



OHIO REALTORS PAC

COMPLIANCE & LAW

Materials available:
shorturl.at/fhyHP

Raising Donations

Getting \$\$\$ Into Your PAC



Limited Solicitation Class

- **Realtors and associates**
 - No corporate checks; only personal funds
- **Realtor spouse and/or adult children**
 - PACs are prohibited from accepting contributions child under 7
- **Association/local board staff**
- **Affiliates with NRDS numbers**

Contributions - Disclose ALL

- **Value of all contributions received must be disclosed.**
 - Contributions must be separately itemized.
 - [31-A](#) - Direct \$\$\$
 - [31-J-1](#) - In-Kind
 - Exception: contributions below \$25 received at a fundraising event.
 - Fundraiser Disclosure: [31-E](#)
- **What disclosed?**
 - Name and address of each contributor.
 - Date and amount of each contribution.
 - Employer / occupation of \$100+ contributors.



Ohio RPAC Forms



PAC Contribution Remittance Form

PAC Name:	Date:
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Check #:	
Amount:	
Batch Name:	

Total RPAC Contributions Collected:	
Total Local Retained:	
Total State Remitted:	



RPAC Contribution Submission Form

If NRDS# is supplied, the Company and Address Columns are not required.
 Do not include PO Boxes / Corporate Contributions must be submitted by separate payment.

Board Name:	Date:	Total Contribution Amount Enclosed:
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NRDS#	Last Name	First Name	Contribution Amount	Major Investor?	Is this an MI Pledge? (\$300)	Complete if NRDS# not supplied		
						Company	Street	City, State, Zip

Anonymous Contributions

- **Contributors may not remain anonymous by request.**
 - If a donor does not want to be identified:
 - Contribution is not truly anonymous
 - PAC should not accept the contribution.
- If anonymous contribution is received:
 - ****Note**** - should not happen bc of restricted class.
 - Must make an effort to identify the donor.
 - If unsuccessful, must explain on Form [31-A](#):
 - Explanation of the circumstances; and
 - description of the efforts made to determine identity.



Cash Contributions

- **No more than \$100 per election per person in cash.**
 - Cash = currency or coin.
 - Remedy:
 - Issue a refund of the amount over the \$100 limit; and
 - Report full amount of the contribution received as well as the offsetting refund expenditure issued.

- ORC 3517.13(F)



Games / 50-50 Raffle/ Etc.

- **HIGHLY discouraged.**
 - Not specifically prohibited in the campaign finance laws, but discouraged bc:
 - Collecting and reporting of all required contributor information for every raffle ticket or chance sold can be very difficult.
 - A raffle or other game of chance in which persons pay to play may be an illegal:
 - Lottery - Article XV, Section 6 of the Ohio Constitution
 - Gambling - ORC 2915.
 - Violation of Ohio Liquor Laws - OAC 4301:1-1-53 of the Ohio Department of Commerce, Division of Liquor Control.
- SOS Advisory No. 94-04; Campaign Finance Candidates Handbook p. 2-18

“Gambling” in Ohio

“bookmaking; **facilitating schemes or games of chance for profit**; betting on schemes or games of chance for one's livelihood; possession of gambling devices; playing craps; roulette or slot machines for money...”



Door Prizes

- **Also discouraged.**

- **Minimal value:**

- Unlikely to constitute a violation because the persons participating would have contributed regardless of the possibility of receiving a prize.

- Ex: flower arrangements

- **Greater value:**

- If the value of the prize is significant enough to encourage contributors to purchase a ticket in the hopes of winning the prize, then a violation may have occurred.

- SOS Advisory No. 94-04



Problematic Contributions

- **Prohibited Source or Amount**
 - **Clearly illegal** = must be returned and not deposited.
 - **Questionable** = may be deposited, but not spent.
 - Good-faith effort to determine the legality of the contribution.
 - If it cannot be determined w/in 30 days that the contribution is legal, then it must be returned.
 - If a contribution is kept that is later found to be illegal, then the PAC must refund it within 10 days of the discovery.



