

FUNDRAISING SPECIAL EVENTS

Special events are a great way to build camaraderie, generate enthusiasm and most importantly, raise money for RPAC. Although often quite time-consuming in the planning department, when done correctly they will provide a large sum of money in a very short period of time. Special events always take more time and planning than you originally think they will. Please refer to the Planning Special Events section and remember the One-third Rule may be in play. You may find that information under the legal section. Always run these ideas by your Government Affairs Director, your legal counsel or Association Executive.

A signature special event may become the highlight of your fundraising program - something to build up to over the course of the year. You may also use an event as a tribute to your major donors through selective seating, private receptions, or by having a portion of the program in their honor.

The definition of "special event" is limited only by your imagination. Examples are listed below. These are just suggestions. You can bend, not break, the rules to fit your needs. Some events work well in some sections of the country and some do not.

Auctions – you can have a regular auction or a silent auction. The One-third rule is in play when dealing with auctions. Auction items may be purchased or donated by members. You will need to remind your members that they are not attending the event to find a bargain but they are attending the event to invest in RPAC. Make sure that you have items priced at all levels. Ask some of your larger donors to make their investment during the auction. REALTORS love competition. It will help your sales if some friendly competition gets started. If you have high ticket items, give a call to NAR's RPAC staff. They can suggest ways to make your auction more effective.

Barbecues – depending upon the culture of your board you can have a contest on who makes the best barbecue. You can have judges from local restaurants. The entry fee to be in the contest and to attend the contest would be an RPAC investment. Remember, the contestants and the attendees must be members of the association and their families.

Bad Car Day – sometimes you just want to hit something. What if the association bought a junker and set it up in the association parking lot and offered you three swings with a sledgehammer for a \$50 RPAC investment? What a great way to get rid of some of that stress. Make a party out of it. Serve popcorn, soda, or whatever works in your part of the country.

Bad Tie Contest – everyone gets "bad" ties at sometime in their life. Have a contest for the contestant who shows up at the contest with the worst tie. Men and women can both participate. Have judges and fun prizes. The RPAC investment is the entry into the contest.

Bowling – yes, it is making a comeback. Have you seen some of the new lanes that are being built? With all of that neon they scream fun. Have a family bowling night. Have contests for the best score, most gutter balls, biggest improvement over the night. Have a competition for the kids. Have firms and individuals issues challenges to each other. You can make up the rules and have fun with it.

Carnivals – some boards and states have put on carnivals with great success. You can have a dunking booth with your brokers, association staff or leadership sitting in the booth. You can also have a pie throwing contest. Of course the pies are whipped cream in a lightweight aluminum shell. I will bet you have many members who would pay for the chance to throw a pie at one of their agents, in fun of course. Admission into the carnival would be an investment to RPAC. Special "games" at the carnival would also be an investment.

Casino Nights – if these are allowed by state law they tend to bring a large crowd. Make it simple. Hire a company that is equipped to put on the event do the details. Have only the entry fee to the event as the RPAC contribution. All of the betting would be run by the hired company's rules so you don't have to worry about all of those details.

Chili Cook Offs – this is a great way to have “teams” make a challenges to other teams. The teams could be firms, committees, your BOD. The entry into the contest would be the RPAC investment. Attendees would also pay an entry fee to attend the event. Have judges from local restaurants or if you have foodies in the board, they could judge.

Cow Patty Poker – yes, it is what you think it is. You need a field, white chalk to grid the field, well fed cows and patience. You sell blocks in the grid to the attendees, just like those sports pools. The attendee that bought the block that the first cow plops the patty into is the winner. If you don't have cows this event has been played with horses and chickens. Make it fun and liquor won't hurt, for your members, not the cows. Some boards that have done this event and didn't want to stand around to watch and wait for the plops so they set up a camera and watched remotely from a bar.

Dance Contest – so you think you can dance? Many of your members dance very well and would love to show off their skills. You can have a contest with judges and different dance categories. Have an entry fee and a fee to attend that will be the RPAC investment. You can make this as elaborate or as simple as your committee wants. Think of your board members and what they tend to enjoy and support.

Deal or No Deal – you may have watched the TV program. This is a spinoff of that show. The board purchased three gifts that they put into boxes that stayed in the association office. Two were good gifts but one was a gag gift. Bids were made on the boxes over a four week period. The bids were taken in the office and over email. The event was well promoted and the RPAC committee also sold bids. The boxes were to be opened at a fundraiser scheduled four weeks out. The top three bidders were to get the chance to open the boxes. At the event the top contributor got first pick, then the second larger investor got his/her pick and the third highest investor got the remaining box. The MC gave the contestants a chance to trade boxes. They also had the opportunity to sell their box to attendees. The boxes were opened, and the gifts revealed. Of course you can make your own rules, add or subtract from the gifts. Let you bidders know from the start that the gifts they are bidding on will include a gag gift.

