

# Testis Test Testis

---

Thursday  
November 1, 1979

---

## Part II

### Federal Election Commission

---

Presidential Election Campaign Fund and  
Federal Financing of Presidential  
Nominating Conventions; Transmittal of  
Regulations to Congress



**FEDERAL ELECTION COMMISSION****11 CFR Parts 107, 114, 9008****Presidential Election Campaign Fund and Federal Financing of Presidential Nominating Conventions****AGENCY:** Federal Election Commission.**ACTION:** Final rule; transmittal of Regulations to Congress.

**SUMMARY:** FEC Regulations relating to Federal Financing of Presidential Nominating Conventions have been revised and transmitted to Congress pursuant to 26 U.S.C. 9009(c). The revisions have been renumbered according to the U.S. Code section upon which each regulation is based. The Commission's experience in administering the provisions relating to federal financing of conventions at Chapter 95 of Title 26, U.S. Code, as well as comments solicited from the public at hearings held on June 20, 1978 (43 FR 23587, May 31, 1978), indicated the need for greater clarity in the regulations, especially with regard to the activities of and reporting by host committees. Further information on the intended effect of the revised regulations is contained in the supplementary information below.

26 U.S.C. 9009(c) requires that any rule or regulation prescribed by the Commission to implement Chapter 95 of Title 26, U.S. Code, be transmitted to the Speaker of the House of Representatives and the President of the Senate prior to final promulgation. If neither House of Congress disapproves of the regulations within 30 legislative days of their transmittal, the Commission may finally prescribe the regulations in question. The following regulations were transmitted to Congress on October 26, 1979.

**DATE:** Further action, including the announcement of an effective date and deletion of existing regulations in Subchapter B of 11 CFR Chapter I, will be taken by the Commission after these regulations have been before the Congress 30 legislative days in accordance with 26 U.S.C. 9009(c).

**FOR FURTHER INFORMATION CONTACT:**

Ms. Patricia Ann Fiori, Assistant General Counsel, 1325 K Street, Northwest, Washington, D.C. 20510, (202) 523-4143.

**SUPPLEMENTARY INFORMATION:****Explanation and Justification of Regulations Concerning Federal Financing of Presidential Nominating Conventions, Part 9008****§ 9008.1 Scope.**

This section sets forth the scope of 11 CFR Part 9008 which interprets 2 U.S.C. § 437 and 26 U.S.C. § 9008.

**§ 9008.2 Definitions**

Subsection (a) follows the definition at 26 U.S.C. 9002(3).

Subsection (b) follows the definition at 26 U.S.C. 9002(5).

Subsection (c) follows the definition at 26 U.S.C. 9002(6).

Subsection (d) follows the definition at 26 U.S.C. 9002(7).

Subsection (e) follows the definition at 2 U.S.C. 431(k).

Subsection (f) follows the definition at 26 U.S.C. 9008(8).

Subsection (g) provides a definition of the term "nominating convention," which means any meeting, including a convention or caucus, held by a political party at the national level to choose that party's presidential nominee.

Subsection (h) defines the term "Secretary" to mean the Secretary of the Treasury of the United States.

**§ 9008.3 Entitlement to Payments from the Fund**

Subsection (a) follows 26 U.S.C. 9008(b)(1) which entitles major parties to receive with respect to any presidential nominating convention payments which shall not in the aggregate exceed \$2,000,000 (as adjusted by the Consumer Price Index under 26 U.S.C. 9008(b)(5) and 11 CFR 9008.4(a)).

Subsection (b) follows 26 U.S.C. 9008(b)(2) which entitles minor parties to receive an amount equal to a portion of a major party's entitlement on the basis of the number of votes received by the minor party in the preceding presidential election.

**§ 9008.4 Adjustment of Entitlement**

Subsection (a) follows 26 U.S.C. 9008(b)(5).

Subsection (b) provides for an adjustment to a national committee's entitlement on the basis of income earned through the investment of public funds. In calculating the amount of the adjustment, a deduction will be made for tax paid on such income.

Subsection (c) provides for an adjustment to a national committee's entitlement on the basis of private contributions received by the national committee to defray convention expenses.

**§ 9008.5 Limitation on Payments**

This section follows 26 U.S.C. 9008(b)(4).

**§ 9008.6 Use of Funds**

Subsection (a) sets forth the permissible uses for public funds received by the national committee.

Subsection (a)(1) follows 26 U.S.C. 9008(c)(1).

Subsection (a)(2) follows 26 U.S.C. 9008(c)(2), which permits the use of public funds to repay loans, the proceeds of which were used to defray convention expenses. Subsection (a)(2) adds the requirement that where public funds are used to pay the interest on such loans, the interest must be at a commercially reasonable rate.

Subsection (a)(3) follows 26 U.S.C. 9008(c)(2), which permits the use of public funds to restore funds which were used to defray convention expenses. Restoration of advances from the national committee are specifically permitted where those advances are used to defray convention expenses.

Subsection (a)(4) sets forth a list of expenses which are convention related and which may be defrayed with public funds. The list of expenses does not, however, include all convention expenses. The national committee is thus not limited to using its public funds only for the expenses listed but may also use public funds to defray any other expenses with respect to the convention.

Subsection (a)(5) permits a national committee to invest public funds; *Provided*, That the income generated from the investment is used to defray convention expenses.

Subsection (b) sets forth certain prohibitions in the use of public funds by a national committee.

Subsection (b)(1) follows 26 U.S.C. 9008(c), which prohibits the use of public funds to defray the expenses of any candidate or delegate participating in the convention. An exception is made for individuals who are participating in the convention as official party personnel, but who are simultaneously participating as delegates or alternate delegates. Since such individuals are participating in the convention as official personnel, there should be no prohibition against using public funds to defray their expenses. It does not appear that in prohibiting the use of public funds to defray the expenses of delegates, Congress intended to also bar the use of public funds to defray expenses of official convention personnel who happen to be serving as delegates or alternate delegates.

Subsection (b)(1) also specifically provides that candidates, delegates and



alternative delegates may attend official party convention activities such as receptions and dinners, which are paid for from public funds without violating 26 U.S.C. 9008(c). Attendance at such activities by a candidate or delegate does not amount to the prohibited use of public funds to defray expenses of that candidate or delegate.

Subsection (b)(2) prohibits the use of public funds to defray expenditures that violate federal or State law or any regulation prescribed thereunder.

