

HISTORY AND BACKGROUND OF RPAC

Early in the history of this country, there was a time when it was commonplace for political candidates to actively pay voters to cast their lot for them. The advent of the secret ballot all but ended this practice. Candidates for office had no real assurance that they would actually receive the votes that they were paying for.

Late in the 19th century, growing concern developed over political campaign financing practices. Large Eastern corporations poured vast sums of money into presidential elections, thus, realizing great leverage and at times, significant control in Washington. President Theodore Roosevelt, concerned about the growing problems of campaign financing, introduced legislation directed at preventing direct political contributions from big business, for candidates running for office at the federal level. This was in 1905, and President Roosevelt's action marked the first major step towards control of campaign contributions.

In 1907, Congress enacted a law that made it illegal for corporations to contribute directly to the political campaigns of candidates for federal office. The Corrupt Practices Act was passed in 1925. For the first time, it became a requirement for detailed campaign receipts and expenditures to be reported to the Clerk of the House and the Secretary of the Senate. In addition, this particular act placed restrictions on contributions to individual candidates. In addition to putting spending limitations on presidential candidates, this act also restricted contributions to political candidates from any one committee or organization to a limit of \$5,000.

In 1943, Congress responded to another growing concern by placing restrictions on large labor unions, similar to those that had been placed on corporations some 36 years before. Congress passed two laws in 1971 specifically aimed to federal election campaign practices. The Revenue Act of 1971 and the Federal Elections Campaign Act of 1971 both dealt with the question of reporting requirements, and also related directly to the establishment of political action committees. The previous restrictions placed on both corporations and unions were maintained.

As a result of these laws, big business, labor unions and associations established political action committees, within the framework of their organizations. In 1971, the U.S. Supreme Court studied the foundations of political action committees and found them to be within the accord of the laws, if they were properly structured within the guidelines of the Federal Election Campaign Act of 1971.

A political action committee is defined by the Federal Election Campaign Act to be any committee, association or organization, which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000. There are restrictions against corporate contributions therefore it is essential that the political action committee not be incorporated. The committee must operate separate from wither the association organization with which it is affiliated and must maintain separate bank accounts.

Over the past several years, political action committees in the United States have become a vital factor in the political structure of this country. Most major corporations and almost all major trade associations maintain PACs. In 1969, the National Association of Real Estate Boards formed the Real Estate Political Action Committee. This committee was known as REPAC. Ohio became the first state to sign an agreement with REPAC.

In 1974, The National Association of REALTORS® changed the name of the Real Estate Political Action Committee to the REALTORS® Political Action Committee, and the Committee is now referred to as RPAC.

RPAC QUESTIONS AND ANSWERS

1. WHAT IS RPAC?

It's the REALTORS Political Action Committee. Its goal is to organize the members of our organization as a concerned, involved political action constituency. RPAC raises voluntary funds from members for use in making contributions to political candidates at the federal, state and local levels.

2. I ALREADY CONTRIBUTE TO THE CANDIDATE OF MY CHOICE.WHY DO I NEED RPAC?

You should contribute to the candidates and party of your choice. However, RPAC provides you the additional opportunity to have a statewide and nationwide impact on the election of candidates who will shape legislation that affects our lives and the way real estate professionals conduct business all across the country. It is a collective voice of our industry.

3. WHY DOES RPAC NEED ME?

RPAC means working together. Historically, only about 15-18 % of all members contribute to RPAC, in 2007 roughly 40% of OAR members contributed to RPAC. We've made some improvement, however, that still means that more than 50% of our members are counting on others to carry the whole load. If every member does his or her share, REALTORS® everywhere will benefit.

4. WHO DECIDES WHICH CANDIDATES RPAC SUPPORTS?

OAR RPAC Trustees make this determination for state legislative candidates. At the state level, there are 13 Trustees appointed by the OAR President. The Trustees count on the input from Local Boards, who interview the candidates and make recommendations, to help them make the contribution decision. Local Boards make all decisions regarding candidates at the local levels. For U.S. Congress and Senate, the NAR RPAC Trustees, based upon recommendations from the local boards and the state, make the decisions. **Every dollar contributed to RPAC goes back to candidates!**

5. DOES RPAC SUPPORT DEMOCRATS OR REPUBLICANS?

Both. RPAC is nonpartisan in its selection of candidates. The voting record, the candidate's agenda and quality of each candidate, plus the recommendation of Local Boards, determine who gets RPAC support.

6. IS RPAC LEGAL?

Yes!! RPAC has been in existence since 1969, and is in full compliance with the law. PAC's have been authorized by congressional acts and state election laws. You can't get much more legal than that.

7. ARE RPAC RECORDS CONFIDENTIAL?

There's nothing secret about RPAC. Accurate records are kept and reports are filed of all contributions five times a year with the Secretary of State's Office. Those reports become part of public record.

8. DOES RPAC "BUY" VOTES?

Buy votes? NO! Make no mistake, most candidates and officeholders are honorable people whose votes are not for sale. RPAC contributes to candidates who are knowledgeable and fair and who will at least listen to the REALTORS point of view.

RESPONSIBILITIES OF THE RPAC VOLUNTEER

OAR RPAC Chairman Responsibilities

1. To act as Chairman of the OAR RPAC Trustees. Duties shall be those that are usually attached to such office and such further duties as may be specified from time-to-time by the Trustees.
2. To attend all OAR RPAC Trustees meetings and functions.
3. To attend all National RPAC Full Committee meetings at the two NAR annual regularly scheduled meetings (Midyear and Convention).
4. To speak on behalf of the OAR PAC program on all available occasions. The Chairman should assign the other Trustees to assist their regional Local Boards in fundraising efforts and in presenting RPAC Contribution Requests. The Chairman should actively participate in all programs sponsored by the State PAC. Speaking ability is a valuable talent in this particular position, because the Chairman should be available to travel within his/her own state on behalf of the RPAC program.
5. To supervise and control the affairs and funds of the committee.
6. To keep informed on the political situation in state and congressional districts, and to advise others in this regard when necessary.
7. To approve contributions to state candidates.
8. To make recommendations to the National RPAC Trustees for contribution to federal candidates in their respective states. The Chairman signs the RPAC official request form for recommending contribution to federal candidates. The form is forwarded to NAR by the appropriate cut-off deadline. The Chairman notifies the Regional RPAC Trustee of any official request for a recommendation to the National RPAC Trustees prior to submitting the official request form to NAR. The Chairman notifies NAR of any in-state Reception request, receives the check, and distributes it to the appropriate person in the state.
9. To determine (with the formal approval of the RPAC Trustees) the state legislative RPAC budget, this will be the basis for establishing the RPAC goal for that given year.

OAR Political Activity & RPAC Fundraising Chairman Responsibilities

1. To act as Chairman of the OAR Political Activity & RPAC Fundraising Committee,
2. To coordinate and plan the statewide RPAC Fundraising campaigns,
3. To solicit RPAC contributions from REALTORS®,
4. To work in conjunction with the OAR RPAC Trustees Chairman to establish a statewide RPAC goal,
5. To assist Local Boards in recommending political candidates worthy of RPAC support.

OAR RPAC Trustee Responsibilities

1. To keep track of and review legislative voting records of state legislators and federal legislators,
2. To review the credentials of all persons seeking state legislative offices and decide whether or not they should receive financial support,
3. To solicit members and boards for advice and recommendations on candidates at the state and national level, with regard to their receiving financial support,
4. To review issues and decide the financial expenditures, which should be made in support of our in opposition to the issues,
5. To coordinate the RPAC campaign drive and expenditures with the OAR Political Activity & RPAC Fundraising Committee,
6. To provide assistance to and communicate effectively with Local Board RPAC Chairman.

OAR Political Activity & RPAC Fundraising Committee Members' Responsibilities

1. To establish timely and informational needs and goals of the statewide RPAC drive and to actively solicit RPAC contributions,
2. To establish effective RPAC campaign drives at the Local Board level,
3. To communicate to the District Vice President and District RPAC Trustee the status of each Board's RPAC campaign,
4. To assist Local Boards in recommending RPAC contributions for local political candidates.

National RPAC Trustee Responsibilities

1. To consider and approve contributions to federal candidates,
2. To speak on behalf of the RPAC Program to REALTOR® members on all available occasions,
3. Maintain close contact with the State PAC's within their assigned region, providing advice when needed,
4. To keep informed on the political situation in their regions and on the federal level. In their role as a National RPAC Trustee, certain activities will be asked of them by the NAR President, the Chairman of the RPAC Trustees and/or the committee he/she appoints, and/or our supporting staff members.

Before Meetings: It is requested that each Trustee who is assigned regional responsibilities personally check with the State PAC Chairman from his/her region, prior to attending National Meetings. All information concerning contributions, fundraising problems, legal problems, etc., should be thoroughly reviewed in order to report back to the Trustees at their next meeting.

Trustees Meetings: It is expected that each Trustee will be present at the two regularly-scheduled annual meetings (Mid-Year and the Convention in November). In federal election years, three to four additional meetings are authorized by the NAR President, due to the heavy workload required to review contribution requests. Trustees are reimbursed by the Association for attendance at the meetings.

