



FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 21, 1978

AO 1977-61

The Colorado Democratic Party
1500 Grant Street
Denver, Colorado 80203

Attention: Josie Johnson

Dear Ms. Johnson:

This refers to your letter of October 28, 1977, wherein you request an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended, to a fundraising event by the Dinner with the Vice-President Committee ("DVPC").

Your letter explains that the DVPC is a political committee affiliated with People for Haskell ("PH") and the Colorado State Democratic Central Committee ("CDC") which will raise funds through a single event. You then plan to transfer all of its funds to PH and CDC on an equal basis and dissolve the DVPC. You state that PH and CDC will each designate the bank where DVPC's account is maintained as an additional depository, will each report 50% of each ticket sold and will each maintain records on each contributor to insure that the limits of 2 U.S.C. 441a are not exceeded. In addition, you state that DVPC will itself report pursuant to Commission regulations and will provide a method for contributors to specially allocate their contributions if they so desire.

As described, your proposed procedures for receiving, transferring, and reporting funds received in connection with the mentioned fund raising event are acceptable to the Commission to the extent they insure:

- (1) that the DVPC is authorized in writing by the CDC and PH;
- (2) that all participating committees comply with, among other provisions, the recordkeeping, registration, reporting and contribution limit provisions of the Act;

- (3) that all contributors are, for purposes of 2 U.S.C. 441a, treated as making equal contributions* to both PH and CDC unless they make special designations as discussed in (4);
- (4) that a procedure is available which permits persons who have already contributed their allowable limit to either PH or CDC to expressly direct their contribution to the committee as to which they may still make contributions within the limits of the Act;
- (5) that solicitations for the event include sufficient notice of the applicability of the contribution limits and the procedure described in (3) and (4);
- (6) that none of the committees will retain any contribution which exceeds the applicable limits; and
- (7) that expenses are shared in the same ratio as contributions received to avoid any in-kind contributions from one participating committee to another, or that in-kind contributions resulting from a disproportionate sharing of expenses are within the contribution limits and properly disclosed. See Advisory Opinions 1977-14 and 1977-23, copies enclosed.

DVPC, the joint fundraising event committee is required to report contributions for the event as contributions to it and must identify contributors as required by the Act. See 2 U.S.C. 434(b)(2), (4), (6) and 11 CFR 104.2(b)(2), (4), (6).

The contributions become subject to the reporting requirements upon receipt by DVPC and must be included in the first DVPC report required to be filed after the event. DVPC is required to disclose all required contributor identification on Schedule A and must also provide a Schedule D relating to the fundraising dinner. The DVPC must also report all expenditures it makes in connection with the event.

As to reporting requirements applicable when the proceeds are distributed, the Commission offers the following guidance.

Reporting by DVPC

The distribution of net proceeds from the event to PH and CDC should be reported by DVPC as transfers-out with an explanation (on Schedule B) stating that the transfer is a distribution of proceeds from joint fundraising with PH and CDC. When the proceeds are distributed, DVPC should furnish to PH and CDC a copy of its Schedule A (or equivalent) disclosing contributors to the event. Contributions which were specially designated for PH and CDC in amounts different than the agreed upon 50-50 formula should be separately identified so that PH and CDC can properly disclose them and assure compliance with the 441a limits. In addition, when distributing the proceeds DVPC should forward information from its contributor

* The contributions are divided equally since that is the formula agreed upon by DVPC, CDC, and PH. The Act and Commission regulations do not preclude other agreements for the sharing of joint fundraising proceeds.

records for those persons (not identified on its Schedule A) who contributed more than \$50 to the event so that PH and CDC can itemize any future contributions from those same contributors which cause them to exceed the \$100 reporting threshold in 2 U.S.C. 434(b)(2).

Reporting by PH and CDC

The receipt of joint fundraising proceeds is reportable by PH and CDC as a transfer in with an explanation on Schedule A stating that the transfer is a receipt of proceeds from joint fundraising with DVPC. The actual amount of the transfer should be the amount disclosed on Schedule A and the summary page. However, PH and CDC must file a memo Schedule A, designated as related to the joint fundraising event, which itemizes their respective share (one-half) of each gross contribution originally received and reported by DVPC if that share (together with previous contributions from the same individual) exceeds \$100. The respective PH and CDC shares of contributions from political committees would need to be itemized on the memo Schedule A regardless of amount. 2 U.S.C. 434(b)(4). A contribution specially directed to PH and CDC would have to be disclosed in the amount as specially designated if it is over \$100 from an individual contributor or in any amount from a political committee. 2 U.S.C. 434(b)(2), (4). PH and CDC should not report expenditures for the event which are made and reported by DVPC.

This response constitutes an advisory opinion concerning the 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)
Joan D. Aikens
Vice Chairman for the
Federal Election Commission

Enclosures