association can use. The member corporation may use a payroll deduction or check-off system for executive or administrative personnel contributing to the separate segregated fund of the trade association.

(d) A trade association and/or its separate segregated fund is subject to the provisions of § 114.5(a).

(e) If a subsidiary, branch, division, or affiliate of a corporation is itself a separate corporation it may, subject to the limitations of (a), be solicited by a trade association of which it is a member.

(f) A trade association may communicate to its members under the provisions of § 114.3. A trade association may communicate with the stockholders or employees of its members under the provisions of § 114.4.

§ 114.9 Use of corporate or labor organization facilities and means of transportation.

(a) Use of facilities. (1) Optional Additional. Except as otherwise in this Part, no person shall use the facilities of a corporation or labor organization for any activity which has been authorized or requested by a candidate, a candidate's authorized committee, or a candidate's agent.

(2) The facilities of a corporation may be used, with the permission of the corporation, by stockholders, employees of the corporation or its separate segregated fund for activities which are exempted from the definition of contribution or expenditure in § 114.1(a)(2) or as permitted by § 114.3 to 114.8 and § 114.11 without reimbursing the corporation or labor organization for the use of the facilities. The facilities of a labor organization may be used with the permission of the labor organization, by any officer, member or employee of the labor organization or its separate segregated fund for activities which are exempted from the definition of contribution and expenditure in § 114.1(a)(2) or as permitted by §§ 114.3 to 114.8 and § 114.11 without reimbursing the labor organization for the use of the facilities.

(b) Stockholders and executive or administrative personnel of a corporation may make occasional or incidental use of the facilities of a corporation for other activity of a corporation for other activity which is in connection with a Federal election and will be required to reimburse the corporation only to the extent that the overhead or operating costs of the corporation are increased. Officers, members or employees of a labor organization may make occasional or incidental use of the facilities of a labor organization for other activity which is in connection with a Federal election and will be required to reimburse the labor organization only to the extent that the overhead or operating costs are increased. For example,

(1) An employee of a corporation makes several local phone calls on his or her office phone to friends suggesting that they contribute to or vote for a particular Federal candidate. The employee is not required to make any reimbursement since the use is occasional and incidental and the overhead costs of the corporation are not increased.

(2) An official of a labor organization makes several long distance phone calls on his or her office phone to friends suggesting that they contribute to or vote for a particular Federal candidate. The

cost of the calls is billed to the official's office phone. The official is required to reimburse the labor organization for the cost of the calls since the corporation's overhead costs were increased by this amount.

(c) Stockholders and executives or administrative personnel or any employees of a corporation or officers, members or employees of a labor organization who make more than occasional or incidental use of the facilities of a corporation or labor organization for other activity which is in connection with a Federal election will be required to reimburse the corporation or labor organization in the amount of the normal and usual rental charge for the use of the facilities, including the office space and utilities which are used. For example,

(1) An employee of a corporation spends several nights and weekends making numerous phone calls on his or her office phone to friends suggesting that they contribute to or vote for a particular Federal candidate. The employee would be required to reimburse the corporation at the normal and usual charge for all long distance phone calls, a pro-rata cost of the monthly service charge per phone, pro-rata Federal and state tax, the equivalent deposit and the commercial rate for installation of the phone used as well as the normal and usual charge for the use of office space and utilities.

(d) Persons other than stockholders, executive or administrative personnel or employees of a corporation or officers or members of a labor organization who make any use of the facilities of a corporation or labor organization for other activity which is in connection with a Federal election are required to reimburse the corporation or labor organization in the amount of the normal and usual rental charge for the use of the facilities, including the office space and utilities, which are used. For example:

(1) A political party's volunteers use a corporation's or labor organization's telephones. The political party must pay the usual charge for all long distance calls, a pro-rata cost of the monthly service charge per phone, pro-rated Federal and state tax, the equivalent deposit and the commercial rate for installation of the number of phones used, as well as a fair market value for the use of office space and utilities.

(e) Use of airplanes and other means of transportation. (1) A candidate, candidate's agent, or person traveling on behalf of a candidate who uses an airplane which is owned or leased by a corporation or labor organization for travel in connection with a Federal election must reimburse the corporation or labor organization:

(i) In the case of travel to a city served by regularly scheduled commercial service, the first class air fare;

(ii) In the case of travel to a city not served by a regularly scheduled commercial service, the usual charter rate.

(2) A candidate, candidate's agent, or person traveling on behalf of a candidate who uses other means of transportation

owned or leased by a corporation or labor organization must reimburse the corporation or labor organization at the normal and usual rental charge.

Alternative 1. (1) No candidate, a candidate's agent, or person traveling on behalf of a candidate may use an airplane or other means of transportation which is owned or leased by a labor organization or corporation which is not licensed to offer commercial transportation.

§ 114.10 Extension of credit and settlement of corporate debts.

(a) A corporation may extend credit to a candidate, political committee or other person in connection with a Federal election provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to nonpolitical debtors of similar risk and size of the obligation. Nothing in this section modifies regulations prescribed by the Civil Aeronautics Board, the Federal Communications Commission or the Interstate Commerce Commission issued pursuant to 2 U.S.C. § 451 or any other regulations prescribed by other Federal agencies with regard to credit extended by the regulated corporations.

(b) Except as specifically provided in subsection (c), a corporation may not forgive prior debts or settle debts which have been incurred by a candidate or political committee or other person for use in connection with a Federal election for less than the amount owed on the debt.

Alternative 1. (c) A corporation may, subject to Commission determination on a case-by-case basis, settle or forgive a debt if a showing is made to the Commission that the corporate creditor has treated the outstanding debt in a commercially reasonable manner. Such a showing must include at least the following:

(1) That the initial extension of credit was made in accordance with regulations issued pursuant to 2 U.S.C. § 451 or subsection (a).

(2) That the candidate or political committee or person has undertaken an exhaustive effort to satisfy the outstanding debt; and

(3) That the corporate creditor has pursued its remedies in a manner similar in intensity to that employed by the corporation in pursuit of a non-political debtor, including lawsuits if filed in similar circumstances.

Alternative 2. (c) A corporation may settle or forgive a debt if the corporate creditor has treated the outstanding debt in a commercially reasonable manner. A settlement will be considered commercially reasonable if:

- (1) Same as above.
- (2) Same as above.
- (3) Same as above.

The corporation and/or the debtor must file a statement with the Commission including the initial terms of credit, the steps the debtor has taken to satisfy the debt, and remedies pursued by the creditor. This statement must be filed prior to the termination of the reporting status of the debtor and the statement may be subject to Commission review.

§ 114.11 Employee participation plan.

(a) An employee participation plan (a/k/a "trustee plan") is a political giving program in which a corporation pays the costs of establishing and administering separate bank accounts for employees who wish to participate. The cost of administering and establishing includes the payment of costs for a payroll deduction or check-off plan and the cost of maintaining the separate bank accounts.

(1) The employees must exercise complete control and discretion over the disbursement of the monies in their accounts.

(2) The trustee, bank, or other administrator shall not provide the corporation or its separate segregated fund any report of the source or recipient of any contribution(s) or donation(s) into or out of any account or of the amount any employee has in an account.

(3) The trustee, bank, or other administrator may provide the corporation or its separate segregated fund with a periodic report limited to information about the total number of employees in the program, the total amount of funds in all accounts, and the total amount of contributions made to all candidates and committees.

(4) No stockholder, director or employee of the corporation or its separate segregated fund may exert pressure of any kind to induce participation in the program.

(5) No stockholder, director, or employee of the corporation or its separate segregated fund may exercise any direction or control, either oral or written, over contributions by participants in the program to any candidate, group of candidates political party or other person.

§ 114.12 Miscellaneous provisions.

(a) A political committee can incorporate and not be subject to the provision of the Act on the limitations on contributions and expenditures by corporations if the following conditions are met.

(1) The organization is a political committee as defined in § 100.

(2) The political committee has incorporated for liability purposes only.

(3) Notwithstanding the corporate status of the political committee, the chairman, treasurer and other persons of an incorporated political committee remain personally responsible for carrying out their respective duties under the Act.

(b) Notwithstanding anything in Part 114, a church, civic or community organization, clubs, associations, labor organizations, or corporation which customarily makes its premises or facilities available to clubs, civic or community organizations or other groups may make such facilities available to a political committee or candidate on a nonpartisan basis and on the same terms given to other groups using the facilities.

(c) A corporation or labor organization may not pay the employer's share of the cost of fringe benefits, such as health

and life insurance and retirement, for employees or members on leave-without-pay to participate in political campaigns of Federal candidates. The separate segregated fund of a corporation or a labor organization may pay the employer's share of fringe benefits, and such payment would be a contribution in kind to the candidate. Service credit for periods of leave-without-pay is not considered compensation for purposes of this section if the employer normally gives identical treatment to employees placed on leave-without-pay for non-political purposes.

PART 115—FEDERAL CONTRACTORS

Sec.

115.1 Definitions.

115.2 Prohibitions.

115.3 Corporations, labor organizations, memberships organizations, cooperatives, and corporations without capital stock.

115.4 Partnerships.

115.5 Individuals and sole proprietors.

§ 115.1 Definitions.

(a) A Federal contractor means a person, as defined in § 100.13 who—

(1) Enters into any contract with the United States or any department or agency thereof either for—

(i) The rendition of personal services, or

(A) Furnishing any material, supplies or equipment; or

(B) Selling any land or buildings;

(ii) If the payment for the performance of the contract or payment for the material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress.

(b) The period during which a person is prohibited from making a contribution or expenditure is the time between when the request for proposals or bids are sent out and the latter of

(1) The completion of performance under; or

(2) The termination of negotiations for, the contract or furnishing of material, supplies, equipment, land or buildings.

(c) A contract includes a negotiated contract, a competitively bid contract, or any other type of contract entered into with the United States or any department or agency thereof.

(d) The basic contractual relationship must be with the United States or any department or agency thereof. A person who contracts with a state or local jurisdiction or entity other than the United States or any department or agency thereof is not subject to this section, even if the state or local jurisdiction or entity is funded in whole or in part from funds appropriated by the Congress.

(e) The term labor organization has the meaning given it by § 114.1(a).

§ 115.2 Prohibitions.

(a) It shall be unlawful for a Federal contractor, as defined in § 115.1(a)(1), to make either directly or indirectly any contribution or expenditure of money or

other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee, or candidate for Federal office or to any person for any political purpose or use in connection with a Federal election.

(b) The prohibition runs for the time period set forth in § 115.1(b).

(c) It shall be unlawful for any person knowingly to solicit any contribution from a Federal contractor.

§ 115.3 Corporations, labor organizations, membership organizations, cooperatives, and corporations without capital stock.

Corporations, labor organizations, membership organizations, cooperatives, and corporations without capital stock to which this section applies may expend treasury monies to establish, administer, and solicit contributions to any separate segregated fund subject to the provisions of § 114, but may make no other expenditure in connection with a Federal election. Each specific prohibition, allowance and duty applicable to a corporation, labor organization, or separate segregated fund under § 114 applies to a corporation, labor organization, or separate segregated fund to which this section applies.

§ 115.4 Partnerships.

(a) Partnerships. The assets of a partnership which is a Federal contractor may not be used to make contributions or expenditures in connection with Federal elections.

(1) The partnership assets may be used to establish a political committee and to solicit voluntary contributions, as defined in § 114.5(a), to the committee.

(2) Nothing in this section prohibits employees of a partnership which is a Federal contractor from making contributions from his or her personal assets.

(b) Individual partners may make contributions in their own names from personal assets.

§ 115.5 Individuals and sole proprietors.

Individuals or sole proprietors who are Federal contractors are prohibited from making expenditures or contributions from either their business, personal or other funds under their dominion or control. The spouse of an individual or sole proprietor who is a Federal contractor is not prohibited from making a personal contribution or expenditure in his or her name.

§ 115.6 Employee contributions or expenditures.

Nothing in this Part shall prohibit the stockholders, officers or employees of a corporation, the employees, officers or members of an unincorporated association, cooperative, membership organization, labor organization, or sole proprietorship or other group or organization which is a Federal contractor from making contributions or expenditures from their personal assets.

PART 120—GENERAL PROVISIONS

Sec.
120.1 Scope.
120.2 Definitions.

AUTHORITY: Sec. 404(c) (13), 88 Stat. 1293, amending 26 U.S.C. section 9008(b). Interpret or apply section 406(a), 88 Stat. 1294 (26 U.S.C. § 9008).

§ 120.1 Scope.

(a) This part interprets 2 U.S.C. § 437 and 26 U.S.C. § 9008.

Section 9008 of Title 26 authorizes the Federal Election Commission to certify to the Secretary of the Treasury for payments of the amounts to which the national committee for any major or minor party is entitled under 26 U.S.C. § 9008 with respect to a presidential nominating convention, but the entitlement of each major party may not exceed the aggregate amount of \$2,000,000 adjusted by the Consumer Price Index. Section 437 of Title 2 requires certain organizations to file convention reports.

(b) Under 26 U.S.C. § 9008(b) the national committees of both major and minor parties are entitled to payments from public funds to defray expenses which they incurred with respect to a presidential nominating convention. These expenses are limited to \$2,000,000, as adjusted by the Consumer Price Index, whether or not the national committee decides to accept public funding. New parties are exempted from any expenditure limitation and are not entitled to any public funds. For a minor party to be entitled to its proportionate share of share of public funds for convention expenses, its presidential candidate in the last election must have received (as the presidential candidate of that party) at least 5 percent of the total popular vote received by all presidential candidates in such election.

§ 120.2 Definitions.

The following definitions shall apply for the purposes of parts 120-129.

(a) "Commission" means the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

(b) "Fund" means the Presidential Election Campaign Fund established by 26 U.S.C. § 9006(a).

(c) "Major Party" means, with respect to any presidential election, a political party whose candidate for the office of President in the preceding presidential election received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office.

(d) "Minor party" means, with respect to any presidential election, a political party whose candidate for the office of President in the preceding presidential election received, as the candidate of such party, 5 percent or more but less than 25 percent of the total number of popular votes received by all candidates for such office.

(e) "New Party" means, with respect to any presidential election, a political party which is neither a major party nor a minor party.

(f) "Convention Expenses" or "Expenses or Expenditures incurred with respect to a presidential nominating convention" means an expense incurred for the purpose of conducting a presidential nominating convention of convention-related activities (including the payment of deposits) by or on behalf of the national committee of a political party, including:

(1) Any expense for preparing, maintaining and dismantling the physical site of the convention, including rental of the hall, platforms and seating, decorations, telephones, security, and convention hall utilities;

(2) Salaries and expenses of personnel whose responsibilities are planning, managing, or conducting the convention, including staff members of convention committees and similar personnel; and

(3) Any expenses of those persons employed by the national committee of a political party which were incurred in the performance of personal services for the convention that were in addition to their normal duties to the national committee, such as travel expenses to and from or at the convention city, but excluding any portion of the person's salary paid by the national committee, provided that the services of that person were incidental to the convention and not performed as a major responsibility.

(4) The expense of conducting meetings of or related to convention policy committees, such as rules, credentials and platform, including costs of renting meeting space and printing materials (except for certain legal and accounting expenses, see § 121.5(d));

(5) The expenses incurred in securing a convention city and facility;

(6) The expense of providing a transportation system in a convention city for the use of delegates and other persons attending or otherwise connected with the conventions;

(7) The expenses of entertainment activities which are part of official convention activity including but not limited to, dinners, concerts and receptions, but not including entertainment activities sponsored by, or on behalf of, candidates for nomination to President or Vice President, or state delegations, or activities sponsored by the national committee if the purpose of the activity is solely for national committee business, such as selecting new officers for the national committee, or entertainment activities sponsored by persons other than the national committee, not otherwise prohibited.

(8) The expenses of printing official convention programs, agendas, tickets and other official publications.

(9) The administrative and office expenses of conducting the convention such as stationery and office supplies, office machines, and telephone charges, but excluding the cost of any such services supplied by the national committee at its headquarters or principal office so long as such services were incidental to the convention and not utilized primarily for the convention.

(10) The interest on loans, the proceeds of which were used to defray convention expenses.

(11) The expenses of any candidate or delegate participating in any presidential nominating convention, subject to the provisions of §§ 121.5 and 122.5.

(f) "Secretary" means the Secretary of the Treasury of the United States.

§ 121.3 Exception.

The Commission may authorize the national committee of a major party or minor party to make expenditures for convention expenses which, in the aggregate, exceed the limitation established by § 121.1 or § 121.2. This authorization shall be based upon a determination by the Commission that, due to extraordinary and unforeseen circumstances, the expenditures are necessary to assure the effective operation of the presidential nominating convention by the committee. In no case, however, will such authorization entitle the national committees to receive public funds greater than the amount the national committees are entitled to under § 122.1 or § 122.2.

§ 121.4 Expenditures by municipal corporations.

(a) Expenditures with respect to a presidential nominating convention incurred by local governmental agencies and municipal corporations will not be considered either as expenditures made by a national party nor as illegal corporate contributions under 2 U.S.C. § 441b. These expenditures will therefore not be subject to the national party's expenditure limitations of §§ 121.1 and 121.2, provided that the facilities or services supplied at no charge or reduced charge to the national committee were not leased or bought from corporations, national banks, or labor organizations for less than their fair market value.

(b) Expenditures made under paragraph (a) are reportable under § 125.1.

§ 121.5 Expenditures by private corporations and labor organizations.

(a) Private corporations may provide at less than fair market value any of the services, benefits or uses of property described in subsection (a), such as reduction in standard rates of any goods or services, provided that such benefits are offered in the ordinary course of business by the corporation to other political and nonpolitical conventions of corresponding size and duration. The value of such benefits will not apply to the national party's expenditure limitation of §§ 121.1 and 121.2.

(b) Private corporations which are engaged at the local retail level in the business of supplying consumer goods or services to the public and labor organizations representing individuals employed by businesses engaged at the local retail level may contribute funds to a host committee such as a local civic association, business league, chamber of commerce, real estate board or board of trade (1) not organized for profit and no part of the net earnings of which inures to the benefit of any private

shareholder or individual, and (2) a principal objective of which must be the encouragement of that commerce which is necessarily entailed in the arrival of any major convention in the city where the corporations are located. These contributions must be made in the reasonable expectation of a commensurate commercial return during the life of the convention, as may be indicated by previous convention experience. The value of the contributions to or expenditures made by the host committees to defray the costs of items listed in § 121.4(a) will not apply to the national party's expenditure limitation of §§ 121.1 and 121.2, nor reduce its entitlement to public funds.

(c) Notwithstanding subsection (b), private profit and non-profit corporations which are not engaged at the local retail level in the business of supplying consumer goods or services to the public, and labor unions representing individuals employed by these types of businesses (whether incorporated or not) may contribute funds or make in-kind contributions to the host committee so long as these contributions are used solely for the administrative operation of the host committee and not for the benefit of any person attending the convention. If the host committee receives any contributions under this subsection, the committee shall maintain separate accounts and records with respect to the receipt and use of these contributions.

(d) For purposes of this section, unincorporated government contractors as that term is defined in § 115.1 may make any contribution or expense that is permitted by corporations under this section.

Section 121.4(e) is new and reflects the language of OC 1976-1 to Stanford Freedman of the NYC Host Committee that permits non-retail corporations to make contributions. This is expanded further here to include labor unions since the rationale for allowing non-retail corporations to contribute can apply to unions; namely, that the unions also have an interest in fostering the economic well-being of the convention city by spurring economic activity.

Section 121.4(f) is new and affords government contractors who are not incorporated the same exemptions that are permitted to corporations under AO-1 and labor unions under these proposed regulations.

Section 121.4(g) is new and follows OC 1976-1 to prevent improper use of contributions.

Alternative to § 121.4(c). Section 121.4(c). In addition to subsection (b), any corporation doing business in the convention city and labor unions representing individuals employed in these businesses may contribute funds or make in-kind contributions to the host committee so long as these contributions are used solely for the administrative operation of the host committee and not for the benefit of any person attending the convention.

§ 121.6 Expenditures by individuals and groups.

(a) (1) For purposes of this part, expenditures made by presidential candi-

dates from campaign accounts, by delegates, or by any other individual out of their personal funds for the purpose of attending and participating in the convention or convention-related activities, or made on their behalf by state or local committees of a political party, will not be considered as expenditures made by or on behalf of the national party, and are therefore not subject to the overall expenditure limitations of §§ 121.1 and 121.2.

(2) Expenditures made under subsection (a) (i) by candidates from campaign accounts, or by state and local party committees, or any other political committee, shall be reported pursuant to Part 104, as expenditures made for the purpose of influencing an election.

(b) The payment of compensation by the regular employer to its employee for legal or accounting services rendered by the employee to or on behalf of the national committee of a political party shall not be treated as an expenditure made by or on behalf of such committee with respect to its limitations on presidential nominating convention expenses. Consequently, the payment shall not reduce the national party's entitlement to public funds. The payment is nevertheless reportable under Part 104.

Section 121.5(c) is new but only states explicitly what was implied before; namely, that private contributions not exempted will count as a contribution to the party thereby reducing the party's entitlement and, if the contribution is in-kind, reducing the party's expenditure limit by that amount.

Section 121.5(d) is new and reverses OC 1976-21 to Sheldon Cohen with the language of the proposed bill in section 303. Basically, the OC to Sheldon Cohen said that a law firm's payment of compensation to its lawyers who work for the national committee will count as a reportable contribution subject to the \$25,000 limitation AND will reduce the expenditure limits and entitlement to public funds by the amount of the compensation so paid. The proposed bill eliminates the OC 'holding' by stating that the compensation will not count as an expense.

PART 122—ENTITLEMENT TO AND DISPOSITION OF PAYMENTS FROM THE FUND

Sec.	
122.1	Major parties.
122.2	Minor parties.
122.3	Adjustment of entitlements.
122.4	Investment of funds.
122.5	Use of funds; candidate and delegate expenses.

AUTHORITY: Sec. 404(c) (13), 88 Stat. 1293, amending 26 U.S.C. § 9009(b). Interpret or apply section 406(a), 88 Stat. 1294 (26 U.S.C. § 9008).

§ 122.1 Major parties.

Subject to the provisions of this part, the national committee of a major party shall be entitled to receive payments under § 123.4, with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed \$2 million.

§ 122.2 Minor parties.

Subject to the provisions of this part, the national committee of a minor party shall be entitled to payments under § 123.4, with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed an amount which bears the same ratio to the amount the national committee of a major party is entitled to receive under § 122.1, as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes received by the candidates for President of the United States of the major parties in the preceding presidential election.

§ 122.3 Adjustment of entitlements.

(a) The entitlements established by this part shall be adjusted in the same manner as expenditure limitations established by and of Title 2, United States Code, are adjusted pursuant to the provisions of of such title.

(b) The entitlements established by this Part shall be decreased by the amount of income generated by the investment of public funds under § 122.4.

(c) The entitlements established by this Part shall be adjusted so as not to exceed the difference between the expenditure limitations of Part 121 and the amount of private contributions received under § 123.1 by the national committee of a political party and used to defray convention expenses.

§ 122.4 Investment of funds.

Any investment of public funds or their use in any other way which generates income is permissible only if the income so generated is used for the purposes described in § 122.5. This income will be applied against the national committee's entitlement, and where appropriate, the Commission may determine that a repayment is required because of excess payment under § 124.1(a).

§ 122.5 Use of funds; candidate and delegate expenses.

(a) No part of any payment made under § 123.3 shall be used to defray the expenses of any candidate or delegate who is participating in any presidential nominating convention.

The expenses of a person participating in the convention as official personnel of the national party may be defrayed with public funds even though that person is simultaneously participating as a delegate or candidate to the convention. Public funds shall not be used to defray any expense, the incurring or payment of which violates any law of the United States or of the State in which such expense is incurred or paid.

(b) Any payment shall be used only:

(1) To defray convention expenses incurred (including the payment of deposits) by or on behalf of the national committee receiving such payments, or

(2) To repay the principal and interest on loans the proceeds of which were used to defray convention expenses, or

(3) To restore funds (other than contributions to defray convention expenses received by the committee under § 123.1) used to defray convention expenses.

PART 123—PAYMENT PROCEDURE FOR PRESIDENTIAL NOMINATING CONVENTIONS

- Sec. 123.1 Optional payments; private contributions.
- 123.2 Transfers to the fund.
- 123.3 Information required to qualify for public funds.
- 123.4 Payment schedule.

AUTHORITY: Sec. 404(c) (13), 88 Stat. 1293, amending 26 U.S.C. § 9009(b). Interpret or apply section 406(a), 88 Stat. 1294 (26 U.S.C. § 9008).

§ 123.1 Optional payments; private contributions.

(a) A major or minor party may elect to receive all, part, or none of the amounts to which it is entitled under § 122.1 and § 122.2.

(b) A major party electing to receive part or none of the amounts to which it is entitled under § 122.1 may receive and use private contributions for the nominating convention, so long as the sum of the contributions and the amount of entitlements elected to be received does not exceed the total expenditure limitation under § 121.1.

(c) A minor party electing to receive all, part, or none of the amounts to which it is entitled under § 122.2 may receive and use private contributions for the nominating convention so long as the sum of the contributions and the amount of entitlements elected to be received does not exceed the total expenditure limitation under § 121.2.

§ 123.2 Transfer to the fund.

If, after the close of a presidential nominating convention and after the national committee of the political party involved has been paid the amount which it is entitled to receive under Part 122, there are moneys remaining in the account maintained by the Secretary of the Treasury for such national committee because of the adjustments due to §§ 122.3 (b)-(c) (interest received on investments and acceptance of private contributions), the Secretary shall transfer the moneys so remaining to the Presidential Election Campaign Fund.

§ 123.3 Information required to qualify for public funds.

(a) To qualify for public financing of their conventions, the national committees of the major and minor parties shall file an application statement and agreements containing the information in subsections (c) and (d) of this section with the Federal Election Commission.

(b) This statement shall be filed no earlier than June 1 of the calendar year preceding the year in which a presidential nominating convention of a political party is held.

(c) The application statement shall include:

(1) The name and address of the national committee;

(2) The name and address of the convention arrangements committee of the national committee or such similar committee in charge of the national convention.

(3) The name of the city where the convention is to be held and the approximate dates;

(4) The name, address, and position of the officers and members of the convention arrangements committee;

(5) The name, address, and position of the party officials designated by the national committee to sign requests for payment;

(6) The name and address of the commercial bank to be used as the depository of the convention arrangements committee;

(7) Signature cards, available from the Commission, signed by the designated party officials authorized to request payments.

(d) The national committees of the major and minor parties shall agree to limit the expenditures for their convention to the amount specified in Part 121.

(e) Any change in the information required by subsection (c) shall be reported to the Commission within a 10-day period following the change.

§ 123.4 Payment schedule.

After a national committee has properly submitted its application statement under § 123.1, payments will be disbursed upon the receipt of a payment request in installments in the manner specified in subsections (a)-(e).

(a) *Initial payment.* (1) A written request for an initial payment shall:

(i) Be signed by the authorized individual(s) whose name appears on the signature card;

(ii) Specify an amount to be received, not to exceed 30 percent of the aggregate amount to which the committee is entitled.

(iii) Specify one or more accounts established solely for the purpose of depositing therein and drawing therefrom all public funds received for convention financing, or certify that such account(s) will be established;

(iv) Specify one or more accounts established solely for the purpose of depositing therein and drawing therefrom all private contributions to defray convention expenses, or certify that such account(s) will be established if the national committee decides to receive such contributions;

(v) Be supported by a statement projecting and describing estimated convention expenses and those already incurred, if any, through and including the last day of the calendar quarter in which the request is made, except that projected expenditure categories need not be itemized in specific dollar figures.

(2) A request for an initial payment may be submitted to the Commission simultaneously with the application statement required under § 121.1 or at any time thereafter.

(3) A properly submitted payment request for initial payment shall be reviewed and certified by the Commission

to the Secretary for payment not later than 5 working days after being received by the Commission, or July 1 of the calendar year preceding the calendar year of the convention, whichever is later.

(b) *Quarterly payment requests.* (1) Requests for disbursements after the national committee has qualified for public financing under § 123.2 and received its initial disbursement under § 123.3(a) shall be submitted quarterly commencing with October 1 of the year prior to the year in which the convention will be held.

(2) The written requests shall:

(i) Be signed by the authorized individual(s);

(ii) Be accompanied by a statement of projected convention expenses estimated through the close of the quarterly period, except that no specific dollar figure need be assigned to the various expenditure categories;

(iii) Specify an amount to be received which shall reflect the amount of the projected expenses; and

(iv) Be submitted to the Commission any time during the quarter to which the request relates.

(c) *Special certification for accelerated payment schedule.* The Commission may certify more than one disbursement per quarter where a showing is made that a deficit is likely to be incurred unless a further disbursement is made. Any payment request for such further disbursement should be supported by a summary of actual convention expenses previously incurred for the quarter, together with the projected convention expenses which will occasion the deficit if a further disbursement is not forthcoming.

(d) *Amount of disbursement.* Each disbursement certification to the Secretary will be based upon the convention expenses projected for the requesting period, subject to any deductions as the Commission may determine under paragraph (e) of this section and § 124.1(f).

(e) *Post-convention disbursements.* (1) Notwithstanding the payment request for the last quarter preceding the convention, the Commission may, in its discretion and upon appropriate notice to the committee, certify to the Secretary for an amount less than the amount requested, but in no case may the amount of such adjustment downward exceed 10 percent of the total entitlement of that party.

(2) Funds withheld under this subsection, if any, shall be disbursed after the convention upon the proper submission of a post-convention payment request accompanied by the convention financing report required under Part 125.

(3) Post-convention payments shall be subject to audit by the Commission and deductions computed under § 124.1(f) in addition to other requirements imposed by law.

(f) Properly submitted requests for quarterly, accelerated, and post-convention payments shall be certified by the Commission to the Secretary for disbursement within five working days after being received by the Commission.

PART 124—POST-DISBURSEMENT PROCEDURES

Sec.

124.1 Repayments.

124.2 Notification of need for repayments.

124.3 Examination and audits.

AUTHORITY: Sec. 404(c)(13), 88 Stat. 1293, amending 26 U.S.C. § 9009(b). Interpret or apply section 406(a), 88 Stat. 1294 (26 U.S.C. § 9008).

§ 124.1 Repayments.

(a) If the Commission determines that any portion of the payments to the national committees under § 121.3 was in excess of the aggregate payments to which the national committees were entitled, it shall so notify national committees and such national committees shall pay to the Secretary an amount equal to such portion.

(b) If the Commission determines that the national committees incurred convention expenses in excess of the aggregate payments to which the national committee of a major party was entitled, it shall notify such national committees of the amount of such excess and such national committees shall pay to the Secretary an amount equal to amount.

(c) If the Commission determines that the national committee of a major party accepted contributions to defray convention expenses which, when added to the amount of payments received exceeds the expenditure limitation of such party it shall notify such national committees of the amount of the contributions so accepted, and such national committees shall pay to the Secretary an amount equal to amount.

(d) If the Commission determines that any amount of any payment to the national committees under § 121.3 was used for any purpose other than those authorized by § 122.5, it shall notify such national committees to the amount so used, and such national committees shall pay to the Secretary an amount equal to such amount.

(e) No repayment shall be required from the national committees under this section, which, when added to other repayments required from such national committees under this section, exceeds the amount of payments received by such national committees under § 121.3.

(f) Subject to § 124.2, the Commission may obtain repayment by authorizing the Secretary of the Treasury to deduct the repayable amount determined under subsections (a)-(e) from the amount otherwise due the national committee for its next payment. All other repayments shall be made payable to the Secretary of the Treasury, and deposited by him in the general fund of the Treasury.

§ 124.2 Notification of need for repayment.

(a) If the Commission determines that repayment is required under § 124.1, it shall give written notification to the affected national committee of the amounts required to be paid and the reasons thereof.

(b) No notification shall be made by the Commission under this section more

than 3 years after the last day of the presidential nominating convention.

§ 124.3 Examinations and audits.

The Commission shall conduct an examination and audit of the convention expenses of the national party no later than December 31 of the calendar year of the convention, and may conduct at any time, other examinations and audits as it deems necessary.

PART 125—CONVENTION REPORTS

Sec.

125.1 Reports; committees shall report.

125.2 Reports; political parties.

125.3 Financial statements; time and content of filing.

125.4 Committees receiving Federal funds.

125.5 Convention expenses; definitions.

AUTHORITY: Sec. 308(a)(13), 86 Stat. 17, 2 U.S.C. 438, interpret or apply section 307, 86 Stat. 16, 2 U.S.C. 437, as amended.

§ 125.1 Reports by municipal and private host committees.

(a) Each committee or other organization which represents a state, a political subdivision thereof, or any other group of persons, in dealing with officials of a national political party with respect to matters involving a presidential nominating convention held in that state or political subdivision shall file reports with the Commission as set out in § 125.3 below.

(b) Municipalities need not report their unsuccessful efforts to attract the convention to their city.

§ 125.2 Reports by political parties.

(a) Each committee or other organization, including a national committee which represents a national major, minor, or new political party in making arrangements for the convention of that party held to nominate a candidate for the office of President or Vice President shall file reports with the Commission as set out in § 125.3 of this Part.

(b) A state party committee or a subordinate committee of a state party committee which only assists delegates and alternates to the convention from that state with travel expenses and arrangements, or which sponsors caucuses, receptions and similar activities at the convention site need not report under this Part 125.

§ 125.3 Post-Convention reports; time and content of filing.

(a) Each committee or organization required to file a financial statement shall within 60 days following the last day the convention is officially in session, but not later than 20 days prior to the date of the general election; file with the Commission a convention report on FEC Form 4, which shall contain all receipts and disbursements in connection with the convention, and contain all receipts and disbursements in connection with the convention, and shall be complete as of — days following the convention.

(b) If the committee spends or receives any funds after — days following the convention, the committee shall begin

to file, no later than 10 days after the end of the next calendar quarter, a report disclosing all transactions completed as of the close of that calendar quarter, and shall continue to file quarterly reports thereafter until the committee ceases activity.

(c) Each committee shall file a final report with the Commission not later than 10 days after it ceases activity, unless such status is reflected in either of the reports submitted pursuant to §§ 125.3(a) or (5).

§ 125.4 Committees receiving Federal funds; quarterly reports.

Any national committee of a major or minor party which receives, directly or indirectly, all or part of the payment for Presidential nominating conventions under 26 U.S.C. § 9008, shall, in addition to the post-convention reports required to be filed under § 125.3, file quarterly reports as follows:

(a) The first quarterly report shall be filed at the end of the calendar quarter in which the committee receives its first payment under 26 U.S.C. § 9008. A report shall be filed for each subsequent quarter in which the committee receives or expands any funds, except that a report need not be filed at the end of the quarter in which the committee files the report required by § 125.3.

(b) The reports shall contain the same information as required under § 109.3, shall be filed not later than 10 days after the end of the calendar quarter, and shall disclose all transactions as of the end of the calendar quarter.

§ 125.5 Convention expenses; definition.

For the purposes of this part, receipts and disbursements, in connection with a convention, means convention expenses as defined in Part 120 of these regulations.

PART 130—DEFINITIONS

Sec.	
130.1	Authorized committee.
130.2	Political committee.
130.3	Candidate.
130.4	Commission.
130.5	Matching payment account.
130.6	Matching payment period.
130.7	Primary election.
130.8	Matchable campaign contribution.
130.9	Unmatchable contributions.
130.10	Qualified campaign expense.
130.11	State.

§ 130.1 Authorized committee.

"Authorized committee" means any political committee which is authorized in writing by a candidate to solicit or receive contributions or to make expenditures on behalf of the candidate. This authorization shall be addressed to the authorized political committee, and a copy of the authorization shall be filed by the candidate with the Commission. A withdrawal of authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

§ 130.2 Political committee.

"Political committee" means any individual, committee, association, or organi-

zation (whether or not incorporated) which accepts contributions or incurs qualified campaign expenses for the purpose of influencing, or attempting to influence, the nomination of any individual for election to the office of President of the United States.

§ 130.3 Candidate.

(a) "Candidate" means an individual who seeks the nomination for election to be President of the United States. An individual is considered to seek the nomination for election if he or she—

(1) Takes the action necessary under the law of a state to qualify for nomination for election; or

(2) Receives contributions or incurs qualified campaign expenses; or

(3) Gives consent for any other person to receive contributions or to incur qualified campaign expenses on his or her behalf.

(b) "Candidate" shall not include any individual who is not actively conducting campaigns in more than one state in connection with seeking nomination for election to be President of the United States.

§ 130.4 Commission.

"Commission" means the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

§ 130.5 Matching payment account.

"Matching Payment Account" means the Presidential Primary Matching Payment Account established by the Secretary of the Treasury under 26 U.S.C. section 9037(a).

§ 130.6 Matching payment period.

"Matching Payment Period" means the period beginning January 1 of the year in which a general election for the office of President of the United States is held and ending on the date on which the national convention of the party, whose nomination a candidate seeks, nominates its candidate for the office of President of the United States, or, in the case of a party which does not make such nomination by national convention, the last day for the matching period shall be the earlier of (a) the date the party nominates its candidates for the office of President of the United States; or (b) the last day of the last national convention held by a major party.

§ 130.7 Primary election.

"Primary election" means an election, including a runoff election or a nominating convention or a caucus held by a political party,

(a) For the selection of delegates to a national nominating convention of a political party, or

(b) For the expression of a preference for the nomination of candidates for election to the office of President of the United States, or

(c) Which is an election that combines the features of both paragraphs (a) and (b) of this section.

§ 130.8 Matchable campaign contributions.

(a) "Matchable campaign contribution" means a gift of money made by a written instrument identifying the individual making the contribution by full name, and mailing address and made for the purpose of influencing the result of a primary election.

(1) Gifts of money will be considered matchable campaign contributions only to the extent of the first \$250 contributed by an individual.

(2) The amount of the contribution which is submitted for matching shall be actually received by the candidate or any of the candidate's authorized committees and deposited in a designated campaign depository.

(3) The contribution shall be received and deposited by the candidate or authorized committee on or after the first day of the calendar year immediately preceding the calendar year of the presidential election, but no later than the last day of the matching payment period.

(b) For purposes of this section, the term "money" means currency of the United States and foreign currency, checks, money orders or any other negotiable instrument payable on demand.

