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I. REALTOR® PAC General Information

By combining legislative policy, political advocacy, issues mobilization, and REALTOR® PAC, Oregon REALTORS® protect the rights of property owners and the real estate industry. In 2007, Oregon REALTORS® raised almost \$300,000 for REALTOR® PAC, but that was only a small percentage of what we could actually achieve.

A. General Questions

1. What is REALTOR® PAC?

REALTOR® PAC is a voluntary, nonprofit, unincorporated group whose membership consists of REALTORS® and others interested in protecting the free rights of property ownership in the United States.

2. Who sponsors REALTOR® PAC?

REALTOR® PAC is sponsored by the Oregon Association of REALTORS®. The Oregon Association of REALTORS® provides the professional staff and office facilities required to maintain REALTOR® PAC.

3. Who administers REALTOR® PAC?

A board of trustees is responsible for all REALTOR® PAC operations and financial disbursements. REALTOR® PAC consists of up to 13 trustees selected from each of the Oregon Association of REALTORS® regions and includes the Chair of the Governmental Affairs KOG and the Political Affairs KOG. Each trustee must be approved by the Oregon Association of REALTORS® Board of Directors.

4. Who may join REALTOR® PAC?

REALTOR® PAC membership is open to any individual who wishes to invest financially. It is important to note, however, that REALTOR® PAC may solicit investments only from REALTORS®, affiliate members, families of members, and staff.

5. Where do your REALTOR® PAC dollars go?

- Thirty percent of the annual investments received by REALTOR® PAC, until quota is achieved, is forwarded to NAR's REALTOR® PAC for use in federal

campaigns in Oregon and throughout the country.

- Of the balance of REALTOR® PAC's funds, 35% will be invested in candidates for state legislative office and certain statewide offices in Oregon. The final 35% is designated for candidates in local races as requested by the local association.

6. Who decides which candidates receive REALTOR® PAC support?

Local boards and associations throughout the state and individual REALTOR® PAC members are asked to interview candidates at the local level and make recommendations as to which candidates should receive campaign investments from REALTOR® PAC. The Trustees and Oregon Association of REALTORS®, in conjunction with local participants, determine who to interview and make recommendations at the state level. These recommendations are reviewed and acted upon by the REALTOR® PAC trustees. REALTOR® PAC supports candidates who share our concern for preserving the free enterprise system, real property rights, and the health of the real estate industry.

7. Does REALTOR® PAC invest in several candidates in the same race?

Historically, the trustees have been very reluctant to invest in more than one candidate in the same race. They may re-evaluate and even re-interview after the primary election if it is felt it would be beneficial.

8. Which political party does REALTOR® PAC support?

REALTOR® PAC is not affiliated with any political party. The program and platform of the

individual candidates, board recommendations, and ultimate action by REALTOR® PAC trustees determine whom REALTOR® PAC supports—not the candidate’s party affiliation. REALTOR® PAC supports “**The REALTOR® Party**”.

9. Is REALTOR® PAC a success?

Absolutely! REALTOR® PAC has a tremendous track record. REALTOR® PAC has supported thousands of candidates for the Oregon Legislature and the U.S. Congress. There is over a 90% success rate in supporting candidates who have become public officials.

10. Is REALTOR® PAC a grassroots effort?

You, as an investor, have a voice through the recommendation process. Trustees, all active in real estate, volunteer their time to come together and act for the membership. No single person can ever commit REALTOR® PAC to a candidate. REALTOR® PAC permits individuals the opportunity to become involved in helping to shape government and society.

11. What can I do about the government’s expanding restrictions on your real estate brokerage businesses?

Get involved in the political/ governmental process.

12. How do I get involved?

REALTOR® PAC and the Oregon Association of REALTORS® coordinate their efforts by actively participating in political campaigns and maintaining a continual lobbying effort. The two efforts go hand-in-hand, and neither can be effective without the other. The government’s

role in your business has been steadily increasing on all levels.

- At the federal level, agencies such as the U.S. Department of Housing and Urban Development (HUD) have greatly increased their activity in areas of affirmative marketing, flood plain regulation, land sales disclosure, and environmental issues. In the name of energy conservation, Congress has seriously considered passing legislation that would require any home in the U.S. to meet a federal energy-conservation building code before it could be sold.
- On the state level, local governments continue to lobby for authority and regulation. Legislation is filed every session to increase our tax burdens, including taxation of commissions and real estate. The state continues to increase regulations on the individuals involved in the real estate profession. If we are to maintain a healthy climate for the real estate industry in Oregon and preserve real property rights as they exist today, Oregon REALTORS® must participate in the political process—through REALTOR® PAC. OREGON ASSOCIATION OF REALTORS®’s lobbying efforts in Salem and Washington D.C., will not be effective unless we are able to elect individuals to public office who share our values & concerns. It is a reality that every candidate requires financial assistance to get his or her message before the voting public. This is why REALTOR® PAC was formed—to help candidates who support the rights of real property ownership get elected. We have an obligation to our profession, friends, and family to participate in the political process.

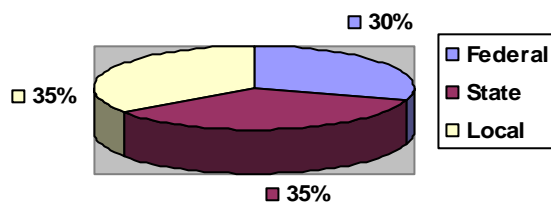
B. Local Association Quotas

Each association's REALTOR® PAC minimum fair share contribution is set at \$50 per member using membership totals from the end of the previous year. Thus, a board's quota is set by multiplying \$50 times the number of members of each board. **Remember that every \$50 (single) or \$100 (married couple) invested comes back to you as a tax credit from the State of Oregon!** The money will either go to the REALTOR® PAC or the State of Oregon; it is your choice. Each association shall be responsible for meeting its REALTOR® PAC goal for the year. A board should appoint a local REALTOR® PAC chair to organize a committee to help ensure their board has met their quota.

C. REALTOR® PAC Money Allocation

Before each local association reaches 75% of its annual investment quota, all eligible funds are divided into two categories:

Allocation of Contributions



Before % of local quota is met

- 35% of each dollar raised is returned to the local association for use in local and county races at its discretion.
- 65% is used for REALTOR® PAC (state and national). Of this, 30% of each dollar is sent to National until Oregon meets its quota. After Oregon meets its quota, all funds are used for REALTOR® PAC.

It costs a significant amount of money to run for public office, and it is becoming more expensive all the time.

D. Investment Reporting Guidelines

State and federal law make it mandatory that we report investments from members in a timely, accurate, and detailed manner. We must report the investments to state and federal authorities quickly to avoid any civil penalties. When sending contributions, please differentiate between non-corporate and corporate investments.

The key in determining what type of investment is being made comes from the source of the income, in most cases a check. Use the printed name on the check regardless of who signs it. Also, keep in mind that state law requires us to report the primary occupation of an investor who is not a REALTOR® member. We need an address and their primary occupation. You may note these on the Contribution Transmittal Form.

We appreciate you using the form provided to report investments to the Association. If you need a copy of this form there will be a copy posted on oregonrealtors.org. If you feel unsure and would like some additional guidelines, please call our Public Policy Department at 800/362-3645.

II. Show Me the Money

A. Fundraising Fundamentals

1. Contributing is investing

People expect a specific benefit when contributing to any source—church, charity, candidate, etc.—without evidence of a benefit, they are not likely to make an investment.

Even a relatively insignificant investment will be viewed as a waste of money if the investor cannot identify any resulting benefit.

In fundraising drives, one sometimes hears solicitors report, “I asked REALTOR® so-and-so for only \$50 to participate, and he refused, even though he’s had a great year and just sold a very expensive property. I know he has the money, so why wouldn’t he participate?” The point is, the prospect did not decline to participate because he could not afford a \$50 investment. Rather, he refused because he had **not been** convinced that he would benefit by investing in REALTOR® PAC.

To be successful in fundraising, you must be able to convince prospects that investing in REALTOR® PAC will bring a direct return in the form of increased business opportunity, better government, the election of better candidates, and a more effective presence by the real estate industry in the political and legislative processes.

