

The separate segregated fund of a corporation or association established pursuant to s.11.38(1)(a)2., Stats., may not accept contributions from other corporations to be used solely for the administrative expenses of the separate segregated fund. (Issued to Mr. Peter Coe Christianson. September 18, 1980)

You indicate that you represent the separate segregated fund of an incorporated trade association which receives contributions from members of the trade association, some of which appear to be drawn on corporate checking accounts. You indicate the fund wishes to retain these corporate contributions in a separate checking account to be used purely for administrative expenses of the separate segregated fund. You further indicate that your reading of the applicable state law and administrative rules adopted by the Elections Board leads you to conclude that these contributions may be accepted and that the separate segregated fund is not required to report the receipt of such funds to the Elections Board.

The State Elections Board disagrees with this position. It is the opinion of the State Elections Board that a separate segregated fund may not receive corporate money from a corporation or cooperative to be utilized for administrative purposes other than from the corporation or cooperative which established that separate segregated fund. The Elections Board has continuously taken the position that a corporation or association may establish and administer only one separate segregated fund pursuant to s.11.38(1)(a)2., Stats. Op. El.Bd. 78-11.

Corporations or associations engaging in the activity of establishing a separate segregated fund are required to register and file special reports with the State Elections Board disclosing their administrative and solicitation expenses on behalf of that fund. s.11.38(1)(a)2., Stats. The administrative expenses of a political committee, such as a separate segregated fund, are specifically defined as political expenses. s.11.01(16), Stats.

The acceptance of contributions from a corporation or association for the purposes of administering a separate segregated fund circumvents the restrictions of the state campaign finance law regarding the prohibition of corporate contributions and expenditures for political purposes. s.11.38 (1)(a)1., Stats. The restrictions are designed to limit corporate political activity and to disclose the limited amount of corporate activity permitted. 65 OAG 10 (1976).

The interpretation which you have presented does not further the purposes of Wisconsin's campaign finance law as described in ss.11.001, 11.002, Stats. The public has the right to have a full, complete and readily understandable account of those activities intended to influence elections. It is the conclusion of the State Elections Board that your separate segregated fund may not receive contributions from corporate members of the incorporated trade association which established the fund to be used solely for administrative expenses of the separate segregated fund.