

	
<h1>Membership/Labor Organization PAC Operations Part 1</h1>	
<p>March 15, 2023 1:00 p.m. Eastern</p>	

## Before we begin...

<p>Webinar Materials</p> 	<p>Post-Webinar Survey</p> 
--	---

**Campaign Guide for Corporations and Labor Organizations (“Guide”):** [www.fec.gov/help-candidates-and-committees/guides/?tab=corporations-and-labor-organizations](http://www.fec.gov/help-candidates-and-committees/guides/?tab=corporations-and-labor-organizations)

## OBJECTIVES

### Restricted Class



### Solicitation Rules



### Fundraising Methods



### OBJECTIVES

- Identify who the PAC may solicit for contributions
- Review fundraising notices required on all solicitations
- Evaluate popular solicitation techniques

## I. Introduction

<b>Remember...</b>	Most permissible membership/labor activity in connection with federal elections results from exceptions to the ban on corporate/labor contributions
--------------------	---

### A. Prohibition on membership/labor organization contributions

#### (11 CFR 114.2)

1. Federal law generally prohibits contributions by corporations and labor organizations to influence federal elections. The prohibition includes contributions from incorporated trade associations and other membership organizations.
2. The corporate/labor ban does not apply to contributions to an independent expenditure-only committee (i.e., Super PAC) or to a non-contribution account (i.e., Hybrid PAC).

Membership/labor organization may use treasury funds to pay administrative and fundraising costs for its SSF

## SSF Exception

- B. Exception: Separate Segregated Fund (SSF) ([11 CFR 114.5](#))**  
Corporations (including trade associations and membership organizations) and labor organizations may use treasury funds to create and run a separate segregated fund (sometimes called an SSF or PAC) to support federal candidates.

## PAC Solicitations

What is a solicitation?

Why does it matter?

**NOVEMBER 8**

**Contribute to the XYZ Member/Labor Organization PAC**

The purpose of this contribution is for the benefit of political candidates and activities on a state and national level. The recommended contribution amounts listed are merely suggestions. Employees may choose to give more or less than stated. XYZ Membership Organization will not favor nor disfavor employees according to their contributions. This contribution is voluntary; you have right to refuse to contribute. There will be no benefit or disadvantage based on your decision.

Enclosed is my check for \$1,000.  
 Enclosed is my check for \$2,500.  
 Enclosed is my check for \$ \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Employer: \_\_\_\_\_  
Occupation: \_\_\_\_\_

Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 in a calendar year.  
Contributions to the organization are not deductible for federal income tax purposes as charitable contributions.

## II. What is a Solicitation?

<h1>What is a solicitation?</h1>	<ul style="list-style-type: none"><li>Requesting contributions</li><li>Explaining how to contribute</li><li>Publicizing right to accept unsolicited contributions</li><li>Encouraging support for PAC</li></ul>
----------------------------------	---

- A. Solicitation = communication that contains:**
1. Straightforward request for contributions;
  2. Information on how to make a contribution;
  3. Publicizing PAC's right to accept unsolicited contributions; or
  4. Statements encouraging support for the PAC.
  5. See MURs [6100R \(2010\)](#) and [5681 \(2007\)](#); AOs [1979-66](#) and [1979-13](#).

**Example: Language from [AO 1979-13](#):**

*"I was glad to see that Raymond has so many employees who realize that the welfare of us all is tied very closely to government policies and attitudes toward business. RAYPAC is one way we can make the voice of business people and our industry heard in this country. I hope we continued [sic] to have such an enthusiastic group."*

<p>Announcing PAC's existence</p> <p>Explaining applicable laws</p> <p>Providing statistical information</p> <p>Listing candidates supported</p>	<p><b>What is <u>not</u> a solicitation?</b></p>
--	--

**B. Communication is NOT a solicitation if it:**

1. Avoids encouraging support for the PAC.
2. Does not facilitate the making of contributions.
3. Merely announces existence of PAC and explains legal requirements that apply to a PAC.
4. Provides statistical information about the PAC's receipts and contributions.
5. Identifies candidates supported by the PAC (but does not suggest that supporting the PAC will help elect those candidates).
6. See AOs [1991-03](#), [1983-38](#) and [1982-65](#).

**Example: Language from [AO 1982-65](#):**

*"The Union Carbide Corporation supports the operation of the Union Carbide Corporation Political Action Committee as authorized by, and in accordance with, federal law. Shareholders desiring additional information about the activities of the Committee may write to the Secretary, Union Carbide Corporation, Section D4, Old Ridgebury Road, Danbury, CT 06817."*

## Why does it matter?

SSFs may only solicit restricted class

Solicitations must include certain notices

Specific deadlines to forward resulting contributions

- C. Importance of knowing when communication = PAC solicitation**  
Must be able to recognize solicitation in order to avoid it reaching individuals outside restricted class and to ensure the solicitation complies with basic rules that apply to all PAC solicitations.

### III. Basic Solicitation Rules

## Basic Rules Apply

RULES



- Restricted class only
- Solicitation notices always
- Forward contributions and records on time

## Restricted Class for Membership/Labor PAC

<p><b>Executive and Administrative Personnel</b></p> 	<p><b>Noncorporate Members</b></p> 	<p><b>Families of Both</b></p> 
--	---	--

- A. Who is in restricted class of a membership/labor organization PAC?  
(11 CFR [114.5\(g\)\(2\)](#) and [114.7\(a\)](#))

## Executive and Administrative Personnel



Employees paid on a salary (rather than hourly) basis who have policymaking, managerial, professional or supervisory responsibilities

1. **Executive and administrative personnel** of the organization.
  - a) **Definition:** Employees paid on salary (but **not** hourly) basis who have managerial, professional, policy-making or supervisory responsibilities.
  - b) See AOs [2012-02](#), [2011-25](#), [2010-04](#), [2004-32](#), [1999-20](#) and [1993-16](#).

## Noncorporate Members



Noncorporate members include individuals and partnership members of the organization

2. **Noncorporate members**  
a) Includes individuals or other unincorporated entity (i.e., partnership).

<h2>Definition of Member</h2>	<ol style="list-style-type: none"><li>1. Satisfies requirements for membership <b>AND</b></li><li>2. Affirmatively accepts invitation to join <b>AND</b></li><li>3. Has significant financial attachment <b>OR</b> Pays annual dues <b>OR</b> Has significant organization attachment</li></ol>
-------------------------------	---

- b) **Definition of member (for labor/trade/membership PACs)**  
**[\(11 CFR 114.1\(e\)\(2\)\)](#)**  
Person (i.e., individual or company) who satisfies requirements for membership in organization, affirmatively accepts organization's invitation to become member and:
- (1) **Has significant financial attachment to organization** (i.e., owner of seat on commodities exchange ([AO 2008-21](#))), or
  - (2) **Pays annual dues set by organization, or**
  - (3) **Has significant organizational attachment to organization** that includes:
    - Affirmation of membership on annual basis (e.g., meeting or responding to survey); and
    - Direct participatory rights in governance of organization (e.g., right to vote directly or indirectly for at least one individual on highest governing board; right to vote on policy questions; or right to approve organization's annual budget).

- (4) In [AO 2003-13](#), members “in training” who had none of the above situations, but who were subject to professional sanctions and were likely to become dues paying members in the future, were considered to have a significant organizational attachment.
  - (5) See [AO 2018-02](#) “inactive” members who retained the right to be reinstated as active members qualify as members since they have a “reversionary interest” in being reinstated as active members.
- 3. Students, lifetime members and retirees**
- a) Case-by-case determination by the Commission.
  - b) Individuals who do not meet the above requirements but have a relatively enduring and independently significant financial or organizational attachment to the membership organization may be solicitable. [11 CFR 114.1\(e\)\(3\)](#).
  - c) See AOs [2018-02](#), [2013-08](#), [2011-08](#), [2007-19](#), [2003-13](#), [1999-06](#).

## Families



Immediate family members who share the same residence

- 4. Families of the above groups**  
See AOs [2013-06](#) and [1980-102](#).

