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

Information from this memo was adapted from the Federal Election Commission Campaign Guide: Associations and Labor Organizations (January 2007)
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