

Memorandum

To : Advice Request Meeting Participants

Date : August 1, 1984

No. M-84-316

From : **FAIR POLITICAL PRACTICES COMMISSION**
Carla Wardlow

Subject: Reporting Expenditures by Agents and Independent
Contractors

1. A committee contracts with an independent fundraiser and agrees to pay her 20 percent of the amount she raises. Prior to the June 30 campaign closing date, she had made some expenditures to raise funds for the committee which she will cover out of her 20 percent. However, the committee has received no money as a result of her efforts, has paid her nothing and will not pay her until her efforts result in receipt of contributions, at which time she will receive a flat 20 percent. If she fails to raise any funds for the committee, she will receive no payments.

Are her expenditures reportable by the committee? If yes, when should they be reported?

2. A committee hires a campaign consultant who makes expenditures on behalf of the committee. The committee is refusing to reimburse some of the expenditures because it believes the consultant was not authorized to make them. The consultant is suing the committee.

Are the disputed expenditures reportable by the committee? If yes, how should they be reported?

ANSWERS:

1. Report on a Schedule E-1 with an explanation.
2. Report on a Schedule E-1 with an explanation that the committee is in litigation over the expenditures.