

FEC Issues Interpretive Rule on Reporting Ultimate Payees of Political Committee Disbursements

July 2013

For many years, the Federal Election Commission's (FEC) Reports Analysis Division (RAD) has advised political committees to disclose additional information on the ultimate payees of reimbursements and credit card payments. For example, if a campaign committee made a \$1,000 reimbursement to a campaign staffer for the cost of a plane ticket, RAD would advise the campaign to disclose both the payment to the campaign staffer and a memo entry identifying the vendor for the plane ticket.

Despite RAD's position on this issue, there was significant debate within the regulated community about whether FEC regulations actually required filers to provide this information. As a result, in December 2012, RAD and the FEC's Office of the General Counsel (OGC) asked that the Commission issue guidance on this issue. In January 2013, the Commission issued a notice seeking comment on a draft interpretive rule.

At its meeting on June 27, 2013, the FEC passed its interpretive rule, clarifying the following points:

- If a political committee reimburses an individual for campaign expenses that are not travel or subsistence expenses and itemizes the reimbursement on Schedule B, a memo entry disclosing the original vendor must be included if the individual's payments to the vendor on the committee's behalf exceed \$200 in a calendar year (for non-campaign committees) or election cycle (for campaign committees).
- If a political committee reimburses an individual for travel and subsistence expenses in excess of \$500, a memo entry disclosing the original vendor must be included if the total payment to the vendor by the committee or on the committee's behalf exceed \$200 in a calendar year (for non-campaign committees) or election cycle (for campaign committees).
- When a political committee makes a credit card payment, memo entries disclosing payments to the original vendors must be disclosed if payments to those vendors meet the \$200 itemization threshold.
- When a candidate makes an in-kind contribution to his or her campaign committee, memo entries disclosing payments to the original vendors must be disclosed if aggregate payments to that vendor exceed \$200 in an election cycle.

The statement acknowledges that RAD has not typically required campaigns to disclose information on underlying vendors for in-kind contributions from candidates and indicates that the portion of the interpretive rule related to this issue will only be applied prospectively.