		By corporation	By labor organization	By incorporated membership organization*	By incorporated trade association
		At any time*	Executive and administrative personnel and families stockholders and families	Executive and administrative personnel and families	Executive and administrative personnel and families
			Members and families	Non-corporate members and families	With prior approval, corporate members' executive and administrative personnel, stockholders and families of both

*Campaign Guide for Corporations and Labor Organizations, p. 42.*

**Table: Who may be solicited: At any time - [Guide, p. 42](#)**

**More:** [www.fec.gov/help-candidates-and-committees/fundraising-for-ssf/who-may-be-solicited-ssf-contribution/](http://www.fec.gov/help-candidates-and-committees/fundraising-for-ssf/who-may-be-solicited-ssf-contribution/)

Organization/PAC may **NOT** solicit:

- Foreign nationals
- General public
- Clients, vendors, etc.
- Other PACs
- Non-executive employees who are not members

**Beyond the  
Restricted Class**

**B. Who is NOT solicitable?**

1. Foreign nationals (even if member) ([11 CFR 110.20\(g\)](#));
2. Clients, vendors, etc. and their PACs;
3. Other PACs/SSFs;
4. Employees of membership/labor organization who are not executives, nor organization members; or
5. Employees or stockholders of incorporated members of membership organization.
6. See AOs [2011-22](#) and [2005-17](#).

## DOES YOUR ORGANIZATION CONDUCT TWICE-YEARLY SOLICITATIONS?



Twice a year SSFs may mail solicitations to homes of limited group not in restricted class

Must appoint custodian to preserve anonymity

Mail solicitation to individual's home

### Twice Yearly Solicitations

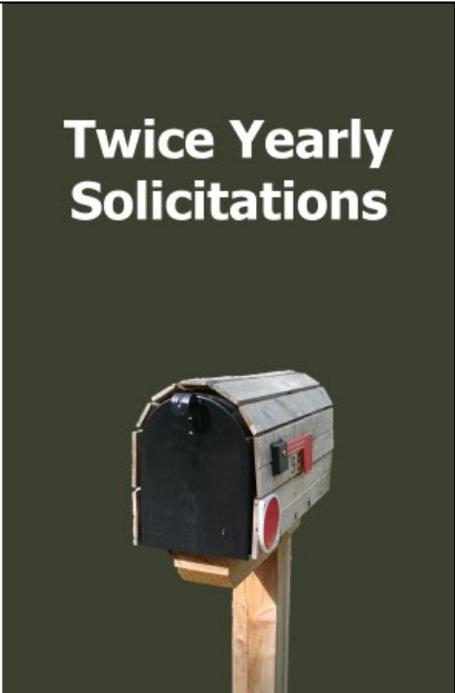


- C. **Twice yearly solicitations ([11 CFR 114.6](#); [Guide, Appendix B, pp. 187-190](#))**
  - 1. **Twice a year, a PAC may solicit:**
    - a) **Membership organization:** Rank and file employees of the membership organization.

- b) **Labor organization:** All non-union employees of corporations that employ union’s members.
  - c) Must use custodial arrangement to preserve anonymity.
  - d) Must mail solicitation to employee’s home.
2. **Application to labor organizations**
- a) If a corporation that employs union members wants to conduct a twice-yearly solicitation for its PAC, it must notify the union of its intention and provide similar opportunity.
  - b) If other unions represent employees at that corporation, the unions share a limit of two solicitations of non-members per year. [11 CFR 114.6\(e\)\(5\)](#).

	By corporation	By labor organization	By incorporated membership organization*	By incorporated trade association
Twice yearly*	Non-executive and non-administrative personnel and families	Non-executive and non-administrative personnel and families  In corporations that employ members of the labor organization, non-member employees, stockholders and families of both	Non-executive and non-administrative personnel and families	Association's non-executive and non-administrative personnel

*Campaign Guide for Corporations and Labor Organizations, p. 42.*



**Table: Who may be solicited: Twice yearly - [Guide, p. 42](#)**

**More:** [www.fec.gov/help-candidates-and-committees/fundraising-for-ssf/twice-yearly-solicitations-expanded-class-ssf/](http://www.fec.gov/help-candidates-and-committees/fundraising-for-ssf/twice-yearly-solicitations-expanded-class-ssf/)

## OBJECTIVES

### Restricted Class



### Solicitation Rules



### Fundraising Methods



## Basic Rules Apply

RULES



Restricted class only

Solicitation notices always

Forward contributions and records on time

## Solicitations Notices

### **Contributions must be voluntary**

No threats

No dues or fees

### **Must include every time:**

Political purpose of SSF

Right to refuse to contribute

Any guideline = suggestion

- D. Voluntary contributions and solicitation notices ([11 CFR 114.5\(a\)](#))**
- 1. Contributions must be voluntary**
    - a) No threat of physical force, job discrimination or financial reprisal.
    - b) No dues or fees.
  - 2. Required notices**

Every solicitation must state:

    - a) Political purpose of PAC
    - b) Solicitee's right to refuse without reprisal
    - c) Guideline on amount is merely suggestion; no minimum may be specified.
  - 3. See AOs [2006-17](#), [2003-06](#) and [1997-25](#), MURs [5681](#) and [5337](#).**

**BERKELEY ELECTRIC COOPERATIVE, INC.  
VOLUNTARY EMPLOYEE DONATION FORM**

Option 1 \_\_\_\_\_  
I, the undersigned, do hereby certify my desire to voluntarily donate to the organization listed below. The purpose of these organizations is for the benefit of political candidates and activities on a state and national level that support rural electric cooperatives. I authorize Berkeley Electric Cooperative, Inc. to deduct the following designated amounts per pay period from my paycheck. I understand that this authorization will remain in effect perpetually, unless and until rescinded by me in writing. I am also fully aware that should I elect not to participate I may do so without any concern of retaliation.

**RECOMMENDED AMOUNTS PER PAY PERIOD**

	HOURLY		SALARIED			
	Authorized Amount	NON-SUPERVISOR	SUPERVISOR	NON-SUPERVISOR	SUPERVISOR	STAFF
AMOUNT PPD		\$3.00	\$5.00	\$7.00	\$7.00	\$9.00
ACRE (Action Committee for Rural Electrification)		0.96	0.96	0.96	0.96	3.85
ECIO (Electric Cooperatives Help Organization)		0.42	0.42	0.42	0.42	0.42
EMPL FUND (State Candidate Support)		0.66	1.47	2.23	2.23	1.88
BEC PAC (Federal Candidate Support)		0.96	2.15	3.39	3.39	2.85

The recommended contribution amounts listed above are merely suggestions. Employees may choose to give more or less than stated. BEC will not favor nor disfavor employees according to pledged donations.

Option 2 \_\_\_\_\_  
I am providing a one-time contribution in the amount of \$ \_\_\_\_\_ to be distributed as designated above.

Option 3 \_\_\_\_\_  
I elect not to participate at this time.

4. **Examples from [AO 2006-17](#):**

- **Statement of political purpose:**  
*"...for the benefit of political candidates and activities on a state and national level that support rural electric cooperatives."*
- **Statement of voluntary nature and suggested guideline:**  
See BEC proposed solicitation form (Exhibit 1). The form offers three options for contributing. It notes that the first option contains *"merely suggestions,"* and that employees may choose to give *"more or less than those stated."* The form further states, *"BEC will not favor nor disfavor employees according to pledged donations."* An additional statement reads, *"I am also fully aware that should I elect not to participate I may do so without any concern of retaliation."* Taken together, these statements comply with 11 CFR [114.5\(a\)\(2\)](#) and [\(a\)\(4\)](#).