Processing Donations

How to Handle \$\$\$ Raised Appropriately



Contributions from a “Pass-Thru”

- Partnerships
- LLCs
- Professional Associations
 - Form [31-A](#) report:
 - Name of the entity
 - Individual(s) making the contribution
 - Allocate contribution amount among the owners/partners.
- **REMINDER: No corporate contributions.**



Required Contributor Information

- **ALWAYS** obtain the following information when taking an RPAC contribution:
 - Full Name
 - Mailing Address
 - Occupation
 - Employer
 - Amount
 - Date of Contribution
 - NRDS Number



Prohibited Contributions

- Contributions from those not in the solicitable class.
- Contributions made in the name of another.
- Cash contributions over \$100.
- Contributions from Federal Contractors.
- Contributions from foreign nationals.
- Contributions from children under age 7.



Contribution Time Limits

- For contributions of **\$50 or less**, the money must be deposited and forwarded to RPAC within **30 days** of receipt.
- For contributions of **\$50 or more**, the money must be deposited and forwarded to RPAC within **10 days** of receipt.
- All checks must be deposited within **30 days**, If not, they must be returned to the donor *without* having been deposited.
- **The clock starts ticking on the date of receipt, not the date written on the check.**



Best Practice: Documenting PAC Activities

- **Hints:**

- Input data as you go (Spreadsheet, CFOFS, Aristotle, etc.)
- Collect Employer / Contribution, etc info for **ALL donations at time of contribution.**
- Scan all checks before deposit.
- Use of Debit Card
 - Attach Monthly Statements
 - Download Copies Cancelled Checks
- Don't forget fees for credit card / online contributions.
 - Report as expenditures.
- Maintain separate register.

PAC Operations

Expenditures & Transfers



Permissible PAC Expenses

- **Prohibited:**
 - Personal expenses; or
 - Business expenses
- **Permissible:**
 - Expenditures for influencing the result of an election, a campaign expense, or making a charitable contribution.
- **Legitimate, verifiable, ordinary and necessary examples:**
 - Activities to support or oppose candidate, political party, or issue.
 - Raising funds for, or participating in activities of candidate, a political party or other political committee.
 - Attending a political party convention or meeting.



Processing Dues vs. Contributions

- Boards must not “co-mingle” membership dues and RPAC investment contributions.
- Best practice:
 - If available - use a **special transmittal trust** account to separate membership dues from RPAC contributions.
 - If not available - request **two separate checks**:
 - One payable to dues
 - One payable to RPAC
- See RPAC Playbook p. 15



Bank Hint

- **PAC checks:**
 - Full name and address of the PAC
 - SOS filers - PAC registration number.

- ORC 3517.10 (D)

Ohio Communications Disclaimer

- **Disclaimer / Identification of Source**
 - "Political publication for or against a candidate"
 - Notice
 - Placard
 - Advertisement
 - Sample Ballot
 - Brochure
 - Flyer
 - Direct Mailer
 - or other form of general publication that is designed to promote the nomination, election, or defeat of a candidate.
- ORC 3517.20(A)(1)



Ohio Disclaimer

- **Disclaimer / Identification of Source**
 - "Public political advertising"
 - Newspapers
 - Magazines
 - Outdoor advertising facilities
 - Direct mailings, or
 - other similar types of general public political advertising, or flyers, handbills, or other non periodical printed matter.
 - Websites (generally) & promoted posts.
 - Telephone Banks
- ORC 3517.20(A)(3)



Ohio Disclaimer - Packets

- **Disclaimer / Identification of Source**
 - Actual disclaimer much shorter than previous law:

Paid for by [PAC NAME]

- ORC 3517.20(B)(2) and (F)

Ohio Disclaimer

- **Multiple Pieces in Single Packet**
 - If more than one piece of printed matter or printed political communications are mailed as a single packet, the requirements are met if one of the pieces contains the name of the organization or entity that issues or is responsible for the printed matter.
- ORC 3517.21(C)



