



## **KENTUCKY RPAC TRAINING TIPS**

## **CREATING AND IMPLEMENTING A FUNDRAISING PLAN**

The biggest mistake that fundraisers make is not having a plan. Meet with your association executive or government affairs director but develop the plan with your committee.

- Set fundraising goals
- Complete Event Request Form
- Establish Time Frames
- Assign responsibilities

## **ESTABLISHING YOUR STATE RPAC GOAL**

The dollar goal of National RPAC, set by the national trustees, is \$15 per member per Year. To ensure that all state RPACs contribute to the RPAC effort, a state RPAC's annual goal is determined by National RPAC based on the number of members reported to NAR through the National REALTOR® Database System (NRDS). This number is multiplied by \$15 to determine each state's goal for the following calendar year.

## **NAR FUNDRAISING FORUMS & WEBINARS**

### ***RPAC Fundraising Forums***

- Held at Midyear Meeting and Annual Meeting
- Featuring Professional Fundraising Experts to answer your fundraising questions
- Share and learn ideas from fellow REALTOR associations
- Network with colleagues from around the country
- Receive national fundraising updates
- Learn about NAR programs

### ***RPAC Fundraising Webinars:***

NAR's Community & Political Affairs Division is thrilled to offer twice-monthly RPAC Fundraising Webinars. The RPAC Fundraising Webinar Series is designed to help REALTOR® volunteers, as well as state & local association staff, acquire practical RPAC training skills without leaving your office. The majority of the Webinars will be hosted by NAR's former Senior Political Representative & now fundraising consultant, Jane Saunders.

Contact Kristen Daugherty, [kdaugherty@realtors.org](mailto:kdaugherty@realtors.org), 202-383-1166 for more details.

## **WHO CAN BE SOLICITED?**

The FECA limits the class of individuals that can be solicited to contribute to RPAC. This "restricted class" or "solicitable class" consists of association members, including individual affiliate members of state and local associations, and the executive and administrative personnel of NAR, state and local associations and

associations, and the families of any of them. Under certain narrowly limited conditions employees of REALTOR® Associations other than executive and administrative personnel may also be solicited.

To be solicitable for RPAC, a contributor must be a "member" or an employee of an association at any one of the three levels of the REALTOR® association structure. Individuals holding "affiliate member" status in local or state associations may also be solicited. Any individual in the restricted class may be solicited for RPAC an unlimited number of times in any legally permissible way, except that solicitation of employees of REALTOR® associations other than executive and administrative personnel is more narrowly restricted. Individuals not in the restricted class, however, regardless of their relationship with a state association or local association, cannot be solicited for RPAC in any way or at any time.

### **CONTRIBUTION NOTICES (the disclaimer)**

Political action committees, such as RPAC, are prohibited from obtaining contributions based on threats of physical force, employment discrimination, financial reprisal, or by allocating to the PAC a portion of dues, fees or other monies required as a condition of membership in the sponsoring organization. To reinforce these requirements and assure that no pressure or duress is applied in soliciting and collecting RPAC contributions, the FECA requires that all RPAC written solicitation materials include a notice that includes all of the following:

- The political purpose of RPAC
- That RPAC contributions are voluntary
- That the member may refuse to contribute without reprisal, and that neither the
- National Association of REALTORS® or any of its state or local associations or
- will favor or disfavor any member because of the amount they contribute
- That the contribution is split between National RPAC (30 percent) and the state
- RPAC (70 percent); and
- The amount is chargeable against the donor's federal contribution limit under 2
- USC §441a.

The following is a notice that might be used:

***“Contributions are not deductible for federal income tax purposes. Contributions to RPAC are voluntary and are used for political purposes. You may refuse to contribute without affecting your membership rights. 70% of each contribution is used by KAR to support state and local political candidates and 30% is sent to National RPAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a”***

### **PROHIBITED CONTRIBUTIONS**

Certain contributions to National RPAC are prohibited by the FECA or by National RPAC trustee policy. These prohibited contributions are:

- contributions from corporations
- contributions made in the name of another

- any part of a cash contribution exceeding \$100 (check your state law, some are under \$100)
- all anonymous contributions, regardless of amount
- contributions from members providing goods or services under contract to the federal government
- contributions by minors under the age of 18
- contributions from foreign nationals (a green card is needed)

## **SUGGESTIONS FOR LOCAL CANDIDATE INTERVIEWS**

- Be sure your interview committee includes local RPAC Trustees and is balanced between political parties.
- When someone agrees to be a part of the interview team they understand they must be present for ALL interviews or else they will not be able to vote.
- KAR can supply sample candidate questions upon request. Please focus on real estate issues.
- Complete the local association request for local candidates form, sign and approve by your Board of Directors if possible.