(c) (1) For purposes of this section "written instrument" means either

(i) (A) A check written on a personal, escrow, or trust account, money order, a credit card transaction slip, or any other negotiable instrument payable on demand and to the order of, or specially endorsed without qualification to, the Presidential candidate or to his or her principal campaign committee (but only if the candidate's name is also included on the face or endorsement of the written instrument) and which contains the full name and signature of the contributor, the amount and date of the contribution, and the mailing address of the contributor;

(B) In cases of a check drawn on a joint-checking account, the contributor is considered to be the owner whose signature appears on the check. To be attributed equally to other joint tenants of the account, the check or other written instrument shall contain the other individual's signature(s).

(C) Checks drawn on escrow or trust accounts can only be a contribution from the person who has beneficial ownership of the account, and therefore must be signed by that person with the statement that the giving of the contribution does not violate the conditions of the trust or escrow agreement; or

(ii) A written record of a cash gift (not exceeding \$100 and not made in violation of 2 U.S.C. 441g) signed by the contributor; including the contributor's full name, mailing address, the amount and date of the gift and a notation indicating the name of the recipient candidate. The information required under subsections (c) (1) (i) and (c) (1) (ii) may appear on the written instrument, an attached record, or by other written documentation.

(c) (2) In addition to contributions from individuals, contributions in the form of checks written on partnership accounts, or accounts of unincorporated associations or businesses are matchable contributions so long as

(i) The checks are accompanied by documentation which specifies that the contribution is made by a specific individual or individuals;

(ii) Such documentation is signed by the individual or individuals; and

(iii) The aggregate amount of the contributions drawn on a partnership, or unincorporated association or business account, does not exceed \$1,000 to any one Federal candidate for an election.

§ 130.9 Unmatchable contributions.

A contribution to a candidate other than by a gift of money under § 130.8 is unmatchable, including—

(a) In-kind contributions of real or personal property,

(b) Subscription, loan, advance, or deposit of money, or anything of value,

(c) A contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose

(d) Funds from a corporation, labor organization, government contractor, political committee as defined in § 100.14 or any group of persons other than those under § 130.8(c) (2)

(e) Contributions which are illegally made or accepted such as contributions in the name of another, cash contributions over \$100 from one donor, etc.

(f) Contributions in the form of a check drawn upon the account of a committee, corporation, union, or government contractor even though the funds represent personal funds earmarked by a contributing individual to a Presidential candidate.

(g) Contributions in the form of the purchase price paid for an item with significant intrinsic and enduring value, such as a watch.

(h) Contributions which are made by persons without the necessary donative intent to make a gift or made for any other purpose other than to influence the result of a primary election.

§ 130.10 Qualified campaign expense.

"Qualified campaign expense" means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value—

(a) Incurred by a candidate or by the candidate's authorized committees, in connection with his or her campaign for nomination for election; and

(b) Neither the incurrence, nor payment of which, constitutes a violation of any law of the United States or of any State in which the expense is incurred or paid, except that any State law which has been preempted by the Federal Election Campaign Act of 1971, as amended, shall not be considered a State law for purposes of this subsection.

(c) For purposes of this section, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in

writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or committee.

§ 130.11 State.

"State" means each State of the United States and the District of Columbia.

PART 131—ELIGIBILITY FOR PAYMENTS

Sec.

- 131.1 Candidate agreements.
- 131.2 Candidate certifications, threshold amount.
- 131.3 Matching payment threshold requirements.
- 131.4 Matching payments in excess of threshold.
- 131.5 Candidate entitlements.
- 131.6 Expenditure limitation.

§ 131.1 Candidate agreements.

A candidate seeking to become eligible to receive Presidential primary matching fund payments shall agree in a letter to the Commission, signed by the candidate, that the candidate will—

(a) Obtain and furnish to the Commission, upon reasonable written or oral request, any evidence the Commission may request regarding qualified campaign expenses;

(b) Keep, and furnish to the Commission upon reasonable written or oral request, any books, records or other information that the Commission may request;

(c) Permit an audit and examination by the Commission, pursuant to Part 133, and to pay any amounts required to be paid under that Part. In addition, the candidate shall submit the name and mailing address of the person to whom the payment should be sent and the name and address of the national or State bank designated by the candidate as a campaign depository as required in Part 104 of this Title and § 132.3(c) of this Part, and

(d) Comply with the disclosure requirements of Title 2, United States Code and Parts 100–108 of these regulations.

§ 131.2 Candidate certifications, threshold amount.

A candidate seeking to become eligible to receive Presidential primary matching fund payments shall certify to the Commission, in a written statement signed by the candidate, that—

(a) He or she is seeking nomination by a political party to the office of President of the United States in more than one State;

(b) The candidate and his or her authorized committee(s) will not incur qualified campaign expenses in excess of the limitation on such expenses under § 131.6.

(c) The candidate and his authorized committees have received matchable campaign contributions which, in the aggregate, exceed \$5,000 in contributions from individuals who are residents of each of at least 20 States, and which in respect to any individual do not exceed \$250. For each State in which the candidate certifies he or she has met this requirement, the candidate shall

(1) Submit an alphabetical list of contributors, showing each full name, residential address, date of the receipt of the contribution by the candidate or his or her committee and deposit into the designated campaign depository, the dollar amount of each contribution submitted for matching purposes, the matchable portion thereof, and the total amount of all matchable contributions submitted;

(2) Submit a photocopy of each check or other written instrument for each contribution which the candidate submits to receive matching funds. The photocopies shall be segregated alphabetically by deposit; and shall be accompanied by copies of the relevant deposit slip.

(d) The Commission may conduct audits of candidate records to determine eligibility, and shall notify candidates if it chooses to conduct the audits. In that case, the Commission may at its own discretion waive the submission requirement of § 131.2 (c) (1) and (c) (2).

§ 131.3 Matching payment threshold requirements.

During the matching payment period, the Commission shall, as soon as practicable and generally within 5 working days, examine the submission under § 131.1 and § 131.2 (a), (b) and (c) and shall either:

(a) Make a preliminary determination that the candidate has satisfied the requirement of raising an amount in excess of \$5000 in contributions from individuals who are residents of each of at least 20 states, and which in respect to any individual do not exceed \$250; or

(b) Promptly notify the candidate giving a detailed explanation of the reasons for the Commission's conclusion that the candidate has failed to satisfy the matching payment threshold requirements.

§ 131.4 Matching payments in excess of threshold.

(a) After a preliminary determination has been made that the candidate has successfully satisfied the threshold requirement under § 131.3, the Commission shall so notify the candidate and request the submission in good order of the necessary documentation of all contributions received and deposited by a date specified by the Commission.

(b) Contributions which have been submitted for matching purposes after notification that the candidate has met the threshold requirement need not be segregated by state, including any re-submission of the threshold contributions. Each submission shall include an aggregate total of each individual's contribution submitted for matching purposes.

§ 131.5 Candidate entitlements.

A candidate who is certified by the Commission under § 132.1 below as eligible to receive payments is entitled to payments in an amount equal to the amount of each matchable campaign contribution, as defined in § 130.8, provided that the total amount of payments

to a candidate shall not exceed 50 percent of the total expenditure limitation applicable under 2 U.S.C. § 441a(b) (1) (A) as adjusted by 2 U.S.C. section 441a (c).

§ 131.6 Expenditure limitation.

(a) No candidate who has accepted matching funds shall knowingly

(1) Incur qualified campaign expenses in excess of the expenditure limitation applicable under 2 U.S.C. § 441a(b) (1) (A) and

(2) Make expenditures from his or her personal funds, or funds of his or her immediate family, in connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, \$50,000.

(b) For purposes of this section, the term immediate family means a candidate, spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons.

(c) For purposes of applying subsection 131.6(a) (2) above, expenditures made by an individual after January 29, 1976 and before May 11, 1976 shall not be taken into account.

CROSS REFERENCE: Part 110, § 110.10.

PART 132—CERTIFICATION AND DISBURSEMENT

Sec.

- 132.1 Initial certification.
- 132.2 Additional certifications.
- 132.3 Payments and deposits of Presidential primary matching funds.
- 132.4 Insufficient Documentation.
- 132.5 Certification review and notice.
- 132.6 Resubmissions.

§ 132.1 Initial certification.

Within 10 calendar days after the Commission formally determines that a candidate has established his or her eligibility under Part 131 to receive payments, the Commission shall certify to the Secretary of the Treasury for payment of the amount to which such candidate is entitled.

§ 132.2 Additional certifications.

(a) To obtain subsequent certifications following the initial certification and payment, a candidate shall file all information required for the initial eligibility under part 131, except that

(1) The alphabetical listing of contributors need not be segregated by State and

(2) The candidate need not resubmit the agreements under § 131.1 and the certifications under § 131.2.

(b) Requests for additional certifications may be submitted not more often than twice a month, on the first and third Mondays thereof, unless the Commission in its discretion permits additional requests.

(c) Except as provided by § 132.4, requests for additional certification shall be made for those contributions received by the candidate after the close of the period for which the previous submission was made.

(d) The Commission shall certify to the Secretary of the Treasury any addi-

tional amount to which a candidate is entitled within 15 calendar days of receipt of information submitted under subsection (a).

§ 132.3 Payments and deposits of Presidential primary matching funds.

(a) Upon receipt of a written certification from the Commission but not before the beginning of the matching payment period, the Secretary of the Treasury or his or her delegate shall promptly transfer the amount certified from the matching payment account to the candidate.

(b) In making such transfers to candidates of the same political party, the Secretary or his or her delegate shall seek to achieve an equitable distribution of funds available in the matching payment account, and the Secretary or his or her delegate shall take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received.

(c) Upon receipt of any matching funds, the candidate shall deposit the full amount received into the checking account maintained by the candidate's principal campaign committee in the depository designated by the candidate.

§ 132.4 Insufficient documentation.

Contributions which are otherwise matchable may be rejected for matching purposes because of insufficient supporting documentation. These contributions may become matchable if there is a proper resubmission in accordance with § 132.5-6. Insufficient documentation includes—

(a) Discrepancies in the written instruments such as

(1) Instruments drawn on other than personal accounts of contributors and not signed by the contributing individual;

(2) Signature discrepancies;

(3) Lack of the contributor's signature, the amount of the contribution, or the listing of the committee or candidate as payee;

(b) Discrepancies between listed contributions and supporting documentation, such as

(1) Contributor's name is misspelled;

(2) The listed amount requested for matching exceeds the amount contained on the written instrument;

(3) A written instrument has not been submitted to support a listed contribution;

(c) Discrepancies within or between contribution lists submitted such as

(1) The address of the contributor is missing or incomplete, or the contributor's name is alphabetized incorrectly, or more than one contributor is listed per item;

(2) A discrepancy in aggregation within or between submissions, or a listing of a contributor more than once within the same submission.

§ 132.5 Certification review and notice.

(a) If the Commission intends to certify to the Treasury for payment an amount which is less than the amount

requested by the candidate, the Commission shall notify the candidate in writing in the form of a "Notice of Insufficient Documentation" or "Notice of Unmatchable Contributions", which notice or notices shall include:

(1) That less than full certification is being considered;

(2) As to the amount of the contribution and the name of the contributor which the Commission considers not matchable, and the reasons therefor;

(3) That the Commission will certify to the Treasury for payment the amount of matchable contributions that are not in dispute;

(4) That candidate will be accorded an opportunity to supply the Commission with additional documentation or other explanation in the form of a resubmission under § 132.6 so as to make the disputed contribution matchable.

(b) In any case where the candidate or his or her committee has knowledge that a contribution which has been submitted for matching purposes does not so qualify, such as a check returned to the committee for insufficient funds, the Commission shall be notified as soon as possible so that a proper adjustment may be made in the amount to be certified.

§ 132.6 Resubmissions and hearing opportunity.

(a) Contributions which were submitted and rejected under § 132.5(a) may be resubmitted with the necessary information.

(b) In order to be reviewed, the resubmission of disputed contributions shall be made on a separate list identifying the submission in which the contributions were originally submitted.

(c) Resubmissions must be presented to the Commission on the second and fourth Mondays of each month and to the extent approved will be certified to the Secretary of the Treasury within 15 calendar days.

(d) If a candidate chooses to make a resubmission and the Commission determines that the disputed contribution is still unmatchable, the Commission will notify the candidate in writing of such action and the reasons therefor, and will accord the candidate an opportunity for a hearing if he or she so requests within 7 days from the receipt of this second notification.

(e) The hearing shall be informal and shall be held before the Commission or a designee of the Commission who shall not have been responsible for the certification in question. The candidate or his or her representative shall bring to the hearing all documents relevant to the disputed contributions.

(f) The Commission shall certify for payment the amount of the disputed contributions which have been resolved at the hearing as being matchable. Failure of the Commission to certify unresolved disputed contributions shall constitute a final and conclusive determination by the Commission. The Commission shall so notify the candidate of its actions.



PART 133—TERMINATION OF PAYMENTS

Sec.

- 133.1 Continuation of certification.
 133.2 Ineligibility dates.
 133.3 Use of matching payments.
 133.4 Determination of inactive candidacy.
 133.5 Determination of active candidacy.
 133.6 Reestablishment of eligibility dates.
 133.7 Effect of Part 133 on candidates receiving funds prior to May 11, 1976.

§ 133.1 Continuation of certification.

(a) Candidates who have received matching funds may continue to submit contributions to the Commission to be certified for matching up to 14 calendar days following the end of the matching payment period.

(b) No contribution will be matched if it is submitted after the 14-day period, regardless of the date the contribution was deposited.

(c) No contribution will be matched if it is deposited after the matching payment period.

§ 133.2 Ineligibility dates.

(a) If a contribution is received after the date specified in subsection (1) or (2), that contribution may be submitted for matching, but no payment made to the candidate with respect to that contribution may be used to defray any expense incurred after the date in subsection (1) or (2), whichever occurs first.

(1) The day on which an individual ceases to be a candidate because the candidate is not actively conducting campaigns in more than one State in connection with seeking the nomination for election to the President of the United States. That date shall be the earlier of

(i) The date the candidate publicly announces to be the date that he or she will not be actively conducting campaigns in more than one State, or

(ii) The date which the Commission determines under § 133.4 to be the date that the candidate is not actively seeking election in more than one State.

(2) The 30th day following the date of the second consecutive primary election in which such individual receives less than 10 percent of the number of votes cast for all candidates of the same party for the same office in such primary election, if such individual permitted or authorized the appearance of his name on the ballot, unless such individual certifies to the Commission that he will not be an active candidate in the primary involved.

(i) For purposes of this paragraph, if the primary elections involved are held in more than one State on the same date, the highest percentage of votes a candidate receives in any one State will govern.

(ii) For purposes of this paragraph, the Commission may determine that notwithstanding the certification by the candidate that he is not an active candidate in the primary involved, he will be deemed to be an active candidate if the Commission so finds under § 133.5.

§ 133.3 Use of matching payment.

(a) Matching payments shall be used only to defray qualified campaign ex-

penses incurred, without regard to the date of their incurrence, except as provided in subsection (b).

(b) If either § 133.2(a)(1) or § 133.2(a)(2) become applicable to a candidate, matching payments made to a candidate on the basis of contributions deposited by the candidate after the date when § 133.2(a)(1) or § 133.2(a)(2) became applicable, may only be used to defray qualified campaign expenses incurred prior to that date.

§ 133.4 Determination of inactive candidacy.

(a) The Commission may make an initial determination that a candidate is no longer actively seeking election in more than one State, unless the candidate chooses to do so by sending a letter to the Commission indicating an inactive status.

(b) A notice of initial determination shall be sent to the candidate.

(c) The candidate will be afforded an opportunity to make a showing that he or she is an active candidate.

(d) After a proper hearing, the Commission may make a final determination that the candidate is inactive.

The Commission may consider, but is not limited to the following factors in making its determination.

(1) The frequency and type of public appearances speeches; and advertisement.

(2) Campaign activity with respect to soliciting contributions or purchasing campaign materials;

(3) Continued payment and employment of personnel and use of volunteers.

§ 133.5 Determination of active candidacy.

If a candidate certifies to the Commission that he will not be an active candidate in the primary involved the § 133.2(a)(2), the Commission may nevertheless determine that the candidate is active in the primary involved based upon the same criteria and procedure outlined in § 133.4.

§ 133.6 Reestablishment of eligibility dates.

(a) If a candidate is not actively conducting campaigns in more than one State the Commission may subsequently find that such individual is actively seeking election to the Office of President of the United States in more than one state. The Commission shall make this finding without requiring such individual to reestablish his eligibility to receive payments under § 131.2. This finding will be based upon a showing that the candidate is making a bona fide effort to campaign in more than one state. The Commission may consider, but is not limited to, the following factors in making its determination:

(1) The frequency and type of public appearances, speeches, and advertising;

(2) Campaign activity with respect to soliciting contributions or purchasing campaign materials; and

(3) Continued payment and employment of personnel and the use of volun-

teers, and the continued existence of a campaign organization in a State.

The day which the Commission determines to be the day the candidate became active again is the reestablishment of eligibility date.

(b) If it has been determined that § 131.2(a)(2) applies to a candidate, the reestablishment date shall be the day on which the candidate receives 20 percent or more of the total number of votes cast for candidates of the same party in a primary election held after the date on which the election was held which was the basis for terminating payments to him.

(c) If the candidate is reestablished under subsection (a), any contributions that are deposited on or after that date may be matched and the payment received may be used to defray qualified campaign expenses regardless of when the expense was incurred.

(d) If the candidate is reestablished under subsection (b), any contribution deposited after the date of reestablishment may be matched and the payment received thereby may be used to defray any qualified campaign expenses, regardless of when the expense was incurred. Furthermore, any contribution deposited after the deactivation dated in § 133.2(a)(2) but before the reestablishment date in subsection (b) of this section, may be matched.

§ 133.7 Effect of Part 133 on candidates receiving funds prior to May 11, 1976.

(a) If any candidate has submitted contributions to be matched with the Commission which were deposited before May 12, 1976, the full amount may be matched and the payment received may be used to defray qualified campaign expenses regardless of when incurred.

(b) If any presidential candidate would have been found to come within the deactivation date of § 133.2(a)(1) (inactive candidacy) before May 12, 1976, the Commission may make a determination under § 133.6 that the person is no longer an active candidate in more than one State and opportunity for a hearing may be afforded. The date that the Commission determines was the date the candidate became inactive shall become the deactivation date for that candidate, but that date may not be earlier than May 12, 1976.

(c) Any candidate who does not enter any primary after May 11, 1976, or certifies that he will not be an active candidate in one or more primaries after May 11, may nevertheless continue to receive matching funds to be used for qualified campaign expenses regardless of when they were incurred as long as the person is an active candidate in more than one State.

PART 134—EXAMINATIONS AND AUDITS, REPAYMENTS

Sec.

- 134.1 Audit.
 134.2 Repayments.
 134.3 Liquidation of obligation; repayment.

§ 134.1 Audit.

(a) Within 90 days of the close of a Matching Payment Period, the Commission shall conduct an audit of the qualified campaign expenses of every candidate and his or her authorized committees who received presidential primary matching funds.

(b) In addition, the Commission may conduct other examinations and audits from time to time as it deems necessary to carry out the provisions of parts 130-139.

§ 134.2 Repayments.

(a) If the Commission determines that—

(1) Any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount to which such candidate was entitled, or

(2) Any amount of any payment made to a candidate from the matching payment account was used for any purpose other than

(i) To defray qualified campaign expenses; or

(ii) To repay loans which were used to defray qualified campaign expenses; or

(3) Any portion of any payment made to a candidate on the basis of contributions received after the deactivation

dates in § 133.2 was used for any purpose other than to defray qualified campaign expenses incurred before the deactivation date the Commission shall so inform the candidate as soon as possible, but no later than 3 years after the end of such matching payment period, and the candidate shall repay to the Secretary of the Treasury within 90 days of the notice, an amount equal to the excess payments, or an amount equal to the amount of non-qualified campaign expenditures. Upon application submitted by the candidate, the Commission may grant a 90-day extension of the repayment period.

(b) If the candidate disputes the Commission's determination that a repayment is required, he or she shall notify the Commission within 30 days of receipt of the Commission's notification to the candidate.

(1) The commission, or its designee, shall conduct a hearing at a mutually agreeable time and place, at which the candidate may make a showing of where the Commission erred in its determination of repayment.

(2) Based on the hearing, the Commission shall reaffirm or modify its initial determination, which shall constitute final and conclusive determination, and shall so notify the candidate.

§ 134.3 Liquidation of obligations; repayment.

(a) Obligations incurred with respect to primary elections may be liquidated through use of matching payment funds during a period up to 6 months after the end of the Matching Payment period.

(b) After all obligations have been liquidated, the candidate shall so inform the Commission in writing.

(c) (1) Within 30 days of notification, and

(2) If any unexpended balance remains in any campaign depository of the candidate or any of his authorized committees, then the candidate shall repay to the Secretary of the Treasury an amount equal to that portion of the unexpended balance remaining into the candidate's depositories which bears the same ratio to the total unexpended or unencumbered balance as the total amount received from the matching payment account bears to the aggregate of all contributions and matching funds deposited in all of the candidate's depositories.

(d) All payments received by the Secretary under § 134.2 or § 134.3 shall be deposited in the matching payment account.

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federal register

WEDNESDAY, AUGUST 25, 1976



PART II:

FEDERAL ELECTION COMMISSION



**ESTABLISHMENT OF
CHAPTER**



Title 11—Federal Elections
CHAPTER I—FEDERAL ELECTION COMMISSION
[Notice 1976-38]
ESTABLISHMENT OF CHAPTER

The Federal Election Commission today publishes regulations which it has adopted to implement the provisions of the Federal Election Campaign Act of 1971, as amended in 1974 and 1976. Commission approval of these regulations occurred on July 27, 29 and 30, 1976, and August 5, 1976. Pursuant to 2 U.S.C. § 438, the regulations have been transmitted to the Congress of the United States. The regulations are not yet effective. Further action, including the announcement of an effective date, will be taken by the Commission after these regulations have been before the Congress for 30 legislative days in accordance with 2 U.S.C. § 438(c), 26 U.S.C. § 9009(c), and 26 U.S.C. § 9039(b).

These regulations were originally published in proposed form on May 26, 1976 (41 FR 21572-21605), on June 25, 1976 (41 FR 26397) and on July 9, 1976 (41 FR 28413). Written comments were received and public hearings were held. The regulations published today will be promulgated in their present form unless disapproved by the Congress under 2 U.S.C. § 438(c), 26 U.S.C. §§ 9009(c) or 9039(b).

Dated: August 19, 1976.

VERNON W. THOMSON,
Chairman for the
Federal Election Commission.

Chapter I is added to Title 11 of the Code of Federal Regulations to read as follows:

SUBCHAPTER A—GENERAL

PART 100—SCOPE AND DEFINITIONS

- Sec. 100.1 Scope.
100.2 Candidate.
100.3 Commission.
100.4 Contribution.
100.5 Support.
100.6 Election.
100.7 Expenditure.
100.8 Federal office.
100.9 File, filed, or filing.
100.10 Identification.
100.11 Occupation.
100.12 Principal place of business.
100.13 Person.
100.14 Political committee.
100.15 Connected organization.
100.16 Political party.
100.17 National committee.
100.18 State.
100.19 State committee, subordinate committee.
100.20 Act.

PART 101—CANDIDATE STATUS AND DESIGNATIONS

- 101.1 Duration of candidate status.
101.2 Candidate designations.
101.3 Waiver of candidate reporting.

PART 102—REGISTRATION AND ORGANIZATION OF POLITICAL COMMITTEES

- 102.1 Registration of political committees.
102.2 Forms and filing.
102.3 Change or correction in information.
102.4 Termination of registration.

- Sec. 102.5 Identification number.
102.6 Federal committees and accounts; separation of Federal and non-Federal funds.
102.7 Organization of political committees.
102.8 Receipt of contributions.
102.9 Accounting for contributions and expenditures.
102.10 Petty cash fund.
102.11 Designation of principal campaign committee.
102.12 Authorization of political committees.
102.13 Notice; solicitations of contributions.
102.14 Records; retention.
102.15 Segregated funds.

PART 103—CAMPAIGN DEPOSITORIES

- 103.1 Notification of the Commission.
103.2 Depositories.
103.3 Deposits and expenditures.
103.4 Vice-Presidential candidate campaign depositories.

PART 104—REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

- 104.1 General.
104.2 Form and content of reports.
104.3 Disclosure of receipt and consumption of in-kind contributions.
104.4 Filing dates.
104.5 Uniform reporting of contributions.
104.6 Uniform reporting of expenditures.
104.7 Allocation of expenditures among candidates.
104.8 Continuous reporting of debts and obligations.
104.9 Waiver of reporting requirements.
104.10 Political committees; cash on hand.
104.11 Members of Congress; reporting exemption.
104.12 Formal requirements regarding reports and statements.
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§ 100.1 Scope.

This subchapter is issued by the Federal Election Commission under Title III of the Federal Election Campaign Act of 1971 (Public Law 92-225), as amended in 1974 (Public Law 93-443), and as amended in 1976 (Public Law 94-283) and is applicable to campaigns for nomination or election to the offices of President and Vice President of the United States; and Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

§ 100.2 Candidate.

An individual is a candidate for Federal office, whether or not elected, whenever any of the following events occur:

(a) The individual has taken the action necessary, under relevant State law, to qualify in a primary, runoff, special or general election convention or caucus; or

(b) The individual has received contributions or made expenditures, or has given his or her consent for any other person to receive contributions or make

expenditures, with a view toward bringing about his or her election; or

(c) If after written notification by the Commission that any other person is receiving contributions or making expenditures on the individual's behalf, the individual fails to disavow this activity by letter to the Commission within 30 days of receipt of the notification.

§ 100.3 Commission.

"Commission" means the Federal Election Commission, 1325 K Street, NW., Washington, D.C. 20463.

§ 100.4 Contribution.

(a) "Contribution" means—

(1) A gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office; or for the purpose of influencing the results of a primary election, caucus, or convention held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President. For purposes of paragraph (a),

(i) The term "loan" includes a guarantee, endorsement, and any other form of security where the risk of non-payment rests with the surety, guarantor, or endorser as well as with a political committee, candidate, or other primary obligor. A loan is a contribution to the extent that the obligation remains outstanding.

(ii) The term "money" includes currency of the United States or of any foreign nation, checks, money orders, or any other negotiable instrument payable on demand.

(iii) (A) The term "anything of value" includes securities, goods, facilities, equipment, supplies, personnel, advertising, services, membership lists commonly offered or used commercially, or other in-kind contributions provided without charge (other than volunteer services under § 100.4(b)(2)) or at a charge which is below the usual and normal charge for the items. The amount of a contribution of a thing of value is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged the candidate or political committee.

(B) For purposes of this section,

(1) "Usual and normal charge" for goods means the price of those goods in the market from which they ordinarily would have been purchased at the time of their contribution.

(2) "Usual and normal charge" for any services, other than those provided by an unpaid volunteer, means the hourly or piecework rate charge for the services prevailing at the time the services were rendered.

(3) The donation of all or a portion of the costs of fundraising, such as the cost of a meal as part of a fundraising dinner.

(4) A written contract, promise, or agreement such as a signed pledge card,

whether or not legally enforceable, to make a contribution. The contract, promise, or agreement shall be reported as a debt owed to the candidate or committee until it is honored.

(4) A transfer of funds to a political committee or candidate from another political committee, other political organization, or other similar source whether or not such organization is a political committee. The transfer occurs whenever the treasurer or other designated agent of the transferee committee or the candidate obtains control over the funds.

(5) The payment by any person other than a candidate or political committee of compensation for the personal services of another person which are rendered to a candidate or political committee without charge. No compensation is considered paid to any employee—

(i) (A) Who is paid on an hourly or salaried basis;

(B) Who is expected to perform duties for an employer for a particular number of hours per period; and

(C) Who engages in political activity during what would otherwise be a regular work period;

if the taken or released time is made up or completed by that employee within a reasonable period; or

(ii) Who is paid on a commission or piecework basis, or is paid only for work actually performed, whose time is considered the employee's own to use as he or she sees fit and who engages in political activity during what would otherwise be normal working hours; or

(iii) Where the time used by the employee to engage in political activity is bona fide, although compensable, vacation time or other earned leave time.

(6) The extension of credit for a length of time beyond normal business or trade practice, unless the creditor has made a commercially reasonable attempt to collect the debt (see § 114.10).

(b) The term "contribution" does not include—

(1) Payments made for the purpose of determining whether an individual should become a candidate, such as those incurred in conducting a poll, if the individual does not otherwise become a candidate. If the individual otherwise subsequently becomes a candidate, the payments are contributions, and must be reported with the first report filed by the candidate or the principal campaign committee of the candidate, as appropriate, regardless of the date the payments were made.

(2) The value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee.

(3) The rental value of an individual's residence used for campaign-related activity.

(4) The use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided without charge by an individual, in rendering voluntary personal services to a candidate on the individual's residential premises,

to the extent that the cumulative value of those activities by the individual on behalf of the candidate do not exceed \$500 with respect to an election. For purposes of this paragraph a contribution by a married individual shall not be attributed to a spouse.

(5) The sale of any food or beverage by a vendor (whether incorporated or not) for use in a candidate's campaign at a charge less than the normal or comparable commercial charge, if the charge for use in a candidate's campaign is at least equal to the cost of food or beverage to the vendor, and the cumulative value of the discounts given by the vendor does not exceed \$500 for an election.

(6) Any unreimbursed payments for transportation expenses made by an individual in volunteering services to a candidate, to the extent that the cumulative value of the payments does not exceed \$500 for an election. Additionally, any unreimbursed payment from a volunteer's personal funds for usual and normal living expenses incident to volunteer activity are not contributions.

(7) The payment of the costs of preparation, display, or mailing or other distribution incurred by a State or local committee of a political party with respect to a printed slate card, sample ballot, palm card, or other printed listing, of three or more candidates for any public office for which an election is held in the State in which the committee is organized. This paragraph shall not apply in the case of costs incurred by the committee with respect to the preparation and display of listings made on broadcasting stations, or in newspapers, magazines, and similar types of general public political advertising such as billboards, posters, and signs.

(8) Any news story, commentary, or editorial of any broadcasting station, newspaper, magazine, or other periodical publication unless the facility is owned or controlled by any political party, political committee, or candidate, in which case a news story which (1) represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility, and (2) is part of a general pattern of campaign-related news accounts which give reasonably equal coverage to all opposing candidates in the circulation or listening area, shall not be a contribution.

(9) Any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of Part 114, would not constitute an expenditure by the corporation or labor organization.

(10) An honorarium, and related expenses, within the meaning of § 110.12.

(11) Legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for the services is not the regular employer of the individual rendering the services), other than services attributable to activities which directly further the election of a designated candidate or candidates for Federal office.

For purposes of this paragraph and paragraph 12, a partnership shall be

deemed to be the regular employer of a partner.

(12) Legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with this Act or chapter 95 or 96 of the Internal Revenue Code of 1954 (unless the person paying for the services is not the candidate, committee, or other regular employer of the individual rendering the services), but amounts paid or incurred for these services shall be reported in accordance with Part 104.

(13) A loan of money by a national or State bank made in accordance with applicable banking laws and regulations, and in the ordinary course of business, but these loans (i) shall be reported in accordance with Part 104; and (ii) shall be considered a loan by each endorser or guarantor, in that proportion to the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

(14) A gift, subscription, loan, advance, or deposit of money or anything of value made to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility and which is not for the purpose of influencing the election of any candidate in any particular election for Federal office, except that such a transaction shall be reported in accordance with Part 104.

(15) A gift, subscription, loan, advance, or deposit of money or anything of value made with respect to the recount of the results of a Federal election, or an election contest concerning a Federal election, except when made by an organization subject to the prohibitions of § 114.2.

§ 100.5 Support.

The term "support" means to make a contribution of any amount or value to, or to make an expenditure of any amount or value on behalf of, a candidate or political committee, but see § 102.11(c).

§ 100.6 Election.

"Election" means the process by which individuals, whether opposed or unopposed, seek nomination for election, or election, to Federal office. Specific types of elections, defined below, are included in this definition.

(a) *General election.* "General election" means—

(1) An election held in even numbered years on the Tuesday next after the first Monday in November, or

(2) An election which is held to fill a vacancy in a Federal office (special election) and which is intended to result in the final selection of a single individual to the office at stake.

(b) *Primary election.* (1) "Primary election" means an election—

(i) Which is held prior to a general election, as a direct result of which candidates are nominated, in accordance with applicable State law, for election to

Federal office in a subsequent election, or (ii) Which is held for the expression of a preference for the nomination of persons for election to the office of President of the United States, or

(iii) Which is held to elect delegates to a national nominating convention.

(2) With respect to individuals seeking Federal office as independent candidates, or without nomination by a major party (as defined in 26 U.S.C. § 9002(6)), the primary election is considered to occur, at the choice of the candidate—

(i) The day prescribed by applicable State law as the last day to qualify for a position on the general election ballot, or

(ii) The date of the last major party primary election, caucus or convention in that State, or

(iii) In the case of non-major parties, the date of the nomination by that party.

(c) *Runoff election.* "Runoff election" means the election held after a

(1) Primary election, and prescribed by applicable State law as the means for deciding which candidate(s) should be certified as a nominee for the Federal office sought, or

(2) General election, and prescribed by applicable State law as the means for deciding which candidate should be certified as an officeholder elect.

(d) *Caucus or Convention.* A caucus or convention of a political party which has authority to select a nominee is an election.

(e) *Special election.* "Special election" means an election which is held to fill a vacancy in a Federal office, and which may be a primary, general, or runoff election.

§ 100.7 Expenditure.

(a) "Expenditure" means—

(1) A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or to the office of Presidential or Vice Presidential elector; or for the purpose of influencing the result of a primary election, caucus or convention held for the selection of delegates for a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President. For purposes of paragraph (1)—

(i) The term "payment"

(A) Includes payment of any interest on an obligation; and

(B) Includes a guarantee or endorsement by a candidate or a political committee of a loan;

(C) Does not include the repayment of the principal of an outstanding obligation, the proceeds of which constituted a contribution under these regulations, except that the repayment shall be reported.

(ii) The term "money" includes currency of the United States or of any foreign nation, checks, money orders, or any other negotiable instrument payable on demand.

(iii) The term "anything of value" in-

cludes securities, goods, facilities, equipment, supplies, personnel, advertising, services, membership lists commonly offered or used commercially, or other in-kind contributions provided without charge (other than volunteer services under § 100.4(b)(2)) or at a charge which is below the usual and normal charge for the items. The amount of the expenditure of a thing of value is the difference between the usual and normal charge for the goods or services at the time of the expenditure and the amount charged for the candidate or committee. For purposes of this paragraph,

(A) "Usual and normal charge" for goods means the price of those goods in the market from which they ordinarily would have been purchased at the time of their contribution.

(B) "Usual and normal charge" for services, other than those provided by an unpaid volunteer, means the hourly or piecework rate charge for the services prevailing at the time the services were rendered.

(2) A written contract, promise, or agreement, whether or not legally enforceable, to make any expenditure.

(3) A transfer of funds by a political committee to another political committee or candidate. A transfer occurs whenever the treasurer or other designated agent of the transferee committee or the candidate obtains control over the funds.

(4) An independent expenditure, which meets the requirements of Part 109, except that such independent expenditure is to be reported by the person making the expenditure as set forth in Part 109.

(b) The term "expenditure" does not include—

(1) Contributions by an individual from personal funds to a political committee or candidate.

(2) Payments made for the purpose of determining whether an individual should become a candidate, such as those incurred in conducting a poll, if the individual does not otherwise subsequently become a candidate. If the individual becomes a candidate, the payments are expenditures, and must be reported with the first report filed by the candidate or the principal campaign committee of the candidate, as appropriate, regardless of the date the payments were made.

(3) Any news story, commentary, or editorial of any broadcasting station, newspaper, magazine, or other publication, unless the facility is owned or controlled by any political party, political committee or candidate, in which case a news story which (i) represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility, and (ii) is part of a general pattern of campaign-related news accounts which give reasonably equal coverage to all opposing candidates in the circulation or listening area, shall not be an expenditure.

(4) Nonpartisan activity designed to encourage individuals to register to vote or to vote. For purposes of this section, nonpartisan activity means that no ef-

fort is made to determine the party or candidate preference of individuals before encouraging them to register to vote or to vote.

(5) Any communication by a membership organization to its members or by a corporation to its stockholders or executive or administrative personnel, so long as the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization, including a labor organization, or by a corporation, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election, be reported to the Commission on FEC Form 7. For the purposes of this paragraph—

(i) "Labor organization" means an organization of any kind (any local, national, or international union, or any local or State central body of a federation of unions is each considered a separate labor organization for purposes of this section) or any agency or employee representative committee or plan, in which employees participate and which exists for the purpose, in whole or in part, or dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(ii) "Stockholder" means a person who has a vested beneficial interest in stock, has the power to direct how that stock shall be voted, if it is voting stock, and has the right to receive dividends.

(iii) "Executive or administrative personnel" means individuals employed by a corporation who are paid on a salary rather than hourly basis and who have policymaking, managerial, professional, or supervisory responsibilities.

(A) This definition includes—

(1) Individuals who run the corporation's business, such as officers, other executives, and plant, division, and section managers; and

(2) Individuals following the recognized professions, such as lawyers and engineers.

(B) This definition does not include—

(1) Professionals who are represented by a labor organization;

(2) Salaried foremen and other salaried lower level supervisors having direct supervision over hourly employees;

(3) Former or retired personnel who are not stockholders; or

(4) Individuals who may be paid by the corporation, such as consultants, but who are not employees, within the meaning of 26 CFR 31.3401(c)-(1) of the corporation for the purpose of the collection of, and liability for, employee tax under 26 CFR 31.3402(a)-1.

(C) Individuals on commission may be considered executive or administrative personnel if they have policymaking,

managerial, professional, or supervisory responsibility and if the individuals are employees, within the meaning of 26 CFR 31.3401(c)-(1) of the corporation for the purpose of the collection of, and liability for, employee tax under 26 CFR 31.3402(a)-1.

(D) The Fair Labor Standards Act, 29 U.S.C. § 201, et seq. and the regulations issued pursuant to the Act, 29 CFR 541, may serve as a guideline in determining whether individuals have policymaking, managerial, professional, or supervisory responsibilities.