After the Meetings: It is the responsibility of the Regional Trustee to report back to the related State RPAC Chairman all actions taken by the Trustees, concerning activities within the state. Release of privileged information or exchange or personal comments is at the discretion of the National Trustees.

Between the Meetings: It is considered the responsibility of the National RPAC Trustee to read all communications received. Much of the information is of a dated nature and requires prompt action. Obviously, this is a rough approximation of the responsibilities of the National Trustees. Also involved are many hours of deliberations, careful thought, and personal communications between staff and members. This description is merely an outline to highlight the major areas of responsibility.

Distribution of Contribution Dollars

Refers to that money which is non-corporate in nature, is contributed by individuals or non-incorporated firms, and is used solely for the purpose of candidate (federal, state and local) support. (i.e. personal contributions). The OAR RPAC Trustees are assigned to Boards according to OAR Districts. A list of RPAC Trustees is on page 5 of this Handbook. Please contact the Trustees who represent your district to speak at fundraising events. These Trustees should also be copied on all candidate contribution request forms.

70% To OAR RPAC and Local Boards for support of state and local candidates

30% To NAR RPAC for support of Federal Congressman and Senators and the Political Action Fund

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LOCAL BOARD RPAC AWARDS

Local Boards are divided into five categories of similar size for the RPAC contests:

- 0-199 members;
- 200-649 members;
- 650-899 members;
- 900-2,499 members; and
- 2,500 or more members.

These categories will allow for equitable competition among boards. Boards will be competing only with other Boards who have the same or similar campaign resources. There are four statewide RPAC contests. First place in each contest will be awarded to one board from each category.

The four contests are:

1. **Total Dollars Raised:** This contest is based strictly on the aggregate number of dollars raised by each board by the RPAC year-end deadline in October.
2. **Per Capita:** This contest is based upon total dollars raised by the RPAC year-end deadline in October, divided by its membership (as of the OAR April 30 membership report).
3. **Percentage of Membership Contribution:** This contest is based upon the number of individuals contributing from a Board by the RPAC year-end deadline in October, divided by the board's membership as of the OAR March membership report.
4. **Overall Performance:** First place will be awarded in each category of the best overall performance by a Board. This will be determined by a point system, based upon the top three (3) points being forwarded to first, two (2) to second, and one (1) to third.

Local Boards, who reach 100% of their goal by the August 15, will be recognized at the Annual OAR Convention. PLEASE NOTE: The deadline for all RPAC contributions varies depending on NAR's year-end campaign deadline, but is generally mid-October. Contributions must either be in the OAR office by October 4 or be postmarked (by the U.S. Postal service) on or before October 4 in order to qualify for the current year totals awards.

INDIVIDUAL RPAC AWARDS

- ◆ RPAC has long subscribed to the belief that those members who make sizeable RPAC contributions deserve special recognition for their efforts. The individual RPAC Award program is designed to provide that recognition. There are six categories of awards, the criteria for which are described below:
- ◆ **NAR Sterling R Member** a contribution of \$1,000 in a year. The awards are distributed through OAR. First time contributors will receive a plaque and a pin with one diamond. A pin with a diamond for each year of contributions will be awarded annually.
- ◆ **NAR Crystal R Member** a contribution of \$2,500 in a year. The awards are distributed through OAR. First time contributors will receive a plaque and a pin with one diamond. A pin with a diamond for each year of contributions will be awarded annually.
- ◆ **NAR Golden R Member** a contribution of \$5,000 in a year. The awards are distributed through OAR. First time contributors will receive a plaque and a pin. A pin with a diamond for each year of contributions will be awarded annually.
- ◆ **OAR Diamond Club Members** a contribution of \$500 in a year. The pin is a gold, State of Ohio shaped pin with "Diamond Club Member" and the year engraved with one diamond for each year of contributions.
- ◆ **OAR Ohio Club Member** a contribution of \$200 in a year. The OAR Ohio Club Member pin is a gold, state of Ohio pin with the year placed on the pin to distinguish the pin annually.
- ◆ **OAR Capitol Club Member** a contribution of \$100 in a year. The OAR Capitol Club pin is a silver State of Ohio pin with year placed on the pin to distinguish the pin annually.

RPAC FUNDRAISING PLAN

The following is a written fundraising plan for Ohio's RPAC statewide campaign. It will serve as a guide as we work to raise the most amount of money in Ohio's RPAC history.

Percentage of Participation Goal

- ◆ Through the Local Board RPAC Entitlement Program and OAR's continuing participation in legislative fundraisers, it is necessary to set a target campaign completion date of August 15. While this deadline may not fit into the schedule for all Boards, the major legislative issues facing us this year dictate that as much money as possible be raised at the earliest possible time.

January

- ◆ Local Board RPAC Category Award winners receive their awards at the Winter Conference.

February

- ◆ All Local Boards will be contacted by either the RPAC Fundraising Chair or Vice Chair or OAR staff.
- ◆ RPAC Campaign materials will be sent to Local Boards.

March

- ◆ Insert in Ohio REALTOR® listing all NAR, OAR Diamond, Ohio and Capital Club Members.
- ◆ Primary Election
- ◆ Legislative Conference
- ◆ RPAC Kickoff during Legislative Conference.

April

- ◆ Board RPAC Campaign will be in progress. Chair & Vice Chair will monitor each Board's progress with assistance provided.
- ◆ RPAC event at the OAR Spring Conference.

May/June/July

- ◆ The RPAC Campaign is at its peak. Local Boards should gather all pledged contributions and strive to reach 100% participation.

August

- ◆ August 15, is the deadline for Local Boards to be recognized for their goal at the OAR Convention

September

- ◆ OAR Convention in Columbus
- ◆ RPAC Recognition Breakfast at Convention
- ◆ Local Boards who have reached their goal receive awards at Convention during the OAR Political Activity & RPAC Fundraising Committee meeting.

October

- ◆ RPAC Campaign Year-end deadline – all contributions for campaign year must be in OAR office

November/December

- ◆ November General Election.
- ◆ Boards should begin preparations for the next year's RPAC Campaign.

WRITING YOUR BOARDS RPAC FUNDRAISING PLAN

Proper planning is an essential part of any successful fundraising drive. Raising money for RPAC requires a high degree of organization and thorough implementation of your fundraising plan. Your Board's RPAC Fundraising Plan should establish the goals, time schedules and organizational structure for your campaign. It should also address the question: Who will do it? What will they do? How will they do it? When will they do it? Where will it be done? How much will it cost? Another important aspect to your RPAC plan is that it must be carefully written. It should also be in accordance with all involved, so that the roles and responsibilities, time schedules, methods and goals are clearly spelled out.

Goals

The very nature of fundraising demands that goals be established to define objectives and measure success. This is especially true for a course of action and to help determine progress.

Total Dollar Goal

The Local Board dollar goal will be \$10 per member. Boards can determine their own goal by multiplying the number of its membership by \$10.

Percentage of Participation Goal

Just as important as the total number of dollars raised during an RPAC drive, is the number of members who participate in the process. Therefore, RPAC fundraising plans should also set a percentage goal for the number of members in the Board who actually make a contribution.

Individual Goals

As previously mentioned, OAR's goal for each Board is \$10 per member. Some Boards set other goals in addition to this. For example, some establish as a goal a certain number of firms that will fulfill a 100% of participation pledge, i.e. where individual broker and sales person in the firm makes a contribution to RPAC. Some Boards also set contribution category goals in order to determine how the Boards overall dollar goal will be reached, in relation to amount, categories and number of contributors.

Time Schedules

The Statewide RPAC Campaign officially kicks off at the Legislative Conference, and has a target completion date of August 15. Keep in mind that an RPAC fundraising drive can be and should be completed in a relatively short time span (90 days is ideal). This does not mean you should quit if you have not reached your goal because of an arbitrary deadline. Time schedules should be long enough to allow adequate time for solicitation and short enough to convey a sense of urgency, priority and importance.

RPAC Educational Program

A Board membership educated about RPAC will be more willing to give. Therefore, the officers and staff need to undertake several member education programs to assist with this year's RPAC drive. NAR provides numerous RPAC Web Seminars throughout the year that are very informational and helpful.

Board Newsletter

A newsletter, which is published and distributed free of charge to every member, could feature several articles on RPAC. The issue for April, could feature an article explaining the history, purpose, and structure of RPAC, and should include a handy contribution form. Every issue from May to July should feature a barometer-type chart indicating progress toward the Board RPAC goal. A full listing of all NAR Members, Diamond Club Members, Ohio Club Members and Capitol Club Members should be printed every other month starting in May. This information will be provided, if needed, by OAR.

Board Meeting RPAC Presentations

RPAC speakers should be brought in to address at least two board meetings.

RPAC Presentations at Sales Meetings

The Board RPAC Salesman has agreed to make short RPAC presentations at sales meetings of REALTOR® firms in the Board.

