



FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 14, 1978

AO 1977-58

Edward P. Beard
6 Merit Drive
Cranston, Rhode Island 02960

Dear Mr. Beard:

This letter responds to your letter of October 13, 1977 requesting an opinion as to application of the Federal Election Campaign Act of 1971, as amended, to a past transfer from you to your principal campaign committee.

You state that in 1974 you transferred \$1,589.37 in personal funds to your principal campaign committee. The payments were entered on the committee's reports as "transfers in" rather than as a loan from you to the committee. Accordingly, a debt or obligation owed by your committee to you was not disclosed on its reports. You ask whether the nature of the transaction may now be changed to disclose a debt owed to you by the committee in the amount of \$1,589.37.

It is the opinion of the Commission that once a candidate's principal campaign committee has properly wound up its activities following a general election, and satisfied all of its debts and obligations, it no longer has the capacity to receive contributions or make expenditure with respect to the past election. See Advisory Opinion 1977-43, copy enclosed. A principal campaign committee which continues beyond this period and makes expenditures or accepts contributions trigger candidacy for the next election. See Advisory Opinions 1977-11 and 1977-24, copies enclosed. Your committee completed its activities following the 1974 elections with no reported outstanding debts or obligations. Contributions received and expenditures made after that time were with respect to your candidacy for reelection in 1976. Accordingly, your committee may not now retroactively regard the payment you made with respect to a 1974 election, originally reported as a transfer in from you to the committee, as creating a debt owed to you which the committee may then "extinguish."

Furthermore, 2 U.S.C. 434(b)(12) requires that debts and obligations owed by a committee be continuously reported until they are extinguished. Your proposal to disclose the transaction as a current debt of the committee (although it was originally reported three years ago as a "transfer in") would, if allowed, contravene the obvious intent of 434(b)(12) that debts and

obligations be initially disclosed in a timely manner and be continuously reported thereafter until extinguished. See regulations of the Commission at 11 CFR 104.8 (b).

The Commission notes that under 2 U.S.C. 439a amounts received "as contributions that are in excess of any amount necessary to defray . . . expenditures" may be used for any "lawful purpose." See also the regulations of the Commission at 11 CFR 113.2. Rules of the House of Representatives may apply to your proposal but the Commission expresses no opinion in that regard, nor as to any tax ramifications, since those issues are not within its jurisdiction.

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

Sincerely yours,

(signed)

Thomas E. Harris
Chairman for the
Federal Election Commission

Enclosures