(iv) "Members" means all persons who are currently satisfying the requirements for membership in a membership organization, trade association, cooperative, or corporation without capital stock and in the case of a labor organization, persons who are currently satisfying the requirements for membership in a local, national, or international labor organization. Members of a local union are considered to be members of any national or international union of which the local union is a part and of any federation with which the local, national, or international union is affiliated. A person is not considered a member under this definition if the only requirement for membership is a contribution to a separate segregated fund.

(v) "Election" means two separate processes in a calendar year, to each of which the \$2,000 threshold described above applies separately. The first process is comprised of all primary elections for Federal office, wherever held; the second process is comprised of all general elections for Federal office, wherever held;

(vi) "Corporation" means any separately incorporated entity, whether or not affiliated.

(vii) When the aggregate costs exceed \$2,000 per election, all costs of the communication shall be reported on the filing dates provided in § 104.4, and shall include the total amount expended for each candidate supported.

(8) The rental value of an individual's residence used for campaign-related activity.

(7) The use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided without charge by an individual, in rendering voluntary personal services to a candidate on the individual's residential premises, to the extent that the cumulative value of those activities by the individual on behalf of a candidate do not exceed \$500 with respect to an election. For purposes of this paragraph an expenditure by a married individual shall not be attributed to a spouse.

(8) Any unreimbursed payments for transportation expenses made by an individual in volunteering services to a candidate, to the extent that the cumulative value of the payments does not exceed \$500 for an election. Additionally, any unreimbursed payment from a volunteer's personal funds for usual and normal living expenses incident to volunteer activity are not expenditures.

(9) Any communication by a person which is not made for the purpose of influencing the nomination for election, or election, of an individual to Federal office.

(10) Any payments by the candidate from non-campaign funds for routine living expenses of the candidate which would have been incurred without candidacy, including food and residence.

(11) The payment of the costs of preparation, display, or mailing or other distribution incurred by a State or local committee of a political party with respect to a printed slate card, sample ballot, palm card, or other printed listing, of three or more candidates for any public office for which an election is held in the State in which the committee is organized. This paragraph shall not apply in the case of costs incurred by a committee with respect to the preparation and display of listings made on broadcasting stations, or in newspapers, magazines, and similar types of general public political advertising, such as billboards, posters, and signs.

(12) Any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of Part 114 and 2 U.S.C. § 441b, would not constitute an expenditure by the corporation or labor organization.

(13) (i) Any costs incurred by a candidate or his or her authorized committees in connection with the solicitation of contributions by a candidate who has received Presidential Primary Matching Fund Payments (or a minor new party candidate receiving general election public financing under 26 U.S.C. § 9004), not exceeding 20% of the expenditure limitation applicable to the candidate, but these costs shall be reported under Part 104.

(ii) For purposes of this paragraph, "in connection with the solicitation of contributions" means any cost reasonably related to fundraising activity, including the costs of printing and postage, the production of and space or air time for, advertisements used for fundraising, and the costs of meals, beverages, and other costs associated with a fundraising reception or dinner.

(iii) The fundraising expenditures need not be allocated on a State by State basis, except where the fundraising activity is aimed at a particular State and takes place within 28 days of a primary election, convention, or caucus, see § 110.3(c).

(14) Legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for the services is not the regular employer of the individual rendering the services), other than services attributable to activities which directly further the election of a designated candidate or candidates for Federal office. For purposes of this paragraph and paragraph (15), a partnership shall be deemed to be the regular employer of a partner.

(15) Legal or accounting services rendered to or on behalf of a candidate or political committee solely for the pur-

pose of ensuring compliance with this Act or chapter 95 or 96 of the Internal Revenue Code of 1954 (unless the person paying for the services is not the candidate, committee, or other regular employer of the individual rendering the services), but amounts paid or incurred for these services shall be reported in accordance with Part 104.

(16) A loan of money by a national or State bank made in accordance with the applicable banking laws, but such a loan shall be made in accordance with § 100.4(b)(13), and shall be reported in accordance with Part 104.

(17) A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made with respect to the recount of the results of a Federal election, or an election contest concerning a Federal election, except when made by an organization subject to the prohibitions of § 114.2.

§ 100.8 Federal office.

"Federal office" means the office of President, or Vice President of the United States, Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

§ 100.9 File, filed, or filing.

"File," "filed," and "filing" mean with respect to reports and statements required to be filed under this chapter—

(a) Delivery to the Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463; the Secretary of the Senate, Washington, D.C. 20510; or the Clerk of the House of Representatives, Washington, D.C. 20515, as required by Part 105, by the close of the prescribed filing date, or

(b) (1) deposit as registered or certified mail in an established U.S. Post Office and postmarked no later than midnight of the day of the filing date, except that pre-election reports so mailed must be postmarked not later than midnight of the twelfth day before the date of the election.

(2) Reports and statements sent by first class mail must be received by the close of business of the prescribed filing date to be timely filed.

§ 100.10 Identification.

"Identification" means (a) in the case of an individual, his or her full name, including first name, middle name or initial, if available, last name, and full address of his or principal place of residence, and (b) in the case of any other person, the full name and mailing address.

§ 100.11 Occupation.

"Occupation" means principal job title or position and whether or not self-employed.

§ 100.12 Principal place of business.

"Principal place of business" means the full name under which the business is conducted and the city and state in which the person is employed or conducts business.

§ 100.13 Person.

"Person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

§ 100.14 Political committee.

"Political committee" means any committee, club, association, or other group of persons which anticipates receiving, or receives contributions, or makes expenditures, totalling more than \$1,000 in value during a calendar year, and means any principal campaign committee.

(a) The following are political committees:

(1) *Principal campaign committee.* "Principal campaign committee" means the political committee designated by a candidate as his or her principal campaign committee pursuant to § 101.2.

(2) *Single candidate committee.* "Single candidate committee" means a political committee other than a principal campaign committee which makes or receives contributions or makes expenditures on behalf of only one candidate.

(3) *Multicandidate committee.* "Multicandidate committee" means a political committee which (i) has been registered with the Commission, Clerk, or Secretary for at least 6 months; (ii) has received contributions for Federal elections from more than 50 persons; and (iii) (except for any State political party organization) has made contributions to 5 or more Federal candidates, see § 110.2.

(4) *Party committee.* "Party committee" means a political committee which represents a political party and is part of the official party structure at the national, State, or local level.

(b) A political committee is either an authorized committee or an unauthorized committee.

(1) *Authorized committee.* An "authorized committee" is a political committee which is empowered in writing by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate, or has not been disavowed pursuant to § 100.2(c).

(2) *Unauthorized committee.* An "unauthorized committee" is a political committee which has not been authorized in writing by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate, or has been disavowed pursuant to § 100.2(c).

(c) *Affiliated committee.* (1) All authorized committees of the same candidate are affiliated.

(2) All committees (including a separate segregated fund, see Part 114) established, financed, maintained, or controlled by the same corporation, labor organization, person, or group of persons, including any parent, subsidiary, branch, division, department, or local unit thereof, are affiliated.

(i) Application of the rule of this paragraph means that—

(A) All political committees set up by a single corporation and/or its subsidiaries are affiliated;

(B) All political committees set up by a single national or international union

and/or its local unions or other subordinate organizations of the national or international union are affiliated;

(C) All of the political committees set up by an organization of national or international unions and all its State and/or local central bodies are affiliated;

(D) All political committees (other than party committees) established by a member organization, including a trade or professional association, see § 114.8 (a), and/or by related State and local entities, are affiliated;

(E) All the political committees established by the same person or group of persons are affiliated.

(ii) For organizations not covered by (i) above, indicia of establishing, financing, maintaining, or controlling, include—

(A) Ownership of a controlling interest in voting shares or securities;

(B) Provisions of bylaws, constitutions, or other documents by which one entity has the authority, power, or ability to direct another entity;

(C) The authority, power, or ability to hire, appoint, discipline, discharge, demote, or remove or otherwise influence the decision of the officers or members of an entity;

(D) Similar patterns of contributions;

(E) The transfer of funds between committees which represent a substantial portion of the funds of either the transferor or transferee committee, other than the transfer of funds between the committees which jointly raised the funds so transferred.

§ 100.15 Connected organization.

"Connected organization" means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports the registrant such as a corporation (including one without capital stock), a labor organization, a membership organization, a cooperative, or trade association.

§ 100.16 Political party.

"Political party" means an association, committee, or organization which nominates or selects a candidate for election to any Federal office, whose name appears on an election ballot as the candidate of the association, committee, or organization.

§ 100.17 National committee.

"National committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of the political party at the national level.

§ 100.18 State.

"State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

§ 100.19 State committee, subordinate committee.

(a) "State committee" means the organization which, by virtue of the by-

laws of a political party, is responsible for the day-to-day operation of the political party at the State level.

(b) "Subordinate committee of a State committee" means any organization which is responsible for the day-to-day operation of the political party at the level of city, county, neighborhood, ward, district, precinct, or any other subdivision of a State, or any organization under the control or direction of the State committee.

§ 100.20 Act.

"Act" means the Federal Election Campaign Act of 1971, as amended by the Federal Election Campaign Act Amendments of 1974, and 1976, and, unless specifically excluded, includes chapters 95 and 96 of the Internal Revenue Code of 1954 relating to the public financing of Federal elections.

PART 101—CANDIDATE STATUS AND DESIGNATIONS

Sec.

101.1 Duration of candidate status.

101.2 Candidate designations.

101.3 Waiver of candidate reporting.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and sec. 315(a)(10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208(a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 101.1 Duration of candidate status.

Once an individual becomes a candidate under § 100.2 and does not have a waiver of candidate reporting under § 101.3, he or she continues to be a candidate for reporting purposes until all debts and obligations for which the candidate is personally obligated arising in connection with the election are extinguished. Candidacy then may be terminated by letter, containing the information required by § 102.4; see § 102.4 for termination of committees.

§ 101.2 Candidate designations.

(a) Within 30 days after attaining candidate status an individual is required to file a Statement of a Candidate for Nomination or Election to Federal Office on FEC Form 2, or file by a letter containing the same information in which such candidate shall—

(1) Designate a principal campaign committee in accordance with § 102.11, and

(2) Designate at least one national or State bank as a campaign depository under § 103.1.

(b) The candidate shall file a Statement of Authorization on FEC Form 2a or by letter containing the same information for any political committee other than a principal campaign committee which will be authorized to accept contributions or make expenditures on behalf of that candidate.

(c) The candidate shall commence filing personal reports of receipts and ex-

penditures in accordance with Part 104, unless a waiver of personal reporting is obtained under § 101.3, or unless reporting is exempted under §§ 104.1(c), 104.4(d) (2), or 104.4(f).

(d) If the candidate, or his or her authorized committee(s), receive contributions designated for the general election prior to the date of the primary election, the candidate or his or her authorized committee(s) shall use an acceptable accounting method to distinguish between contributions received for the primary election and contributions received for the general election. Acceptable methods include but are not limited to (1) the designation of separate accounts for each election, caucus, or convention and (2) the establishment of separate books and records for each election.

§ 101.3 Waiver of candidate reporting.

A candidate is relieved of the duty personally to file reports and keep records of receipts and expenditures if the candidate states on FEC Form 2 or in a letter that—

(a) Within 5 days after personally receiving a contribution, the candidate will surrender possession of the entire contribution to the treasurer of his or her principal campaign committee without expending any of the proceeds thereof. No contributions shall be commingled with the candidate's personal funds or accounts. Contributions conveyed by check, money order, or other written instrument shall be consigned directly to the political committee and shall not be cashed or redeemed by the candidate.

(b) The candidate shall not make any unreimbursed expenditures for his or her campaign, except that this paragraph does not preclude a candidate from making an expenditure from personal funds to the candidate's designated principal campaign committee which shall be reported by the committee as a contribution received.

(c) The waiver shall continue in effect as long as the candidate complies with the conditions under which it was granted.

PART 102—REGISTRATION AND ORGANIZATION OF POLITICAL COMMITTEES

Sec.

102.1 Registration of political committees.

102.2 Forms and filing.

102.3 Change or correction in information.

102.4 Termination of registration.

102.5 Identification number.

102.6 Federal committees and accounts; separation of Federal and non-Federal funds.

102.7 Organization of political committees.

102.8 Receipt of contributions.

102.9 Accounting for contributions and expenditures.

102.10 Petty cash fund.

102.11 Designation of principal campaign committee.

102.12 Authorization of political committees.

102.13 Notice; solicitations of contributions.

102.14 Records; retention.

102.15 Segregated funds.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat.

1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 315 (a) (10), Pub. L. 92-225, 86 Stat. 16, amended by Secs. 208(a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and Sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 102.1 Registration of political committees.

(a) Each political committee except as specified in paragraphs (b) and (c), shall file a Statement of Organization with the Federal Election Commission, the Secretary of the Senate, or the Clerk of the House, as appropriate, within 10 days after the date of its organization, or within 10 days after the date on which the committee has information which causes it to anticipate receiving contributions or making expenditures exceeding \$1,000 in a calendar year for Federal candidates, whichever is later, and, in the case of a principal campaign committee, within 10 days of when it is designated by the candidate.

(b) Each authorized committee shall file the Statement of Organization required by paragraph (a) of this section, and any amendment thereto, or termination thereof required by sections 102.3 or 102.4 of this Part, with the affiliated principal campaign committee. The principal campaign committee shall file a copy of this Statement, amendment, or termination as in paragraph (a) of this section.

(c) A political committee which has previously filed a Statement of Organization with the Commission, the General Accounting Office, the Clerk of the House of Representatives or the Secretary of the Senate, and has not validly terminated is not required to file a new Statement.

§ 102.2 Forms and filing.

(a) The Statement of Organization shall be filed on Federal Election Commission Form 1, which may be obtained from the Federal Election Commission, 1325 K Street, NW., Washington, D.C. 20463. The Statement, to be signed by the treasurer, shall include the following:

(1) The name, address, and type (see § 100.14) of committee;

(2) The names, addresses, and relationships of affiliated and connected organizations (see paragraph (b) of this section);

(3) The area, scope, or jurisdiction of the committee;

(4) The name, address, and committee position of the custodian of books and accounts;

(5) The name, address, and committee position of other principal officers, including the assistant treasurer and assistant chairman (if any) and the officers and members of the finance committee, if any;

(6) (i) The name, address, office sought, and party affiliation of (A) each candidate for Federal office whom the committee is supporting and (B) each candidate whom the committee is supporting for nomination or election to any

other public office; or if the committee is supporting the entire ticket of any party, the name of the party and the State in which the election is held.

(ii) If a committee wishes to terminate support, it shall amend its statement of organization;

(7) A statement whether the committee's existence will continue beyond the calendar year;

(8) The disposition of residual funds which will be made in the event of dissolution;

(9) A listing of all banks, safety deposit boxes, or other repositories used;

(10) A statement listing any reports (other than those required by these regulations) regarding candidates for Federal office filed under State or local law by the committee with State or local officers, and the names, addresses, and positions of such officers. See 2 U.S.C. § 453, and § 108.7 of these regulations.

(b) (1) "Affiliated organization" means an affiliated committee as defined in § 100.14(c).

(2) Only a principal campaign committee is required to disclose the name and address of all other authorized committees of its candidate; other authorized committees need only disclose the name of their principal campaign committee.

(ii) (A) Only political committees established by a single parent corporation, a single national or international union, a single organization or federation of national or international unions, a single national membership organization or trade association, or any other similar group of persons (other than political party organizations) are required to disclose the names and addresses of all political committees established by any subsidiary, or by any State, local, or other subordinate unit of a national or international union or federation thereof, or by any subordinate units of a national membership organization, trade association, or other group of persons (other than political party organizations).

(B) Political committees established by subsidiaries of State, local, or other subordinate units are only required to disclose the name and address of each political committee established by their parent or superior body, e.g., parent corporation, national or international union or organization or federation of such unions, or national organization or trade association.

(2) "Connected organization" includes any organization defined in § 100.15.

§ 102.3 Change or correction in information.

Any change or correction in the information previously filed in the Statement of Organization shall be reported within 10 days following the date of the change or correction by filing an amended Statement of Organization or by filing a letter noting the change(s). The amendment need list only the change or correction.

§ 102.4 Termination of registration.

(a) Any political committee (except a principal campaign committee) not hav-

ing outstanding debts or obligations owed to or by it incurred on behalf of Federal candidates which, after having filed one or more Statements of Organization, seeks to disband or determines that it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding \$1,000, shall file a notice of termination on FEC Form 3, FEC Form 6 or by letter containing the same information with the Commission, the Clerk of the House or the Secretary of the Senate, as appropriate. The notice shall contain a final report of receipts and disbursements, including a statement as to the disposition of residual funds if the committee is disbanding.

(b) A principal campaign committee may not terminate until—

(1) All debts of other authorized committees of the candidate have been extinguished, and,

(2) The candidate has terminated candidate status under § 101.1.

§ 102.5 Identification number.

Upon receipt of a Statement of Organization under this Part, or upon Commission review of statements already filed, an identification number shall be assigned to the statement, receipt shall be acknowledged, and the political committee shall be notified of the number assigned. This identification number shall be entered by the political committee on all subsequent reports or statements filed under the Act, as well as on all communications concerning reports and statements.

§ 102.6 Federal committees and accounts; separation of Federal and non-Federal funds.

(a) (1) Each State committee, and each subordinate committee of the State committee (see § 100.19), which intends to solicit, receive, or make contributions or expenditures, in excess of \$1,000, to, for, or on behalf of, any candidate for Federal office, or

(2) Any political committee which has solicited or received contributions for or on behalf of, or made expenditures or transfers to or on behalf of, any candidate for Federal office, shall either—

(i) Establish a separate Federal campaign committee which shall register as a political committee. The Federal campaign committee shall establish a segregated Federal account in either a national or State bank; or

(ii) Establish a single committee with a single account to make contributions to Federal and non-Federal candidates, but only if all contributions received are permissible under the Act, and all contributors are informed that all contributions are subject to the limitations of §§ 110.1, 110.2, and 110.5.

(b) The accounts and committees in (a) (2) (i) and (ii) above—(1) may not receive contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contri-

butions from contributors who are informed that all contributions are subject to the limitations of §§ 110.1, 110.2, and 110.5; or (2) may not receive transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee, except from a committee or account set out in (i) and (ii).

(c) The Federal campaign committee or account may make transfers for any lawful purpose. The committee shall file a Statement of Organization and shall file reports and statements pursuant to Part 104.

§ 102.7 Organization of political committees.

(a) Every political committee shall have a chairman and a treasurer, who shall not be the same individual.

(b) A political committee may designate—

(1) A vice chairman who shall assume the duties and responsibilities of the chairman in the event of a temporary or permanent vacancy in the office;

(2) An assistant treasurer who shall assume the duties and responsibilities of the treasurer in the event of a temporary or permanent vacancy in the office.

(c) No contribution or expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of the chairman or the treasurer.

(d) No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or an agent authorized orally or in writing by the chairman or treasurer.

§ 102.8 Receipt of contributions.

Every person who is not an authorized agent of the treasurer or candidate, and who receives contributions aggregating in excess of \$50 on behalf of a political committee or candidate shall, on demand of the treasurer or candidate, and in any event within 5 days after receipt, render to the treasurer or an authorized agent or the candidate an accounting thereof, which shall include—

(a) The exact amount of the contribution and the date received, and

(b) The identification of the contributor and, in the case of a contribution with a value in excess of \$100, the occupation and principal place of business or employment, if any.

§ 102.9 Accounting for contributions and expenditures.

It shall be the duty of a candidate (not having received a waiver under § 101.3) and of the treasurer of a political committee or an agent authorized by the treasurer to receive contributions and/or make expenditures to—

(a) Keep an account of all contributions made to or for the committee or candidate, and record

(1) The identification of every person making a contribution in excess of \$50;

(2) The occupation and principal place of business of individuals whose contributions aggregate in excess of \$100 in a calendar year;

(3) The date received; and

(4) The amount of the contribution.

(b) Keep an account of all expenditures made by or on behalf of the committee or candidate, and record

(1) The identification of every person to whom any expenditure is made;

(2) The date of the expenditure;

(3) The amount of the expenditure;

(4) The name and address of each candidate on whose behalf the expenditure was made; and

(5) The office sought by the candidate.

(c) Obtain and keep a receipted bill from the person to whom the expenditure is made for every expenditure made by or on behalf of the committee or candidate—

(1) In excess of \$100;

(2) In a lesser amount if the aggregate amount of expenditures during a calendar year to the same person exceeds \$100;

(3) The receipted bill shall contain—

(i) The identification of the person to whom the expenditure is made;

(ii) The amount of the expenditure;

(iii) The purpose of the expenditure; and

(iv) The date the expenditure was made.

(4) Instead of a receipted bill, the treasurer may keep—

(i) The canceled check(s) showing payment(s) of the bill; and

(ii) The bill, invoice, or other contemporaneous memorandum of the transaction containing the same information as required in (3) above.

(d) Keep full and complete records of proceeds from the sale of tickets and mass collections at each dinner, luncheon, rally, and other fundraising events, including the date, location, and nature of each event. He or she shall also keep full and complete records of the proceeds from the sale of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, jewelry, and similar materials, and these records shall reflect the cost of the items to the committee, the sale price, and the total volume sold. These records shall be preserved in accordance with Part 104.

(e) Use his or her best efforts to obtain the required information, and shall keep a complete record of the efforts to do so. If there is a showing that best efforts have been made, the reporting candidate or committee shall be deemed to be in compliance with this section.

§ 102.10 Petty cash fund.

A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. If a petty cash fund is maintained, it shall be the duty of the treasurer of the political committee to keep and maintain a written journal of all disbursements, including the purpose of each disbursement from the fund. The treasurer need not preserve receipts or invoices in connection with the trans-

action except as provided in § 102.9(c). A check made payable to "cash" shall not be made in excess of \$100 except to replenish a petty cash fund.

§ 102.11 Designation of principal campaign committee.

(a) Each candidate for Federal office (other than for election to the office of Vice President of the United States), shall designate a political committee as his or her principal campaign committee (see § 101.2), even if the candidate does not plan to use the committee to receive or expend funds. Each principal campaign committee shall register and report, whether or not otherwise required to do so under § 102.1(a).

(b) No political committee may be designated as the principal campaign committee of more than one candidate.

(c) No political committee which supports more than one candidate may be designated as a principal campaign committee, except that, after nomination, a candidate for the office of President of the United States may designate the national committee of a political party as his or her principal campaign committee.

(1) For purposes of this paragraph, any occasional, isolated, or incidental support of a candidate shall not be construed as "support" of that candidate.

(2) For purposes of this paragraph, "occasional, isolated, or incidental support" means making contributions to, or expenditures on behalf of, a candidate from another candidate's principal campaign committee not exceeding \$1000 for any election when combined with any personal contributions from the contributor candidate, except that the national committee of a political party which has been designated as the principal campaign committee of that party's Presidential candidate may contribute to another candidate. See Part 110.

§ 102.12 Authorization of political committees.

(a) (1) Any political committee authorized by a candidate to receive contributions or make expenditures shall be authorized in writing by the candidate. The authorization shall include a designation of campaign depositories to be used by such political committee in accordance with § 101.2 and Part 103.

(2) If an individual fails to disavow activity pursuant to § 100.2(c) and is therefore a candidate upon notice by the Commission, he or she shall authorize the committee in writing and designate a campaign depository in accordance with § 101.2 and Part 103.

(b) A candidate is not required to authorize a national, State or subordinate State party committee which solicits funds to be expended on the candidate's behalf pursuant to § 110.7.

§ 102.13 Notice; solicitations of contributions.

Each political committee shall include on the face or front page of all printed literature and advertisements soliciting contributions and at the beginning or end of any broadcast solicitation the following notice:

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

§ 102.14 Records; retention.

The treasurer of a political committee shall preserve all receipts, bills, accounts, and all other records in accordance with the requirements of § 104.12.

§ 102.15 Segregated funds.

All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of that committee.

PART 103—CAMPAIGN DEPOSITORIES

Sec.

103.1 Notification of the Commission.

103.2 Depositories.

103.3 Deposits and expenditures.

103.4 Vice-Presidential candidate campaign depositories.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and sec. 315(a)(10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208 (a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 103.1 Notification of the Commission.

Each committee shall notify the Commission of the banks it has designated as its depositories, pursuant to §§ 101.2 and 102.3.

§ 103.2 Depositories.

Only national or State banks chartered by the United States or a State may be designated as campaign depositories. One or more depositories may be established in one or more States. One or more accounts may be established in a depository.

§ 103.3 Deposits and expenditures.

(a) All contributions received by a candidate, his or her authorized political committee(s), and any other political committee(s) shall be deposited in a checking account in the appropriate campaign depository by the candidate, or by the treasurer of the committee or his or her agent, within 10 days of the candidate's or treasurer's receipt thereof. An expenditure may be made by a candidate or committee only by check drawn on an account in a designated campaign depository, except for expenditures of \$100 or less made from a petty cash fund maintained pursuant to § 102.10. Funds may be transferred from the depository for investment purposes, but shall be returned to the depository before expenditures are made.

(b) Contributions which appear to be illegal shall be, within 10 days—

(1) Returned to the contributor; or

(2) Deposited into the campaign depository, and reported in which case the treasurer shall make and retain a written record noting the basis for the appearance of illegality. The treasurer shall make his or her best efforts to determine the legality of the contribution. Refunds

shall be made when a contribution cannot be determined to be legal within a reasonable time, and the treasurer shall so note by amending the current report or noting the change on the candidate's or committee's next required report.

§ 103.4 Vice-Presidential candidate campaign depositories.

The campaign depository(ies) designated by a political party's candidate for President shall be the campaign depository(ies) of that political party's candidate for the office of Vice President.

PART 104—REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

Sec.

104.1 General.

104.2 Form and content of reports.

104.3 Disclosure of receipt and consumption of in-kind contributions.

104.4 Filing dates.

104.5 Uniform reporting of contributions.

104.6 Uniform reporting of expenditures.

104.7 Allocation of expenditures among candidates.

104.8 Continuous reporting of debts and obligations.

104.9 Waiver of reporting requirements.

104.10 Political committees; cash on hand.

104.11 Members of Congress; reporting exemption.

104.12 Formal requirements regarding reports and statements.

104.13 Sale or use restriction.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and sec. 315(a)(10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208 (a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 104.1 General.

(a) Each political committee registered with the Commission, the Clerk of the House, the Secretary of the Senate, or with a principal campaign committee (see Part 102 of this subchapter) shall file quarterly reports of contributions and expenditures (unless waived) until—

(1) All debts and obligations relating to that committee's Federal election activity are extinguished; and

(2) The committee has filed a valid Notice of Termination, see § 102.4.

(b) Each candidate for Federal office (other than a Vice-Presidential candidate) shall file quarterly reports of contributions and expenditures until all debts and obligations relating to that candidacy on which he or she is personally obligated are extinguished, unless the candidate is granted a waiver pursuant to § 101.3, or has terminated candidate status under § 101.1.

(c) (1) (i) A political committee or candidate is exempt from filing a quarterly report if the political committee or candidate did not receive contributions in excess of \$1,000 or make expenditures in excess of \$1,000 in that quarter.

(ii) In an election year, a candidate or committee with outstanding debts and obligations shall file a 4th quarter report, even if contributions or expenditures do not exceed \$1,000.

(2) In any non-election year the candidate and his or her authorized committees shall only be required to file quarterly reports for a calendar quarter in which the candidate and his or her authorized committees received contributions or made expenditures, or both, the total amount of which, taken together, exceeds \$5,000.

(3) (i) The political committee or candidate shall notify the Commission on FEC Form 3a or by letter containing the same information at the close of the first quarter in which the exemption applies; and

(ii) The political committee or candidate shall continue to file the pre-election, post-election and annual reports required by § 104.4 until terminated or waived.

(4) Notwithstanding paragraphs (1) and (2), if the candidate's authorized committees (including a principal campaign committee) in the aggregate receive or expend in excess of \$1,000 (or in a non-election year \$5,000) all authorized committees shall file reports with the principal campaign committee, which shall file the consolidated report pursuant to § 104.2(c).

§ 104.2 Form and content of reports.

(a) Except as noted below, each report filed by a political committee or candidate under this part shall be on FEC Form 3. For candidates having only one authorized committee which neither receives contributions nor makes expenditures in excess of \$50,000 for an election and does not make independent expenditures, see Part 109, the report may be on FEC Form 6. Either reporting form shall reflect all receipts and disbursements of a candidate or committee. Each authorized committee shall file its reports with its principal campaign committee, which shall file a consolidated report with the Commission, Clerk, or Secretary as appropriate. Forms may be obtained from the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

(b) Each report filed under this part shall include all receipts and disbursements from the close of the last period reported to the close of the current reporting period, and shall disclose—

(1) The amount of cash on hand at the beginning of the calendar year and at the beginning of the reporting period, including currency, balance on deposit in banks and savings and loan institutions, checks, negotiable money orders, and other paper commonly accepted by a bank in a deposit;

(2) The identification, occupation, and principal place of business, if any, of each person who has made a contribution to or for the committee or candidate during the reporting period in an amount or value in excess of \$100, or in an amount of less than \$100 if the person's contributions within a calendar year total more than \$100, together with the amount and date of such contributions;

(3) (i) The total of contributions made to or for a committee or candidate during the reporting period and not reported under (b) (2) above;

(ii) Candidates and committees,

which, in addition to the required totals, choose to itemize contributions not in excess of \$100, shall itemize these by attaching a separate schedule. Contributions of \$100 or less shall not be reported on the same schedule with the required itemized contributions in excess of \$100;

(4) The identification of each political committee or other political organization from which the reporting committee or the candidate received, or to which the reporting committee or the candidate made, any transfer of funds in any amount during the reporting period, together with the amounts and dates of all transfers, including aggregate year to date transfers, received from non-affiliated committees, and complete disclosure, pursuant to § 110.6 of each transaction involving earmarked funds;

(5) Each loan—

(i) (A) To or from any political committee; or

(B) To a candidate or his or her authorized committees which is—

(ii) (A) Over \$100 in value and made during the reporting period; or

(B) Less than \$100 in value and the total of the loans from one person is over \$100 shall be reported together with the identification, occupation, and principal place of business, if any, of each lender, endorser, or guarantor, as the case may be. The report shall include the date and amount of the loan;

(6) The total amount of proceeds from—

(i) The sale of tickets to each dinner, luncheon, rally, and other fundraising event;

(ii) Mass collections made at these events; and

(iii) Sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, jewelry, and similar materials, as long as the items are sold by the candidate or an authorized committee;

(7) Each receipt in excess of \$100 received during the reporting period, not otherwise listed under (b) (2) through (6) above, together with the identification, date and amount received, occupation, and principal place of business of each such person from whom such receipts have been received during the reporting period; including—

(i) The interest or other proceeds from the investment, in an interest-bearing account, note, bill, stock, bond, or other similar device, of funds transferred out of a checking account in a campaign depository; and

(ii) Rebates and refunds received by the candidate or committee;

(8) (i) The total of all receipts by or for the committee or candidate during the reporting period and the calendar year; and

(ii) Total receipts less transfers between affiliated political committees (as defined in § 100.14(c));

(9) The identification of each person to whom expenditures have been made by or on behalf of the committee or candidate within the reporting period which total more than \$100, or in an amount less than \$100 if the total exceeds \$100 within a calendar year, together with the

amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditures were made;

(10) The total of expenditures made by or on behalf of the committee or candidate during the reporting period and the calendar year together with total expenditures less transfers between affiliated political committees (as defined in § 104.14(c)) of the candidate;

(11) The amount and nature of outstanding debts and obligations owed by or to the committee including any written contracts, agreements, or promises to make contributions or expenditures, see § 104.8;

(12) Independent expenditures, see Part 109.

(c) (1) Except as noted in (2) below, each principal campaign committee shall consolidate in its report for each election the reports required to be filed with it, including (i) the candidate's report (unless waived) and (ii) reports submitted to it by any authorized committees and (iii) the principal campaign committee's own report. The consolidation shall be made on FEC Form 3b and submitted with the reports of the principal campaign committee and the reports or applicable portions of the reports of the committees shown on the consolidation.

(2) For pre-election reports, the principal campaign committee may, if necessary, file the consolidated report disclosing the total receipts and expenditures by all authorized committees with respect to that election without including all of the detailed reports of committees required to file with it.

(1) Committees required to file with a principal campaign committee shall file a copy of their report with the Commission, the Clerk of the House, or the Secretary of the Senate, as custodian for the Commission by the 10th day preceding the election, in addition to filing with the principal campaign committee, unless the principal campaign committee files a complete consolidated report 10 days prior to the election under (e) (1) above.

(2) The principal campaign committee shall then file a consolidated report no later than 5 days before the election, the report to include the detailed reports from committees required to file with it, if the detailed report was not filed 10 days prior to the election.

§ 104.3 Disclosure of receipt and consumption of in-kind contributions.

(a) (1) Each in-kind contribution shall be valued at the usual and normal charge on the date received and reported if in excess of \$100 on the appropriate schedule of receipts, identified as to its nature and listed as an "in-kind contribution."

(2) Except for items noted in (b) below, each contribution shall be reported as an expenditure at the same usual and normal charge and reported on the appropriate expenditure schedule, identified and listed as an "in-kind contribution."

(b) Contributions of stocks, bonds, art objects, and other similar items to be

liquidated shall be reported as follows:

(1) If the item has not been liquidated at the close of a reporting period, the committee or candidate shall record as a memo entry (not as cash) the item's fair market value on the date received, including the identification (and where in excess of \$100, occupation and principal place of business) of the contributor.

(2) When the item is sold, the committee or candidate shall record the proceeds. It shall also report the (i) identification (and where in excess of \$100, the occupation and principal place of business) of the purchaser, if purchased directly from the candidate or committee, in which case he or she shall be considered to have made a contribution, and (ii) the identification of the original contributor.

§ 104.4 Filing dates.

(a) Except as provided otherwise in this section, each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to that office shall file the reports of receipts and expenditures required under this part.

(b) Pre-Election and Post-Election Reports.

(1) Candidates.

(i) Pre-election report.

(A) Individuals not having a waiver under § 101.3 shall file a pre-election report no later than the 10th day before every election in which they are a candidate.

(B) Each report filed by registered or certified mail shall be postmarked not later than the 12th day before the election.

(C) This report shall disclose all receipts and disbursements as of the 15th day before the election.

(ii) Post-election report.

(A) Individuals required to file a pre-election report shall also file a post-election report no later than the 30th day after the election.

(B) This report shall include all receipts and disbursements as of the 20th day after the election.

(2) Principal campaign committees. The principal campaign committee of every candidate shall file pre- and post-election reports in the same manner as specified for candidates by subparagraph (1).

(1) The pre-election report shall be a consolidated report of all authorized political committees of the candidate or a detailed report, see § 104.2(c).

(3) Authorized political committees. Authorized political committees shall file pre- and post-election reports with the principal campaign committee, the Commission, the Clerk of the House, or the Secretary of the Senate, as custodian for the Commission pursuant to § 104.2(c) (2) (1).

(4) All other political committees. All other political committees shall file pre- and post-election reports for each election for which the committee has supported a candidate, unless granted monthly reporting status.

(5) Contributions to Presidential candidates from political committees which are not reporting monthly—

(i) Political committees which make a contribution to a Presidential primary candidate shall file pre- and post-election reports relating to the election next occurring after the contribution is made. A political committee which makes a contribution to a Presidential candidate in the general election shall file a pre- and post-general election report.

(ii) If the contribution is made less than 15 days before an election, the contribution shall be reported on the post election report relating to that election.

(iii) For purposes of this paragraph, contributions to the principal campaign committee of a Presidential candidate are considered contributions relating to the next election in which that candidate is on the ballot or has a slate of authorized delegates on the ballot. If two or more elections are held on one day, the contribution shall be considered to relate to each election on that day in which the candidate is a candidate.

(c) Annual Report. In any calendar year in which an individual is a candidate but there is no election for the office sought, an annual report shall include all transactions as of December 31 and shall be filed by January 31 of the following year.

(d) Quarterly Report. A report shall be filed on April 10, July 10, October 10, and January 31 following the close of the immediately preceding calendar quarter in which the candidate or political committee received contributions in excess of \$1,000 or made expenditures in excess of \$1,000, or, in non-election years, when contributions and expenditures to or by candidates and their authorized committees together exceed \$5,000, see § 104.1.

(1) These reports shall include all receipts and disbursements from the close of the last reporting period to the close of the calendar quarter.

(2) When the last day for filing any quarterly report required by this paragraph (d) occurs within 10 days before or after an election, the quarterly report need not be filed so long as the pre-election reports required by (b) (1) above are timely filed.

(e) If any contribution of \$1,000 or more is received by a candidate, his or her authorized committee or agent subsequent to the 15th day, but more than 48 hours before 12:01 a.m. of the day on which an election is to be conducted, the identification, occupation and principal place of business of the contributor shall be reported to the Commission, the Clerk of the House, or Secretary of the Senate, as custodian for the Commission, within 48 hours of receipt, and included in the post-election report. For purposes of this paragraph, report means—

(1) A letter signed by the treasurer or his or her agent, hand delivered within 48 hours of the receipt of the contribution, or

(2) A telegram, followed by a letter signed by the treasurer or his or her agent, sent registered or certified mail and postmarked within 48 hours of the receipt of the contribution.

(3) For purposes of this paragraph (e) only, "election" means an election for which the ballot bears the name of the

candidate, or delegates committed to the candidate who received (or one of whose authorized committees received) the contribution, or an election for which a candidate is conducting a write-in campaign.

(f) Monthly Reporting. (1) In any calendar year after 1976 in which a general election is held, and except as otherwise provided in subparagraph (2), each Presidential candidate who makes contributions or expenditures in more than one State, and his or her principal campaign committee and any other authorized committee, shall file the reports required by this Part 104 by the 20th day of the month in each month except January, November, and December of the calendar year, instead of pre- and post-primary reports and quarterly reports. These reports shall include all receipts and disbursements as of the last day of the month immediately preceding the month in which the report is filed.

(2) The pre- and post-election reports required to be filed under paragraph (b) relating to a general election, the 4th quarterly reports required to be filed under paragraph (d), and the reports required to be filed prior to an election under paragraph (e), shall nevertheless be filed.