RPAC Material at All Board Meetings

At all Board meetings, the RPAC team should have available RPAC brochures, contributor pledge cards, and sign-up sheets for members who want to work on this year's drive, or who want to be on the RPAC Committee next year.

Organizational Structure

Local Boards should appoint an RPAC Chair to organize the Local Boards RPAC drive and properly train everyone. Each Board Chair should have area an chairman and RPAC salesperson. The following is a list of sample organizational structures for Local Boards.

EXAMPLE 1 Boards with 750 Members or more

1. Board Chairman

- ◆ Responsible for organizing the Local Board RPAC drive and properly training everyone.
- ◆ Responsible for ensuring that all RPAC contributions are properly documented and forwarded to OAR in a timely manner (at least weekly).

2. Area Chairman

- ◆ Responsible to the Board Chairman.
- ◆ Responsible for obtaining three or four RPAC Salespeople. They will agree to be trained and will each appear before the companies and their salespeople to talk about RPAC and to collect the contributions.

3. RPAC Salesperson

- ◆ Responsible to the Area Chairman.
- ◆ Attends Board RPAC training sessions, appears at RPAC training session and appears at ten company meetings to talk about RPAC and to collect contributions.

EXAMPLE 2 Boards with 250-750 Members

1. Board Chairman

- ◆ Responsible for organizing the Local Board RPAC drive and properly training everyone.
- ◆ Responsible for ensuring that all RPAC contributions are properly documented and forwarded to OAR in a timely manner (at least weekly).

2. RPAC Salesperson

- ◆ Responsible to the Board Chairman.
- ◆ Attends a Board RPAC training session and appears at ten company meetings to talk about RPAC and to collect contributions.

EXAMPLE 3 Boards with less than 250 Members

1. Board Chairman

- ◆ Responsible for organizing the Local Board RPAC drive and properly training everyone.
- ◆ Responsible for ensuring that all RPAC contributions are properly documented and forwarded to OAR in a timely manner (at least weekly).

SAMPLE RPAC FUNDRAISING ACTIVITIES SCHEDULE

January

- ◆ Set RPAC Goal.
- ◆ Planning should already be underway for fundraisers. It's a good idea to schedule events early in order to get on the calendars of your members and to prevent competing with any other local board events.
- ◆ Letters can be sent to the Board of Directors, Past Presidents and Committee Chairs to kick off the RPAC year requesting their commitment to RPAC for the upcoming year.
- ◆ Consider hosting a public officials' reception for your local leaders sometime from October through January.
- ◆ Publish RPAC Contributors in Local Board newsletter.
- ◆ Complete RPAC candidate interviews for Primary.

February & March

- ◆ This is the time of year when letters can be sent to the local board members educating them on RPAC and the importance of contributing to RPAC as well as including a legislative update with local, state and federal initiatives for the year.

April

- ◆ RPAC Campaign should be in full swing by April. Numerous Boards host kick-off events during this month such as a political event, silent/live auction and other types of fundraiser.
- ◆ A second round of letters should be sent to leadership who has not donated to RPAC to date.
- ◆ Distribute Legislative Update with a tie to RPAC reinforce the purpose of RPAC and why members should contribute to RPAC (This should be done on a monthly basis utilize the information sent by OAR).
- ◆ Consider hosting a voter registration event for members and/or distributing information to members on the upcoming primary elections.

May & June

- ◆ Invite OAR Public Policy Staff Member to Local Board meeting to discuss pending legislative issues.
- ◆ Consider a first/second fundraiser or possibly a phone-a-thon in June or July in order to meet the August deadline for donations to be considered for the OAR RPAC recognition for boards reaching their goal.

July & August

- ◆ Hold an RPAC recognition event for contributors--recognize NAR and OAR Club Members.
- ◆ Host a final fundraiser in order to meet your local and state goal.
- ◆ Send letter to those members who have not contributed to date.
- ◆ Plan for Candidate Interviews.
- ◆ Begin thinking about including RPAC information on the dues billing statement.

September

- ◆ Complete RPAC Candidate Interviews.
- ◆ Send information to members on candidates who the local board RPAC Trustees voted to support.
- ◆ Send Legislative/RPAC Information to members.

October

- ◆ Conclusion of RPAC Campaign October 4, Send all funds to OAR ASAP.

November/December

- ◆ Make sure members are voting!!!
- ◆ Start planning for next year.

ASKING FOR THE RPAC DOLLAR

Political action has become an indispensable concern of the real estate business, as year after year REALTORS® find their profession increasingly subjected to government regulation. For this reason, it has become necessary for the real estate industry to actively build a concerned and involved political constituency to ensure that responsible and capable candidates for federal, state and local elective office receive financial support. RPAC assists in the election of deserving qualified candidates who share common objectives of America's REALTORS® and homeowners. Support provided to the candidates is monetary and may make the difference between a candidate's success or failure on Election Day. With more incumbents we have sharing our objectives or who are at least open-minded about them, greater strength is gained for our industry's position toward preserving and stimulating real estate ownership.

The RPAC volunteer is the most important asset in RPAC fundraising. To function effectively, the volunteer should learn the facts about the REALTORS® Political Action Committee before approaching fellow REALTORS®. The following four points should be followed by the volunteer:

See Each Prospect Personally

Start with the top person. Get his/her contribution first, and then visit everyone on your list. Do it in person...the only way you can tell the story of the REALTORS® Political Action Committee is face-to-face. You'll communicate your enthusiasm best this way...making it harder for the prospect to turn you down.

Answer Questions

You know you'll get some. Failure to answer questions convinces the prospect that there is not a satisfactory answer. He or she may use that to justify a token gift or even a refusal. When you do not know the answer, say so...and promise to get it. Call your Local Board for help. Make sure prospects understand why their contributions are important.

Sell the Concept of REALTORS® Helping REALTORS®

That's what this is all about. Your prospects can help the election efforts of all candidates who support a REALTORS® point of view at the local, state and national levels...just by making a single contribution. The REALTORS® POLITICAL ACTION COMMITTEE has a grasp of the total picture. Contributors such as these can make the REALTOR® voice heard at all levels of government.

Get a Commitment

After you've received specific contributions from your prospects, ask them to join with you in soliciting their associates **(members of the National Association only)**. Enlist the aid of the top person in reaching his/her colleagues. If each of the REALTORS® you contact reaches ten associates...well, you'll be targeting more than 100 people, just like that. If you do it, others will too. It won't be too long before you have over 1,000,000 REALTORS® working together for a common goal. That would have Legislators listen...Just think about it, having 1,000,000 REALTORS® across the nation making their voices heard. Just remember: No one likes to ask for money. But you can cast off that "tin cup" feeling if you keep one thing in mind that you're not asking for yourself. It may sound corny, but you're doing your prospects a favor by working on this RPAC campaign. By helping to build support for this bipartisan political arm of the National Association of REALTORS®, you're helping your colleagues gain a collective voice regarding legislation affecting their careers and everyday lives. We're all in this together. You can be proud because you're working for a great cause. Sure...it's a tough job. But if you believe in what you're doing, you're sure to be a success.

Here Are A Few Solicitation Principles Worth Considering For Local RPAC Campaigns

1. People relate to people before they relate to causes. Therefore, face-to-face solicitation is the best technique for getting not an only a gift, but a substantial gift.
2. Potential contributors are looking for guidance regarding the amount they should give. Suggest individual gift amounts, giving them a reasonable range for possible contributions as you see it.
3. Contributors like to know what they will get for their money. Therefore, don't ask for RPAC support until you are certain the potential contributor understands what you are "selling" and why he/she needs to buy your "product" - RPAC. A final or additional technique involves renewal soliciting of past RPAC contributors. This would reduce the amount of time local solicitors would spend in the face-to-face effort. Soliciting of past contributors should be done

by the local RPAC chairman, thus freeing teams of solicitors for a concerted effort to reach those who have failed to participate or whose participation might be considered far below the amount anticipated. *FOR SAMPLE SPEECH MATERIAL, PLEASE REFER TO THE SCRIPTS PROVIDED IN APPENDIX #1*

Credit Card Program

With this program, contributions can be made using VISA or MASTERCARD. All Local Boards will have the credit card authorization cards, which provide receipts instantly to the contributor. The cards are to be filled out by the contributor with the amount of his/her donation, credit card number, and signature. Also included on the form must be the board and license number of the contributor. When credit cards are used during telephone solicitation drives, the authorization cards do not need to be signed. The credit card holder only has to give his/her card number and other information to the telephone solicitor. This will then be sent to OAR who will forward the appropriate information to Chase, the host bank for this program. OAR now has the ability to breakout credit card contributions over the span of the entire year as a monthly charge (ex. \$10 per month) in lieu of charging your entire contribution at one time. Please contact OAR Public Policy Staff for more information.

(No corporate credit cards may be used). To accept corporate credit cards would jeopardize the program, these contributions are to be from individuals only, according to the OAR Legal Counsel.

Special Events: RPAC Phone-A-Thon

The phone-a-thon campaign is used as an alternative to face-to-face contact. It offers the advantages of person-to-person contact, informational feedback and immediate, direct response.

