



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 20, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1983-22

Mr. Charles G. Schillings
Treasurer
Northwest Central Political Action Committee
P.O. Box 26286
Oklahoma City, Oklahoma 73125

Dear Mr. Schillings:

This refers to your letter of August 10, 1983, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to a proposed reimbursement of an administrative expense incurred by the Northwest Central Pipeline Corporation Political Action Committee ("NCPAC" or "the Committee").

According to your request, NCPAC was registered with the Commission on May 20, 1983. A checking account was opened for NCPAC on July 7, 1983, and on July 29, 1983, a statement was received showing a debit to the Committee's account in the amount of \$77.04 for the cost of printing checks. You ask whether it is permissible for NCPAC's connected organization, the Northwest Central Pipeline Corporation, to reimburse NCPAC for the full amount of the check printing charge.

Under 2 U.S.C. 441b, a corporation is prohibited from making a contribution or expenditure in connection with any election to Federal office. A specific exception to the 441b prohibition permits the expenditure of corporation treasury money for the "establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a ... corporation ..." 2 U.S.C. 441b(b)(2)(C). Commission regulations explain and give specific examples of the types of expenses that may be paid under this exception. 11 CFR 114.1(b).

The Commission concludes initially that the cost of printing checks to be used by the Committee would constitute a cost of administration and therefore would come within the exception of

114.1(b). The Commission also notes that, generally, a corporation may not reimburse its separate segregated fund for establishment, administration, and solicitation expenses paid from the separate segregated fund's account. See Advisory Opinion 1982-42. Under new Commission regulations that became effective on August 22, 1983, however, a reimbursement by a corporation to its separate segregated fund for an administrative expense is permissible if made no later than 30 days after the separate segregated fund pays the expense. 11 CFR 102.6(c)(2)(ii) and 114.5(b)(3) 48 Fed. Reg. 26301, 26303 (1983), prescribed at 48 Fed. Reg. 37921 (1983). Although a reimbursement made at this time technically will not meet the 30 day requirement of the newly prescribed regulations, the Commission will permit reimbursement to be made in this instance because NCPAC submitted its advisory opinion request before the expiration of 30 days from its receipt of a bank statement listing the charge and because the new regulations permitting reimbursement took effect within this time period. The Committee should see that reimbursement occurs as promptly as possible.

With respect to reporting these transactions, the Commission offers the following guidance. The receipt of \$77.04 from the corporation should be included in the Committee's report as an unitemized "other receipt," line 17, FEC Form 3X. 2 U.S.C. 434(b)(2)(J), 11 CFR 104.3(a)(2)(viii). The \$77.04 check printing charge to the Committee's bank account should be reported as an unitemized "operating expenditure," line 19, FEC Form 3X. 2 U.S.C. 434(b)(4)(A), 11 CFR 104.3(b)(1)(i).

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Danny L. McDonald
Chairman for the Federal Election Commission

Enclosure (AO 1982-42)