(3) For candidates, the monthly reporting requirement shall continue until a candidate files with the Commission a statement that his or her name will not appear on any ballot in a primary or the general election. Any candidate filing this statement shall thereafter file reports pursuant to paragraphs (c) and (d) of this section.

(4) Political committees which make contributions or expenditures in more than one State, may, upon request to and approval by the Commission, file monthly reports as set out above.

§ 104.5 Uniform reporting of contributions.

(a) Each contributor of an amount in excess of \$100 shall be disclosed by identification, occupation, and principal place of business, if any. If a contributor's name or address is known to have changed since an earlier contribution reported during the calendar year, the exact name or address previously used shall be noted with the first subsequent entry.

(b) In each case when a contribution received from a person in a reporting period is added to previously unitemized contributions from the same person and the aggregate exceeds \$100 within a calendar year, the identification, occupation, and principal place of business, if any, of that contributor shall then be listed on the prescribed reporting forms.

(c) Absent evidence to the contrary, any contribution made by check, money order, or other written instrument shall be reported as a contribution by the last person signing the instrument prior to delivery to the candidate or committee.

(d) All contributions from the same person during the calendar year shall be listed under the same name.

(e) A contribution which represents contributions by more than one person shall indicate on the written instrument

or on an accompanying writing signed by all contributors, the amount to be attributed to each contributor.

§ 104.6 Uniform reporting of expenditures.

(a) A candidate and his or her authorized committees shall report each expenditure by or on behalf of a candidate or committee in excess of \$100, and shall include the identification of the recipient.

(b) In each case when an expenditure made to a recipient in a reporting period is added to previously unitemized expenditures to the same recipient and the total exceeds \$100 for the calendar year, the identification of that recipient shall be listed on the prescribed reporting forms.

§ 104.7 Allocation of expenditures among candidates.

A political committee making an expenditure on behalf of more than one candidate for Federal office or for Federal and non-Federal office shall allocate the expenditure(s) among the candidates on a reasonable basis pursuant to Part 106, and report the allocation for each Federal candidate. The treasurer shall retain all documents supporting the allocation in accordance with § 104.12.

§ 104.8 Continuous reporting of debts and obligations.

(a) Debts and obligations which remain outstanding after the election shall be continuously reported until extinguished, see § 104.1(b). These debts and obligations shall be reported on separate schedules together with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or extinguished.

(b) A debt, obligation, or other promise to make an expenditure of \$500 or less, shall be reported as of the time payment is made or no later than 60 days after incurrence, whichever comes first. A loan of money in the ordinary course of business and any debt or obligation over \$500 shall be reported as of the time of the transaction.

§ 104.9 Waiver of reporting requirements.

Upon application to the Commission, a political committee may be relieved, at the discretion of the Commission, of the duty to file reports of receipts and disbursements if the treasurer of that political committee certifies that the political committee—

(a) Primarily supports persons seeking State or local office; and

(b) Does not operate in more than one State or does not operate on a statewide basis.

§ 104.10 Political committees; cash on hand.

Political committees and candidates which have cash on hand at the time of registration (which the committee or candidate anticipates using in an election) shall disclose on their first report the source(s) of these funds, including the information required by § 104.2. The

cash balances are assumed to be composed of those contributions most recently received by the committee or candidate. The committee shall exclude from funds to be used for Federal elections any contributions not permissible under the Act, see Parts 110, 114, and 115.

§ 104.11 Members of Congress; reporting exemption.

(a) Except as provided in (b), a Member of the Congress is not required to report, as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him by the Senate Recording Studio, the House Recording Studio, or by an individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Representatives, or if the services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.

(b) (1) The cost of recording services furnished during the calendar year before the year in which the Member's term expires, shall be reported by letter, attached to the principal campaign committee's next report, but shall not be included in the summary of expenditures on FEC Form 3 or Form 6.

(2) A Member who is not a candidate has no reporting obligation under this paragraph, except that a Member who subsequently becomes a candidate shall report as set forth in (b) (1), regardless of the dates the funds were expended in that year.

§ 104.12 Formal Requirements regarding reports and statements.

(a) Each individual having the responsibility to file a report required under this subchapter shall sign the original report.

(b) Each candidate, political committee, or other person required to file any report or statement under this subchapter shall—

(1) Maintain records with respect to the matters required to be reported, including vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and date from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness;

(2) Preserve a copy of each report or statement filed; and

(3) Keep those records and reports available for audit, inspection, or examination by the Commission or its authorized representatives for a period of not less than 3 years from the end of the year in which the report or statement was filed.

(c) Acknowledgments by the Commission, the Clerk of the House, or the Secretary of the Senate, of the receipt of Statements of Organization or reports or statements filed under this subchapter are intended solely to inform the person

filing the report of its receipt and neither the acknowledgment nor the acceptance of a report or statement shall constitute express or implied approval, or in any manner indicate that the contents of any report or statement fulfill the filing or other requirements of the Act or of these regulations.

(d) Each treasurer of a political committee, each candidate, and any other person required to file any report or statement under these regulations and under the Act shall be personally responsible for the timely and complete filing of the report or statement and for the accuracy of any information or statement contained in it.

§ 104.13 Sale or use restriction.

Any information copied, or otherwise obtained, from any report or statement, or copy, reproduction, or publication thereof, filed with the Commission, Clerk of the House, Secretary of the Senate, or any Secretary of State or other equivalent chief State election officer, shall not be sold or utilized by any person for the purpose of soliciting contributions, or any commercial purpose. For purposes of this section, "any commercial purpose" does not include the sale of newspapers, magazines, books, or other similar communications, the principal purpose of which is not to communicate lists or other information obtained from a report filed as noted above.

PART 105—DOCUMENT FILING

- Sec.
- 105.1 Place of filing; House candidates and committees.
- 105.2 Place of filing; Senate candidates and committees.
- 105.3 Place of filing; Presidential candidates and committees.
- 105.4 Place of filing; committees and others.
- 105.5 Transmittal of microfilm copies and photocopies of original reports filed with the Clerk of the House and the Secretary of the Senate to the Commission.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and sec. 315 (a)(10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208(a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438 (a) (10)).

§ 105.1 Place of filing; House candidates and committees.

Reports and statements and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by a candidate for nomination or election to the office of Representative in or Delegate or Resident Commissioner to, the Congress of the United States, and by the candidate's principal campaign committee shall be filed in original form with and received by the Clerk of the House of Representatives, as custodian for the Federal Election Commission.

§ 105.2 Place of filing; Senate candidates and committees.

Reports and statements and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by a candidate for nomination or election to the office of United States Senator and by the candidate's principal campaign committee shall be filed in original form with and received by the Secretary of the Senate, as custodian for the Federal Election Commission.

§ 105.3 Place of filing; Presidential candidates and committees.

Reports and statements and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by a candidate for nomination or election to the office of President or Vice President of the United States, and by the candidate's principal campaign committee shall be filed in original form with the Federal Election Commission.

§ 105.4 Place of filing; committees and others.

(a) Reports and statements, and any modifications or amendments thereto, required to be filed under Parts 101, 102, 104 of these regulations by political committees (other than a candidate's principal campaign committee and other authorized committees of a candidate)—

(1) Which support only candidates for nomination or election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, shall be filed in original form with and received by the Clerk of the House of Representatives, as custodian for the Federal Election Commission.

(2) Which support only candidates for nomination or election to the office of United States Senator, shall be filed in original form with, and received by the Secretary of the Senate, as custodian for the Federal Election Commission.

(b) Reports and statements, and any modifications or amendments thereto, required to be filed under Parts 101, 102, and 104 of these regulations by all other political committees, and all persons (other than political committees) making independent contributions or expenditures, shall be filed in original form with the Federal Election Commission.

§ 105.5 Transmittal of microfilm copies and photocopies of original reports filed with the Clerk of the House and the Secretary of the Senate to the Commission.

(a) Upon receiving a report or statement filed under § 105.1, § 105.2, and § 105.4(a), the Secretary of the Senate and the Clerk of the House shall each initiate a process to assure prompt transmittal to the Commission of a microfilm copy and a photocopy of each report and statement filed with each of them.

(b) The Secretary of the Senate and the Clerk of the House shall place on

each report and statement received a time and date stamp reflecting the time and date the original report or statement was received.

PART 106—ALLOCATIONS OF CANDIDATE AND COMMITTEE ACTIVITIES

- Sec.
- 106.1 Allocation of expenditures among (or between) candidates and activities.
- 106.2 Allocation of expenditures among States by candidates for Presidential nomination.
- 106.3 Allocation of expenses between campaign and non-campaign related travel.
- 106.4 Allocation of polling expenses.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and sec. 315 (a)(10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208(a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438 (a) (10)).

§ 106.1 Allocation of expenditures among (or between) candidates and activities.

(a) General Rule: Expenditures, including independent expenditures, made on behalf of more than one candidate shall be attributed to each candidate in proportion to, and shall be reported to reflect, the benefit reasonably expected to be derived.

(b) An authorized expenditure made by a candidate or political committee on behalf of another candidate shall be reported as a contribution in-kind (transfer) to the candidate on whose behalf the expenditure was made, except that expenditures made by party committees pursuant to § 110.7 need only be reported as an expenditure.

(c) Exceptions:

(1) Expenditures for rent, personnel, overhead, general administrative, fund-raising, and other day-to-day costs of political committees need not be attributed to individual candidates, unless these expenditures are made on behalf of a clearly identified candidate and the expenditure can be directly attributed to that candidate.

(2) Expenditures for educational campaign seminars, for training of campaign workers, and for registration or get-out-the-vote drives of committees need not be attributed to individual candidates unless these expenditures are made on behalf of a clearly identified candidate, and the expenditure can be directly attributed to that candidate.

(d) For purposes of this section, "clearly identified" means—

- (1) The candidate's name appears;
- (2) A photograph or drawing of the candidate appears; or
- (3) The identity of the candidate is apparent by unambiguous reference.

(e) Party committees and other political committees which have established Federal campaign committees pursuant to § 102.6 shall allocate administrative

expenses on a reasonable basis between their Federal and non-Federal accounts in proportion to the amount of funds expended on Federal and non-Federal elections, or on another reasonable basis.

§ 106.2 Allocation of expenditures among States by candidates for Presidential nomination.

(a) Expenditures made by a candidate or his or her authorized committee(s) which seek to influence the nomination of a candidate for the office of President of the United States in a particular State shall be attributed to that State. This allocation of expenditures shall be reported on FEC Form 3c.

(b) Expenditures for administrative, staff, and overhead costs directly relating to the national campaign headquarters shall be reported but need not be attributed to individual States. Expenditures for staff, media, printing, and other goods and services used in a campaign in a specific State shall be attributed to that State.

(c) An expenditure by a Presidential candidate for use in two or more States, which cannot be attributed in specific amounts to each State, shall be attributed to each State based on the voting age population in each State which can reasonably be expected to be influenced by such expenditure.

(1) Expenditures for publication and distribution of newspaper, magazine, radio, television, and other types of advertisements distributed in more than one State shall be attributed to each State in proportion to the estimated viewing audience or readership of voting age which can reasonably be expected to be influenced by these advertisements.

(2) Expenditures for travel within a State shall be attributed to that State. Expenditures for travel between States need not be attributed to any individual State.

§ 106.3 Allocation of expenses between campaign and non-campaign related travel.

(a) All expenditures for campaign-related travel paid for by a candidate from a campaign account or by his or her authorized committees or by any other political committee shall be reported.

(b) (1) Travel expenses paid for by a candidate from personal funds, or from a source other than a political committee, shall constitute reportable expenditures if the travel is campaign-related.

(2) Where a candidate's trip involves both campaign-related and non-campaign-related stops, the expenditures allocable for campaign purposes are reportable, and are calculated on the actual cost-per-mile of the means of transportation actually used, starting at the point of origin of the trip, via every campaign-related stop and ending at the point of origin.

(3) Where a candidate conducts any campaign-related activity in a stop, the stop is a campaign-related stop and travel expenditures made are reportable. Campaign-related activity shall not include any incidental contacts.

(c) (1) Where an individual, other than a candidate, conducts campaign-related activities on a trip, the portion of the trip attributed to each candidate shall be allocated on a reasonable basis.

(2) Travel expenses of a candidate's spouse and family are reportable as expenditures only if the spouse or family members conduct campaign-related activities.

(d) Costs incurred by a candidate for the United States Senate or House of Representatives for travel between Washington, D.C., and the State or district in which he or she is a candidate need not be reported herein unless the costs are paid by a candidate from a authorized committee(s), or by any other authorized committee(s) or, by any other political committee(s). If these costs are paid from an office account, they shall be reported under Part 113.

(e) Notwithstanding (b) and (c) above, the reportable expenditure for a candidate who uses government conveyance or accommodations for travel which is campaign-related is the rate for comparable commercial conveyance or accommodation. In the case of a candidate authorized by law or required by national security to be accompanied by staff and equipment, the allocable expenditures are the costs of facilities sufficient to accommodate the party, less authorized or required personnel and equipment. If such a trip includes both campaign and non-campaign stops, equivalent costs are calculated in accordance with paragraphs (b) and (c) above.

(f) An amount computed by dividing the overall cost of the poll equally among candidates (including State and local candidates) or political committees receiving the results; or

(3) A proportion of the overall cost of the poll equal to the proportion that the number of question results received by the candidate or political committee bears to the total number of question results received by all candidates (including State and local candidates) and political committees; or

(4) An amount computed by any other method which reasonably reflects the benefit derived.

§ 106.4 Allocation of polling expenses.

(a) The purchase of opinion poll results by a candidate or a candidate's authorized political committee or agent is an expenditure by the candidate. Regarding the purchase of opinion poll results for the purpose of determining whether an individual should become a candidate, see § 100.7(b)(2).

(b) The purchase of opinion poll results by a political committee or other person not authorized by a candidate to make expenditures and the subsequent acceptance of the poll results by a candidate or a candidate's authorized political committee or agent or by another unauthorized political committee is a contribution in-kind by the purchaser to the candidate or other political committee and an expenditure by the candidate or other political committee. Regarding the purchase of opinion poll results for the purpose of determining whether an individual should become a candidate, see § 100.4(b)(1). The poll results are accepted by a candidate or other political committee if the candidate or the candidate's authorized political committee or agent or the other unauthorized political committee—

(1) Requested the poll results before their receipt;

(2) Uses the poll results; or

(3) Does not notify the contributor that the results are refused.

(c) The acceptance of any part of a poll's results which part, prior to receipt, has been made public without any request, authorization, prearrangement, or

coordination by the candidate-recipient or political committee-recipient, shall not be treated as a contribution in-kind and expenditure under paragraph (b).

(d) The purchase of opinion poll results by an unauthorized political committee for its own use, in whole or in part, is an overhead expenditure by the political committee under § 106.1(c)(1) to the extent of the benefit derived by the committee.

(e) The amount of a contribution under paragraph (b) or of any expenditure under paragraphs (a) and (b) attributable to each candidate-recipient or political committee-recipient shall be—

(1) That share of the overall cost of the poll which is allocable to each candidate (including State and local candidates) or political committee, based upon the cost allocation formula of the polling firm from which the results are purchased. Under this method the size of the sample, the number of computer column codes, the extent of computer tabulations, and the extent of written analysis and verbal consultation, if applicable, may be used to determine the shares; or

(2) An amount computed by dividing the overall cost of the poll equally among candidates (including State and local candidates) or political committees receiving the results; or

(3) A proportion of the overall cost of the poll equal to the proportion that the number of question results received by the candidate or political committee bears to the total number of question results received by all candidates (including State and local candidates) and political committees; or

(4) An amount computed by any other method which reasonably reflects the benefit derived.

(f) The first candidate(s) or committee(s) receiving poll results under paragraph (b) or (d) and any candidate or political committee receiving poll results under paragraph (b) within 15 days after receipt by the initial recipient(s) shall compute the amount of the contribution in-kind and the expenditure as provided in paragraph (e).

(g) The amount of the contribution and expenditure reported by a candidate or a political committee receiving poll results under paragraph (b) more than 15 days after receipt of such poll results by the initial recipient(s) shall be—

(1) If the results are received during the period 16 to 60 days following receipt by the initial recipient(s), 50 percent of the amount allocated to an initial recipient of the same results;

(2) If the results are received during the period 61 to 180 days after receipt by the initial recipient(s), 5 percent of the amount allocated to an initial recipient of the same results;

(3) If the results are received more than 180 days after receipt by the initial recipient(s), no amount need be allocated.

(h) A contributor of poll results under paragraph (b) shall maintain records sufficient to support the valuation of the contribution(s) in-kind and shall inform the candidate-recipient(s) or po-

political committee-recipient(s) of the value of the contribution(s).

PART 107—CONVENTION REPORTS

- Sec.
107.1 Reports by municipal and private host committees.
107.2 Reports by political parties.
107.3 Convention reports; time and content of filing.
107.4 Convention expenses; definitions.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107 (a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and sec. 315(a) (10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208 (a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 107.1 Reports by municipal and private host committees.

Each committee or other organization which represents a State, a political subdivision thereof, or any other group of persons, in dealing with officials of a national political party with respect to matters involving a Presidential nominating convention held in that State, shall file reports with the Commission as set out in § 107.3 below.

§ 107.2 Reports by political parties.

(a) Each committee or other organization, including a national committee, which represents a national major, minor, or new political party in making arrangements for the convention of that party held to nominate a candidate for the office of President or Vice President shall file reports with the Commission as set out in § 107.3 below.

(b) A State party committee or a subordinate committee of a State party committee which assists delegates and alternates to the convention from that State with travel expenses and arrangements, or which sponsors caucuses, receptions, and similar arrangements, or which sponsors, caucuses, receptions, and similar activities at the convention site need not report under this Part 107.

§ 107.3 Convention reports; time and content of filing.

(a) Each committee organization required to file under §§ 107.1-2 shall, within 60 days following the last day the convention is officially in session, but not later than 20 days prior to the date of the general election, file with the Commission a convention report on FEC Form 4, which shall contain all receipts and disbursements in connection with the convention and shall be complete as of 50 days following the convention.

(b) If the committee spends or receives any funds after 60 days following the convention, the committee shall file, no later than 10 days after the end of the next calendar quarter, a report disclosing all transactions completed as of the close of that calendar quarter and shall continue to file quarterly reports until all debts and obligations have been extinguished.

(c) Each committee shall file a final report with the Commission not later than 10 days after it ceases activity, unless such status is reflected in either of the reports submitted pursuant to §§ 107.3 (a) or (b).

§ 107.4 Convention expenses; definitions.

For purposes of this part, receipts and disbursements in connection with a convention, means convention expenses as defined in Part 120 of these regulations.

PART 108—FILING COPIES OF REPORTS AND STATEMENTS WITH STATE OFFICERS

- Sec.
108.1 Filing requirements.
108.2 Filing copies of reports of Presidential and Vice Presidential candidates.
108.3 Filing copies of reports by other Federal candidates and committees.
108.4 Filing copies of reports by committees supporting Presidential candidates.
108.5 Time and manner of filing copies.
108.6 Duty of State officers.
108.7 Effect on State law.
108.8 Exemption for the District of Columbia.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107 (a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and sec. 315(a) (10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208 (a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 108.1 Filing requirements.

A copy of each statement and report required to be filed under this subchapter shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the appropriate State. For purposes of this part, the term "appropriate State" means the State or jurisdiction designated in § 108.2 or § 108.3.

§ 108.2 Filing copies of reports by Presidential and Vice Presidential candidates.

A copy of each report and statement required to be filed under this subchapter shall be filed by a candidate for President or Vice President or his or her authorized committees, or by the person making an expenditure or contribution pursuant to Part 109 with the State office of each State or other jurisdiction in which an expenditure is made, the report to contain at least all transactions pertaining to that State during that reporting period.

§ 108.3 Filing copies of reports by other Federal candidates and committees.

A copy of each report and statement required to be filed under this subchapter by other candidates and political committees shall be filed for each reporting period during which an expenditure is made in that State with the State officer of each State or other jurisdiction in which the candidate, other than for President or Vice President, seeks election.

§ 108.4 Filing copies of reports by committees supporting Presidential candidates.

Committees, other than a Presidential candidate's principal campaign committee and other authorized committees, which make contributions to or expenditures on behalf of Presidential candidates, shall file a copy of reports and statements only in the State(s) in which the recipient and contributing committees have their headquarters.

§ 108.5 Time and manner of filing copies.

A copy required to be filed with a State officer under this part shall be filed at the same time as the original report is filed. Each copy of a report or statement shall be a complete, true, and legible copy of the original report or statement filed.

§ 108.6 Duties of State officers.

It is the duty of the Secretary of State, or the equivalent State officer—

(a) To receive and maintain in an orderly manner all reports and statements required to be filed;

(b) To preserve such reports and statements for a period of 10 years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives need be preserved for only 5 years from the date of receipt;

(c) To make the reports and statements filed available for public inspection and copying during regular office hours commencing as soon as practicable but not later than the end of the day on which it was received and to permit copying of any such report or statement by hand or by duplicating machine, requested by any person, at the expense of such person, such per copy expense to be reasonable; and

(d) To compile and maintain a current list of all statements or parts of statements pertaining to each candidate.

§ 108.7 Effect on State law.

(a) The provisions of the Federal Election Campaign Act of 1971, as amended, and rules and regulations issued thereunder, supersede and preempt any provision of State law with respect to election to Federal office.

(b) Federal law supersedes State law concerning the—

(1) Organization and registration of political committees supporting Federal candidates;

(2) Disclosure of receipts and expenditures by Federal candidates and political committees; and

(3) Limitation on contributions and expenditures regarding Federal candidates and political committees.

(c) The Act does not supersede State laws which provide for the—

(1) Manner of qualifying as a candidate or political party organization;

(2) Dates and places of elections;

(3) Voter registration;

(4) Prohibition of false registration, voting fraud, theft of ballots, and similar offenses; or

(5) Candidate's personal financial disclosure.

§ 108.8 Exemption for the District of Columbia.

Any copy of a report required to be filed with the equivalent officer in the District of Columbia shall be deemed to be filed if the original has been filed with the Clerk, Secretary, or the Commission, as appropriate.

PART 109—INDEPENDENT EXPENDITURES

- Sec.
109.1 Definitions.
109.2 Reporting of independent expenditures.
109.3 Certification of independent expenditures.
109.4 Non-authorization notice.
109.5 Reporting of independent contributions.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107 (a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and sec. 315(a) (10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208 (a) and (c) (10), and 209 (a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 109.1 Definitions.

(a) "Independent expenditure" means an expenditure by a person for a communication expressly advocating the election or defeat of a clearly identified candidate which is not made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of such candidate.

(b) For purposes of this definition—

(1) "Person" means an individual, partnership, committee, association, or any organization or group of persons, including a separate segregated fund established by a labor organization, corporation, or national bank (see Part 114) but does not mean a labor organization, corporation, or national bank.

(2) "Expressly advocating" means any communication containing a message advocating election or defeat, including but not limited to the name of the candidate, or expressions such as "vote for," "elect," "support," "cast your ballot for," and "Smith for Congress," or "vote against," "defeat," or "reject."

(3) "Clearly identified candidate" means that the name of the candidate appears, a photograph or drawing of the candidate appears, or the identity of the candidate is otherwise apparent by unambiguous reference.

(4) "Made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of the candidate" means—

(1) Any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication. An expenditure will be presumed to be so made when it is—

(A) Based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made;

(B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent;

(i) But does not include providing to the expending person upon request Commission guidelines on independent expenditures.

(5) "Agent" means any person who has actual oral or written authority, either express or implied, to make or to authorize the making of expenditures on behalf of a candidate, or means any person who has been placed in a position within the campaign organization where it would reasonably appear that in the ordinary course of campaign-related activities he or she may authorize expenditures.

(c) An expenditure not qualifying under this section as an independent expenditure shall be a contribution in-kind to the candidate and an expenditure by the candidate, unless otherwise exempted.

(d) (1) The financing of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agents shall be considered a contribution for the purpose of contribution limitations and reporting responsibilities by the person making the expenditure but shall not be considered an expenditure by the candidate or his authorized committees unless made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any authorized agent or committee thereof.

(2) This paragraph does not affect the right of a State or subordinate party committee to engage in such dissemination, distribution, or republication as agents designated by the national committee pursuant to § 110.7(a) (4).

(e) No expenditure by an authorized committee of a candidate on behalf of that candidate shall qualify as an independent expenditure.

§ 109.2 Reporting of independent expenditures.

(a) Every political committee making an independent expenditure shall report on Schedule E each such expenditure or contribution to the Commission, Clerk, or Secretary, as appropriate.

(1) The report shall contain, for each expenditure in excess of \$100, the identification of the person to whom it was made, the amount and date of the expenditure, the name of the candidate with respect to whom the expenditure was made and the office the candidate seeks, and whether the expenditure was

in support of or in opposition to that candidate.

(2) This information shall be filed on Schedule E as part of a report (monthly, quarterly, pre-election, post-election, or annual) covering any period in which any independent expenditure exceeding \$100 is made. Schedule E shall also include the total of all expenditures of \$100 or less.

(3) Political committees not required to report under § 104.1(c) shall nonetheless report each independent expenditure in excess of \$100 on Schedule E at the time the report for that period would have been filed.

(b) Every other person who makes independent expenditures aggregating in excess of \$100 during a calendar year shall file a report with the Commission on FEC Form 5.

(1) The report shall contain the reporting person's identification, occupation, and principal place of business, if any, the identification of the person to whom the expenditure was made, the amount and date of the expenditure, the candidate's name and the office the candidate seeks, and whether the expenditure was in support of or in opposition to that candidate.

(2) The report shall be filed at the end of the reporting period (quarterly, pre-election, post-election, annual) during which the expenditure is made and in any reporting period thereafter in which additional independent expenditures are made.

(c) Independent expenditures by any person or any political committee of \$1,000 or more made after the fifteenth day, but more than 24 hours, before any election shall be reported within 24 hours of such independent expenditures pursuant to § 104.4(e).

§ 109.3 Certification of independent expenditures.

Each report of independent expenditures shall be signed and shall include a notarized certification under the penalty of perjury that the expenditure was not made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, any candidate or any agent or authorized committee of the candidate.

§ 109.4 Non-authorization notice.

(a) (1) Whenever any person makes an independent expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, but not on a bumper strip, a pin, button, pen, and similar small items upon which the disclaimer cannot be conveniently printed, the communication shall clearly and conspicuously state that the communication is not authorized by any candidate, and state the name of the person who made or financed the expenditure for the communication, including, in the case of a political committee, the name of any

affiliated or connected organization required to be listed under § 102.2(a)(2).

(2) For purposes of this section, "clearly and conspicuously" means—

- (i) On the face or front page of printed matter, or at the beginning or end of a broadcast or telecast matter and shall include the name of the committee; and
- (ii) In a manner calculated to provide actual notice to a reader, listener, or viewer.

§ 109.5 Reporting of independent contributions.

Every person (other than a political committee or candidate) who makes a contribution for the purpose of expressly advocating the election or defeat of a clearly identified candidate, other than by contributing to a political committee or candidate, in an aggregate amount in excess of \$100 during a calendar year shall file reports in the same manner as is required with respect to independent expenditures under § 109.2.

PART 110—CONTRIBUTION AND EXPENDITURE LIMITATIONS AND PROHIBITIONS

Sec.	
110.1	Contributions by persons.
110.2	Contributions by multicandidate committees.
110.3	Affiliated committees; transfers.
110.4	Prohibited contributions.
110.5	Annual contribution limitation.
110.6	Earmarked contributions.
110.7	Party committee expenditures.
110.8	Presidential candidate expenditure limitations.
110.9	Miscellaneous provisions.
110.10	Expenditures by candidates.
110.11	Communications; advertising.
110.12	Honorariums.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107 (a)(1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 315(a)(10), Pub. L. 92-225, 86 Stat. 18, amended by Secs. 208(a) and (c)(10), and 209(a)(1) and (b)(1), Pub. L. 93-443, 88 Stat. 1279, 1287, and Sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a)(10)).

§ 110.1 Contributions by persons.

(a)(1) No person (except multicandidate committees under § 110.2) shall make contributions to any candidate, his or her authorized political committees or agents with respect to any election to Federal office which in the aggregate exceed \$1,000.

(2) "With respect to any election" means—

(i) In the case of a contribution designated in writing for a particular election, the election so designated, except that a contribution made after a primary election, caucus or convention, and designated for the primary election, caucus or convention shall be made only to the extent that the contribution does not exceed net debts outstanding from the primary election, caucus or convention.

(ii) In the case of a contribution not designated in writing for a particular election,

(A) For a primary election, caucus or convention, if made on or before the date

of the election, caucus or convention, or

(B) For a general election if made after the date of the primary election.

(b)(1) No person (except multicandidate committees under § 110.2) shall make contributions to the political committees established and maintained by a national political party, which, in the aggregate, exceed \$20,000 in any calendar year.

(2) For purposes of this section, "political committees established and maintained by a national political party" means—

(i) The national committee; (ii) the House campaign committee; and (iii) the Senate campaign committee. Each may receive up to the \$20,000 limitation from a contributor, see § 110.5.

(3) The recipient committee shall not be an authorized committee of any candidate.

(c) No person (except multicandidate committees under § 110.2) shall make contributions to any other political committee which in the aggregate exceed \$5,000 in any calendar year.

(d) The limitations in (b) and (c) also apply to contributions made to committees making independent expenditures, see Part 109.

(e) A contribution by a partnership shall—

(1) Be attributed to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the committee or candidate; or

(2) Be attributed by agreement of the partners, as long as—

(i) Only the profits of the partners to whom the contribution is attributed are reduced (or losses increased), and

(ii) These partners' profits are reduced (or losses increased) in proportion to the contribution attributed to each of them; and

(3) Not exceed the limits in (a), (b), and (c).

(f) If an individual is a candidate for more than one Federal office, a person may contribute not more than \$1,000 to the candidate, or his or her authorized committees for each election for each office, as long as—

(1) The contributor clearly designates in writing for which office each contribution is intended;

(2) The candidate maintains separate campaign organizations, including separate principal campaign committees and separate accounts; and

(3) No funds are transferred, loaned, or otherwise contributed between or among the separate campaigns and no expenditures are made by one campaign on behalf of the other campaign except as provided in § 110.3(a)(2)(iv).

(g)(1) Contributions made to retire debts resulting from elections held prior to January 1, 1975 are not subject to the limitations of this Part 110, as long as contributions and solicitations to retire these debts are clearly designated and used for that purpose.

(2) Contributions made to retire debts

resulting from elections held after December 31, 1974 are subject to the limitations of this Part 110.

(h) A person may contribute to a candidate or his or her authorized committee with respect to a particular election and also contribute to a political committee which has supported, or anticipates supporting, the same candidate in the same election, as long as—

(1) The political committee is not the candidate's principal campaign committee or other authorized committee or a single candidate committee;

(2) The contributor does not give with the knowledge that a substantial portion will be contributed to, or expended on behalf of, that candidate for the same election; and

(3) The contributor does not retain control over the funds.

(i)(1) Even though a spouse in a single income family has contributed \$1,000 to a candidate for an election, the other spouse may similarly contribute \$1,000 to the same candidate for the same election, see § 104.5(e).

(2) Minor children (children under 18 years of age) may contribute up to \$1,000 to a candidate for an election, see § 104.5(e), if—

(i) The decision to contribute is made knowingly and voluntarily by the minor child;

(ii) The funds, goods, or services contributed are owned or controlled exclusively by the minor child, such as income earned by the child, the proceeds of a trust for which the child is the beneficiary, or a savings account opened and maintained exclusively in the child's name; and

(iii) The contribution is not made from the proceeds of a gift, the purpose of which was to provide funds to be contributed, or is not in any other way controlled by another individual.

(j)(1) The limitations on contributions in this section shall apply separately with respect to each election, except that all elections held in a calendar year for the office of President of the United States (except a general election for that office) shall be considered to be one election.

(2) An election in which a candidate is unopposed is a separate election.

(3) If no primary election is held because a candidate is unopposed, the date on which the primary would have been held shall be deemed to be the date of the primary for purposes of the contribution limitations.

§ 110.2 Contributions by multicandidate committees.

(a) No multicandidate political committee shall make contributions—

(1) To any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$5,000; "with respect to any election" has the same meaning as in § 110.1(a)(2);

(2) To the political committees established and maintained by a national political party in any calendar year which, in the aggregate, exceed \$15,000;

(i) The recipient committee shall not be an authorized committee of any candidate;

(ii) "Political committees established and maintained by a national political party" means (A) the national committee; (B) Senate campaign committee; and (C) the House campaign committee. Each may receive up to the \$15,000 limitation from a contributor;

(3) To any other political committee in any calendar year which, in the aggregate, exceed \$5,000.

(b) "Multicandidate political committee" has the same meaning as in § 100.14(a)(3).

(c) Notwithstanding any other provision of the Act, the Republican and Democratic Senatorial campaign committees, or the national committee of a political party, may contribute not more than a combined total of \$17,500 to a candidate for nomination or election to the Senate during the calendar year of the election for which he or she is a candidate. Any contribution made by the committees to a Senate candidate in a year other than that election year shall be considered to be part of the \$17,500 total contribution limit for that election year.

(d)(1) The limitations on contributions in this section (other than (c)) shall apply separately with respect to each election, except that all elections held in a calendar year for the office of President of the United States (except a general election for that office) shall be considered to be one election.

(2) An election in which a candidate is unopposed is a separate election.

(3) If no primary election is held because a candidate is unopposed, the date on which the primary would have been held shall be deemed to be the date of the primary for purposes of the contribution limitations.

§ 110.3 Affiliated committees; transfers.

(a)(1)(i) For purposes of the limitations in §§ 110.1 and 110.2, contributions shall be considered to be made by a single political committee (including a single separate segregated fund) if made by more than one political committee (including a separate segregated fund) established, financed, maintained, or controlled by any corporation, labor organization, or any other person, including any parent, subsidiary, branch, division, department, or local unit thereof, or by a group of those persons, see affiliated committees, § 100.14(c).

(ii) Application of the rule of this paragraph means—

(A) All of the political committees set up by a single corporation and/or its subsidiaries are treated as a single political committee;

(B) All of the political committees set up by a single national or international union and/or its local unions or other subordinate organizations are treated as a single political committee;

(C) All of the political committees set up by an organization of national or international unions and/or all its State and local central bodies are treated as a single political committee;

(D) All of the political committees (other than party committees, see paragraph (b) set up by a membership organization, including trade or professional associations, see § 114.8(a), and/or by related State and local entities of that organization or group, are treated as a single political committee;

(E) All of the political committees set up by the same group of persons are treated as a single political committee.

(iii) For organizations not described by (i) or (ii) above, indicia of establishing, financing, maintaining, or controlling may include—

(A) Ownership of a controlling interest in voting shares or securities;

(B) Provisions of by-laws, constitutions, or other documents by which one entity has the authority, power, or ability to direct another entity;

(C) The authority, power, or ability to hire, appoint, discipline, discharge, demote, or remove or otherwise influence the decision of the officers or members of an entity;

(D) Similar patterns of contributions;

(E) The transfer of funds between committees which represent a substantial portion of the funds of either the transferor or transferee committee, other than the transfer of funds between the committees which jointly raised the funds so transferred.

(2) This Part shall not limit transfers between—

(i) Political committees of the funds raised through joint fundraising;

(ii) Authorized committees of the same candidate, or between the candidate and his or her authorized committees, if the candidate has not received a waiver from reporting;

(iii) The primary campaign and general election campaign of a candidate, of funds unused for the primary;

(iv) A candidate's previous campaign committee and his or her currently registered principal campaign committee or other authorized committee, as long as none of the funds transferred contain contributions which would be in violation of the Act; or

(v) The principal campaign committees of a candidate seeking nomination or election to more than one Federal office, as long as—

(A) The transfer is made when the candidate is not actively seeking nomination or election to more than one office. For purposes of this paragraph, "not actively seeking" means a principal campaign committee has filed a termination report with the Commission, or has notified the Commission that the candidate and his authorized committees will make no further expenditure, except in connection with the retirement of debts outstanding at the time of the notification;

(B) The limitations on contributions by persons are not exceeded by the transfer. To assure this, the contributions making up the funds transferred shall be reviewed, beginning with the last received and working back until the amount transferred is reached. A per-

son's contribution or any portion thereof, shall be excluded if, when added to contributions already made to the transferee principal campaign committee, it causes the contributor to exceed his or her limitation; and

(C) The candidate has not received funds under 26 U.S.C. §§ 9006 or 9037.

(b)(1) For purposes of the limitations in § 110.1 and § 110.2,

(i) All contributions made by the national committee of a political party, and any political committees established, financed, maintained, or controlled by the same national committee; and

(ii) All contributions made by the State committee of a political party, shall be considered to be made by separate political committees.

(2) For purposes of this section,

(i) The House campaign committee of each political party shall be considered separate from the national committee of that party, giving the national committee and the House campaign committees separate limitations;

(ii) All contributions made by the political committees established, financed, maintained, or controlled by a State party committee and by subordinate State party committees shall be presumed to be made by one political committee. This presumption shall not apply if—

(A) The political committee of the party unit in question has not received funds from any other political committee established, financed, maintained, or controlled by any party unit; and

(B) The political committee of the party unit in question does not make its contributions in cooperation, consultation or concert with, or at the request or suggestion of any other party unit or political committee established, financed, maintained, or controlled by another party unit.

(3) For example, as a result of (1) above,

(i) The national committee of a party and that party's House campaign committee may each contribute a total of \$1,000 (\$5,000 if a multicandidate committee) and the State committee of a party and each of its independent subordinate committees, may each contribute a total of \$1,000 (\$5,000 if a multicandidate committee) to a candidate for election to more than one Federal office, as long as—

(A) The transfer is made when the candidate is not actively seeking nomination or election to more than one office. For purposes of this paragraph, "not actively seeking" means a principal campaign committee has filed a termination report with the Commission, or has notified the Commission that the candidate and his authorized committees will make no further expenditure, except in connection with the retirement of debts outstanding at the time of the notification;

(B) The limitations on contributions by persons are not exceeded by the transfer. To assure this, the contributions making up the funds transferred shall be reviewed, beginning with the last received and working back until the amount transferred is reached. A per-

son's contribution or any portion thereof, shall be excluded if, when added to contributions already made to the transferee principal campaign committee, it causes the contributor to exceed his or her limitation; and

(C) The candidate has not received funds under 26 U.S.C. §§ 9006 or 9037.

