ETEXT ATTACHMENT

02/01/2006 10 : 35

November 10, 2005

Ms. Elizabeth Boody
Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission

Re: ID No. C00012476 - United Association Political Education Committee
August Monthly Report (7/1/05-7/31/05) Inquiry

Dear Ms. Boody:

This letter is written in response to your letter of October 21, 2005, sent to the United Association Political Education Committee ("UAPEC"). You have identified a transfer of $25,000 listed on Schedule B of the UAPEC's August 2005 monthly report and question whether there should be some allocation of expenses between a federal and non-federal account.

The $25,000 entry does represent a transfer of funds to the connected organization's non-federal account. All money raised and collected by the UAPEC, however, are funds subject to the prohibitions and limitations of the Federal Election Campaign Act. All fundraising, administrative and other expenses incurred in soliciting money (from the connected organization's restricted class) for the UAPEC have been paid by the UAPEC or the connected organization. As we understand the allocation rules set forth in 11 CFR 106.6, they establish the minimum amount to be paid by the federal account but that the federal account may pay a greater percentage of the allocable cost then the minimum, and may pay up to the entire cost. Likewise, allocating a portion of the costs to the non-federal account is permissive rather than mandatory under the FEC rules. See Advisory Opinion 2000-24 and see Section 106.6(c) (administrative expenses shall be paid "with at least 50 percent Federal funds."). Thus, it is our understanding that it is permissible for the federal account to pay all the applicable costs associated with the collection of contributions, whether they be deposited in the federal account or transferred to the non-federal account. Here the UAPEC or its connected organization paid all of the costs related to the collection of the $25,000 at issue.

Therefore, we believe it was proper for the UAPEC to transfer this amount to the non-federal account without allocating any portion of the administrative or solicitation costs to the non-federal account. Accordingly, we do not believe that any corrective action need be taken. If you disagree with this analysis, please advise what additional steps the Commission would require to be taken.

Please let us know if you need any additional information.

Sincerely,