2. Reasons people invest

To motivate members to invest, you must understand the primary reasons people make an investment to any cause. These are reasons determined by in-depth studies of human motivations and practical experience in political fundraising illustrating why prospects might decide to invest.

a. They believe in the cause

Most members invest in REALTOR® PAC because they believe in the cause for which it was established: to help elect candidates at the federal, state, and local levels who are supportive of the free enterprise system and private-property rights. Most members who give to REALTOR® PAC do so because they believe that organized REALTOR® activity in the campaign process not only will result in a better business climate for the real estate industry, but in better government for all.

b. They want to help or please the one who asks

Sometimes, we invest to please—or at least avoid offending—the one who asks. When a powerful U.S. senator calls someone and asks for an investment to his campaign, it is hard to say no because we do not want to risk alienating such a powerful person. In fundraising, some members invest simply because they want to help the one who is asking. For example, a solicitor might say to another member, “Joe, I promised to raise \$1,000 for REALTOR® PAC, and I’ve still got \$200 left to raise by tomorrow. Will you help me make my goal by joining the ‘99 Club’ and investing \$99?” Some members give because they want to please the solicitor. If a broker asks her sales associates for an investment, they are less likely to say no than if a stranger asked. Keeping their broker pleased may be a more important motivation in this case than investing in REALTOR® PAC.

c. They desire recognition or reward

Another reason people make investments is the human desire for recognition and reward. There are always a few who prefer to be anonymous givers, but most people respond to a bit of praise and attention. In fundraising, recognition is an important element in motivating members to give. Investments from members' hard-earned money must be properly rewarded. It is almost impossible to hand out too many awards for REALTOR® PAC in the fundraising process. Lapel pins, ribbons, certificates, etc., are not expensive and should be an important part of your fundraising drive.

3. Reasons people do not participate

Equally as important as understanding what motivates people to give is knowing why they decline to invest. In 1983, for example, only 17.4% of the NAR membership invested as much as one dollar in REALTOR® PAC. Relatively few members turn down a REALTOR® PAC appeal because they cannot afford to invest. Primary reasons are:

a. They are never asked

Raising money must be done the old-fashioned way: You must ask for it. If people are not asked, they will not give, plain and simple. Since a relatively small percentage of members regularly attend national and state association meetings, and some do not even attend their local association meetings, general appeals for REALTOR® PAC investments at such meetings do not reach most members.

Some local associations do not design a fundraising drive that can reach most of the members. Others conduct a solicitation drive that only targets the same 10% or 20% who give year after year instead of also tapping the broad ranks of members who have never invested.

b. The fundraising appeal is too vague

To succeed, a solicitation must state the case effectively. Any solicitation, written or verbal, must provide the prospective investor with all the information needed to understand why and to what he is being asked to invest. As an Oregon REALTOR®, you know that a potential homebuyer will want to know everything about the house he is shown: How old is it? How many square feet? How many bedrooms? How much are the property taxes? A potential investor also needs to know more than merely the fact that someone is asking for an investment to REALTOR® PAC. They also need to know where their money will go, how it will be spent, who decides how to spend it, what benefit it has for the investor, and so on.

c. They don't know how much to invest

Some people do not respond to an appeal for funds because they are uncertain about the appropriate amount to invest. One of the fundamental principles of fundraising is that people are not likely to participate 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.

This is no accident. Professional fundraising organizations have learned they must ask for specific amounts, at least within a range, for their fundraising appeals to be

effective. As you solicit other members for investments to REALTOR® PAC, you will get some objections. Here are some of the most common objections and suggested responses that will help you ease a prospect's reluctance and make her understand why an investment in REALTOR® PAC is important.

4. Countering objections

“I don't believe in giving money to political candidates.”

“I'm sure you have insurance on your car, home, and business. Bad legislation passed by Congress, the state legislature, or city council could be more catastrophic financially than the loss of your car, home, or business by fire, theft, or storm. REALTOR® PAC helps elect officials at the national, state, and local levels who support the free enterprise system and private-property rights. It's the best insurance against legislation that can hurt our livelihood as Oregon REALTORS®.”

“I already invest in political candidates on my own.”

“You should invest directly to the candidates of your choice, but you should also invest in REALTOR® PAC. A PAC investment to a candidate represents our entire profession and our views on legislation that directly affects our industry.

“I've heard about political action committees— they're just in the business of buying votes.”

“Political action committees are made up of individuals who give a voluntary investment for a cause in which they deeply believe. The average investment given by a REALTOR® is under \$75. REALTOR® PAC is an effective tool for those individuals who want to participate in the political process at the local, state, and national levels, but who cannot afford to give thousands of dollars to numerous candidates. REALTOR® PAC uses the voluntary investments to help elect individuals who support the preservation of private property rights and the real estate profession.”

“I'm a (Democrat/Republican), and I noticed REALTOR® PAC/Oregon Association of REALTORS® Political Action Committee has invested in candidates of the other party.”

“There are association members at all levels who are active in one or the other major political party. That makes our presence felt in both parties. But REALTOR® PAC itself is nonpartisan in its selection of candidates to support; mere party label is not considered. The record, program, and quality of each candidate, plus the recommendations of local associations and the state association, determine who gets REALTOR® PAC support.”

“I don't like the candidate to whom REALTOR® PAC/Oregon Association of REALTORS® Political Action Committee gave an investment.”

“Even the national REALTOR® PAC and state REALTOR® PAC trustees who make those decisions do not always agree 100% about which candidates to support. However, the trustees have a good deal of information from a variety of sources to help them in making their decisions. A member may disagree occasionally about one or two candidates REALTOR® PAC supports, but the decisions of the trustees represent the best long-term interests of the association and its members.”

“I don't like the association's position (on this or that issue).”

“You may not agree with a particular position taken by the association on a specific issue, but I'm sure you support the Oregon REALTOR® philosophy. Do you want to

help elect candidates who hold the same philosophy? REALTOR® PAC is the best way to do it.”

“If REALTOR® PAC/Oregon Association of REALTORS® Political Action Committee is already so successful, why should I invest now?”

“Protecting private-property rights and our ability to do business is an ongoing battle. Those hostile to the real estate industry are always working to undermine the right to hold and use private property. On many occasions, lawmakers have incurred political risk to support REALTOR®-backed legislation. We can’t abandon them when they need help in their campaigns. The best way to support them is through REALTOR® PAC.”

“I’m only in the real estate business part time.”

“If you benefit at all from your real estate activities, you have something to lose if the wrong candidates are elected or the wrong laws passed. We all have an obligation to help protect the industry from which we earn even part of our livelihood. REALTOR® PAC is one of the best ways to support our industry.”

“I really can’t afford to invest because of the economy.”

“The economy is a product of politics, and we really can’t afford not to get involved. Every penny of your REALTOR® PAC investment is used to help elect public officials who understand our economic situation and will be responsive to the economic problems of our industry. When you think about it, making an investment in REALTOR® PAC is a real bargain.”

“REALTOR® PAC/Oregon Association of REALTORS® Political Action Committee supports federal candidates; I’m more interested in state and local candidates.”

“Though 30% of your REALTOR® PAC investment does go to support federal candidates until our REALTOR® PAC quota is met, 70% will remain right here in Oregon for use in supporting state and local candidates. By making one investment in REALTOR® PAC, you can help support good candidates at the federal, state, and local levels.”

B. Let’s Get Busy

1. Fundraising basics

Many of us look at fundraising as an unpleasant business because we have been conditioned to think that talking about money, much less asking for it, is indiscreet or objectionable. How many times have you heard someone say, “I’ll do anything but ask for money”?

But in campaigns, money is the fuel that makes things go. Modern campaigns are very expensive to conduct. It takes a great deal of money to reach voters with a candidate’s message. Without adequate financing, candidates favored by Oregon REALTORS® and REALTOR® PAC cannot be elected. These candidates support the free enterprise system and private-property rights; if they lose, so do you and other real estate professionals everywhere. So, when you ask other members to invest in REALTOR® PAC, you are not asking for a handout; you are asking them to do themselves a favor. By supporting their own political action committee, they will help elect candidates who will listen to the REALTOR® point of view. This section considers the motivational aspects of successful fundraising—why people invest money. A better

understanding of fundraising basics will help you avoid some of the common failures in raising money, and increase your chances of experiencing the pleasure of success in gathering substantial investments for REALTOR® PAC.

