



**THE FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

## **Final Addendum Audit Report of the Commission on the Committee on Arrangements for the 2012 Republican National Convention**

### **Summary**

On September 23, 2014, the Committee made a repayment of unspent convention funds totaling \$694,328 to the U.S. Treasury. This amount is more than the amount set forth in the Commission's final determination of August 18, 2014. The primary basis for the additional excess funds repayment totaling \$25,654 was the difference in actual to estimated winding down costs and the shortening of the winding down period. The Audit staff has prepared a revised Statement of Net Outstanding Convention Expenses below that reflects these adjustments.

### **Legal Standard**

**A. Entitlement to Payments From the Fund.** The national committee of a major party shall be entitled to payments with respect to any presidential nominating convention, in amounts that in the aggregate shall not exceed \$4,000,000, as adjusted by the Consumer Price Index. The major party entitlement for the 2012 nominating convention was \$18,248,300. 26 U.S.C. §9008(b)(1) & (5).

**B. Repayments.** Any portion of the entitlement that remains unspent after all convention expenses have been paid shall be returned to the Secretary of the Treasury. 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 ninth month following the last day of the convention, allowing for a reasonable amount as determined by the Commission to be withheld for unanticipated contingencies. The interim repayment shall be made no later than 30 calendar days after the end of the ninth month following the last day of the convention. 11 CFR §9008.12(b)(5).

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. 11 CFR §9008.12(b)(5)(iii).

**C. Repayment Determination Procedures.** The Commission will follow the same repayment determination procedures, and the committee has the same rights and obligations as are provided for repayment determinations involving publicly funded candidates under 11 CFR 9007.2(c) through (h). 11 CFR §9008.12(c).

**D. Addenda to the Audit Report.** Addenda to the audit report may be approved and issued by the Commission from time to time as circumstances warrant and as additional information becomes available. The addenda will be placed on the public record and may also include additional repayment determinations. 11 CFR §9038.1(d)(3).

**E. Net Outstanding Campaign Expenses.** A convention committee shall file, no later than 60 days after the last day of the convention, a statement of that committee's "net outstanding convention expenses." This statement must contain, among other things:

- The total of all committee assets including cash on hand, amounts owed to the committee and capital assets listed at their fair market value;
- The total of all outstanding obligations for qualified campaign expenses; and
- An estimate of necessary winding-down costs. 11 CFR §9008.10(g).

## **Facts and Analysis**

### **A. Facts**

The Committee submitted a Request for Extension to Make Final Repayment of Unspent Convention Funds on August 21, 2014. The Committee's extension request raised two points to support "good cause" for the extension: 1) the timing of the Commission's issuance of the FAR; and 2) the considerations which would result in a more accurate amount of unspent convention funds being repaid and publicly disclosed.

On August 29, 2014, the Commission granted the Committee's request for an extension to make final repayment of unspent convention funds to September 30, 2014. On September 23, 2014, the Committee made a repayment of unspent convention funds totaling \$694,328 to the U.S. Treasury. This amount is more than the amount set forth in the Commission's final determination of August 18, 2014. The primary basis for the payment of additional unspent funds totaling \$25,654 was the difference in the Committee's actual versus its estimated winding down costs and the shortening of the winding down period. The Audit staff has prepared a revised Statement of Net Outstanding Convention Expenses below that reflects these adjustments.

**Statement of Net Outstanding Convention Expenses**  
**As of October 14, 2012**  
**Prepared Through September 30, 2014**

**Assets**

Cash in Bank	\$2,556,924	
Accounts Receivable	<u>1,051,589</u>	
<b>Total Assets</b>		<b>\$3,608,513</b>

**Liabilities**

Accounts Payable for Qualified Convention Expenses at 10/14/12	\$1,840,027	
Winding Down Costs Actual 10/15/12 – 9/30/14	<u>724,158</u>	
<b>Total Liabilities</b>		<b><u>\$2,564,185</u></b>

<b>Net Outstanding Convention Expenses (Surplus) as of October 14, 2012</b>		<b>\$1,044,328</b>
---	--	--------------------

<b>Less: Interim Repayment made June 28, 2013</b>	<b><u>(\$350,000)</u></b>
---	---------------------------

<b>Amount Repayable to the United States Treasury</b>	<b><u>\$694,328</u></b>
---	-------------------------

**Commission Conclusion**

On November 7, 2014, the Commission considered the Audit Division's recommendation that it determine that \$694,328 in unspent convention funds is repayable to the United States Treasury.

The Commission approved the Audit Division's recommendation.