5. **Other required notices**

- **Statement of federal election purpose**  
Required if also soliciting funds for state PAC; can be worked into the political purpose statement required for SSFs.
- **Best efforts notice**  
Required for committee to say it has made best efforts to obtain, maintain and report contributor information. For details see [www.fec.gov/help-candidates-and-committees/keeping-ssf-records/recording-receipts-ssf/](http://www.fec.gov/help-candidates-and-committees/keeping-ssf-records/recording-receipts-ssf/)
- **IRS notice of non-tax-deductibility**  
See [www.irs.gov/charities-non-profits/solicitation-notice](http://www.irs.gov/charities-non-profits/solicitation-notice)

## Basic Rules Apply

RULES



Restricted class only

Solicitation notices always

Forward contributions and records on time

## Collecting Agents

Collect contributions for SSF:

- Connected organization
- Affiliated local/state organization
- State PAC of connected organization or affiliate



- E. Collecting and forwarding contributions to PAC ([11 CFR 102.6\(b\)](#))**  
Connected organization, affiliated organizations or state or local PAC of organization may act as “collecting agent” by collecting and forwarding PAC contributions under guidelines below:

1. **Checks made payable to PAC**  
Connected organization must forward checks payable to PAC directly to PAC.



## Collecting Agents

May temporarily deposit funds, then forward to SSF:

- ≤ **\$50 within 30 days**
- > **\$50 within 10 days**

Along with necessary records

2. **SSF contributions collected by collecting agent:**
  - a) **May be temporarily deposited in:**
    - (1) Separate transmittal account
    - (2) Collecting agent's account
    - (3) Nonfederal account (e.g., state PAC)
  - b) **How to transmit funds**  
Collecting agent may write one check to PAC (or make one electronic transmission) representing all individual contributions collected within specific time period.
3. **Time frames for forwarding contributions and records**  
**(11 CFR 102.8(b))**
  - a) **Contributions of \$50 or less:** within 30 days
  - b) **Contributions over \$50:** within 10 days
  - c) **Recordkeeping:** Collecting agent retains records 3 years.
4. **PAC remains responsible:**
  - a) Reports original sources; date of receipt = date collecting agent receives contribution. (See [11 CFR 102.8\(b\)\(2\)](#)).
  - b) Ensures that collecting agent follows rules.



**Poll questions:**

**Must SSFs always include the solicitation notices when soliciting for contributions?**

- A: Yes
- B: No

**May collecting agents forward contributions and records at their convenience?**

- A: Yes
- B: No

**Answers to Poll questions:**

**Must SSFs always include the solicitation notices when soliciting for contributions?**

- A: Yes – CORRECT ANSWER
- B: No

**May collecting agents forward contributions and records at their convenience?**

- A: Yes
- B: No – CORRECT ANSWER

*Always follow the collecting agent rules and forward contributions and records within the required timeframes!*

## OBJECTIVES

**Restricted Class**



**Solicitation Rules**



**Fundraising Methods**



#### IV. Solicitation Techniques

## Solicitation Techniques



**Payroll deduction**



**Combined dues/  
PAC solicitation**



**Prizes and  
entertainment**



**Communications**

## DOES YOUR ORGANIZATION USE PAYROLL DEDUCTION FOR PAC CONTRIBUTIONS?



CODE	DESCRIPTION	HOURS	AMOUNT
01	REGULAR TIME	40	\$4,180.00
43	SOCIAL SECURITY		\$253.96
13	HEALTH INSURANCE		\$402.00
160	PAC CONTRIBUTION		\$100.00

Common method used by membership/labor PACs to solicit and collect contributions

## Basic Rules Apply

RULES



Restricted class only

Solicitation notices always

Forward contributions and records on time

## Payroll Deduction

Authorization required:

- No reverse checkoff
- Written, electronic or telephone-recorded
- Retain for 3 years after employee's last reported contribution



- A. Payroll deduction (11 CFR [102.6\(b\)](#) and [\(c\)](#), [102.8\(b\)](#) and [114.5\(a\)](#))
1. Basic rules apply:
    - a) Restricted class only
    - b) Use solicitation notices

- c) Forward contributions and records – connected organization is acting as the collecting agent here.
  - d) Date of receipt for reporting purposes = date deducted from paycheck. AOs [2000-11](#) and [1999-33](#).
2. **Authorization required**
- a) Employee gives payroll deduction authorization (PDA) for periodic deduction of PAC contributions from paycheck; may revoke any time.
  - b) Note that “written” may be electronic or telephone-recorded.
3. **No reverse checkoff**  
Illegal to automatically deduct PAC contributions from paycheck, even if individual is allowed to request refund. [11 CFR 114.5\(a\)](#).  
See [AO 2001-04 \(fn. 4\)](#).
4. **Electronic authorizations OK (AOs [2001-04](#), [1999-03](#) and [1997-09](#))**
- a) **Elements to include:**
    - Passwords
    - Email confirmations
    - Notices worked into solicitation
    - Ability to modify/revoke authorization; retention of authorization
  - b) **Formats approved via AOs:**
    - The use of a digital electronic signature to authorize payroll deductions for a corporate PAC. [AO 1999-03](#).
    - The use of a standard “click through” process, in which the contributor enters an ID number that is checked against a database, to authorize deductions for a corporate PAC. [AO 2001-04](#).
    - The use of telephone recorded conversations to obtain and maintain authorization for payroll deductions for an organization’s PAC. [AO 2013-12](#).
5. **Recordkeeping requirements**
- a) Retain PDA for three years from the date the committee last reports receiving a contribution from that employee (rather than three years from the date the employee signed the authorization). [11 CFR 104.14\(b\)](#).
  - b) **Note:** Signed PDA is not the only way to satisfy recordkeeping requirement. For suggested methods for how to keep PDA records, access the [Policy Statement on Recordkeeping Requirements for Payroll Deduction Authorizations](#).

## Payroll Deduction

### If corporate SSF uses . . .

**Must** allow union to use for its PAC, upon request

- Union must reimburse costs

**May** use for trade association PAC

- Must first grant prior approval



6. **Labor organization use of corporation's payroll system**  
**[\(11 CFR 114.5\(k\)\)](#)**

- Corporation or affiliate that uses payroll system to collect PAC contributions must make system available upon request to labor organization with members employed by corporation (for union to collect PAC contributions from those employees).
- Labor organization must reimburse corporation for costs.
- Vacation/annuity fund deductions permitted.

7. **Application to membership organization**

**[AO 2012-15](#)**: Corporations owned by members of a membership organization (e.g., a doctor's office that employs members of a medical membership organization) may provide payroll deduction to enable member-employees to contribute to the membership organization's SSF. The membership organization must pay the corporations in advance for their services, because the corporations themselves are not affiliates.

See also **[AO 2018-02](#)**.

**Reporting Example #1:  
Itemizing Contributions Raised Through Payroll Deduction and Fundraising Events**



Kelly Clark  
Designer, Snowboards  
Member, Snowboard Makers Union

Payroll Deduction for Snowboard Makers Union PAC Kelly Clark			
Pay Day	Transmittal to PAC	Amount Deducted this Period	Total Deducted this Year
1/24/23	2/4/23	\$20.00	\$20.00
2/7/23	2/18/23	\$20.00	\$40.00
2/21/23	3/3/23	\$20.00	\$60.00
3/6/23	3/17/23	\$20.00	\$80.00
3/20/23	3/31/23	\$20.00	\$100.00
4/3/23	4/14/23	\$20.00	\$120.00
4/17/23	4/28/23	\$20.00	\$140.00
5/1/23	5/12/23	\$20.00	\$160.00
5/15/23	5/26/23	\$20.00	\$180.00
5/29/23	6/9/23	\$20.00	\$200.00
6/12/23	6/23/23	\$20.00	\$220.00
6/26/23	7/7/23	\$20.00	\$240.00

The Snowboard Makers Union PAC has received authorization from Kelly Clark, a union member and Designer at Snowboards, to deduct \$20 from her bi-weekly paycheck as a contribution to the PAC. The first deduction was taken out of Kelly’s paycheck on January 24. On February 4, the Snowboards payroll department forwarded the money to the PAC’s treasurer, who had arranged for an electronic transfer into the PAC’s account on the same day.

Looking ahead, on May 29, Kelly’s aggregate contributions to the PAC will reach \$200 exactly. On June 12, she will reach \$220. By June 23, she will have an aggregate year-to-date total of \$240.

