



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 16, 1979

AO 1978-98

Mr. Thomas E. Seus  
Kelly, Moran & Harrington  
Lewis Tower Building, Suite 512  
Fifteenth and Locust Streets  
Philadelphia, Pennsylvania 19102

Dear Mr. Seus:

This is in response to your letter of November 16, 1978, requesting an advisory opinion on behalf of Plumbers Union Local 690 Political Action and Social Fund ("the Fund") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the use of a clearing or transmittal account by the Fund.

Your letter states that voluntary contributions to the Fund are made by union members through payroll checkoff plans administered by the members' employers. Each member is paid by each employer on a weekly basis and contributes approximately \$2 per week to the Fund. However, funds deducted from the members for others purposes--pension, health, welfare and union dues--are remitted by the employer to the union in a single check issued monthly. This monthly check is deposited by the union in a clearing account maintained by the union to receive and separate the proceeds of these checks.

You explain that since beginning collection of political contributions for the Fund via payroll deduction, employers have included in their one check to the union both the monthly total of union dues (and other union funds) and the monthly total of contributions to the Fund from all employee/ members. When a check from the employer is received and deposited in this clearing account, the political contribution portion is sent to the Fund and the remaining portion is remitted to the union. You state that checks are received from employers and deposited in the clearing account almost daily. Once every ten days you propose that a check, made payable to the Fund, be drawn on the clearing account for all voluntary political contributions received in the clearing account during the previous ten days. You ask whether this procedure would be permitted under the Act and Commission regulations.

Under 2 U.S.C. 441b(b)(2) the Fund may accept voluntary contributions from individual members of the union and deposit them in a "separate segregated fund to be utilized for political

purposes by" the Union. Since it is a necessary administrative mechanism to accomplish the required separation and segregation, the clearing account may be used for the deposit and negotiation (for bank payment) of checks from employers for combined dues and political contributions.

This conclusion rests upon two assumptions on which the Commission conditions its approval. First, the checks representing combined union dues and political contributions from union members are regarded as contributions received by the treasurer of the Fund, or his/her agent, at the time the checks are received by an employee or representative of the union. 2 U.S.C. 432 and 11 CRF 102.9. Secondly, since the proceeds representing political contributions are deemed to be received when the union representative receives the employer's check, on that date the 10 day deposit period begins to run. Accordingly, by the 10th day after receipt of the employer's check, a separate check must be drawn on the clearing account and deposited into a separate checking account maintained by the Fund at a bank depository designated by the Fund. 2 U.S.C. 433(b)(9), 437b(a); see also 11 CRF 103.3(a) and Advisory Opinion 1978-42, copy enclosed.

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)  
Robert O. Tiernan  
Vice Chairman for the  
Federal Election Commission

Enclosure