



THE FEDERAL ELECTION COMMISSION

RECORD

1325 K Street N.W., Washington, D.C. 20463

Volume 4, Number 1

January 1978

REPORTS
DUE

YEAR-END REPORT IN NONELECTION YEAR

All Federal candidates and political committees must file a year-end report of receipts and expenditures by January 31, 1978. (The year-end report is the same as a fourth quarter report.) The report must be filed by all candidates and committees regardless of how much they have raised or spent during the year or whether they have outstanding debts, *with the exception of:*

- Candidates and committees which have filed a valid termination report during 1976 or 1977 (and did not subsequently become a candidate or committee for a 1978 election);
- Candidates and committees who participated in a special election during 1977 (see below);
- Candidates who have received a **personal reporting waiver**.

The report, filed on FEC Form 3 or 6 (Short Form), as appropriate, is due on January 31, 1978. **FEC Form 3a (postcard form) will not be considered an adequate filing and should not be used for this report.** The report must disclose all reportable transactions since the closing date of the last report and all outstanding debts or obligations through December 31, 1977. The postcard form is not considered an adequate filing. Therefore, "transactions not previously reported" must include all receipts or expenditures occurring in any calendar quarter for which the candidate or committee filed a postcard form.

The report should be filed with the Clerk of the House, the Secretary of the Senate or the Federal Election Commission, as appropriate. A notice containing additional information will be sent to all registered candidates and committees required to file. Questions or requests for forms should be addressed to the Office of Public Communications, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463 or by telephone at toll-free 800/424-9530.

YEAR-END REPORT FOR ELECTION YEAR

Candidates who participated in one of the special elections held during 1977 and committees which supported such candidates **must regard 1977 as an election year.** Therefore, a year-end report is required only if:

1. Receipts and expenditures during the fourth quarter exceeded \$1,000; OR
2. The candidate or committee has outstanding debts or obligations, regardless of activity.

The report should cover all transactions not previously reported through December 31, 1977. For information on where to file and which forms to use, see paragraph above. (Any candidate or committee whose reporting obligations have been properly terminated need not file any reports.)

MONTHLY REPORTING IN 1978

Political committees which make contributions or expenditures to support Federal candidates in more than one State may prefer to report on a monthly basis during 1978. Monthly reports take the place of quarterly and pre- and post-primary election reports. The committee must request in writing and receive Commission approval prior to filing monthly reports. (Those committees already reporting monthly do not need to reapply.) The monthly report must be filed no later than the 20th day of the month and be complete as of the last day of the preceding month. In lieu of monthly filings for the months of November and December 1978 and January 1979, the committee will be required to file pre- and post-general election reports and a year-end report. This reporting option will remain in effect until the committee requests in writing and receives approval by the Commission to revert to quarterly filing. The Commission retains the right to deny any subsequent requests by the same committee to change reporting status again. Requests for Monthly Reporting Option forms are available from the Office of Public Communications.



ADVISORY OPINION PROCEDURES

The Federal Election Commission issued Advisory Opinions (AOs) on the application of the Federal Election Campaign Act of 1971, as amended, or the FEC's Regulations to a specific factual situation. 2 U.S.C. §437f. An AO may be requested by the following:

- A Federal officeholder;
- A candidate for Federal office;
- A political committee; or
- The national committee of a political party.

The request must be made in writing to the Office of General Counsel, Advisory Opinion Section.

Once an Advisory Opinion Request (AOR) is received, it is made public. Interested members of the public may make comments on any AOR within 10 days of the date the AOR is made public. Comments should also be addressed to the Office of General Counsel and should refer to the AOR number. Upon written request, additional time may be granted for comments.

Within a reasonable time after receipt of an AOR, the Commission issues an Advisory Opinion. The opinion may be relied on by any person involved in the specific transaction which is the subject of the opinion and also by the requestor and any other person involved in a transaction which is indistinguishable in all material aspects from the transaction covered by the AO. Copies of all AORs and AOs are available at 10 cents per page, payable in advance, from the Public Records Office, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Checks should be made payable to the United States Treasurer.