Subsection (b)(3) prohibits the use of public funds to pay civil or criminal penalties imposed pursuant to the Act. This prohibition is necessary to prevent the use of federal funds to pay penalties imposed under federal law. In order to permit the payment of such penalties, subsection (b)(3) provides that amounts received or expended to pay such penalties will not be considered contributions or expenditures for certain purposes. Such amounts will not be subject to the contribution and expenditure limitations under U.S.C. 441a, and 26 U.S.C. 9008(d), nor will they be considered private contributions which diminish the amount of public funds the committee may receive under 11 CFR 9008.8(a)(2). However, amounts received or expended to pay criminal or civil penalties are subject to the prohibitions of 2 U.S.C. 441b, 441c, 441e, 441f, and 441g; and well as 11 CFR 110.4 and Parts 114 and 115.

#### § 9008.7 Limitation of expenditures.

Subsections (a)(1) and (a)(2) follow 2 U.S.C. 9008(d) which provides that major and minor parties may not incur expenditures with respect to a presidential nominating convention in excess of the amount of a major party's entitlement under 26 U.S.C. 9008(b).

Subsection (a)(3) interprets 26 U.S.C. 9008(d) which authorizes the Commission to permit a national committee to exceed the expenditure limitations with regard to its convention if, due to extraordinary and unforeseen circumstances, the excessive expenditures are necessary to assure the effective operation of the convention. Subsection (a)(3) clarifies the phrase "extraordinary and unforeseen circumstances" by giving two specific examples of such circumstances—a natural disaster or a catastrophic occurrence at the convention site. The legislative history of the statute which established public financing for national nominating conventions indicates that the phrase "extraordinary and unforeseen circumstances" was intended to include "events of a catastrophic nature [which] overwhelmingly imperil the operation of

a presidential nominating convention" (S. Rep. No. 93-1237, 93rd Cong., 2nd Sess., 107 (1974)). The excessive expenditures must be defrayed with private contributions which are subject to all prohibitions, limitations and requirements of the Act.

Subsection (b) permits government agencies to make certain expenditures for facilities or services with respect to a convention without the value of the facilities or services counting toward the party's expenditure limitation. For example, under this section, a city may contract with the national committee to provide certain facilities and services as part of an overall package to attract the convention to that city. If such expenses were counted against the party's limit, that limit would be unrealistically low. Further, it appears that Congress in deciding upon a dollar figure for expenditure limitations, took into consideration only those expenses which were actually paid by the national committee and ignored the value of facilities and services provided by the convention city and the host committee in that city. Also, under Subsection (b), the agency which provides facilities or services to the convention may not obtain goods or services from other persons at less than fair market value, except for reductions or discounts made in the ordinary course of business. This restriction is imposed in order to prevent the government agency from acting as a conduit for prohibited contributions. (See generally A0 1975-1)

Subsection (c)(1) makes it clear that retail businesses may give normal discounts to a national committee with respect to the convention. In order to prevent illegal contributions, it is required that such discounts be in the ordinary course of business. In enforcing this standard, the Commission would examine whether such discounts were in accordance with standard practice based on the quantity of similar goods or services sold or provided in similar transactions. Banks are, however, prohibited from providing such discounts. Under 2 U.S.C. 441b all banks are prohibited from making contributions or expenditures in connection with a federal election, and national banks are prohibited from making contributions or expenditures in connection with any election whether federal, state or local. In view of this broad prohibition, particularly with regard to national banks, the Commission has decided that banks should not be permitted to give discounts to the national committee with respect to its convention.

Subsection (c)(2) permits local businesses to give away samples and promotional items to convention attendees without such gifts being treated as illegal contributions or expenditures. A local business is defined as any business within the Standard Metropolitan Statistical Area (SMSA) of the convention city. The SMSA is used by agencies in administering a wide variety of federal loan and grant programs. It provides a uniform statistical standard for designating the economic and social unit which centers around a city. Local banks are also permitted to give away samples and promotional items. Inasmuch as the samples and items must be of nominal value and provided solely for bona fide advertising or promotional purposes, rather than for political purposes, the Commission did not consider this activity to be prohibited by 2 U.S.C. 441b.

Subsection (d) deals with host committees, which are defined as nonprofit organizations whose basic purpose is the promotion of its city's commerce and image. The host committee in the convention city permitted to receive and make two types of contributions and expenditures—those aimed at promoting the city and its commerce and those for the purpose of defraying convention expenses. Both types of contributions and expenditures by host committees do not count as contributions to the party or as expenditures subject to the party's limitation. (See Explanation and Justification of 11 CFR 9008.7(b).)

A wide variety of persons including individuals, local businesses, local government agencies, and union locals, are permitted to donate funds to the host committee for use in promoting the city and its commerce. No limitations are placed on the size of such donations. Far greater restrictions are, however, placed on funds received and expended to defray convention expenses. Only local retail businesses may donate funds for use by the host committee to defray convention expenses and these donations are limited to an amount proportionate to the commercial return reasonably expected during the life of the convention by the particular business. For purposes of this subsection, the life of the convention is deemed to begin seven days before the opening of the convention and to end three days after the close of the convention. This time period coincides with the dates on which the majority of convention attendees normally arrive and depart.



The restrictions concerning who may donate funds to defray convention expenses and the amounts which may be donated are necessary to insure that such donations are commercially, rather than politically motivated. Further, the national committee of a political party is entitled to receive public money to pay for its convention and is in turn limited in the amount which it may spend on that convention. Defrayal of convention expenses by a host committee is intended to be a very narrow exception to the statutory limitation on convention expenses.

Finally, under subsection (d), *all* local retail businesses, whether incorporated or unincorporated, may make donations to the host committee. While incorporated businesses are prohibited by 2 U.S.C. 441b from making contributions or expenditures in connection with a federal election, donations by such corporations to a host committee in accordance with the restrictions set forth in subsection (d) are sufficiently akin to a commercial transaction to fall outside the scope of that prohibition.

Subsection (e) provides that amounts paid by candidates from campaign funds or by delegates or others from personal funds to attend the convention do not count against the national committee's expenditure limitation. Since 26 U.S.C. 9008(c) prohibits the use of public funds to pay the expenses of any candidate or delegate to participate in the convention such amounts should not count against the national committee's expenditure limitation. Similarly, if the expenses are paid by a State or local party committee, such amounts do not count against the national committee's limitations.

Subsection (f) follows 26 U.S.C. 9008(d)(4).

#### § 9008.8 *Payment and Certification*

Subsection (a) makes clear that the public financing of conventions is optional, and accordingly, the national committee of a political party may elect to receive all, part, or none of the amounts which it is entitled to receive. The committee is free to accept contributions for the convention so long as the amount of contributions when added to the amount of public funds requested, does not exceed the expenditure limitation of \$2 million.

