

DUES BILLING

Almost every local board in New York State collects RPAC through dues billing. This section will help ensure that your program complies with the applicable laws.

Requesting an RPAC contribution on each member's annual association dues statement, a technique known as "dues billing," ensures that every member will be solicited for an RPAC contribution. Every other fundraising technique, however effective, will miss at least some of the membership.

Dues billing is effective for three reasons. First, because RPAC works to the benefit of every NAR member, dues billing reminds each one of them to pay his or her fair share for those benefits. Second, dues billing makes it more convenient to contribute, because the process encourages members to make a contribution to RPAC at the same time they pay their association dues. Third, dues billing adds little to the cost of the fundraising effort.

A. Designing an effective dues billing statement.

The effectiveness of a dues billing program depends to a great degree on the design of the solicitation in the dues billing statement. The design should follow this general rule:

The easier you make it for the prospective donor to contribute, the more likely he or she will contribute.

As such, you should include the voluntary contribution opportunity "above the line" in which the member totals their payment to your board.

Although dues billing solicitations for RPAC may result in a large number of checks that combine RPAC contributions and association dues, the increased RPAC revenues should more than offset the separation effort -- especially if that effort employs the "transmittal trust account" device discussed later in this section under "Processing Dues Billing Contributions."

When a local board is unwilling or unable to process checks with combined dues and RPAC contributions, another form could be used. This form separates the dues bill and RPAC solicitation and provides clear instructions to write separate checks. This form is less effective because the perception that the RPAC contribution is as important as the dues payment is lost when the member is told to write two separate checks.

Where the inclusion of an RPAC solicitation in any form on the actual dues statement itself is a problem, legally or otherwise, another form may offer the solution. A separate item may be enclosed in the envelope used to send the dues billing statement, or mailed to members in a separate envelope at the same time the dues statements are sent. A contributor could be instructed to send the contribution by separate check back to the board with the dues payment, or, if the board did not want to process the

contributions, to send it directly to the state RPAC office. Enclosing a postage-paid business reply envelope will increase the response.

B. Ask for a Specific Amount

Regardless of the form used, it must suggest a specific RPAC contribution amount. NYSAR suggests at least \$20 per member. Many boards suggest a higher amount for brokers. One of the fundamental principles of political fundraising is that people are not likely to contribute unless they are asked for a specific amount, or at least an amount within a clearly delineated range. A "Give what you can" or "Give what you feel is right" approach does not work in fundraising and will seriously impair your RPAC dues billing effort.

Local boards using computerized billing have an advantage with individualized dues billing. A program can usually be devised that will automatically bill members for no less than they gave the year before or for an amount greater than that contributed previously. When a local board prepares dues billing statements, a history of members' previous giving is indispensable.

Remember, it is always better to ask for too much than for too little. A member is free to contribute as much or as little as they choose, but if you ask for only \$10, chances are that is all you will get. On the other hand, if you ask for \$50, you might get \$15, \$20, \$25 or maybe even the full \$50.

C. Legal Aspects of Dues Billing

The manner in which dues billing is done is subject to the legal restrictions of the Federal Election Campaign Act (FECA) and all applicable state laws. For example, the FECA requires that a notice be printed on every dues statement that also solicits RPAC contributions. Such notice must inform the members solicited of all of the following:

Contributions are not deductible for income tax purposes. Contributions to RPAC are voluntary and are used for political purposes. You may contribute more or less than the suggested amount. You may refuse to contribute without reprisal and the National Association of REALTORS[®], the New York State Association of REALTORS[®], and their local associations and boards will not favor or disfavor any member because of the amount contributed. 70% of each contribution is used by your state PAC to support state and local political candidates. Until your state reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charges against your limits under 2 U.S.C. 441a; after NYSAR RPAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates.

The notice may be placed anywhere on the dues billing form. The only requirements are that it be reasonably visible and that there is some connection between the solicitation itself and the notice. An asterisk by the solicitation statement, pointing out the notice as a footnote, is sufficient.

D. Processing Dues Billing Contributions

At first glance, the processing of RPAC contributions at the local board level may seem complicated, especially when dues billing is used. It can, however, be greatly simplified if certain legal requirements and procedures are kept in mind.

IMPORTANT

The FECA requires that if the amount of the contribution is in excess of \$50, it must be forwarded to the state association office within 10 days of the date of the check. If the contribution is \$50 or less, it must be forwarded within 30 days. To simplify the forwarding procedure, it is highly recommended that all RPAC donations be forwarded at least once a week to the state association or state RPAC office.

To separate the dues funds from the RPAC contributions, the Federal Election Commission (FEC) rules permit use of a special "transmittal trust account" to separate membership dues paid from RPAC contributions. Combinations of corporate RPAC contributions, if solicited for state election purposes, and association dues payments can be separated using the board's regular treasury account.

Boards using dues billing statements may not receive enough combined checks to warrant establishing a trust account. Instead, they may request that the individual member/donor provide two separate checks, one payable to the board for dues and one payable to RPAC.

When using the transmittal trust account, the best procedure is to use the account only for the purpose of separating the monies that are to go to the board for dues from the contributions for RPAC. Moreover, the monies may not be commingled for an extended period but must be separated in a sufficiently timely fashion to comply with the requirements relative to the forwarding of contributions