2. Creating a committee

To get started, you must first create a fundraising committee. Obtain a commitment from your local president and association executive. If you do not have their total commitment, your fundraising activities will not have the proper support needed to achieve your goal. The selection and makeup of your committee is critical for success.

- Select some top producers so they can solicit top producers.
- Select new agents so they can solicit new agents; also they tend to have more enthusiasm.
- Select a couple of large-office brokers so they can show their support to their company and communicate to other large brokers.
- Make sure that you have all areas of your city covered!
- Large associations—have subcommittees for each area.
- Select individuals who specialize in certain services (e.g., commercial, property management, new-home sales, appraisers, inspectors).
- Target your functions that will make money. Do not plan functions that take a lot of time to plan and put on if they will not net you an acceptable rate of return. This discourages your committee.

3. Functions of the committee

Okay, so you've put your committee together. Now what do you do? The responsibility of the committee is to educate, solicit, fundraise, and recognize members to encourage and promote grassroots and PAC participation.

a. Educate

To use the “cause” motivation effectively, you must make sure that members are fully educated. The educational effort, particularly at the local level, should be year-round and ongoing and can be carried out in a variety of ways. Primary responsibility for the educational effort should be assumed by the local chairman and REALTOR® PAC committee in conjunction with your local association leadership, state association or state REALTOR® PAC staff. Your REALTOR® PAC educational effort should consist of one or more of the following:

- Conducting a REALTOR® PAC seminar using OREGON ASSOCIATION OF REALTORS® or REALTOR® PAC staff and/or your NAR regional political representative.
- Talking about REALTOR® PAC at new member orientations.
- Giving a REALTOR® PAC presentation or speech at local meetings about important legislative issues.
- Speaking to the sales associates at meetings of large REALTOR® offices.
- Publishing articles about REALTOR® PAC in local newsletters.
- Sending letters about REALTOR® PAC to every member.

- Having plenty of REALTOR® PAC materials available at all local association functions. (These items will be available by contacting OREGON ASSOCIATION OF REALTORS® .)
- Discussing and encouraging grassroots participation through political affairs programs.

b. Solicit

It is important that the right persons do the asking in fundraising drives. Experience has shown that a recognized, successful Oregon REALTOR® who is also a visible leader in local association or OREGON ASSOCIATION OF REALTORS® activities will likely be much more successful soliciting for REALTOR® PAC. Such persons might include past and present association officers, past and present committee chairmen, or past and present REALTORS® or REALTOR®-Associates® of the Year. You should involve the right members as solicitors in your fundraising drive to take advantage of people's reluctance to say no to someone they want to help or please.

c. Fundraise

Although political fundraising is a perfectly acceptable and necessary part of the American political system, no one would claim that raising money for any purpose is easy. Soliciting for REALTOR® PAC is no exception. But as you know, many difficult tasks become easier and more pleasant when they meet with success. If you have attended your state association or local educational programs, you know that a great deal of effort is put into teaching members how to motivate buyers of real estate—the psychology of selling, in other words. If you're to solicit for REALTOR® PAC successfully, you should understand the fundraising basics:

- Start off with dues billing.
- Mention REALTOR® PAC in every issue of your newsletters.
- Create two or three different types of special events, because one event may not gain the interest of everyone.
- Plan a Targeted direct-mail program with a phone bank follow up.

d. Recognize

Rewarding your members is important and keeps them motivated! Give recognition to members who stand out as key investors by publishing their names in the association newsletter, recognize REALTOR® PAC donors at luncheons or meetings, treat them special and show them how important they are to REALTOR® PAC and to the association by investing.

- Publish the names of all investors in the association newsletter.
- Distribute badges or ribbons stating "I invest in REALTOR® PAC" to all donors.
- Recognize REALTOR® PAC givers at all association luncheons, meetings, and functions.
- Present especially dedicated or longtime investors with special awards, such as scarves, ties, pens, notebooks, or other items with the REALTOR® PAC logo printed on them. Many of these items may be available through OREGON ASSOCIATION OF REALTORS® .

You can even encourage others to participate more by awarding those with:

- Best attendance at sales meetings.
- Most investments to REALTOR® PAC so far.
- Set up an incentive at the beginning of a meeting to see who will invest by the end, and encourage them to spread the word about investing and provide incentives for those who have gotten the most people to invest in REALTOR® PAC.

Remember, successful recognition and reward programs not only serve as an incentive for REALTOR® PAC investors in this year's drive, but will help build a group of happy, committed, and systematic givers as a base for future fundraising drives.

4. Fundraising methods

Several techniques can be used to raise money. Most successful association fundraising drives employ a combination of techniques to solicit investments from members. The most commonly used are dues billing, phone banks, and face-to-face solicitation. These three techniques generally are the most cost- and time-effective ways to raise REALTOR® PAC funds, and nearly every successful REALTOR® PAC drive will use one or more of them.

a. Dues billing

Dues billing is billing members for voluntary investments on the association dues statement. This process has proven over the years to be the most successful method to start your political action committee fundraising campaign. It is easy as a, b, c ...

- When your local association mails its annual dues billing, each member should be given the opportunity to invest in REALTOR® PAC. The voluntary investment level should be for \$50 or whatever amount was invested by the member the previous year.
- Prior to billing, articles should appear in the association newsletter stating the importance of participating in the political action committee.
- Included with the billing should be a thank-you note from the president pointing out the need and importance of all members to participate. Billing for a reasonable investment will result in increased Oregon REALTORS® participation.

b. Direct mail

Fundraising direct mail can serve two purposes: to raise money and to raise member awareness for REALTOR® PAC. Direct mail can show the member that REALTOR® PAC has a timely, compelling message and provides members with a means to act by mailing in their investments.

- Determine who your Target audience is: members who did not give with dues billing? Members who gave last year but not this year? Offices that have not reached 100% participation?
- To have a great success rate, make sure to incorporate all the following items into your total direct-mail package:

1. personalized letters

2. concise, timely informative message
3. return envelope
4. response form
5. ask for a specific amount

- Project the amount of money collected from your direct-mail program.

Direct-mail formula: here is an example of a formula used to determine projected totals as a result of your direct-mail piece.

$$\frac{\text{Total pieces mailed}}{\text{Total pieces mailed}} \times 3\% \text{ average return rate} = \$ \frac{\text{sum total}}{\text{sum total}} \times \$50 \text{ average contribution} = \boxed{\text{Direct Mail Total}}$$

c. Local association challenges

1. Association vs. association

This type of challenge seems to be one of the most popular vehicles for local associations to use as a motivational tool to increase membership involvement. Many local associations make the challenge to some other association to create a desire to show their local spirit. These challenges can be based on:

- Highest percentage over dollar quota
- Highest percentage over participation quota
- Highest number of Major Investors

2. Office vs. office

The in-city challenges are usually the most productive due to the competitive spirit of Oregon REALTORS® and the pride they have for their individual office. These challenges are usually based on 100% participation of salespersons making investments and going beyond their fair share.

Example of awards can include:

- The winning broker and sales manager are taken to lunch by the losing broker and sales manager.
- The losing office provides some type of treat to the winning office.
- All offices obtaining 100% participation receive some recognition on the local level.
- The most outstanding office wins a special recognition award from the local association.

Other challenges may include member vs. member and region vs. region.

d. One-on-one solicitations

Perhaps the most effective technique in almost any kind of fundraising—REALTOR® PAC, charity, church, etc.—is one-on-one solicitation. As the name implies, this involves one member sitting down with another to ask for a

REALTOR® PAC investment. Although one-on-one solicitation is time consuming, most professional fundraisers agree that, while certain other techniques may be more productive in raising money from a larger number of people, one-on-one solicitation almost always is the most effective way to get an investment from any one individual.

1. Whom you should Target

Every association member is a good prospect for a REALTOR® PAC solicitation. Even part-time agents earn at least some of their livelihood from selling real estate and therefore have a stake in governmental policies and the election process. When you are asked to help raise REALTOR® PAC funds by your local REALTOR® PAC chairman, or by a member of the REALTOR® PAC committee, they probably will give you a list of the members in your association they would like you to solicit one-on-one. Since others will also be involved in the REALTOR® PAC fundraising effort, duplicative efforts should be avoided.