Ohio Disclaimer - Not Required

- **No Disclaimer Required:**

- **Shape & Size**

- **Magnets and stickers:**

- two and one-half inches by three inches or less, or seven and one-half square inches or less, or three inches in diameter or less

- **Automatically Exempted:**

Airplane banners
Individually wrapped candy
Badges & buttons
Key tags
Balloons
Lapel pins & other jewelry
Charms
Letter openers
Clothing & hats
Paint stirrers

Clothing & hats
Paint stirrers
Combs Pencils & pens
Cups & mugs
Plastic bags
Emery boards
Plastic discs (Frisbees)
Figurines
Plastic fly swatters
Golf balls & golf tees
Sponges



Reporting

Filing Complete & Accurate Reports of
Contributions & Expenditures



Treasurer Duties & **LIABILITY**

- The treasurer is **legally responsible** for keeping detailed records of everything received, given or expended.
 - Treasurer or Deputy
- Sign Every Report
 - Certify the report is correct, subject to the penalty for election falsification.
- ORC 3517.10(C), (D); ORC 3599.36



Where to File

- Depends on PAC activity.

City Compliance Offices	Local Board of Elections (BOE)	BOE in Most Populous County in the District	Ohio Secretary of State (SOS)
<ul style="list-style-type: none">● Columbus● Cincinnati● Cleveland	PACs that contribute to county political parties, local candidate campaign committees, or local ballot issue committees.	PACs that contribute to candidates seeking election to a district office (other than a candidate for member of the general assembly) or a ballot issue to be submitted to a multi-county district.	A PAC that makes contributions to candidates for member of the general assembly, statewide candidate, statewide ballot issues, state political parties or to other PACs which contribute to those candidates or issues.



When to File & Deadlines

- **PAC reports are due based on the nature and timing of the activity in which the PAC engages.**
 - Reporting clock begins based upon the PAC activity and whether that activity is to influence a future or recent election.



PAC Compliance - Reports

- Depends on nature and timing of activity.

ELECTION YEAR	NON-ELECTION YEAR
Pre-election Report* Post-election Report* Semi-annual Report Annual Report	Semi-annual Report Annual Report

*If the PAC spent \$1000 or more to influence an election.

Expenditure Verification

- **Every expenditure in excess of \$25 must have a corresponding canceled check or receipt photocopy attached to the report.**
 - A paid receipt is one that has been marked "PAID" by the vendor.
 - Attach cancelled check images & statements.
 - If canceled checks are not returned or provided by the banking institution of the committee, a copy or printout of the campaign committee's bank statements will generally suffice for the receipt requirement.
 - Required info:
 - Vendor;
 - Date of transaction; and
 - Amount of the expenditure.
- ORC 3517.10(D); OAC 111-5-14; OEC Adv. 87ELC-03 and 87ELC-12



Correction & Amendments

- **File amended report:**
 - When a correction is necessary;
 - Additional information is obtained by PAC; or
 - Receive a request from auditing authority (RAD).
 - Amendments filed on paper consist of only corrections to previously submitted information or additional information.



Common Issues & Problems

Hints & Best Practices to Avoid an Audit
or OEC Referral



Common OEC PAC Complaints

- **No longer “False Claims” Actions**
 - Remaining Risk - Defamation Case
- **Disclaimer**
- **Use of title of an office not currently held by candidate.**
- **Failure to fully document contributions & expenditures**



Late Reports

- **All reports must be physically received by SOS or BOE in order to be considered timely filed.**
 - Filed late = automatic referral by BOE to Ohio Elections Commission (OEC).
 - ****Note**** - Report postmarked, but not received by the deadline, is a late filing.
- ORC 3517.11(C)



Local Campaign Finance Laws

- **Check local law.**
- Recent development - municipalities adopting own local campaign finance laws.
 - **Cleveland** - PAC contributions to mayoral candidates = \$7500 max per calendar year.
 - **Columbus** - new independent expenditure & pass-through donor reporting.