(b)(1) For purposes of the limitations in § 110.1 and § 110.2,

(i) All contributions made by the national committee of a political party, and any political committees established, financed, maintained, or controlled by the same national committee; and

(ii) All contributions made by the State committee of a political party, shall be considered to be made by separate political committees.

(2) For purposes of this section,

(i) The House campaign committee of each political party shall be considered separate from the national committee of that party, giving the national committee and the House campaign committees separate limitations;

(ii) All contributions made by the political committees established, financed, maintained, or controlled by a State party committee and by subordinate State party committees shall be presumed to be made by one political committee. This presumption shall not apply if—

(A) The political committee of the party unit in question has not received funds from any other political committee established, financed, maintained, or controlled by any party unit; and

(B) The political committee of the party unit in question does not make its contributions in cooperation, consultation or concert with, or at the request or suggestion of any other party unit or political committee established, financed, maintained, or controlled by another party unit.

(3) For example, as a result of (1) above,

(i) The national committee of a party and that party's House campaign committee may each contribute a total of \$1,000 (\$5,000 if a multicandidate committee) and the State committee of a party and each of its independent subordinate committees, may each contribute a total of \$1,000 (\$5,000 if a multicandidate committee) to a candidate for election to more than one Federal office, as long as—

(A) The transfer is made when the candidate is not actively seeking nomination or election to more than one office. For purposes of this paragraph, "not actively seeking" means a principal campaign committee has filed a termination report with the Commission, or has notified the Commission that the candidate and his authorized committees will make no further expenditure, except in connection with the retirement of debts outstanding at the time of the notification;

(B) The limitations on contributions by persons are not exceeded by the transfer. To assure this, the contributions making up the funds transferred shall be reviewed, beginning with the last received and working back until the amount transferred is reached. A per-

son's contribution or any portion thereof, shall be excluded if, when added to contributions already made to the transferee principal campaign committee, it causes the contributor to exceed his or her limitation; and

(C) The candidate has not received funds under 26 U.S.C. §§ 9006 or 9037.

(b)(1) For purposes of the limitations in § 110.1 and § 110.2,

(i) All contributions made by the national committee of a political party, and any political committees established, financed, maintained, or controlled by the same national committee; and

(ii) All contributions made by the State committee of a political party, shall be considered to be made by separate political committees.

(2) For purposes of this section,

(i) The House campaign committee of each political party shall be considered separate from the national committee of that party, giving the national committee and the House campaign committees separate limitations;

(ii) All contributions made by the political committees established, financed, maintained, or controlled by a State party committee and by subordinate State party committees shall be presumed to be made by one political committee. This presumption shall not apply if—

(A) The political committee of the party unit in question has not received funds from any other political committee established, financed, maintained, or controlled by any party unit; and

(B) The political committee of the party unit in question does not make its contributions in cooperation, consultation or concert with, or at the request or suggestion of any other party unit or political committee established, financed, maintained, or controlled by another party unit.

(3) For example, as a result of (1) above,

(i) The national committee of a party and that party's House campaign committee may each contribute a total of \$1,000 (\$5,000 if a multicandidate committee) and the State committee of a party and each of its independent subordinate committees, may each contribute a total of \$1,000 (\$5,000 if a multicandidate committee) to a candidate for election to more than one Federal office, as long as—

(A) The transfer is made when the candidate is not actively seeking nomination or election to more than one office. For purposes of this paragraph, "not actively seeking" means a principal campaign committee has filed a termination report with the Commission, or has notified the Commission that the candidate and his authorized committees will make no further expenditure, except in connection with the retirement of debts outstanding at the time of the notification;

§ 110.4 Prohibited contributions.

(a) (1) A foreign national shall not directly or through any other person make a contribution, or expressly or impliedly promise to make a contribution, in connection with a convention, caucus, primary, general, special, or runoff election in connection with any local, State or Federal public office.

(2) No person shall solicit, accept, or receive a contribution as set out above from a foreign national.

(3) For purposes of this section, "foreign national" means—

(i) A foreign principal, as defined in 22 U.S.C. § 611(b); or

(ii) An individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined in 8 U.S.C. § 1101(a)(20);

(iii) Except that "foreign national" shall not include any individual who is a citizen of the United States.

(b) (1) No person shall—

(i) Make a contribution in the name of another;

(ii) Knowingly permit his or her name to be used to effect that contribution; or

(iii) Knowingly accept a contribution made by one person in the name of another.

(2) Examples of "contribution in the name of another" include—

(i) Giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made, see § 110.6; or

(ii) Making a contribution of money or anything of value and attributing as the source of the money or the thing of value another person when in fact the contributor is the source.

(c) (1) With respect to any campaign for nomination for election, or election, to Federal office, no person shall make contributions to a candidate or political committee of currency of the United States, or of any foreign country, which in the aggregate exceed \$100.

(2) A candidate or committee receiving a cash contribution in excess of \$100 shall promptly return the amount over \$100 to the contributor.

(3) A candidate or committee receiving an anonymous cash contribution in excess of \$50 shall promptly dispose of the amount over \$50. The amount over \$50 may be used for any lawful purpose unrelated to any Federal election, campaign, or candidate.

§ 110.5 Annual contribution limitation.

(a) No individual shall make contributions aggregating more than \$25,000 in any calendar year.

(b) For purposes of this section,

(1) Any contribution made in a year other than in the calendar year in which an election is held shall be considered to be made during the calendar year in which the election is held, as long as the

contribution is made with respect to a particular candidate and election;

(2) An individual's contribution to a political committee in a non-election year shall not be attributable to the calendar year in which an election is held, as long as the political committee is not the principal campaign committee, or other authorized committee of a candidate, or a single candidate committee supporting the candidate and as long as the contribution is not otherwise designated for a particular election.

(c) The limitation in (a) also applies to contributions made to a person who is making independent expenditures, see Part 109.

§ 110.6 Earmarked contributions.

(a) All contributions by a person made on behalf of or to a candidate, including contributions which are in any way earmarked or otherwise directed to the candidate through an intermediary or conduit, are contributions from the person to the candidate.

(b) For purposes of this section, earmarked means a designation, instruction, or encumbrance (including those which are direct or indirect, express or implied, oral or written) which results in all or any part of a contribution or expenditure being made to, or expended on behalf of, a clearly identified candidate or a candidate's authorized committee.

(c) The intermediary or conduit of the earmarked contribution shall report the original source and intended recipient of the contribution to the Commission, the Clerk of the House of Representatives, or the Secretary of the Senate, as appropriate (see Part 105), and to the intended recipient.

(1) The report to the Commission, Clerk, or Secretary shall be included in the conduit or intermediary's next due quarterly, pre- or post-election, or annual report, or, if the conduit is not a reporting entity, by letter to the Commission, and shall—

(i) If the contribution passed through the conduit's account, disclose each contribution, regardless of amount, on schedules of itemized receipts and expenditures;

(ii) If the contribution was passed on in the form of the contributor's check, disclose each contribution on a separate schedule attached to the conduit's next report, or attached to the letter to the Commission.

(2) The report to the intended recipient shall be made when the contribution is passed on to the intended recipient.

(3) The intended recipient shall disclose on his next report each conduit through which the contribution passed.

(4) The reports in (1) and (2) above shall contain—

(i) The identification of the contributor, and if the contribution exceeds \$100, the contributor's occupation and principal place of business;

(ii) The amount of the contribution, the date received by the conduit, and the intended recipient as designated by the contributor;

(iii) The date the contribution was passed on to the intended recipient, and whether the contribution was passed on in cash, by the contributor's check, or by the conduit's check.

(5) This section shall not apply to occasional, isolated, or incidental physical transfers of checks or other written instruments payable to a candidate or his or her authorized committees. For purposes of this paragraph, "occasional, isolated, or incidental" means no more than \$1,000 is conveyed to any one candidate or committee in a calendar year.

(d) (1) A conduit or intermediary's contribution limits are not affected by passing on earmarked contributions, except where the conduit exercises any direction or control over the choice of the recipient candidate.

(2) If a conduit exercises any direction or control over the choice of the recipient candidate, the contribution shall be considered a contribution by both the original contributor and the conduit, and shall be so reported by the conduit to the Commission, Clerk, or Secretary, as appropriate, or, if the conduit is not a reporting entity, by letter to the Commission, and to the recipient. The recipient candidate or committee shall report it in its reporting of contributions received, indicating that the contribution is made by both the original contributor and the conduit, but that the actual cash received does not reflect the two contributions.

§ 110.7 Party committee expenditures.

(a) (1) The national committee of a political party may make expenditures in connection with the general election campaign of any candidate for President of the United States affiliated with the party.

(2) The expenditures shall not exceed an amount equal to 2 cents multiplied by the voting age population of the United States.

(3) Any expenditure under paragraph (a) shall be in addition to—

(i) Any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for President of the United States; and

(ii) Any contribution by the national committee to the candidate permissible under §§ 110.1 or 110.2.

(4) The national committee of a political party may make expenditures authorized by this section through any designated agent, including State and subordinate party committees.

(5) The national committee of a political party may not make independent expenditures (see Part 109) in connection with the general election campaign of a candidate for President of the United States.

(b) (1) The national committee of a political party, and a State committee of a political party, including any subordinate committee of a State committee, may each make expenditures in connection with the general election campaign of a candidate for Federal office in that

State who is affiliated with the party.

(2) The expenditures shall not exceed—

(i) In the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—

(A) Two cents multiplied by the voting age population of the State; or

(B) Twenty thousand dollars; and

(ii) In the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, \$10,000.

(3) Any expenditure under paragraph (b) shall be in addition to any contribution by a committee to the candidate permissible under §§ 110.1 or 110.2.

(4) The party committees identified in (b) (1) shall not make independent expenditures in connection with the general election campaign of candidates for Federal office.

(5) Any expenditure by a State, county, city, or congressional district committee of a political party, the primary purpose of which is to further the general election campaign of that party's nominee or nominees, that also furthers the general election campaign of that party's candidates for President and Vice President shall not constitute the making of a contribution or expenditure to a Federal candidate as long as the expenditure does not exceed \$1,000 per such committee. Such expenditures shall not count toward the limits of § 110.7(a), (b) (1) and (b) (2).

(c) For limitation purposes, State committee includes subordinate State committees. State committees and subordinate State committees combined shall not exceed the limits in (b) (2). To ensure compliance with the limitations, the State committee shall administer the limitation in one of the following ways:

(1) The State central committee shall be responsible for insuring that the expenditures of the entire party organization are within the limitations, including receiving reports from any subordinate committee making expenditures under paragraph (b), and filing consolidated reports showing all expenditures in the State with the Commission; or

(2) (i) The State committee shall file with the Commission an allocation statement setting forth the amounts each subordinate committee in the State will expend on which Federal candidate, as agreed upon by the State committee and the subordinate committees;

(ii) The State committee shall file with the allocation statement a list of participating subordinate committees which have filed a Statement of Organization with the Commission, Clerk, or Secretary, and for those subordinate committees which have not filed a Statement of Organization, the information required in a Statement of Organization, see Part 102;

(iii) Each subordinate committee will be responsible for ensuring that it does not exceed its allocated limitation, and shall register with and report to the Com-

mission as if it were a political committee if its expenditures exceed \$100 in a calendar year. If its expenditures in the aggregate exceed \$1,000, it shall register as a political committee pursuant to Part 102 and report pursuant to Part 104; or

(3) Any other method, submitted in advance and approved by the Commission which permits control over expenditures.

§ 110.8 Presidential candidate expenditure limitations.

(a) No candidate for the office of President of the United States who is eligible under 26 U.S.C. § 9003 (relating to conditions for eligibility for payments) or under 26 U.S.C. § 9033 (relating to eligibility for payments) to receive payments from the Secretary of the Treasury and has received payments, may make expenditures in excess of—

(1) \$10,000,000 in the case of a campaign for nomination for election to the office, except the aggregate of expenditures under this paragraph in any one State shall not exceed the greater of 16 cents multiplied by the voting age population of the State or \$200,000; or

(2) \$20,000,000 in the case of a campaign for election to the office.

(b) The expenditure limitations shall not be considered violated if, after the date of the primary or general election, convention or caucus, receipt of refunds and rebates causes a candidate's expenditures to be within the limitations.

(c) For the State limitations in (a) (1)—

(1) Expenditures made in a State after the date of the primary election, convention or caucus relating to the primary election, convention or caucus count toward that State's expenditure limitation;

(2) Expenditures for fundraising activities targeted at a particular State and occurring within 28 days before that state's primary election, convention, or caucus shall be presumed to be attributable to the expenditure limitation for that State, § 100.7(b) (13) (relating to the 20% fundraising exemption) notwithstanding.

(d) (1) If an individual is a candidate for more than one Federal office, or for a Federal office and a State office, he or she must designate separate principal campaign committees and establish completely separate campaign organizations.

(2) No funds, goods, or services, including loans and loan guarantees, may be transferred between or used by the separate campaigns, except as provided in § 110.3(a) (2) (iv).

(3) Except for Presidential candidates receiving Presidential Primary Matching Funds, see 26 U.S.C. § 9032, or General Election Public Financing, see 26 U.S.C. § 9002, campaigns may share personnel and facilities, as long as expenditures are allocated between the campaigns, and the payment made from each campaign account reflects the allocation.

(e) (1) A political party may make reimbursement for the expenses of a candidate who is engaging in party-building

activities, without the payment being considered a contribution to the candidate, and without the unreimbursed expense being considered an expenditure counting against the limitations in (a) (1) or (2), as long as—

(i) The event is a bona fide party event or appearance; and

(ii) No aspect of the solicitation for the event, the setting of the event, and the remarks or activities of the candidate in connection with the event were for the purpose of influencing the candidate's nomination or election.

(2) (i) An event or appearance meeting the requirements of (e) (1) and occurring prior to January 1 of the year of the election for which the individual is a candidate is presumptively party-related;

(ii) Notwithstanding the requirements of (e) (1), an event or appearance occurring on or after January 1 of the year of the election for which the individual is a candidate is presumptively for the purpose of influencing the candidate's election, and any contributions or expenditures are governed by the contribution and expenditure limitations of this Part 110.

(iii) The presumptions in (i) and (ii) may be rebutted by a showing to the Commission that the appearance or event was, or was not, party-related, as the case may be.

(f) (1) Expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States.

(2) Expenditures from personal funds made by a candidate for Vice President shall be considered to be expenditures by the candidate for President, if the candidate is receiving General Election Public Financing, see § 141.2(c).

(g) An expenditure is made on behalf of a candidate, including a Vice-Presidential candidate, if it is made by—

(1) An authorized committee or any other agent of the candidate for purposes of making any expenditure;

(2) Any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure; or

(3) A committee not authorized in writing, so long as it is requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure.

§ 110.9 Miscellaneous provisions.

(a) *Violation of Limitations.* No candidate or political committee shall accept any contribution or make any expenditure in violation of the provisions of Part 110. No officer or employee of a political committee shall accept a contribution made for the benefit or use of a candidate, or make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this Part 110.



(b) *Fraudulent Misrepresentation.* No person who is a candidate for Federal office or an employee or agent of such a candidate shall—

(1) Fraudulently misrepresent himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

(2) Willfully and knowingly participate in or conspire to participate in any plan or design to violate paragraph (1).

(c) *Price Index Increase.* (1) Each limitation established by § 110.7 and § 110.8 shall be increased by the annual percent difference of the price index, as certified to the Commission by the Secretary of Labor. Each amount so increased shall be the amount in effect for that calendar year.

(2) For purposes of paragraph (1), the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

(d) *Voting Age Population.* The Commission shall assure that there is annually published in the FEDERAL REGISTER an estimate of the voting age population based on an estimate of the voting age population of the United States, of each State, and of each congressional district. The term "voting age population" means resident population, 18 years of age or older.

§ 110.10 Expenditures by candidates.

(a) Except as provided in subchapters C and D of this chapter pertaining to Presidential candidates, candidates for Federal office may make unlimited expenditures from personal funds.

(b) For purposes of this section, "personal funds" means—

(1) Any assets to which at the time he or she became a candidate the candidate had legal and rightful title, or with respect to which the candidate had the right of beneficial enjoyment, under applicable State law, and which the candidate had legal right of access to or control over, including funds from immediate family members; and

(2) Salary and other earned income from bona fide employment; dividends and proceeds from the sale of the candidate's stocks or other investments; bequests to the candidate; income from trusts established before candidacy; income from trusts established by bequest after candidacy of which the candidate is the beneficiary; gifts of a personal nature which had been customarily received prior to candidacy; proceeds from lotteries and similar legal games of chance.

§ 110.11 Communications; advertising.

(a) (1) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through any broadcasting station, newspaper, magazine, outdoor ad-

vertising facility, direct mailing, or any other type of general public political advertising, but not on a bumper strip, pin, button, pen and similar small items upon which the disclaimer cannot be conveniently printed, the communication—

(i) If authorized by a candidate, his or her authorized political committees, or their agents, shall clearly and conspicuously state that the communication has been authorized on behalf of that candidate;

(ii) If not authorized by a candidate, his authorized political committees, or their agents, shall clearly and conspicuously state that the communication is not authorized by any candidate, and state the name of the person who made or financed the expenditure for the communication, including, in the case of a political committee, the name of any affiliated or connected organization required to be listed under § 102.2(a) (2).

(2) For purposes of this section, "clearly and conspicuously" means—

(i) On the face or front page of printed matter, or at the beginning or end of a broadcast or telecast matter, and shall include the name of the committee; and

(ii) In a manner calculated to provide actual notice to a reader, listener, or viewer.

(b) (1) No person who sells space in a newspaper or magazine to a candidate, an authorized committee of a candidate, or an agent of the candidate, for use in connection with the candidate's campaign for nomination or for election, shall charge an amount for the space which exceeds the comparable rate for the space for non-campaign purposes.

(2) For purposes of this section, "comparable rate" means the rate charged to a national or general rate advertiser, and shall include discount privileges usually and normally available to a national or general rate advertiser.

(c) Each political committee shall include on the face or front page of all printed literature and advertisements soliciting contributions and at the beginning or end of any broadcast solicitation the following notice:

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

§ 110.12 Honorariums.

(a) No person while an elected or appointed officer or employee of any branch of the Federal government shall accept—

(1) Any honorarium of more than \$2,000;

(2) Honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$25,000 in any calendar year.

(b) The term "honorarium" means a payment of money or anything of value received by an officer or employee of the Federal government, if it is accepted as consideration for an appearance, speech, or article. An honorarium does not include payment for or provision of actual travel and subsistence, including transportation, accommodations, and meals for the officer or employee and spouse

or an aide, and does not include amounts paid or incurred for any agents' fees or commissions.

(1) *Officer or Employee.* The term "officer or employee of the Federal government," or "officer or employee" means any person appointed or elected to a position of responsibility or authority in the United States government, regardless of whether the person is compensated for this position; and any other person receiving a salary, compensation, or reimbursement from the United States government, who accepts an honorarium for an appearance, speech, or article. Included within this class is the President; the Vice President; any Member of Congress; any judge of any court of the United States; any Cabinet officer; and any other elected or appointed officer or employee of any branch of the Federal government.

(2) *Appearance.* "Appearance" means attendance at a public or private conference, convention, meeting, social event, or like gathering, and the incidental conversation or remarks made at that time.

(3) *Speech.* "Speech" means an address, oration, or other form of oral presentation, regardless of whether presented in person, recorded, or broadcast over the media.

(4) *Article.* "Article" means a writing other than a book, which has been or is intended to be published.

(5) *Accepted.* "Accepted" means that there has been actual or constructive receipt of the honorarium and the Federal officeholder or employee exercises dominion or control over it. A Federal officeholder or employee is considered to have accepted an honorarium (i) if he or she actually receives it and determines its subsequent use, or (ii) he or she directs that the organization offering the honorarium give the honorarium to a charity or other beneficiary which he or she names, but (iii) an honorarium is not accepted if he or she makes a suggestion that the honorarium be given to a charity or other like beneficiary of the organization's own choosing. Nothing in this paragraph shall be construed as an interpretation of relevant provisions of the Internal Revenue Code.

(c) The term "honorarium" does not include—

(1) *An award.* An award is a gift of money or anything of value given—

(i) Primarily in recognition of religious, charitable, scientific, educational, artistic, literary, or civil achievement;

(ii) Based on a selection process with established criteria and which does not require the officer or employee to apply for or take any other action in the way of competition for the award;

(iii) Gratuitously under circumstances which do not require the recipient to make an appearance or speech, or write an article as a condition for receiving the award; and

(iv) Which is not made to serve in place of an honorarium or a contribution.

(2) *A gift.* A gift is a voluntary conveyance of real or personal property

which is made gratuitously, and is not supported by consideration, and is not made to serve in place of an honorarium or a contribution.

(3) *A stipend.* A stipend is a payment for services on a continuing basis, including a salary or other compensation paid by news media for commentary on events other than the campaign of the individual compensated. A stipend cannot be paid by a political committee other than a candidate's principal campaign committee or other authorized committee to that candidate.

PART 111—COMPLIANCE PROCEDURE

Sec.	Scope.
111.1	Scope.
111.2	Complaint; filing.
111.3	Initial processing.
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111.6	Commission action.
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111.8	Disclosure of Commission action.
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111.10	Issuance of Subpoenas and Subpoenas Duces Tecum.
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111.12	Service of subpoenas and notices of deposition.
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111.14	Witness fees and mileage.
111.15	Ex parte communication.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and Sec. 315(a) (10), Pub. L. 92-225, 88 Stat. 16, amended by Secs. 208(a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and Sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438 (a) (10)).

§ 111.1 Scope.

These regulations provide procedures for processing possible violations of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431, *et seq.*) and chapters 95 and 96 of the Internal Revenue Code of 1954 (26 U.S.C. §§ 9001, *et seq.* and 9031 *et seq.*).

§ 111.2 Complaint; filing.

(a) Any person may file a complaint with the Commission setting forth grounds for believing that a person has violated the Act or chapter 96 of the Internal Revenue Code of 1954. A complaint shall be in writing and signed, and shall be sworn to and notarized.

(b) A complaint shall contain—

(1) The full name, address, and telephone number of the complainant;

(2) A clear and concise statement of the acts which are alleged to constitute a violation of the Act;

(3) Any documentation of allegations of the complaint available to the complainant; and

(4) An assertion that the person complaining, if not a candidate, is not filing the complaint on behalf of or at the request or suggestion of a candidate, unless such is the fact, in which case it shall be set forth.

§ 111.3 Initial processing.

The General Counsel shall review the complaint and all relevant material filed

with the Commission and report to the Commission on the factual and legal bases for the possible violation. On the basis of the General Counsel's report and the relevant materials, the Commission shall determine by the agreement of at least four of its members whether it has "reason to believe" that the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 have been or will be violated and order any investigation it believes necessary.

§ 111.4 Notification.

Upon determination by agreement of at least four members of the Commission that it has reason to believe that a violation of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 has occurred or will occur, the General Counsel shall notify respondent of that determination, providing a copy of the complaint or summary of the matters brought into question and advising respondent that he or she should submit any factual or legal information which he or she believes demonstrates that no action should be taken against him or her. Such notification shall be confidential as required by 2 U.S.C. § 437g(a) (3) (B).

§ 111.5 Investigation.

(a) In any case in which the Commission finds it has reason to believe that a violation of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 has occurred or will occur, it shall order an investigation into those matters about which it believes it needs further information.

(b) If a complaint is filed by a candidate, any investigation shall include an investigation of the reports and statements filed by the complaining candidate, pursuant to 2 U.S.C. § 437g(a) (3).

§ 111.6 Commission action.

After review of the relevant materials obtained during the investigation, the Commission by agreement of at least four of its members shall determine whether there is reasonable cause to believe that respondent has committed or is about to commit a violation of the Act or of chapter 95 or 96 of the Internal Revenue Code of 1954. In the event that the Commission so determines, it shall inform the respondent of its decision and seek voluntary compliance by the respondent.

§ 111.7 Conciliation.

(a) Within a reasonable time after the Commission has determined that it has reasonable cause to believe that the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 has been or will be violated, the General Counsel shall attempt to correct or prevent the violation by informal methods of conference, conciliation, and persuasion.

(b) If a tentative conciliation agreement is reached with respondent, the General Counsel shall submit it to the Commission for approval by agreement of at least four members.

(c) If, after attempting conciliation for the appropriate period of time (see 2 U.S.C. § 437g(a) (5) (A)), the General Counsel concludes that no acceptable

conciliation agreement can be reached, he or she shall prepare a report for the Commission which sets forth the reasons for the inability to obtain a conciliation agreement.

§ 111.8 Disclosure of Commission action.

(a) If the Commission has notified respondent of its decision that he or she has not violated the Act or chapter 95 or 96 of the Internal Revenue Code of 1954, it shall make available to the public its determination and the basis for it.

(b) After the Commission has concluded any conciliation attempts, it shall make available the results of any such attempts, including any conciliation agreement entered into.

§ 111.9 Civil proceedings.

The Commission, on the recommendation of the General Counsel, after attempts to correct or prevent any violation by informal methods of conference, conciliation, or persuasion have been unsuccessful, may determine by the agreement of at least four of its members that there is probable cause to believe that a violation of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 has occurred or will occur and may direct the General Counsel to commence civil proceedings and seek appropriate relief.

§ 110.10 Issuance of subpoenas and subpoenas duces tecum.

(a) The Chairman or the Vice Chairman shall issue subpoenas requiring the attendance and testimony of witnesses and the production of documentary or other tangible evidence upon request by the General Counsel.

(b) Any party may request the General Counsel to subpoena particular persons or evidence, but such subpoenas shall not be obtainable as a matter of right.

§ 111.11 Depositions.

In any proceeding or investigation, the Commission, upon written notice, may order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths.

§ 111.12 Service of subpoenas and notices of depositions.

(a) Service of a subpoena or notice of deposition upon a person named therein shall be made by delivering a copy to that person in the manner described by paragraphs (b), (c), and (d). Fees for one day's attendance and mileage shall be tendered as specified in § 111.14.

(b) Whenever service is to be made upon a person who is represented in the pending proceeding by an attorney, the service may be made upon the attorney.

(c) Delivery of a copy of a subpoena or notice of deposition and tender of the fees to a natural person may be made by handing them to the person; or leaving them at his office with the person in charge thereof; or leaving them at his dwelling place or usual place of abode with some person of suitable age and discretion then residing therein; or mailing them by registered

or certified mail to him at his last known address; or by any method whereby actual notice is given to him and the fees are made available prior to the return date.

(d) When the person to be served is not a natural person, delivery of a copy of the subpoena or notice of deposition and tender of the fees may be effected by handing them to a registered agent for service, or to any officer, director, or agent in charge of any office of such person; or by mailing them by registered or certified mail to such representative at his last known address; or by any method whereby actual notice is given to such representative and the fees are made available prior to the return date.

§ 111.13 Motions to quash.

(a) Any person to whom a subpoena is directed may, prior to the time specified therein for compliance, but in no event more than 5 days after the date of service of such subpoena, apply to the Commission to quash or modify such subpoena, accompanying such application with a brief statement of the reasons therefor.

(b) The Commission upon the agreement of at least four of its members may deny the application, or, upon granting notice and an opportunity for reply to the person upon whose request the subpoena was issued, may—

- (1) Deny the application;
- (2) Quash the subpoena; or
- (3) Modify the subpoena.

§ 111.14 Witness fees and mileage.

(a) Witnesses summoned before the Commission shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(b) Witness fees and mileage shall be paid by the party at whose instance the witnesses appear.

§ 111.15 Ex parte communications.

(a) In order to avoid the possibility of prejudice, real or apparent, to the public interest in enforcement actions pending before the Commission pursuant to 2 U.S.C. § 437g(a) (1) or (2), except to the extent required for the disposition of ex parte matters as required by law (for example, during the normal course of an investigation or a conciliation effort), no interested person outside the agency shall make or cause to be made to any Commissioner or any member of the Commission's staff involved in handling enforcement actions any ex parte communication relative to the factual merits of any enforcement action, nor shall any Commissioner or member of the Commission's staff involved in the decisional process make or entertain any such ex parte communications.

(b) The prohibition of this regulation shall apply from the time a complaint is filed with the Commission pursuant to 2 U.S.C. § 437g(a) (1) or from the time that

the Commission determines on the basis of information ascertained in the normal course of its supervisory responsibilities that it has reason to believe that a violation has occurred or may occur pursuant to 2 U.S.C. § 437g(a) (2), and remains in force until the Commission has finally concluded all action with respect to the enforcement matter in question.

PART 112—ADVISORY OPINION PROCEDURE

Sec. 112.1	Requests for advisory opinions.
112.2	Public availability of requests.
112.3	Written comments on requests.
112.4	Issuance of advisory opinions.
112.5	Reliance on advisory opinions.
112.6	Reconsideration of advisory opinions.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107 (a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and Sec. 315(a) (10), Pub. L. 92-225, 86 Stat. 16, amended by Secs. 208(a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and Sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 112.1 Requests for advisory opinions.

- (a) Any—
- (1) Holder of Federal office;
 - (2) Candidate for Federal office;
 - (3) Political committee;
 - (4) National committee of a political party; or
 - (5) Authorized agent of any of the foregoing persons (if the agent discloses the identity of his or her principal)

may request in writing, an advisory opinion concerning application of a general rule of law (1) stated in the Federal Election Campaign Act of 1971, as amended, or chapter 95 or 96 of the Internal Revenue Code of 1954, or (ii) duly prescribed as a rule or regulation by the Commission, to a specific factual situation that involves the requesting person.

(b) Requests shall include all facts relevant to the specific factual situation with respect to which the request is made. Hypothetical questions will not be treated as advisory opinion requests.

(c) Advisory opinion requests may be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Section, 1325 K Street, NW., Washington, D.C. 20463.

(d) Upon receipt by the Commission, each advisory opinion request (AOR) shall be assigned an AOR number for reference purposes.

§ 112.2 Public availability of requests.

(a) Advisory opinion requests submitted under § 112.1 shall promptly be made public at the Commission.

(b) A copy of the original request shall be available for public inspection and purchase, except when it involves a compliance action (see Part 111), at the Federal Election Commission, Public Records Division, 1325 K Street, NW., Washington, D.C. 20463.

(c) Advisory opinion requests may be made public through other means, and publication in those cases shall be either

in the form originally submitted or in an edited or paraphrased form as the Commission considers appropriate.

§ 112.3 Written comment on requests.

(a) Interested persons are invited to submit written comments concerning advisory opinion requests.

(b) Written comments may be submitted within 10 calendar days of the date the request is made public at the Commission. The Commission may in its discretion shorten or extend the comment period on a particular request where there is reasonable cause for doing so.

(c) Comments on advisory opinion requests should refer to the AOR number of the request, and statutory references should be to the United States Code citations, rather than to Public Law citations.

(d) Additional time in which to comment may be granted upon written request or in the discretion of the Commission.

(e) Written comments and requests for additional time to comment shall be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Section, 1325 K Street, NW., Washington, D.C. 20463.

(f) Before it issues an advisory opinion the Commission shall consider all timely comments received.

§ 112.4 Issuance of advisory opinions.

(a) Within a reasonable time after receiving a written request properly made under § 112.1 the Commission shall issue a written advisory opinion.

(b) The Commission may issue advisory opinions pertaining only to the Federal Election Campaign Act of 1971, as amended, chapter 95 or 96 of the Internal Revenue Code of 1954, or rules or regulations duly prescribed under those statutes.

(c) No advisory opinion may state a general rule of law, other than one which is stated in the Federal Election Campaign Act of 1971, as amended, or chapter 95 or 96 of the Internal Revenue Code of 1954, until that general rule is prescribed by the Commission as a rule or regulation pursuant to 2 U.S.C. § 438 (c).

(d) No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this § 112.4; however, this paragraph does not preclude distribution by the Commission of information consistent with the Act and chapter 95 or 96 of the Internal Revenue Code of 1954.

(e) When issued by the Commission each advisory opinion shall be made public and sent by mail, or personally delivered, to the person who requested the opinion.

§ 112.5 Reliance on advisory opinions.

(a) An advisory opinion rendered by the Commission under this Part 112 may be relied upon by:

- (1) Any person involved in the specific transaction or activity with respect to

which such advisory opinion is rendered, and

(2) Any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

(b) Notwithstanding any other provision of law, any person who relies upon any provision or finding of an advisory opinion in accordance with paragraph (a) of this § 112.5 and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by the Federal Election Campaign Act of 1971, as amended, or by chapter 95 or 96 of the Internal Revenue Code of 1954.

§ 112.6 Reconsideration of advisory opinions.

The Commission may reconsider advisory opinions upon written request by the party originally submitting the request and upon request of a Commissioner who voted with the majority that approved the opinion.

PART 113—OFFICE ACCOUNTS: EXCESS CAMPAIGN FUNDS

Sec. 113.1	Definitions.
113.2	Use of funds.
113.3	Deposits of funds donated to a Federal or State officeholder.
113.4	Reports of office accounts.
113.5	Contribution and expenditure limitations.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107 (a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and Sec. 315 (a) (10), Pub. L. 92-225, 86 Stat. 16, amended by Secs. 208(a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and Sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 113.1 Definitions.

When used in this part—

(a) **Funds donated.** "Funds donated" means all funds, including, but not limited to, gifts, loans, advances, credits or deposits of money which are donated for the purpose of supporting the activities of a Federal or State officeholder; but does not mean funds appropriated by Congress, a State legislature, or another similar public appropriating body, or personal funds of the officeholder donated to an account containing only those personal funds.

(b) **Office account.** "Office account" means an account established for the purposes of supporting the activities of a Federal or State officeholder which contains excess campaign funds and funds donated, but does not include an account used exclusively for funds appropriated by Congress, a State legislature, or another similar public appropriating body, or an account of the officeholder which contains only the personal funds of the officeholder, or an account containing only appropriated funds and only personal funds of the officeholder.

(c) **Federal officeholder.** "Federal officeholder" means an individual elected to or serving in the office of President or Vice President of the United States; or a Senator or a Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

(d) **State officeholder.** "State officeholder" means an individual elected to or serving in any elected public office within a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico or any subdivision thereof.

(e) **Excess campaign funds.** "Excess campaign funds" means amounts received by a candidate as contributions which he or she determines are in excess of any amount necessary to defray his or her campaign expenditures.

§ 113.2 Use of funds.

Excess campaign funds and funds donated—

(a) May be used to defray any ordinary and necessary expenses incurred in connection with the recipient's duties as a holder of Federal office, if applicable; or

(b) May be given to any organization described in section 170(c) of Title 26, of the U.S. Code; or

(c) May be used for any other lawful purpose, including contributions to a political party or to another candidate, in which case the contributions shall be considered personal contributions by the officeholder, subject to the limitations of Part 110.

§ 113.3 Deposits of funds donated to a Federal or State officeholder.

All funds donated to a Federal officeholder, or State officeholder who is a candidate for Federal office, shall be deposited into one of the following accounts:

- (a) An account of the officeholder's principal campaign committee or other authorized committee pursuant to Part 103; or
- (b) An office account.

§ 113.4 Reports of office accounts.

(a) All Federal officeholders having office accounts shall report on April 15 and October 15 of each year. The April 15 report shall disclose all receipts and disbursements from October 1 of the preceding year through March 30 of the year in which the report is filed. The October 15 report shall disclose all receipts and disbursements from April 1 through September 30 of the year the report is filed.

(b) A Federal officeholder shall file the reports required by § 113.4(a) with the Clerk of the House of Representatives in the case of a Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, or with the Secretary of the Senate in the case of a United States Senator, or with the Commission in the case of the President or Vice President.

(c) When a State officeholder having an office account becomes a candidate for Federal office, pursuant to 2 U.S.C. § 431(b), he or she shall file the reports

provided for in (b) above. The reports shall contain a report of all receipts and disbursements, including the same information required to be reported by a political committee regarding contributions and expenditures, see § 104.2, except that the identification, occupation, and principal place of business of donors of in excess of \$50 in cash shall be reported.

§ 113.5 Contribution and expenditure limitations.

(a) Any contributions to, or expenditures from, an office account which are made for the purpose of influencing a Federal election shall be subject to 2 U.S.C. § 441a and Part 110 of these regulations.

(b) If any treasury funds of a corporation or labor organization are donated to an office account, no funds from that office account may be used in connection with a Federal election.

PART 114—CORPORATE AND LABOR ORGANIZATION ACTIVITY

Sec. 114.1	Definitions.
114.2	Prohibitions on contributions and expenditures.
114.3	Partisan communications.
114.4	Nonpartisan communications.
114.5	Separate segregated funds.
114.6	Twice yearly solicitations.
114.7	Membership organizations, cooperatives, or corporations without capital stock.
114.8	Trade associations.
114.9	Use of corporate or labor organization facilities and means of transportation.
114.10	Extension of credit and settlement of corporate debts.
114.11	Employee participation plans.
114.12	Miscellaneous provisions.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107 (a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and Sec. 315 (a) (10), Pub. L. 92-225, 86 Stat. 16, amended by Secs. 208(a) and (c) (10), and 209(a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and Sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 114.1 Definitions.

(a) For purposes of Part 114 and section 12(h) of the Public Utility Holding Company Act (15 U.S.C. 79f(h))—

(1) The term "contribution or expenditure" shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan by a National or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, political party or committee, organization, or any other person in connection with any election to any of the offices referred to in § 114.2(a) or (b) as applicable.