## **CONTRIBUTIONS**

### **Limitations**

The Federal Election Campaign Act prohibits contributions in excess of \$5,000 per calendar year by an individual to a multi-candidate federal PAC such as National RPAC. This limitation applies only to the 30 percent portion of each contribution transmitted to National RPAC for the support of federal candidates. Thus, a member could actually contribute as much as \$16,666 to the RPAC program annually, since only 30 percent of that amount - or \$5,000 - would reach National RPAC for use in supporting candidates for federal office, while the other seventy percent of that amount contributed is retained by the state RPAC. Federal law also prohibits any one individual from giving more than \$95,000 in total contributions for all federal election purposes in any two year "election cycle." This includes contributions to national party committees, federal candidates, and/or federal PACs. A "sublimit" of \$57,500 per two year cycle applies to the aggregate of all contributions to PACs and party committees. Please remember that after a member contributes \$1500.00, contributions should go directly to NAR.

### **Contributor Information Required**

Federal law requires that certain information be gathered about RPAC contributors. This information includes the:

- name
- mailing address
- occupation (this should be the occupation of the affiliate and should not list the local board information)
- employer of each contributor
- amount
- date of the contribution

In addition, NAR requires the:

- NRDS membership identification number for each individual
- recognition year for the contribution

RPAC solicitors should obtain this contributor information when they collect RPAC contributions. The information a state association must reflect for each contributor in the transmittal of funds to National RPAC is NRDS ID number, first & last name of the contributor, amount & date of contribution, and recognition year of the contribution. Failure to do so will simply increase someone else's workload later on and add to the costs of RPAC fundraising. Your state association, state RPAC, or association staff, or RPAC Chairman may be able to provide RPAC reporting forms that make collecting and reporting this information easier.

### **What are the time limits for forwarding RPAC contributions to both state and/or NAR RPAC offices?**

Due to the multi-tiered structure of NAR, contributions made by members of the solicitable class may be forwarded through our structure in various ways. The date the clock starts 'ticking' for purposes of the 10 or 30 day time limit, depends on the method a contributor chooses to deliver his/her contribution to National RPAC. For purposes of this discussion, a number of examples are provided below to illustrate when the 10 or 30 day time limit goes into effect.

The key is the **"date of receipt."** That is the date a person, such as a staff member of a local association receives the contribution directly from the contributor, or the date a member soliciting and receiving RPAC contributions, obtains possession of the contribution. All contributions collected at the local association level must be transmitted to the state PAC within the applicable 10 or 30 day time limit from the date of receipt. This means that local associations, local association RPACs, and individuals soliciting and collecting RPAC contributions on behalf of RPAC must promptly collect all contributions and transfer them to the state PAC within these time limits. In cases where the date a person initially gives his/her contribution is unclear, you should assume the date of the check as the date of the contribution.

### **What if the local association is the first recipient of the RPAC contribution? The date of receipt that "starts the clock" is defined as:**

- The date an individual RPAC contributor hands over his/her contribution check or cash to an individual local association RPAC solicitor, or;
- The date a contribution is directly received by a local association or local association RPAC from the contributor. In the case of an individual mailing a check for payment of dues billing directly to the local association and the check includes a voluntary RPAC contribution, the date of receipt is the date the post office physically delivers the envelope to the local association office. To establish the date of receipt in this situation, it is advisable for the local association to date stamp the envelope or supporting documentation or otherwise record the date of delivery, and retain that documentation for future reference.
- The time period ends when the contribution is received by the designated state association receiving agent.
- If the contributor provides credit card information to the local association as the method of payment to make an RPAC contribution, the date the local charges the credit card is the date the clock starts ticking for the 10 or 30 day time limit.
- If the contributor submits an RPAC contribution via an online Ecommerce site where the proceeds will be deposited into a local association bank account, the date the charge is successfully accepted by the online site is the date the clock starts ticking.

## **What if a Broker initially collects RPAC contributions on behalf of an agent?**

The Broker still needs to adhere to the time limits, since the FEC is likely to apply these time limits to the broker as "a person" who receives RPAC contributions from his or her agents. A broker may collect dues from sales associates, including RPAC contributions (personal checks) included on the dues billing made by the sales associates, deposit the money collected in the broker's account, and forward to the local association these funds using a single check drawn by the broker on the firm's (corporate) account.

In doing so, however, it is essential that the broker keep clear records regarding the personal RPAC contributions received from the associates and include the documentation when forwarding the funds to the local association i.e. a copy of the agent's check. Because the FEC considers the transmittal time limits to begin when the associate gives an RPAC contribution to the broker, this is the date of receipt and the clock starts ticking for 10 or 30 day transmittal at this point. Thus, the broker must forward the funds to the local association as soon as possible to allow the local association to, in turn, transmit them to the state association within the 10 day time limit for contributions over \$50 and within 30 days for contributions of \$50 or less.

*The broker may not "hold" amounts collected from sales associates until having collected from all of them.* If the broker wants to hold the amounts paid to him for dues until dues payments are collected from all sales associates, the best practice is to ask sales associates to write separate checks for the RPAC contribution.

## **THE ONE-THIRD RULE**

### **1. What is the "one-third rule" and when does it apply?**

The so-called "one-third" rule set forth in the Federal Election Commission Regulations applies to corporate sponsored fundraising events held to raise voluntary contributions to Federal political action committees where the event involves providing prizes, merchandise, or entertainment to contributors. The rule applies to RPAC fundraising events sponsored by NAR or state or local associations because 30% of each RPAC contribution is forwarded to National RPAC to support Federal candidates.