Subsection (b) sets forth the eligibility requirements which a national committee must satisfy in order to receive public funds. The Commission's authority to establish such requirements derives from 26 U.S.C. 9008(g). Section 9008(g) provides that a party which requests funds shall file a statement containing such information as the

Commission may require and that the Commission shall process that request according to procedures which it establishes. Under subsection (b), the national committee is required to establish a convention committee which will receive all public funds to which the national committee is entitled and which will be responsible for conducting the arrangements for the convention. The establishment of a convention committee is a necessary requirement in order to enable the Commission to know who has initial responsibility for handling public funds and incurring expenditures. (Note however, that the national committee remains ultimately responsible for paying civil and criminal penalties under the Act and for making repayment 11 CFR 9008.8(b)(4)(viii) and 9008.10.) The convention committee is required to agree to certain conditions prior to receiving public funds and this agreement is also binding on the national committee. The conditions to which the convention committee must agree include compliance with expenditure limitations, filing convention reports, payment of civil and criminal penalties, documenting convention expenses, submitting to audits, etc.

With regard to documenting convention expenses, under subsection (b)(8)(V), the convention committee has the burden of proving that public funds were used to defray convention expenses. This burden consists of two elements—the committee must show (1) that an expenditure was actually made or incurred; and (2) that an expenditure was with respect to or in connection with the convention. The committee will be able to show an expenditure was actually made by retaining proper documentation for that expenditure. Generally, the minimum acceptable documentation for all expenditures, except petty cash fund expenditures, is a cancelled check to the person who provided the goods or services to the convention. In addition to proper documentation, the committee may be required to provide an explanation of the connection between the expenditure and the convention. This requirement is designed to insure that public funds are spent on convention related expenditures. Under 26 U.S.C. 9008(b)(1), a national committee is entitled to public funds "with respect to [a] presidential nominating convention." Those funds must hence be spent only on convention related expenditures. Repayment is required for expenditures which are not properly documented or are not in connection with the convention. (See 11 CFR 9008.10)

Subsection (c) follows 26 U.S.C. 9008(b)(5).

Subsection (d) follows 26 U.S.C. 9008(e).

Subsection (e) follows 26 U.S.C. 9008(g).

#### § 9008.9 *Examination and Audits*

Section 9008.9 follows 26 U.S.C. 9008(g), which provides that certifications by the Commission shall be subject to an examination and audit conducted no later than December 31 of the year of the convention. Since the convention committee will be the recipient of public funds, this section provides for an audit of that committee.

This section also provides for an examination and audit of each host committee. Such committees are permitted to receive donations to defray convention expenses. It is hence necessary for the Commission to audit them in order to insure that those donations were properly raised and spent.

#### § 9008.10

This section implements 26 U.S.C. 9008(h) which gives the Commission the same authority to require repayments as it has under 26 U.S.C. 9007(b). Accordingly, this section follows 9007(b) by requiring repayments under subsection (a), if the payments to the national committee exceed its entitlement, under subsection (b), if the national committee's convention expenses exceed its entitlement under subsection (c), if the national committee accepted private contributions which when added to the payments received exceed its expenditure limitation, or under subsection (d), if any public funds were used for unlawful purposes.

Subsection (d) also requires a repayment for expenditures which are not properly documented. (See Explanation and Justification of § 9008.8(b).)

Subsection (e) has been added to fill a void in the statutory repayment provisions by specifying that the committee may not retain public monies.

Subsection (f) follows 26 U.S.C. 9007(b)(5).

Subsection (g) follows 26 U.S.C. 9007(c).

#### § 9008.11 *Resolution of Disputes Concerning Repayment*

This section sets forth a procedure concerning disputes with regard to repayments required by the Commission.

The Federal Election Campaign Act does not provide that Administrative Procedure Act (APA) requirements for adjudicative hearings (5 U.S.C. 554-557)



apply to determinations by the Commission. While APA requirements for a full trial type hearing may not be applicable, procedural due process requirements mandate that prior to repayment the committee be afforded some type of opportunity to demonstrate to the Commission that repayment is not warranted. (See K. Davis, Administrative Law of the Seventies, § 7.00-1-3 (Supp. 1977); *Mathews v. Eldridge*, 424 U.S.C. 319 (1976).)

The procedure set forth in this section fulfills due process requirements. It includes the following elements: Notice of the legal and factual matters upon which the Commission is relying; an opportunity for the committee to present in writing evidence and reasons why repayment is not warranted; a final determination by the Commission on the basis of all evidence presented; and a statement of reasons underlying the Commission's determination. (It should be noted even if the APA requirements were applicable to determinations by the Commission, the APA itself contains a significant exception to the requirement for a full trial type hearing by providing for the submission of evidence in written form under 5 U.S.C. 556(d).)

#### § 9008.12 Registration and Reports

Section 9008.12 derives from the requirements of 2 U.S.C. 437. Subsection (a) provides for registration and reporting by host committees or other organizations or groups which deal with officials of a national political party with respect to matters involving a Presidential nominating convention. No registration or reporting is, however, required for host committees, organizations or groups which are unsuccessful in attracting the convention to a city.

Subsection (b) requires the convention committee of each party which receives public funds to register and file reports with the Commission. Committees of parties which do not receive public funds must also register and file reports with the Commission. Reports must be filed on a quarterly basis except that a post convention report is to be filed in lieu of any quarterly report due within 20 days before or after the convention. Under 2 U.S.C. 437, only a post convention report is explicitly required. Although there is no specific statutory requirement for any other report this section requires quarterly reporting prior to the convention in order to monitor the receipt and spending of private contributions and the disbursement of Federal funds by a national committee.

Subchapter F, Part 9008 is added to 11 CFR, Chapter I, to read as follows:

## CHAPTER I—FEDERAL ELECTION COMMISSION

### Subchapter F—Presidential Election Campaign Fund, Federal Financing of Presidential Nominating Conventions, Part 9008

#### PART 9008—FEDERAL FINANCING OF PRESIDENTIAL NOMINATING CONVENTIONS

- Sec.
- 9008.1 Scope.
  - 9008.2 Definitions.
  - 9008.3 Entitlement to payment from the Fund.
  - 9008.4 Adjustment to entitlement.
  - 9008.5 Limitation on payments.
  - 9008.6 Use of funds.
  - 9008.7 Limitation of expenditures.
  - 9008.8 Payment and certification procedures.
  - 9008.9 Examination and audits.
  - 9008.10 Repayments.
  - 9008.11 Resolution of disputes concerning repayments.
  - 9008.12 Registration and reports.

Authority: Sec. 406(a), Pub. L. 93-443, 88 Stat. 1294-96, as amended by sec. 303, 307(a), Pub. L. 94-283, 90 Stat. 498, 501 (26 U.S.C. 9008).

#### § 9008.1 Scope.

(a) This part interprets 2 U.S.C. 437 and 26 U.S.C. 9008. Under 26 U.S.C. 9008(b), the national committees of both major and minor parties are entitled to public funds to defray expenses incurred with respect to a Presidential nominating convention. Under 26 U.S.C. 9008(d), expenditures with regard to such a convention by a national committee receiving public funds are limited to \$2,000,000, as adjusted by the Consumer Price Index. New parties are not entitled to receive any public funds to defray convention expenses.