Duck Races – it does involve those little yellow floating ducks. The board that held this event held it during their local board outing at a local water park. The outing was scheduled after the season was over so they had the park to themselves for their event. Members of the association purchased the ducks from the board office in advance. Some members decorated their ducks, some did not. They floated the ducks down the lazy river section of the water park. The RPAC investment was the entry fee for the race. The first duck to cross the finish line was the winner. They also did an event just for the kids since this was a family outing. Small prizes were awarded. You don't need a water park to make this work. Many boards have meetings or cookouts at local parks. If that park has a creek or a water feature you can always designate a starting point and a finish line for your duck race.

DIAMONDS AND CHAMPAGNE

You can do this event many ways. For this fundraising element to be successful, you will need one loose diamond many look-a-like cubic zirconium stones and a jeweler who can tell which is which.

This event is so simple and requires so little effort; you will wonder why you haven't done it sooner!

During any RPAC fundraising opportunity (i.e., live/silent auction, awards banquet, annual installation reception, etc.), simply purchase several bottles of champagne and secure one diamond and the look-a-like cubic zirconium stones. A suggested value of the real diamond is at least \$800-\$2000. In each glass of champagne, place one stone. Proceed to offer the glasses of champagne to guests for \$99 each. They can purchase as many glasses as they want and no, they do not have to drink all of the champagne in each glass. Yes, I have been asked that question. Put a time limit on how long you will sell the champagne. An hour or less is best.

Once all the glasses of champagne have been purchased, ask that the guests to bring their "diamonds" to the expert. You will need to hire a jeweler for the event or if you purchase the stone from a jeweler he/she may do the event and forgo the fee. The jeweler will determine the winner of the real stone.

Everyone wants to win. Several members will enjoy making their annual \$99 RPAC contribution during this event to get a chance at winning a diamond. You will also grab members that have never given to RPAC. Diamonds are hard to resist. It's an easy, classy way to add "sparkle" to your fundraising activities for RPAC!

There are many versions of the diamond and champagne event. Let me share. Loose stones are messy and a few stones have been swallowed. Champagne is flowing and mistakes happen. An easier way is to number the bottom of the Champagne flutes sell what the market will bear within the allotted time and pick a number. That number is the winner. When using this method you no longer have to use loose stones as the winning item. You could use a diamond necklace, a diamond ring or tennis bracelet. You also don't need to use Champagne. In some parts of the country it just doesn't fly. You can do Denim and Diamonds. Have a western or more casual theme and substitute beer or tequila for Champagne. You don't have to have liquid at all. One association was having a casual out-of-doors beach themed event. They put the loose diamond along with cubic zirconium stones in a kiddie pool filled with sand. They charged \$99 to pick a "diamond" from the sand and had a jeweler standing by to declare the winner. Again, find something that will appeal to the members in your association. If you can satisfy the One-third rule with a lower investment amount you can adjust that amount also. If you come up with another great way to hold this event, let us know.

Dinner or Lunch – You have to eat. Why not do so as you make your investment to RPAC? Here is a fun idea. Have the RPAC committee sell tickets for a price that will cover the meal part of the dinner or lunch. The committee members will also be the wait staff. Make sure that you advertise that the event is for RPAC. When members sit down for the meal they find that they do not have napkins, flatware, a drink, salt, pepper, etc. That is where the RPAC investment starts. The wait staff (committee members) will offer to get the flatware, a glass, ice cubes, salt, etc. for an investment to RPAC. Depending upon how well they know the member, they can charge what they want. They make be able to "sell" many different items to each investor. At the end of the meal they are presented with the "bill" that is the RPAC investment.

Golf Ball Drop – you will need plenty of golf balls (cases) and a hot air balloon or helicopter and access to a field where you can make a target with chalk. It is possible that someone in your board has access to one or both of these items. Ask around. The association or RPAC purchases golf balls, (number them with a sharpie) and sells the balls for \$1.00 each. When selling the balls the purchaser needs to have proof of what the numbers are on the balls that they purchase. Promote, Promote, Promote this event. You will need plenty of lead time. Determine how many balls you think you can sell and what the prize will be. The better the prize, the more you advertise and promote this event the better it works. You can also tag this event to any event that the board has outside. On the day of the event you will need to make sure your target is chalked with a circle with a clearly defined bulls-eye in the middle. The hot air balloon or the helicopter will

arrive with the balls in a net. It will hover over the target area and drop the balls. The owner of the ball that is closest to the bulls-eye is the winner. Have the kids gather the balls and auction the balls off. Have small prizes for the kids who collect the balls.

Golf Tournaments – these can be tricky and there are details listed under the legal section. If you find the rules and regulations too cumbersome to have a RPAC tournament and your board holds a non-RPAC tournament you can always have several holes designated RPAC holes and sell Mulligans at those holes. Make sure that only members can purchase the Mulligan and advertise the fact that those holes will be for an investment to RPAC.

RPAC KARAOKE NIGHT

This is a new approach to RPAC fundraising which complements traditional direct solicitation methods. The emphasis is on fun (It is possible that every REALTOR® and affiliate has a secret wish to grab the spotlight and for one moment act out a star fantasy on stage. Here's their chance!)