Telephone Suggestions

The following suggestions are offered to assist you in your telephone technique. It is important that you personalize your approach, so that you feel comfortable when making your presentation. As an experienced, professional and sales oriented REALTOR®, you undoubtedly are aware of the importance of good telephone rapport when making the first call to a new client. The same rapport must be established with your prospective donor during this phone-a-thon. Remember--because they can't see you all they know is what they hear!

- ◆ Dial with a smile.
- ◆ Formal tone is required. (Not mumbling, slang, but your natural voice).
- ◆ Your voice should say: "I am Friendly, Helpful, Tactful and Understanding".
- ◆ Use the prospect's name frequently.
- ◆ Speak slightly fast and louder than the prospect. (120-150 words per minute)
- ◆ Listen carefully. Don't just wait for your turn to talk.
- ◆ Restate what has been agreed upon.
- ◆ Don't hang up too fast.
- ◆ Thank them by name.
- ◆ Follow script. Be prepared for objections.
- ◆ Use personal words-"you", "we", "REALTORS®".
- ◆ Use dynamic words "power", "vital".
- ◆ Use expressive phrases "opportune time".
- ◆ Use picture phrases "Your hair stands on end".
- ◆ Express your appreciation for the pledge.
- ◆ Leave the donor with a warm, friendly feeling.
- ◆ Wait until the donor hangs up before you Cheer!!

Overall Strategy

- ◆ Verify that the mailer to the donor matches the names that you are calling from the computer printout.
- ◆ Smile and dial.
- ◆ Record all notes on the computer or on the computer printout. (Do not write on the letter to the donor).
- ◆ Update the donor's record on the computer, if necessary, (new address, etc.)
- ◆ Record the date and time of phone contact on the computer sheet.
- ◆ Fill out the donor letter.
- ◆ Give the donor letter and printout sheets to staff when you have completed your calls.

Remember...

Your goal as an RPAC representative is to obtain a minimum of \$10 per donor. Let this be a challenge to your sales ability. Don't let them say "NO".

If it is not comfortable to ask for money, remember that you are working on behalf of the person that you are contacting.

Keep in mind that your organization is providing "clout". As a group, we are able to be more effective than as individuals contributing the same dollar amount separately.

How many phones?

Conducting an RPAC phone-a-thon can be a useful technique for Boards of varying sizes. But often, small boards (those under 200-300 members) can meet their RPAC goal more efficiently through direct, face-to-face solicitation of their members.

Regardless of the size of the Board membership, there is a basic formula for determining the number of telephones and the number of days required to conduct an RPAC phone-a-thon successfully. The number of members to be contacted determined the size of the phone-a-thon, i.e., how many phones and volunteers will be required.

For example, let's say the Board of REALTORS® has 1,200 members, and that the Board RPAC committee wished to attempt to contact every one of them through a phone-a-thon. The committee plans to conduct the phone-a-thon over a two-day period, with 8 calling hours per business day—a total of 16 calling hours. The committee also knows that about 12 calls per hour can be made from each available phone. The committee then calculates how many phones it will need to reach all 1,200 members in 16 hours at 12 calls per hour per phone: $12 \text{ calls per hour} \times 16 \text{ calling hours} = 1,200 \text{ board members}$ $192 \text{ calls per phone} = 6.3 \text{ telephones}$. In this hypothetical case, it is probably would be wise for the Board RPAC Committee to use 7 phones for a two-day phone-a-thon. Or, the committee could use 14 phones in a one-day period.

The rate of 12 completed calls per hour is an average that has been determined through the experience of dozens of Local Boards throughout the country. It assumes that at least a basic level of knowledge about RPAC exists among Board members. If your members are adequately educated, and if your phone-a-thon is conducted properly with the trained volunteers, the 12-calls-per-hour rate will provide to be quite accurate.

Remember that it is difficult to maintain enthusiasm among your phone-a-thon volunteers for more than a two-to-three day period. Therefore, attempt to operate your phone-a-thon within that time frame or you will risk losing your trained volunteers, because of other commitments they may already have.

Availability of Volunteers

- ◆ Almost all RPAC phone-a-thons rely on volunteers members of your Board who freely give of their time to do the work.
- ◆ Finding qualified volunteers who are willing to make the necessary time and training commitment is usually the most difficult task for the RPAC Committee. More than any other factor, the number and quality of volunteers will

determine the success of your phone-a-thon. The responsibility for enlisting qualified phone-a-thon volunteers should be shared equally by all RPAC committee members.

- ◆ What is a "qualified" RPAC phone-a-thon volunteer? One determinant would be previous fundraising experience or obvious fundraising skills. Another consideration is the position or prominence a volunteer holds within the Board.
- ◆ Most of the time, you will enhance the success of your phone-a-thon if you use prominent, respected members of your
- ◆ Board as phone solicitors, those whose names will be recognized by other Board members. Such persons might include past or present officers, committee chairman or REALTORS® of the Year.
- ◆ Prominence and previous fundraising experience, however, are not absolutely necessary if your volunteers are dependable and committed, willing to learn, willing to show up at designated times, and to complete the tasks they are assigned.
- ◆ Enthusiasm is a more important quality than experience.
- ◆ In any case, there is one prerequisite for all volunteer phone solicitors: They have to have contributed to RPAC themselves. This is called the "put your money where your mouth is" rule. There simply is no way you can make an effective case for RPAC, if you have not contributed yourself.
- ◆ Many times the first question your phone contributor will be asked by members they are soliciting is, "If this is so important, how much have you given?" Your volunteers don't need to have been big contributors, but they must be able to say truthfully that they have contributed to RPAC at a level commensurate with their means. This will increase their confidence and strength their hand in soliciting other members.

Facilities and Phone

In many large-Board RPAC phone-a-thons, installation of special phones is required. In smaller phone-a-thon efforts, phone in an existing Board office may be used-provided the phone-a-thon and the office do not unduly disrupt the office business operation. If installation of phones is required, the Phone Company must be notified far enough in advance to ensure the phones are installed and operable on the day of your phone-a-thon is to start. Typically, three types of charges will be involved in the installation of special phone lines:

- ◆ Trunk Line
- ◆ Phone Installation
- ◆ Instrument Rental

Securing the location of your phone-a-thon is vital, since the order for phone installation cannot be processed until the site is known. It is strongly recommended that a phone-a-thon be confined to a single site. Two or more locations make it difficult to coordinate activities and maintain enthusiasm among your volunteers. No matter how large your Board membership, always operate your phone-a-thon from one central location.

Any location that can be accommodating all necessary phone location requirements and personnel needs will suffice for an RPAC phone-a-thon. This might be a rental property, a Board office, or a property privately owned by Board members who is willing to allow its use for the phone-a-thon. The physical location must be big enough to accommodate your phone solicitors and other volunteers comfortably. To keep morale high and control noise distraction, phoners should not be forced to sit shoulder to shoulder. Each caller will need space for a desk or table and a comfortable chair. Obviously, the more pleasant you make the working environment, the more enjoyable volunteers will find the experience and the more productive they will be. A little investigation might turn up a location already designed for phone-a-thon use, with the required phone lines already installed. This might be a site used by telephone sale companies, polling firms or others.

Evening Phone-A-Thons

The hour to call In the past, most Boards conducted RPAC phone-a-thons during business hours, from 9:00 a.m. to 6:00 p.m., calling members at their offices. Calling during the business day does offer several advantages. But recently some Boards have successfully tried a new tactic: Calling members at home in the evening. Generally, evening phone-a-thons are conducted from 6:00 9:00 p.m. or from 6:30 9:30 p.m. Far from finding members objective to late evening calls,

some Boards have found that the late evening time and the closing rate during those hours are phenomenal. Conducting and RPAC phone-a-thon in the evening offers certain distinct advantages:

1. Personal checkbook more accessible
2. Harder to screen calls
3. Easier to recruit volunteers
4. Easier to call from Board office

Some Boards that have conducted evening phone-a-thons report that they find their members generally in a more relaxed, more receptive mood in the evenings. This can make for friendlier phone conversations, and an increased willingness to contribute. One disadvantage of evening phone-a-thons is that in some Board jurisdictions; check pick-up is made more difficult. When your RPAC phone-a-thon is conducted during the day, runners will be picking up checks at members' offices. During the evening phone-a-thon, they must pick up checks at members' homes. Chances are, particularly in large urban areas your members' offices will be more centrally located than their homes.

Some members may work in the city but live in a distant suburban area perhaps even in a different Board jurisdiction. Also, calling during the day allows your runners to pick up several members' checks at the same office location. Nevertheless, the proven success of evening phone-a-thons in those Boards that have tried them makes this option worthy of consideration. In your own Board, you might want to try to find the most productive mix of calling hours possible.

Answering Objections

Some of the main objections that you will get are:

1. *I Do Not Believe In Giving To Political Candidates.*

RESPONSE: I am sure you have insurance on your home, business, office and automobile. The results of legislation passed by city councils, the Ohio Legislature or Congress could have more catastrophic impact on you than the loss of your home, business, office, auto, etc., by fire, storm, theft, etc. One of the best professional or business insurance's you can have is helping through RPAC to elect the proper officials and guard against such a loss.

