

(Part 2 of Form 99)

Your letter also cites 11 CFR 114.10(f) which requires Qualified Nonprofit Corporations to include a notice informing prospective contributors that "their donations may be used for political purposes such as supporting or opposing candidates." Providing this legal notice to prospective contributors of the possibility that their contributions might be used for political purposes could not reasonably be viewed as seeking their permission or receiving their instruction to use a contribution for a specific independent expenditure. The purpose of the notice was to inform contributors that their funds might be used for political purposes to allow them to refuse support to the organization. See 479 U.S. at 261. It does not reflect on the contributor's "purpose" for making the contribution; nor does it indicate to the contributor how the organization will use his or her contribution.

Finally, the Commission specifically addressed the requirements for reporting contributors in the Explanation and Justification accompanying the final rules on disclosure for electioneering communications by qualified nonprofit corporations. See 68 Fed. Reg. 413 (Jan. 3, 2003). Commenters requested that the Commission impose the same requirements to disclose contributors on electioneering communication reports as were currently used for reporting independent expenditures. The Commission rejected this approach and required QNC's to either disclose all contributors or establish a segregated bank account to pay for electioneering communications and report only those contributions in the account. The Explanation and Justification recognizes the distinction between the reporting requirements for electioneering communications and independent expenditures stating: "While reporting of independent expenditure contributors is limited to those who contributed specifically for independent expenditures, 11 CFR 109.10(e)(1)(vi), QNC's can also reduce their reporting obligations [for electioneering communications] by using separate bank accounts pursuant to 11 CFR 104.20(c)(7)." (emphasis added)

Consistent with the statute and regulations, as well as the Commission's guidance on this issue, it is our understanding that LCV is required to itemize contributions that were made by an individual for the purpose of furthering an independent expenditure. The regulations do not require the identification of contributors that give to the organization to support its general programs without specifying that the contribution is "for the purpose" of making an independent expenditure. LCV has not received any contributions that were made by a contributor "for the purpose of furthering" an independent expenditure. Because LCV did not receive any contributions that require disclosure under 11 CFR 109.10(e)(1)(vi), no amended reports accompany this response.

If you have any questions, please contact me at 202 454 4577.

Sincerely,

Barbara Gonzalez McIntosh  
Treasurer

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