(b) Under 2 U.S.C. 437, each committee or organization which represents a national party in making arrangements for that party's presidential nominating convention is required to file disclosure reports. This reporting obligation extends to all such committees or organizations, regardless of whether or not public funds were used or available to defray convention expenses. In addition, 2 U.S.C. 437 requires reports from each committee or organization which represents a State, a political subdivision or any other group of persons in dealing with national political party officials with respect to matters involving a presidential nominating convention held in the State or subdivision. Under this provision, the host committee in the convention city is required to report contributions or expenditures with respect to a presidential nominating convention.

However, unsuccessful efforts to attract a convention need not be reported by any city, committee or other organization.

#### § 9008.2 Definitions.

(a) "Commission" means the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

(b) "Fund" means the Presidential Election Campaign Fund established by 26 U.S.C. 9006(a).

(c) "Major party" means, with respect to any presidential election, a political party whose candidate for the office of President in the preceding presidential election received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office.

(d) "Minor party" means, with respect to any presidential election, a political party whose candidate for the office of President in the preceding presidential election received, as the candidate of such party, 5 percent or more, but less than 25 percent, of the total number of popular votes received by all candidates for such office.

(e) "National committee" means the organization which, by virtue of the by-laws of the political party, is responsible for the day to day operation of that party at the national level. (2 U.S.C. 431(k)).

(f) "New party" means, with respect to any presidential election, a political party which is neither a major party nor a minor party.

(g) "Nominating convention" means a convention, caucus or other meeting which is held by a political party at the national level and which chooses the presidential nominee of the party through selection by delegates to that convention or through other similar means.

(h) "Secretary" means the Secretary of the Treasury of the United States.

#### § 9008.3 Entitlement to payments from the fund.

(a) *Major parties.* Subject to the provisions of 11 CFR Part 9008, the national committee of a major party shall be entitled to receive payments under 11 CFR 9008.8 with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed \$2 million, as adjusted by the Consumer Price Index under 11 CFR 9008.4(a).

(b) *Minor parties.* Subject to the provisions of 11 CFR Part 9008, the national committee of a minor party shall be entitled to payments under 11 CFR 9008.8 with respect to any presidential nominating convention in amounts which, in the aggregate, shall



not exceed an amount which bears the same ratio to the amount which the national committee of a major party is entitled to receive under 11 CFR 9008.4 as the number of popular votes received in the preceding presidential election by that minor party's presidential candidate bears to the average number of popular votes received in the preceding presidential election by all of the major party presidential candidates.

#### § 9008.4 Adjustment of entitlement.

(a) The entitlements established by 11 CFR 9008.3 shall be adjusted on the basis of the Consumer Price Index pursuant to the provisions of 2 U.S.C. 441a(c).

(b) The entitlements established by 11 CFR 9008.3 shall be decreased by the amount of income generated by the investment of public funds under 11 CFR 9008.6(a)(5), less any tax paid on such income.

(c) The entitlements established by 11 CFR 9008.3 shall be adjusted so as not to exceed the difference between the expenditure limitations of 11 CFR 9008.7(a) and the amount of private contributions received under § 9008.8(a) by the national committee of a political party. In calculating these adjustments, amounts expended by Government agencies and municipal corporations in accordance with 11 CFR 9008.7(b); in kind contributions by businesses to the national committee or convention committee in accordance with 11 CFR 9008.7(c); expenditures by host committees in accordance with 11 CFR 9008.7(d); expenditures to participate in or attend the convention under 11 CFR 9008.7(e); and legal and accounting services rendered in accordance with 11 CFR 9008.7(f) will not be considered private contributions or expenditures counting against the limitation.

#### § 9008.5 Limitation on payments.

Payments to the national committee of a major party or a minor party under 11 CFR 9008.8 from the account designated for such committee shall be limited to the amounts in such account at the time of payment.

#### § 9008.6 Use of funds.

(a) *Permissible Uses.* Any payment made under 11 CFR 9008.8 shall be used only for the following purposes:

(1) Such payment may be used to defray convention expenses (including the payment of deposits) incurred by or on behalf of the national committee receiving such payments; or

(2) Such payment may be used to repay the principal and interest, at a commercially reasonable rate, on loans

the proceeds of which were used to defray convention expenses; or

(3) Such payment may be used to restore funds (including advances from the national committee to the convention committee), other than contributions to the committee for the purpose of defraying convention expenses, where such funds were used to defray convention expenses.

(4) Convention expenses include all expenses incurred by or on behalf of a political party national committee or convention committee with respect to and for the purpose of conducting a presidential nominating convention or convention-related activities. Such expenses include, but are not limited to:

(i) Expenses for preparing, maintaining, and dismantling the physical site of the convention, including rental of the hall, platforms and seating, decorations, telephones, security, convention hall utilities, etc.;

(ii) Salaries and expenses of convention committee employees, volunteers and similar personnel, whose responsibilities involve planning, management or otherwise conducting the convention;

(iii) Salary or portion of the salary of any national committee employee for any period of time during which, as a major responsibility, that employee performs services related to the convention;

(iv) Expenses of national committee employees, volunteers or other similar personnel if those expenses were incurred in the performance of services for the convention in addition to the services normally rendered to the national committee by such personnel;

(v) Expenses for conducting meetings of or related to committees dealing with the conduct and operation of the convention, such as rules, credentials, platform, site, contests, call, arrangements and permanent organization committees, with such expenses including printing materials and rental costs for meeting space.

(vi) Expenses incurred in securing a convention city and facility;

(vii) Expenses incurred in providing a transportation system in the convention city for use by delegates and other persons attending or otherwise connected with the convention;

(viii) Expenses for entertainment activities which are part of official convention activity sponsored by the national committee, such expenses to include (but not limited to) dinners, concerts, and receptions; except that expenses for the following activities are excluded: (A) Entertainment activities sponsored by or on behalf of candidates for nomination to the office of President

or Vice President, or State delegations; (B) entertainment activities sponsored by the national committee if the purpose of the activity is solely for national committee business, such as fundraising events, or selection of new national committee officers; (C) entertainment activities sponsored by persons other than the national committee; and (D) entertainment activities prohibited by law;

(ix) Expenses for printing convention programs, a journal of proceedings, agendas, tickets, badges, passes, and other similar publications;

(x) Administrative and office expenses for conducting the convention, such expenses to include stationery, office supplies, office machines, and telephone charges; but excluded from these expenses are the cost of any services supplied by the national committee at its headquarters or principal office if such services are incidental to the convention and not utilized primarily for the convention; and

(xi) Payment of the principal and interest, at a commercially reasonable rate, on loans the proceeds of which were used to defray convention expenses.