2. *I Already Contributed To Political Candidates.*

RESPONSE: You should give to the candidates of your choice, but you should also give to RPAC. A contribution from an individual is a contribution from a friend. A contribution from RPAC represents the REALTORS® viewpoint and our support of legislation directly affecting our business. The sizeable contribution that RPAC is able to give to candidates makes up a significant portion of their campaign budget.

3. *I Do Not Like Some Of The Candidates That Benefit From RPAC Contributions.*

RESPONSE: No one approves of every contribution that is made. Rarely do even Trustees agree 100%. The Trustees have, however, the voting record of the members of the Legislature plus information gathered from other sources to aid them in their decision-making process. The following is a phone solicitation message used by the Columbus Board for their 1988 RPAC campaign.

Good evening, I'm, a REALTOR® with the Columbus Board of REALTORS®. I am calling on behalf of RPAC, our Political Action Committee. As a REALTOR®, and a contributor to RPAC, I have closely followed the activities of the legislature and am convinced that all REALTORS® need to participate actively in RPAC. Right now, RPAC needs your help in order for you to survive in Real Estate. In this important election year, we need your assistance in supporting candidates who favor a business point of view.

As a fellow REALTOR®, I urge you to help us by contributing \$, your generous contribution will help us reach our goal of raising \$15,000 with this phone-a-thon tonight. (How much are you willing to give to protect your rights as a REALTOR®?) I will enter your contribution on our records and mail you a receipt and a stamped, addressed envelope to return your check to the Board. (Confirm address).

Thank you -I know your contribution will be well spent.

Some Local Boards conduct RPAC Auctions. Usually, these consist of donated items or services being sold to the highest bidder via either live or "silent" proceedings. RPAC auction items can range from expensive original artwork such as oil paintings, to handmade tablecloths or jewelry. Some auctions put up for bid such things as a week in a member's cabin in the mountains, or vacation time at the seaside beach house of a member. Virtually any item or merchandise or service can be put up for bid at an RPAC auction, so long as it is desirable or useful enough to draw bidders' interest. Conducting an RPAC auction also demands consideration of legal aspects, such as: (1) who can contribute merchandise or services (2) how to handle consigned items and (3) who can purchase auction items.

Who Can Contribute Merchandise or Services

No item of value may be donated for sale at an RPAC auction except by those who can legally contribute to RPAC-NAR members and executives, administrative, or management personnel of the Association.

Consigned Items

Some RPAC auctions receive artwork or other items on a consigned basis at a floor price. If the bidding exceeds the consigned price, the item will be sold to the highest bidder, the consigned price paid to the artist or consignor, and the remainder of the bid price will be contributed to RPAC. If the bidding does not reach the floor price, the item is not sold but is returned to the consignor. In either case, no contribution to RPAC is deemed to be made by the co-signor.

Who can purchase auction items?

The purchaser of an item at an RPAC auction is deemed to have made a contribution to RPAC, even where a portion of that price is paid to an artist or other consignor. Therefore, you must not sell any auction items to an organization or person not permitted to contribute to RPAC, nor should you ask any non-solicitable person to bid or purchase an auction item. Properly organized and conducted, RPAC auctions can be a successful way to raise RPAC funds, but several potential disadvantages must be considered.

Amount of Work Involved

Organizing and conducting a successful RPAC auction requires a great deal of work. Merchandise and/or services must be procured for use as auction items. A site must be retained, and this often involves making security arrangements to protect the auction items. The auction must also be properly publicized in order to attract a crowd of bidders composed of solicitable persons. An auctioneer must be found and his or her services retained, and you must conduct the auction in such a manner as to hold the crowd and encourage bids.

Identification with RPAC

Some RPAC auctions draw members who are more interested in the items being auctioned than in contributing to RPAC. In fact, at some RPAC auctions, RPAC is scarcely mentioned at all. Members attending such auctions can leave knowing as little about RPAC as they did when they arrived. While it is true that a member who buys an item at an RPAC auction will be contributing to RPAC regardless of whether that was his/her primary intent, the educational opportunity involved should be considered. Therefore, you should make sure that you make a "pitch" for RPAC itself at such auctions, so that members will have a clear idea of where their money will be going, and why it is important for them to contribute to RPAC.

Keeping Your Crowd

One of the major problems of an auction is holding your crowd for the duration. Many people tend to wander in and out of auctions, and it is often difficult to hold a majority of the crowd initially. But unless your auctioneer is especially gifted in entertaining people and holding their attention, or unless you have some particularly sought-after auction items, you may not retain enough active bidders to make your auction a success.

Dues Billing

The results of any voluntary fundraising program are directly related to the number of individuals solicited. Certain types of fundraising techniques work better than others, but regardless of method, the results improve in proportion to the number of people asked to contribute. Despite the heavy promotion of RPAC at the National, State and Local levels, it is

safe to assume that a large number of members have never been asked to contribute to RPAC. Requesting an RPAC contribution on each member's Association dues statement is one way to reach every member possible through the dues billing process.

Designing a Dues Billing Statement

Experience has shown that the most effective dues billing forms make the RPAC contribution a part of the dues paying process. The dues billing form in Appendix #4 includes a voluntary contribution in the "total amount due". No member can be forced to include the RPAC contribution with his/her dues payment and a member choosing not to contribute may deduct the voluntary RPAC amount from the "total amount due". Regardless of the form used, it must suggest a specific RPAC contribution amount. One of the principles of fundraising is that people are not likely to contribute unless they are asked for a specific amount. It is also important to note that you should never ask a member for less than he/she contributed in the past. Remember that it is always better to ask for too much than too little.

Processing Dues Billing Contributions

At first glance, the processing of dues billing may seem complicated. However, it can be greatly simplified if certain legal requirements and procedures are kept in mind. Boards using dues billing statements can expect a large number of checks to combine RPAC contributions and dues funds. The Federal Elections Commission (FEC) has authorized the use of a special transmittal trust account to separate membership dues from RPAC contributions. Boards using dues billing statements may not receive enough combined checks to warrant establishing a trust account. Instead they may request the individual contributor to substitute any combined checks for two separate checks, one payable to dues and one payable to RPAC.

Legal Aspects of Dues Billing

Regardless of the Dues Billing statement used, each statement must carry the following disclaimer as required by federal law: "The Ohio Association of REALTORS® collects contributions from members of the National Association of REALTORS® for the REALTORS® Political Action Committee (RPAC) for political activities. 70% of this contribution will be used at the state level by the State PAC and 30% will be provided to the National PAC. This 30% used by the National RPAC will be charged against the applicable contribution limits of the federal law for an individual under 2USC Section 441a. Contributions are VOLUNTARY and refusal to contribute does not affect membership rights. A member may contribute more or less than the suggested amount."

Remember also, the Local Board must forward all contributions of \$50 or more to the State PAC within 10 days of receipt of the contribution. Local Boards must also forward all receipts of less than \$50 to the State PAC within 30 days after they are received.

Handling and Forwarding RPAC Receipts

The following material is designed to familiarize you with the activity, which must take place once you have collected funds from your RPAC Salesperson (team workers).

Checks must be received by OAR within 10-days of receipt by the Local Boards. Federal law prohibits accepting any checks after this 10-day period, therefore, any checks received after 10 days will be returned to the Local Boards.

Let's suppose that John Smith has just walked into your office with \$407 of RPAC funds and you want to put these funds in the mail to OAR quickly. The first step to take is this: Assure that all funds equal the total being reported on the individual RPAC receipts, and confirm that all information on the receipts is complete.

These particular funds are in the following form:

1 check = \$200

1 check = \$ 57

1 check = \$ 5

1 cash contribution = \$140

1 cash contribution = \$ 5

- ◆ The \$57 and \$5 checks are fine, so take the information off their receipts and fill out the Escrow Trust Agreement Statement.
- ◆ The other contribution cause problems, and here's why:
- ◆ You must have both the business and personal address of the \$200 contributor. Federal law states that anytime an individual contributes \$200 or more in a year, two addresses are necessary. Call the individual and find out the second address and then list both addresses on the Trust Agreement.
- ◆ The \$140 cash contribution is illegal. Only \$100 or less of cash can be accepted, from any one contributor any one year. Any cash contribution of more than \$100 by the same individual in a year is illegal. Call the individual and tell them that you can keep \$100 of the cash and you'll be right over to get their \$40 check and return the \$40 of cash to them. You can then list their information on the Escrow Trust Agreement.
- ◆ Now take the \$100 cash, add the \$5 cash contribution you have and purchase a money order for the individual contributions. Included with this check must be a list of the names and addresses of the people who contributed along with the amount of their contribution. OAR also requires that each contributor's license number be included on this list.
- ◆ Assure that the money equals the receipts for the money.
- ◆ Make sure that the receipts are totally completed.
- ◆ If in doubt, call contributors to assure their corporate or personal status.
- ◆ Get two addresses (home and business) of any contributors who have given \$200 or more in any one year. (Also, company name and affiliation).
- ◆ Do not accept more than \$100 of cash from any individual. Any cash contribution over \$100 by the same individual in a year is illegal.
- ◆ Do not send cash by mail and under no conditions should you send more than \$100 of cash by mail.
- ◆ Make sure that every contributor has a file number listed.
- ◆ You must forward all contributions within 10 days of receipt of the funds.