PENDING ADVISORY OPINION REQUESTS

Effective this issue, the FEC will begin publishing Advisory Opinion Requests (AORs) in the Record, instead of the Federal Register. As in the past, the full text of AORs will be made available to the public in the Commission's Office of Public Records as they are received. The following chart lists pending AORs (those not yet answered by the Commission) not previously published in the Federal Register, together with a brief description of the subject matter, the date the requests were made public and the number of pages of each request.

AOR	Subject	Date Made Public	Number of Pages
1977-52	Retirement of past campaign debts.	10/13/77	3
1977-53	Establishment of separate segregated fund by federation of trade associations.	10/21/77	5
1977-54	Candidate participation in petition drive.	10/21/77	2
1977-55	Reporting of payments.	10/27/77	1
1977-57	Termination of committee.	10/28/77	1
1977-58	Reporting of loan.	11/2/77	3
1977-61	Fundraising dinner.	11/7/77	2
1977-63	Use of surplus campaign funds.	11/16/77	1
1977-64	Use of surplus campaign funds.	11/16/77	1
1977-65	Contributions from membership organization.	11/21/77	2
1977-66	Use of contributor lists.	11/28/77	2

ADVISORY OPINIONS: SUMMARIES

The following are brief summaries of recently issued Advisory Opinions (AOs).

AO 1977-18: Solicitation by Trade Association

The Proprietary Industry Political Action Committee (PIPAC) may not solicit the Board of Directors of its sponsoring trade association, the Proprietary Association (the Association), because they are not stockholders or executive or administrative personnel of the Association. However, since the Board consists of executive and administrative personnel of the corporate members of the Association, PIPAC may solicit members of the Board under the FEC's trade association regulations (11 CFR §114.8). These regulations require that the corporate member give prior approval to a solicitation by a trade association and limit such approval to only one trade association in any calendar year. Those Board members who are employed by a corporation which has not consented to a PIPAC solicitation or

The RECORD is published by the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Commissioners are: Thomas E. Harris, Chairman; Joan D. Aikens, Vice-Chairman; William L. Springer; Neil Staebler; Vernon W. Thomson; Robert O. Tiernan; J.S. Kimmitt, Secretary of the Senate, Ex Officio; Edmund L. Henshaw, Jr., Clerk of the House of Representatives, Ex Officio.
 For more information, call 523-4068 or toll free 800-424-9530.

which has consented to a solicitation by another trade association could not be solicited by PIPAC. (Length: 3 pages)

**AO 1977-45: Use of
Credit Received**

Mr. Terry Martin, candidate for the U.S. House of Representatives, may use credit from an advertising publication, received as compensation for his professional services, to purchase campaign advertising space in the same publication. The credit would be considered personal funds of Mr. Martin, rather than an in-kind contribution, provided:

1. The credit is the result of bona fide employment of Mr. Martin; and
2. The compensation does not exceed the fair market value of the services performed, when compared to similar work performed by others.

Actual use of the credit to purchase advertising space in the publication would be an expenditure by the candidate's principal campaign committee. The committee should report the credit actually used both as an expenditure by the committee and as an in-kind-contribution from the candidate. The committee should also maintain a record of the unused amount of compensation available to avoid expenditures in excess of that amount. The application of IRS Regulations to this transaction falls outside the jurisdiction of the Federal Election Commission. (Length: 3 pages)

AO 1977-46: Receiving Honoraria

Congressman Guy Vander Jagt may count honoraria received in 1977 for speeches given in 1976 against his 1976 calendar year limitations on honoraria. An honorarium is considered "accepted," and therefore counted against the limitations, when the officeholder delivers a speech or makes an appearance to earn the honorarium, which may or may not be when the honorarium is actually received. The application of House Rules or IRS Regulations is not within the jurisdiction of the Federal Election Commission. (Length: 2 pages)

**AO 1977-47: Use of Surplus
Campaign Funds**

Senator Clifford P. Hansen may use surplus campaign funds from his 1972 election campaign to pay expenses incurred in connection with his duties as a Federal officeholder, such as entertainment of constituents or travel to and from Wyoming. The Senator's campaign committee may remain in operation to make these disbursements, in which case the committee continues to have a reporting obligation under the Federal Election Campaign Act. Alternatively, since Senator Hansen is retiring and will not be a candidate for reelection and since the committee has no outstanding debts or obligations, the committee may file a termination report. If, upon termination, the surplus funds are transferred to an office account (11 CFR §113.1(b)), a reporting obligation under Part 113 of the Commission's Regulations would be incurred. The applicability of Senate Rules or IRS Regulations to this situation is not within the jurisdiction of the Federal Election Commission. (Length: 2 pages)