(5) Any investment of public funds or any other use of public funds to generate income is permissible only if the income so generated is used to defray convention expenses. Such income, less any tax paid on it, will be applied against the national committee's payments under 11 CFR 9008.2, or where appropriate, the Commission may determine that a repayment is required on the basis of such income.

(b) *Prohibited uses.* (1) No part of any payment made under 11 CFR 9008.8 shall be used to defray the expenses of any candidate, delegate, or alternate delegate who is participating in any presidential nominating convention except that the expenses of a person participating in the convention as official personnel of the national party may be defrayed with public funds even though that person is simultaneously participating as delegate or candidate to the convention. This part shall not prohibit candidates, delegates or alternate delegates who are participating in a presidential nominating convention from attending official party convention activities including but not limited to dinners, concerts and receptions, where such activities are paid for with public funds.

(2) Public funds shall not be used to defray any expense the incurring or payment of which violates any law of the United States or any law of the State in which such expense is incurred or



paid, or any regulation prescribed under federal or State laws.

(3) Public funds shall not be used to pay civil or criminal penalties required to be paid pursuant to the Act (as defined at 2 U.S.C. 431(o)). Any amounts received or expended by the national committee or convention committee of a political party to pay such penalties shall not be considered contributions or expenditures, except that such amounts shall be reported in accordance with 11 CFR Part 104 and shall be subject to the prohibitions of 11 CFR 110.4 and 11 CFR Parts 114 and 115.

#### § 9008.7 Limitation of expenditures.

(a) *National party limitations*—(1) *Major parties.* Except as provided by 11 CFR 9008.7(a)(3), the national committee of a major party may not incur convention expenses with respect to a Presidential nominating convention which, in the aggregate, exceed the amount to which such committee is entitled under 11 CFR 9008.3, and 9008.4.

(2) *Minor parties.* Except as provided by 11 CFR 9008.7(a)(3), the national committee of a minor party may not incur convention expenses with respect to a Presidential nominating convention which, in the aggregate, exceed the amount to which the national committee of a major party is entitled under 11 CFR 9008.3 and 9008.4.

(3) *Authorization to exceed limitation.* The Commission may authorize the national committee of a major party or minor party to make expenditures for convention expenses, which expenditures exceed the limitation established by 11 CFR 9008.7(a)(1) or 11 CFR 9008.7(a)(2). This authorization shall be based upon a determination by the Commission that, due to extraordinary and unforeseen circumstances, the expenditures are necessary to assure the effective operation of the Presidential nominating convention by the committee. Examples of "extraordinary and unforeseen circumstances" include, but are not limited to, a natural disaster or a catastrophic occurrence at the convention site. In no case, however, will such authorization entitle a national committee to receive public funds greater than the entitlement specified under 11 CFR 9008.3 and 9008.4. All private contributions received to defray expenditures under 11 CFR 9008.7(a)(3) shall be subject to all reporting requirements, limitations (except for limitations imposed by 11 CFR 9008.7(a)(1) and 9008.7(a)(2)) and prohibitions of the Act (as defined at 2 U.S.C. 431(o)).

(b) *Expenditures by Government Agencies and Municipal Corporations.*

(1) Federal, State or local government agencies and municipal corporations may make expenditures for facilities or services with respect to a presidential nominating convention. Such expenditures will not be considered contributions to the national committee, expenditures counting against the national committee's limitation, or illegal corporate contributions by the agency or municipal corporation. In providing facilities or services to the national committee, the agency or municipal corporation may not obtain facilities, services or goods from other persons at less than fair market value, except that the agency or municipal corporation may accept reduced or discounted rates, provided that such reductions were made in the ordinary course of business.

(2) Examples of expenditures which government agencies and municipal corporations may make under 11 CFR 9008.7(b) include but are not limited to:

(i) Granting the national committee use of an auditorium or convention center; construction and convention related services therein such as: Construction of podiums; press tables; false floors; camera platforms; additional seating; lighting, electrical, air conditioning and loudspeaker systems; offices; office equipment; and decorations;

(ii) Various local transportation services, including the provision of buses and automobiles;

(iii) Law enforcement services necessary to assure orderly conventions;

(iv) Use of convention bureau personnel to provide central housing and reservation services;

(v) Hotel rooms at no charge or a reduced rate on the basis of the number of rooms actually booked for the convention;

(vi) Accommodations and hospitality for committees of the parties responsible for choosing the sites of the conventions, and

(vii) Other similar convention related facilities and services.

(c) *In-Kind Contributions by Businesses*—(1) *Discounts by retail businesses.* (i) Retail businesses may sell, lease or rent their products, materials, services or space to the national committee with respect to a presidential nominating convention at reduced or discounted rates: *Provided,* That such reductions or discounts are in the ordinary course of business. For purposes of this section, a bank shall not be considered a retail business.

(ii) Discounts or reductions in accordance with 11 CFR 9008.7(c)(i) will not count toward the national party

expenditure limitation under 11 CFR 9008.7(a).

(2) *Samples and promotional material.* (i) Local businesses may sell, at nominal cost, or provide at no charge, any of their products or services in the form of samples, discount coupons, promotional items, such as maps, pens, or pencils, with the business' name imprinted on the item, to those attending the convention functions. Such samples, coupons and promotional items shall be: Of nominal value; provided solely for bona fide advertising or promotional purposes; and provided in the ordinary course of business.

(ii) The samples and promotional material may be distributed by or with the help of persons employed by the business, or employed by or volunteering for the national party or a citizen host committee.

(iii) For purposes of 11 CFR 9008.7(c)(2), a local bank shall be considered a local business.

(iv) For purposes of 11 CFR 9008.7(c)(2), any business within the Standard Metropolitan Statistical Area (SMSA) of the convention city shall be considered a local business. There shall be a rebuttable presumption that any business located outside the SMSA is not a local business. This presumption may be rebutted by a showing that the volume of business in an area outside the SMSA would be directly affected by the presence of the convention.

(v) The value of the benefits provided under 11 CFR 9008.7(c)(2) will not count toward the national party's expenditure limitation under 11 CFR 9008.7(a).

(d) *Contributions to and Expenditures by Host Committees*—(1) *Host Committee Organization.* A host committee includes any local organization, such as a local civic association, business league, chamber of commerce, real estate board, board of trade, or convention bureau: Which is not organized for profit; whose net earnings do not inure to the benefit of any private shareholder or individual; and whose principal objective is the encouragement of commerce in the convention city, as well as the projection of favorable image of the city to convention attendees. A host committee must register in accordance with 11 CFR 9008.12(a)(1)(i).

(2) *Contributions and Expenditures to Promote Convention City and Its Commerce.* (i) Local businesses, excluding banks, local municipal corporations and government agencies, local labor organizations, and individuals may donate funds or make in kind contributions to a host committee for the purposes set forth at 11 CFR 9008.7(d)(2)(iii).