Contributions should be forwarded to:

REALTORS® POLITICAL ACTION COMMITTEE
 200 EAST TOWN STREET
 COLUMBUS, OHIO 43215-4648

Corporate Contributions

Individual RPAC contributions may be collected on corporate checks. The law states that a corporate or Board check can be issued which represents several individual contributions. Included with the check must be a list of the names and addresses of the people who contributed along with the amount of their contribution. OAR also requires that each contributor's license number be included on this list.

This new law does not exclude OAR from accepting corporate checks. A Corporation may still make a contribution to RPAC. This money is used for funding issues and certain administrative costs associated with RPAC.

Local Board Entitlement Program

The purpose of the Local Board entitlement is to allocate RPAC dollars for local board political purposes. Each Board receives back RPAC hard dollar funds raised in the previous year to use for campaign contributions to local candidates or issues.

A Local Board's entitlement is based on their RPAC performance. The following formula is used to calculate how much a Board can receive:

%of Goal Reached = % of Entitlement

0 – 100% = 15%

101% – 125% = 33%

above 125% = 50%

The goal that the Local Board's entitlement formula is based on is the Local Board dollar goal. This is calculated by multiplying the STATEWIDE PER CAPITA GOAL by the LOCAL BOARD MEMBERSHIP. The local board membership is based on membership totals as of March 1st.

As an example, the XYZ Board has membership of 100 REALTORS® and the statewide goal is \$10 per member. Therefore, the XYZ board would have to raise \$10 x 100 members = \$1,000 to reach its statewide goal. If they reached this goal, their entitlement would be \$150, or 15% of the total dollars raised. If a Local Board does not use up their entitlement money during the year, it will carry over for one year. Any entitlement money requested the following year would first be taken from this carry-over money. OAR keeps a record of all local Board entitlement. A copy of this list is sent to Local Boards following the Winter Conference. Local Boards may be reimbursed for their RPAC fundraising expenses up to 10% of the dollars raised annually or actual expenses, whichever is less. Local Boards who reach or exceed their RPAC fundraising goal in the previous year may be reimbursed for direct expenses associated with RPAC fundraising from a statewide pool of soft dollars. Boards may receive reimbursement based on 10% of their Local Entitlement dollars raised the preceding year. If Local Boards desire additional fundraising assistance with their campaign, it shall be deducted from their Hard Dollar Entitlement. All expenses must be documented.

Procedure for Requesting RPAC Dollars Local Candidates/Local Issues

Local Boards may use their RPAC entitlement dollars for contributions to local candidates and local issues in the manner and amount that the local board deems appropriate. There is no approval process. However, state election laws require strict adherence by RPAC to certain disclosure requirements. Consequently, all requests for RPAC contributions from local board entitlement dollars MUST be submitted with a completed candidate contribution request from (See Appendix #2). The information contained in this form enable OAR staff to file accurate campaign finance reports with the Secretary of State, and complies with the law.

Local Boards are also encouraged to use their RPAC dollars for direct campaign contributions to candidates, not issues. OAR has established an **Issues Mobilization Fund**, which is designated to assist Local Boards who are promoting or opposing a ballot issue. Issues Mobilization Funds are corporate funds, and may not be legally used for candidate contribution purposes. At a minimum, **Local Boards should first attempt to secure funding from Issues Mobilization Fund for ballot issues prior to accessing their entitlement dollars.** To the extent possible, entitlement dollars should be preserved for contributions to candidates for local offices. As indicated above, Local Boards have complete discretion in using entitlement dollars for local candidates and local issues. The suggested contribution amounts and type of political office for local candidates, which appear under the general guidelines for campaign contributions, are designed to assist Local Boards in their decision-making process.

State Representative and State Senators

Local Boards can also recommend campaign contributions for the State House officials. These would include state representatives and state senators or candidates for these offices. Such recommendations do not count against a Board's yearly entitlement and these must be reviewed and approved by the Ohio Trustees. Remember when making recommendations for state legislative candidates that:

- ◆ The proper forms must be completed and signed by the Board President and the Local RPAC Chairman.
- ◆ The dollars, which can be contributed to these candidates, are dependent upon how much money has been contributed to their fundraisers during their term in office.
- ◆ Voting record and other pertinent information are available to help guide these decisions.
- ◆ OAR Public Policy Staff deal with these people on a very consistent basis and they will be providing input to the OAR RPAC Trustees regarding these contributions.
- ◆ These funds can be used for either election contributions or for attending fundraisers for the candidates or officeholders.

Federal Offices

There are two main types of contribution requests for federal candidates (U.S. House of Representatives and U.S. Senate). They are requests for in-state fundraisers for sitting congressman or senators, and campaign election contributions.

In-State fundraisers held in Ohio, Local Boards, in conjunction with the Federal District Coordinator (FDCs) can request funds to attend these events, keeping in mind the following:

- ◆ The appropriate forms must be completed.
- ◆ Forms should be forwarded to the Ohio RPAC Trustees, who must approve and then forward them to NAR.
- ◆ Requests will be handled on a first-come first-served basis.
- ◆ State RPAC Chairman must contact NAR to discuss and receive authorization (paperwork must also be sent).
- ◆ State RPAC Trustees retain final authority within established limits.
- ◆ NAR's RPAC Department cuts the check and mails it to the state.
- ◆ The Ohio RPAC Trustees will then forward the check to the FDC with copies to the Local Board.

Campaign election contributions for federal candidates may be requested by Local Boards but the Boards must keep in mind the following:

- ◆ The appropriate forms must be completed.
- ◆ Forms must be forwarded to the Ohio RPAC Trustees, who must approve them and forward them to NAR.
- ◆ RPAC may contribute a maximum of \$5,000 to any one election under federal law.
- ◆ RPAC may make a deficit contribution, provided that contributions, when combined with any previous contribution for the election involved, does not exceed the \$5,000 limit.
- ◆ Any money spent to purchase tickets for receptions must be applied to a specific election.

QUESTIONS REGARDING CAMPAIGN CONTRIBUTIONS OR STATUTORY CONTRIBUTION LIMITS? CALL THE OAR PUBLIC POLICY GROUP AT (614) 228-6675.

Exceptions for candidates who are REALTORS® can be made and support for REALTORS® can be given, if it is the individual's first try for election. Second and/or subsequent election attempts shall merit additional information before support is given or denied. Maximum consideration shall be given to active REALTORS® candidacies.

When purchasing tickets to legislative fundraisers, consider the following:

- ◆ Is the candidate a good friend of our industry?
- ◆ Will he/she enhance our legislative effort?
- ◆ Will the candidate be aware of our support?
- ◆ How many people are attending the event?

RPAC Trustees delegate ticket authority to be deducted from the Legislator's total campaign contribution when he/she is seeking election. (i.e. currently, the campaign contribution maximum is \$10,000 (\$5,000 per election), for a state representative. If a state representative receives \$100 for a fundraiser, he/she would then be limited to a total of \$4,900 in contributions for his/her election campaign). This deduction is on a per election basis. Senators who do not run within the RPAC biennial budget will have a deduction in the biennium, in which they are up for election.

PRESENTATION OF CONTRIBUTIONS TO CANDIDATES RULES OF THUMB

Local Candidates

Establish an informal meeting to present the check. Those attending should include, but should not be limited to:

- ◆ Board President
- ◆ Board RPAC Chairman
- ◆ Board President-Elect
- ◆ Board E.O/Secretary

Complete proper presentation forms and forward them to the Ohio RPAC Trustees.

State House Candidates

Establish an informal meeting to present the check. Those attending should include, but should not be limited to:

- ◆ Board President
- ◆ Board RPAC Chairman
- ◆ Board President-Elect
- ◆ Board E.O. / Secretary

Ohio RPAC Trustee in your area and the OAR District Vice President representing your area.

Federal Candidates

It is the policy of the National RPAC Trustees to have contribution checks to federal candidates presented to them in their home states, by OAR RPAC officials. National RPAC does not merely mail checks to a candidate's campaign address. When the National RPAC Trustees approve a contribution, a check for the approved amount will be mailed to the official assigned individual assigned by the RPAC Trustees. This is usually the state RPAC Chairman, the Federal District Coordinator for that particular candidate, or OAR RPAC Trustees.

The National RPAC Trustees encourage presentation of RPAC checks at informal meetings with the recipient candidate and his or her legislative or campaign staff, so that pressing issues of concerns to the real estate industry and the Association may be discussed. It has been found that this "Personal Touch" greatly increases the value of the contribution, and affords State Association officials an opportunity to meet with and to get to know their federal candidates. Usually, such meetings bring together the candidate and the OAR President, OAR Political Activity & RPAC Fundraising Committee Chairman, the state RPAC Trustees Chairman and the Federal Political Coordinator for the candidate if he or she is an incumbent and other key Board officials.