**AO 1977-48: Use of Excess
Campaign Funds**

Marvin Durning, Congressional candidate in Washington State's 1977 special election, may use excess campaign funds from this campaign to retire debts from a 1976 gubernatorial campaign. The Act permits the use of excess campaign funds for supporting activities of a Federal officeholder, charitable purposes and "any other lawful purpose." 2 U.S.C. §439a. The use of excess campaign funds by Mr. Durning to pay debts from a 1976 gubernatorial campaign would be a "lawful purpose" provided no State or Federal law outside the FEC's jurisdiction prohibits such use. Any possible application of IRS Regulations to such payments falls outside the jurisdiction of the Federal Election Commission. (Length: 2 pages)

**AO 1977-51: Gifts to
Congressional Members**

Congressman Cecil Heftel may give gifts of macadamia nuts to other Members of Congress without incurring a reporting obligation and without making a contribution under the Federal Election Campaign Act. The gifts, purchased by the Congressman or received from corporations, trade associations or individuals, would not be subject to the Act. The application of House Rules to this activity is not within the jurisdiction of the Federal Election Commission. (Length: 2 pages)

**AO 1977-60: Purchase of
Greeting Cards**

Congressman Leo C. Zeferetti may regard the purchase of Christmas greeting cards with campaign funds as an expenditure by his principal campaign committee under the Federal Election Campaign Act. The greeting cards would not have to contain the statement of authorization or notice of filed reports (2 U.S.C. §§435 and 441d) required by the Act, provided the cards do not expressly advocate the Congressman's election or solicit funds for his campaign. (Length: 2 pages)



**LEROY B. JONES, et al. v. FEC, et al.
(Part III)**

On October 26, 1977, the U.S. District Court for the District of Columbia denied the Plaintiff's motion for a preliminary injunction and granted the Commission's motion for summary judgment. The plaintiff's original complaint alleged that the Commission had violated the constitutional rights of contributors to the Committee to Reelect Lyndon LaRouche. For a summary of the original complaint and the FEC's motion to dismiss, see the *Record*, June 1977, p. 3 and September 1977, p. 2, respectively.

In granting a summary judgment, the Court agreed with the FEC's arguments that its investigation of contributions to the LaRouche campaign and the actions of its agents in

the field during the investigation were "... reasonable and within the statutory authority conferred by 2 U.S.C. §§437d and 438." The Court also found "... nothing in the record which supports or could support any alleged violation of Plaintiff's common law, statutory or constitutional rights."

On November 4, 1977, a notice of appeal was filed by the plaintiffs.

NATIONAL RIGHT TO WORK COMMITTEE v. VERNON W. THOMSON, et al. (Part III)

On November 18, 1977, the U.S. District Court for the District of Columbia denied the Commission's motion to dismiss the suit filed by the National Right to Work Committee (the Committee), and granted the plaintiff's motion for summary judgment. The suit alleges that the Commission failed to act on two complaints filed with the FEC by the Committee. For a summary of the original complaint, see the Record, July 1977, p. 4. In addition, the Court ruled that the Commission must act upon the complaints filed by the Committee within 30 days.

CORRECTION

In the December 1977 issue of the Record under "The Law in the Courts," the two suits summarized were erroneously stated to be filed in the U.S. District Court for the District of Columbia. **Bread Political Action Committee, et al. v. FEC, et al.** is filed in the District Court for the Northern District of Illinois (Eastern Division). **National Right to Work Committee v. FEC** is filed in the District Court for the Eastern District of Virginia.

The Public Communications Office of the Federal Election Commission receives numerous inquiries from the public on the toll-free line (800/424-9530). The following explanation of some specific reporting requirements is presented in response to several frequently asked questions.

ITEMIZING CONTRIBUTIONS

The FEC Regulations require that all Reports of Receipts and Expenditures (FEC Form 3 or 6), filed by candidates and political committees, contain an itemization of all contributions "... in an amount or value in excess of \$100, or in an amount of less than \$100 if the [contributor's] contributions within a calendar year total more than \$100. ..." 11 CFR §104.2(b)(2). (Note that an individual who makes a contribution to a candidate or committee has no reporting obligation.)

