



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

June 1, 1979

CERTIFIED MAIL,  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1979-19

Mr. Kirby Cunningham  
Secretary Treasurer  
Cattleman's Action Legislative Fund  
P.O. Box 284  
Denver, Colorado 80201

Dear Mr. Cunningham:

This is in response to your letter of April 24, 1979, requesting an advisory opinion on behalf of the Cattleman's Action Legislative Fund ("CALF") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to a proposed plan to sell fundraising tickets to CALF.

Your letter states that CALF is the PAC of the National Cattlemen's Association ("NCA"), a non-profit trade association incorporated in the State of Colorado.<sup>1</sup> Each year NCA conducts a convention and trade show attracting some 3500-4000 of its 34,000 members. Preconvention information and publicity, along with forms to preregister and to make advance ticket purchases for various functions coinciding with the convention, are mailed to the NCA membership in brochure form well before the convention dates.

For the 1980 NCA convention and trade show, tentative plans are to offer advance tickets for a CALF "fundraiser" reception to individual NCA members on the preregistration form along with tickets for other convention functions. Your advance mailings to NCA members would include a statement that ticket purchases for the CALF reception are political contributions and that tickets are available only to individual NCA members.<sup>2</sup> You explain that a person

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<sup>1</sup> The Commission understands, and assumes for purposes of this opinion, that NCA has no members which are corporations. As an incorporated trade association with only individual members, NCA's solicitation for contributions are subject to 114.7 of Commission regulations. Section 114.8 applies to contribution solicitations of the personnel of corporate members of a trade association.

<sup>2</sup> The fact that tickets for the CALF fundraiser may only be purchased by individual members of NCA is significant if any of the preconvention mailings which solicit contributions to CALF are directed to nonmembers of NCA. See Advisory Opinions 1978-18, 1978-83, and 1978-97, copies enclosed.

registering for the NCA convention and purchasing function tickets (including tickets to the CALF reception) would write one check for the registration fee and all function tickets. The check would be payable to NCA. The bookkeeping department of NCA (also the bookkeeper for CALF) "would then, on a regular basis, book transfer those funds in payment for CALF reception tickets to the CALF books and would physically transfer that portion of funds covering to CALF's bank account." Payments to NCA for convention registration and function tickets (including CALF reception tickets) would, in some cases, be made by corporate check since some individual NCA members operate their ranches as corporations. These combined payments would not be made directly to CALF, but to NCA, and would include CALF funds. You ask whether this procedure would be permissible under the Act and Commission regulations.

Under the Act, it is unlawful for any corporation to make any contribution to a candidate for Federal office or to a political committee established for the purpose of making contributions to candidates for Federal office. 2 U.S.C. 441b(a). However, as the separate segregated fund of an incorporated membership organization, CALF may accept voluntary contributions from individual members of NCA which funds CALF may then contribute to candidates for Federal office and political committees, subject to the contribution limits as well as the other requirements of the Act and Commission regulations.

The Commission concludes that individual NCA members who register for the NCA convention and purchase function tickets (including tickets to the CALF fundraising reception) may combine payment for these tickets on one check provided that the combined payment is made by NCA members as individuals on individual checks drawn on personal bank accounts, not corporate accounts. See Advisory Opinion 1978-42, copy enclosed. Combined political contributions and payments to NCA drawn on a corporate account which is a nonrepayable drawing account of an individual NCA member are not considered prohibited corporate contributions, although checks on other types of corporate accounts are prohibited corporate contributions. (See the Commission's Notice on this subject, also enclosed).

In concluding that the described procedure is permitted if personal checks or corporate checks drawn on nonrepayable drawing accounts are involved, the Commission makes several assumptions on which it conditions its approval. First, the checks representing a combined payment from individual NCA members for the CALF fundraiser and other functions are regarded as contributions received by the treasurer of CALF and his/her agent at the time the checks are received by any employee or representative of NCA. Thus, amounts representing the political contribution portion of each member's check must be deposited into a checking account of a duly designated bank depository of CALF within 10 days after the combined check is received by NCA. See 103.3(a) of the Commission's regulations which implements 2 U.S.C. 437b(a).

Secondly, all records of NCA bank accounts in which combined payments are deposited must be made available upon Commission request pursuant to its audit authority and other general powers. 2 U.S.C. 437d, 438(a)(8). Finally, NCA must maintain and make available on Commission request usual and customary accounting records of members' payments for other convention-related functions and other appropriate records indicating those members who bought CALF fundraiser tickets with the same check used to transmit other payments to NCA. These

records must be maintained for at least 3 years from the end of the year in which CALF reported a contribution from an NCA member to whom the records relate. See 11 CFR 104.12(b).

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  
Chairman for the  
Federal Election Commission

Enclosures