2. Who can be solicited?

The Federal Election Campaign Act (FECA) stipulates that only members and affiliate members of Oregon Association of REALTORS®, their employees, and families can be solicited for REALTOR® PAC investments. Although investments in REALTOR® PAC may be accepted from anyone who chooses to invest whether or not they are a member of the association, no one other than those cited above can be solicited. Occasionally, the question is raised regarding affiliate members of local associations, like title companies or employees of savings and loan associations. Though such persons might enjoy a close relationship with local members, they cannot be solicited for REALTOR® PAC unless they are dues-paying members of the Oregon Association of REALTORS®.

3. Setting up appointments with prospects

Once you have your list of members to contact, the next step is setting up a convenient time to meet. Most local REALTOR® PAC drives take place within a given time frame (e.g., April may be designated REALTOR® PAC Month). The best way to schedule appointments is by phone. Call your prospect, identify yourself, and briefly describe why you are seeking an appointment. (Example: “George, I’ve been asked to help bring about more responsible government policies, and I’d like to meet with you to see if you’ll help.”) Give your prospect enough information to confirm a date and time to get together.

e. The four rules of one-on-one solicitation

Once you have agreed to solicit other members for REALTOR® PAC, and before you make that first visit, you should learn the four rules for successful one-on-one solicitation:

1. **You must have invested yourself**

This is called the “put your money where your mouth is” rule, and it is an unbreakable one. There is simply no way you can make an effective case for REALTOR® PAC if you have not invested yourself. Many times, the first

question your prospects will ask is, “If this is so important, how much have you given?”

2. **You must state the case for REALTOR® PAC effectively**

To get an investment for REALTOR® PAC from your prospects, you must do an effective job “selling” REALTOR® PAC. In order to do that, you must:

- Understand how REALTOR® PAC works.
- Know its purpose and structure.

As you call upon prospects, you know you will get some objections to investing in REALTOR® PAC. Failure to respond convincingly can leave your prospect believing that no satisfactory answer exists. If you do not know the answer to a question asked by one of your prospects, admit it and promise to find the answer.

3. **You must ask for a specific amount**

One of the fundamental principles of fundraising is that people are not likely to invest unless they are asked for a specific amount. A “give what you can” or “give what you feel is right” approach does not work in fundraising, and will seriously weaken your one-on-one solicitation efforts.

In deciding how much to ask from each prospect, you should be familiar with the investment categories established by your REALTOR® PAC trustees. The REALTOR® PAC goal, called a “fair share,” is \$50 per member per year. To decide how much you will ask from each member, observe the following guidelines:

- Never ask for less than the fair share goal—\$50 per member per year.
- Never ask for less than the member gave the year before.
- Attempt to “upgrade,” or increase the amount the member invested the year before.

4. **You must close the sale**

Just as in selling real estate, to be an effective REALTOR® PAC solicitor you must bring your prospects to the decision, “Yes, I will invest in REALTOR® PAC.”

Guidelines for the grand finale:

- Do not ask the yes/no question until you are sure you are close to a deal and have effectively conveyed all the reasons why this donor should give to REALTOR® PAC.
- When the time is right, ask for their investment directly and confidently: “Mr. Jones, will you invest xx dollars in REALTOR® PAC today?” or “Will you write a check to REALTOR® PAC today for xx dollars?”
- Wait for a response from the prospect. You are not asking this person for money to put gas in your car; you are asking him to make an investment in his livelihood.
- If the answer is yes, the next step is to thank the prospect and leave with the check.

- If the response is no, ask for a lesser amount. If you are again met with a negative response, ask if there would be a better time of year or if they would consider an even lesser amount.

5. Follow up

Once you have completed the solicitations, you must:

- Follow up on any questions or requests that may have arisen during your visits.
- Be sure to send the person a thank-you note (regardless of whether they invested).

f. Meeting presentation

Often times we are asked to speak at a luncheon or sales meeting about REALTOR® PAC and we do not realize that this is a fundraising opportunity. Here are a few ideas to turn your next presentation into a fundraising experience:

- Make sure donor cards are on tables for people to fill out and submit.
- Bring additional materials with you.
- Have posters displayed at entrance of meetings.
- Meet with board leaders ahead of time to discuss pertinent information.
- Always close with a push to invest in REALTOR® PAC.

g. Telephone solicitation

Telephone solicitations use local members to call other members to solicit REALTOR® PAC investments:

- Select an office location that will permit the use of their phones.
- Provide callers with a list of names to call that includes name, phone numbers (both office and home if possible), and the amount previously invested if any.
- Target audiences:
 - 1) Those who have given \$99 or more in the previous year,
 - 2) Those who are known as high-volume producers and would have less reason to refuse to invest or,
 - 3) Any and all members.
- Provide a script and other useful resources that can help address questions.
- Ask each Sterling R member of the association to call and/or visit someone they know personally and ask them to match the Sterling R investment.
- Acknowledge those who donate in the association publications as soon as possible after the phone bank.
- Encourage competition between offices for 100% investments. Publish the results.

h. Online investment

It's never been easier or more important to protect your pocketbook. By investing online, you are doing your part to ensure the real estate economy continues to

thrive and that homeownership remains affordable for all Oregonians. The best part about investing online is that your investment is applied to your local association, but is processed immediately by going directly to REALTOR® PAC. By encouraging Oregon REALTORS® to invest online, you are reaching out to all members of your local association and not just those who attend the monthly meetings, fundraisers, and political events. By going online, Oregon REALTORS® will be able to make their investment at anytime and are more likely to repeat future investments.

5. Strategic fundraising plan

The fundraising plan is a method used to assist in creating an association's fundraising goals. The plan provides a formula to determine the best way to raise money based on the association's success in certain areas such as dues billing, direct mail, and special events. A series of steps is provided for each fundraising method to cover all aspects in that area. This plan should be used as your guide throughout the entire fundraising cycle.

6. Fundraising tools

REALTOR® PAC tools for success and fundraising items aid in an association's fundraising efforts. A local association can acquire items such as donor cards and brochures to be utilized in sales meetings, new-member orientations, or when speaking about REALTOR® PAC. For example, when giving a presentation, put a donor card on each chair and ask each member to fill out their donor card and make an investment to protect the real estate industry.

7. Implementing your plan

Now that you understand the fundraising basics and have created a fundraising committee along with developing your fundraising methods, it's time to put it to action! Use your fundraising committee to help put together your fundraising plan and monitor the success of the methods chosen. Refer back to the fundraising plan often to make sure you are on track. It's important to have the fundraising committee meet periodically to discuss successes and what should be modified for next time. Your fundraising plan will help you determine where you are successful and how well your members respond.

C. Special events

1. Guidelines for special events

Some associations also include in their fundraising activities special events such as auctions and dinners or other food events. Some sell merchandise to benefit REALTOR® PAC. Members involved in fundraising committees often are familiar with special event fundraising through charity or church work, and they believe the same type of activities are appropriate in REALTOR® PAC fundraising. In other cases, fundraising committees plan such events because they believe they are more fun or more appealing than phone banks. In a few cases, events such as auctions are even used by a fundraising committee to get members to invest in REALTOR® PAC without realizing they are doing so. ("Oh, was that a REALTOR® PAC auction? I just wanted to bid on the computer. I didn't know the money was going to REALTOR® PAC.")

Association corporate funds can only be used for the administration of REALTOR® PAC or for solicitation of funds. An association may sponsor social events like cocktail parties and receptions to solicit investments, but it must not use its funds in a manner that could be interpreted as primarily benefiting a candidate. Association functions, even though designated as a REALTOR® PAC function, that honor specific candidates are not primarily fundraising events and should be avoided. Whatever the motivation, using special events for the sale of merchandise to raise REALTOR® PAC funds involves practical and legal considerations that should be reviewed before planning any such activities. In addition, your association legal counsel should review all proposed fundraising activities to ensure compliance with current laws. You will want to use the REALTOR® PAC disclaimer on all special event invitations for any fundraising activities.

The fundraising event must solicit investments in REALTOR® PAC or an affiliated PAC sponsored by the association. The association may not use its funds to support the solicitation of investments directly to a candidate or industry PAC.

2. Raffles

Raffles may be conducted if the committee has been established for at least one year but a license from the Oregon Department of Justice may be required. Raffle tickets must be sold at fair market value for the item and any amount exceeding the fair market value is counted towards a contribution. Raffles are, however, discouraged as a fundraising activity.

