

The comprehensive disclosure regulations, which are the subject of hearings on October 22 and 24, in general follow the statutory sections they interpret, 2 U.S.C. §§431-437.

A new and complex statutory scheme often tends to suffer from certain omissions and from positive provisions which are less than absolutely clear. These regulations are therefore also designed to fill in the omissions and resolve any confusion.

Inevitably, some of the regulations will not be clear enough; hence, these hearings. The Commission hopes that these hearings will provide it with informed criticism about the regulation from Members of Congress, candidates, accountants, lawyers, public interest groups and other interested parties.

The Commission will use the transcripts of the hearings, and the written comments it has received, in drafting the final text of the regulations for submission to the Congress.

The following synopsis of the regulation generally omits rules which restate the statute. For the full text of the proposed regulations, see the Federal Register, September 29, 1975, pp. 44698-44707.

100.4 Contribution.

The term "contribution" includes:

- The proceeds of a gift, subscription, loan, advance or deposit if any part of such proceeds benefit directly or indirectly the election of the candidate, and whether or not the contribution was made before or after the campaign period.
- Written agreement, such as a signed pledge card, to make a contribution.
- Repeated use of a person's home for numerous events on behalf of a candidate, such as a coffee klatsch or cocktail party, to the extent that the fair rental value for such use exceeds the \$500 exemption for the use of a person's home. Fair rental value is not considered for the use of a residence for less than 24 hours.

The term "contribution" does not include:

- Value of services provided voluntarily, whether or not the services are regularly performed as part of the donor's trade, business or profession. Volunteer activity by a person during working hours is not a contribution by the person's employer so long as that time is made up in a reasonable time, or the person's normal working hours per week are performed, or the person is only paid for actual work performed, such as a person paid on commission.
- State or local party committee's printed listing of 3 or more candidates on yard signs, bumper stickers, car tops, or the reading of such list over the telephone.
- Interest or other proceeds from the investment of campaign contributions.

100.6 Election.

Caucus or convention of a political party held to select a nominee is an election; caucus or convention held prior to a primary and related to the nominating process is part of the primary election.

100.7 Expenditure.

The term "expenditure" includes:

- Repayment of a loan. [Repayment of loan is not, however, counted as an expenditure for purposes of calculating total aggregates of campaign expenditures for the 18 U.S.C. §608 expenditure limitations.]
- Proceeds of a gift, etc., if any part of such proceeds directly or indirectly benefit the election of a candidate, whether or not proceeds are spent before or after campaign period.

The term "expenditure" does not include:

- Contracts for goods or services under \$500 until actual payment is made or the 60-day period for repayment has expired.
- Cost of stories or comments written by or about federal officeholders which appear in state and local party publications.

100.14 Political Committee.

A political committee does not include a group of individuals who jointly make personal expenditures on behalf of a candidate as long as the transaction is a one time occurrence and the expenditure is not authorized by the candidate.

101.2 Candidate designations.

Candidates shall designate a separate campaign account for each election.

101.3 Waiver of candidate reporting.

A candidate need not personally file reports if he agrees to turn over any contribution to his campaign committee and make no personal expenditure on behalf of his own campaign.

102.6 Registration of state committees; establishment of federal campaign committees.

State and local committees supporting federal candidates can either:

- Register and report all receipts and expenditures (both federal and state), or
- Establish a separate federal campaign committee which, alone, reports to FEC. [This approach has been successfully employed in New Hampshire and Tennessee.]

103.4 Photocopies of checks.

Committees or candidates which receive more than \$25,000 a year in contributions must keep photocopies of all contributor checks.

103.5 Petty cash fund.

A political committee must record all disbursements from a petty cash fund.

104.2 Depositories.

A political committee may establish one or more bank depositories containing one or more accounts in one or more states.

104.3 Contribution deposits.

A candidate or committee treasurer must deposit all contributions in the campaign depository within 3 business days after receipt.

105.1 General reporting.

Committees and candidates who have not received or spent more than \$1,000 in any one quarter do not have to report during that quarter, but they must notify the Commission of the reporting exemption of the reporting exemption on a specific short-form provided for this purpose for the first quarter in which this exemption applies. This exemption does not apply to the pre-election or post-election report.

105.2 Form and content of reports.

- Contributions in excess of \$100 must be itemized. Any itemization of contributions of \$100 or less, which do not have to be listed, must be made on a separate schedule attached to the report, and may not be commingled with the required itemized list of contributions in excess of \$100.
- For pre-election reports, a principal campaign committee may file consolidated report without the reports of affiliated committees, if the affiliated committees file their reports with both the principal campaign committee and the Commission and if the principal campaign committee files the complete consolidated report 5 days before the election.

105.3 Disclosure of in-kind contributions.

In-kind contributions are valued at fair market value (retail price of goods or hourly rate for services) at the time of the contribution, and reported as both a contribution and expenditure.

105.4 Filing dates.

In the year of a general election, candidates and committees operating in more than one state must file monthly reports, except during months covered by the pre- and post-general election reports, and the annual report.

105.5 Uniform reporting of contributions.

When a contribution added to an unitemized contribution from the same donor brings the aggregate to over \$100, the identification, occupation, and principal place of business of the contributor must be reported.

105.8 Disclosure of earmarked contributions

Any reporting person who gives or receives earmarked funds must disclose them separately as part of such persons reports.

109 Reports on Convention Financing, Committees.

Committees which receive or spend funds in connection with a national convention must report to the Commission.

109.3 Time and content of convention reporting.

A committee must report (1) within 60 days after convention, (2) quarterly if funds are raised and spent after convention, and (3) ten days after the committee disbands.