

FEDERAL ELECTION COMMISSION

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INTERIM GUIDELINE ON
PRIMARY MATCHING FUNDS

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WASHINGTON - OCTOBER 8: Presidential primary candidates will not be required to subtract fund-raising costs from the contributions they have received to be eligible for federal matching funds, according to the Federal Election Commission.

On Thursday, the FEC will publish an Interim Guideline in the Federal Register, effective immediately, stating that "contributions eligible for [presidential primary] matching are determined without regard to costs incurred by a candidate in raising the contribution."

One exception in the new Interim Guideline makes proceeds from the sale of Campaign items exempt from any federal fund matching. The Interim Guideline states: "A contribution in the form of the purchase price paid for an item with significant intrinsic and enduring value is not a matchable campaign contribution."

The exclusion of items of value, such as watches and commemorative medallions for matching purposes reflects Advisory Opinion 1975-15 issued by the Commission September 18, 1975, concerning royalty payments to George Wallace from his campaign committee.

The Interim Guideline applies to both stages of matching federal funds:

- (1) the initial eligibility "threshold" (\$100,000 in contributions of \$250 or less made up of total contributions of \$5,000 from residents in each of at least 20 states), and;

- (2) the full matching fund "entitlement" after the threshold eligibility has been established (half of the \$10 million primary spending limit, with only contributions of \$250 or less matchable, and no per-state requirements).

Thursday's Interim Guideline consolidates and supercedes two earlier guidelines, one dealing with maintenance of records by candidates for certification for primary matching funds (Federal Register, August 11, 1975), and one concerning eligible contributions for matching purposes, (Federal Register, September 9, 1975).

The September 9 provision applied only to the initial "threshold" period and would have required that the costs of funds raised through an "event, sale or other occurrence which confers a private benefit upon the contributor" would have to be subtracted from the total amount matchable.

The Commission will at the same time publish a notice seeking public comments on a proposed regulation similar to this Interim Guideline. However, in the regulation the Commission will also seek comment on three alternative methods to apply matching funds:

- (1) the formula adopted in the Interim Guideline
- (2) a similar formula, but which requires the subtraction of the costs of a fund-raising concert, and
- (3) the formula adopted in the superceded September 9 Interim Guideline, which also prohibits the matching of proceeds from the sale of items "of value".