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February 17, 1993

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

ADR 1993-04

Dear Mr. Noble:

Pursuant to 2 U.S.C. Section 437f of the Federal Election Campaign Act of 1971, as amended, I would like to formally request an Advisory Opinion in behalf of the Christopher Cox Congressional Committee.

Christopher Cox Congressional Committee is the Principal Campaign Committee of Congressman Christopher Cox, who represents the forty-seventh Congressional District in the State of California. I am requesting Commission guidance to determine whether the Committee's proposed method of defraying expenditures is permissible under the Federal Election Campaign Act of 1971, as amended, and the applicable Federal Election Regulations. In addition, I am requesting guidance as to the proper recordkeeping requirements, should the Commission find the Committee's proposal permissible.
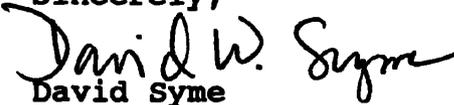
The Committee wishes to pay bills "electronically," utilizing the services of CheckFree Corporation of Columbus, Ohio, a payment processing company (see attached materials). The Committee, through its personal computer, a computer "modem," and a well-know software package called "Quicken," would electronically transmit messages to CheckFree instructing it to debit certain amounts from the Committee's checking account, and to make payment to various vendors on particular dates. Some payees would be set up to receive electronic payments, and others would receive a printed check. The Committee would receive a confirmation of the payment in its bank statement. For this service, CheckFree receives a monthly fee.

Our reading of the Federal Election Commission Regulations seems to indicate that the Committee's proposed activities are permissible. In particular, the "similar draft" requirement of 11 C.F.R. Sections 102.10 and 103.3(a) would seem to be satisfied as would be the "receipt or invoice" requirement of 11 C.F.R. Section 102.9(b)(2).

Mr. Lawrence M. Noble
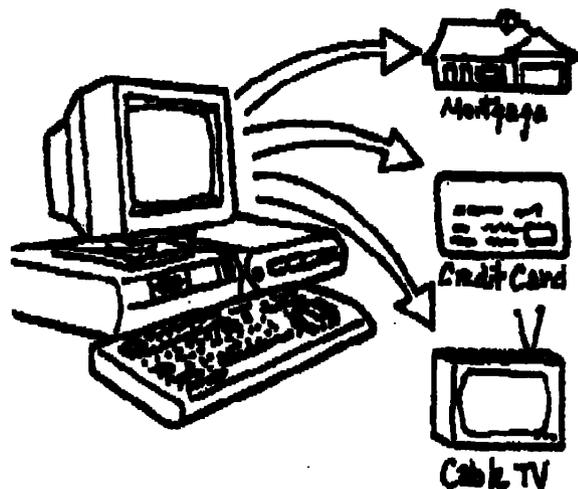page two

      Should you need further information to assist you in
evaluating this Advisory Opinion Request, please contact me at
714/755-8007.

                    Sincerely,

                    David Syme
                    Treasurer

attachments

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Paying bills electronically

CheckFree lets you pay bills electronically, using your personal computer and a modem. This service is offered by the CheckFree Corporation of Columbus, Ohio, the nation's leading provider of electronic payment services.

You enter your bills directly into Quicken and then tell Quicken to send the information to CheckFree.

How CheckFree works

The CheckFree payment service* provides convenience and security. It's convenient because you don't need stamps or envelopes and you don't have to print and sign checks. It's secure because you have a CheckFree "Personal Security Code" and you control access to this number. You enter all data offline and your financial records reside only in your computer.

Many small businesses use CheckFree; however, it is not specifically designed for business use. (For example, it can't pass invoice numbers through to merchants.) CheckFree works for any household with a computer, modem, and Quicken. If you are undecided about the benefits of paying bills through CheckFree, give it a try. The first month is free. See the information booklet and sign-up form included in your Quicken package.

When you use Quicken to pay bills through CheckFree, you start a series of events.