A team of six volunteers is needed. The association office donates the event space. Affiliates are asked to sponsor \$100 cash each to cover food (catered) and decorations. One affiliate will sponsor the Karaoke set up complete with master of ceremonies (estimate cost \$350).

Promotion includes a flyer, telephone calls, newsletter article and e-mail mass messaging. The flyer is designed with a response mechanism so that early registrants (who pay a lower rate) may send in their money or call the association office with their credit card number. If someone wants to make reservations but not pay in advance, their call guarantees them a lower rate and their name is kept on a list at the door. Walk up attendees pay a higher rate (in this case: \$8.00 in advance; \$10.00 at the door). There are no tickets sold; only a reservation list is used. All calls go directly to one person at the association office. Affiliates agree to promote the event by distributing flyers and making calls to clients.

The event is scheduled for a Friday night (7:00 p.m. until?). Entry fee includes a Mexican buffet, free beer and wine. Shooters are available for an additional donation. Karaoke performances will be judged for best singer and performance by audience participation. Master of Ceremonies works the crowd along with the RPAC Chairman.

On the night of the event, 2 volunteers will work the door, 2 will be available inside and one acts as supervisor. This event is planned for 80 - 150 guests. Everyone attending is guaranteed to have fun!

P.S. If you really want to boost donations and get participation moving, charge people \$1.00 to get up on stage themselves and \$5.00 to get someone else up to sing!

RPAC JAIL AND BAIL

1. Portable Jail that may be set up in the association parking lot
Some civic organizations or fund raising groups or schools have portable jails.
Much more effective having a "JAIL"
2. Have prisoners bring their cell phones
3. Tents - Good source to borrow one -local funeral home. You will want a tent large enough to cover jail and/or refreshment stand.
4. Chairs, Tables, Extension Cords, Fans (if warm weather)
Sufficient for spectators viewing proceedings

5. Jailers- 3 to 4 depending on size of Association and number of detainees
6. Judge - Should be someone with good sense of humor...dressed as Judge
7. Bailiff - Member to maintain order
8. Policeman - Two per car. These are REALTORS®, male and/or female dressed in uniform.
9. Refreshments - Depending on time of day, soft drinks, beer, wine, snacks, etc.
Suggestion: Hotdog stand if a midday program. Refreshments can be prepared or even sold to raise could be manned by the RPAC committee members
10. Police uniforms - Purchase on-line or rented from costume shop.
11. Ten/Fifteen Arrestees ("Prisoners") (this will vary depending on association size)
Prisoners are usually brokers, sales managers, Board of Director members, Top Agents, etc. who volunteer or are coerced into being arrested.
12. List of Prisoners - Try to spread out through the different companies.
13. Set fines for each Prisoner - Fine is based on size of company and what the committee feels the prisoner is capable of raising. Funds may be raised in or outside the company. Try to get Million Dollar Club members who have not contributed \$99 to do so
14. Prisoners - Prisoners have to call from the jail to get people to pay their fines.
The idea is to get lots of REALTORS® to come by for party fun atmosphere (include mortgage bankers, builders, etc.)

You can PAY to KEEP prisoners in jail.

Stagger pickup. Each arrestee needs an approximate time that they will be arrested and agree on where they will be picked up from.

Each should be handcuffed and led to police car by policeman (REALTOR®) and remain cuffed until brought to jail.

Have judge read the arrest warrant when the arrestee gets there. Charges need to be humorous. Court appointed Attorney may be used (Association Attorney). Do not allow "prisoners" to bring money with them. Must call agents or friends or bring money over to jail.

Ms. RPAC Contests – we have added some sample photos to help explain this event. If you have a fun loving association, this can be a huge money maker. Shaking a money maker is involved. The Ms. RPAC contestants are men, dressed as women. If you can get fun loving brokers, agents or favorite association staff to participate, you will draw larger crowds. Also, try to get at least one contestant from your larger firms. The contestants fill out an information form that gives their weight, heights, their likes and dislikes and any special talents they may have. The purpose of this is to be as funny and outrageous as possible. The Master of Ceremonies will be reading about the contestant as they walk the runway and into the crowd, so you want to make sure you have a MC that is good on his or her feet. Each contestant is dressed to the nines. They can be dressed up in evening frocks, as a cheerleader, the Statue of Liberty, a German beer maid, whatever they want to come up with. They are trying to win this contest and raise money for RPAC. In order to do so, they have to raise the most money from the crowd. Each contestant carries a "purse" and the contestant that raises the most money is crowned Ms. RPAC. Remember to hand out pre-printed envelopes for attendees to put their investment into when they give their contribution to the contestants as they walk into the crowd. Also, have plenty of the envelopes at each table. That way you know who gave the money, how much they gave and all the information you need to make this legal. Liquor is involved so things tend to get a little crazy and you don't want money flying everywhere. After all the contestants have made their walk down the runway, into the crowd and filled their purse with RPAC investments, the money is counted and the winner is crowned. Don't forget the crown and don't forget the photographer! You can have photos

taken of the contestants, have a calendar made and sell the calendar to association members for an RPAC investment.

