



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 6, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1983-24

Phillip Porte
Phillip Porte & Associates, Inc.
1301 Arlington Ridge Road
Suite 208
Arlington, Virginia 22202

Dear Mr. Porte:

This responds to your letter of August 2, 1983, as supplemented by your letter of August 26, 1983, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the financing of a cocktail reception sponsored by the American Association for Respiratory Therapy Political Action Committee ("the Committee").

According to your request, the Committee wishes to host a cocktail reception at the annual meeting of its sponsoring organization, the American Association for Respiratory Therapy ("AART"). You state that AART is incorporated under the laws of Illinois and has approximately 25,000 members, all of whom are individuals. You also state that invitations will be sent to the Committee's largest contributors of record (\$200 a year minimum), a group numbering about 125, and that all invitees are individual members of AART. You note that the invitation will be required at the door and will not be transferable, and that attendees will not be asked or required to pay any fee. You add that it is possible that a Senator or Congressman who is present at the AART annual meeting will attend the reception on a "drop-in" basis.

Your request also explains that while there will be one or two informal speeches at the reception thanking contributors for their support, there will be no contribution solicitation whatsoever and no Committee informational material will be available to attendees. You propose three alternative sources of funding to defray the expenses of this reception: 1) the Committee; 2) AART; and 3) separate corporations that are vendors of equipment used in respiratory therapy but that are not affiliated with or sponsored by AART. You ask whether the costs of the reception may be paid by any or all of these organizations.

The Commission concludes that the Committee would be permitted to pay the expenses related to the reception, since generally a separate segregated fund may expend its funds for any lawful purpose consistent with the Act and Commission regulations. See Advisory Opinions 1983-4 and 1979-42.

The Commission also concludes that AART may pay the expenses incurred in connection with this event. Under 2 U.S.C. 441b(b)(2)(C), a corporation may use treasury funds to pay for the establishment, administration, and solicitation of contributions to a separate segregated fund. Although there will be no contribution solicitations made at the reception, the commission views the proposed function, described as a "thank you" to major contributors, as sufficiently related to the Committee's fundraising activities to bring it within this exemption. See 11 CFR 114.1(b).

The proposed function is somewhat similar to the function described in Advisory Opinion 1980-50 (copy enclosed) wherein a corporation proposed to discuss the structure, philosophy, and purposes of its political action committee with the corporation executives at a breakfast or luncheon event. The event was to be held at the expense of the corporation but not promoted as a contribution solicitation. Attendance was restricted to solicitable personnel, and the corporation expected that contributions to the PAC would result. The Commission concluded that the breakfast or luncheon expenses were of a character traditionally associated with "fundraising and other expenses incurred in running a separate segregated fund" and were thus within the purview of the exceptions in Commission regulations at 11 CFR 114.1(b). The situation presented in this opinion is materially indistinguishable from that covered in Advisory Opinion 1980-50.

With respect to separate corporations that are vendors of equipment used in respiratory therapy, the Commission concludes that they would not be permitted to pay the expenses of the reception. These corporations are not members of AART and do not otherwise have the type of relationship to AART that would enable them to take advantage of the exceptions of 2 U.S.C. 441b(b)(2)(C). In this case those exceptions are available to only AART with respect to sponsorship and solicitation for its own fund, the Committee. Compare Advisory Opinions 1982-36 and 1980-59.

Finally, your request indicates that Members of Congress may attend the proposed reception in conjunction with their appearances at the AART annual meeting. The Commission notes that such attendance would not affect any of the conclusions stated herein. 11 CFR 114.7(h) and 114.3(c)(2).

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

Enclosures (AOs 1983-4, 1982-36, 1980-59, 1980-50 and 1979-42)