The meeting to present the RPAC check should be scheduled as soon as possible after the National RPAC Trustees have approved the contribution. National RPAC may issue a stop-payment order on any contribution check that has not been presented to the candidate or his/her authorized agent within 20 days of the receipt of the contribution check by the state PAC.

After a check presentation meeting, the state PAC should assume the responsibility for completing and returning to National RPAC the "Candidate Check Presentation Form". This form provides National RPAC with the details of the presentation meeting, such as who presented the check, accepted the check, and includes space for comments about what issues were discussed and how the candidates reacted to the contribution.

National RPAC is required to report monthly to the Federal Election Commission on all contributions to federal candidates. These reports are available for purchase from the Federal Election Commission, Washington, D.C. 20463.

Legal Information Questions AND Answers

1. *Who Can I Solicit For RPAC Contributions and What Is A Solicitation?*

Only members of the National Association of REALTORS® can be solicited. Unsolicited contributions can be received from non-members who wish to contribute on their own accord. Law however, prohibits solicitation of such contributions. The Federal Election Commission provides strict guidelines for determining who can be solicited to contribute to RPAC. The FEC defines the "solicitable class" in RPAC fundraising as individual members of NAR, as well as the executive and administrative employees of the various REALTOR® Associations at the national, state and local levels. Non-executive and non-administrative may be solicited only within certain limitations, as discussed below. Members' employees who are not themselves members of NAR are not excluded (i.e., secretarial staff for non-members sales-persons in a REALTOR® firm) and may not be solicited for RPAC. For FEC purposes, "members" are all persons who currently satisfy the requirements for membership in the National Association of REALTORS®. Article III, Section 1 of the Constitution and Bylaws of NAR defines members as State Associations, Local Boards, REALTORS® and other individuals meeting certain specific requirements. The definition of membership includes the requirement that the person have membership rights, including the right to vote or to have a voice in Association direction, affairs, control over its officers, and an obligation to sustain the organization with regular financial contributions. This definition also applies to affiliate members. Executive, administrative, or management personnel employed by the Association at any level, (including State Associations and Local Boards), who are paid by salary rather than on an hourly basis, and who have policy-making, managerial, professional, or supervisory authority, may be solicited at any time in any fashion.

On the other hand, employees of the Association at the national, state and local levels who are not in executive, administrative, or management roles may be solicited for an RPAC contribution only in accordance with Federal Election Commission Regulations set forth at 11 CVFR 114.6. This provision requires: (1) that the solicitation be in writing; (2) that it be sent only by mail addresses to the employees' residence; (3) that the employee be informed that the names of those who do not contribute cannot be given to the Association; and (4) that the employee is informed that he/she may maintain anonymity for single contributions aggregating less than \$200 per calendar year by forwarding the contribution to a "custodian" who, under a special "custodian arrangement", will receive contributions on behalf of the Association; and (5) that such solicitations be distributed not more often than twice yearly. The Association is required by federal law to appoint a non-related custodian for the receipt of such contributions and to inform its employees of the identity and location of the custodian.

It is important that the employee understand that the custodian must keep a record of the names and addresses of all contributors; however, so long as the individual contributions are kept under the designated amounts, the custodian will not be permitted to disclose the identity of the individual employees to the Association. Because of the complexity of this procedure, legal counsel should be consulted prior to any State Association or Local Board solicitation of non-administrative, non-executive or non-managerial personnel. Because of the restrictions on who can be solicited, the question of what constitutes a solicitation becomes very important. This issue most often arises when an organization publishes articles on its PAC, or reproduces contribution forms in the organization's newsletter, magazine, or other periodicals, some of which may go to individuals not in the solicitable class. The question can also arise when such items as RPAC T-shirts, posters, coffee mugs, caps, or other items are displayed and offered for sale to benefit a PAC at conventions or meetings where non-solicitable persons.

When using Association periodicals to assist RPAC, two questions must be asked:

1. Is the article merely an informational piece or is it a solicitation?
2. Who receives the periodicals? If an article is informational only, it may be published in Association publications, which is distributed to non-members. However, in several instances, the FEC has taken a very strict view of what constitutes "informational". If an article about RPAC contains more than a simple statement as to how much money has been collected, the number of contributors, or details on where additional information about RPAC may be obtained, it would probably be defined as merely informational, and would therefore, not constitute a solicitation.

If, on the other hand, an article encourages readers to support RPAC or provides information on how to contribute to RPAC (including a contribution form, for example), then that article would constitute an RPAC solicitation. If it is determined that an article constitutes a solicitation, then the distribution of the periodicals in which the article is printed becomes very important. If the publication is distributed to non-members, it would constitute an illegal solicitation. The FEC has, however, provided an exception in the case of materials distributed to a de-minimums numbers of Congress or other persons, such as members of Congress or other persons, such as members of Congress of other government officials who receive Association publications as a courtesy. Distribution of such material will not be deemed an illegal solicitation, if: it is distributed to a de minimis number of non-solicitable persons, which the FEC has construed to mean less than 3% of the total distribution. A clearly visible notice is printed (preferably in contrasting print), indicating that the solicitation is intended only for members of the Association and the contributions from non-members will be returned. *A sample notice could be as follows:

"Information being provided herein with respect to RPAC is being provided for informational purposes only and is not a solicitation for contributions to RPAC."

A screening mechanism is established to examine contributions received via the solicitation to determine if they are from non-solicitable person and to return those which are from such persons.

To stay clear of improper solicitation:

1. Avoid running RPAC articles in periodicals distributed to non-members.
2. Avoid the promotion of RPAC in the presence of non-members.
3. Even though contributions to RPAC may be accepted, though not solicited, from anyone who chooses to contribute, return all contributions from individuals who are not in the solicitable class.

2. *Is There A Tax Incentive In Contributing To RPAC?*

No. Due to the passage of the Tax Reform Act of 1986, federal tax credit for political contributions has been eliminated.

3. *Do I Need To Inform The Contributor Where His/Her Contribution Is Going?*

Yes, as required by federal law, the contributor should understand the following information. Seventy percent of their contribution will be used at the state level by the State PAC and the remaining thirty percent will be provided to National RPAC for support of federal candidates. This thirty percent portion used by National RPAC will be charged against the applicable contribution limits of the federal law for an individual under 2 USC Section 441a, which allows a \$5,000 maximum aggregate contribution limit to RPAC from individuals in any calendar year.

4. *Why Must I Provide Information On The Contributor?*

Since National RPAC files the required reports with the Federal Election Commission, information such as name, address, occupation and amount of contribution must be maintained for auditing purposes. The law requires that such information be retained on files for all contributors.

5. *Are There Any Limitations On The Period Of Time When RPAC Contributions Are Received And Deposited?*

Yes, according to the law, the agent or other representative of RPAC (that person authorized at the state level to deposit the money) is required under 103.3 of the Federal Regulations to deposit all contributions in the appropriate State RPAC account within ten days receipt of the contribution. Also note that a Local Board must forward all contributions of \$50 or more to the State PAC within ten days of receipt of the contributions. The Local Boards must also forward all receipts of less than \$50 to the State PAC within thirty days after they are received.

6. *Are Cash Contributions In Excess of \$100 Legal?*

Cash contributions can be accepted by RPAC but only up to a total of \$100 per contribution from any member. Any amount of cash contribution over \$100 must be returned promptly to the contributor. Anonymous contributions are permitted, but should be discouraged. Any amount contributed anonymously over \$50 must be disposed of promptly, in any lawful manner unrelated to any federal election, campaign or candidate. The Local Board should

convert all cash contributions to cashier's check or money order before being transmitted to the State Association. Check with OAR or your Local Board staff to determine how best to handle excess cash contributions.

7. *Are RPAC Raffles Legal?*

No, any activities in a Local Board that includes the payment of monetary consideration in exchange for the opportunity to win a prize, with the winner to be determined by chance are unconstitutional. An example of this would be a Local Board conducting a raffle in which an admission price is paid at the door in exchange for a raffle ticket, which enables an individual to a chance for a raffle prize. Under Section 6, Article XV, of the Ohio Constitution, only two exceptions to lotteries/raffles and the sale of lottery/raffle tickets are constitutional, they include the state lottery and charitable bingo. (Appendix #3)

8. *If A Member Of The Association Donates An Item To RPAC For An Auction, Is He Or She Entitled To A Political Contribution Credit?*

No, Internal Revenue Code defines "political contributions" to include any contributions of gifts of money, or property, or services. Therefore, when an individual donates property to RPAC, he is not entitled to consider the value of that property as a political contribution. Although the specific question has not been raised, it should be noted that, pursuant to Internal Revenue Code S84, if any person contributes appreciated property to a political organization, the contribution is considered a sale of the property. The individual would then be taxed on the amount by which the fair market value of the property exceeds his adjusted basis. In other words, of an individual purchased an item of property for \$100 and the property is now worth \$200 when the individual contributes the property to RPAC, he must report \$100 income to the IRS. This transfer is deemed to be a sale and the transferee will recognize either a capital gain or ordinary income, depending in the nature of the property transferred. No loss is recognized, however, if the property's fair market value is less than the transferee's adjusted basis. (Appendix #3)

9. *If A Member Of The Association Purchases The Donated Item At A Price Above Its Fair Market Value Is He Or She Entitled To A Political Contribution Credit Based On The Excess For The Amount Paid Over The Fair Market Value?*

No. The Internal Revenue Service has eliminated tax credits for political contributors.