Polar Plunge – it has been mentioned that some dedicated members will do just about anything to promote RPAC. Jumping into a cold body of water in the winter is just about as dedicated as you can get. The REALTORS in Delaware are a hardy bunch. They do this event every year in late February or early March. Members pay and pay well to see their colleagues take a plunge into the Atlantic Ocean while they are warm and dry with a drink in their hand cheering them on. I am sure other associations do this event and we would love to hear from you.

Raffles – as long as you state law (and some county laws) permits raffles you can raffle off just about anything. Don't forget the One-third rule. It could be a car, a year's lease on a car, a trip, maid service, cooking lessons, child sitting services, spa treatments, wine, jewelry, hunting trips, fishing trips, professional chef services, surfing lessons, riding lessons, driving a NASCAR car on a NASCAR track, or whatever goes over well in your association. Make your raffle prize something that will get you the most "bang" for the buck.

Tastings have become popular. You can do wine tasting, beer tastings, bourbon, scotch or tequila. A complete "how to" document is available on the RPAC website.

Tennis Tournaments – these will follow the same rules as a Golf Tournament.

Treasurer Box - this is similar to the diamonds and champagne event. Instead of a diamond you purchase a high quality wrist watch and lock it in a box. You sell keys to the lock. The higher the quality of watch the more you would charge for the cost of the key. You could tag this onto another event or have it stand alone, keeping the box at the association office. Again, this method will bring in members who have never invested in RPAC before. They will be willing to purchase a chance of getting a quality watch. The key that opens the box is the winner.

Water pistol duels – if your association has an event planned out of doors purchase some water pistols of all sizes and have your members purchase the water pistols as an investment to RPAC in order to duel. The larger the investment they make, the larger the pistol they receive. You can make up the rules, if you want rules.

These are just a few suggestions. For a more comprehensive outline of the necessary steps in planning a successful event, keep reading.

F. THE TWELVE STEPS FOR A SUCCESSFUL EVENT

1. RECRUIT

Develop a list of potential event chairpersons, co-chairpersons, ticket sellers and additional volunteers. These people could be past contributors, and associates. Networking will add the maximum number of potential names to your list. A good incentive is to have the individual who sells the most tickets or raises the most money serve as Honorary Chairperson, be seated at the head table, or receive some other kind of recognition.

Once you have your team or "steering committee" in place, it is time to get to work. Plan a meeting at a mutually convenient time for everybody to outline your event. This should take place about 8 weeks prior to the fundraiser. Be sure that everyone understands their roles - to sell tickets, generate enthusiasm, and

ensure that you have a successful event. Ask each of them if they are willing to make this commitment. Many events have failed due to an unmotivated, unfocused steering committee

2. SET THE GOAL

How much money do you want to raise from this event? It is much easier to sell tickets to an event when you can tell your prospective donor what the goal is, how much has already been raised, and how their contribution will help you reach it. In addition, the level of excitement and enthusiasm increases for everyone (volunteers and donors) as you get closer to achieving your goal.

3. TARGET

Decide the level of investment you will ask for, being careful not to price the tickets out of your target audience's reach. This will help you determine the size of the event you will plan. It will also ensure that your goal is realistic in relation to your target donors. When considering this, it is a good idea to "tier" your event to raise the maximum amount possible. For example, if you are planning on having a dinner and charging \$100 a person, why not have a private reception prior to the dinner for individuals that contribute \$250. If you are having a VIP give an address at dinner, ask him/her to attend the private reception. If the VIP is willing to do that, ask if he/she wouldn't mind having a photo opportunity for \$1,000 donors.

The VIP reception may also be a benefit of membership in one of your donor groups. If someone is already a NAR Sterling R or Capitol Club member, they will receive preferential treatment because of their support.

4. DETERMINE A THEME

Why are you raising this money? Where does it go and what is it being used for? These questions will undoubtedly be asked by the individuals you are soliciting, and can prove to be a unifying force among volunteers and attendees. If your goal is to raise the most money of any association in the state, the theme could be "All Aboard the State's largest Board". You may also consider having an "Awards Banquet" to honor major donors and/or your own organization's accomplishments over the course of the year. The theme you choose does not have to be specific, just something to serve as a rally and generate support.

Special guests - such as local, state or national elected officials and celebrities - you wish to invite and potential event locations should also be discussed and decided upon at this point.

5. PLAN

It's time to finalize the basics. The actual date of the event may be contingent upon who you wish to have as a guest speaker. Be sure that you don't plan an event when a VIP guest or any donors can attend. Check the calendar for holidays or other events (local fairs, community outings, etc.) going on that may coincide with your event. The different tiers of your event should also be finalized at this point. Also, develop a written budget of estimated income and expenses. You must know the maximum amount you can spend in order to make this effort worthwhile.

