

## GUIDELINES FOR SPECIAL FUNDRAISING EVENTS

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*Several techniques can be used to raise money for the PAC. Most successful association and local board fundraising drives employ a combination of techniques to solicit investments from members.*

The most commonly used are “dues billing,” phone banks, and face-to-face solicitation. Dues billing involves billing members for voluntary investments on the association dues statement. A phone bank involves using local board members to call other board members to solicit PAC investments. As the name implies, face-to-face solicitation involves one member sitting down one-on-one with another to ask for a PAC investment.

These three techniques generally are the most cost—and time—effective ways to raise PAC funds, and nearly every successful PAC drive will use one or more of them. Some associations and local boards, however, also include in their fundraising activities such special events as auctions and dinners or other food events. Some sell merchandise to benefit the PAC.

Members involved in fundraising committees often are familiar with special event fundraising through charity or church work and they believe the same type of activities are appropriate in PAC fundraising.

In other cases, fundraising committees plan such events because they believe they are more “fun” or more appealing than phone banks. In a few cases, events such as auctions are even used by a fundraising committee to get members to invest in the PAC without realizing they are doing so. (“Oh, was that a PAC auction? I just wanted to bid on the computer. I didn’t know the money was going to the PAC.”) Board funds can only be used for the administration of the PAC or for solicitation of funds. Whatever the motivation, using special events for the sale of merchandise to raise PAC funds involves practical and legal considerations that should be reviewed before planning any such activities. In addition, your association or local board legal counsel should review all proposed fundraising activities to ensure compliance with current laws.

The list of legally permissible fundraising techniques is, with only a few exceptions, as limitless as the human imagination. However, the guidelines must be followed.

The identity of the true investment must be determined so that the necessary information about the investor (name, address, and occupation) will be accurately reported. The investor is the ultimate purchaser of the item, not the person who donates the item.

The amount of the investment is, of course, the sales price paid by the purchaser. In regard to auction events, if the good or service donated has no real value (such as the right to shave off the board president’s mustache), the true investor is the person who purchased the item.

## AUCTION GUIDELINES

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One of the more popular methods of raising PAC funds has been the utilization of auctions. It is imperative that PDC Guidelines are followed when holding these highly successful events.

If a local association makes clear in writing to all donors in advance that only the purchasers will be counted as investors, then the purchasers will receive the recognition at the price they paid for the donated item. Or, if the local association asks a donor when they contribute whether they want to receive recognition, and they say "yes", then they can be counted as a PAC investor but only at the price paid for the item. In this latter circumstance, the potential bidders for an item should be told in advance that they will not have the price they paid for an item counted for PAC recognition purposes. Finally, a variation of this latter case would have the donor receiving credit for the price paid for the item up to the fair market value while any amount over that could be credited to the purchaser's RPAC investment; or vice versa.

**Report Forms** – Please keep in mind that those conducting auctions must complete a PDC Auction Report Form, a sample of which you will find in the "Forms" section of this handbook. Once an auction is held, the completed form is sent to WR along with the revenue generated at the auction. WR staff then verifies the accuracy of the PDC form and enters data for accounting purposes. The PDC form is then sent to the Public Disclosure Commission for filing.

When holding an auction, please keep the following suggestions in mind:

- Be sure to get both the donator and the buyer's full name and business address – nothing less.
- All items must have a fair market value
- All checks must be made payable to RPAC
- When holding auctions, be up front from the start as to who will receive the RPAC credit. For example: as an association you can decide if the donator and the buyer will both receive the credit or just the one who buys the item. But you must let your members know in advance where that credit is going. If the one who donates the item is going to receive credit, they can only get credit up to the fair market value anything over would have to go to the buyer.

**Auctions are a fun and legitimate method for raising RPAC dollars. Do not be discouraged from holding them because of PDC requirements. If you have any questions or need assistance, do not hesitate to contact Washington REALTORS® Government Affairs Department.**