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FEDERAL ELECTION COMMISSION

11 CFR Part 104

[Notice 2006–11]

Statement of Policy; Recordkeeping Requirements for Payroll Deduction Authorizations

AGENCY: Federal Election Commission.

ACTION: Statement of policy.

SUMMARY: The Commission has previously sought copies of original signed payroll deduction authorization forms as the sole adequate proof that contributors intended to authorize payroll deduction to make contributions to the separate segregated fund of a corporation, labor organization, or trade association. As a matter of general policy, the Commission intends to accept other forms of documentation as proof of payroll deduction authorization, which are described in the supplementary information below.

DATES: Effective Date: July 7, 2006.

FOR FURTHER INFORMATION CONTACT: Mr. Richard T. Ewell, Attorney, 999 E Street, NW., Washington, DC 20463, (202) 694–1650 or (800) 424–9530.

SUPPLEMENTARY INFORMATION:

Corporations, labor organizations, and trade associations may use a payroll deduction system to collect and forward voluntary contributions from certain persons to their separate segregated funds (“SSFs”), which are political committees they establish. 11 CFR 114.2(f)(4)(i). Political committees must maintain records that provide sufficient detail to enable the Commission to verify that the source and amount of contributions received by the committee are accurately and completely reported. See 11 CFR 104.14(b)(1); see also 11 CFR 104.8(b) (reporting contributions received through payroll deductions). For contributions collected by payroll deduction, the Commission’s past practice had been to request copies of original signed payroll deduction authorization (“PDA”) forms as proof that the SSF satisfied the recordkeeping requirements of 11 CFR 104.14(b)(1). Through this statement of policy, the Commission announces that signed PDA forms are not the only adequate form of proof for meeting the recordkeeping requirements of 11 CFR 104.14(b)(1).

As a matter of general policy, the Commission intends to accept other evidence that the requirements of 11 CFR 104.14 have been satisfied, which may include records of the transmittal of funds from employers or collecting agents, including spreadsheets or other computerized records, wire transfer records, or other written or electronic records.

SSFs are advised, however, that the Commission considers the retention of signed PDA forms to be a sound recordkeeping practice, and in many cases, signed PDA forms may serve as the best documentation that a deduction was authorized at a particular time for a particular amount. Additionally, some SSFs are subject to independent PDA recordkeeping requirements under State law. The Commission’s policy does not alter or affect a committee’s recordkeeping obligations under any applicable State law.

This Federal Register notice represents a general statement of policy announcing the general course of action that the Commission intends to follow. This policy statement does not constitute an agency regulation requiring notice of proposed rulemaking, opportunities for public participation, prior publication, and delay in effective date under 5 U.S.C. 553 of the Administrative Procedure Act (“APA”). As such, it does not bind the Commission or any member of the general public. The provisions of the Regulatory Flexibility Act, which apply when notice and comment are required by the APA or another statute, are not applicable.


Michael E. Toner,
Chairman, Federal Election Commission.

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