As a big supporter of the PAC, Kelly supplements her payroll deduction contributions by purchasing a silent auction prize for \$150 at a PAC fundraiser on June 30.

The Snowboard Makers Union PAC files its FEC reports on a monthly schedule.

- 1. How must the committee disclose the transaction(s)?**
- 2. What information from the scenario do we need to disclose this correctly?**



**Poll question:**

**What is the date of receipt for contributions made through payroll deduction?**

- A: The date the collecting agent deducts the contribution from the individual's paycheck.
- B: The date the PAC receives the transfer from the collecting agent.
- C: The date the individual signs up for payroll deduction.

**Answer to Poll question:**

**What is the date of receipt for contributions made through payroll deduction?**

- A: The date the collecting agent deducts the contribution from the individual’s paycheck – CORRECT ANSWER**
- B: The date the PAC receives the transfer from the collecting agent.
- C: The date the individual signs up for payroll deduction.

**Reporting Example #1 – Answers**

**1. How must the committee disclose the transaction(s)?**

**Answer:** Itemize them on Schedule A for the appropriate Line (11(a)(i) for individuals) once the contributions from an individual aggregate more than \$200 (including contributions received through payroll deduction) for the calendar year.

Kelly’s initial contribution in January does not require itemization as Kelly has not yet contributed over \$200 for the calendar year. Further, the contributions with an aggregate calendar year to date amount ≤ \$200 must be included on Line 11(a)(ii) (*unitemized contributions from individuals*) of the appropriate reporting periods. However, on June 12, she will reach \$220 in contributions for the calendar year. Since the PAC files monthly, the report covering June (due on July 20) would be the report on which they would need to begin itemizing Kelly’s contributions on Schedule A for Line 11(a)(i).

**Example of the payroll deduction itemization:**

## Payroll Deduction Contributions

### July Monthly (M7) Report; FEC Form 3X: Schedule A, Line 11(a)

<b>SCHEDULE A (FEC Form 3X)</b>		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
<b>ITEMIZED RECEIPTS</b>			<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c
			<input type="checkbox"/> 13	<input type="checkbox"/> 14	<input type="checkbox"/> 15
			<input type="checkbox"/> 16	<input type="checkbox"/> 17	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
<b>NAME OF COMMITTEE (In Full)</b>					
<b>Snowboard Makers Union PAC</b>					
Full Name of Individual (Last, First, Middle Initial) or Full Organization Name					
<b>A. Clark, Kelly</b>				Date of Receipt	
Mailing Address				06	30
<b>401 East 67th Street</b>				2023	
City	State	Zip Code			
<b>Mammoth Lakes</b>	<b>CA</b>	<b>93546</b>			
FEC ID number of contributing federal political committee.		C		Amount of Each Receipt this Period	
				\$40.00	
Name of Employer (for Individual)		Occupation (for Individual)		<input type="checkbox"/> Memo Item	
<b>Snowboards</b>		<b>Designer</b>		<b>Payroll Deduction - \$20.00 bi-weekly</b>	
Receipt For:		Aggregate Year-to-Date			
<input type="checkbox"/> Primary <input type="checkbox"/> General		240.00			
<input type="checkbox"/> Other (specify) ▼					

Payroll Deduction for Snowboard Makers Union PAC Kelly Clark			
Pay Day	Transmittal to PAC	Amount Deducted this Period	Total Deducted this Year
1/24/23	2/4/23	\$20.00	\$20.00
			\$40.00
			\$60.00
			\$80.00
			\$100.00
			\$120.00
			\$140.00
			\$160.00
5/15/23	5/26/23	\$20.00	\$180.00
5/29/23	6/9/23	\$20.00	\$200.00
6/12/23	6/23/23	\$20.00	\$220.00
6/26/23	7/7/23	\$20.00	\$240.00

**Kelly Clark**  
Designer, Snowboards  
Member, Snowboard Makers Union

**Check Details:**  
Payee: Kelly Clark  
Address: 401 East 67<sup>th</sup> Street, Mammoth Lakes, CA 93546  
Date: June 30, 2023  
Amount: \$150.00  
Payable to: Snowboard Makers Union PAC  
For: Silent Auction Prize  
Signature: Kelly Clark

**Itemization of silent action prize purchase and aggregation:**

All of Kelly’s subsequent contributions during that calendar year will also require itemization on Schedule A. Thus, Kelly’s silent auction contribution via purchase of a \$150 fundraising item must also be itemized. Since she was already over the \$200 itemization threshold for the calendar year, itemize the silent auction contribution on Schedule A for Line 11(a)(i) but separately from her payroll deductions. The aggregate year-to-date total for the June 30 contribution must include the payroll deduction contributions received previously in the calendar year.

Example of the contribution made in the form of a silent auction purchase:

## Silent Auction Contribution Check

### July Monthly (M7) Report; FEC Form 3X: Schedule A, Line 11(a)

<b>SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS</b>		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)		PAGE	OF
			<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c	<input type="checkbox"/> 12
			<input type="checkbox"/> 13	<input type="checkbox"/> 14	<input type="checkbox"/> 15	<input type="checkbox"/> 16
			<input type="checkbox"/> 17			
<small>Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.</small>						
NAME OF COMMITTEE (In Full) <b>Snowboard Makers Union PAC</b>						
Full Name of Individual (Last, First, Middle Initial) or Full Organization Name A. <b>Clark, Kelly</b>						
Mailing Address <b>401 East 67<sup>th</sup> Street</b>						
City <b>Mammoth Lakes</b>			State <b>CA</b>	Zip Code <b>93546</b>		
FEC ID number of contributing federal political committee. C						
Name of Employer (for Individual) <b>Snowboards</b>				Occupation (for Individual) <b>Designer</b>		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		Aggregate Year-to-Date ▼ <b>390.00</b>				
				Date of Receipt <b>06 / 30 / 2023</b>		
				Amount of Each Receipt this Period <b>150.00</b>		
<input type="checkbox"/> Memo Item						

2. What information from the scenario do we need to disclose this correctly?

Answer:

- **Contributions that aggregate \$200 and under** – need the amount of the contribution and the date that it was deducted from the individual’s paycheck. (For recordkeeping, need the individual’s name, address and payroll deduction authorization). See [11 CFR 104.8\(b\)](#) and AOs [2000-11](#) and [1999-33](#).
- **Contributions that aggregate more than \$200** – need name, address, occupation and employer information of contributor, total amount deducted during reporting period, frequency of deduction and amount per deduction.

## Points to Remember

- Itemize contributions from an individual or other person/entity on Schedule A, Line 11(a)(i), once aggregate calendar year-to-date received exceeds \$200.
- **Required information in itemizing receipts:**
  - Full name and address of contributor or source
  - Occupation/employer – if contributor is an individual
  - Date of receipt
  - Amount
  - Aggregate year-to-date total of all receipts from the same source.
  - Optional, but encouraged: Committee ID# where applicable
- Itemization (including payroll deductions) required on Schedule A once an individual's aggregate year-to-date total exceeds \$200.
- Date reported is the date of receipt, not the date of deposit, or the date on the check.
- Date reported for payroll deduction contribution is the date that the contribution was deducted from the contributor's paycheck. See [11 CFR 104.8\(b\)](#) and AOs [2000-11](#) and [1999-33](#). The "date of receipt" under FEC rules at [11 CFR 102.8](#) is the date that the collecting agent obtains possession of the funds (in other words, deducts the contribution).
- Separately itemize payroll deduction contributions from those raised using other methods.
- If collecting agent writes a check/transmits funds to PAC, do not report as transfer from collecting agent. Instead, report as contributions from original individual contributors.
- Payroll department, as the collecting agent, must forward money **within collecting agent timeframes**. The PAC treasurer would then have 10 days to deposit the contribution. The PAC treasurer will need to work closely with the payroll department in order to make these timeframes work for FEC reporting, given that date of deduction is the date used for reporting.
- Itemize payroll deductions once they have aggregated more than \$200 for the calendar year from a contributor.
- For paper filers, instead of stating each date of receipt, type "payroll deduction."
- FECFile users will need to itemize a date (recommended to use last day of reporting period) and enter "payroll deduction" in description field.
- Report the total amount deducted from paycheck during reporting period (regardless of when PAC receives funds) and indicate the amount that was deducted each pay period and the frequency of the deduction.