(2) The term "contribution or expenditure" shall not include—

- (1) Communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its

members and their families on any subject;

(ii) Nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families or by a labor organization aimed at its members and their families;

(iii) The establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock;

(iv) An honorarium, including actual travel and subsistence, as defined in § 110.12;

(v) The sale of any food or beverage by a corporate vendor for use in a candidate's campaign at a charge less than the normal or comparable commercial charge, if the amount charged by the vendor is at least equal to the cost of food or beverage to the vendor, except that the cumulative value of discounts given by the vendor may not exceed \$500 per candidate, per election;

(vi) The payment for legal or accounting services rendered to or on behalf of the national committee of a political party other than services attributable to activities which directly further the election of a designated candidate or candidates for Federal office if the corporation or labor organization paying for the services is the regular employer of the individual rendering the services. This exclusion shall not be applicable if additional employees are hired for the purpose of rendering services or if additional employees are hired in order to make regular employees available;

(vii) The payment for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with this Act or chapter 95 or 96 of the Internal Revenue Code of 1954 if the corporation or labor organization paying for the services is the regular employer of the individual rendering the services, but amounts paid or incurred for these services shall be reported in accordance with Part 104. This exclusion shall not be applicable if additional employees are hired for the purpose of rendering services or if additional employees are hired in order to make regular employees available;

(viii) Activity with respect to a national nominating convention allowed under § 121.5;

(ix) A gift, subscription, loan, advance, or deposit of money or anything of value to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office, except that any gift, subscription, loan, advance, or deposit of money or anything of value, and any such cost, shall be reported in accordance with Part 104; or

(x) Any activity which is specifically permitted by Part 114.

(b) "Establishment, administration, and solicitation costs" means the cost of office space, phones, salaries, utilities, supplies, legal and accounting fees, fundraising and other expenses incurred in setting up and running a separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock.

(c) "Executive or administrative personnel" means individuals employed by a corporation who are paid on a salary rather than hourly basis and who have policymaking, managerial, professional, or supervisory responsibilities.

(1) This definition includes—
(i) The individuals who run the corporation's business such as officers, other executives, and plant, division, and section managers; and

(ii) Individuals following the recognized professions, such as lawyers and engineers.

(2) This definition does not include—
(i) Professionals who are represented by a labor organization;

(ii) Salaried foremen and other salaried lower level supervisors having direct supervision over hourly employees;

(iii) Former or retired personnel who are not stockholders; or

(iv) Individuals who may be paid by the corporation, such as consultants, but who are not employees, within the meaning of 26 CFR 31.3401(c)-1 of the corporation for the purpose of income withholding tax on employee wages under Internal Revenue Code of 1954, § 3402.

(3) Individuals on commission may be considered executive or administrative personnel if they have policymaking, managerial, professional, or supervisory responsibility and if the individuals are employees, within the meaning of 26 CFR 31.3401(c)-1 of the corporation for the purpose of income withholding tax on employee wages under the Internal Revenue Code of 1954, § 3402.

(4) The Fair Labor Standards Act, 29 U.S.C. § 201, et seq. and the regulations issued pursuant to that Act, 29 CFR 541, may serve as a guideline in determining whether individuals have policymaking, managerial, professional, or supervisory responsibilities.

(d) "Labor organization" means any organization of any kind, or any agency or employee representative committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(e) "Members" means all persons who are currently satisfying the requirements for membership in a membership organization, trade association, cooperative, or corporation without capital stock and in the case of a labor organization, persons who are currently satisfying the requirements for membership in a local, national, or international labor organization. Members of a local union are considered to be members of any national

or international union of which the local union is a part and of any federation with which the local, national, or international union is affiliated. A person is not considered a member under this definition if the only requirement for membership is a contribution to a separate segregated fund.

(f) "Method of facilitating the making of contributions" means the manner in which the contributions are received or collected such as, but not limited to, payroll deduction or checkoff systems, other periodic payment plans, or return envelopes enclosed in a solicitation request.

(g) "Method of soliciting voluntary contributions" means the manner in which the solicitation is undertaken including, but not limited to, mailings, oral requests for contributions, and hand distribution of pamphlets.

(h) "Stockholder" means a person who has a vested beneficial interest in stock, has the power to direct how that stock shall be voted, if it is voting stock, and has the right to receive dividends.

(i) "Voluntary contributions" are contributions which have been obtained by the separate segregated fund of a corporation or labor organization in a manner which is in compliance with § 114.5(a) and which is in accordance with other provisions of the Act.

§ 114.2 Prohibitions on contributions and expenditures.

(a) National banks, or corporations organized by authority of any law of Congress, are prohibited from making a contribution or expenditure, as defined in § 114.1(a), in connection with election to any political office, including local, State and Federal offices, or in connection with any primary election or political convention or caucus held to select candidates for any political office, including any local, State or Federal office.

(1) Such national banks and corporations may engage in the activities permitted by this Part, except to the extent that such activity is foreclosed by provisions of law other than the Act.

(2) The provisions of this Part apply to the activities of a national bank or corporation organized by any law of Congress in connection with both State and Federal elections.

(b) Any corporation whatever or any labor organization is prohibited from making a contribution or expenditure, as defined in § 114.1(a) in connection with any Federal election.

(c) A candidate, political committee, or other person is prohibited from knowingly accepting or receiving any contribution prohibited by this section.

(d) No officer or director of any corporation or any national bank, and no officer of any labor organization shall consent to any contribution or expenditure by the corporation, national bank, or labor organization prohibited by this section.

§ 114.3 Partisan communications.

(a) A corporation may make partisan communications in connection with a Federal election to its stockholders and

executive or administrative personnel and their families. A labor organization may make partisan communications in connection with a Federal election to its members and their families.

(b) Expenditures for partisan communications which expressly advocate the election or defeat of a clearly identified candidate must be reported in accord with § 100.7(b)(5).

(c) The manner in which partisan communications may be made includes, but is not limited to—

(1) The distribution of printed material of a partisan nature by a corporation to its stockholders and executive or administrative personnel and their families, or by a labor organization to its members and their families, Provided:

(i) That the material is produced at the expense of the corporation or labor organization or the separate segregated fund of either; and

(ii) That the material constitutes a communication of the views of the corporation or the labor organization, and is not simply the republication or reproduction in whole or in any part, of any broadcast transcript or tape or any written, graphic, or other form of campaign materials prepared by the candidate, his or her campaign committees, or their authorized agents.

(2) Allowing a candidate or party representative to address the stockholders and executive or administrative personnel of the corporation and their families at a meeting, convention, or other regularly scheduled function of the corporation which is primarily held for other purposes or allowing a candidate or party representative to address the members of a labor organization and their families at a meeting, convention, or other regularly scheduled function of the labor organization which is primarily held for other purposes. The candidate or party representative may ask for contributions to his or her campaign or party at the time of the appearance, ask that contributions be sent to his or her campaign or party, or ask that contributions to the separate segregated fund of the corporation or labor organization be designated for his or her campaign or party.

(3) The establishment and operation of phone banks by a corporation to communicate with its stockholders and executive or administrative personnel and their families urging them to register and/or vote for a particular candidate or candidates, and the establishment and operation of phone banks by a labor organization to communicate with its members and their families urging them to register and/or vote for a particular candidate or candidates.

(4) Registration and get-out-the-vote drives, as by providing transportation to the polls, by a corporation aimed at its stockholders and executive or administrative personnel and their families or by a labor organization aimed at its members and their families. Such drives may be partisan in that individuals may be urged to register with a particular party or to vote for a particular candi-

date or candidates, but assistance in registering or voting may not be withheld or refused on a partisan basis, and if transportation or other services are offered in connection with a registration or get-out-the-vote drive, such transportation or services may not be withheld or refused on a partisan basis.

§ 114.4 Nonpartisan communications.

(a) *Communications by a corporation to its stockholders and executive or administrative personnel and by a labor organization to its members.* (1) A corporation may make nonpartisan communications on any subjects to its stockholders and executive or administrative personnel. A labor organization may make nonpartisan communications to its members on any subject.

(2) A corporation may engage in nonpartisan registration and get-out-the-vote activity aimed at its stockholders and executive or administrative personnel and their families. A labor organization may engage in nonpartisan registration and get-out-the-vote activity aimed at its members and their families.

(b) *Candidate and party appearances.*—(1) *Corporations.* Under the following circumstances, corporations may permit candidates (or their representatives) or representatives of political parties on corporate premises to address or meet employees in addition to stockholders and executive or administrative personnel:

(i) If a candidate for the House or Senate is permitted on the premises to address or meet employees, all candidates for that seat who request to appear must be given the same opportunity to appear;

(ii) If a Presidential candidate is permitted on the premises, all candidates for that office who request to appear must be given the same opportunity to appear;

(iii) If representatives of political parties are permitted on the premises, representatives of all political parties which had a candidate or candidates on the ballot in the last general election or which anticipate having or will have a candidate or candidates on the ballot in the next general election which request to appear must be given the same opportunity to appear.

(iv) A corporation, its stockholders, executive or administrative personnel, or other employees of the corporation or its separate segregated fund shall make no effort, either oral or written, to solicit or direct or control contributions by members of the audience or group to any candidate or party in conjunction with any appearance by any candidate or party representative under this section; and

(v) A corporation, its stockholders, executive or administrative personnel or other employees of the corporation or its separate segregated fund shall not, in conjunction with any candidate or party representative appearances under this section, endorse or otherwise support one particular candidate or group of candidates or one particular political party over another political party.

(2) *Labor organizations.* A labor organization may permit candidates (or their

representatives) or representatives of political parties on the organization's premises to address employees of the labor organization in addition to members of the labor organization if the conditions in paragraph (b) (1)(i) through (iii) of this section are met.

(i) An official, member, or employee of a labor organization or its separate segregated fund shall not make any effort, either oral or written, to solicit or direct or control contributions by members of the audience to any candidate or party representative under this section.

(ii) An official, member, or employee of a labor organization or its separate segregated fund shall not, in conjunction with any candidate's or party representative's appearance under this section, endorse or otherwise support one particular candidate or group of candidates over another candidate or group of candidates or one particular political party over another political party.

(c) *Nonpartisan registration and voting information.* (1) A corporation or labor organization may, by posters or in newsletters or other communications, urge the employees of the corporation or of the labor organization to register or to vote or to otherwise participate in the political process if—

(i) The communication mentions no political affiliation (except as permitted by (ii)) and is restricted to urging acts such as contributing, voting, and/or registering and, describing the hours and places of registration and voting; and

(ii) Information about particular candidates or political parties is not included in the communication, except that the corporation or labor organization may reprint the entire list of names and political affiliations of candidates on the official ballot.

(2) A corporation or labor organization may distribute or reprint (in whole) any registration or voting information, such as instructional materials, which have been produced by the official election administrators for distribution to the general public.

(3) A corporation or labor organization may distribute voter guides or other types of brochures describing the candidates and their positions if—

(i) The materials do not favor one candidate or political party over another; and

(ii) The materials are obtained from a civic or other nonprofit organization which does not endorse or support or is not affiliated with any candidate or political party.

(d) *Nonpartisan registration and get-out-the-vote drives.* (1) A corporation may support nonpartisan registration and get-out-the-vote drives, as by transporting people to the polls, which are not restricted to its stockholders and executive or administrative personnel and their families, and a labor organization may support such drives which are not restricted to its members and their families if:

(i) The corporation or labor organization jointly sponsors the drives with a civic or other nonprofit organization



which does not support or endorse candidates or political parties and if the activities are conducted by the other organization; and

(i) These services are made available without regard to the voter's political preference.

(2) A corporation or labor organization may donate funds to be used for nonpartisan registration and get-out-the-vote drives to civic and other non-profit organizations which do not endorse candidates or political parties.

(3) The civic or non-profit organization, in conducting the nonpartisan registration and get-out-the-vote activities, may utilize the employees and facilities of a corporation or the employees or members and facilities of a labor organization.

§ 114.5 Separate segregated funds.

(a) *Voluntary contributions to a separate segregated fund.* (1) A separate segregated fund is prohibited from making a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment, or by monies obtained in any commercial transaction. For purposes of this section, fees or monies paid as a condition of acquiring or retaining membership or employment are monies required as a condition of membership or employment even though they are refundable upon request of the payor.

(2) A guideline for contributions may be suggested by a corporation or a labor organization, or the separate segregated fund of either, provided that the person soliciting or the solicitation informs the persons being solicited—

(i) That the guidelines are merely suggestions; and

(ii) That an individual is free to contribute more or less than the guidelines suggest and the corporation or labor organization will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute.

(3) Any person soliciting an employee or member for a contribution to a separate segregated fund must inform such employee or member of the political purposes of the fund at the time of the solicitation.

(4) Any persons soliciting an employee or member for a contribution to a separate segregated fund must inform the employee or member at the time of such solicitation of his or her right to refuse to so contribute without any reprisal.

(5) Any written solicitation for a contribution to a separate segregated fund which is addressed to an employee or member must contain statements which comply with the requirements of paragraph (a) (3) and (4) of this section,

and if a guideline is suggested, statements which comply with the requirements of paragraph (a) (2) of this section.

(b) *Use of treasury monies.* Corporations, labor organizations, membership organizations, cooperatives, or corporations without capital stock may use general treasury monies, including monies obtained in commercial transactions and dues monies or membership fees, for the establishment, administration, and solicitation of contributions to its separate segregated fund. A corporation, labor organization, membership organization, cooperative, or corporation without capital stock may not use the establishment, administration, and solicitation process as a means of exchanging treasury monies for voluntary contributions.

(1) A contributor may not be paid for his or her contribution through a bonus, expense account, or other form of direct or indirect compensation.

(2) A corporation, labor organization, membership organization, cooperative, or corporation without capital stock may, subject to the provisions of 39 U.S.C. § 3005 and Chapter 61, Title 18, United States Code, utilize a raffle or other fundraising device which involves a prize, so long as State law permits and the prize is not disproportionately valuable. Dances, parties, and other types of entertainment may also be used as fundraising devices. When using raffles or entertainment to raise funds, a reasonable practice to follow is for the separate segregated fund to reimburse the corporation or labor organization for costs which exceed one-third of the money contributed.

(c) *Membership in separate segregated funds.* (1) A separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock may provide that persons who contribute a certain amount to its separate segregated fund will become "members" of its separate segregated fund, so long as—

(i) The fund accepts contributions of all amounts, subject to the limitations of Part 110;

(ii) Subject to subsection (iii), no thing of value may be given in return for or in the course of membership;

(iii) The fund may use membership status for intangible privileges such as allowing members only to choose the candidates to whom the fund will contribute.

(2) The fact that the separate segregated fund of a corporation, labor organization, membership organization, cooperative, or corporation without capital stock is a "membership group" does not provide the corporation, labor organization, membership organization, cooperative, or corporation without capital stock with any greater right of communication or solicitation than the corporation, labor organization, membership organization, cooperative, or corporation without capital stock is otherwise granted under this Part.

(d) *Control of funds.* A corporation, membership organization, cooperative,

corporation without capital stock, or labor organization may exercise control over its separate segregated fund.

(e) *Disclosure.* Separate segregated funds are subject to the following disclosure requirements:

(1) A corporation or labor organization is not required to report any payment made or obligation incurred which is not a contribution or expenditure, as defined in § 114.1(a), except those reporting requirements specifically set forth in this section.

(2) A membership organization or corporation is not required to report the cost of any communication to its members or stockholders or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office, except that—

(i) The costs incurred by a membership organization, including a labor organization, or by a corporation, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election, be reported in accordance with § 100.7(b) (5); and

(ii) The amounts paid or incurred for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 paid by a corporation or labor organization which is the regular employer of the individual rendering such services, shall be reported in accordance with the provisions of Part 104.

(3) A separate segregated fund is subject to all other disclosure requirements of political committees as set forth in Part 104.

(f) *Contribution limits.* Separate segregated funds are subject to the contribution limitations for political committees set forth in Part 110. (See particularly § 110.3).

(g) *Solicitations.* Except as specifically provided in §§ 114.6, 114.7, and 114.8, a corporation and/or its separate segregated fund or a labor organization and/or its separate segregated fund is subject to the following limitations on solicitations:

(1) A corporation, or a separate segregated fund established by a corporation is prohibited from soliciting contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families. A corporation may solicit the executive or administrative personnel of its subsidiaries, branches, divisions, and affiliates and their families.

(2) A labor organization, or a separate segregated fund established by a labor organization is prohibited from soliciting contributions to such a fund

from any person other than its members and their families.

(h) *Accidental or inadvertent solicitation.* Accidental or inadvertent solicitation by a corporation or labor organization, or the separate segregated fund of either, of persons apart from and beyond those whom it is permitted to solicit will not be deemed a violation, provided that such corporation or labor organization or separate segregated fund has used its best efforts to comply with the limitations regarding the persons it may solicit and that the method of solicitation is corrected forthwith after the discovery of such erroneous solicitation.

(i) *Communications paid for with voluntary contributions.* A separate segregated fund may, using voluntary contributions, communicate with the general public, except that such communications may not solicit contributions to a separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock, unless such solicitation is permitted under paragraph (g) of this section.

(j) *Acceptance of contributions.* A separate segregated fund may accept contributions from persons otherwise permitted by law to make contributions.

(k) *Availability of methods.* Any corporation, including its subsidiaries, branches, divisions, and affiliates, that uses a method of soliciting voluntary contributions or facilitating the making of voluntary contributions from its stockholders or executive or administrative personnel and their families, shall make that method available to a labor organization representing any members working for the corporation, its subsidiaries, branches, divisions, and affiliates for soliciting voluntary contributions or facilitating the making of voluntary contributions from its members and their families. Such method shall be made available on the written request of the labor organization and at a cost sufficient only to reimburse the corporation for the expenses incurred thereby. For example—

(1) If a corporation, including its subsidiaries, branches, divisions, or affiliates utilizes a payroll deduction plan, check-off system, or other plan which deducts contributions from the dividend or payroll checks of stockholders or executive or administrative personnel, the corporation shall, upon written request of the labor organization, make that method available to members of the labor organization working for the corporation, its subsidiaries, branches, divisions, or affiliates, who wish to contribute to the separate segregated fund of the labor organization representing any members working for the corporation, or any of its subsidiaries, branches, divisions, or affiliates. The corporation shall make the payroll deduction plan available to the labor organization at a cost sufficient only to reimburse the corporation for the actual expenses incurred thereby.

(2) If a corporation uses a computer for addressing envelopes or labels for a

solicitation to its stockholders or executive or administrative personnel, the corporation shall, upon written request, program the computer to enable the labor organization to solicit its members. The corporation shall charge the labor organization a cost sufficient only to reimburse the corporation for the actual expenses incurred in programming the computers and the allocated cost of employee time relating to the work, and the materials used.

(3) If a corporation uses corporate facilities, such as a company dining room or cafeteria, for meetings of stockholders or executive or administrative personnel at which solicitations are made, the corporation shall, upon written request of the labor organization allow that labor organization to use existing corporate facilities for meetings to solicit its members. The labor organization shall be required to reimburse the corporation for any actual expenses incurred thereby, such as any increase in the overhead to the corporation and any cost involved in setting up the facilities.

(4) If a corporation uses no method to solicit voluntary contributions or to facilitate the making of voluntary contributions from stockholders or executive or administrative personnel, it is not required by law to make any method available to the labor organization for its members. The corporation and the labor organization may agree upon making any lawful method available even though such agreement is not required by the Act.

(5) The availability of methods of twice yearly solicitations is subject to the provisions of § 114.6(e).

(l) *Methods permitted by law to labor organizations.* Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members.

§ 114.6 Twice yearly solicitations.

(a) A corporation and/or its separate segregated fund may make a total of two written solicitations for contributions to its separate segregated fund per calendar year of its employees other than stockholders, executive or administrative personnel, and their families. Employees as used in this section does not include former or retired employees who are not stockholders. Nothing in this paragraph shall limit the number of solicitations a corporation may make of its stockholders and executive or administrative personnel under § 114.5(g).

(b) A labor organization and/or its separate segregated fund may make a total of two written solicitations per calendar year of employees who are not members of the labor organization, executive or administrative personnel, or stockholders (and their families) of a corporation in which the labor organization represents members working for the corporation. Nothing in this para-

graph shall limit the number of solicitations a labor organization may make of its members under § 114.5(g).

(c) Written solicitation. A solicitation under this section may be made only by mail addressed to stockholders, executive or administrative personnel, or employees at their residences. All written solicitations must inform the recipient—

(1) Of the existence of the custodial arrangement described hereinafter;

(2) That the corporation, labor organization, or the separate segregated fund of either cannot be informed of persons who do not make contributions; and

(3) That persons who, in a calendar year, make a single contribution of \$50 or less or multiple contributions aggregating \$100 or less may maintain their anonymity by returning their contributions to the custodian.

(d) The custodial arrangement. In order to maintain the anonymity of persons who do not wish to contribute and of persons who wish to respond with a single contribution of \$50 or less or multiple contributions aggregating \$100 or less in a calendar year, and to satisfy the recordkeeping provisions, the corporation, labor organization, or separate segregated fund of either shall establish a custodial arrangement for collecting the contributions under this section.

(1) The custodian for a separate segregated fund established by a corporation shall not be a stockholder, officer, executive or administrative personnel, or employee of the corporation, or an officer, or employee of its separate segregated fund. The custodian for a separate segregated fund established by a labor organization shall not be a member, officer or employee of the labor organization or its separate segregated fund.

(2) The custodian shall keep the records of contributions received in accordance with the requirements of Part 102 and shall also—

(i) Establish a separate account and deposit contributions in accordance with the provisions of Part 103;

(ii) Provide the fund with the identification of any person who makes a single contribution of more than \$50 and the identification, occupation, and principal place of business of any person who makes multiple contributions aggregating more than \$100. The custodian must provide this information within a reasonable time prior to the reporting date of the fund under Part 104;

(iii) Periodically forward all funds in the separate account, by check drawn on that account, to the separate segregated fund; and

(iv) Treat all funds which appear to be illegal in accordance with the provisions of § 103.3(b).

(3) The custodian shall not—

(i) Make the records of persons making a single contribution of \$50 or less or multiple contributions aggregating \$100 or less, in a calendar year, available to any person other than representatives of the Federal Election Commission, the Clerk of the House or the Secretary of the Senate, as appropriate, and law enforcement officials or judicial bodies.



(ii) Provide the corporation or the labor organization or the separate segregated fund of either with any information pertaining to persons who, in a calendar year, make a single contribution of \$50 or less or multiple contributions aggregating \$100 or less, except that the custodian may forward to the corporation, labor organization, or separate segregated fund of either the total number of contributions received; or

(iii) Provide the corporation, labor organization, or the separate segregated fund of either with any information pertaining to persons who have not contributed.

(4) The corporation, labor organization, or the separate segregated fund of either shall provide the custodian with a list of all contributions, indicating the contributor's identification and amount contributed, which have been made directly to the separate segregated fund by any person within the group of persons solicited under this section.

(5) Notwithstanding the prohibitions of paragraph (d) (1), the custodian may be employed by the separate segregated fund as its treasurer and may handle all of its contributions, provided that the custodian preserves the anonymity of the contributors as required by this section. The custodian shall file the required reports with the Federal Election Commission, the Clerk of the House, or the Secretary of the Senate, as appropriate. A custodian who serves as treasurer is subject to all of the duties, responsibilities, and liabilities of a treasurer under the Act, and may not participate in the decision making process whereby the separate segregated fund makes contributions and expenditures.

(e) Availability of methods. (1) A corporation or labor organization or the separate segregated fund of either may not use a payroll deduction plan, a check-off system, or other plan which deducts contributions from an employee's paycheck as a method of facilitating the making of contributions under this section.

(2) The twice yearly solicitation may only be used by a corporation or labor organization to solicit contributions to its separate segregated fund and may not be used for any other purpose.

(3) A corporation is required to make available to a labor organization representing any members working for the corporation or its subsidiaries, branches, divisions, or affiliates the method which the corporation uses to solicit employees under this section during any calendar year.

(i) If the corporation uses a method to solicit any employees under this section, the corporation is required to make that method available to the labor organization to solicit the employees of the corporation who are not represented by that labor organization, and the executive or administrative personnel and the stockholders of the corporation and their families.

(ii) If the corporation does not wish to disclose the names and addresses of

stockholders or employees, the corporation shall make the names and addresses of stockholders and employees available to an independent mailing service which shall be retained to make the mailing for both the corporation and the labor organization for any mailings under this section.

(iii) If the corporation makes no solicitation of employees under this section during the calendar year, the corporation is not required to make any method or any names and addresses available to any labor organization.

(4) The corporation shall notify the labor organization of its intention to make a solicitation under this section during a calendar year and of the method it will use, within a reasonable time prior to the solicitation, in order to allow the labor organization opportunity to make a similar solicitation.

(5) If there are several labor organizations representing members employed at a single corporation, its subsidiaries, branches, divisions, or affiliates, the labor organizations, either singularly or jointly, may not make a combined total of more than two written solicitations per calendar year. A written solicitation may contain a request for contributions to each separate fund established by the various labor organizations making the combined mailing.

§ 114.7 Membership organizations, cooperatives, or corporations without capital stock.

(a) Membership organizations, cooperatives, or corporations without capital stock, or separate segregated funds established by such persons may solicit contributions to the fund from members of the organization, cooperative, or corporation without capital stock.

(b) Nothing in this section waives the prohibition on contributions to the separate segregated fund by corporations, national banks, or labor organizations which are members of a membership organization, cooperative, or corporation without capital stock.

(c) A trade association whose membership is made up in whole or in part of corporations is subject to the provisions of § 114.8 when soliciting any stockholders or executive or administrative personnel of member corporations. A trade association which is a membership organization may solicit its noncorporate members under the provisions of this section.

(d) The question of whether a professional organization is a corporation is determined by the law of the State in which the professional organization exists.

(e) There is no limitation upon the number of times an organization under this section may solicit its members.

(f) There is no limitation under this section on the method of solicitation or the method of facilitating the making of voluntary contributions which may be used.

(g) A membership organization, cooperative, or corporation without capital

stock and the separate segregated funds of the organizations are subject to the provisions in § 114.5(a).

(h) A membership organization, cooperative, or corporation without capital stock may communicate with its members under the provisions of § 114.3.

(i) A mutual life insurance company may solicit its policyholders if the policyholders are members within the organizational structure.

(j) A membership organization, including a trade association, cooperative, or corporation without capital stock or a separate segregated fund established by such organization may not solicit contributions from the separate segregated funds established by its members. The separate segregated fund established by a membership organization, including a trade association, cooperative, or corporation without capital stock may, however, accept unsolicited contributions from the separate segregated funds established by its members.

§ 114.8 Trade associations.

(a) *Definition.* A trade association is generally a membership organization of persons engaging in a similar or related line of commerce, organized to promote and improve business conditions in that line of commerce and not to engage in a regular business of a kind ordinarily carried on for profit, and no part of the net earnings of which inures to the benefit of any member.

(b) *Prohibition.* Nothing in this section waives the prohibition on contributions by corporations which are members of a trade association.

(c) *Limitations.* A trade association or a separate segregated fund established by a trade association may solicit contributions from the stockholders and executive or administrative personnel of the member corporations of such trade association and the families of such stockholders and personnel if—

(1) The member corporation involved has separately and specifically approved the solicitations; and

(2) The member corporation has not approved a solicitation by any other trade association during the calendar year.

(d) *Separate and specific approval.* (1) The member corporation must knowingly and specifically approve any solicitation for a trade association, whether the solicitation is done by the trade association, its separate segregated fund, or the corporation or any of its personnel, for contributions to the trade association's separate segregated fund.

(2) A copy of each approved request received by a trade association or its separate segregated fund shall be maintained by the trade association or its fund for three years from the date the approval is given.

(3) The request for approval may contain a copy of solicitation materials which will be used if approval is granted. Such a mailing must specifically indicate the requirement of approval and the limitation of (c) (2), and approval must be

granted to the trade association or its separate segregated fund prior to the time any solicitation is made of the stockholders or executive or administrative personnel by the trade association, its separate segregated fund, or by the corporation for contributions to the separate segregated fund of the trade association. (The request for approval may be sent to the representatives of the corporation with whom the trade association normally conducts the association's activities.)

(4) A separate authorization specifically allowing a trade association to solicit its corporate member's stockholders and executive or administrative personnel applies through the calendar year in which it is obtained. A separate authorization must be obtained each year.

(5) In its request to a member corporation, a trade association may indicate that it intends to solicit, for example, a limited class of the executive or administrative personnel of the member corporation, or only the executive or administrative personnel but not the stockholders of the member corporation. Moreover, in its approval, a member corporation may similarly limit any solicitation by the trade association or its separate segregated fund. In any event, a member corporation, once it has approved any solicitation—even to a limited extent—of its personnel or stockholders by a trade association or its separate segregated fund, is precluded from approving any such solicitation by another trade association or its separate segregated fund and the corporation and its personnel are precluded from soliciting the corporation's executive or administrative personnel or stockholders on behalf of another trade association or its separate segregated fund.

(e) *Solicitation.* (1) After a trade association has obtained the approval required in paragraph (c), there is no limit on the number of times the trade association or its separate segregated fund may solicit the persons approved by the member corporation during the calendar year to which the approval applies. The member corporation may, however, in its approval limit the number of times solicitations may be made.

(2) A member corporation which grants permission to a trade association to solicit is in no way restricted in its rights under § 114.5(g) to solicit its stockholders or executive or administrative personnel and their families for contributions to the corporation's own separate segregated fund.

(3) There is no limitation on the method of soliciting voluntary contributions or the method of facilitating the making of voluntary contributions which a trade association may use. The member corporation may not use a payroll deduction or checkoff system for executive or administrative personnel contributing to the separate segregated fund of the trade association.

(4) A trade association and/or its separate segregated fund is subject to the provisions of § 114.5(a).

(f) *Solicitation of a subsidiary corporation.* If a parent corporation is a member of the trade association, but its subsidiary is not, the trade association or its separate segregated fund may only solicit the parent's executive or administrative personnel and shareholders and their families; and no personnel of the subsidiary may be solicited. If a subsidiary is a member, but the parent is not, the trade association or its separate segregated fund may solicit the subsidiary's personnel and their families; it may not solicit the parent's shareholders. If both parent and subsidiary are members, executive and administrative personnel and stockholders of each and their families may be solicited.

(g) *Federations of trade associations.* (1) A federation of trade associations is an organization representing trade associations involved in the same or allied line of commerce. Such a federation may, subject to the following limitations, solicit the members of the federation's regional, State, or local affiliates or members, provided that all of the political committees established, financed, maintained, or controlled by the federation and its regional, State, or local affiliates or members are considered one political committee for the purposes of the limitations in §§ 110.1 and 110.2.

(i) The federation and its member associations may engage in a joint solicitation; or

(ii) The member association may delegate its solicitation rights to the federation.

(2) A federation is subject to the provisions of this section when soliciting the stockholders and executive or administrative personnel of the corporate members of its member associations.

(h) *Communications other than solicitations.* A trade association may make communications, other than solicitations, to its members under the provisions of § 114.3. When making communications to a member which is a corporation, the trade association may communicate with the representatives of the corporation with whom the trade association normally conducts the association's activities.

(i) *Trade association employees.* (1) A trade association may communicate with its executive or administrative personnel under the provisions of § 114.3; a trade association may communicate with its other employees under the provisions of § 114.4.

(2) A trade association may solicit its executive or administrative personnel under the provisions of § 114.5(g); a trade association may solicit its other employees under the provisions of § 114.6.

§ 114.9 Use of corporate or labor organization facilities and means of transportation.

(a) *Use of corporate facilities for individual volunteer activity by stockholders and employees.* (1) Stockholders and employees of the corporation may, subject to the rules and practices of the cor-

poration, make occasional, isolated, or incidental use of the facilities of a corporation for individual volunteer activity in connection with a Federal election and will be required to reimburse the corporation only to the extent that the overhead or operating costs of the corporation are increased. As used in this paragraph, "occasional, isolated, or incidental use" generally means—

(i) When used by employees during working hours, an amount of activity during any particular work period which does not prevent the employee from completing the normal amount of work which that employee usually carries out during such work period; or

(ii) When used by stockholders other than employees during the working period, such use does not interfere with the corporation in carrying out its normal activities; but

(iii) Any such activity which does not exceed one hour per week or four hours per month, regardless of whether the activity is undertaken during or after normal working hours, shall be considered as occasional, isolated, or incidental use of the corporate facilities.

(2) A stockholder or employee who makes more than occasional, isolated, or incidental use of a corporation's facilities for individual volunteer activities in connection with a Federal election is required to reimburse the corporation within a commercially reasonable time for the normal and usual rental charge, as defined in § 100.4(a) (1) (iii) (B), for the use of such facilities.

(b) *Use of labor organization facilities for individual volunteer activity by officials, members and employees.* (1) The officials, members, and employees of a labor organization may, subject to the rules and practices of the labor organization, make occasional, isolated, or incidental use of the facilities of a labor organization for individual volunteer activity in connection with a Federal election and will be required to reimburse the labor organization only to the extent that the overhead or operating costs of the labor organization are increased. As used in this paragraph, "occasional, isolated, or incidental use" generally means—

(i) When used by employees during working hours, an amount of activity during any particular work period which does not prevent the employee from completing the normal amount of work which that employee usually carries out during such work period; or

(ii) When used by members other than employees during the working period, such use does not interfere with the labor organization in carrying out its normal activities; but

(iii) Any such activity which does not exceed one hour per week or four hours per month, regardless of whether the activity is undertaken during or after normal working hours, shall be considered as occasional, isolated, or incidental use of the labor organization facilities.

(2) The officials, members, and employees who make more than occasional,

isolated, or incidental use of a labor organization's facilities for individual volunteer activities in connection with a Federal election are required to reimburse the labor organization within a commercially reasonable time for the normal and usual rental charge, as defined in § 100.4(a) (1) (iii) (B), for the use of such facilities.

(c) *Use of corporate or labor organization facilities to produce materials.* Any person who uses the facilities of a corporation or labor organization to produce materials in connection with a Federal election is required to reimburse the corporation or labor organization within a commercially reasonable time for the normal and usual charge for producing such materials in the commercial market.

(d) *Use or rental of corporate or labor organization facilities by other persons.* Persons, other than those specifically mentioned in paragraphs (a) and (b), who make any use of corporate or labor organization facilities, such as by using telephones or typewriters or borrowing office furniture, for activity in connection with a Federal election are required to reimburse the corporation or labor organization within a commercially reasonable time in the amount of the normal and usual rental charge, as defined in § 100.4(a) (1) (iii) (B), for the use of the facilities.

(e) *Use of airplanes and other means of transportation.* (1) A candidate, candidate's agent, or person traveling on behalf of a candidate who uses an airplane which is owned or leased by a corporation or labor organization other than a corporation or labor organization licensed to offer commercial services for travel in connection with a Federal election must, in advance, reimburse the corporation or labor organization—

(i) In the case of travel to a city served by regularly scheduled commercial service, the first class air fare;

(ii) In the case of travel to a city not served by a regularly scheduled commercial service, the usual charter rate.

(2) A candidate, candidate's agent, or person traveling on behalf of a candidate who uses other means of transportation owned or leased by a corporation or labor organization must reimburse, within a commercially reasonable time, the corporation or labor organization at the normal and usual rental charge.

§ 114.10 Extension of credit and settlement of corporate debts.

(a) A corporation may extend credit to a candidate, political committee, or other person in connection with a Federal election provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to nonpolitical debtors which are of similar risk and size of obligation. Nothing in this section modifies regulations prescribed by the Civil Aeronautics Board, the Federal Communications Commission or the Interstate Commerce Commission issued pursuant to 2 U.S.C. § 451 or any other regulations prescribed by other Federal agencies with regard to

credit extended by the regulated corporations.

(b) Except as specifically provided in paragraph (c), a corporation may not forgive prior debts or settle debts which have been incurred by a candidate or political committee or other person for use in connection with a Federal election for less than the amount owed on the debt.

(c) A corporation may settle or forgive a debt if the creditor has treated the outstanding debt in a commercially reasonable manner. A settlement will be considered commercially reasonable if—

(1) The initial extension of credit was made in accordance with regulations issued pursuant to 2 U.S.C. § 451 or paragraph (a).

(2) The candidate or political committee or person has undertaken all commercially reasonable efforts to satisfy the outstanding debt; and

(3) The corporate creditor has pursued its remedies in a manner similar in intensity to that employed by the corporation in pursuit of a non-political debtor, including lawsuits if filed in similar circumstances.

The corporation and/or the debtor must file a statement of settlement with the Commission including the initial terms of credit, the steps the debtor has taken to satisfy the debt, and remedies pursued by the creditor. This statement must be filed prior to the termination of the reporting status of the debtor and the settlement is subject to Commission review.

§ 114.11 Employee participation plans.

(a) A corporation may establish and administer an employee participation plan (i.e. a "trustee plan") which is a political giving program in which a corporation pays the cost of establishing and administering separate bank accounts for any employee who wishes to participate. The cost of administering and establishing includes the payment of costs for a payroll deduction or check-off plan and the cost of maintaining the separate bank accounts.

(1) The employees must exercise complete control and discretion over the disbursement of the monies in their accounts.

(2) The trustee, bank, or other administrator shall not provide the corporation or its separate segregated fund any report of the source or recipient of any contribution(s) or donation(s) into or out of any account or of the amount any employee has in an account.

(3) The trustee, bank, or other administrator may provide the corporation or its separate segregated fund with a periodic report limited to information about the total number of employees in the program, the total number of funds in all the accounts combined, and the total amount of contributions made to all candidates and committees combined.

(4) No stockholder, director, or employee of the corporation or its separate segregated fund may exert pressure of any kind to induce participation in the program.

(5) No stockholder, director, or employee of the corporation or its separate segregated fund may exercise any direction or control, either oral or written, over contributions by participants in the program to any candidate, group of candidates, political party, or other person.

(b) An employee participation plan must be made available to all employees including members of a labor organization who are employees of the corporation. Communications about participation in the plan may be conducted by either the corporation or the labor organization or both.

(c) A labor organization may establish and administer an employee participation plan subject to the above provisions, except that the cost shall be borne by the labor organization.

(d) The method used to transmit employee or member contributions to the candidate or political committee may not in any manner identify the corporation or labor organization which established the employee participation plan.

§ 114.12 Miscellaneous provisions.

(a) An organization may incorporate and not be subject to the provisions of this Part if the organization incorporates for liability purposes only, and if the organization is a political committee as defined in § 100.14. Notwithstanding the corporate status of the political committee, the chairman and the treasurer of an incorporated political committee remain personally responsible for carrying out their respective duties under the Act.

(b) Notwithstanding any other provision of Part 114, a corporation or a labor organization which customarily makes its meeting rooms available to clubs, civic or community organizations, or other groups may make such facilities available to a political committee or candidate if the meeting rooms are made available on a nonpartisan basis and on the same terms given to other groups using the meeting rooms.