You should also create a written organizational chart that explains the different roles and responsibilities of each individual for the event. As discussed earlier, the more the merrier- Chairperson, Co-Chairs, Vice-Chairs, Ticket Captains, Promotions Chair, etc. - be creative and do not tolerate any "slackers" on your steering committee.

6. SECURE THE VENDORS

After your first meeting, secure all of the arrangements for the event: venue; food and beverage; entertainment; decor (flowers, centerpieces, decorations, etc.); special guest; and anything else you have decided on. It is a necessity to make sure these items are taken care of to avoid last minute chaos.

7. DEVELOP A TIMELINE

Now that the logistics are set, it is helpful to create a week by week, day by day breakdown of the steps you need to take and deadlines that need to be met in order to reach your goal. This should also be a written down and distributed to your steering committee.

8. PROMOTION, PROMOTION, PROMOTION

Ideally, heavy promotion of your event should begin 4-6 weeks prior in order to give everyone ample time and to cut down on the "I have something else planned" response. Give everyone who is on your team a packet of tickets and an information sheet. Be sure each seller knows the details and theme of the event, what the fundraising goal is, and what the money is being used for. Publicize the event in your local newsletter, contact major donors via phone and ask if they would like to be an event sponsor. Hand out flyers, buttons or pins. Send out promotional pieces via email and ask that the recipient pass along this opportunity to fellow REALTORS®. Again, the more members that know about your event, the greater number of attendees you will have. Be creative and cost efficient.

9. GAUGE YOUR PROGRESS

Set up a system so that each member of your steering committee and other individuals who are selling tickets is contacted each week. This will keep each updated as to how close (hopefully not how far) you are to attaining your goal. Set up a thermometer chart or some other visible indicator of how sales are going so when people stop by the office further enthusiasm is generated. Ask if anyone has encountered questions they weren't sure how to answer or if more supplies (tickets, flyers, buttons, etc.) are needed. As mentioned earlier, offer prizes/rewards for the most productive sellers.

10. EVENT TIME

Now that the big day is finally here, it is time for RPAC to shine. Everyone should know their role for the evening. Be sure to announce during some point in the program how much money was raised. Thank everyone for their support. There should also be a brief explanation of RPAC - our mission, our accomplishments, and our goals. If there is a lengthy program, try to keep it on schedule. You do not want your guests to get "antsy."

11. FOLLOW UP

Although the event is over, your work is not. Now is the time to ensure that all of the possible loose ends are securely tied up. Most importantly, the day after the event begin to follow up on any outstanding pledges for the event. There may have been several people who came to the event without a ticket and you graciously let them in because there were a few extra seats. Well, nothing in life is free - and certainly not drinks or dinner. Make sure they get invoiced - either over the phone, email or through the mail. Also, maybe some of the attendees wanted to go to the VIP reception but hadn't purchased a ticket yet. Let 'em in now and make 'em pay later.

12. THANK YOU

Lastly, but most important, thank everyone who attended or volunteered for the event. If things went as planned, and surely they did, you will probably be having another event next year (or before). Hopefully, an annual event will become the highlight of your fundraising program. Everyone who enjoyed themselves and was thanked for their support, as an investor, or as a volunteer, is sure to answer the call the next time around.

G. ADDITIONAL FUNDRAISING IDEAS

Here are some additional fundraising ideas. These are not events but fun things you can do to promote RPAC.

RPAC Banks – to boost participation have plastic banks made up. They can be in the shape of a house, a bag of money, or a pig, whatever you want. They come in many shapes and sizes and they are cheap and reusable. The best way to do this is go one firm at a time. Of course, it will depend upon how many banks you purchase. Label each bank with the name of the member and put the bank on their desk. Determine how long the banks will be with that member. Two weeks is usually the rule of thumb. Ask the member to toss their spare change into the bank. At the end of the two weeks pick up the banks, count the money and credit that money to the individual. Change the label on the bank and go to the next firm and repeat. You may not get a great deal of money but it brings awareness about RPAC to everyone in the office and it will increase your participation. One board hand the logo RPAC makes cents put onto the bank. Make sure everyone knows that the change they put into the bank is an investment in RPAC.

Velvet Ropes – we all hate to wait in line. If you have a bar at any of your association events, cash or open, purchase or rent the velvet ropes and stands. Have that line dedicated for RPAC investors. You may want to put a limit on it, say members who have invested \$99 or above can only use the roped off line. Instruct the bartender to wait on the members who walk up to the roped off area first. This will not only get people's attention you may increase your RPAC collections during the event.

Parking Sign – they don't cost a great deal of money but your members will get the point. At your association office parking lot have a parking space, with a sign, close to the door dedicated to members who are at the \$250 RPAC level and above. You want to give your top investors first class treatment.