## Solicitation Techniques



**Payroll deduction**



**Combined dues/  
PAC solicitation**



**Prizes and  
entertainment**



**Communications**

## DOES YOUR ORGANIZATION USE A COMBINED STATEMENT FOR DUES & PAC SOLICITATIONS?



Basic rules apply, along with some additional caveats...

## Basic Rules Apply



RULES

Restricted class only

Solicitation notices always  
(layout is important)

Forward contributions and  
records on time

**B. Combined dues/solicitation statements ([11 CFR 102.6\(c\)\(2\)](#) and [AOs](#))**

An organization may include a solicitation for its PAC with the bill for membership dues sent to noncorporate members.

**1. Basic solicitation rules apply**

Combined statements are subject to all the rules that apply to other PAC solicitations.

**a) Restricted class only (non-corporate members)**

In [AO 1999-40](#), the FEC stated that the PAC must inform the solicitees of the corporate prohibition and ask donors to include a statement that they are not incorporated.

**b) Rules on voluntary contributions and solicitation notices**

In [AO 1987-06](#), the FEC found a proposed statement impermissible because it did not explain how to contribute an amount other than the suggested guideline.

**2. Permissible combined statements**

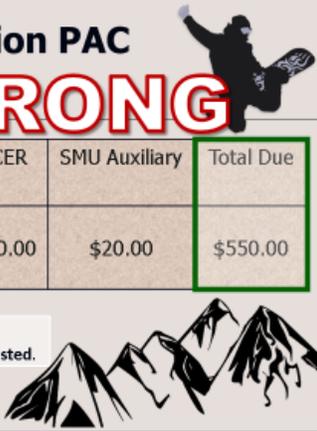
The layout of the combined statement must make a distinction between a suggested PAC contribution and the required dues payment.

## Combined Dues and PAC Solicitation

**Snowboard Makers Union PAC Dues Statement** **WRONG**

Billing Date	Status	Membership Dues	FCER	SMU Auxiliary	Total Due
5/1/22	General	\$500.00*	\$30.00	\$20.00	\$550.00

\* Includes a \$100.00 voluntary contribution to the Snowboard Makers Union PAC, unless otherwise requested.

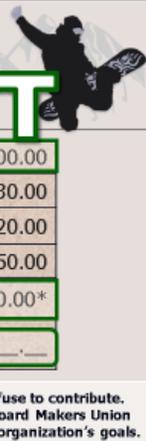


## Combined Dues and PAC Solicitation

**Snowboard Makers Union PAC Dues Statement** **RIGHT**

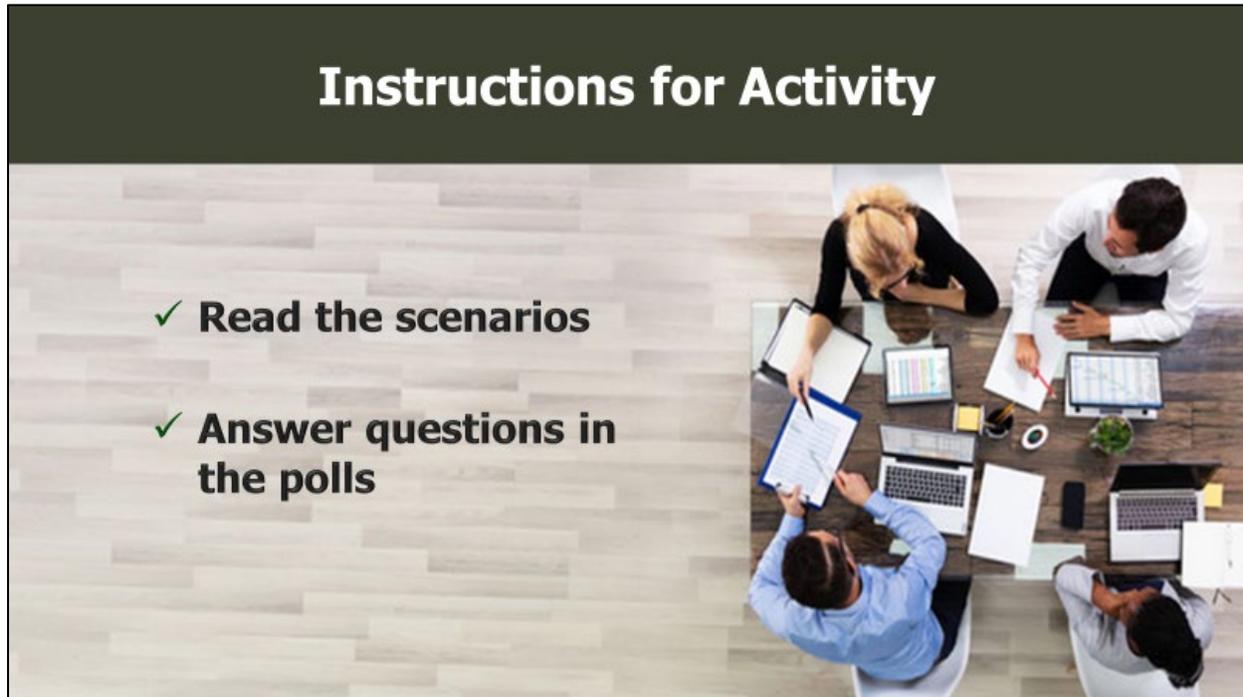
Membership Dues	\$400.00
FCER	\$30.00
SMU Auxiliary	\$20.00
Total Due	\$450.00
Voluntary PAC Contribution	\$100.00*
Total Amount Enclosed	\$ _____

\* This is merely a suggested voluntary contribution amount. You have the right to refuse to contribute. Members are free to contribute more, less or nothing at all without reprisal. Snowboard Makers Union PAC uses member donations to help elect individuals to Congress who support our organization's goals.



3. **Collection rules apply**  
Contributions must be separated from dues payments, collected and forwarded according to collecting agent rules.
4. **Electronic deductions OK**
  - a) In [AO 1997-09](#), Commission approved electronic deduction/transfer.
  - b) In [AO 1999-03](#), Commission approved use of digital electronic signature.

**Scenario #1:**



**Instructions for Activity**

- ✓ **Read the scenarios**
- ✓ **Answer questions in the polls**

The graphic features a dark green header with the title 'Instructions for Activity' in white. Below the header is a light-colored wooden floor background. On the right side, there is a photograph of four business professionals (two men and two women) sitting around a conference table, looking at documents and laptops. On the left side, there is a list of two instructions, each preceded by a green checkmark.

**FUNDRAISING BY A COLLECTING AGENT**

As chair of the Snowboard Makers Union PAC, you are conducting your committee's annual fundraising planning meeting. Your goal, this year, is to raise \$200,000 for Snowboard Makers Union PAC. On the agenda are proposals submitted by members of your committee for fundraising activities during the year. Your committee must decide whether to adopt any of the following proposals.

**PROPOSAL 1**

Ask local chapters to raise funds for Snowboard Makers Union PAC by holding mimosa brunches for their members. As an incentive to participate, locals would be allowed to retain 10% of the funds raised for Snowboard Makers Union PAC to cover their administrative costs.

Contributions that are raised from the fundraising events would be deposited directly into the local chapters' accounts or into the locals' State PAC. Each local would transfer the Snowboard Makers Union PAC contributions (minus 10%) to the federal PAC within 30 days of receipt. This plan would be feasible because there would be no undue administrative burden on the local chapters, and there would not be any recordkeeping or reporting responsibilities for them.

