

Tips for Campaign Participation

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As candidates begin to ramp up their campaigns for the 2020 elections, clients often have questions about opportunities to get involved, whether by hosting a candidate meet-and-greet or fundraiser or by volunteering their time to support a campaign. When considering participation, it is critical to ensure that the activity in question will not cause you or your company to run afoul of the law. Here are a few reminders and compliance tips for common situations:

Tip No. 1: Corporate Resources Are Corporate Contributions.

Corporations are prohibited from making contributions – whether monetary or in-kind – to candidates for federal office. Twenty-two states similarly prohibit corporate contributions to candidates. When considering an activity, remember that a “corporate contribution” also includes the use of corporate resources: office space, supplies, mailing lists, compensated employee time, and any other company-owned resource. A federal campaign that uses any facilities or resources of a corporation must reimburse the corporation, within a commercially reasonable time, at the usual and normal charge for such items. Some types of expenses – such as personnel time and catering costs – must actually be paid in advance under the federal rules. For state campaigns, the law will vary by jurisdiction.

Tip No. 2: Corporate Officers and Employees May Volunteer – on Personal Time.

As a general rule, any volunteer fundraising by corporate employees must be conducted on personal time, not during paid work hours. Federal law permits employees to engage in limited volunteer campaign activities in their office – up to one hour per week or four hours per month – but only if doing so does not increase any overhead or operating expenses of the corporation.

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Tip No. 3: Executive Volunteering Doesn't Include Executive Assistants.

Compensated staff time is a corporate resource with monetary value. Thus, even when an executive is engaging in permissible volunteer fundraising activities, he or she should not ask an administrative assistant or another subordinate to assist with these activities. Under federal law, campaign-related work performed by subordinates results in a prohibited in-kind corporate contribution to the campaign unless the campaign has *paid in advance* for the fair market value of the subordinate's services.

Tip No. 4: Limit Solicitations to Personal Contacts via Personal Email.

Officers or employees who plan to solicit contributions for a candidate should limit their solicitations to peers and superiors whom they know personally and should avoid soliciting contributions from subordinates. They should not solicit co-workers while in the office, use company letterhead to make solicitations, or refer to their company title or position when soliciting contributions. Though technically permissible, it is advisable to avoid using company email.

Tip No. 5: Different Rules apply to Different Events.

Candidate-related gatherings can take many forms, from an in-home fundraiser, to a meet-and-greet at a corporate office, to a PAC-sponsored fundraising event. Different rules apply to each type of event, and state law governing these events will vary widely. For example, federal law permits an individual to spend up to \$1,000 for food, drinks, and invitations, per candidate, per election, to host a fundraising event in the individual's home. Money spent under this "in-home exemption" – up to the \$1,000 limit – does not count toward the individual's \$2,800 contribution limit.

To ensure your activities are within the law, consult legal counsel before any of your executives engage in volunteer fundraising. While the tips above address some of the most common questions that arise, we can provide specific guidance tailored to the facts of your proposed activity or event.