



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

July 22, 1976

AO 1976-25

Dick Wright  
Treasurer, Friends of  
Tom Bevill Committee  
P.O. Box 1453  
Jasper, Alabama 35501

Dear Mr. Wright:

This is in response to your letter of June 3, 1976, requesting an opinion as to whether the Friends of Tom Bevill Committee may deposit excess campaign funds in a savings account in a savings and loan association. The Commission notes that the foregoing committee is the principal campaign committee of Representative Tom Bevill who on May 4, 1976, won his primary campaign for the 4th District of Alabama. A subsequent communication with the Congressman's staff indicated that prior to the recent primary, some campaign funds remained from the Congressman's 1974 campaign. At present, some funds remain from the primary in excess of immediate needs, and the probability exists that some surplus funds will remain after the general election. The specific inquiry is whether such funds may be invested at a savings and loan association which is not a national or State bank.

Section 437b of Title 2, United States Code, requires that a candidate designate one or more national or State banks as his campaign depositories. Contributions received by a candidate or his authorized political committees and expenditures made by a candidate or his authorized political committees must pass through checking accounts maintained in those designated campaign depositories. However, the mere transfer of funds deposited in a campaign depository checking account to an interest-bearing account for investment purposes is not an "expenditure" as defined at 2 U.S.C. §431(f). Consequently, the Commission concludes that you may transfer by check excess funds retained by the Friends of Tom Bevill Committee to a savings and loan association which is not a national or State bank if that association is identified as an additional repository used by the Committee. A letter of amendment to the statement of organization filed by the Committee must be submitted to the Clerk of the House as custodian for the Commission. 2 U.S.C. §§433, 438(d). The Committee's supporting records for cash on hand are required to reflect the cash balances in both checking and savings accounts

(2 U.S.C. §434(b)(1)), and the transfer of funds between those accounts. Any interest earned must be reported by the Committee as a receipt under 2 U.S.C. §434(b)(7) and (8).

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act to the specific factual situation set forth in your request. See 2 U.S.C. §437f.

Sincerely yours,

(signed)

Vernon W. Thomson  
Chairman for the  
Federal Election Commission