

ADVISORY OPINION 1975-49

Reporting and Allocation of Fund-raising Costs

The Federal Election Commission renders this advisory opinion under 2 U.S.C. §437f in response to a request submitted by the Committee to Elect Tom Hayden (for U.S. Senate). The request was published by the Commission in the Federal Register on September 18, 1975 (40 FR 43166). Interested parties were given an opportunity to submit comments relating to the request, but none were received.

The Committee to Elect Tom Hayden (the Committee) requests a clarification as to the proper treatment of fund-raising concerts under the Federal Election Campaign Act, as amended. Ticket prices for the concert are five, six and seven dollars.

The specific issues raised by the Committee involve disclosure and allocation, i.e. must a five, six or seven dollar ticket purchaser be identified under 2 U.S.C. §432 and may the Committee subtract the cost of the fund-raising event on a pro rata basis from the ticket purchase price.

2 U.S.C. §432(b) states in pertinent part that for recordkeeping purposes: Every person who receives a contribution in excess of ten dollars for a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, render to the treasurer a detailed account thereof, including the amount of the contribution and the identification of the person making such contribution, and the date on which received. 2 U.S.C. §432(c) states that for recordkeeping and reporting purposes: it shall be the duty of the treasurer of a political committee to keep a detailed and exact account of-- (1) all contributions made to or for such committee; (2) the identification of every person making a contribution in excess of ten dollars, and the date and amount thereof and, if a person's contributions aggregate more than one hundred dollars, the account shall include occupation, and the principal place of business (if any).

In light of the above provisions, it is the view of the Commission that the Committee treasurer must keep a record of the identification of anyone who purchases tickets in an amount which in the aggregate exceeds ten dollars. A record of identification need not be kept for any person making a ticket purchase that aggregates \$10 or less. See 2 U.S.C. §432.

In answer to the second inquiry, the full price paid for the tickets is treated as a contribution under 2 U.S.C. §431(e) and §434(b). The fund-raising costs of the concert may not be subtracted pro rata from the price of the tickets so as to reduce the amount of the contribution. Consequently, the entire amount of the purchase of tickets is chargeable against the contribution limits in 18 U.S.C. §608(b) and must be reported under 2 U.S.C. §434. See AO 1975-15, 40 FR 44040, and AO 1975-62, 40 FR 52795. However, 18 U.S.C. SS 591 (f) (4) (H) does permit candidates to expend up to 20

percent in excess of their expenditure limitations for the purpose of raising funds. See AO 1975-78, 40 FR _____.

This advisory opinion is issued on an interim basis pending promulgation by the Commission of rules and regulations or policy statements of general applicability.