OAR Political Activity - Hard & Soft

HARD DOLLARS <u>Only</u> type of funds that can be used for direct contributions to candidates.	SOFT DOLLARS <u>Cannot</u> be used for direct candidate contributions.
RPAC Ohio RPAC President's Circle Local RPAC	NAR Political Advocacy Fund Realtor Party Initiative Ohio Realtors Political Advocacy Fund Issues Mobilization (advocacy)



RPAC Playbook Example - Candidate Interview & Coordination

- **“Asking about/learning too much info about a candidate’s plans and strategies may make it difficult to later conduct an Independent Expenditure in support/opposition to that candidate.”**
 - RPAC Playbook p. 22



Unlawful Coordination

"Hard" Side

"Soft" Side

Candidates

Candidate
Committees

Party
Organizations

Individuals

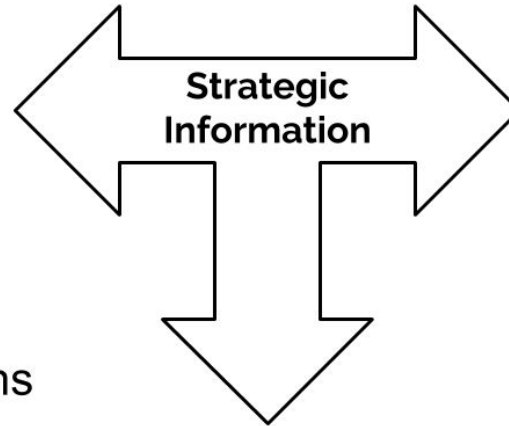
Corporations

Unions

527s

501(c)(4)s

SuperPACs



**EXPENDITURE
(Communication)**



Definition Independent Expenditure - Ohio

- **Expenditure**
 - **Advocating** the election or defeat
 - of an **identified candidate(s)**
 - that is **NOT** made:
 - with the **consent** of
 - in **coordination** with
 - in **cooperation** with
 - in **consultation** with
 - at the **request** of
 - at the **suggestion** of
 - any **candidate, campaign committee or agent** of candidate or campaign committee
- ORC 3517.01(C)(17) & OAC 111:2-2-01



Coordination - Basic Summary

- **Coordination generally results from:**
 - **Contacts**
 - Between candidate/party & IE (or their agents).
 - **Sharing of Information**
 - Strategic info for achieving political goals.
 - **Expenditure**
 - Generally specific types - for communications.



Coordinated Communication vs. Independent Expenditure

- **IMPORTANT!**
- **If a communication IS coordinated:**
 - **treated as an in-kind contribution to a candidate**
- **If a communication IS NOT coordinated:**
 - **treated as independent expenditure.**



Unlawful Coordination

- **Scenario:**

- An individual, organization or political committee **pays** for a **communication developed at the request or suggestion / or with input of a candidate** or party committee (or their agents).

- **Result:**

- That **communication is considered an in-kind contribution** to that candidate or party committee and becomes **subject to the candidate limits, source prohibitions and reporting requirements**.



Unlawful Coordination

- **Critical compliance risk**

- Goal:

- Recognize coordination **“Red Flags”**
 - Establish policies & structures to **prevent non-public, strategic information moving** between “Hard” Side and “Soft” Side that might influence political decisions resulting in communications.



Don't Panic!

If an issue arises, contact your state association.

SOS and BOE will work with you!



Contact RCo:

OFFICE ADDRESS:

THE RUPPERT CO., LLC
35 East Gay Street Suite 403
Columbus, OH 43215

[Link to Google Map](#)

EMAIL & NET:

Jeff Ruppert Email: jruppert@theruppertco.com

RCo. Website: theruppertco.com & ruppert.company

PHONE & TEXT:

Office Phone: (614) 423-9461

Jeff Ruppert Cell: (937) 903-6544

Fax: (614) 547-8031

