



FEDERAL ELECTION COMMISSION
Washington, DC 20463

August 27, 1976

Re: AOR 1976-54

Mr. William G. Cinnamond
Harris for President Committee
815 Connecticut Avenue, N.W.
Washington, D.C. 20006

Dear Mr. Cinnamond:

This refers to your letter of July 16, 1976, requesting an advisory opinion, on behalf of the Harris for President Committee ("the Committee"), the principal campaign committee for the Fred R. Harris Presidential campaign.

In your request you state that Fred R. Harris ceased to be a candidate under 26 U.S.C. §9032(2) on May 11, 1976. You further state that subsequent to Mr. Harris' withdrawal from active candidacy, the Committee has incurred, and will continue to incur winding-up expenses. You state that these expenses are necessary in order to comply with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and that "all of these operating expenses are direct extensions of obligations incurred by the Committee during Mr. Harris' active candidacy."

The question presented is whether these winding-up expenses and other expenses directly resulting from Mr. Harris' candidacy are qualified campaign expenses incurred prior to May 11, 1976, which the Committee may defray with matching payments under 26 U.S.C. §9037.

The Commission has determined that candidates who are no longer actively conducting Presidential campaigns continue to be eligible to receive matching funds, up to the total of their net outstanding campaign obligations as of the date their active candidacy was terminated (in this case May 11, 1976), for expenditures incurred prior to the termination date. Net outstanding campaign obligations are defined in §133.3(c) of the Commission's proposed regulations as:

expenses as of 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 from the press or Secret Service for travel, etc.)

In the case of employee salaries and other expenses after May 11, 1976, written confirmation indicating terms and conditions of employment or other expenses is required for any post-eligibility expense included in net outstanding campaign obligations.

Section 130.10 of the proposed regulations states in pertinent part that:

“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.

It would therefore appear that absent documentation, expenditures for services, rent and other miscellaneous operating expenses which were not contracted for prior to termination, will not qualify for payment from matching funds.

This response relates to your opinion request but may be regarded as informational only and not as an advisory opinion since it is based in part on proposed regulations of the Commission which must be submitted to Congress. The proposed regulations may be prescribed in final form by the Commission only if not disapproved either by the House or the Senate within thirty legislative days from the date received by them. 2 U.S.C. §438(c). The regulations were submitted to Congress on August 3, 1976. It is the Commission’s view that no enforcement or compliance action should be initiated in this matter if the actions of the political committee you represent conform to the conclusions and views stated in this letter.

Sincerely yours,

(signed)
Vernon W. Thomson
Chairman for the
Federal Election Commission