



Action Committee for Rural Electrification[®]

Legal Guidelines on Solicitations and Collecting Contributions

The Federal Election Commission (FEC) limits who we can and cannot ask to join ACRE. This short primer is intended to be a refresher on FEC rules. It is not a full recitation of the law. If you have specific questions or would like to receive a copy of the ACRE procedures manual, please contact the ACRE staff.

ELIGIBLE INDIVIDUALS (RESTRICTED CLASS)

You can solicit or invite the following people to join ACRE:

- Directors.
- Salaried employees with policymaking, managerial, professional, or supervisory responsibilities.
- **Any consumer-owner of an electric co-op that belongs to NRECA**
 - This is an important distinction that trumps other restrictions on solicitations. If an employee receives electricity from an electric co-op that belongs to NRECA, he or she may be solicited and is eligible to join ACRE Co-op Owners for Political Action[®].
- Spouses and families of eligible individuals.
 - While there is no minimum age, minors (under age 18) must knowingly make the decision to contribute and have some ownership or control over the money they use.

Rules

- Any legal method of solicitation.
- Unlimited number of solicitations.
- Any legal method of contribution, including payroll deduction or personal checks.
 - Directors may contribute using their per diem.
 - Consumer-owners may contribute through their electric bill.

*INELIGIBLE INDIVIDUALS (NON-RESTRICTED CLASS)**

You cannot solicit or invite the following people to join ACRE:

- Non-exempt hourly employees who are **not** consumer-owners of an electric co-op.
- Salaried foremen with direct supervision over hourly employees (unless they are consumer-owners of an electric co-op that belongs to NRECA or they have other managerial duties).

» *EXAMPLE: manager of fast food establishment has “other” duties **besides** management of people such as preparing payroll or ordering food. This class can be solicited.*

- Individuals, such as consultants or outside attorneys, who are not salaried employees (unless they are consumer-owners of an electric co-op that belongs to NRECA).
- Consumers of a public power district.
- Individuals who are not citizens of the United States and don’t possess a “green card”
- The general public.

Rules

- These people may **not** be solicited for contributions to ACRE.
- These people may **not** be members of ACRE.
- Any event that includes ineligible individuals may **only** provide information about ACRE that is *educational, historical or statistical*.

RULES ON SOLICITATIONS

- All solicitations, written or oral, **must** contain the following legal notice:

Contributions to the NRECA Action Committee for Rural Electrification® (ACRE®) are not tax deductible for federal income tax purposes. Contributions to ACRE are voluntary and will be used for political purposes. You have the right to refuse to contribute without reprisal. Any contribution guidelines presented are merely suggestions. You are free to contribute more or less than the suggested amounts, or not at all. NRECA will not favor or disadvantage anyone by reason of the amount contributed or a decision not to contribute.

Raffles & Auctions

- Check your state laws pertaining to raffles and auctions.
- Individuals may donate a prize (fair market value must be determined for reporting to the FEC as an in-kind contribution if the item is worth over \$200).
- If entity purchases item for raffle or auction, the “**1/3 rule**” applies. *See example below.*

Auction or Raffle item – Purchase price	\$300.00
Amount raised from raffle/auction	\$600.00
1/3 of the amount raised	(\$200.00)
The difference between 1/3 of the amount raised and the value of the raffle prize which needs to be reimbursed to entity	\$100.00

- » In order to give away the \$300.00 item, you need to raise \$900.00 or **3 times** the value of the item.
- » The audience that may participate in a raffle or auction is the **restricted class only**.

RULES ON COLLECTING CONTRIBUTIONS

- The eligible individuals may use payroll deduction, personal check, credit card or cash.
- Cash contributions cannot exceed \$100.00.
- Contributions over \$50.00 must be forwarded to ACRE within 10 days.
- Contributions of \$50.00 or less must be forwarded to ACRE within 30 days.
- Contribution records forwarded to ACRE must include:
 - The amount of the individual’s contribution
 - The date of receipt
 - The donor’s name and address
 - The donor’s occupation and employer (when the amount is over \$200)
 - » For donations that aggregate over \$200 in a calendar year, either the home or work address must be provided , will be reported to the FEC and are publicly available.

QUESTIONS?

If you have any questions on solicitations or contributions, please do not hesitate to contact your state association or the ACRE staff.

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*Legally, the FEC allows hourly employees to volunteer to join ACRE, but due to strict contribution collection requirements and the FEC’s prohibition on acknowledging these employees for their contribution, ACRE is unable to accept these memberships. Under no circumstances may contributions from non-U.S. citizens be solicited or accepted. If the nationality of the contributor is in doubt (ie foreign address or bank account), an inquiry must be made to ensure that the contributor is indeed a U.S. citizen.