**Proposal 1 Questions:**

**1. May local chapters collect and transmit the proceeds of PAC fundraising events?**

- A: Yes, they may act as collecting agents
- B: No, they cannot collect PAC contributions

**2. May a local chapter retain a portion of the PAC contributions for its own use?**

- A: Yes, that's permissible
- B: No, the full amount of each contribution must be forwarded

**3. Is the 30-day time frame for transferring contributions to the SSF acceptable?**

- A: Yes, collecting agents have 30 days to forward contributions
- B: Only for contributions <\$50; >\$50 must be forwarded within 10 days

**4. As a collecting agent, must the local chapter register and file reports with the FEC?**

- A: No, a collecting agent does not register with the FEC – the federal PAC is responsible for reporting
- B: Yes, a collecting agent registers and reports to the FEC (in addition to the federal PAC)

**Proposal 1 Answers:**

**1. May local chapters collect and transmit the proceeds of PAC fundraising events?**

- A: Yes, they may act as collecting agents – CORRECT ANSWER**  
 B: No, they cannot collect PAC contributions

**Answer:** It's OK, because the local chapters may act as collecting agents. They must follow the rules at [11 CFR 102.6](#) (as discussed on the outline).

**2. May a local chapter retain a portion of the PAC contributions for its own use?**

- A: Yes, that's permissible  
 **B: No, the full amount of each contribution must be forwarded to the PAC – CORRECT ANSWER**

**Answer:** The full amount of each contribution collected by a collecting agent on behalf of the federal PAC must be transferred to the federal PAC. See [11 CFR 102.6\(c\)\(4\)](#). If the federal PAC or its connected organization wants to bear the costs for the solicitation, it may write a check to the local chapter. Note that it is permissible for state/local affiliates to use general treasury money to defray the administrative/solicitation costs for the federal PAC. See [AO 1983-46](#).

**3. Is the 30-day time frame for transferring contributions to the SSF acceptable?**

- A: Yes, collecting agents have 30 days to forward all contributions  
 **B: Only for contributions of \$50 or less; contributions greater than \$50 must be forwarded within 10 days – CORRECT ANSWER**

**Answer:** It is OK for small contributions (\$50 or less). Collecting agents have to transfer a contribution within 10 or 30 days depending on the size of the contribution. Contributions in excess of \$50 must be forwarded within 10 days of receipt, while smaller contributions must be forwarded within 30 days. 11 CFR [102.8\(b\)\(1\)](#) and [\(2\)](#).

**4. As a collecting agent, must the local chapter register and file reports with the FEC?**

- A: No, a collecting agent does not register with the FEC – the federal PAC is responsible for reporting – CORRECT ANSWER**  
 B: Yes, a collecting agent registers and reports to the FEC (in addition to the federal PAC)

**Answer:** Collecting agents do not have to register as political committees. However, when they transfer funds collected for the PAC, they must also provide the PAC with records on contributor information. These records enable the PAC to file reports on contributions.

The only exception to this rule is the receipt of contributions of \$50 or less, e.g., mass collections. In this instance, a record should nevertheless be kept of the date, the total amount collected and the name of the function at which the collection was made. Collecting agents must also retain all records of contribution deposits and transmittals for 3 years.

The PAC will report the receipt of funds from collecting agent as contributions from the original contributors. Date of receipt is reported as the date the collecting agent received the contributions.

## SCENARIO #1 – KEY POINTS

### Collecting Agent Fundraising – Proposal 1

Local units may act as collecting agent

- May deposit funds in local chapter/state PAC account
- Full amount must be transferred; counts towards contributor's limit to SSF
- Timely transfer of all funds and records

SSF Ultimately responsible for compliance and proper disclosure of activity

#### KEY POINTS– Proposal 1

- Local units may act as collecting agent.
  - Timely transfer of all funds AND records.
  - Entire contribution must be transferred and counts toward the contributor's limit to PAC (even if PAC reimburses collecting agent).
- SSF ultimately responsible for compliance and proper disclosure.

## **PROPOSAL 2**

Allow individual members the opportunity to have \$1 of their dues automatically transferred to the PAC as an opt-out voluntary contribution. Under this proposal, union dues payments would be collected by the locals and deposited into their treasury accounts. The portion designated for the PAC would be separated and transferred by the local units to the PAC.

### **Proposal 2 Questions:**

**1. How do you feel about the suggestion to transfer \$1 of dues paid as a contribution to the PAC?**

- A: Permissible
- B: Impermissible

**2. Assuming the PAC revises the plan (instead solicits contributions over and above the dues amount with express written authorization of the contributor), are there any concerns about depositing the contributions in the account of the local chapter?**

- A: Permissible, forward contributions to the federal PAC within 10 or 30 days, as applicable
- B: Permissible, forward contributions within 60 days
- C: Impermissible

**Proposal 2 Answers:**

**1. How do you feel about the suggestion to transfer \$1 of dues paid as a contribution to the PAC?**

- A: Permissible  
 **B: Impermissible – CORRECT ANSWER**

**Answer:** Under the law, PAC contributions cannot be derived from dues payments. [11 CFR 114.5\(a\)](#). Such a transaction would result in a transfer of general treasury funds to the federal PAC, which is illegal. See also [AO 1980-133](#). Moreover, contributions must be voluntary; it is illegal to automatically deduct a contribution without prior written authorization.

**2. Assuming the PAC revises the plan (instead solicits contributions over and above the dues amount with express written authorization of the contributor), are there any concerns about depositing the contributions in the account of the local chapter?**

- A: Permissible, forward contributions to the federal PAC within 10 or 30 days, as applicable – CORRECT ANSWER**  
 B: Permissible, forward contributions within 60 days  
 C: Impermissible

**Answer:** This is permissible under the collecting agent rules. Local chapters must follow these rules for the timely recordkeeping and transmittal of the funds.

## **SCENARIO #1 – KEY POINTS**

### **Collecting Agent Fundraising – Proposal 2**

SSF cannot use any membership dues as contributions

Any contributions deducted must be done on a voluntary basis, and must be separate from any dues charged

#### **KEY POINTS – Proposal 2**

- NO membership dues may be used as contributions to SSF.
- Any contributions deducted must be on a voluntary basis, and over and above the amount of dues charged.

## Solicitation Techniques



Payroll deduction



Combined dues/  
PAC solicitation



Prizes and  
entertainment



Communications

## DOES YOUR ORGANIZATION OFFER INCENTIVES TO POTENTIAL PAC CONTRIBUTORS?



SSFs often use raffle prizes, silent auctions, concerts or small gifts as part of solicitations

- C. **Prizes and/or entertainment: the one-third rule ([11 CFR 114.5\(b\)\(2\)](#))**  
Membership/labor organization and its affiliates may provide prizes and entertainment to encourage PAC contributions (e.g., raffles if permitted by state law, silent auction, golf tournament). The aggregate costs of prizes/entertainment may not be disproportionately valuable in comparison with contributions raised. Otherwise, the PAC must reimburse organization for a portion of the costs.

**Connected organization may pay for prizes and entertainment to encourage PAC contributions**

**HOWEVER**

**Prizes/entertainment may not be too valuable relative to funds raised**

**1. One-third rule**

PAC reimburses organization for that portion of the costs of prizes or entertainment donated by the organization and its affiliates that exceed one-third of the amount raised in contributions.

- a) Cost of prize to organization is what is used.  
**See AOs [2003-33](#) and [1995-17](#).**
- b) Food and drink expenses do not count.  
**See AOs [1999-31](#), [1995-17](#) and [1980-50](#).**

**Prizes and Entertainment**

### The 1/3 Rule

**\$700**      **\$1,200**

**Organization cost: \$ 700**  
**- 1/3 amount raised: \$ 400**  
**PAC reimbursement: \$ 300**

2. **Example – reimbursement required**  
Organization spends \$700 in treasury funds to purchase an iWatch as a raffle prize. Sales of raffle tickets raise \$1200 in PAC contributions. Since one-third of the amount raised (\$400) is less than the cost of the prize (\$700), then the PAC must reimburse the organization for the \$300 difference.

## The 1/3 Rule

  
**\$700**

  
**\$2,100**

Organization cost:	\$ 700
– 1/3 amount raised:	\$ 700
PAC reimbursement:	<b>\$ 0</b>

## Basic Rules Apply

RULES



Restricted class only

Solicitation notices always

Forward contributions and  
records on time

**4. Basic rules apply:**

- a) Restricted class only may be invited to participate.
- b) Remember to use solicitation notices.
- c) Forward money on time.