### **2. What is the reason for the one-third rule?**

The one-third rule is intended to prevent a corporation from giving contributors prizes, merchandise or entertainment at events like raffles, dinner-dances, auctions and the like "in exchange" for voluntary individual political contributions. Since an incorporated Association of REALTORS® may use corporate monies to pay the costs of conducting an RPAC fundraising event, such an "exchange" might appear to occur if the prizes or entertainment provided to contributors had approximately the same value as the total contributions made by those individuals in attendance. Thus, the rule prevents the sponsor from providing to contributors prizes or entertainment in exchange for personal PAC contributions where the total amount contributed does not significantly exceed the value of the prizes or entertainment. The rule accomplishes this by establishing a "threshold" relationship between costs incurred in connection with the event and total contributions made by those in attendance.

### **3. How does the one-third rule work?**

In order to prohibit "exchanges" of corporate money or merchandise for personal PAC contributions, the rule provides that the value of the prizes, merchandise, or entertainment distributed (exclusive of food, beverage and facility expenses, but including professional entertainment expenses) to contributors at a fundraising event, like a raffle or an auction, may not exceed one-third of the total contributions made by contributors at the event.

Stated conversely, the event must result in total contributions not less than three times the costs of prizes and entertainment. If that amount of contributions is not achieved, the sponsor must be reimbursed by the PAC in an amount necessary to reduce the net "expenditure" (for merchandise and entertainment) to one-third of the contributions collected.

## **DUES BILLING**

Requesting an RPAC contribution on each member's annual association dues statement, a technique known as "dues billing," ensures that every member will be solicited for an RPAC contribution. Every other fundraising technique, however effective, will miss at least some of the membership. Most state associations and local associations that use the RPAC dues billing program have seen substantial increases in both total contributions and in the number of members contributing. Dues billing is effective for three reasons:

- First, because RPAC works to the benefit of every NAR member, dues billing reminds each one of them to pay his or her fair share for those benefits.
- Second, dues billing makes it more convenient to contribute, because the process encourages members to make a contribution to RPAC at the same time they pay their association dues.
- Third, dues billing adds little to the cost of the fundraising effort.

We realize that not every state allows traditional dues billing; but most state are able to work with their Board of Elections to allow a non-traditional form of dues billing. Check with your state government affairs director or RPAC staff to see what type of dues billing is available in your state. The bottom line is, if you are not using "dues billing" on the annual dues statement you are missing a golden opportunity. You members may have to write a separate check but every member of your association is asked for an investment in RPAC. The best part is there is no additional cost to make "the ask." Check out the details.

For more information on Dues Billing contact the KAR office at 800-264-2185 and speak with the Finance Director and Governmental Affairs Director.

## MOST ASKED QUESTIONS ABOUT RPAC

**1. Can an RPAC contributor write a check out of a corporate account?**

RPAC can not accept corporate checks or a corporate credit card

**2. How much cash can a contributor give per year?**

An RPAC contributor can only give \$50 (accumulated) of cash per year

**3. Can a contributor make a contribution on behalf of someone else?**

A contributor can not make a contribution on behalf of someone else. An example would be a check written by Jane Doe but in the memo it would state “for Sally Doe”. This check would be sent back to the local board.

**4. Can affiliates make a contribution to RPAC?**

Yes, only if they are an affiliate member and have been entered into NRDS

**5. Can a staff person of a REALTOR® member contribute to RPAC?**

No, a staff person of a REALTOR® member can not be solicited for RPAC Contributions

**6. Can a REALTOR® member’s spouse contribute to RPAC?**

Yes, the contribution will be posted to the REALTOR® member.

**7. Can a REALTOR® member from another state contribute to RPAC?**

Yes

**8. What happens if a check is written and it’s over the amount of \$1500.00?**

Anything over the amount of \$1500 will be sent directly to NAR

**9. Can a local board accept cash for an RPAC contribution?**

Yes, but the local board can not write a check in place of the cash. A local board can submit a money order in the place of sending cash.

**10. Can a contributor give a money order?**

Yes, this is like sending a check

**11. Why will KAR sends checks back to local boards?**

KAR will send a check back for the following reasons:

- a. Non-Sufficient Funds
- b. Written from escrow account
- c. Written from a corporate account
- d. Check written for someone else

**12. Which local board are the contributions posted to?**

When a contributor is contributing at an event the monies will be posted to the local board that is hosting the event unless the contributor indicates otherwise.

**13. If a member contributes online which board are those contributions posted to?**

The contribution will be posted to the primary board of the member unless stated otherwise

**14. Does KAR accept pledges?**

When a contribution card is completed a form of payment should accompany it, via check, credit card, or cash.

**15. Can dual credit be given for 2 separate RPAC events?**

No, when a check is written for an event it will only apply to that specific event.

**16. I know a corporation cannot contribute but can a business that is an LLC or partnership?**

Yes, as long as the signature on the check is from a REALTOR® member.