APPENDIX #1

SAMPLE SPEECHES

Sample Speech #1:

"I am pleased to be with you today to discuss the importance of the REALTORS® Political Action Committee (RPAC). RPAC is an important part of the OAR's legislative program, a part that allows our association to have a strong role in the political community in our state. Your single contribution to RPAC allows OAR to support candidates at the local, state, and federal level of government. This is possible as 30% of your RPAC contribution is sent to NAR for federal candidates, and 70% remains in Ohio for state and local candidates. That's a pretty wide range of influence for your dollar. You probably wonder who decides how your money is spent, and that's a valid question. Local boards, as well as state and national RPAC Trustees make decisions on candidate contributions. And these people all have one thing in common they are REALTORS®. I'm not going to promise you that you are always going to agree with who the association decides on supporting, but you can be guaranteed that these REALTORS® serving as RPAC Trustees review the facts on every candidate. These facts include the voting records, the individual's political make-up, as well as the committees on which they serve and their openness to listen to our association's concerns the decision is made by looking at the total picture. And don't worry that RPAC buys a politician. We support candidates whose views are similar to our own. Financial help is provided in the hope that it will increase the chances of the candidates being elected a candidate sympathetic to our point of view.

Other groups with position contrary to ours do exist and they are there in force, supporting their view. We must continue to do as much as we can and your RPAC contribution is an important part of this. If we don't, we can't blame anyone but ourselves. And we shouldn't have to face this fear we have the resources over 30,000 members just like you who must be made aware of the role of RPAC and its importance to our political program. Please contribute to RPAC now! Remember that we can only be as strong as our membership allows us to be."

Sample Speech #2:

"Politics for many, the very word brings to mind images of graft, corruption, and secret meetings. It's true these things do happen, but not very often. We tend to forget the hundreds of thousands of times when this does not occur. But even in such cases, to let politics become a cesspool and then avoid it because it is a cesspool is a double crime. Those who still feel that they are "above" politics are really saying that democracy is beneath them. Our form of government is a democracy, and to operate properly, government needs to involve the people, for it is the people that make government what it is be it good or bad.

Take a look at the leaders of our profession. The majorities are very politically involved realizing the impact that government has on our profession. At every crossroad we find our lives and industry affected by growing legislation and regulation, which restrict our operation rent control, federal pre-emption of local zoning laws and land-use bills. Every one of our neighbors is concerned about the tax shelter benefits or owning a home. These issues impact on your business, your lives and your pockets! People who complain about things and then do little or nothing to work for constructive change, gain little respect and deserve none.

Other groups with positions contrary to ours are out there in force, supporting their views. If we don't do as much, we can't complain when we do lose. The only way to constructively change government is by exercising your rights as a citizen by voicing your opinions and supporting those candidates in favor of the free enterprise system and protecting your industry from increased restriction on operation and income.

One effective way to do so is through support of the REALTORS® Political Action Committee (RPAC). RPAC is an unincorporated committee involved in providing funding for political candidates at the national, state and local levels, on a bipartisan basis. Its goal is to ensure that responsible and capable candidates for elective office receive financial support; candidates who are already supportive of the free enterprise system and sympathetic to the real estate industry's problems. RPAC does not "buy" candidates. RPAC analyzes the candidate's past and current voting records and offers financial help "with no strings attached". We want to get him/her elected because of their point of view, not because that point of view is for sale. That's the way politics in a democracy is supposed to work. You can help elect all candidates who support a REALTOR® point of view, at the local, state and national levels, just by making a single RPAC contribution. If you already support local people, you'll continue to do so through RPAC. That's why a major portion of the money collected for RPAC remains in the state for support of local and state candidates. The remainder is used by the national RPAC for support of federal candidates.

Sure, you may not like all the candidates supported by RPAC, but sometimes when you know all the facts, you have to choose the lesser of two evils. That particular candidate may chair an important committee and if he/she loses, the individual who replaces them may be even more extreme. Keep in mind that contributions provided to a real friend of our industry one who faces no threat to reelection may not be made in lieu of a contribution to a race where dollars can score a victory and remove an adversary. You will find in the long run, RPAC has a proven track record of concentrating contributions where they will have the most favorable impact.

What has RPAC done? By financially assisting candidates in their campaigns, we have helped politicians who defeated a land-use bill that would have opened the door for localized zoning by the federal government. RPAC has also provided tax relief for the elderly; introduced land contract reform bills, which set forth more equitable conditions for buyers and sellers; and the list goes on. Our political potential is tremendous. As experts in the field of real estate, we are community leaders in every political subdivision in the United States. We know our communities and what they need. We know its citizens, as individuals and as neighbors. It is imperative that we use this potential to influence a more favorable recognition of the rights of private property owners and the protection of the real estate industry.

APPENDIX #3

LEGAL OPINIONS

(Baker & Hostetler, Counselors At Law; 65 E. State Street; Columbus, Ohio 43215)

RPAC Raffles

Some Local Boards are engaged in fundraising activities for the REALTORS® Political Action Committee (RPAC), which are of questionable. These Boards are conducting raffles in which an admission price is paid at the door in exchange for a raffle ticket, which entitles an individual to a chance to win a prize. In our opinion, this practice is prohibited by the Ohio Constitution. Section 6, Article XV, of the Ohio Constitution, reads:

"Lotteries, and the sale of lottery tickets, for any purpose whatever, shall forever be prohibited in this state, except the General Assembly may authorize an agency of the state to conduct lotteries, to sell rights, participate therein, and to award prizes by chance to participants, provided the entire net proceeds of any such lottery are paid into the general revenue fund of the state and the General Assembly may authorize and regulate the operation of bingo to be conducted by charitable organizations for charitable purposes".

Although the term "lottery" is not defined in the Constitution, Ohio case law does provide a definition. A lottery is a scheme whereby a monetary consideration is paid and the winner of a prize is determined by lot or chance. *Stevens v. Cincinnati Times-Star Co.*, 72 Ohio St., 112, 147 (1095); *State ex rel Gabalac v. Congregation*, 55 Ohio App. 2d 96 (App. Summit Cty. 1977). In applying this definition to RPAC raffles, Board actions do not pass this constitutional muster. There are two specific exceptions, which are included in Section 6, Article XV of the Ohio Constitution. The exemptions include the state lottery and charitable bingo. The REALTOR® actions do not fall within either of these exceptions and therefore must be judged under the general definition previously discussed. Accordingly, any activity engaged in by a Local Board which include the payment of monetary consideration in exchange for the opportunity to win a prize, with the winner to be determined by chance, are unconstitutional.

RPAC Auction

It has been the practice of RPAC to hold auctions in order to raise funds for political activities. Some individuals donate property, which is then auctioned and purchased by other individuals at the auction. Two questions have arisen relative to these RPAC auctions. These questions are:

1. If a member of the Association donates an item to the Association's political action committee for an auction, is he entitled to a political contribution credit?
2. If a member of the Association purchases the donated item at a price above its fair market value, is he entitled to a political contribution credit based on the excess for the amount paid over the fair market value?

With respect to question #1, a donation of property would not qualify as a political contribution. Internal Revenue Code S41 (c) (1) defines political contributions to include any contributions or gifts of money. Gifts of property or services do not qualify. Therefore, when an individual donates property to RPAC, he is not entitled to consider the value of that property as a political contribution. Although the specific question has not been raised, it should be noted that, pursuant to Internal Revenue Code S84, if any person contributes appreciated property to a political organization, the contribution is considered a sale of the property. The individual would then be taxed on the amount by which the fair market value of the property exceeds his adjusted basis. In other words, if an individual purchased an item for \$100 and the property is not worth \$200 when the individual contributes the property to RPAC, he must report the \$100 income to IRS. This transfer is deemed to be a sale and the transferee will be recognized either a capital gain or ordinary income, depending on the nature of the property transferred. No loss is recognized, however, if the property's fair market value is less than the transferee's adjusted basis.

With regard to question #2, the purchaser of the donated property will be regarded as having made a political contribution in excess of the amount paid over the fair market value. The purchaser of the donated property will have to prove that he paid for the item either by check or cash and he will have to substantiate the fair market value of the purchase item. Accordingly, the person who donates property to an RPAC auction is not entitled to a political credit and may in fact incur tax liability based upon the transfer. The individual who purchases the donated property is entitled to a tax contribution credit for the amount paid in excess of the fair market value of the donated property which is being purchased.