



Summary of Rules for Soliciting and Accepting PAC Contributions

I. General Rules on Solicitations

- a. Contributions to the PAC must be voluntary
- b. The PAC may not knowingly accept prohibited or excessive contributions
- c. Only the “restricted class” may be solicited
- d. The solicitees must be informed of the PAC’s political purpose and their right to refuse to contribute without reprisal
- e. There is no “minimum” amount a contributor must give

II. Restricted Class of Membership Organization

The restricted class includes:

- a. Non Corporate Members (such as individuals and partnerships) of the organization
- b. The organization’s executive and administrative personnel
- c. With Prior Approval, Executive and Administrative Personnel of Corporate Members and Stock Holders
- d. The families of all three groups

III. Prohibited Contributions

- a. Contributions from Foreign nationals are prohibited. Contributor must be a US citizen or a permanent resident with a green card.
- b. Contributions from Corporations and Federal Government Contractors are prohibited
- c. All checks must be signed by the contributor (The “contributor” is the individual who signs the check or credit card receipt whether or not it is a joint account).
- d. Contributions in excess of \$5,000 per contributor in a calendar year
- e. Contributions in cash are limited to \$100 in the aggregate per person. Anonymous contributions are limited to \$50.

IV. Forwarding Contributions and Records

- a. Anyone who raises money for the PAC must forward the required recordkeeping information along with the collected contributions. This includes: name, address, the contributor; occupation and employer for contributions of more than \$200.
- b. Individual contributions exceeding \$50 must be forwarded within 10 days; contributions \$50 or less must be forwarded within 30 days.
- c. PACs and their treasurer’s must make “best efforts” to obtain and report the name, address, occupation and employer of each contributor who gives more than \$200 in a calendar year



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V. Fundraising Events

- a. A Trade Association may generally use treasury funds to pay for costs associated with fundraising events such as dinners, luncheons, receptions and raffles. However, a portion of the costs (other than food and drink) paid by the Association may need to be reimbursed.
- b. According to the “One-Third Rule” a PAC must reimburse its sponsoring organization for that portion of the cost of prizes or entertainment that exceeds one-third of the amount raised in contributions. 114.5(b) (2). I.e. If Association spends \$1,000 for the price of an IPAD and sales of raffle tickets amount to \$1,500. Since one third of the amount raised $\$1,500/3 = \500 is less than the cost of the prize, the PAC should reimburse the Association for the difference $\$1,000 - \$500 = \$500$
- c. The “One-Third Rule” applies only to fundraising with promotional items, prizes and entertainment (other than food and drink) and not to other types of fundraising activity
- d. The “One-Third Rule” is eliminated if the PAC pays for raffle prizes or gifts with PAC Funds