Colored Balloons – you need a strong President to pull this off. If you have association meetings hand out colored balloons as your members enter. The balloons must be tied to the back of the member's chair during the meeting. If the member is an investor of \$250 or above they receive a gold balloon, if they give \$99-\$249 a blue balloon, if they invest \$50- \$98 they receive a red balloon, if they invest anything to \$50 they receive a white balloon. If they do not invest in RPAC they receive a black balloon or no balloon at all. Of course you have the RPAC committee selling balloons for an RPAC investment before the meeting. You can change the colors to make it work for you. It makes a statement for RPAC and lets your members know RPAC is a priority for the association.

Head and Tail Game – this is easy to do and can be done during any meeting. The prize can be a \$25 gas card or any small prize. You will want several prizes because your members will want to play this game more than once.

The first round can be played with just the current RPAC investors in the meeting. They are asked to put their hands on their head or their tail. A coin is flipped. If the coin lands on heads, all of the members with their hands on their head continue to stand. Everyone with hand on their tails have to sit, of course if the coin lands on tails, the heads would sit. For the next toss the group is ask to make the decision again, heads or tails. It continues until you have one person standing. That person is declared the winner. You start the game again, but in order to join the game the members must make an investment to RPAC and the game is repeated.

Pink Flamingos – yes the tacky, plastic ones. You will need to let your brokers that this is happening in advance. What if you went to your office and the front lawn was covered with the pink flamingos? There is a ransom note that states that the flamingos will stay until your firm raises X amount of dollars for RPAC or has X amount of participation. You would work fast to get those flamingos off of your lawn and on to

another company's lawn. There is a spin off on the idea that substitutes old commodities for the flamingos. We won't go there.

THE ONE-THIRD RULE

1. What is the "one-third rule" and when does it apply?

The so-called "one-third" rule set forth in the Federal Election Commission Regulations applies to corporate sponsored fundraising events held to raise voluntary contributions to Federal political action committees where the event involves providing prizes, merchandise, or entertainment to contributors. The rule applies to RPAC fundraising events sponsored by NAR or state or local associations because 30% of each RPAC contribution is forwarded to National RPAC to support Federal candidates.

2. What is the reason for the one-third rule?

The one-third rule is intended to prevent a corporation from giving contributors prizes, merchandise or entertainment at events like raffles, dinner-dances, auctions and the like "in exchange" for voluntary individual political contributions. Since an incorporated Association of REALTORS® may use corporate monies to pay the costs of conducting an RPAC fundraising event, such an "exchange" might appear to occur if the prizes or entertainment provided to contributors had approximately the same value as the total contributions made by those individuals in attendance. Thus, the rule prevents the sponsor from providing to contributors prizes or entertainment in exchange for personal PAC contributions where the total amount contributed does not significantly exceed the value of the prizes or entertainment. The rule accomplishes this by establishing a "threshold" relationship between costs incurred in connection with the event and total contributions made by those in attendance.

3. How does the one-third rule work?

In order to prohibit "exchanges" of corporate money or merchandise for personal PAC contributions, the rule provides that the value of the prizes, merchandise, or entertainment distributed (exclusive of food, beverage and facility expenses, but including professional entertainment expenses) to contributors at a fundraising event, like a raffle or an auction, may not exceed one-third of the total contributions made by contributors at the event. Stated conversely, the event must result in total contributions not less than three times the costs of prizes and entertainment. If that amount of contributions is not achieved, the sponsor must be reimbursed by the PAC in an amount necessary to reduce the net "expenditure" (for merchandise and entertainment) to one-third of the contributions collected.

4. Can you provide an example?

Assume, for example, an association spent \$400 for items to be raffled off at a fundraising event and collected \$1200 or more in contributions at the event. No reimbursement would be necessary because one-third of the fundraising proceeds (one-third of \$1200, or \$400) are equal to the association's costs. But if the association collected only \$900 in contributions, it would have to be reimbursed for the amount by which the expenses (\$400) exceeded one-third of the contributions collected ($\$900 \div 3 = \300), or \$100. [This calculation is complicated by the fact that this formula only applies to the National RPAC portion of the contributions, and any reimbursement must be made by National RPAC. In this example, National RPAC's portion of the total contributions is 30% of \$900, or \$270, and one-third of that amount is \$90. Similarly, National RPAC's allocable portion of the "expenditures" allocable to raising Federal PAC funds is 30% of \$400, or \$120. Thus, this example would require reimbursement by National RPAC of \$30, which is the difference between \$120 and one-third of \$270 (\$90.00).]

It is important to recognize two points in making these computations: (1) Each prize need not satisfy the one-third standard individually as long as the costs of all items and contributions received for them do so collectively. (2) In computing the association's costs of the prizes distributed via the event, items donated to the association must be valued at their *fair market value*, since even though such items may have been acquired by the association without cost they have a market value and thus constitute an asset of the association with that fair market value.

RAFFLES

RPAC raffles usually involve the sale of tickets, of which one or more is drawn to determine the winner of merchandise or services. Conducting an RPAC raffle raises several legal considerations. Always check your state or county law.

