



STATE TREASURY BUILDING

January 10, 1979

Honorable Raymond W. Hood
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Representative Hood:

This is in response to your request concerning the applicability of the Campaign Finance Act, P.A. 388 of 1976 ("the Act"), as amended, to a petty cash fund.

You state you desire to establish a petty cash fund consisting entirely of officeholder expense fund monies. You ask whether the preceding is permissible under the Act.

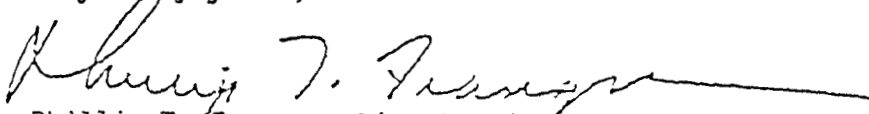
Section 49(1) of the Act (MCLA §169.249) states "an elected public official may establish an officeholder expense fund. The fund may be used for expenses incidental to the person's office. The fund may not be used to make contributions and expenditures to further the nomination or election of that public official."

A petty cash fund may be established with monies from an officeholder expense fund. In that instance, however, the petty cash fund must be entirely separate and distinct from any petty cash fund of the candidate's committee. As such, it may be used only for expenses incidental to the person's office.

Just as officeholder expense fund reporting and procedural requirements, unless otherwise indicated in the Act, are parallel to those for candidate and other committees, reporting and procedural requirements applicable to petty cash funds established with candidate committee monies are applicable also to petty cash funds credited with officeholder fund monies. Thus, for example, a single expenditure from a petty cash fund shall not exceed \$50.00 regardless of whether the fund is established with candidate committee or officeholder fund monies.

This response may be considered informational only and not as constituting a declaratory ruling.

Very truly yours,


Phillip T. Frangos, Director
Office of Hearings & Legislation

PTF/jmp