

# NORPAC

P.O. Box 1543, Englewood Cliffs, NJ 07632  
www.norpac.nec

Federal Election Commission  
Office of General Counsel  
1050 First Street, NE  
Washington, DC 20463

Dear General Counsel of the FEC,

I am the Treasurer of NORPAC (Committee #C00247403). On behalf of the PAC, I request an advisory opinion regarding the implementation of a "convenience fee" on collected earmarked contributions that the PAC accepts, processes, and forwards to the specified recipient political committee(s).

We base our proposal on the following system of collecting Earmarked contributions and forwarding them to the recipient committee(s).

1. NORPAC will collect contributions, both via personal credit card or personal check made payable to "NORPAC"
2. The candidate campaign committee to which the contribution will be sent is specified by the contributor in the memo line of the check, and/or in a form filled out along with the contribution on paper or online.
3. Contributors are made aware of the contribution limits and relevant necessary requirements of making a political contribution (EG citizenship, personal funds, etc.)
4. NORPAC will forward the collected contribution(s) to the specified political campaign(s) within 10 days in the form of a check from the PAC, along with all relevant information including name, address, amount, employer, occupation, etc. for each contributor.

During the processing of earmarked contributions as specified above, we propose to deduct a percentage of the overall contribution to help the PAC recuperate fees incurred by credit card merchant processing, as well as generate a small profit which would help the PAC pay its administrative and solicitation costs. The PAC has overhead expenses for the costs of our staff<sup>1</sup>, website, office supplies, advertising, rental, and phone bills - which this profit would essentially be put toward.

To accomplish this proposed fee, we ask the FEC for guidance on the following questions:

1. Is it permissible for NORPAC to deduct a flat rate processing fee that covers both the PAC's merchant processing fees (which fluctuate between 2 and 3 % based on the type of credit card) and generating a small profit to the PAC which is used for administrative overhead costs<sup>2</sup>?

For example, NORPAC would process a \$100 contribution from Person A, using a personal American Express credit card, earmarked to Campaign A. We would deduct an 8% fee from the contribution that we received from Person A, 3% of which would go to our credit card merchant processor, and 5% would be profit for NORPAC to pay its general operating costs. The remaining 92% would be sent to the recipient political committee.

---

<sup>1</sup> Staff duties include organizing fundraising events for candidates, being paid to attend said functions, and collecting and distributing the collected funds

<sup>2</sup> This process would be done manually. Assuming that the entire flat rate fee, or at minimum the portion generating profit to NORPAC, would count as a donation to the PAC, the PAC would ensure that individual contribution limits to the PAC are adhered to.

# NORPAC

P.O. Box 1543, Englewood Cliffs, NJ 07632  
www.norpac.net

Before making this contribution, Person A would be made aware, along with the facts presented in point 3 above, that part of their contribution (for example, the 8%) would be deducted and used by NORPAC, with the remainder sent to the recipient political committee.

2. If the proposal in Question 1 (Q1) is permissible, would NORPAC be permitted to accept a single personal check (EG \$100 as in Q1) and then divide the funds from that check after being deposited by NORPAC between the fee paid to NORPAC and the remainder sent to the political committee?
3. If the proposal in Q1 is permissible, how would NORPAC report the transaction(s)?

Thank you for your consideration and time in responding to our request.

Sincerely,

Josef Schranz  
*NORPAC Treasurer*  
201-788-5133  
avi@norpac.net