(ii) The donor may restrict the use of funds by earmarking them for a particular project, by having the donation acknowledged (e.g. courtesy of XYZ Company) or by placing any other similar restriction on the use of the funds.

(iii) A host committee shall use funds donated under 11 CFR 9008.7(d)(2)(i) for only the following purposes:

(A) To defray those expenses incurred for the purpose of promoting the suitability of the city as a convention site;

(B) To defray those expenses incurred for welcoming the convention attendees to the city, such as expenses for information booths, receptions, and tours;

(C) To defray those expenses incurred in facilitating commerce, such as providing the convention and attendees with shopping and entertainment guides and distributing the samples and promotional material specified in § 9008.7(c)(2);

(D) To defray the administrative expenses incurred by the host committee, such as salaries, rent, travel, and liability insurance;

(iv) For purposes of 11 CFR 9008.7(d)(2), any business, municipal corporation, agency or labor organization within the Standard Metropolitan Statistical Area (SMSA) of the convention city shall be considered local. There shall be a rebuttable presumption that any such entity located outside the SMSA is not local. This presumption may be rebutted by a showing that the volume of business in an area lying outside the SMSA would be directly affected by the presence of the convention.

(3) *Contributions and Expenditures to Defray Convention Expenses.* (i) Local retail businesses, excluding banks, as well as local municipal corporations and government agencies may donate funds to a host committee for use by that committee in defraying convention expenses. Examples of expenditures which the host committee may make for convention expenses include but are not limited to those set forth at 11 CFR 9008.7(b)(2). No other corporate funds may be used to pay such expenses.

(ii) The amount of the donation under 11 CFR 9008.7(d)(3)(i) must be proportionate to the commercial return reasonably expected by the business, corporation or agency during the life of the convention.

(iii) The host committee must maintain funds donated under 11 CFR 9008.7(d)(3)(i) in a separate account.

(iv) For purposes of 11 CFR 9008.7(d)(3), any determination as to whether or not a business, labor

organization, municipal corporation or agency is local shall be made in accordance with 11 CFR 9008.7(d)(2)(iv).

(v) For purposes of 11 CFR 9008.7(d)(3)(ii), the life of the convention shall begin seven days before the opening of the convention and end three days after the close of the convention.

(4) *Expenditure limitation.* Funds used by the host committee in accordance with §§ 9008.7(d)(2) and 9008.7(d)(3) shall not be considered expenditures and shall not count against the expenditure limitation under 11 CFR 9008.7(a).

(e) *Expenditures to Participate in or Attend Convention.* Expenditures made by presidential candidates from campaign accounts, by delegates, or by any other individual from his or her personal funds for the purpose of attending or participating in the convention or convention related activities, or by State or local committees of a political party on behalf of such delegates of individuals shall not be considered expenditures made by or on behalf of the national party, and shall therefore not be subject to the overall expenditure limitations of 11 CFR 9008.7.

(f) *Legal and Accounting Services.* (1) The payment of compensation to an individual by his or her regular employer for legal and accounting services rendered to or on behalf of the national committee shall not be considered an expenditure and shall not count against the expenditure limitation under 11 CFR 9008.7.

(2) The payment by the national committee of compensation to any individual for legal and accounting services rendered to or on behalf of the national committee shall be considered an expenditure and shall count against the expenditure limitation under 11 CFR 9008.7, whether paid from public funds or from private contributions.

#### § 9008.8 Payment and certification procedures.

(a) *Optional payments; private contributions.* (1) The national committee of a major or minor party may elect to receive all, part, or none of the amounts to which it is entitled under 11 CFR 9008.3 and 9008.4.

(2) The national committee of a major party electing to receive all or part of the amounts to which it is entitled under 11 CFR 9008.3 and 9008.4 may receive and use private contributions, so long as the sum of the contributions which are used to defray convention expenses and the amount of entitlements elected to be received does not exceed the total expenditure limitation under 11 CFR 9008.7.

(3) A minor party electing to receive all or part of the amounts to which it is entitled under 11 CFR 9008.3 and 9008.4 may receive and use private contributions for the nominating convention, so long as the sum of the contributions which are used to defray convention expenses and the amount of entitlements elected to be received does not exceed the total expenditure limitation under 11 CFR 9008.7.

(4) All private contributions received by the national committee to defray convention expenses shall be subject to all reporting requirements, limitations and prohibitions of the Act (as defined at 2 U.S.C. 431(o)).

(b) *Eligibility requirements.* (1) To qualify for entitlement under 11 CFR 9008.3 and 9008.4, the national committee of a major or minor political party shall establish a convention committee pursuant to 11 CFR 9008.8(b)(2) and shall file an application statement pursuant to 11 CFR 9008.8(b)(3). The convention committee, in conjunction with the national committee, shall file an agreement to comply with the conditions set forth at 11 CFR 9008.8(b)(4).

(2) The national committee shall establish a convention committee which shall be responsible for conducting the day to day arrangements and operations of that party's presidential nominating convention. The convention committee shall register with the Commission as a political committee pursuant to 11 CFR Part 102. The convention committee shall receive all public funds to which the national committee is entitled under 11 CFR 9008.3 and 9008.4 and all private contributions made for the purpose of defraying convention expenses. All expenditures on behalf of the national committee for convention expenses shall be made by the convention committee.

(3) The national committee shall file with the Commission an application statement including the information set forth below and any changes in such information must be reported to the Commission within 10 days following the change:

(i) The name and address of the national committee;

(ii) The name and address of the convention committee and of the officers of that committee;

(iii) The name of the city where the convention is to be held and the approximate dates;

(iv) The name, address, and position of the convention committee officers designated by the national committee to sign requests for payments; and

(v) The name and address of the commercial bank to be used as the depository of the convention committee;



(4) The convention committee shall, by letter to the Commission, agree to the conditions set forth below and such agreement shall also be binding upon the national committee.

(i) The convention committee shall agree to comply with the applicable expenditure limitation set forth at 11 CFR 9008.7.

(ii) The convention committee shall agree to file convention reports as required under 2 U.S.C. 437 and 11 CFR 9008.12.

(iii) The convention committee shall agree to establish one or more accounts into which all public funds received under 11 CFR 9008.3 and 9008.4 must be deposited and from which all expenditures for convention expenses must be made, provided that such account(s) shall contain only public funds.

(iv) The convention committee shall agree to establish one or more accounts into which all private contributions received to defray convention expenses shall be deposited and from which all expenditures to defray such expense shall be made: *Provided*, That such accounts contain private contributions solely.