1 **You enter an "electronic payment" transaction in Quicken, much as you enter transactions in the register or in the Write Checks window.**

Your transaction includes the payment date.

2 **Using your modem and the communications options in Quicken, you transmit your payment instructions to CheckFree before the payment date.**

See page 93 for payment scheduling guidelines.

3 **Quicken dials the CheckFree Processing Center and transmits your instructions.**

Quicken tells you that the transmission was successful and updates your check register as soon as transmission is complete. The CheckFree Processing Center returns a confirmation number for each transaction, which Quicken stores in the register.

4 **The CheckFree Processing Center makes the payment.**

Some payees are set up to receive electronic payments, and others receive a printed check. See the table on page 95 for details.

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* You can use CheckFree for payments in the United States regardless of where you bank. CheckFree is an independently owned company.

5   You receive confirmation of the payment both in your bank statement and in the statement you receive from the payee (if the payee ordinarily sends statements).

If you've never used CheckFree before

Check off these preliminary steps before you follow the rest of the instructions in this chapter.

1   Set up service with CheckFree.

You can't send electronic payments until CheckFree has processed your signed CheckFree Service Form and voided check. Service begins immediately after CheckFree processes your sign-up form and enters you as a subscriber to the service for a monthly fee. As of the date of this manual, the fee is $9.95, with added charges for more than 20 monthly transactions (see the information booklet). The first month of service is free.

2   Get the CheckFree confirmation package and have it handy.

The confirmation package contains information that you will need when you set up Quicken for electronic payments, as well as additional information about CheckFree services and rates.

3   Equip your computer with a Hayes-compatible modem.

You can also use any Hayes-compatible modem that works at 300, 1200, or 2400 baud. (Baud is a unit of speed.) Note which port you (or your dealer) attached your modem to. Consult your computer dealer or the modem user manual for help with these tasks.

If you need a modem, CheckFree sells one for $99.00, plus $4.00 shipping. To order a modem, call CheckFree at 800-882-5280.

If you're already using CheckFree to pay bills

If you've been using CheckFree with either DOS Quicken or a previous version Quicken for Windows, continue using Quicken and CheckFree as always. All the information and data you have entered are retained as you begin using Quicken 2 for Windows. Plus, you can now set up fixed payments in Quicken (see page 89.)

If you've been using CheckFree with DOS Quicken version 3 or earlier or any other CheckFree-capable software, follow these important preliminary steps:

1   **Back up your CheckFree data.**

2   **Use your current CheckFree-capable software to print the list of merchants you have set up on CheckFree. Then delete every one of the merchants. Be sure to transmit these deletions to the CheckFree Processing Center.**

If you do not delete these merchants, the CheckFree Processing Center may make errors in processing your payments. Note that any pending payments scheduled for the next few business days are already in process at CheckFree and will *not* be stopped by your deletions. Any payments dated in the future are deleted, so you must reschedule them with Quicken.

3   **If necessary, update your Quicken register by importing the historical data from your CheckFree register. You can use Quicken to import transactions (but not merchant names) from CheckFree software.**

Instructions for importing historical data from CheckFree into Quicken are in Help. (Press F1 and then click Contents. Click "Paying bills electronically," and then click "Importing data from a CheckFree 3.0 file.")

Quicken for Windows imports only CheckFree files that are created with version 3.0 of the CheckFree software.

After you use Quicken even once to make payments, the CheckFree Corporation will no longer permit you to process payments using another CheckFree-capable product. Other CheckFree-capable products and Quicken are not designed to be used alternately or concurrently. For recurring bills, set up fixed payments in Quicken. (See page 89.) You'll learn how to record the monthly CheckFree service charge on page 85.

4   **Get the confirmation letter that you received from the CheckFree Corporation when you subscribed to the service.**

The confirmation letter contains information you used to set up the CheckFree software; you need that information now to set up Quicken for electronic payments. If you can't find the confirmation letter, copy this information from the CheckFree-capable software setup screens to the appropriate Quicken electronic payment setup screens.

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