1. Purchase of Raffle Ticket is a Contribution to RPAC

Under FECA, the full price of a raffle ticket constitutes a contribution to RPAC. Therefore, you must obtain and report the necessary contributor information just as if the ticket purchaser had made a direct contribution to RPAC. Persons outside the restricted class may not be solicited or permitted to purchase tickets.

2. Publicizing an RPAC Raffle constitutes a Solicitation

Publicizing a raffle to raise RPAC funds constitutes a solicitation for contributions to RPAC. As a result, such publicity must include the necessary information regarding the appropriate split of the contribution between National RPAC and state RPAC, and the fact that the federal portion is charged against the contributor's limits under 2 U.S.C. 441a. Such publicity must be distributed only to persons within the solicitable class.

3. Payment of Raffle Expenses

Under federal law, the association is permitted to pay RPAC administrative costs and the costs of soliciting RPAC funds. Therefore, a state association or local association (except in a few states where state law provides otherwise) may pay the costs of the items being raffled off, subject to the "one-third rule" discussed above.

4. Contributing Merchandise or Services to Raffles

As mentioned, state associations and associations, except where prohibited by state law, may contribute merchandise or services for use in RPAC raffles, subject to compliance with the "one-third rule". A common question is whether individuals may also donate merchandise or services to be used in RPAC fundraising events such as raffles. Any bona fide member of the association (that is, a "member" within the restricted class, as discussed above) can contribute merchandise or services to an RPAC raffle. Those who do not qualify as solicitable members, as described above, may not donate goods or services to be raffled off or otherwise used to generate contributions to RPAC.

5. State and Local Laws May Restrict or Prohibit Raffles

Fundraising events such as raffles are frequently subject to state or local laws or regulations applicable to "games of chance" or the like. State association, state RPAC, or local association legal counsel should be consulted before planning an RPAC raffle.

AUCTIONS

Some RPAC fundraisers involve auctions of donated items or services to the highest bidder via either live or "silent" proceedings. Conducting an RPAC auction also prompts several legal considerations.

1. Purchase of Auction Item is a Contribution to RPAC

As with the purchase of raffle tickets, the purchase of an item at an RPAC auction is considered an RPAC contribution equal to the entire purchase price, even if a portion of that price is paid by the association conducting the auction to the artist or other consignor who provided the item. Accordingly, persons outside the restricted class who are not permitted to be solicited to contribute to RPAC may not be invited to attend or allowed to purchase any auction items.

2. Publicizing an RPAC Auction Constitutes a Solicitation

Publicizing an RPAC auction constitutes a solicitation of contributions. Therefore, such publicity must include the necessary information regarding the appropriate distribution of the contribution between National RPAC and the state RPAC, and the fact that the federal portion is charged against the contributor's limits under 2 U.S.C. 441a. Moreover, as noted above, the distribution of publicity about the auction must be limited to persons within the restricted class.

3. Who Can Contribute Merchandise or Services

As with raffles, items of value may be donated to the association for sale at an RPAC auction only by bona fide members. Such members include affiliate members (and even affiliate corporate members, though such corporate members may not make direct contributions to RPAC.) Local businesses who are not members of the association or state association may not contribute cash, merchandise or services to be auctioned off to raise funds for RPAC. Also as in the case of raffles, the fair market value of donated items must be used in calculating expenses for purposes of the "one-third rule." State associations and local associations may also purchase and/or obtain from members within the restricted class donated items for an RPAC auction, subject to satisfaction of the "one-third rule" discussed previously. The association may also purchase items for auction for other sources so long as the purchase price is the usual and normal charge for such items.

4. Handling Consigned Items

In some auctions, items such as artwork are received for auction on a consigned basis at a floor price. If the bidding exceeds the consigned price, the item is sold to the highest bidder, and the agreed upon consigned price paid to the artist or other consignor. If the bidding does not reach the consigned price, the item is not sold but is returned to the consignor. In either case, no contribution is made by the consignor. The entire price paid by the purchaser is, as noted above, treated as a contribution, but the compensation paid to the artist is treated as an expense of conducting the event.

5. State and Local Laws May Restrict or Regulate the Conduct of Auctions

Fundraising events such as auctions may also be subject to state and local election laws, as well as other applicable legal restrictions. Some jurisdictions, for example, restrict auctions to sealed bids only, or require the hiring of a licensed auctioneer. Other state or local laws relating to fundraising or other auction events may also apply, and legal counsel is advised before conducting an RPAC auction.

DINNERS OR OTHER CATERED EVENTS

Some RPAC fundraising drives include dinners or other events involving the serving of food to raise money for RPAC. Several aspects of the FECA must be considered when holding an RPAC dinner or similar event.

1. Purchase of Dinner Ticket is a Contribution to RPAC

As in the case of raffles, the entire purchase price of a ticket to a dinner or other RPAC fundraising event is considered a contribution to RPAC. The usual rules for RPAC solicitations and contributions apply: Persons outside the restricted class cannot be solicited or permitted to purchase tickets.