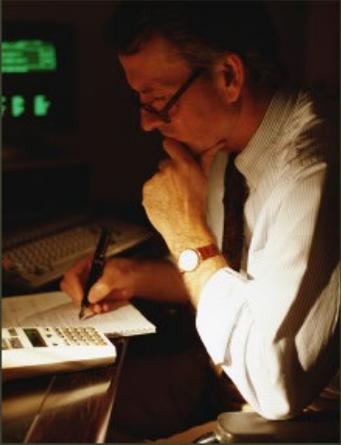
**5. Ongoing events**

For events that are ongoing (e.g., a payroll deduction sign-up drive that lasts several months), the PAC must assign an ending date of event with which to determine the amount raised for purposes of the one-third rule. [AO 1999-31](#).

**Reporting Example #2:  
Itemizing PAC Reimbursements to Connected Organization under 1/3 Rule**

**REPORTING EXAMPLE**

Itemizing PAC Reimbursement  
to Connected Organization  
under 1/3 Rule



In our first one-third rule example, the connected organization (the Snowboard Makers Union) spent \$700 of its treasury funds on an iWatch, but only raised \$1,200 in contributions for its PAC. So, the PAC had to reimburse the organization for the \$300 difference between 1/3 of the amount raised (\$400) and the cost of the prize (\$700).

**How is this reimbursement reported?**

**Reporting Example #2 – Answer**

**How is this reimbursement reported?**

**Answer:** The reimbursement must be reported on Line 21(b) as an “Other Federal Operating Expense” and itemized on Schedule B for that Line once the aggregate payments by the PAC to the organization exceed \$200 per calendar year.

## Reimbursement to Connected Organization

### November Monthly (M11) Report; FEC Form 3X: Schedule B, Line 21(b)

<b>SCHEDULE B (FEC Form 3X)</b>		<b>ITEMIZED DISBURSEMENTS</b>		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE OF
				<input checked="" type="checkbox"/> 21b	<input type="checkbox"/> 22	<input type="checkbox"/> 23
				<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c
				<input type="checkbox"/> 26	<input type="checkbox"/> 27	<input type="checkbox"/> 29
				<input type="checkbox"/> 30b		
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.						
NAME OF COMMITTEE (In Full)						
<b>Snowboard Makers Union PAC</b>						
Full Name (Last, First, Middle Initial)						
<b>A. Snowboard Makers Union</b>				Date of Disbursement		
Mailing Address				<b>10 / 20 / 2023</b>		
<b>1700 Woodward Drive</b>						
City		State	Zip Code	FEC Identification Number		
<b>Mammoth Lakes</b>		<b>CA</b>	<b>93526</b>	<b>C</b>		
Purpose of Disbursement				Amount of Each Disbursement this Period		
<b>Reimbursement for Raffle Prize (1/3 Rule)</b>				<b>300.00</b>		
Candidate Name				Category/Type		
Office Sought:		Disbursement For:				
<input type="checkbox"/> House		<input type="checkbox"/> Primary <input type="checkbox"/> General				
<input type="checkbox"/> Senate		<input type="checkbox"/> Other (specify) ▼				
<input type="checkbox"/> President						
State:		District:				
				<input type="checkbox"/> Memo Item		

## KEY 1/3 RULE CONSIDERATIONS



To avoid reimbursement,  
raise 3X cost of prize or  
entertainment

For ongoing events, assign  
an end date

## Solicitation Techniques



**Payroll  
deduction**



**Combined dues/  
PAC solicitation**



**Prizes and  
entertainment**



**Communications**

## DO YOU USE AN INTERNET OR INTRANET SITE TO PROMOTE YOUR SSF?

Online PAC solicitations are popular, but require additional safeguards to ensure they don't reach beyond restricted class



### D. Communications (AOs cited in outline)

If a communication is circulated beyond the restricted class, the organization may generally not include a solicitation. Thus, you must look at what your communication is going to say, and to which audience it is going.

#### 1. REVIEW: What is a solicitation?

### What is a solicitation?

Requesting contributions

Explaining how to contribute

Publicizing right to accept unsolicited contributions

Encouraging support for PAC

**a) Solicitation = communication that contains:**

- (1) Straightforward request for contributions
- (2) Information on how to make a contribution
- (3) Publicizing PAC's right to accept unsolicited contributions
- (4) Statements encouraging support for the PAC – context is key
- (5) See MURs [6100R \(2010\)](#) and [5681 \(2007\)](#); AOs [1979-66](#) and [1979-13](#).

**Example: Language from [AO 1979-13](#):**

*"I was glad to see that Raymond has so many employees who realize that the welfare of us all is tied very closely to government policies and attitudes toward business. RAYPAC is one way we can make the voice of business people and our industry heard in this country. I hope we continued [sic] to have such an enthusiastic group."*

<p>Announcing PAC's existence</p> <p>Explaining applicable laws</p> <p>Providing statistical information</p> <p>Listing candidates supported</p>	<h2>What is <u>not</u> a solicitation?</h2>
--	---

**b) Communication is NOT a solicitation if it:**

- (1) Avoids encouraging support for the PAC.
- (2) Does not facilitate the making of contributions.
- (3) Merely announces existence of PAC and explains legal requirements that apply to a PAC.
- (4) Provides statistical information about the PAC's receipts and contributions.
- (5) Identifies candidates supported by the PAC (but does not suggest that supporting the PAC will help elect those candidates).
- (6) See AOs [1991-03](#), [1983-38](#) and [1982-65](#).

## Solicitation Techniques

### Online Guidelines

- Use password protected page for all solicitations
- Page to enter password includes caveat



### 2. Internet and email solicitations

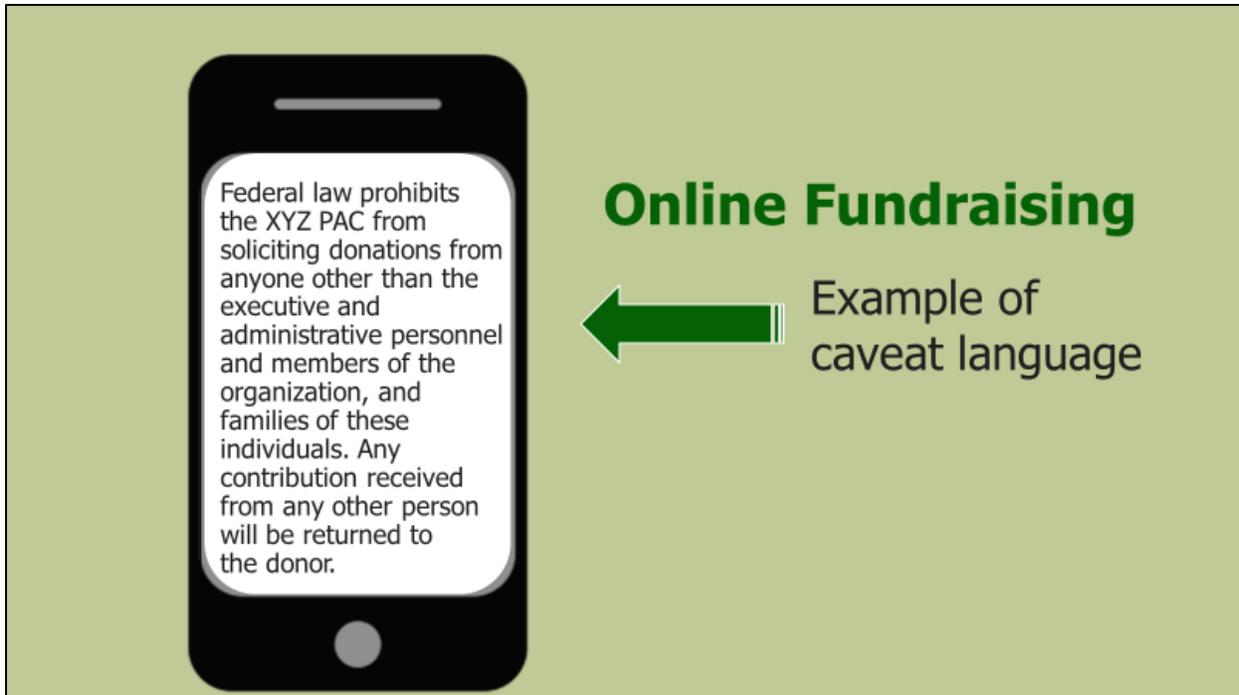
#### a) Web pages

(1) **Limit access to restricted class.**

Use password protection or otherwise only allow access to restricted class.

