

7-5-8-0-2-0 1 5 6 3

# FEDERAL ELECTION COMMISSION

1325 K Street, N.W.  
Washington, D.C. 20463

RELEASE: ON RECEIPT

Thursday, October 2, 1975

CONTACT: DAVID FISKE  
SUSAN TIFFT  
(202) 382-4733

## FEDERAL ELECTION COMMISSION

### RULES ON REPORTING OF COMMITTEE FUND TRANSFERS

WASHINGTON - OCTOBER 2: A political committee must report all transfers of funds to another political committee, the Federal Election Commission ruled today.

In issuing Advisory Opinion (AO) #40, the FEC discussed a provision of the campaign finance law which exempts contributions or transfers of funds of \$100 or less from having to be itemized on campaign finance reports. However, the Commission also noted another provision of the law which requires that any transfer of funds from one committee to another must be reported.

In its opinion, the Commission stated, "If a political committee purchases reception tickets or anything else from another political committee, or the candidate's principal campaign committee, such purchase, regardless of the amount, constitutes a transfer of funds under [the law] and is, accordingly, reportable."

The Commission further advised that both the committee which purchased the tickets or other items, and the committee that received them, must report the name and address of each other, together with the amounts and dates of all fund transfers.

This opinion was rendered upon request from the Oberstar for Congress Volunteer Committee, Duluth, Minnesota.

### ADVISORY OPINION #41

In other Advisory Opinions today, the Commission ruled that political committees may invest funds in government treasury notes, and deposit various receipts in interest-bearing accounts, and that these transactions do not constitute reportable expenditures.

The Commission stated that "such a transfer represents merely a conversion of one form of 'cash on hand' to another. Only the initial contributions to or receipts of a political committee and the subsequent receipt of income earned upon invested funds must be reported by the political committee."

The Commission noted that this opinion "modifies" Advisory Opinion 1975-10 (Part A), which had held that internal transfers of funds from a campaign checking account to interest bearing savings accounts or Government treasury notes must be disclosed on the report of receipts and expenditures.

To facilitate reporting, the Commission advised that a political committee choosing to invest and to earn interest abide by the following procedure:

- 1) all contributions to a political committee must first be deposited in the committee's checking account in its campaign depository; and
- 2) funds invested from this checking account must be returned, with the interest, to the checking account before being expended.

The question of investments and savings deposits by political committees was raised by the Shuster for Congress Committee, Pennsylvania.