3. Auctions

Some associations conduct auctions. Usually, these consist of donated items or services being sold to the highest bidder either through a live or silent auction. Auction items can range from expensive original artwork, such as bronzes or 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 merchandise or service can be put up for bid at an auction so long as it is desirable or useful enough to draw bidders' interest. Conducting an auction also demands consideration of several legal aspects, such as:

- Who can donate merchandise or services.
- How to handle consigned items.
- Who can purchase auction items.

Potential disadvantages should also be considered, and state and local laws must be checked to be sure that auctions are permitted and to determine what restrictions might apply. You should consult with Oregon Association of REALTORS® before conducting an auction.

a. Who can donate merchandise or services?

No item of value may be donated for sale at an auction except by those who can legally invest in REALTOR® PAC. Unless state law prohibits it, associations may also purchase and/or donate items for an auction, subject to satisfaction of the "one-third rule." The one-third rule is the maximum cost the association may pay from the total funds raised by the event.

b. Who can purchase items?

The purchaser of an item at an auction is deemed to have made an investment in REALTOR® PAC of the entire purchase price of that item, even where a portion of that price is paid to an artist or other consignor. Therefore, you must take care not to sell any auction items to an organization or person not permitted to invest in REALTOR® PAC, or to ask any nonsolicitable person to bid on or purchase an auction item. See section “Legal Aspects.” The identity of the true investor must be determined so that the necessary information about the investor (name, address, and occupation) will be accurately reported. The investor is the ultimate purchaser of the item, not the person who donates the item. The amount of the investment is, of course, the sales price paid by the purchaser. In regard to auction events, if the good or service donated has no real value (such as the right to shave off the association president’s mustache), the true investor is the person who purchased the item.

c. Potential disadvantages

Properly organized and conducted, auctions can be a successful way to raise REALTOR® PAC funds, but several other potential disadvantages must be considered.

1. Insufficient identification with REALTOR® PAC

Some auctions draw members who are more interested in the items being auctioned than in REALTOR® PAC. In fact, at some auctions, REALTOR® PAC is scarcely mentioned at all. Members attending such auctions can leave knowing as little about REALTOR® PAC as they did when they arrived. Therefore, you should make sure you pitch REALTOR® PAC itself at such auctions, so members will have a clear idea of where their money will be going and why it is important for them to invest.

2. Keeping your crowd

You may attract a good crowd initially but many people wander in and out of auctions, and it’s often difficult to hold a crowd for the amount of time it takes to auction off the items. 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.

4. Dinners or other food events

To many members, fundraising dinners are perhaps the most familiar method of raising money. Most of us have been invited to dinners to raise funds for a candidate or political party, charity, community cause, church, etc.

a. Who can be solicited to purchase tickets?

Only dues-paying members and executive, administrative, or management personnel may be solicited, and no member may exceed \$5,000 in investments to national REALTOR® PAC in any calendar year. There is no such prohibition when it comes to Oregon REALTOR® PAC raising corporate/administrative funds, since we do not send such funds to Oregon REALTOR® PAC. In addition, there is no prohibition in Oregon law about soliciting only members with voting rights. Thus, REALTOR® PAC can solicit corporate/administrative funds from

corporations that are not comprised solely of REALTORS® or REALTOR®-Associates®.

b. Who may pay the costs?

Payment by the association or board of any of the costs of conducting the event is subject to the one-third rule: The maximum cost the association may pay is one-third of the total funds raised by the event.

Example: If association funds are used to help pay the cost of a fundraiser where the cost of the prizes or entertainment is \$1,000, and the association intends to pay the \$1,000 from association funds, admission prices or the prices for the prizes should be sold for a least \$3,000. The amount the association is actually contributing is the basis used in the one-third rule.

The one-third rule does not apply to food and drink. Funds may be used to pay the full cost of food and drink without regard to the one-third rule. An association that pays for food and drink at a fundraising event should report that cost as an investment if the association is not to be reimbursed from the funds raised.

Donation of any goods or services used in staging the event may be solicited and accepted only from those persons in the solicitable class, and the fair market value of any such items or services must be included in the determination of the association's cost of staging the event. It is permissible to utilize the services of corporate vendors to provide food and facilities (e.g., a restaurant owned by a corporation) and services (e.g., an incorporated caterer or food service company) to hold a food-related fundraising event, so long as the vendor corporation is paid "within a commercially reasonable time in the amount of the "normal and usual" rental or other charges for the food, facilities, and services. Thus, the association holding a dinner must pay the usual rental for the hall or building where the dinner is held and pay the caterer the normal fees for the food services provided.

c. Potential disadvantages

Although dinners and other food events can be successful in raising money, several potential disadvantages should be considered.

1. Lead time

A successful major fundraising dinner requires a great deal of lead time. Planning for many large political fundraising dinners begins three to nine months in advance, and sometimes longer. Because of the planning, logistics, publicity, ticket sales, etc., a dinner or other food event that raises a substantial sum of money requires a substantial amount of work. Therefore, dinners or other events involving serving food should not be spur-of-the-moment additions to a fundraising drive.

2. Overhead costs

One often reads about major political party or candidate fundraising dinners raising hundreds of thousands of dollars in a single evening. In many cases, a much smaller share of the gross ticket sales actually ends up in the coffers of the party or candidate, because the costs of holding the dinner are so high. In considering a dinner or other food event to raise money, you must carefully project not only the amount of work involved, but how much you might raise in relation to costs involved.

For example, say the individual ticket price for a dinner is \$25. The cost of having the meal catered may run between \$6 and \$12 per plate, and additional expenses such as publicity, entertainment, facilities, etc., may add another \$2 to \$6 per plate. Your per-plate expenses could total half or more of the individual ticket price.

3. Casino nights

A few associations use casino nights to raise money. These events usually simulate the environment of a gambling casino with bingo, card games, table games, and other gaming-related activities that are lots of fun for all. Association legal counsel and local law enforcement agencies should be consulted before planning a casino night event to determine whether state and local laws allow such events, and what restrictions may apply.

4. Sale of merchandise

Associations sometimes sell items such as T-shirts, posters, coffee mugs, and caps bearing the REALTOR® PAC logo to raise funds. They may also be used as awards or prizes for investors or volunteers who assist in a fundraising drive.

5. Golf tournaments

Putting together a golf tournament to raise REALTOR® PAC dollars can be a lot of fun and also a lot of work. The money raised and participant response is usually quite good, but there are a few items to keep in mind.

- Make sure you have enough players to warrant a golf tournament.
- Calculate and estimate the money you will raise after all event costs have been paid.
- Ensure there are enough sponsors to help cover the cost of the tournament.
- Start planning nine to 12 months out.
- Make initial budget projections.
- Determine tournament format— traditional style stroke play, best ball, Stableford handicapped, etc.
- Select contests and events, such as longest drive, closest to the pin, longest putt.
- Have questions for the course pro.
- Select and order awards/giveaways for players.
- Order signs and banners.
- Print and distribute entry forms with registration materials.
- Finalize catering and beverage-cart orders.

For more details on putting on a golf tournament, contact Oregon Association of REALTORS®.

6. Local association functions—meetings

1. Preparation

- Set a timetable for actions.
- Planning for most events should be started at least 45 to 60 days before the event.
- Form a committee.

- Have written guidelines for all committee members.
- Determine what you can spend for overhead costs.
- Whom will you invite for your special guests? State senators, state representatives, members of Congress, local officials?

2. Hosts

- What is the cost to host this event?
- Do you want multilevel investors? (host, sponsor, friend)
- Set a host goal for the committee. Example: We need 20 hosts and we have 10 committee members, so each member needs to recruit two hosts each.

3. Mailings

- Send a host letter to potential investors of that level. Don't forget a reply page and return envelope with the mailing.
- Send a letter to your special guests inviting them to attend. Don't forget a reply page and return envelope with the mailing.
- Determine what type of invitation you will need for your event.
- All host names should be printed on the invitations.
- Invitations should be mailed two weeks prior to the event.

4. Attendees

- What are you going to charge for individuals to attend the reception?
- Have a display board with all the host names listed at the event entrance.
- Name-badge ribbons for your hosts are an additional form of recognition for their commitment.
- Introduce and thank all elected officials or special guests for attending.

Remember: This is a fundraiser and not a thank-you party. The goal is to raise funds for REALTOR® PAC, and costs should be covered like any other special event with sponsors.