For example, if an individual contributes \$50 to Candidate Jones in each quarter of a calendar year, the candidate's reporting obligation would be as follows (contributed amounts appear in parentheses):

- First Quarter: Because the amount contributed to Jones (\$50) is less than \$100, the contribution would be included in unitemized contributions. (Note that a candidate may decide to itemize contributions of \$100 or less even though not required by the Act or Regulations. In this case, however, those contributions must be itemized on a separate schedule from those in excess of \$100.)
- Second Quarter: The donor contributes another \$50, but the total amount contributed (\$100) to Candidate Jones is not in excess of \$100, so the contribution would be reported again under unitemized contributions.
- Third Quarter: Again, the donor contributes \$50. The total amount contributed (\$150) now aggregates in excess of \$100 and must be itemized on Schedule A (of Form 3) or 6A (of Form 6). The itemization must contain the contributor's name, address, occupation, principal place of business, the date of the contribution, the amount of the contribution received during the third quarter (\$50), and the year-to-date aggregate of contributions received from the same contributor (\$150).
- Fourth Quarter: Because the donor's total contributions to Jones have now exceeded \$100, all subsequent contributions from the same contributor in the same year must be itemized regardless of amount. Thus, when the donor contributes another \$50 to Candidate Jones, the itemization would be identical to that made during the third quarter, except that the amount for the aggregate year-to-date (\$200) would reflect the additional contribution made during the fourth quarter.

REPORTING TRANSFERS

The Commission's Regulations require that all transfers of funds from a committee to another candidate, political committee or other political organization, **regardless of amount**, must be itemized on the next Report of Receipts and Expenditures (FEC Form 3 or 6). Both the candidate or committee receiving a transfer and the committee making a transfer must make the itemization. The itemization of a transfer must include:

- The name and address of the committee making a transfer; or the name and address of the candidate/committee receiving a transfer;
- The date and amount of the transfer;
- The aggregate year-to-date total of transfers to and/or from affiliated committees and to and/or from non-affiliated committees.

For example, Candidate Smith holds a fundraising dinner with tickets selling for \$75 each. Among those purchasing tickets are an individual, John Doe, and a multi-candidate committee, the XYZ Good Government Committee, neither of whom had previously contributed to Candidate

continued

Smith's campaign. Candidate Smith's reporting obligation for the quarter in which the tickets were purchased (i.e., the contributions were made) would be as follows:

- The contribution by John Doe (\$75) would be reported as unitemized because it was not in excess of \$100.
- The contribution by the XYZ Good Government Committee (\$75), however, is a transfer, and therefore must be itemized regardless of amount.



OFFICE OF PUBLIC RECORDS

The Office of Public Records at the FEC provides a central location for the public to obtain information on campaign financing and the FEC itself. Although the principal function of the Office is to make available to the public campaign reports filed by candidates and committees (see the February Record, p. 3), Public Records also maintains other information for public review. The following is a list of materials available in the Public Records Office in addition to campaign finance reports:

- Commission Documents (press releases, memoranda, agendas, agenda items and minutes of Commission meetings)
- FEC Opinions (Index, Advisory Opinion Requests, Advisory Opinions, Opinion Requests, Opinions of Counsel, comments on Advisory Opinions)
- Compliance Cases (Index, closed compliance actions)
- Audits (GAO 1972-1974, FEC)
- Court Cases (Buckley v. Valeo, etc.)
- FEC Publications (Campaign Guides, Record, Federal Register notices)
- Presidential Matching Funds Certifications
- Hearing Transcripts (upon request)
- General Information (Newspaper articles, studies on campaign finance by other organizations, informational handouts)
- Daily updated computer printouts of FEC indexes, as available, consolidating information from campaign finance reports (i.e., cross index of selected committees by candidates supported and amount of financial support)

The Office also maintains copies of the Commission's Disclosure Series of indexes which consolidate and summarize data taken from the financial disclosure reports from the 1976 campaign. In the list below the dates in parentheses indicate the Record issue in which summaries of the individual Disclosure Series appeared.