(c) (1) A corporation of labor organization may not pay the employer's share of the cost of fringe benefits, such as health and life insurance and retirement, for employees or members on leave-without-pay to participate in political campaigns of Federal candidates. The separate segregated fund of a corporation or a labor organization may pay the employer's share of fringe benefits, and such payment would be a contribution in-kind to the candidate. An employee or member may, out of unreimbursed personal funds, assure the continuity of his or her fringe benefits during absence from work for political campaigning, and such payment would not be a contribution in-kind.

(2) Service credit for periods of leave-without-pay is not considered compensation for purposes of this section if the employer normally gives identical treatment to employees placed on leave-without-pay for nonpolitical purposes.

(d) A corporation which, prior to May 11, 1976, had solicited employees other than stockholders or executive or administrative personnel for voluntary contributions to its separate segregated

fund and had offered such employees the opportunity to enroll in a payroll deduction plan may, until December 31, 1976, unless the employee withdraws before that date, continue to deduct contributions from the checks of employees who signed up prior to May 11, 1976. Any solicitation of such employees after May 11, 1976, is subject to the provisions of 2 U.S.C. § 441(b) (4) (B) and § 114.6 when prescribed.

PART 115—FEDERAL CONTRACTORS

Sec.	
115.1	Definitions.
115.2	Prohibition.
115.3	Corporations, labor organizations, membership organizations, cooperatives, and corporations without capital stock.
115.4	Partnerships.
115.5	Individuals and sole proprietors.
115.6	Employee contributions or expenditures.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107 (a) (1), Pub. L. 94-283, 90 Stat. 481 (2) U.S.C. 437d(a) (8)), and Sec. 315(a) (10), Pub. L. 92-225, 88 Stat. 16, amended by Secs. 208 (a) and (c) (10), and 209 (a) (1) and (b) (1), Pub. L. 93-443, 88 Stat. 1279, 1287, and Sec. 105, Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 438(a) (10)).

§ 115.1 Definitions.

(a) "A Federal contractor" means a person, as defined in § 100.13 who—

(1) Enters into any contract with the United States or any department or agency thereof either for—

(i) The rendition of personal services; or

(ii) Furnishing any material, supplies, or equipment; or

(iii) Selling any land or buildings;

(2) If the payment for the performance of the contract or payment for the material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress.

(b) The period during which a person is prohibited from making a contribution or expenditure is the time between the earlier of the commencement of negotiations or when the requests for proposals are sent out, and the later of—

(1) The completion of performance under; or

(2) The termination of negotiations for, the contract or furnishing of material, supplies, equipment, land, or buildings, or the rendition of personal services.

(c) For purposes of this Part, a contract includes

(1) A sole source, negotiated, or advertised procurement conducted by the United States or any of its agencies;

(2) A written (except as otherwise authorized) contract, between any person and the United States or any of its departments or agencies, for the furnishing of personal property, real property, or personal services; and

(3) Any modification of a contract.

(d) The basic contractual relationship must be with the United States or

any department or agency thereof. A person who contracts with a State or local jurisdiction or entity other than the United States or any department or agency thereof is not subject to this Part, even if the State or local jurisdiction or entity is funded in whole or in part from funds appropriated by the Congress. The third party beneficiary of a Federal contract is not subject to the prohibitions of this Part.

(e) The term labor organization has the meaning given it by § 114.1(a).

§ 115.2 Prohibition.

(a) It shall be unlawful for a Federal contractor, as defined in § 115.1(a), to make, either directly or indirectly, any contribution or expenditure of money or other thing of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee, or candidate for Federal office or to any person for any political purpose or use. This prohibition does not apply to contributions or expenditures in connection with State or local elections.

(b) This prohibition runs for the time period set forth in § 115.1(b).

(c) It shall be unlawful for any person knowingly to solicit any such contribution from a Federal contractor.

§ 115.3 Corporations, labor organizations, membership organizations, cooperatives, and corporations without capital stock.

(a) Corporations, labor organizations, membership organizations, cooperatives, and corporations without capital stock to which this Part applies may expend treasury monies to establish, administer, and solicit contributions to any separate segregated fund subject to the provisions of Part 114. Each specific prohibition, allowance, and duty applicable to a corporation, labor organization, or separate segregated fund under Part 114 applies to a corporation, labor organization, or separate segregated fund to which this Part applies.

(b) The question of whether a professional organization is a corporation is determined by the law of the State in which the professional organization exists.

§ 115.4 Partnerships.

(a) The assets of a partnership which is a Federal contractor may not be used to make contributions or expenditures in connection with Federal elections.

(b) Individual partners may make contributions or expenditures in their own names from their personal assets.

(c) Nothing in this part prohibits an employee of a partnership which is a Federal contractor from making contributions or expenditures from his or her personal assets.

§ 115.5 Individuals and sole proprietors.

Individuals or sole proprietors who are Federal contractors are prohibited from making contributions or expenditures from their business, personal, or other funds under their dominion or control. The spouse of an individual or sole pro-

prietor who is a Federal contractor is not prohibited from making a personal contribution or expenditure in his or her name.

§ 115.6 Employee contributions or expenditures.

Nothing in this part shall prohibit the stockholders, officers, or employees of a corporation, the employees, officers, or members of an unincorporated association, cooperative, membership organization, labor organization, or other group or organization which is a Federal contractor from making contributions or expenditures from their personal assets.

SUBCHAPTER B—PRESIDENTIAL ELECTION CAMPAIGN FUND, FEDERAL FINANCING OF CONVENTIONS

PART 120—GENERAL PROVISIONS

Sec.	
120.1	Scope.
120.2	Definitions.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107 (a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and Sec. 404(c) (13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009 (b)).

§ 120.1 Scope.

(a) This part interprets 2 U.S.C. § 437 and 26 U.S.C. § 9008. Section 9008 of Title 26 authorizes the Federal Election Commission to certify to the Secretary of the Treasury for payments of the amounts to which the national committee of any major or minor party is entitled under 26 U.S.C. § 9008 with respect to a Presidential nominating convention, but the entitlement of each major party may not exceed the aggregate amount of \$2,000,000, adjusted by the Consumer Price Index. Section 437 of Title 2 requires certain organizations to file convention reports.

(b) Under 26 U.S.C. § 9008(b) the national committees of both major and minor parties are entitled to payments from public funds to defray expenses which they incurred with respect to a Presidential nominating convention. These expenses are limited to \$2,000,000, as adjusted by the Consumer Price Index. New parties are exempt from any expenditure limitation and are not entitled to any public funds. For a minor party to be entitled to its proportionate share of public funds for convention expenses, its Presidential candidate in the last election must have received (as the Presidential candidate of that party) at least 5 percent of the total popular vote received by all Presidential candidates in such election.

§ 120.2 Definitions.

The following definitions shall apply for the purposes of this subchapter:

(a) "Commission" means the Federal Election Commission, 1325 K Street, NW., Washington, D.C. 20463.

(b) "Fund" means the Presidential Election Campaign Fund established by 26 U.S.C. § 9006(a).

(c) "Major party" means, with respect to any Presidential election, a political party whose candidate for the office of

President in the preceding Presidential election received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office.

(d) "Minor party" means, with respect to any Presidential election, a political party whose candidate for the office of President in the preceding Presidential election received, as the candidate of such party, 5 percent or more, but less than 25 percent, of the total number of popular votes received by all candidates for such office.

(e) "New party" means, with respect to any Presidential election, a political party which is neither a major party nor a minor party.

(f) "Convention expenses" or "expenses or expenditures incurred with respect to a Presidential nominating convention" means expenses incurred for the purpose of conducting a presidential nominating convention or convention-related activities (including the payment of deposits) by or on behalf of the national committee of a political party, including—

(1) Any expense for preparing, maintaining, and dismantling the physical site of the convention, including rental of the hall, platforms and seating, decorations, telephones, security, and convention hall utilities;

(2) Salaries and expenses of personnel whose responsibilities are planning, managing, or conducting the convention, including staff members of convention committees or arrangements committees and similar personnel;

(3) Any expenses of those persons employed by the national committee of a political party which were incurred in the performance of personal services for the convention that were in addition to their normal duties to the national committee, such as travel expenses to and from or at the convention city or other locations specified in subsection (4), but excluding any portion of the person's salary paid by the national committee, provided that the services of that person were incidental to the convention and not performed as a major responsibility;

(4) The expense of conducting meetings, whether or not at the convention site, of or related to convention policy committees, such as rules, credentials, and platform committees, including costs of renting meeting space and printing materials (except for certain legal and accounting expenses, see § 121.10(b)).

(5) The expenses incurred in securing a convention city and facility;

(6) The expense of providing a transportation system in a convention city for the use of delegates and other persons attending or otherwise connected with the conventions;

(7) The expenses of entertainment activities which are part of official convention activity sponsored by the national committee, including but not limited to dinners, concerts, and receptions, but not including entertainment activities

sponsored by or on behalf of candidates for nomination to the office of President or Vice President, or State delegations, or activities sponsored by the national committee if the purpose of the activity is solely for national committee business, such as fundraising events, selecting new officers for the national committee, or entertainment activities sponsored by persons other than the national committee, not otherwise prohibited;

(8) The expenses of printing official convention programs, a journal of proceedings, agendas, tickets, badges, passes, and other official publications;

(9) The administrative and office expenses of conducting the convention such as stationery and office supplies, office machines, and telephone charges, but excluding the cost of any such services supplied by the national committee at its headquarters or principal office so long as such services are incidental to the convention and not utilized primarily for the convention;

(10) The interest on loans the proceeds of which are used to defray convention expenses; and

(11) The expenses of any candidate or delegate participating in the national nominating convention, subject to the provisions of §§ 121.10 and 122.5.

(g) "Secretary" means the Secretary of the Treasury of the United States.

(h) "Host committee" means a local organization such as a local civic association, business league, chamber of commerce, real estate board, board of trade, or convention bureau—

(1) Not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual, and

(2) A principal objective of which is the encouragement of commerce in the convention city, as well as projecting a favorable image of the city to convention attendees.

PART 121—LIMITATION OF EXPENDITURES

Subpart A—National Party Limitations

Sec.	
121.1	Major parties.
121.2	Minor parties.
121.3	Exception.
121.4	Expenditures by agencies and municipal corporations.

Subpart B—In-Kind Contributions by Businesses

121.5	Discounts by retail business concerns.
121.6	Samples and promotional material.
121.7	In-kind contributions to the host committee.

Subpart C—Donation of Funds by Local Businesses and Labor Organizations

121.8	Donation of funds to host committee.
121.9	Use of funds by host committee.
121.10	Expenditures by individuals and groups.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

Subpart A—National Party Limitations

§ 121.1 Major parties.

Except as provided by § 121.3, the national committee of a major party may not incur convention expenses with respect to a Presidential nominating convention which, in the aggregate, exceed the amount of payments to which such committee is entitled under § 122.1, whether or not the national committee elects to receive any of its entitled funds.

§ 121.2 Minor parties.

Except as provided by § 121.3, the national committee of a minor party may not incur convention expenses with respect to a Presidential nominating convention which, in the aggregate, exceed the amount of the entitlement of the national committee of a major party under § 122.1, whether or not the national committee elects to receive any of its entitled funds.

§ 121.3 Exception.

The Commission may authorize the national committee of a major party or minor party to make expenditures for convention expenses which, in the aggregate, exceed the limitation established by § 121.1 or § 121.2. This authorization shall be based upon a determination by the Commission that, due to extraordinary and unforeseen circumstances, the expenditures are necessary to assure the effective operation of the Presidential nominating convention by the committee. In no case, however, will such authorization entitle the national committees to receive public funds greater than the amount the national committees are entitled to under § 122.1 or § 122.2.

§ 121.4 Expenditures by agencies and municipal corporations.

(a) Expenditures with respect to a Presidential nominating convention incurred by Federal and local governmental agencies and municipal corporations will not be considered either as expenditures made by a national party or as illegal corporate contributions under 2 U.S.C. § 441b. These expenditures will therefore not be subject to the national party's expenditure limitations of §§ 121.1 and 121.2, provided that the facilities or services supplied at no charge or less than the normal charge to the national committee were not leased or bought from corporations, national banks, labor organizations, or any other person for less than their fair market value.

(b) Expenditures made under paragraph (a) are reportable under § 125.1.

Subpart B—In-Kind Contributions by Businesses

§ 121.5 Discounts by retail business concerns.

(a) Private retail business concerns (whether incorporated or not) may sell, lease, or rent, or offer to sell, lease, or rent to the national party for the convention any services, materials, space, or goods that the business normally deals

in, at less than the fair market value; For example, the business may provide discounts in standard rates of any goods or services, provided that the discounts are offered in the ordinary course of business and are standard practice based upon the quantity of similar goods and services sold, leased, or rented in similar transactions.

(b) As long as the discount does not exceed the amounts specified in paragraph (a) will not count toward the national party expenditure limitation under §§ 121.2 and 121.2.

§ 121.6 Samples and promotional material.

(a) Private business concerns may sell at nominal cost or provide at no charge any of their products or services in the form of samples or discount coupons, or provide promotional items of nominal value, such as maps, pens, or pencils, with the business's name imprinted on the item, to those attending the convention functions, provided that—

(1) The samples and the like are solely for bona fide advertising or promotional purposes and are not provided for the purpose of influencing any delegate's or alternate vote;

(2) The activity is in the ordinary course of business as evidenced by past practice with other political and non-political conventions.

(b) The samples, coupons, and promotional material may be distributed by or with the help of persons employed by the business, the national party, or a citizen host committee.

(c) The value of the benefits provided will not count toward the national party's expenditure limitation under §§ 121.1 and 121.2.

§ 121.7 In-kind contributions to the host committee.

Local private businesses and labor organizations may donate or offer at a reduced rate to the host committee office space, supplies, furniture, transportation, and the like for use by the host committee for administrative purposes.

Subpart C—Donation of Funds by Local Businesses and Labor Organizations; Advertising

§ 121.8 Donation of funds to host committee.

(a) Local businesses (whether incorporated or not) and labor organizations may donate funds to a citizen's host committee.

(b) Subject to § 121.9, the use of the funds may be restricted by the donor in any manner agreeable between the donor and the recipient host committee, such as earmarking the funds for a particular project or purpose, or having the contribution acknowledged as "Courtesy of X, Y and Z Companies," so long as any restrictions are commercially motivated and are non-political.

§ 121.9 Use of funds by host committee.

(a) Funds donated to the host committee may be used—

(1) To defray those expenses incurred for the purpose of promoting the suitability of the city as a convention site;

(2) To defray those expenses incurred for welcoming the convention attendees to the city, such as expenses for information booths, receptions, and tours;

(3) To defray those expenses incurred in facilitating commerce, such as providing the convention and attendees with shopping and entertainment guides and distributing the discount coupons and samples specified in § 121.6; and

(4) To defray the administrative expenses incurred by the host committee, such as salaries, rent, travel, and liability insurance.

(b) If the host committee has received funds from an incorporated local retail business in an amount proportionate to the commercial return reasonably expected by that business during the life of the convention, and if the committee maintains such funds in a separate account (along with funds donated by unincorporated businesses if any), the funds may be used to pay for what would otherwise be a convention expense by the national committee, such as the renting or refurbishing of the convention hall or the rental of seats, lights, and like equipment. No other corporate funds may be used to pay such expenses.

§ 121.10 Expenditures by individuals and groups.

(a) (1) For purposes of this part, expenditures made by Presidential candidates from campaign accounts, by delegates, or by any other individual out of his or her personal funds for the purpose of attending and participating in the convention or convention-related activities, or made on his or her behalf by State or local committees of a political party, will not be considered as expenditures made by or on behalf of the national party, and are therefore not subject to the overall expenditure limitations of §§ 121.1 and 121.2.

(2) Expenditures made under paragraph (a)(1) by candidates from campaign accounts, or by State and local party committees or any other political committee or person shall be reported pursuant to Part 104.

(b) *Legal and accounting services.* For purposes of this section—

(1) The payment by any person (other than the national committee of a political party) of compensation to any individual for legal or accounting services rendered to, or on behalf of, the national committee is not an expenditure counting against the expenditure limitation for a Presidential nominating convention, as long as the person paying is the regular employer of the individual rendering the service.

(2) The payment by the national committee of compensation to any individual for legal and accounting services rendered to, or on behalf of, the national committee is an expenditure counting against the expenditure limitation for a Presidential nominating convention, whether paid from funds received by the

national committee from the Presidential Election Campaign Fund or from private contributions.

PART 122—ENTITLEMENT TO AND DISPOSITION OF PAYMENTS FROM THE FUND

Sec.	
122.1	Major parties.
122.2	Minor parties.
122.3	Adjustment of entitlements.
122.4	Investment of funds.
122.5	Use of funds; candidate and delegate expenses.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 122.1 Major parties.

Subject to the provisions of this part, the national committee of a major party shall be entitled to receive payments under § 123.4, with respect to any Presidential nominating convention, in amounts which, in the aggregate, shall not exceed \$2 million, as adjusted by the Consumer Price Index.

§ 122.2 Minor parties.

Subject to the provisions of this part, the national committee of a minor party shall be entitled to payments under § 123.4, with respect to any Presidential nominating convention, in amounts which, in the aggregate, shall not exceed an amount which bears the same ratio to the amount the national committee of a major party is entitled to receive under § 122.1, as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding Presidential election bears to the average number of popular votes received by the candidates for President of the United States of the major parties in the preceding Presidential election.

§ 122.3 Adjustment of entitlements.

(a) The entitlements established by this part shall be adjusted in the same manner as expenditure limitations established by § 441a(b) of Title 2, United States Code are adjusted pursuant to the provisions of § 441a(c) of such title.

(b) The entitlements established by this part shall be decreased by the amount of income generated by the investment of public funds under § 122.4.

(c) The entitlements established by this part shall be adjusted so as not to exceed the difference between the expenditure limitations of Part 121 and the amount of private contributions received under § 123.1 by the national committee of a political party and used to defray convention expenses.

§ 122.4 Investment of funds.

Any investment of public funds or their use in any other way which generates income is permissible only if the income so generated is used for the purposes described in § 122.5. This income will be applied against the na-

tional committee's entitlement, and where appropriate, the Commission may determine that a repayment is required because of excess payment under § 124.1 (a).

§ 122.5 Use of funds; candidate and delegate expenses.

(a) (1) No part of any payment made under § 123.4 shall be used to defray the expenses of any candidate, delegate, or alternate delegate who is participating in any Presidential nominating convention.

(2) The expenses of a person participating in the convention as official personnel of the national party may be defrayed with public funds even though that person is simultaneously participating as a delegate or candidate to the convention. Public funds shall not be used to defray any expense the incurring or payment of which violates any law of the United States or of the State in which such expense is incurred or paid.

(b) Any payment shall be used only—

(1) To defray convention expenses incurred (including the payment of deposits) by or on behalf of the national committee receiving such payments; or

(2) To repay the principal and interest on loans the proceeds of which were used to defray convention expenses; or

(3) To restore funds (other than contributions to defray convention expenses received by the committee under § 123.1) used to defray convention expenses.

PART 123—PAYMENT PROCEDURE FOR PRESIDENTIAL NOMINATING CONVENTIONS

Sec.

123.1 Optional payments; private contributions.

123.2 Transfer to the fund.

123.3 Information required to qualify for public funds.

123.4 Payment schedule.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 123.1 Optional payments; private contributions.

(a) A major or minor party may elect to receive all, part, or none of the amounts to which it is entitled under §§ 122.1 and 122.2.

(b) A major party electing to receive part or none of the amounts to which it is entitled under § 122.1 may receive and use private contributions for the nominating convention, so long as the sum of the contributions which are used to defray convention expenses and the amount of entitlements elected to be received does not exceed the total expenditure limitation under § 121.1.

(c) A minor party electing to receive all, part, or none of the amounts to which it is entitled under § 122.2 may receive and use private contributions for the nominating convention, so long as the sum of the contributions which are used

to defray convention expenses and the amount of entitlements elected to be received does not exceed the total expenditure limitation under § 121.2.

§ 123.2 Transfer to the fund.

If, after the close of a Presidential nominating convention and after the national committee of the political party involved has been paid the amount to which it is entitled under Part 122, there are moneys remaining in the account maintained by the Secretary of the Treasury for such national committee because of the adjustment due to § 122.3 (b) or (c) (interest received on investments and acceptance of private contributions), the Secretary will transfer the moneys so remaining to the Presidential Election Campaign Fund.

§ 123.3 Information required to qualify for public funds.

(a) To qualify for public financing of their conventions, the national committees of the major and minor parties shall file an application statement and agreements containing the information in paragraphs (b) and (c) of this section with the Federal Election Commission.

(b) This application statement shall be filed no earlier than June 1 of the calendar year preceding the year in which a Presidential nominating convention of a political party is held and shall include—

(1) The name and address of the national committee;

(2) The name and address of the convention arrangements committee of the national committee or such similar committee in charge of the national convention;

(3) The name of the city where the convention is to be held and the approximate dates;

(4) The name, address, and position of the officers and members of the convention arrangements committee;

(5) The name, address, and position of the party officials designated by the national committee to sign requests for payment;

(6) The name and address of the commercial bank to be used as the depository of the convention arrangements committee; and

(7) Signature cards, available from the Commission, signed by the designated party officials authorized to request payments.

(c) If the application statement is filed before the cost of living increase is able to be determined for the year preceding the convention, that amount determined by the increase shall be paid to the national committee promptly after the increase has been determined.

(d) The national committees of the major and minor parties shall agree to limit the expenditures for their convention to the amount specified in Part 121.

(e) Any change in the information required by paragraph (c) shall be reported to the Commission within a 10-day period following the change.

§ 123.4 Payment schedule.

After a national committee has properly submitted its application statement under § 123.1, payments will be disbursed upon the receipt of a payment request in installments in the manner specified in paragraphs (a)–(e).

(a) Initial payment. (1) A written request for an initial payment shall—

(i) Be signed by the authorized individual(s) whose name appears on the signature card;

(ii) Specify an amount to be received, not to exceed 30 percent of the aggregate amount to which the committee is entitled;

(iii) Specify one or more accounts established solely for the purpose of depositing therein and drawing therefrom all public funds received for convention financing, or certify that such account(s) will be established;

(iv) Specify one or more accounts established solely for the purpose of depositing therein and drawing therefrom all private contributions to defray convention expenses, or certify that such account(s) will be established if the national committee decides to receive such contributions; and

(v) Be supported by a statement projecting and describing estimated convention expenses and those already incurred, if any, through and including the last day of the calendar quarter in which the request is made, except that projected expenditure categories need not be itemized in specific dollar figures.

(2) A request for an initial payment may be submitted to the Commission simultaneously with the application statement required under § 123.3 or at any time thereafter.

(3) A properly submitted request for initial payment shall be reviewed and certified by the Commission to the Secretary for payment not later than 5 working days after being received by the Commission, or July 1 of the calendar year preceding the calendar year of the convention, whichever is later.

(b) Quarterly payment requests. (1) Requests for disbursements after the national committee has qualified for public financing under § 123.3 and received its initial disbursement under § 123.4(a) shall be submitted quarterly commencing with October 1 of the year prior to the year in which the convention will be held.

(2) The written requests shall—

(i) Be signed by the authorized individuals(s);

(ii) Be accompanied by a statement of projected convention expenses estimated through the close of the quarterly period, except that no specific dollar figure need be assigned to the various expenditure categories;

(iii) Specify an amount to be received which shall reflect the amount of the projected expenses; and

(iv) Be submitted to the Commission anytime during the quarter to which the request relates.

(c) Special certification for accelerated payment schedule. The Commission

may certify more than one disbursement per quarter where a showing is made that a deficit is likely to be incurred unless a further disbursement is made. Any payment request for such further disbursement should be supported by a summary of actual convention expenses previously incurred for the quarter, together with the projected convention expenses which will occasion the deficit if a further disbursement is not forthcoming.

(d) Amount of disbursement.

Each disbursement certification to the Secretary will be based upon the convention expenses projected for the requesting period, subject to any deductions as the Commission may determine under paragraph (e) of this section and § 124.1(f).

(e) Post-convention disbursements.

(1) Notwithstanding the payment request for the last quarter preceding the convention, the Commission may, in its discretion and upon appropriate notice to the committee, certify to the Secretary for an amount less than the amount requested, but in no case may the amount of such adjustment downward exceed 10 percent of the total entitlement of that party.

(2) Funds withheld under this paragraph, if any, shall be disbursed after the convention upon the proper submission of a post-convention payment request accompanied by the convention financing report required under Part 125.

(3) Post-convention payments shall be subject to audit by the Commission and deductions computed under § 124.1(f) in addition to other requirements imposed by law.

(f) Properly submitted requests for quarterly, accelerated, and post-convention payments shall be certified by the Commission to the Secretary for disbursement within five working days after being received by the Commission.

PART 124—POST-DISBURSEMENT PROCEDURES

Sec.

124.1 Repayments.

124.2 Notification of need for repayments.

124.3 Examination and audits.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 124.1 Repayments.

(a) If the Commission determines that any portion of the payments to the national committee under § 123.4 was in excess of the aggregate payments to which the national committee was entitled, it shall so notify the national committee, and such national committee shall pay to the Secretary an amount equal to such portion.

(b) If the Commission determines that the national committee incurred convention expenses in excess of the aggregate payments to which the national committee of a major party was entitled, it shall notify such national committee of the amount of such excess, and such

national committee shall pay to the Secretary an amount equal to that amount.

(c) If the Commission determines that the national committee of a major party accepted contributions to defray convention expenses which, when added to the amount of payments received, exceeds the expenditure limitation of such party, it shall notify such national committee of the amount of the contributions so accepted, and such national committee shall pay to the Secretary an amount equal to that amount.

(d) If the Commission determines that any amount of any payment to the national committee under § 123.4 was used for any purpose other than those authorized by § 122.5, it shall notify such national committee of the amount so used, and such national committee shall pay to the Secretary the amount so specified.

(e) No repayment shall be required from the national committee under this section, which, when added to other repayments required from such national committee under this section, exceeds the amount of payments received by such national committee under § 123.4.

(f) Subject to § 124.2, the Commission may obtain repayment by authorizing the Secretary to deduct the repayable amount determined under paragraphs (a)–(e) from the amount otherwise due the national committee for its next payment. All other repayments shall be made payable to the Secretary and deposited by him in the general fund of the Treasury.

§ 124.2 Notification of need for repayment.

(a) If the Commission determines that repayment is required under § 124.1, it shall give written notification to the affected national committee of the amounts required to be paid and the reasons therefor.

(b) No notification shall be made by the Commission under this section more than 3 years after the last day of the Presidential nominating convention.

(c) The national party shall repay to the Secretary, within 90 days of the notice, the amount of the repayment. Upon application submitted by the national party, the Commission may grant a 90-day extension of the repayment period.

(d) If the national committee disputes the Commission's determination that a repayment is required, it shall notify the Commission within 30 days of receipt of the Commission's notification.

(1) The Commission, or its designee, shall conduct a hearing at a mutually agreeable time and place, at which the representative of the national committee may make a showing of where the Commission erred in its determination of repayment.

(2) Based on the hearing, the Commission shall reaffirm or modify its initial determination, which shall constitute a final and conclusive determination, and shall so notify the national committee.

§ 124.3 Examinations and audits.

The Commission shall conduct an examination and audit of the convention expenses of the national party no later

than December 31 of the calendar year of the convention and may at any time conduct other examinations and audits as it deems necessary.

PART 125—CONVENTION REPORTS

Sec.

125.1 Reports by municipal and private host committees.

125.2 Reports by political parties.

125.3 Post-convention reports; time and content of filing.

125.4 Committees receiving Federal funds; quarterly reports.

125.5 Convention expenses; definition.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 125.1 Reports by municipal and private host committees.

(a) Each committee or other organization which represents a State, a political subdivision thereof, or any other group of persons in dealing with officials of a national political party with respect to matters involving a Presidential nominating convention held in that State or political subdivision shall file reports with the Commission as set out in § 125.3 below.

(b) Each committee or other organization specified in paragraph (a) need not report its unsuccessful efforts to attract the convention to its city.

§ 125.2 Reports by political parties.

(a) Each committee or other organization, including a national committee, which represents a national major, minor, or new political party in making arrangements for the convention of that party held to nominate a candidate for the office of President or Vice President, shall file reports with the Commission as set out in § 125.3 below.

(b) A State party committee or a subordinate committee of a State party committee which only assists delegates and alternates to the convention from that State with travel expenses and arrangements, or which sponsors caucuses, receptions, and similar activities at the convention site, need not report under this Part.

§ 125.3 Post-convention reports; content and time of filing.

(a) Each committee or organization required to file a financial statement shall within 60 days following the last day the convention is officially in session, but not later than 20 days prior to the date of the general election, file with the Commission a convention report on FEC Form 4 which shall contain all receipts and disbursements in connection with the convention and shall be complete as of 45 days following the convention.

(b) If the committee spends or receives any funds after 45 days following the convention, the committee shall begin to file no later than 10 days after the end of the next calendar quarter a report dis-

closing all transactions completed as of the close of that calendar quarter and shall continue to file quarterly reports thereafter until the committee ceases activity.

(c) Each committee shall file a final report with the Commission not later than 10 days after it ceases activity, unless such status is reflected in either of the reports submitted pursuant to § 125.3(a) or (b).

§ 125.4 Committees receiving Federal funds; quarterly reports.

Any national committee of a major or minor party which receives, directly or indirectly, all or part of the payment for Presidential nominating conventions under 26 U.S.C. § 9008, shall, in addition to the post-convention reports required to be filed under § 125.3, file quarterly reports as follows:

(a) The quarterly report shall be filed no later than 10 days after the end of the calendar quarter in which the committee receives payment under 26 U.S.C. § 9008 and after each subsequent quarter in which the committee receives or expends any funds until the date of the convention, except that any quarterly report due 20 days or less before or after the convention shall be suspended and need not be filed until 30 days after the close of the convention.

(b) The reports shall contain the same information as required under § 125.3 and shall disclose all transactions as of the end of the calendar quarter.

§ 125.5 Convention expenses; definition.

For the purposes of this part, "receipts and disbursements in connection with a convention" means convention expenses as defined in Part 120 of these regulations.

SUBCHAPTER C—PRESIDENTIAL ELECTION CAMPAIGN FUND, PRESIDENTIAL PRIMARY MATCHING FUND

PART 130—DEFINITIONS

Sec.	
130.1	Authorized committee.
130.2	Political committee.
130.3	Candidate.
130.4	Commission.
130.5	Matching payment account.
130.6	Matching payment period.
130.7	Primary election.
130.8	Matchable campaign contribution.
130.9	Nonmatchable contributions.
130.10	Qualified campaign expense.
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AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 408(c), Pub. L. 93-443, 88 Stat. 1297 (26 U.S.C. 9039(b)).

§ 130.1 Authorized committee.

"Authorized committee" means any political committee which is authorized in writing by a candidate to solicit or receive contributions or to make expenditures on behalf of the candidate. This authorization shall be addressed to the authorized political committee, and a copy of the authorization shall be filed by the candidate with the Commission.

(a) For the selection of delegates to a national nominating convention of a political party;

(b) For the expression of a preference for the nomination of candidates for

A withdrawal of authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

§ 130.2 Political committee.

"Political committee" means any individual, committee, association, or organization (whether or not incorporated) which accepts contributions or incurs qualified campaign expenses for the purpose of influencing, or attempting to influence, the nomination of any individual for election to the office of President of the United States.

§ 130.3 Candidate.

(a) "Candidate" means an individual who seeks nomination for election to be President of the United States. An individual is considered to seek the nomination for election if he or she—

(1) Takes the action necessary under the law of a State to qualify for nomination for election; or

(2) Receives contributions or incurs qualified campaign expenses; or

(3) Gives consent for any other person to receive contributions or to incur qualified campaign expenses on his or her behalf.

(b) "Candidate" shall not include any individual who is not actively conducting campaigns in more than one State in connection with seeking nomination for election to be President of the United States.

§ 130.4 Commission.

"Commission" means the Federal Election Commission, 1325 K Street, NW., Washington, D.C. 20463.

§ 130.5 Matching payment account.

"Matching payment account" means the Presidential Primary Matching Payment Account established by the Secretary of the Treasury under 26 U.S.C. § 9037(a).

§ 130.6 Matching payment period.

"Matching payment period" means the period beginning January 1 of the year in which a general election for the office of President of the United States is held and ending on the date on which the national convention of the party whose nomination a candidate seeks nominates its candidate for the office of President of the United States, or, in the case of a party which does not make such nomination by national convention, the last day for the matching period shall be the earlier of (a) the date the party nominates its candidates for the office of President of the United States or (b) the last day of the last national convention held by a major party.

§ 130.7 Primary election.

"Primary election" means an election, including a runoff election, or a nominating convention or a caucus held by a political party—

(a) For the selection of delegates to a national nominating convention of a political party; or

(b) For the expression of a preference for the nomination of candidates for

election to the office of President of the United States; or

(c) Which is an election that combines the features of both paragraphs (a) and (b); or

(d) To nominate a candidate for election to the office of President of the United States.

§ 130.8 Matchable campaign contribution.

(a) "Matchable campaign contribution" means a gift of money made by a written instrument identifying the individual making the contribution by full name and mailing address and made for the purpose of influencing the result of a primary election.

(1) Gifts of money will be considered matchable campaign contributions only to the extent of the first \$250 contributed by an individual.

(2) The amount of the contribution which is submitted for matching shall be actually received by the candidate or any of the candidate's authorized committees and deposited in a designated campaign depository maintained by the principal campaign committee.

(3) The contribution shall be received and deposited by the candidate or authorized committee on or after the first day of the calendar year immediately preceding the calendar year of the Presidential election, but no later than December 31 following the matching payment period.

(b) For purposes of this section the term "money" means checks, money orders, or any other negotiable instrument payable on demand.

(c) For purposes of this section "written instrument" means a check written on a personal, escrow, or trust account, a money order, or any other negotiable instrument payable on demand and to the order of, or specially endorsed without qualification to, the Presidential candidate or to his or her principal campaign committee. The candidate's name shall be included by the contributor on the face or endorsement of the written instrument, which shall contain the full name and signature of the contributor, the amount and date of the contribution, and the mailing address of the contributor.

(1) In cases of a check drawn on a joint checking account, the contributor is considered to be the owner whose signature appears on the check. To be attributed equally to other joint tenants of the account, the check or other written instrument shall contain the other individual's signature(s).

(2) Checks drawn on escrow or trust accounts can only be a contribution from the person who has beneficial ownership of the account and therefore must be signed by that person with the statement that the giving of the contribution does not violate the conditions of the trust or escrow agreement.

(3) Contributions in the form of checks written on partnership accounts or accounts of unincorporated associations or businesses are matchable contributions, so long as—

(i) The checks are accompanied by documentation which specifies that the contribution is made by a specific individual or individuals;

(ii) Such documentation is signed by the individual or individuals; and

(iii) The aggregate amount of the contributions drawn on a partnership or unincorporated association or business account does not exceed \$1,000 to any one Federal candidate for an election.

§ 130.9 Nonmatchable contributions.

A contribution to a candidate other than by a gift of money under § 130.8 is not matchable. Contributions which are not matchable include—

(a) In-kind contributions of real or personal property;

(b) A subscription, loan, advance, or deposit of money, or anything of value;

(c) A contract, promise, or agreement, whether or not legally enforceable, such as a pledge card or credit card transaction, to make a contribution for any such purpose;

(d) Funds from a corporation, labor organization, government contractor, political committee as defined in § 100.14 or any group of persons other than those under § 130.8(c)(3);

(e) Contributions which are illegally made or accepted, such as contributions in the name of another;

(f) Contributions in the form of a check drawn upon the account of a committee, corporation, union, or government contractor even though the funds represent personal funds earmarked by a contributing individual to a Presidential candidate;

(g) Contributions in the form of the purchase price paid for an item with significant intrinsic and enduring value, such as a watch;

(h) Contributions in the form of the purchase price paid for a chance to participate in a raffle, lottery, or a similar drawing for valuable prizes;

(i) Contributions in the form of the purchase price paid for the admission to any activity that primarily confers private benefits in the form of entertainment to the contributor, such as a concert, motion picture, or theatrical performance, in which case the amount of the matchable contribution shall include only the excess of the amount paid for admission over the fair market value of all the benefits available to the purchaser of the ticket, using a good faith reasonable estimate.

(1) The fair market value and any amount in excess of the fair market value of the benefits conferred shall be clearly and separately indicated on the promotional material and the tickets for the event, and a copy of such material and of a ticket shall accompany the submission of documentation under §§ 131.2 and 132.2.

(2) A contribution in the form of the purchase price paid for admission to an activity that is essentially political is fully matchable. An "essentially political" program is one the principal purpose of which is political speech or discussion,

such as the traditional political dinner or reception;

(j) Contributions which are made by persons without the necessary donative intent to make a gift or made for any purpose other than to influence the result of a primary election; and

(k) Contributions of currency of the United States or currency of any foreign country.

§ 130.10 Qualified campaign expense.

(a) "Qualified campaign expense" means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value—

(1) Incurred by a candidate or by the candidate's authorized committees no later than the last day of the candidate's eligibility as determined under § 133.2 and made in connection with his or her campaign for nomination for election; and

(2) Neither the incurrence nor payment of which constitutes a violation of any law of the United States or of any State in which the expense is incurred or paid, except that any State law which has been preempted by the Federal Election Campaign Act of 1971, as amended, shall not be considered a State law for purposes of this paragraph.

(b) For purposes of this section, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or committee.

§ 130.11 State.

"State" means each State of the United States and the District of Columbia.

PART 131—ELIGIBILITY FOR PAYMENTS

Sec.	
131.1	Candidate agreements.
131.2	Candidate certifications; threshold amount.
131.3	Matching payment threshold requirements.
131.4	Matching payments in excess of threshold.
131.5	Candidate entitlements.
131.6	Expenditure limitation.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 408(c), Pub. L. 93-443, 88 Stat. 1297 (26 U.S.C. 9039(b)).

§ 131.1 Candidate agreements.