7. REALTOR® PAC presentation

“I would like to thank you for giving us the opportunity to visit with you today on an issue that is very important to our industry ... political involvement! You might ask yourself how is that relevant to my business?”

Every facet of our industry and the professions connected with our industry are governed by some form of regulation. Government on the federal, state, and local levels creates rules, regulations, laws, and ordinances that affect all aspects of real estate.

In the political and legislative process, there are winners and losers. REALTOR® PAC allows us to be seated at the table to help decide our own fate. We have a lot at stake. As independent contractors, one small piece of legislation can make or break the way we do business. Do you want to find yourself competing with your local bank for real estate brokerage or property management? Each of us invests in our profession in many ways. We challenge you to make that business investment by filling out the donor card placed in front of you to protect our industry today. Thank you for making REALTOR® PAC one of the No. 1 political action committees in

Oregon. But our work is not done. We need your REALTOR® PAC investments now more than ever to promote and protect the Oregon REALTOR® agenda at the national, state, and local levels. Every dollar you give to the PAC helps us. Our livelihood is at stake and we need to make sure we elect the right candidates who will look out for our industry. Learn more about the issues, get involved in the political process, and most importantly make an investment in your future by investing in REALTOR® PAC. Will you join me today? Questions?”

III. Building a PAC culture

Building a REALTOR® PAC culture is probably the most challenging task we have. Once we learn how to properly and effectively raise money, the challenge then becomes planting the seed. As fundraisers, we are concerned that we may “tap” people dry—in other words, solicit them so much that they refuse to give money down the road. Another concern might be if the industry takes a turn for the worse, which will make the affects of over regulation all the more pronounced. It is for reasons such as these that we need to work hard at building a PAC culture so that REALTOR® PAC can continue to thrive, no matter the circumstances. But where do we begin?

If you incorporate any or all of these programs, you will be on your way to building a culture of Oregon REALTORS® who are educated and believe in investing in their future.

A. Planting the seed

- You must have a clear knowledge of the REALTOR® demographics of your association (age, years in business, professional designations, etc).
- Your presentation and materials should be tailored to Target each group differently.
- Plant the seed early. Educate new Oregon REALTORS® at their orientation about the importance of protecting their industry.
- Arrange for your association to attend the Oregon Association of REALTORS® REALTOR® Day at the Capitol to meet with your elected officials about the important issues facing the real estate industry.
- Invite elected officials to come speak to your group about issues relevant to the real estate industry.

B. Participation programs

Now that you have planted the seed, it’s important for you to continue feeding it. Developing programs that will reach out to the members, and keep them involved and interested, is a great way to nurture and feed them with information.

- Develop programs to promote and educate Oregon REALTORS® about public policy and legislative issues.
- Develop REALTOR® participation programs, broker participation programs, political participation programs, and affiliate participation programs to encourage greater involvement.

1. REALTOR® Participation Programs

a) REALTOR® Rookie Group

- Target members who have been REALTORS® less than five years for REALTOR® PAC and political involvement.
- Develop a rookie buddy system to encourage rookie involvement.
- Invite rookies to fundraisers, check presentations, or campaign events.

b) Investor Round Up Award

- Give an award to the person who brings in the most new investors to REALTOR® PAC.

c) Communication Piece

- Provide an eye-catching communication piece for all REALTORS® and committee meetings to place inside packets, on tables or in seats. Educate all REALTORS® regarding what REALTOR® PAC is and how important it is to be politically involved.
- Include communication piece in all new REALTOR® orientation materials.

d) Local Leadership Involvement

- Encourage all AEs, presidents, governmental affairs chairs, and PAC chairs to attend PAC Orientation every year.
- Encourage leadership to lead by example by investing in REALTOR® PAC.

2. Political Participation Programs

a) Awards Reception with Public Officials

- Invite an elected official to every awards reception to address the group and shake hands with investors. This allows the investors to meet the people whom their contributions are supporting.
- Provide time for a photo opportunity and take-home souvenir.

b) E-mail Requirement

- Include e-mail addresses on the local membership application and provide to the Oregon Association of REALTORS® for automatic Legislative Liaison and Call for Action registration.

c) Meet and Greet Receptions

- Plan receptions involving elected officials and REALTOR® PAC investors. Provide refreshments and time for the public official to address the group and meet each investor individually. Hold receptions at local REALTOR® offices.

3. Affiliate Participation Programs

a) Affiliate Appreciation Luncheon

- Honor REALTOR® PAC affiliate members with a luncheon. Provide some type of award such as a certificate and invite REALTOR® members and local public officials to address the group.

b) REALTOR® Rally and Trade Show or Super Meeting

- Annual themed event for REALTORS® including an REALTOR® PAC auction, MCE courses, and a trade show where affiliates may rent booth space to advertise and promote their products with a contribution to REALTOR® PAC.

c) Affiliate Advertising

- Affiliates may “purchase” a spot for advertisement signage at meetings and events by making a contribution to REALTOR® PAC. The more money they contribute, the larger the sign and the better the location.

C. REALTOR® PAC family tree

With each year, a new set of association officers are installed with their own set of agenda items. REALTOR® PAC should be an agenda item all year, every year. The way to help accomplish this is to ensure that all incoming officers are familiar with and understand the importance of the PAC. What better way to understand the importance of the PAC and political participation than by serving on the PAC committee?

Local Association Team

- Ensure the local president, incoming president, association executive, and other leaders are on board with REALTOR® PAC.
- Appoint the incoming president to be the local PAC chair or to serve on the committee. This way, as president the following year, he or she will have a clear understanding of the importance of getting involved.

1. Investor

Any Oregon REALTOR® investing \$50 to \$98 is considered an Investor in REALTOR® PAC. Each investor should be thanked in the local newsletter, magazine, or via public presentation.

2. 99 Club Member

An Oregon REALTOR® investing \$99 to \$249 will receive a 99 Club certificate.

3. Circuit Rider Club

An Oregon REALTOR® investing \$250 to \$499 in one year becomes a Circuit Rider Club member. They receive a REALTOR® PAC lapel pin for the first year and a wooden plaque with two-year brass plates for the second year. Thereafter, they will receive a corresponding year plate. Upon investing \$250 for the fourth year, the member will receive a fourth-year plate and a nameplate to complete the plaque.

4. Golden Pioneer Club

An Oregon REALTOR® investing \$500 to \$999 in one year becomes a Golden Pioneer Club member. The member will receive special recognition that is selected on a yearly basis.

5. REALTOR® PAC Sterling R Program

An Oregon REALTOR® contributing \$1,000 to REALTOR® PAC in one year will receive a Sterling R plaque and lapel pin with one stone for the first year. Each year after that, a REALTOR® contributing \$1,000 will receive a new pin with the number of stones corresponding with the number of years they continue to invest at that level.

6. REALTOR® PAC Crystal R Member

A REALTOR® contributing \$2,500 to REALTOR® PAC in one year will receive a Crystal R plaque and lapel pin with no stones during the first year. Members can then sustain their Crystal R status with an annual investment of \$1,500 but will not receive a new pin. If they renew with an annual investment of \$2,500, they will receive a new pin with one stone, and the number of stones will subsequently increase each year they renew with the full investment amount.

7. REALTOR® PAC Golden R Member

A Oregon REALTOR® contributing \$5,000 to REALTOR® PAC in one year will receive a Golden R spinner award and a Golden R lapel pin the first year. When a member renews their Golden R membership with an additional annual investment of \$5,000, they will receive a new lapel pin with a stone for each year thereafter. If a member became a Golden R prior to 2002, they can sustain their Golden R membership with an annual investment of \$1,000. If the member became a Golden R in 2002 or after, they will need to have an annual investment of \$2,000 to sustain their status. Sustaining members do not receive an additional lapel pin.

IV. Awards programs

A. Individual Awards

Any member who invests \$99 or more in a single fundraising year is eligible for the REALTOR® PAC Individual Awards Program. The fundraising cycle in which investments may be applied runs from Oct. 1 to Sept. 30 of the following year.