(v) The convention committee shall agree to obtain and furnish to the Commission at its request evidence of convention expenses made by the committee. The convention committee has the burden of proving that expenditures by the convention committee were for purposes of defraying convention expenses as set forth at 11 CFR 9008.6(a)(4). The convention committee must include as part of the evidence of convention expenses the following documentation:

(A) For expenditures exceeding \$100 or for expenditures of less than \$100 to a payee who receives expenditures aggregating more than \$100 per year, either:

(1) A receipted bill which is from the payee and states the particulars of the expenditure; or

(2) If such a receipted bill is not available, the following documents, which must state the particulars of the expenditure:

(a) A cancelled check negotiated by the payee; plus

(b) One of the following documents generated by the payee—a bill, invoice, voucher or contemporaneous memorandum;

(c) Where the documents specified at subparagraph (b) are not available, a voucher or contemporaneous memorandum from the committee; or

(3) If neither a receipted bill nor the documentation specified in subparagraph (c) is available, a

cancelled check stating the particulars of the expenditure.

(4) Where the supporting documentation required above is not available, the committee may present a cancelled check and collateral evidence to document the qualified campaign expense. Such collateral evidence may include but is not limited to:

(a) Evidence demonstrating that the expenditure is part of an identifiable program or project which is otherwise sufficiently documented, such as where the expenditure is one of a number of documented expenditures relating to the operation of a committee office;

(b) Evidence that the expenditure is covered by a preestablished written committee policy, such as a per diem policy.

(B) For all other expenditures:

(1) If from the petty cash fund, a record disclosing the identification of the payee, the amount and the date of the expenditure; or

(2) A cancelled check which has been negotiated by the payee and states the identification of the payee, and the amount and date of the expenditure.

(C) For purposes of 11 CFR 9008.8(b)(3)(vi), "payee" means the person who provides the goods or services to the committee in return for the expenditure except for an advance of \$2,000 or less for travel and/or subsistence to an individual who will be the recipient of the goods or services purchased.

(D) For purposes of 11 CFR 9008.8(b)(3)(vi) the term "particulars" means the identification of the payee, the date and amount of the expenditure, and a description of the goods or services purchased.

(E) Upon the request of the Commission the convention committee shall supply an explanation of the connection between the expenditure and the convention.

(vi) The convention committee shall agree to furnish to the Commission any books, records, including bank records for all accounts, and a copy of any contract which the national committee enters into with a host committee or convention city, as well as other information that the Commission may request.

(vii) The convention committee shall agree to permit an audit and examination pursuant to 26 U.S.C. 9008(g) and 11 CFR 9008.9 of all convention expenses; to facilitate such audit by making available office space, records, and such personnel as is necessary to the conduct of the audit and examination; and to pay any amounts required to be paid under 26 U.S.C. 9008(h) and 11 CFR 9008.10.

(viii) The convention committee shall pay any civil penalties included in a conciliation agreement with or imposed under 2 U.S.C. 437g.

(5) The application statement and agreement may be filed anytime after June 1 of the calendar year preceding the year in which a Presidential nominating convention of a political party is held, but no later than first day of the convention.

(c) *Increase in certified amount.* If the application statement is filed before it is possible to determine the cost of living increase for the year preceding the convention, that amount determined by the increase shall be paid to the national committee promptly after the increase has been determined.

(d) *Availability of payments.* The national committee of a major or minor party may receive payments under 11 CFR 9008.8 beginning on July 1 of the calendar year immediately preceding the calendar in which a Presidential nominating convention of the political party involved is held.

(e) *Certification of payment.* After a national committee has properly submitted its application statement and agreement as required under 11 CFR 9008.8(b), and upon receipt of a written request, payment of the committee's entitlement shall be certified by the Commission to the Secretary of the Treasury.

#### § 9008.9 Examination and audits.

The Commission shall conduct an examination and audit of the convention committee no later than December 31 of the calendar year of the convention and may at any time conduct other examinations and audits as it deems necessary. The Commission shall also conduct an examination and audit of each host committee registered under 11 CFR 9008.12(a)(1).

#### § 9008.10 Repayments.

(a) *Excess Payments.* If the Commission determines that any portion of the payments to the national committee or convention committee under 11 CFR 9008.8(b) was in excess of the aggregate payments to which the national committee was entitled under 11 CFR 9008.3 and 9008.4, it shall so notify the national committee, and the national committee shall pay to the Secretary an amount equal to such portion.

(b) *Excessive Expenditures.* If the Commission determines that the national committee or convention committee incurred convention expenses in excess of the limitations under 11 CFR 9008.7(a), it shall notify such national committee of the amount



of such excessive expenditures, and such national committee shall pay to the Secretary an amount equal to the amount specified.

(c) *Excessive Contributions.* If the Commission determines that the national committee accepted contributions to defray convention expenses which, when added to the amount of payments received, exceeds the expenditure limitation of such party, it shall notify such national committee of the amount of the contributions so accepted, and such national committee shall pay to the Secretary an amount equal to the amount specified.

(d) *Improper Usage or Documentation.* If the Commission determines that any amount of any payment to the national committee or convention committee under 11 CFR 9008.8(b) was used for any purposes other than the purposes authorized at 11 CFR 9008.6 or was not documented in accordance with 11 CFR 9008.8(b)(4)(v), it shall notify the national committee of the amount improperly used or documented and such national committee shall pay to the Secretary an amount equal to the amount specified.

(e) *Unspent Funds.* (1) If any portion of the payment under 11 CFR 9008.3 remains unspent after all convention expenses have been paid, that portion shall be returned to the Secretary of the Treasury.

(2) The national committee or convention committee shall make an interim repayment of unspent funds based on the financial position of the committee as of the end of the sixth month following the last day of the convention, allowing for a reasonable amount as determined by the Commission to be withheld for unanticipated contingencies. If, after written request by the national committee or convention committee, the Commission determines, upon review of evidence presented by either committee, that amounts previously refunded are needed to defray convention expenses, the Commission shall certify such amount for payment.

(3) All unspent funds shall be repaid to the U.S. Treasury no later than 24 months after the last day of the convention, unless the national committee has been granted an extension of time. The Commission may grant any extension of time it deems appropriate upon request of the national committee.

(f) *Repayment Limit.* No repayment shall be required from the national committee or the convention committee under 11 CFR 9008.10, which, when added to other repayments required from such national committee under this

section, exceeds the amount of payments received by such national committee under §§ 9008.3 and 9008.4.

(g) *Notice.* (1) If the Commission determines that repayment is required, it shall give written notification to committee of the amounts required to be paid and the reasons therefor. No notification shall be made by the Commission under this section more than 3 years after the last day of the Presidential nominating convention.

(2) The national party shall repay to the Secretary, within 90 days of the notice, the amount of the repayment. Upon application submitted by the national committee or convention committee, the Commission may grant a 90-day extension of the repayment period.