1. Presidential Pre-Nomination Receipts and Expenditures - 1976 Campaign
2. Contributions of \$500 or More From Individuals to Major Party Presidential Candidates (Ford and Carter) - 1976 Campaign (Currently being revised)
3. Index of Independent Expenditures by Individuals and Receipts and Expenditures by Unauthorized Delegates - 1976 Campaign (May, p. 5)
4. National Political Party Committee Receipts and Expenditures (June, p. 6)
5. Index of Communications Costs by Corporations, Labor Organizations, Membership Organizations and Trade Associations (June, p. 5)
6. 1976 Senatorial Campaigns Receipts and Expenditures (June, p. 6)
7. A Study of the 1976 Presidential Campaigns Receipts and Expenditures (July, p. 5)
8. A Study of the 1976 Corporate-Related Committees Receipts and Expenditures (November, p. 5)
9. A Study of the 1976 House Campaigns Receipts and Expenditures (November, p. 6)

All documents listed above are available for public review in the Office of Public Records, located on the street floor at 1325 K Street, N.W., Washington, D.C. The Office is open for public use weekdays from 9 a.m. to 5 p.m. For those living outside the Washington area who cannot come in personally, copies of all documents are available by mail. The Commission charges 10 cents per page and \$2.50 for each half hour of time spent filling the request, with the first half hour free. Since full payment in advance is required, it is recommended that, prior to requesting a specific document by mail, the public should contact the Office by phone for information as to cost and availability: 202/523-4181 or toll free 800/424-9530.

FEC PUBLIC APPEARANCES

In keeping with its objective to make information available to the public, the Federal Election Commission regularly accepts invitations for its representatives to address public gatherings on the subject of campaign finance laws and the Commission itself. (For a summary of the Commission's policy on accepting invitations, see the Record, June 1977, p. 6.) This regular column lists scheduled Commission appearances, detailing the name of the sponsoring organization, location of the event, and the Commission's representative. Any inquiries concerning the event should be addressed to the sponsoring organization.

1/25 A Presidential Classroom for Young Americans
Washington, D.C.
Commissioner Joan Aikens



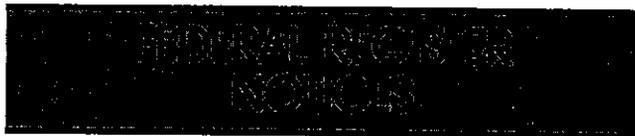
- 1975 and 1976 Annual Reports
- Campaign Guide for State and Subordinate Party Committees
- Campaign Guide for the Nonelection Year
- 1976 Candidate and Committee Index of Filers

ADVISORY OPINION INDEX

The Commission recently announced the availability of a cumulative **Index to Advisory Opinions and Opinions of Counsel**. The **Index** includes three parts: a subject index and an index by U.S. Code, both covering all opinions issued from April 1975 through August 1977; and an index by FEC Regulations covering opinions from 1977.

Requests for the **Index** should be addressed to the Public Records Office, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Purchase price (for duplication costs) is \$5.30, payable in advance. Checks should be made payable to the United States Treasurer.

Also available are all forms currently in use and back copies of the FEC newsletter, the **Record**. Orders may be placed by letter to the Office of Public Communications, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463 or by phone at 202/523-4068 or toll-free, 800/424-9530.



UPDATE OF MATERIALS AVAILABLE

The Office of Public Communications receives numerous requests each day for publications, forms and other materials related to the Federal Election Campaign Act. Some materials requested are unavailable because they are in the process of being revised or have been replaced by newer material. The following is a list of publications currently available without charge from the Office of Public Communications:

- **Federal Election Campaign Laws --** Compiled by the Federal Election Commission
- **The Federal Election Commission Regulations**
- **Bookkeeping and Reporting Manual for Candidates and Committees**

FEC documents of general applicability are published in the **Federal Register**. The following list identifies all FEC documents appearing in the **Federal Register** between November 16, 1977 and December 19, 1977.

Notice	Title	Federal Register Publication Date	Citation
1977-54	Freedom of Information Act Regulations	11/22/77	42 FR 59944
1977-55	Clearinghouse on Election Administration Advisory Panel Meeting	12/14/77	42 FR 62974

FEDERAL ELECTION COMMISSION
1325 K STREET, NW
WASHINGTON, DC 20463

OFFICIAL BUSINESS

POSTAGE AND FEES PAID

