

SUBJECT: Fund raising by non-candidate committees

SUMMARY: Independent non-candidate committees may “bundle” and deliver member contributions to a candidate. A committee may recommend and/or retain fund raisers, subject to in-kind contribution reporting.

DISCUSSION:

The attorney for a statewide association seeks clarification of issues regarding campaign finance fund raising. A number of questions are posed.

1. May an independent non-candidate committee “bundle” the contributions of its members and deliver them to a candidate for public office?

Under the scenario posed, an independent non-candidate committee would gather contributions for a candidate and deliver all of the checks to the candidate at one time. The checks would not be cashed by the committee or commingled in any fashion. They would be collected and delivered to the candidate at one time. Those checks must be forwarded to the candidate not later than five days after receipt by the committee pursuant to § 8-13-1312. At that time, the candidate would be bound by § 8-13-1312 which also requires that they be deposited within ten days of their receipt.

The committee would not be prohibited from collecting and bundling individual contributions from its members, provided the contributions were within the limits as prescribed by South Carolina Code Section 8-13-1314. The committee must function solely as a collecting agent for the contributions from its members. These contributions would not count towards the committee’s own contribution limits, except that time and/or resources expended by the committee would be treated as in-kind contributions.

2. May an independent non-candidate committee recommend the services of a particular fund raiser to a candidate wishing to solicit contributions from its members?

It would be permissible for an independent non-candidate committee to recommend the services of a specific fund raiser. The fund raiser would be paid by the candidate. This arrangement would allow the non-candidate committee and its designated fund raiser to maintain control over confidential information such as mailing lists, yet allow its members to be solicited for contributions.

3. May an independent non-candidate committee retain the services of a professional fund raiser to raise money for its endorsed candidates and if so, what restrictions may apply?

An independent non-candidate committee may retain the services of a professional fund raiser to raise money for its endorsed candidates. Since the committee would be retaining the services of a professional fund raiser, the costs of these services would be considered an in-kind contribution to

the candidate and subject to reporting requirements and contribution limits. Should the individual be an employee of the non-candidate committee with other duties, the portion of time spent on fund raising for the candidate would also be construed to be an in-kind contribution from the committee and would have to be reported.

ANNOTATIONS: §8-13-1314 §8-13-1312
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