(3) All repayments shall be made payable to the U.S. Treasury, Bureau of Government Finance Operations and shall be deposited in the general fund of the Treasury.

#### § 9008.11 Resolution of disputes concerning repayments.

(a) If the convention committee or national committee disputes the Commission's determination under 11 CFR 9008.10 that a repayment is required, it shall submit to the Commission in writing within 30 days of receipt of the Commission's notice legal or factual materials to demonstrate that a repayment is not required.

(b) The Commission will consider any written legal or factual material submitted by either committee in making its final determination. Such materials may be submitted by counsel if the committee so desires.

(c) A final determination by the Commission that a national committee must repay a certain amount shall be accompanied by a written statement of reasons for the Commission's actions. This statement shall explain the reasons underlying the Commission's determination and shall summarize the results of any investigation upon which the determination is based.

(d) The national committee shall repay to the Secretary any amount required to be repaid within ten days of receipt of the Commission's notification of final determination.

(e) Any final repayment determination made by the Commission shall be subject to review by the U.S. Court of Appeals for the District of Columbia upon petition filed in such court by any interested person. Any petition filed pursuant to this section shall be filed within 30 days after the determination by the Commission for which review is sought.

#### § 9008.12 Registration and reports.

(a) Registration and reports by committees, including host committees, other organizations or groups which represent a municipality, State, or other local government agency.

(1) Registration. (i) Each committee, including a host committee, other organization or group of persons which represents a State, municipality, local government agency or other political subdivision in dealing with officials of a national political party with respect to matters involving a presidential nominating convention shall register with the Commission on the Convention Registration Form within 10 days of the date on which such party chooses the convention city. The following information shall be required of the registrant: the name and address; the name of its officers; and a list of the activities which the registering entity plans to undertake in connection with the convention.

(ii) Any such committee organization or group organization which is unsuccessful in its efforts to attract the convention to a city need not register under 11 CFR 9008.12(a)(1)(i).

(2) Post-Convention and quarterly reports; Content and Time of Filing. (i) Each committee, organization or group required to register under 11 CFR 9008.12(a)(1)(i) shall file a post convention report with the Commission FEC Form 4. This report shall be filed on the earlier of: 60 days following the last day the convention is officially in session; or 20 days prior to the presidential general election. This report shall disclose all receipts and disbursements, including in-kind contributions, made with respect to a presidential nominating convention. This report shall be complete as of 15 days prior to the date on which it must be filed.

(ii) If such committee, organization or group has receipts or makes disbursements after the completion date of the post convention report, it shall begin to file quarterly reports no later than 10 days after the end of the following calendar quarter. This report shall disclose all transactions completed as of the close of that calendar quarter. Quarterly reports shall be filed thereafter until the committee, organization or group ceases all activity which must be reported under 11 CFR 9008.12(a)(2).

(iii) Such committee, organization or group shall file a final report with the Commission not later than 10 days after it ceases activity which must be reported under 11 CFR 9008.12(a)(2), unless such status is reflected in either



the post convention report or a quarterly.

(b) Registration and reports by political parties—(1) Registration. (i) Each convention committee established by a national committee under 11 CFR 9008.8(b)(2) shall register with the Commission on FEC Form 1 as a political committee pursuant to 11 CFR Part 102 and shall file reports with the Commission as required at § 9008.12(b)(2).

(ii) Each committee or other organization, including a national committee, which represents a national major, minor, or new political party in making arrangements for that party's convention held to nominate a candidate for the office of President or Vice President shall register on FEC Form 1 with the Commission as a political committee pursuant to 11 CFR Part 102, except that this registration requirement shall not apply to a convention committee which must register under 11 CFR 9008.12(b)(1)(i).

(iii) A State party committee or a subordinate committee of a State party committee which only assists delegates and alternates to the convention from that State with travel expenses and arrangements, or which sponsors caucuses, receptions, and similar activities at the convention site, need not register or report under 11 CFR 9008.12(b).

(2) Quarterly and Post convention reports; Content and Time of Filing. (i) Each committee or other organization required to register under 11 CFR 9008.12(b)(1) shall file reports in accordance with 11 CFR 9008.12(b)(2)(ii).

(ii) The first quarterly report shall be filed on FEC Form 4 no later than 10 days after the end of the calendar quarter in which a committee either receives payment under 11 CFR 9008.8 or for parties which do not accept public funds, no later than 10 days after the calendar quarter in which the committee receives contributions or makes expenditures to defray convention expenses. Quarterly reports shall be completed as of the close of the quarter and shall continue to be filed until such committee ceases activity in connection with that party's presidential nominating convention. However, any quarterly report due within 20 days before or after the convention shall be suspended and the committee shall in lieu of such quarterly report file a post convention report. The post convention report shall be filed on the earlier of: 60 days following the last day the convention is officially in session; or 20 days prior to the presidential general election. The post convention report shall be complete as of 15 days prior to

the date on which the report must be filed.

(3) A convention committee which has received payments under 11 CFR 9008.8 shall cease activity no later than 24 months after the convention, unless the committee has been granted an extension of time. The Commission may grant any extension of time it deems appropriate upon request of the committee at least 30 days prior to the close of the 24 month period.

11 CFR, Chapter I, Part 107 is amended to read as follows.

#### **PART 107—PRESIDENTIAL NOMINATING CONVENTION, REGISTRATION AND REPORTS**

**§ 107.1 Registration and reports by committees including host committees, organizations or other groups representing a State, city or other local government agency.**

Each committee, including a host committee other organization or group of persons which represents a State, municipality, local government agency or other political subdivision in dealing with officials of a national political party with respect to matters involving a presidential nominating convention shall register and report in accordance with 11 CFR 9008.12(a).

**§ 107.2 Registration and reports by political parties.**

Each convention committee established under 11 CFR 9008.8(b)(2) by a national committee of a political party and each committee or other organization, including a national committee, which represents a political party in making arrangements for that party's convention held to nominate a presidential or vice presidential candidate shall register and report in accordance with 11 CFR 9008.12(b).

**§§ 107.3 and 107.4 [Deleted]**

11 CFR, Chapter I, §§ 107.3 and 107.4 are deleted.

11 CFR Chapter I, Part 114 is amended as follows:

#### **PART 114—CORPORATE AND LABOR ORGANIZATION ACTIVITY**

**§ 114.1 Definitions.**

(a) \* \* \*

(2) The term contribution and expenditures shall not include—

\* \* \* \* \*

(viii) Activity permitted under 11 CFR 9008.7 with respect to a presidential nominating convention.

\* \* \* \* \*

Dated: October 25, 1979.

Robert O. Tiernan,  
Chairman, Federal Election Commission.

[FR Doc. 79-33636 Filed 10-31-79; 8:45 am]

BILLING CODE 6715-01-M