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FEDERAL ELECTION COMMISSION  
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INCORPORATED VFW POST BARRED  
FROM MAKING CAMPAIGN CONTRIBUTION

WASHINGTON - AUGUST 12 - The Federal Election Commission today ruled that an incorporated association, such as a Veterans of Foreign Wars post, is barred by federal law from making federal campaign contributions.

The Commission issued Advisory Opinion Number 1975-16 in which it said, "The prohibitions in [the federal campaign law] apply, with limited exception, to contributions or expenditures by non-profit corporations, just as they apply to contributions or expenditures made by profit-making corporations."

The Advisory Opinion was in response to a request by U.S. Rep. John D. Dingell, (D-Mich-16), who had asked the Commission to rule on the legality of a contribution to his campaign committee from an incorporated VFW post, whose Executive Board has voted to approve the contribution.

The FEC excepted from its opinion "a non-profit organization created expressly and exclusively to engage in political activities, (which) has incorporated for liability purposes only." The Commission ruled, "That type of corporation is essentially a political committee and may contribute its assets to federal candidates the same as unincorporated political committees."

The Commission said, "Other types of non-profit corporations are subject to the prohibitions in [the law] and therefore a candidate or political committee is prohibited from accepting a contribution from these types of non-profit corporations."

In addition, the FEC opinion said, "A corporation which is subject to the prohibitions in §610 may, however, establish a 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," it said.