FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 21, 1985

<u>CERTIFIED MAIL,</u>
<u>RETURN RECEIPT REQUESTED</u>

ADVISORY OPINION 1985-17

Richard Rossi, Co-Chairman
Barbara Harris, Co-Chairman
Congressional Youth Leadership Council
1511 K Street, N.W.
Suite 842
Washington, D.C. 20005

Dear Mr. Rossi and Ms. Harris:

This responds to your letter of May 10, 1985, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to a proposed program of scholarships and internships.

You state that the Congressional Youth Leadership Council ("CYLC" or "Council") is a District of Columbia non-profit, tax-exempt, charitable and educational corporation guided by a bi-partisan honorary board of over 65 United States Senators and Representatives and directed by a staff of professional educators.

According to your request, CYLC is planning to establish a program called the Congressional Scholarship Trust. Under this program, each member of CYLC's Honorary Congressional Board of Advisors (and any other Senators or Representatives who may wish to participate) will be invited to designate a scholarship fund established in their name by the Council. You state that each of these funds will be an integral part of the Council and thus tax-exempt by virtue of the Council's tax exempt status. You also state that the Council will raise money from corporations, foundations, community groups and individuals in the Senator's or Representative's home state or district for two purposes: (1) to finance scholarships for deserving students in the Senator's or Representative's home state or district so they may attend the CYLC National Young Leaders Conferences; and (2) to allow students to intern in a Senator's or Representative's office or on a Congressional committee staff and be paid a stipend not to exceed $1,000 per month by the Council during their internships.

Your request also states that all funds donated to support these scholarships and internships would be collected by and disbursed by CYLC, and that the participating Senators and Representatives would have no access to the funds. You add that in the event the Senator or Representative ordered his or her designated fund liquidated, any remaining funds would continue to be used for student scholarships.

You ask whether this proposed arrangement is permissible under the Act and Commission regulations.

The Commission concludes that the proposed financing of the CYLC internships by corporations and the other organizations listed in your request would be permissible, provided that the interns do not, as part of their internship duties and functions, engage in any Federal election activity. The Commission has previously concluded that internship programs similar to the one presented in your request, and, specifically, payments by corporations to support such internships, do not constitute corporate contributions or expenditures prohibited by 2 U.S.C. 441b so long as the intern is not compensated for any Federal election activity. See Advisory Opinions 1979-67, 1982-31, and 1982-60, copies enclosed.

Similarly, corporations, foundations, community groups and individuals would be permitted to finance the proposed scholarships described in your request, subject to the condition noted above. Since payments by these organizations and individuals would not constitute "contributions" or "expenditures" as defined in 2 U.S.C. 431 and 441b, such payments would not fall within the purview of the Act.

The Commission expresses no opinion as to the applicability, if any, of House or Senate Rules to the activity described in your request, since those issues are outside its jurisdiction.

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.

Sincerely yours,

(signed)

John Warren McGarry
Chairman for the Federal Election Commission

Enclosures (AOs 1979-67, 1982-31, and 1982-60)