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FEDERAL ELECTION COMMISSION
Washington, DC 20463

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AGENDA ITEM

for Meeting of: 3-16-00

MEMORANDUM

TO: The Commission

FROM: Commissioner Karl Sandstrom

DATE: March 15, 2000

SUBJECT: AO 1999-40

SUBMITTED LATE

In light of Chairman Wold's objection, and to further (and hopefully resolve) the debate on this issue, I propose substitute language for footnote 13. The proposed substitute footnote would place emphasis on the pre-authorization document as the place to resolve (in advance) any issues which may arise in connection with joint accounts.

This proposal does not deal directly with the situation (brought up by the Chairman in his memo) involving a single member-account where the member signs the pre-authorization but the members spouse signs the check to pay the bill. However, this footnote refers to 11 CFR 104.8(c), which states that absent evidence to the contrary, any contribution made by check shall be reported as made by the person signing the instrument. Under that provision I have no doubt that the requestor could determine that the pre-authorization is "evidence to the contrary."

For ease of discussion I am attaching my proposed language to this memo in line-numbered form.

Attachment

1 Proposal for fn. 13: "The Commission notes that the bylaws of SMEC and REC
2 allow for the joint membership of two persons living in the same household (e.g. husband
3 and wife). SMEC Bylaws, Section 1.03; REC Bylaws, Article 1, 3. When a contribution
4 is made through a deduction from capital credits in an account held by a joint
5 membership, the contribution will be construed as made by the person (or persons) who
6 signed the pre-authorization form. With respect to contributions made through bill
7 payments on a joint membership account, the pre-authorization form should allow joint
8 members to affirm that any contribution made through a bill payment should be construed
9 as having been made by a specified member or members; if the members do not so
10 affirm, any contribution will be construed as having been made by the person who signs
11 the check or other instrument used to pay the bill. See 11 CFR 104.8(c) (stating that
12 absent evidence to the contrary, any contribution made by check shall be reported as
13 made by the person signing the instrument); see also 11 CFR 110.1(k)(1); 11 CFR
14 103.3(b)(3). These procedures will ensure that contributions are attributed correctly, and
15 that no contributions are made in the name of another. See 2 USC 441f; 11 CFR
16 110.4(b)."

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