

FEC to Consider Vendor Itemization Questions

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For a number of years, the Reports Analysis Division (RAD) of the Federal Election Commission (FEC) has required political committees to disclose how committee funds were ultimately spent when reimbursements and credit card payments are made. For example, when a committee reimburses an individual for non-travel expenses of any amount (or for travel expenses greater than \$500), RAD has asked the committee to itemize on its report—using memo entries—the corresponding payments made by the individual to the various vendors on behalf of the committee. In the context of credit card payments, RAD has asked the committee not only to disclose the payment to the credit card company, but also to itemize as memo entries the corresponding payments made to vendors through the credit card.

There has been disagreement within the regulated community as to whether FEC regulations, in fact, require this type of itemization.

In December 2012, RAD and the Office of General Counsel (OGC) asked the FEC to issue a directive providing formal guidance on this matter and settling the issue. With respect to staff reimbursements and credit card payments, RAD and OGC asked the FEC whether:

- When a committee staff person pays for committee expenses aggregating to \$200 or more to a single vendor out of personal funds and is subsequently reimbursed, must the committee identify, using a memo entry, the vendor who provided the goods or services?
- When a committee reports a disbursement to pay the committee's credit card bill, must the committee identify, using memo entries, the vendors who provided the goods or services when the committee's payment to the vendor exceeds \$200?

The FEC discussed this issue at its December 20, 2012 open meeting and is in the process of preparing a draft guidance document for the regulated community. The public will have the opportunity to comment on the draft directive prior to its adoption. Once the draft guidance document has been released, Wiley Rein can assist in drafting comments on the proposed directive and in submitting the comments to the FEC in a timely manner.