B. REALTOR® PAC

1. Statement of relationships

When we speak of the REALTORS® Political Action Committee, we are not talking about a single committee. REALTOR® PAC is composed of the national REALTORS® political action committee, state REALTORS® political action committees in the 50 states and the District of Columbia (the Oregon committee is known as REALTOR® PAC/Oregon Association of REALTORS® political action committee), and REALTORS® political action committees in local associations that make up the National Association of REALTORS®. While differing somewhat in their responsibilities, all of these REALTOR® PAC units at the national, state, and local levels work together in a cooperative effort to raise voluntary investments from NAR members and to decide which candidates receive support. Through our cooperative agreement with REALTOR® PAC, state PACs are responsible for:

- Collecting voluntary REALTOR® PAC investments from NAR members within that state and transmitting to national REALTOR® PAC its share of such investments.
- Making recommendations to the national REALTOR® PAC trustees as to which federal candidates running within the state deserve REALTOR® PAC support.
- Determining which state and local candidates receive REALTOR® PAC support from the state's share of REALTOR® PAC collections. Although state and local PACs carry the primary burden of raising funds, REALTOR® PAC has important responsibilities in assisting states and locals in their fundraising efforts, and in making REALTOR® PAC investments in candidates at the federal level. The

REALTOR® PAC trustees, appointed by the president of NAR, are solely responsible for making all investment decisions dealing with federal candidates. The national trustees ask state REALTOR® PAC trustee boards to make recommendations about which federal candidates running in their state deserve support. National trustee decisions regarding federal candidate support are based primarily on:

- a. Recommendations from state PACs.
- b. NAR congressional voting records and “report cards” on incumbent U.S. Senators and Congressmen, and
- c. Campaign intelligence reports provided by the NAR Political Affairs Division field staff.

REALTOR® PAC Orientation Guide Checklist

- ✓ Pick your PAC chairman.
- ✓ Attend REALTOR® PAC orientation.
- ✓ Fill out fundraising plan.
- ✓ Assemble your PAC committee.
- ✓ Collect dues billing with voluntary investments to REALTOR® PAC.
- ✓ Conduct REALTOR® PAC solicitations through education, special events, presentation, direct mail, etc.
- ✓ Assess your fundraising plan objectives throughout the year.
- ✓ Do a last-minute push to increase participation before the end of the fundraising cycle.
- ✓ Reward and recognize REALTOR® PAC investors.
- ✓ Have fun!

Legal Aspects

A. Fundraising and the law: non-corporate funds

1. Introduction

Fundraising activities involve important legal considerations. Local associations and individual members of the Oregon Association of REALTORS® should thoroughly understand the legal limitations, procedures, and consequences of fundraising activities. This section describes how federal election law affects fundraising activities. This section should not be considered a substitute for legal counsel. Federal election laws and rules and regulations can change frequently.

2. Who can be solicited for non-corporate funds?

The Federal Election Campaign Act (FECA) and accompanying regulations provide strict guidelines for determining who can be solicited to invest. This group of individuals is called the restricted class.

For purposes of fundraising, the restricted class is defined as individual (i.e., non-corporate) members of the Oregon Association of REALTORS® and their families. For federal election purposes, the term “members” means all individuals who currently satisfy the requirements for membership in the Oregon Association of REALTORS® and who currently possess such membership rights as voting or having a voice in the association’s direction, affairs, or control over its officers, and who have an obligation to sustain the association with regular financial investments (dues).

3. What is a solicitation?

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 about its PAC or reproduces investment forms in the organization’s newsletter, magazines, or other periodicals, some of which may go to individuals not in the restricted class. The question can also arise when such items as PAC jackets, posters, coffee mugs, caps, or other items are displayed and offered for sale to benefit a PAC at conventions or meetings where individuals who cannot be solicited are present. As noted earlier, only individuals in the restricted class can be solicited for non-corporate funds. To stay clear of improper solicitation, avoid REALTOR® PAC articles in periodicals distributed to persons outside the restricted class, be cautious of REALTOR® PAC promotion in the presence of persons outside the restricted class, even though investments may still be accepted from anyone who chooses to invest.

4. Necessary notices

Political action committees such as the Oregon Association of REALTORS® Political Action Committee are prohibited from obtaining investments through physical force, job discrimination, financial reprisals, or from dues, fees, or other monies required as a condition of membership in the sponsoring organization.

To ensure that no type of pressure or duress is used in soliciting and collecting REALTOR® PAC investments, the FECA requires that all REALTOR® PAC solicitation materials include a notice that informs members solicited of the political purpose of REALTOR® PAC. Below is the disclaimer that the Oregon Association of REALTORS® recommends should be used for all solicitation materials.

Contributions to REALTOR® PAC are voluntary and are used for political purposes. Contributions are not deductible for federal income tax purposes. The amount indicated is merely a guideline and you may contribute more or less than the suggested amount. The Association will not favor or disadvantage anyone by reason of the amount of their contribution, and you may refuse to contribute without reprisal or otherwise affecting your membership rights. ORS 316.102 provides for a credit against state taxes not to exceed \$50 per individual or \$100 per joint return for contributions to political committees as defined in ORS 260.005. Every year, REALTOR® PAC sets a monetary goal for contributions from Oregon, known as Oregon’s “fair share.” Until the Oregon PAC reaches the “fair share” goal, 70% of each contribution is used by the Oregon PAC to support state and local political candidates. The balance is sent to National REALTOR® PAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a. After the Oregon PAC reaches the “fair share” goal, 100% of each contribution is used by the Oregon PAC to support state and local political candidates. REALTOR® PAC contribution checks must be drawn on a personal checking account. If a corporate check used to pay dues includes a voluntary REALTOR® PAC contribution, the contribution will be considered a contribution to NAR’s Political Advocacy Fund (PAF).

5. Prohibited investments

Everyone involved in fundraising should be aware that several types of investments are prohibited by federal or state laws. These are:

- Investments made in the name of another.
- Any part of a cash investment exceeding \$100.
- All anonymous investments, regardless of amount.
- Investments from members providing goods or services under contract to the federal government.
- Investments from foreign nationals.

a. Investments made in the name of another

Federal law explicitly prohibits the making of an investment to a political action committee in the name of another. It is also against the law for anyone to knowingly permit his or her name to be used in the making of such an investment, or to knowingly accept investments made by one person in the name of another. The purpose of this law is to ensure that the actual source of every investment in a federal campaign can be determined, and that money is not “laundered” from one person through another.

Example of prohibited investments made in the name of another:

Salesperson Mary is prohibited from investing \$25 in REALTOR® PAC and claiming it is actually from Salesperson Sam, who was hindering fulfillment of a firm’s “100% participation” donation by refusing to invest in REALTOR® PAC.

b. Cash investments

Cash investments can be accepted by REALTOR® PAC, but only up to a total of \$100 from any member. Any part of a cash investment over \$100 should be returned. All cash investments should be converted to a cashier’s check or money order at the

local level before being transmitted to the state. Check with the Oregon Association of REALTORS® staff or local staff to determine how best to handle excess cash investments.

Example of prohibited cash investment over \$100:

It is a prohibited excess cash investment for a member attending a REALTOR® PAC breakfast to give the local chairman \$150 in cash. One hundred dollars of that investment may be accepted. The remaining \$50 must be either returned to the investor or disposed of in a manner consistent with federal and state law.

c. Anonymous investments

Although federal election law allows some anonymous investments in limited circumstances, it is the policy of REALTOR® PAC trustees not to accept any anonymous investments in the fundraising process. Anonymous investments received during fundraising must be disposed of in a manner consistent with federal and state law. Check with the Oregon Association of REALTORS® staff, local association staff, or legal counsel to determine how to dispose of anonymous investments.

Example of prohibited anonymous investment:

It is a prohibited anonymous investment for an unidentified member to leave any cash amount in a collection plate or hat passed around a local association meeting to collect REALTOR® PAC investments.

d. Investments from federal contractors

Members providing goods and services including the leasing or selling of land or other real property, or interests in real property, under contract to the federal government are prohibited from investing in REALTOR® PAC during both the negotiation phases and the term of the contract. Since corporations of any type are prohibited from investing in federal election campaigns, an incorporated real estate firm with federal contracts could not make an investment using their own personal funds.

If a real estate partnership holds contracts with the federal government, no investment could be made out of partnership funds. However, partners could make investments from their own personal funds. A member who owns a sole proprietorship real estate firm with federal contracts would be prohibited from making an investment from either personal or business funds. However, that member's spouse or other immediate family member could invest from family funds.

