

PERKINS COIE LLP
POLITICAL LAW GROUP

TO: Democratic House Candidates
RE: Campaign Fundraising Agents

Many campaigns choose to designate event hosts and other individuals who raise money for the campaign as agents of the campaign. It is important to remember that designated agents are responsible for following the campaign finance law just as the campaign as a whole must comply with the law. For instance, if the agent collects a contribution for the campaign, it must be deposited within 10 days of the day the agent receives it.

If you plan to designate agents, you should send the attached letter to those individuals, along with an overview of the applicable campaign finance law. Even if you do not designate agents, the overview of the law may be helpful to staff, volunteers, and event hosts involved in your fundraising effort.

Updated 1/13

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Dear _____:

Thank you for agreeing to raise money on behalf of _____ ("Committee"). It means a great deal to have you playing such a significant role in our effort.

This letter authorizes you to act as an agent for the Committee, with regard to its fundraising efforts. We understand that all fundraising activity you undertake for our benefit will be done on your personal behalf, as an individual volunteer agent of the Committee. We further understand that you are not undertaking this activity on behalf of, or as an agent of, your employer or firm, or any client of your employer or firm.

Please be aware that all fundraising activities must comply with Federal Election Commission rules. Specifically, federal law forbids an agent acting on behalf of a federal candidate to raise soft money. The scope of your agency is therefore limited solely to raising "hard" money – i.e. contributions subject to the limitations and requirements of federal law. To ensure compliance with applicable law, all written solicitations must be reviewed by Committee staff prior to dissemination.

Attached please find general fundraising guidelines for your review.

Additionally, bundling laws require us to track and report contributions bundled by federally registered lobbyists, organizations that register lobbyists, and federally registered political committees that are established or controlled by a lobbyist or registrant in excess of \$17,100. This total excludes your personal contribution and your spouse's contribution.

If you have any questions, please do not hesitate to call me directly.

Sincerely,

[Fundraiser name and title]

I. FUNDRAISING GUIDELINES

The following rules apply to all funds solicited for _____ ("campaign"). If you have any questions, you are encouraged to seek advice from the campaign or its counsel. Federal law places significant limits on the amounts and sources of funds that can be raised on behalf of the campaign. Contributions raised pursuant to these limits are commonly referred to as "hard money" whereas money raised outside of these limits or from prohibited sources is commonly referred to as "soft money." **Federal law strictly forbids the campaign and those acting as agents on its behalf from raising soft money.** It is therefore important that your fundraising for the campaign be within the rules set forth below.

II. CONTRIBUTION LIMITS

The campaign may raise funds subject to the following limits

- An individual may contribute up to \$5,200 – \$2,600 for the primary election, and \$2,600 for the general election.
- A husband and wife may each contribute a separate \$2,600 per election.
- An unincorporated partnership is permitted to contribute \$2,600 per election.¹
- A Limited Liability Company (LLC) that has chosen to be treated as a partnership for tax purposes is permitted to contribute \$2,600 per election as if it were a partnership (see above).

A multicandidate PAC registered with the Federal Election Commission may contribute \$5,000 per election. The campaign must verify that the PAC enjoys multicandidate status, or else may only accept \$2,600 per election.

¹ Note, however, that partnership contributions count against both the partnership's \$2,600 contribution limit and the \$2,600 contribution limits of the individual partners. When a partnership contribution is made, the campaign must also receive written instructions about how the contribution should be attributed to its various partners. The contribution may be allocated on the basis of partnership shares, equally among all partners, or to one or more individual partners.

III. SOURCE RESTRICTIONS

The campaign may accept contributions from individuals, unincorporated partnerships, and from the federal accounts of state and national party committees. There are, however, some important restrictions and limitations on who may contribute:

- **Foreign nationals. Foreign nationals may not contribute.** The only exception is that foreign nationals who are permanent U.S. residents (green card holders) may contribute as an individual. Before accepting a contribution from a permanent U.S. resident, the campaign generally requires some form of proof of U.S. resident status such as a photocopy of his or her green card. Contributions from a person whose citizenship cannot be ascertained should not be accepted.
- **Contributions in the name of another. Federal law strictly prohibits the campaign from accepting contributions that are made in the name of another.** Put simply, if Person "A" wants to contribute to a political committee, the committee can only accept that contribution from the checking account of Person "A". It is unlawful for Person "A" to give the money to Person "B" and have Person "B" make the contribution in Person "B's" name.
- **Government contractors. The campaign is prohibited from accepting contributions from "federal contractors."** While this prohibition does not prevent individuals who simply work for companies that are federal contractors from making contributions from personal funds, it does prohibit persons who themselves contract with the United States or any federal agency from making contributions.
- **Corporate and Union contributions. Corporations, including LLCs that have chosen to be treated as corporations for tax purposes, are not permitted to contribute to campaign committees.** The campaign may not accept contributions directly from any corporation (including nonprofits) or union. In addition to prohibiting direct contributions from corporations, the Federal Election Commission (FEC) prohibits corporations and unions from "facilitating" the making of contributions. While the rules regarding "facilitation" are quite complex, the campaign cannot engage in fundraising activity that involves the use of corporate and/or labor facilities and resources without prior review and approval from its attorneys.

IV. REPORTING REQUIREMENTS

In addition to source and contribution limits, the campaign is subject to numerous reporting requirements, including the following:

- The FEC requires the campaign to file regular reports that detail the name, address, occupation and employer for contributors who give more than \$200 in an election cycle. It is, therefore, important that the campaign undertakes its "best efforts" to obtain this information and that agents of the campaign ask donors to complete a donation card when soliciting contributions.
- The FEC also requires that the campaign deposit all contributions it has received within **ten days of receipt**. Therefore, all agents should transmit any contributions promptly, so that the campaign can deposit them within the ten day period.

V. CONCLUSION

As you can see, the rules regarding fundraising can be complex. For that reason, it is strongly recommended that, if you encounter any situation in which you are uncertain as to what rules apply, you seek further guidance from the campaign. In addition, there are a number of additional rules that apply to written fundraising solicitations, including solicitation letters and invitations. For example, there are additional disclaimers required by the FEC and IRS that vary depending on the specific situation. Therefore, before sending any written solicitation for contributions, the solicitation must be reviewed by the campaign.