(2) Intranet page could link to separate, password-protected page accessible only by restricted class.

(3) **See AOs [2006-03](#) and [2000-07](#).**



**b) Caveats required**

The link page introducing PAC website must state that:

- (1) Federal law prohibits PAC from soliciting outside restricted class; and
- (2) Contributions received from outside restricted class will be returned to donors.

## Online Fundraising

Ensure contributions from permissible sources

May accept contributions via credit card, electronic check or online banking service

OK to maintain email list; keep updated to ensure restricted class only



- c) **Contributor screening and vetting**  
PAC treasurer is responsible for ensuring that online contributions come from permissible sources. See [AO 2011-13](#) for suggested language to use as safeguard.
- d) **Collecting online contributions via credit cards / electronic checks / online banking services**
- (1) Online contributions may be made via credit card or electronic checks, or electronic authorization of payroll deduction. AOs [1999-36](#), [1999-09](#) and [1999-03](#).
  - (2) Date of contribution is date authorized by contributor. [AO 1995-09](#). (Note: For credit card contributions, date of receipt for reporting is the date contributor authorized the charge. See AOs above.)
  - (3) Check generated via online banking service acceptable with all required contributor information.
    - If complete information not available, committee must contact contributor
    - If drawn on joint account, must contact account holders using reattribution procedures to ascertain from whom contribution is intended. [AO 2007-17](#).

- e) **Email solicitations**
- (1) Organization could maintain email list serve (i.e., mailing list) to send PAC solicitations to restricted class. [AO 2000-07](#). (Be sure to keep this updated to ensure solicitations don't go outside restricted class.)
  - (2) Email could be sent through secretaries to member of restricted class, provided that a cover note or some other mechanism is used to ensure solicitation is directed exclusively to restricted class. [AO 1995-33](#).

## Basic Rules Apply



**Restricted class only**  
(e.g., password protected, closed group)

**Solicitation notices always**

**Forward contributions and records on time**

3. **Basic rules apply**
- a) Restricted class only (as set out above)
  - b) Voluntary contributions/solicitation notice requirements
  - c) Forward contributions and records on time.

## Social Media



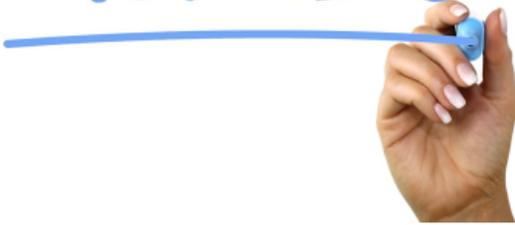
## Social Media

Developing area of the  
law, but keep in mind  
the basic rules



## Basic Rules Apply

**RULES**



Restricted class only  
(e.g., password protected,  
closed group)

Solicitation notices always

Forward contributions and  
records on time

## Instructions for Activity

- ✓ Read the scenarios
- ✓ Answer questions in the polls



**Scenario #2:**



**ONLINE SOLICITATIONS FOR SSFs**

As part of its government affairs operations, your organization updates two different websites. One is a website accessible to the general public; while the other is an intranet site for organization members only.

You would like to make information about your PAC available on your organization’s two sites.

**Public website:**

Since your government affairs website is publicly available, you know you can’t include a solicitation for the SSF on it. But you would like to make public a list of candidates your PAC has supported available. And in case that might inspire people to want to learn more about your PAC, you want to include a “click here for more information about the PAC” button.

On the page that comes up, you would include a description of your PAC’s political purpose and a link to its FEC reports. You also would have a place for members of your restricted class to log in and make a donation. You’d like that to be labeled “Donate to the PAC here.”

**Intranet site:**

You would like to add the “donate to PAC” button to the intranet website to make it easier for people to make PAC donations. Once people click the button, a pop up screen will inform them of your responsibilities to collect contributor information and also of the law’s prohibited contributions.

On both sites, once logged in, the restricted class may sign up for payroll deduction or may make a one-time contribution using a credit card.

You need to ensure that both websites are fully compliant with FEC guidance.

Answer these questions when prompted by the poll:

**1. Is it OK to include the list of candidates on the public website?**

- A: Yes
- B: No

**2. Is it OK to include the “click here for more information” button on the public website?**

- A: Yes
- B: No

**3. Which notice should *not* be included on the page the restricted class logs into to make a contribution?**

- A: Notices about the federal election law’s reporting requirement and contribution restrictions
- B: Notice about the political purpose of the PAC
- C: Notices informing donors that they may refuse to make a contribution or give more or less than the suggested amount
- D: All of these notices should be included

**4. For those making donations online, what is the date of the contribution?**

- A: The date the charge or deduction is authorized
- B: The date the PAC actually gets the money from the finance department
- C: It varies, depending on the contribution method chosen

## Scenario #2 Answers: Online Solicitations

### 1. Is it OK to include the list of candidates on the public website?

- Yes – CORRECT ANSWER  
 No

**Answer:** Yes, as long as you don't suggest that supporting the PAC would help the PAC make more contributions to the candidates.

### 2. Is it OK to include the “click here for more information” button on the public website?

- A: Yes – CORRECT ANSWER  
 B: No

**Answer:** Yes, as long as you modify the page that comes up. While linking to the FEC reports is fine, you must avoid any language on the log-in page that would constitute a solicitation, as it is accessible by the public. Also, you must include a caveat that you will return any contributions received from those outside the restricted class.

### 3. Which notice should not be included on the page the restricted class logs into to make a contribution?

- A: Notices about the federal election law's reporting requirement and contribution restrictions  
 B: Notice about the political purpose of the PAC  
 C: Notices informing donors that they may refuse to make a contribution or give more or less than the suggested amount  
 D: All of these notices should be included – CORRECT ANSWER

**Answer:** While B and C are required on any solicitation, A is not technically “required.” Nevertheless, the PAC is required to make “best efforts” in regard to reporting, and also must ensure that contributions made online come from permissible sources, so the notices mentioned in choice A are highly recommended. Also, since they are including payroll deduction as an option, a notice informing contributors they may revoke it at any time must appear as well.

### 4. For those making donations online, what is the date of the contribution?

- A: The date the charge or deduction is authorized  
 B: The date the PAC actually gets the money from the finance department  
 C: It varies, depending on the contribution method chosen – CORRECT ANSWER

**Answer:** If the contributor uses a credit card to make a contribution, the date the charge is authorized is the date of receipt for FEC purposes. If the contributor signs up for payroll deduction, the date each contribution is deducted from an individual's paycheck is the date of receipt for those contributions.

## SCENARIO #2 – KEY POINTS

### Online Solicitations

Use passwords to limit access to restricted class

Include caveat on password-entry page

State right to refuse to contribute and PAC's political purpose

## Basic Rules Apply

**RULES**



Restricted class only

Solicitation notices always

Forward contributions and records on time

PAC Operations Part 1 - Membership-Labor Organization PAC Webinar (March 15, 2023)

**FECConnect LIVE**

Webinar for Membership and Labor Organization PACs  
March 14-15

1. How would you rate the workshop overall?

- Excellent
- Very Good
- Good
- Moderately Good
- Poor

2. How would rate the speakers' knowledge of the subject matter?

- Excellent
- Very Good

**FEDERAL ELECTION COMMISSION**  
UNITED STATES OF AMERICA

## Help Us Help You!

Please complete an evaluation of this workshop.

**FECConnect LIVE**

**Evaluation link:** <https://www.surveymonkey.com/r/GT7L3M3>