Example of prohibited investments from federal contractors:

Smith REALTORS®, a partnership with property leased to the Federal Bureau of Land Management, is prohibited from making an investment from partnership funds. REALTOR® Bob Jones, a sole proprietor with a contract to sell an old post office owned by the federal government, is prohibited from investing using either personal or business funds.

f. Investments from foreign nationals

Under federal law, no person can solicit, accept, or receive, either directly or through any other person, an investment from a foreign national in connection with a campaign for any federal, state, or local public office. A foreign national is a person who is not a U.S. citizen and is not lawfully admitted for permanent residence.

Noncitizens who have been granted permanent residence status are not foreign and may invest.

Example of prohibited corporate investments from foreign nationals:

A Mexican citizen with large U.S. land holdings, even though he or she does business with REALTORS® in this country, is prohibited from making an investment. A member of an international affiliate of the National Association of REALTORS® from Ottawa, Canada, attending a state association convention as guest speaker, is prohibited from bidding for and buying an item at an auction.

6. Investment limitation for federal candidates

Under the FECA, an individual may invest no more than \$5,000 per year in a multi-candidate federal PAC such as the national REALTOR® PAC. Persons in the restricted class for purposes of REALTOR® PAC fundraising may therefore invest up to \$5,000 in the national REALTOR® PAC in any one calendar year.

Note: This limitation applies only to the portion of the investment that is provided to the national REALTOR® PAC (30%). There is not an investment limit for state or local candidates.

7. Investor information required

Federal law requires that certain information be gathered about investors in federal campaigns. REALTOR® PAC keeps a record of each investment (i.e., date and amount, plus the investor's full name, including first name, middle name or initial, last name, and mailing address). For each member who makes one or more investments in any calendar year that total more than \$200, REALTOR® PAC must also record and report to the Federal Election Commission (FEC) the investor's occupation and the name of the investor's employer or real estate office. All solicitors should gather all of this necessary information when they collect investments from other members.

8. Legal time limits for transmitting and depositing REALTOR® PAC investments

The FECA and state law set forth specific time limits in which investments must be transmitted to a designated "receiving agent," the national REALTOR® PAC, or deposited in a "designated depository account."

a. Transmittal time limits

Because of strict federal and state law, investments have timelines that must be adhered to when being reported. Since these rules are different for different amounts and different circumstances, the Oregon Association of REALTORS® has set guidelines for local associations in terms of transmitting funds collected, regardless of the amount. Each Local Association should send transmittals to the Oregon Association of REALTORS® **every Tuesday and Friday of each week** in order to be within the state and federal campaign finance laws.

B. Fundraising and the law: corporate/administrative funds

Oregon REALTOR® PAC has an agreement with national to forward to national 30% of all non-corporate funds collected up to quota. However, there is no such agreement with national with respect to corporate/administrative funds raised by Oregon REALTOR® PAC and no corporate/administrative funds go to national. Under federal law a political action committee that gives to federal candidates may solicit only members with voting

rights in the sponsoring organization. In REALTOR® PAC's case, this means we can only solicit REALTORS®. Since Oregon REALTOR® PAC does not send any portion of the corporate contributions to national and since there is no state law that prohibits a political action committee from soliciting members outside its members, Oregon REALTOR® PAC can solicit corporate contributions from any corporation. However, it is possible that an employee from such a corporation could make an individual contribution, in which case, Oregon REALTOR® PAC would forward a portion of that contribution to national. Therefore, out of an abundance of caution, REALTOR® PAC's general policy is that we solicit contribution only from REALTORS® and REALTOR® firms. This policy does not prohibit a contribution from a non-member provided that we are confident that we did not directly or indirectly solicit the contribution from the non-member.

C. Use of corporate/administrative funds by a political action committee

Federal law specifically prohibits using corporate funds to invest in candidates at the federal level. Consequently, REALTOR® PAC is very careful to use its corporate funds for its sole lawful purpose, which is to pay for the administrative costs associated with running REALTOR® PAC's operations.

Sample fundraising letter

*****EXAMPLE*****

Date

Dear Oregon REALTOR®,

REALTOR® PAC, the Oregon REALTORS® Political Action Committee, is your most valuable protection for your industry.

Your REALTOR® PAC contributions—we like to call them investments—support political candidates who protect the real estate economy and keep the American Dream of homeownership within reach.

Your REALTOR® PAC investments also help maintain a vigilant eye for unexpected events that could hurt your bottom line, such as this past February in Oregon's first ever supplemental session. The efforts of the Association were aided significantly by members of both major political parties, due in no small part to REALTOR® PAC's commitment to support those candidates supportive of REALTOR® values and core issues. For example, several important pieces of legislation relating to land use planning, mortgage lending, affordable housing, and withholding requirements for out-of-state sellers were passed. Several proposals with the potential for significant unintended consequences were stopped.

You and you alone have the power to help us continue the fight to protect our industry and your pocketbook. To date, only ¼ of the REALTORS® in Oregon think these issues are important enough to make an investment in REALTOR® PAC. However, every REALTOR® in Oregon should be concerned enough to invest their fair share. Can I count on you to help? For your convenience, we have enclosed a donor card for you to return along with your investment. Another way to invest is by going online to OregonRealtors.org.

Thank you for your support.

Sincerely,

John Zupan

2008 REALTOR® PAC Chairman

2008 Fundraising Plan

REALTOR® PAC Investment Quota	
Board / Association	
Local President	
Local Association Executive	
Local REALTOR® PAC Chairperson	
Trustee	
Fundraising Time Period*	January 1, 2008 through December 15 , 2008

Directions

You and your committee will use this sample fundraising plan to assist in outlining your own fundraising plan for the 2008 year. When finished with all PAC training, take this back to your committee and insert totals for your fundraising plan

2008 REALTOR® PAC Fundraising Breakdown Totals

- A. Dues Billing \$ _____
- B. Direct Mail \$ _____
- C. Phone Solicitation \$ _____
- D. A Team \$ _____
- E. Awards \$ _____
- F. Special Event(s) + \$ _____
- Anticipated Fundraising Goal** \$ _____

Key Constituents

The Oregon Association of REALTORS® Key Constituent Program is designed to encourage member involvement in political parties, and to provide a guideline for how to maximize this involvement for the benefit of the real estate industry. Program participants come in contact with elected officials and candidates. This is an excellent opportunity to promote REALTOR® issues, showcase the Oregon Association of REALTORS® involvement in the political process, and establish early relationships with public officials. Participation in political party politics is an effective way for association members to expand relationships with elected officials and candidates, and promote issues affecting public policy.

NAR Action Center

The National Association of REALTORS® is widely recognized as one of America's strongest, most-effective lobbying organizations, and you are the reason for our effective lobbying power. Help us capitalize on our million-member grassroots strength by responding to every call for action from the NAR Action Center. By responding to the calls for action you can easily communicate issues that matter to your business to our nation's policymakers. Signup is no longer necessary. All REALTORS® with an updated e-mail address are notified when relevant issues are brewing on Capitol Hill. You'll also have easy access to the latest issue summaries. Become an even more-active participant on NAR's lobbying team. Help us keep our presence strong and growing in the halls of Congress, the White House, and the federal agencies. You can, and do, make a difference! Check out the action center today at NARActionCenter.com.

The Oregon Association of REALTORS® Action Center

The Oregon Association of REALTORS® has followed the lead established by NAR and created a state action center to facilitate grassroots communication between Oregon REALTORS® and members of the Oregon Legislature. No signup is necessary.

However, REALTORS® are strongly encouraged to take immediate action when they receive an e-mail from the Oregon Association of REALTORS® Action Center asking them to contact their legislator about a specific issue. The user-friendly grassroots contact program will automatically customize a preprinted message and select the Oregon REALTORS®'s state representative or senator to be contacted. This is a simple and effective way to communicate important information to legislators in a timely manner.

REALTOR® Public Official

The REALTOR® Public Official program helps identify Oregon REALTORS® who have been elected or appointed to serve as public officials. The purpose of the RPO program is to create a database of REALTORS® who hold a public office and to enhance two-way communication between RPOs and OREGON ASSOCIATION OF REALTORS®. These officials play an active role in government at the local, state, and federal levels. To affect public policy, it is vital that Oregon REALTORS® participate at all levels of government.