(a) A candidate seeking to become eligible to receive Presidential primary matching fund payments shall agree in a letter to the Commission, signed by the candidate, that the candidate and his or her principal campaign committee will—

(1) Obtain and furnish to the Commission any evidence the Commission may request regarding qualified campaign expenses, including expenses made by all authorized committees of a candidate;

(2) Keep, and furnish to the Commission any books, records, or other infor-

mation that the Commission may request, including copies of books and records maintained by all authorized committees of the candidate;

(3) Permit an audit and examination by the Commission, pursuant to Part 134, and pay any amounts required to be paid under that Part. In addition, the candidate shall submit the name and mailing address of the person to whom the payment should be sent and the name and address of the national or State bank designated by the candidate as a campaign depository as required in Part 103 of this chapter and § 132.3(c); and

(4) Comply with the applicable requirements of Title 2, United States Code and Parts 100-108 of these regulations.

(b) Failure by the candidate or the candidate's principal campaign committee to comply with the agreements in paragraph (a) may result in the suspension of the certification process under § 133.7.

§ 131.2 Candidate certifications; threshold amount.

A candidate seeking to become eligible to receive Presidential primary matching fund payments shall certify to the Commission, in a written statement signed by the candidate, that—

(a) He or she is seeking nomination by a political party to the office of President of the United States in more than one State;

(b) The candidate and his or her authorized committee(s) will not incur qualified campaign expenses in excess of the limitation on such expenses under § 131.6;

(c) The candidate and his authorized committees have received matchable campaign contributions which, in the aggregate, exceed \$5,000 in contributions from individuals who are residents of each of at least 20 States, and which in respect to any individual do not exceed \$250. For each State in which the candidate certifies he or she has met this requirement, the candidate shall—

(1) Submit an alphabetical list of contributors showing each contributor's full name and residential address, the date of the receipt of each contribution by the candidate or his or her committee and of the deposit into the designated campaign depository, the dollar amount of each contribution submitted for matching purposes, the matchable portion thereof, the total amount of all matchable contributions submitted, and a notation as to whether the contribution was received as a result of an entertainment activity under § 130.9(i); and

(2) Submit a photocopy of each check or other written instrument for each contribution which the candidate submits to receive matching funds. The photocopies shall be segregated alphabetically by deposit, and shall be accompanied by copies of the relevant deposit slip.

(d) The Commission may conduct audits of candidate records to determine eligibility and shall notify candidates if it chooses to conduct the audits. In that case, the Commission may at its own



discretion waive the submission requirement of paragraphs (c) (1) and (c) (2) of this section.

(e) If a candidate is not active in more than one State, matching payments will be terminated under § 133.4.

(f) If a candidate knowingly exceeds the expenditure limitation in any State after he or she has accepted matching funds, the candidate is disqualified from receiving further matching funds with respect to that Presidential election.

§ 131.3 Matching payment threshold requirements.

During the matching payment period, the Commission shall, as soon as practicable and generally within 5 working days, examine the submission under § 131.1 and § 131.2 (a), (b), and (c) and shall either—

(a) Make a preliminary determination that the candidate has satisfied the requirement of raising an amount in excess of \$5000 in contributions from individuals who are residents of each of at least 20 States, which in respect to any individual do not exceed \$250; or

(b) Promptly notify the candidate giving a detailed explanation of the reasons for the Commission's conclusion that the candidate has failed to satisfy the matching payment threshold requirements.

§ 131.4 Matching payments in excess of threshold.

(a) After a preliminary determination has been made that the candidate has successfully satisfied the threshold requirement under § 131.3, the Commission shall so notify the candidate and request the submission in good order of the necessary documentation of all contributions received and deposited by a date specified by the Commission.

(b) Contributions which have been submitted for matching purposes after notification that the candidate has met the threshold requirement need not be segregated by State, including any resubmission of the threshold contributions. Each submission shall include an aggregate total of each individual's contributions submitted for matching purposes.

§ 131.5 Candidate entitlements.

A candidate who is certified by the Commission under § 132.1 below as eligible to receive payments is entitled to payments in an amount equal to the amount of each matchable campaign contribution, as defined in § 130.8, provided that the total amount of payments to a candidate shall not exceed 50 percent of the total expenditure limitation applicable under 2 U.S.C. § 441a(b) (1) (A) as adjusted by 2 U.S.C. § 441a(c).

§ 131.6 Expenditure limitation.

(a) No candidate who has accepted matching funds shall knowingly—

(1) Incur qualified campaign expenses in excess of the expenditure limitation applicable under 2 U.S.C., § 441a(b) (1) (A); and

(2) Make expenditures from his or her personal funds, or funds of his or her immediate family, in connection with his or her campaign for nomination for election to the office of President in excess of, in the aggregate, \$50,000.

(b) For purposes of this section, the term "immediate family" means a candidate, spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons.

(c) For purposes of applying paragraph (a) (2) of this section, expenditures made by an individual after January 29, 1976, and before May 11, 1976, shall not be taken into account.

(d) For purposes of this section, "personal funds" has the same meaning as specified in § 110.10.

PART 132—CERTIFICATION AND DISBURSEMENT

Sec.	
132.1	Initial certification.
132.2	Additional certifications.
132.3	Payments and deposits of Presidential primary matching funds.
132.4	Insufficient documentation.
132.5	Certification review and notice.
132.6	Resubmissions and hearing opportunity.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a) (8)), and Sec. 408(c), Pub. L. 93-443, 88 Stat. 1297 (26 U.S.C. 9039(b)).

§ 132.1 Initial certification.

Within 10 calendar days after the Commission formally determines that a candidate has established his or her eligibility under Part 131 to receive payments, the Commission shall certify to the Secretary of the Treasury for payment of the amount to which such candidate is entitled.

§ 132.2 Additional certifications.

(a) To obtain subsequent certifications following the initial certification and payment, a candidate shall file all information required for the initial eligibility under Part 131, except that—

(1) The alphabetical listing of contributors need not be segregated by State; and

(2) The candidate need not resubmit the agreements under § 131.1 and the certifications under § 131.2.

(b) Requests for additional certifications may be submitted on dates to be determined and publicized by the Commission from time to time.

(c) Except as provided by § 132.4, requests for additional certification shall be made for those contributions received by the candidate after the close of the period for which the previous submission was made.

(d) The Commission shall certify to the Secretary of the Treasury any additional amount to which a candidate is entitled within 15 calendar days of receipt of information submitted under paragraph (a).

§ 132.3 Payments and deposits of Presidential primary matching funds.

(a) Upon receipt of a written certification from the Commission, but not before the beginning of the matching payment period, the Secretary of the Treasury or his or her delegate will promptly transfer the amount certified from the matching payment account to the candidate.

(b) In making such transfers to candidates of the same political party, the Secretary or his or her delegate will seek to achieve an equitable distribution of funds available in the matching payment account, and the Secretary or his or her delegate will take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received.

(c) Upon receipt of any matching funds, the candidate shall deposit the full amount received into a checking account maintained by the candidate's principal campaign committee in the depository designated by the candidate.

§ 132.4 Insufficient documentation.

Contributions which are otherwise matchable may be rejected for matching purposes because of insufficient supporting documentation. These contributions may become matchable if there is a proper resubmission in accordance with §§ 132.5 and 132.6. Insufficient documentation includes—

(a) Discrepancies in the written instruments, such as—

(1) Instruments drawn on other than personal accounts of contributors and not signed by the contributing individual;

(2) Signature discrepancies; and

(3) Lack of the contributor's signature, the amount of the contribution, or the listing of the committee or candidate as payee;

(b) Discrepancies between listed contributions and supporting documentation, such as—

(1) The contributor's name is misspelled;

(2) The listed amount requested for matching exceeds the amount contained on the written instrument; and

(3) A written instrument has not been submitted to support a listed contribution;

(c) Discrepancies within or between contribution lists submitted, such as—

(1) The address of the contributor is missing or incomplete, or the contributor's name is alphabetized incorrectly, or more than one contributor is listed per item; and

(2) A discrepancy in aggregation within or between submissions, or a listing of a contributor more than once within the same submission.

§ 132.5 Certification review and notice.

(a) The Commission will review the submission to determine if the submission meets acceptable standards of good order. Those submissions not meeting the standards will not be certified, and the candidate will be requested to resubmit the documentation. Submissions of a sufficient size will be reviewed using

statistical sampling, and the candidate will be given the option of correcting and resubmitting the documentation or of accepting a dollar reduction in the amount requested for matching based on the results of the sample. If the Commission certifies to the Treasury for payment an amount which is less than the amount requested by the candidate, the Commission shall notify the candidate in writing which notice or notices shall include—

(1) The amount less than the full amount requested for certification;

(2) The amount of the contribution and the name of the contributor which the Commission considers not matchable and the reasons therefore, or, if statistical sampling is used, the estimated amount of contributions by type and the reasons for rejection;

(3) The amount of matchable contributions that are not in dispute which the Commission will certify to the Treasury for payment; and

(4) A statement that the candidate has the opportunity to supply the Commission with additional documentation or other explanation in the form of a resubmission under § 132.6 so as to make the disputed contributions matchable.

(b) In any case where the candidate or his or her committee has knowledge that a contribution which has been submitted for matching purposes does not so qualify, such as a check returned to the committee for insufficient funds, the Commission shall be notified as soon as possible so that a proper adjustment may be made in the amount to be certified.

§ 132.6 Resubmissions and hearing opportunity.

(a) Contributions which were submitted and rejected under § 132.5 (a) may be resubmitted with the necessary information.

(b) In order to be reviewed, the resubmission of disputed contributions shall be made on a separate list identifying the submission in which the contributions were originally submitted.

(c) Resubmissions must be presented to the Commission at a time specified and, to the extent approved, will be certified to the Secretary of the Treasury within 15 calendar days.

(d) If the candidate chooses to make a resubmission and the Commission determines that the disputed contribution is still unmatchable, the Commission will notify the candidate in writing of such action and the reasons therefor and will accord the candidate an opportunity for a hearing if he or she so requests within 7 days from the receipt of this second notification.

(e) The hearing shall be informal and shall be held before the Commission or a designee of the Commission who shall not have been responsible for the certification in question. The candidate or his or her representative shall bring to the hearing all documents relevant to the disputed contributions.

(f) The Commission shall certify for payment the amount of the disputed

contributions which have been found at the hearing to be matchable. Failure of the Commission to certify unresolved disputed contributions shall constitute a final and conclusive determination by the Commission. The Commission shall so notify the candidate of its determinations.

PART 133—TERMINATIONS OF PAYMENTS

Sec.	
133.1	Continuation of certification.
133.2	Ineligibility dates defined.
133.3	Use of matching payments; net outstanding campaign obligations.
133.4	Determination of inactive candidacy.
133.5	Determination of active candidacy.
133.6	Reestablishment of eligibility dates.
133.7	Suspension of payments.

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§ 133.1 Continuation of certification.

Except as provided by § 133.3,

(a) Candidates who have received matching funds may continue to submit contributions to the Commission to be certified for matching through January 21 of the year following the election.

(b) No contribution will be matched if it is submitted after this period, regardless of the date the contribution was deposited.

§ 133.2 Ineligibility dates defined.

The ineligibility date of a candidate is determined by paragraph (a) or (b), whichever occurs first.

(a) The day on which an individual ceases to be a candidate because the candidate is not actively conducting campaigns in more than one State in connection with seeking the nomination for election to the office of President of the United States. That date shall be the earlier of—

(1) The date the candidate publicly announces to be the date that he or she will not be actively conducting campaigns in more than one State; or

(2) The date which the Commission determines under § 133.4 to be the date that the candidate is not actively seeking election in more than one State; or

(b) The 30th day following the date of the second consecutive primary election in which such individual receives less than 10 percent of the number of popular votes cast for all candidates of the same party for the same office in such primary election, if such individual permitted or authorized the appearance of his name on the ballot, unless such individual certifies to the Commission at least 15 days prior to the primary that he will not be an active candidate in the primary involved.

(1) For purposes of this paragraph, if the primary elections involved are held in more than one State on the same date, the highest percentage of votes a candidate receives in any one State will govern. Separate primary elections held in more than one State on the same date are not

deemed to be consecutive primaries. If two primary elections are held on the same date in the same State (e.g., a primary to select delegates to a national nominating convention and a primary for the expression of preference for the nomination of candidates for election to the office of President), the highest percentage of votes a candidate receives in either election will govern.

(2) For purposes of this paragraph, the Commission may determine that, notwithstanding the certification by the candidate that he is not an active candidate in the primary involved, he will be deemed to be an active candidate if the Commission so finds under § 133.5.

§ 133.3 Use of matching payment; net outstanding campaign obligations.

(a) Matching payments shall be used only to defray qualified campaign expenses.

(b) If either § 133.2(a) or § 133.2(b) becomes applicable to a candidate, any expenses incurred after that date are not qualified campaign expenses. Matching payments made to a candidate, after the date he or she becomes ineligible under § 133.2 (a) or (b) may only be used to defray net outstanding campaign obligations as of the date determined by § 133.2 (a) or (b).

(c) Net outstanding campaign obligations are total outstanding obligations for qualified campaign expenses as of the close of business on the last date of candidate eligibility less the amount of cash on hand and less the total of any debts owed to the campaign in the form of returns or rebates of qualified campaign expenses (telephone deposits, reimbursements for the press or Secret Service for travel, etc.).

(d) If a campaign has no net outstanding campaign obligations—

(1) The ineligible candidate may not receive further matching payments regardless of the date of deposit of the underlying contributions; and

(2) Any surplus on the date of ineligibility shall be returned to the Treasury in an amount determined by the formula specified in § 134.3(c).

(e) If a campaign has net outstanding campaign obligations, the candidate may, subject to § 130.6, submit contributions for matching, regardless of the date of deposit, but in no event will the Commission certify for matching an amount which exceeds outstanding campaign obligations.

§ 133.4 Determination of inactive candidacy.

(a) The Commission may make an initial determination that a candidate is no longer actively seeking nomination for election in more than one State, unless the candidate chooses to send a letter to the Commission indicating an inactive status.

(b) A notice of initial determination shall be sent to the candidate, which determination shall become final if the candidate fails to respond within 10 business days.

(c) The candidate will be afforded an opportunity to make a showing that he or she is an active candidate.

(d) After a proper hearing, the Commission may make a final determination that the candidate is inactive.

(e) The Commission may consider, but is not limited to, the following factors in making its determination:

(1) The frequency and type of public appearances, speeches, and advertisements;

(2) Campaign activity with respect to soliciting contributions or purchasing campaign materials;

(3) Continued payment and employment of personnel and use of volunteers; or

(4) The release of committed delegates, or permitting an opponent to seek their support.

§ 133.5 Determination of active candidacy.

If a candidate certifies to the Commission that he will not be an active candidate in the primary involved under § 133.2(b), the Commission may nevertheless determine that the candidate is active in the primary involved based upon the same criteria and procedure outlined in § 133.4.

§ 133.6 Reestablishment of eligibility dates.

(a) If a candidate is not actively conducting campaigns in more than one State, the Commission may subsequently find that such individual is actively seeking election to the office of President of the United States in more than one State. The Commission shall make this finding without requiring such individual to reestablish his eligibility to receive payments under § 131.2. This finding will be based upon a showing that the candidate is making a bona fide effort to campaign in more than one State. The Commission may consider, but is not limited to, the following factors in making its determination:

(1) The frequency and type of public appearances, speeches, and advertising;

(2) Campaign activity with respect to soliciting contributions or purchasing campaign materials; and

(3) Continued payment and employment of personnel and the use of volunteers, and the continued existence of a campaign organization in a State. The day which the Commission determines to be the day the candidate became active again is the reestablishment of eligibility date.

(b) If it has been determined that § 133.2(b) applies to a candidate, the reestablishment of eligibility date shall be the day on which the candidate receives 20 percent or more of the total number of votes cast for candidates of the same party in a primary election held after the date on which the election was held which was the basis for terminating payments to him.

(c) If the candidate is reestablished under § 133.6(a) or (b), contributions which were not matched during the in-

eligibility period may be matched, and the payment received may be used to defray expenses incurred during the ineligible period and during the ensuing period of eligibility.

§ 133.7 Suspension of payments.

If the Commission determines that a candidate or his principal campaign committee substantially failed to comply with § 131.1(a)(4), no certifications will be made until the Commission determines that § 131.1(a)(4) has been substantially complied with. Before suspending payments, the Commission shall notify the candidate and afford him or her an opportunity to demonstrate that the requirements of Title 2 have been substantially complied with.

PART 134—EXAMINATIONS AND AUDITS; REPAYMENTS

Sec.	
134.1	Audit.
134.2	Repayments.
134.3	Liquidation of obligations; repayment.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a)(1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 408(c), Pub. L. 93-443, 88 Stat. 1297 (26 U.S.C. 9039(b)).

§ 134.1 Audit.

(a) After the close of a matching payment period, the Commission shall conduct an audit of the qualified campaign expenses of every candidate and his or her authorized committees who received Presidential primary matching funds.

(b) In addition, the Commission may conduct other examinations and audits from time to time as it deems necessary to carry out the provisions of this subchapter.

§ 134.2 Repayments.

(a) If the Commission determines that—

(1) Any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount to which such candidate was entitled; or

(2) Any amount of any payment made to a candidate from the matching payment account was used for any purpose other than—

(i) To defray qualified campaign expenses; or

(ii) To repay loans which were used to defray qualified campaign expenses; or

(3) Any portion of any payment made to a candidate on the basis of contributions received after the ineligibility date in § 133.2 was used for any purpose other than to defray qualified campaign expenses incurred before the ineligibility date;

The Commission shall so inform the candidate as soon as possible, but no later than 3 years after the end of such matching payment period, and the candidate shall repay to the Secretary of the Treasury, within 90 days of the notice, an amount equal to the excess payments, or

an amount equal to the amount expended for nonqualified campaign expenses. Upon application submitted by the candidate, the Commission may grant a 90-day extension of the repayment period.

(b) If the candidate disputes the Commission's determination that a repayment is required, he or she shall notify the Commission within 30 days of receipt of the Commission's notification to the candidate.

(1) The Commission, or its designee, shall conduct a hearing at a mutually agreeable time and place, at which the candidate may make a showing of where the Commission erred in its determination requiring repayment.

(2) Based on the hearing, the Commission shall reaffirm or modify its initial determination, which shall constitute final and conclusive determination, and shall so notify the candidate.

§ 134.3 Liquidation of obligations; repayment.

(a) Qualified campaign expenses may be liquidated through use of matching payment funds during a period up to 6 months after the end of the matching payment period.

(b) After all obligations have been liquidated, the candidate shall so inform the Commission in writing.

(c) (1) If on the last day of candidate eligibility the net outstanding campaign obligations of the candidate, as defined in § 133.3(c), reflect a surplus, the candidate shall repay to the Secretary of the Treasury an amount equal to that portion of the surplus which bears the same ratio to the total surplus that the total amount received from the matching payment account bears to the aggregate of all contributions and matching funds deposited in all the candidate's depositories from the first day of the matching payment period through the last day of candidate eligibility. Repayment shall be made within 30 days after the liquidation of all outstanding campaign obligations, but no later than 6 months after the end of the matching payment period.

(2) If on the last day of candidate eligibility there are net outstanding campaign obligations, any matching funds received may be retained for a period not exceeding 6 months after the end of the matching payment period in order to liquidate those obligations. Any amounts paid which are not used to liquidate the net outstanding campaign obligations within 6 months shall be repaid to the Treasury 30 days thereafter.

(d) All payments received by the Secretary under §§ 134.2 or 134.3 shall be deposited in the matching payment account.

SUBCHAPTER D—PRESIDENTIAL ELECTION CAMPAIGN FUND, GENERAL ELECTION FINANCING

PART 140—DEFINITIONS

Sec.	
140.1	Authorized committee.
140.2	Candidate.
140.3	Commission.
140.4	Eligible candidates.
140.5	Fund.

Sec.	
140.6	Major party.
140.7	Minor party.
140.8	New party.
140.9	Political committee.
140.10	Presidential election.
140.11	Qualified campaign expense.
140.12	Expenditure report period.
140.13	Contribution, exclusions.
140.14	Secretary.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a)(1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 140.1 Authorized committee.

"Authorized committee" means, with respect to the candidates of a political party for President and Vice President of the United States, any political committee which is authorized in writing by such candidates to incur expenses to further the election of such candidates. Such authorization shall be addressed to the chairman of such political committee, and a copy of such authorization shall be filed by such candidates with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

§ 140.2 Candidate.

(a) "Candidate" means, with respect to any Presidential election, an individual who—

(1) Has been nominated for election to the office of President of the United States or the office of Vice President of the United States by a major party; or

(2) Has qualified to have his name on the election ballot (or to have the names of electors pledged to him on the election ballot) as the candidate of a political party for election to either such office in 10 or more States.

(b) For purposes of §§ 140.6, 140.7, and 142.2 the term "candidate" means, with respect to any preceding Presidential election, an individual who received popular votes for the office of President in such election.

(c) The term "candidate" shall not include any individual who has ceased actively to seek election to the office of President of the United States or to the office of Vice President of the United States in more than one State.

§ 140.3 Commission.

"Commission" means the Federal Election Commission, 1325 K Street, NW., Washington, D.C. 20463.

§ 140.4 Eligible candidates.

"Eligible candidates" means the candidates of a political party for President and Vice President of the United States who have met all applicable conditions for eligibility to receive payments under this chapter set forth in Part 141.

§ 140.5 Fund.

"Fund" means the President Election Campaign Fund established by 26 U.S.C. § 9006(a).

§ 140.6 Major party.

"Major party" means, with respect to any Presidential election, a political party whose candidate for the office of President in the preceding Presidential election received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office.

§ 140.7 Minor party.

"Minor party" means, with respect to any Presidential election, a political party whose candidate for the office of President in the preceding Presidential election received, as the candidate of such party, 5 percent or more, but less than 25 percent, of the total number of popular votes received by all candidates for such office.

§ 140.8 New party.

"New party" means, with respect to any Presidential election, a political party which is neither a major party nor a minor party.

§ 140.9 Political committee.

"Political committee" means any committee, association, or organization (whether or not incorporated) which accepts contributions or makes expenditures for the purpose of influencing, or attempting to influence, the nomination or election of one or more individuals to Federal, State, or local elective public office.

§ 140.10 Presidential election.

"Presidential election" means the election of Presidential and Vice-Presidential electors.

§ 140.11 Qualified campaign expense.

"Qualified campaign expense" means an expense—

(a) Incurred—

(1) By the candidate of a political party for the office of President to further his election to such office or to further the election of the candidate of such political party for the office of Vice President, or both;

(2) By the candidate of a political party for the office of the Vice President to further his election to that office or to further the election of the candidate of the political party for the office of President, or both;

(3) By an authorized committee of the candidates of a political party for the offices of President and Vice President to further the election of either or both of the candidates to the respective offices; or

(4) By a person authorized by the Presidential or Vice-Presidential candidate or any of their authorized committees, as the case may be, to incur an expense on behalf of the candidate or committee;

(b) Incurred within the expenditure report period or incurred before the beginning of such period to the extent such expense is for property, services, or facilities used during such period; or

(c) Incurred for travel, such as renting airplanes and buses, but only to the extent of the greater of—

(1) Gross transportation expenses, less Secret Service and media reimbursements; or

(2) The product of (i) the highest rate for which reimbursement is sought by the candidate from any person for transportation, multiplied by (ii) the total persons transported, less the number of—

(A) Airline or bus company employees;

(B) Secret Service; and

(C) Media personnel;

(d) Neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which the expense is incurred or paid.

(e) "Qualified campaign expense" does not include, inter alia, amounts paid by a campaign for—

(1) Expenses incurred after the expenditure report period;

(2) Legal and accounting services paid for by the lawyer's or accountant's regular employers or by the candidate or his or her committee and rendered solely for the purposes of insuring compliance with this Act or chapter 95 of the Internal Revenue Code of 1954, except if the candidate wishes to treat those expenses as qualified campaign expenses, and, in any event, amounts paid or incurred for these services shall be reported in accordance with Part 104.

§ 140.12 Expenditure report period.

"Expenditure report period" with respect to any Presidential election means—

(a) In the case of a major party, the period beginning with the first day of September before the election, or, if earlier, with the date on which such major party at its national convention nominated its candidate for election to the office of President of the United States, and ending 30 days after the date of the Presidential election; and

(b) In the case of a party which is not a major party, the same period as the expenditure report period of the major party which has the shortest expenditure report period for such Presidential election under paragraph (a).

§ 140.13 Contribution; exclusions.

For purposes of this subchapter—

(a) "Contribution" is given the meaning in § 100.4; and

(b) "Contribution" does not include

(1) A loan of money by a national or State bank made in accordance with applicable banking laws and regulations and in the ordinary course of business and not endorsed or guaranteed by any person other than the candidate to the extent that the amount so endorsed by the candidate, when added to all other expenditures made from his personal funds and those of his immediate family, does not exceed \$50,000;

(2) Reimbursements to the candidate or his or her authorized committee from members of the press, the Secret Service,

or other persons for air and surface transportation; or

(3) Contributions made to a candidate or his or her committees to defray non-qualified campaign expenses (see § 140.11(e)). These contributions are subject to the limitations of Part 110, and shall be deposited in, and disbursed from, a separate account and not commingled with any money from the fund.

§ 140.14 Secretary.

"Secretary" means the Secretary of the Treasury.

PART 141—ELIGIBILITY FOR PAYMENTS

- Sec.
141.1 Candidate agreements.
141.2 Candidate certifications.
141.3 Allowable contributions.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a)(1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 141.1 Candidate agreements.

In order to be eligible to receive any payments under § 143.2, the candidates of a political party in a Presidential election shall, in writing—

(a) Agree to obtain and furnish to the Commission such evidence as it may request of the qualified campaign expenses of such candidates;

(b) Agree to keep and furnish to the Commission such records, books, and other information as it may request;

(c) Agree to an audit and examination by the Commission under Part 145 and to pay any amounts required to be paid under that section; and

(d) Provide the Commission with the name and mailing address of the person to whom the payment should be sent and the name and address of the national or State bank designated by the candidate as a campaign depository.

§ 141.2 Candidate certifications.

(a) Major parties. In order to be eligible to receive any payments under § 143.2, the candidates of a major party in a Presidential election shall certify to the Commission, under penalty of perjury, that—

(1) The candidates and their authorized committees will not incur qualified campaign expenses in excess of the aggregate payments to which they will be entitled under § 142.1; and

(2) No contributions to defray qualified campaign expenses have been or will be accepted by such candidates or any of their authorized committees, except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of 26 U.S.C. § 9006(d), and no contributions to defray expenses which would be qualified campaign expenses but for § 140.11(c) have been or will be accepted by such candidates or any of their authorized committees.

(b) Minor and new parties. In order to be eligible to receive any payments

under § 143.2, the candidates of a minor or new party in a Presidential election shall certify to the Commission, under penalty of perjury, that—

(1) Such candidates and their authorized committees will not incur qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party are entitled under § 142.1; and

(2) Such candidates and their authorized committees will accept and expend or retain contributions to defray qualified campaign expenses only to the extent that the qualified campaign expenses incurred by such candidates and their authorized committees certified to under paragraph (1) exceed the aggregate payments received by such candidates out of the fund pursuant to § 143.2.

(c) All parties. In order to be eligible to receive any payment under § 143.2, the candidate of a major, minor, or new party in an election for the office of President shall certify to the Commission, under penalty of perjury, that such candidate will not knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for election to the office of President in excess of, in the aggregate, \$50,000. For purposes of this paragraph, expenditures from personal funds made by a candidate of a major, minor, or new party for the office of Vice President shall be considered to be expenditures by the candidate of such party for the office of President.

(1) For purposes of this paragraph the term "immediate family" means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons.

(2) For purposes of this paragraph expenditures made by an individual after January 29, 1976, and before May 11, 1976, shall not be taken into account.

(3) Expenditures from personal funds made under this paragraph shall not count toward the expenditure limitations.

(d) The certifications in paragraphs (a)-(c) shall be made no sooner than the day upon which the individual became a nominee and no later than 14 days after the nomination.

§ 141.3 Allowable contributions.

Candidates for the office of President and Vice President may accept contributions to defray the expenses specified in § 140.11 (e)(1) and (2), provided that—

(a) No donations are made by an organization prohibited from contributing by Parts 114 and 115, and contributions from other persons do not exceed the limitations set forth in Part 110;

(b) The contributions shall be deposited and maintained in an account separate from that described in § 143.2, and shall not be commingled with the

money paid to the candidates by the Secretary pursuant to § 143.2;

(c) Receipt of any and all of these contributions shall be reported in a report separate from, and in addition to, the report required by § 144.1;

(d) Any solicitation for these contributions must clearly state the purpose to which the contributions are to be applied; and

(e) Any excess of the contributions may not be used to retire debts remaining from the Presidential primaries.

PART 142—ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS; USE OF PAYMENTS

- Sec.
142.1 Major parties.
142.2 Minor parties.
142.3 Minor and new parties; post-election payments.
142.4 Use of payments.
142.5 Withdrawal by candidate.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a)(1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 142.1 Major parties.

The eligible candidates of each major party in a Presidential election shall be entitled to equal payments under § 143.2 in an amount which, in the aggregate, shall not exceed the expenditure limitations applicable to such candidates under 2 U.S.C. § 441a(b)(1)(B).

§ 142.2 Minor parties.

(a) The eligible candidates of a minor party in a Presidential election shall be entitled to payments under § 143.2 equal, in the aggregate, to an amount which bears the same ratio to the amount allowed under § 142.1 for a major party as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding Presidential election bears to the average number of popular votes received by the candidates for President of the major parties in the preceding Presidential election.

(b) If the candidate of one or more political parties (not including a major party) for the office of President was a candidate for such office in the preceding Presidential election and received 5 percent or more, but less than 25 percent, of the total number of popular votes received by all candidates for such office, such candidate and his running mate for the office of Vice President, upon compliance with the provisions of §§ 141.1 and 141.2, shall be treated as eligible candidates entitled to payments under § 142.1 in an amount computed as provided in paragraph (a) by taking into account all the popular votes received by such candidate for the office of President in the preceding Presidential election. If eligible candidates of a minor party are entitled to payments under this paragraph, such entitlement shall be reduced by the amount of the

entitlement allowed under paragraph (a).

§ 142.3 Minor and new parties; post-election payments.

(a) The eligible candidates of a minor party or a new party in a Presidential election whose candidate for President in such election receives, as such candidate, 5 percent or more of the total number of popular votes cast for the office of President in such election shall be entitled to payments under this part equal, in the aggregate, to an amount which bears the same ratio to the amount allowed under § 142.1 for a major party as the number of popular votes received by such candidate in such election bears to the average number of popular votes received in such election by the candidates for President of the major parties.

(b) In the case of eligible candidates entitled to payments under § 142.2 the amount allowable under this paragraph shall be limited to the amount, if any, by which the entitlement under the preceding sentence exceeds the amount of the entitlement under § 142.2.

§ 142.4 Use of payments.

(a) The eligible candidates of a political party shall be entitled to payments only—

(1) To defray qualified campaign expenses incurred by such eligible candidates or their authorized committees; or

(2) To repay bank loans in the case of a major party candidate, and all other loans in the case of a minor or new party candidate, the proceeds of which were used to defray such qualified campaign expenses or otherwise to restore funds (other than contributions to defray qualified campaign expenses received and expended by minor or new party candidates or committees) used to defray such qualified campaign expenses.

(b) Payments may be invested by an eligible candidate or his or her authorized committee, but any income derived from an investment, such as interest on a certificate of deposit, shall be returned to the Secretary.

§ 142.5 Withdrawal by candidate.

In any case in which an individual ceases to be a candidate as a result of the operation of the last sentence of § 140.2(c) such individual—

(a) Shall no longer be eligible to receive any payments under § 143.2, except that such individual shall be eligible to receive payments under such section to defray qualified campaign expenses incurred while actively seeking election to the office of President of the United States or to the office of Vice President of the United States in more than one State; and

(b) Shall pay to the Secretary or his delegate, as soon as practicable after the date upon which such individual ceases to be a candidate, an amount equal to the amount of payments received by such individual under § 143.2 which are used to defray qualified campaign expenses.

PART 143—CERTIFICATION BY COMMISSION

- Sec.
143.1 Initial certification.
143.2 Payments from the fund.
143.3 Finality of certification; hearings.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a)(1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 143.1 Initial certification.

Not later than 10 days after both of the candidates of a political party for President and Vice President of the United States have met all applicable conditions for eligibility to receive payments under Part 141, the Commission shall certify to the Secretary for payment to the eligible candidates under § 143.2 payment in full of amounts to which the candidates are entitled under Part 142.

§ 143.2 Payments from the fund.

(a) Upon receipt of a certification from the Commission under § 143.1 for payment to the eligible candidates of a political party, the Secretary shall pay to Presidential and Vice-Presidential candidates out of the fund the amount certified by the Commission.

(b) Payment received by the Presidential candidate shall be deposited in a separate account maintained by his principal campaign committee. The Presidential candidate nominated by a political party may designate the national committee of that political party as the candidate's principal campaign committee.

(c) Payment received by the Vice-Presidential candidate may be deposited in a separate account other than the Presidential account in paragraph (b) as long as that account is in the same depository as that maintained by the Presidential candidate.

(d) No funds other than the payments received from the Treasury and the reimbursements described in § 140.11(c) may be deposited in the accounts described in paragraphs (b) and (c).

(e) Except as provided by this subchapter, amounts paid to any candidate shall be under control of that candidate.

§ 143.3 Finality of certification; hearings.

(a) Certifications by the Commission under § 143.1, and all determinations made by it under this subchapter shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under Part 145 and judicial review under 26 U.S.C. § 9011.

(b) (1) If the candidate disputes any determination made by the Commission under § 143.1, the candidate shall notify the Commission within 15 days of the determination in order to request a re-determination.

(2) Upon receipt of the request for a re-determination, the Commission shall afford the candidate an opportunity to

be heard and to present supporting evidence.

PART 144—REPORTS AND RECORD KEEPING

- Sec.
144.1 Separate reports.
144.2 Allocation of administrative expenses.
AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a)(1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 144.1 Separate reports.

(a) The principal campaign committee of any Presidential candidate of a major party, the candidate himself, unless waived, and all authorized committees shall report all expenditures with respect to the general election separately from any other monthly or quarterly reports, as if the general election were the only election activity engaged in by the committees and the candidate.

(b) In addition to the requirements in paragraph (a), minor and new parties shall report the receipt of any private contributions for the general election.

§ 144.2 Allocation of administrative expenses.

If an authorized committee (including the national committee if authorized) of the candidates of a political party for President and Vice President of the United States also incurs expenses to further the election of one or more other individuals to Federal, State, or local elective public office, expenses incurred by such committee which are not specifically to further the election of such other individual or individuals shall be considered as incurred to further the election of such candidates for President and Vice President in proportion to the number of other candidates supported. For example, if an authorized committee supports the Presidential candidate, the Vice-Presidential candidate, 5 congressional candidates, and 9 State candidates, the total number of candidates supported is 16. The amount of overhead and administrative expenses incurred by the authorized committee for the Presidential and Vice-Presidential candidates is $\frac{2}{16}$ or $\frac{1}{8}$.

PART 145—EXAMINATIONS AND AUDITS; REPAYMENTS

- Sec.
145.1 Audits, records, and investigations.
145.2 Repayments.
145.3 Notification.

AUTHORITY: Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a)(1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c)(13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b)).

§ 145.1 Audits, records, and investigations.

(a) After each Presidential election, the Commission shall conduct a thorough examination and audit of the qualified

campaign expenses of the candidates of each political party for President and Vice President.

(b) In addition, the Commission may conduct other examinations and audits or investigations and require the keeping and submission of books, records, and information as it deems necessary to carry out the functions and duties imposed on it by this subchapter.

§ 145.2 Repayments.

(a) If the Commission determines that—

(1) Any portion of the payments made to the eligible candidates of a political party under § 143.2 was in excess of the aggregate payments to which candidates were entitled under Part 142;

(2) The eligible candidates of a political party and their authorized committees incurred qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party were entitled under Part 142;

(3) The eligible candidates of a major party or any authorized committee of such candidates accepted contributions (other than contributions to make up deficiencies in payments out of the fund on account of the application of 26 U.S.C. § 9006(c) or loans from a bank) to defray qualified campaign expenses (other than those excess qualified campaign expenses with respect to which repayment is already required under paragraph (a) (2) of this section); or

(4) Any amount of any payment made to the eligible candidates of a political

party under § 143.2 was used for any purpose other than—

(i) To defray qualified campaign expenses with respect to which the payment was made; or

(ii) To repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions received by a minor or new party candidate to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses;

The Commission shall notify such candidates of the amount so used, and such candidates shall pay to the Secretary an amount equal to the amount determined under paragraphs (a) (1)–(4).

(b) Any portion of the payment under § 143.2 which remains unspent after all qualified campaign expenses have been paid shall be returned to the Secretary.

(c) No repayment shall be required from the eligible candidates of a political party under § 145.2 to the extent that any repayment, when added to other repayments required from the candidates under § 145.2, exceeds the amount of payments received by the candidates under § 143.2.

(d) (1) The candidates shall repay to the Secretary within 90 days of the notice in paragraph (a) an amount equal to the excess payments or an amount equal to the amount expended for nonqualified campaign expenditures. Upon application submitted by the candidate, the Commission may grant a 90-day extension of the repayment period.

(2) If the candidates dispute the Commission's determination that a repayment is required, they shall notify the Commission within 30 days of receipt of the Commission's notification to the candidates.

(i) The Commission, or its designee, shall conduct a hearing at a mutually agreeable time and place, at which the candidate may make a showing of where the Commission erred in its determination of repayment.

(ii) Based on the hearing, the Commission shall reaffirm or modify its initial determination, which shall constitute final and conclusive determination, and shall so notify the candidate.

§ 145.3 Notification.

No notification shall be made by the Commission under § 145.2(a) with respect to a Presidential election more than 3 years after the day of the election.

PART 146—OTHER EXPENDITURES

§ 146.1 Expenditures by political party committees.

Notwithstanding the expenditure limitation applicable to the candidates, national, State, and subordinate committees of a political party may make expenditures in connection with a Presidential general election in amounts that do not exceed those specified in § 110.7.

(Sec. 310(8), Pub. L. 92-225, added by Sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by Secs. 105 and 107(a) (1), Pub. L. 94-283, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and Sec. 404(c) (13), Pub. L. 93-443, 88 Stat. 1293 (26 U.S.C. 9009(b))).

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