2. Utilizing the Services of Vendors

It is permissible to purchase from a corporate vendor (e.g., an incorporated restaurant, caterer or other food service company) the food, facilities or services necessary to hold a food-related RPAC fundraising event. The vendor corporation must, however, apply its "usual and normal charge" and be paid "within a commercially reasonable time" for the food, facilities, or services provided. Thus, a state or local association or association or its RPAC committee conducting an RPAC fundraising dinner must pay the usual rental for the restaurant, hall or building where the dinner is held, and must pay the caterer at its normal rates for the food. Unless timely payment is made at the usual and normal charge, the corporate vendor providing food or facilities would violate the FECA by making an in-kind contribution to RPAC.

3. Paying the Costs of a Dinner

Unlike raffles, auctions or other events involving entertainment or prizes, payment by a state association or association of the food and beverage expenses associated with an RPAC fundraising event is not subject to the "one-third rule." If prizes, gifts or other items are distributed at the event, however, the expenses associated with those aspects of the event are subject to the "one-third rule" as described above.

MERCHANDISE SALES

Associations and associations and their RPAC committees may sell such items as T-shirts, posters, coffee mugs, caps, and the like, often bearing the RPAC logo, to raise RPAC funds. Under FECA, the entire purchase price paid for items sold to benefit RPAC also constitutes a contribution to RPAC. Since the purchase of such items constitutes an RPAC contribution, only those in the restricted class may be solicited to contribute by making such purchases.

An association or board, where not prohibited by state law, may bear the costs of acquiring merchandise for sale to benefit RPAC, subject to the "one-third rule." Merchandise offered for sale also may be donated by individuals who are within the restricted class as bona fide members of the association, but the fair market value of the items must be included in performing the "one-third rule" calculation even though the state association or association received such items at no charge.

GOLF OUTINGS

Another popular RPAC fundraising event is a golf outing or tournament. Any event that attracts the attention of and participation by REALTOR[®] association members is, of course, a prime opportunity to raise funds for RPAC. Unfortunately, the usually substantial expense associated with golf outing fundraisers, coupled with the limitations of the one-third rule, makes conducting them lawfully more complex than many

other fundraising events. The following describes these complexities and offers some suggestions to simplify compliance with the law.

1. Treatment of Ticket Sale Proceeds. The Federal Election Campaign Act provides that the entire price of a ticket to attend a PAC fundraising event constitutes a contribution to the PAC. This rule applies even though it is intended that only the net proceeds of the event, after expenses, are to be provided to the PAC. Thus, where each participant in a golf outing held to raise funds for RPAC pays \$100 to purchase a ticket, federal law requires that the entire \$100 amount be treated and reported as a contribution to RPAC.

Correspondingly, if it is intended that the expenses of the event be paid for with the proceeds from ticket sales, the payment of those expenses must be duly reported as expenditures by RPAC. These expenses cannot be "netted out," so that only the net amount is transferred to and reported as a contribution to RPAC. Instead, the entire amount must be provided to RPAC. The expenditures of the event must be covered by the sponsor (the state or local board), or where permitted paid out of funds provided for that purpose by the State PAC.

Of course, Federal law applies only to the portion of each RPAC contribution transmitted for use by National RPAC (generally 30%). But the foregoing requirements nevertheless apply to the National RPAC portion: Thirty percent of the admission price must be reported as a contribution to National RPAC, and the *pro rata* portion of that 30% share used for expenses must be paid by, and reported as an expenditure by, National RPAC. Use of the remaining 70% State PAC portion of the proceeds to defray the expenses invokes application of the "one-third rule," described below.

2. One Third Rule Compliance. The one-third rule is designed to prevent a corporation from "exchanging" corporate funds for individual PAC contributions by, for example, providing entertainment or other like benefits to attendees at a fundraising event, paid for at corporate expense, for the contributions of individual contributors.

An example makes such an exchange, and the purpose of the "one-third rule" clearer. Assume an incorporated association held a golf outing fundraiser for which it charged a ticket price of \$50. Purchase of a ticket entitles each participant/contributor to play golf and use a golf cart. Assume also that the fee normally charged by the golf course is \$50, and the fee for each player is to be paid by the association so that all proceeds from the sale of tickets would be provided to RPAC. What is the result? Each participant would essentially "break even," because each makes a contribution to RPAC of \$50 for which each player receives "fair value" of a round of golf for which the usual price is \$50. The PAC receives \$50 per participant, but the corporation *pays out* \$50 per participant while receiving nothing in return. In essence, the corporation, rather than the individuals attending the event, makes a contribution to the PAC of \$50 per participant.

The "one-third rule" recognizes that corporations that sponsor PACs may pay solicitation costs associated with PAC fundraising events, but provides a "safe harbor" as to the extent to which a corporation may pay the expenses of such a fundraising event without being deemed to be "exchanging" corporate funds (by bearing the expenses of the event) for the personal contributions paid by event attendees, as described above. The rule provides that the corporation may pay the expenses of the event up to one-third of the total fundraising proceeds- i.e.; the ticket receipts. In the example above, the event would be permissible if each participant had paid \$150 to attend the golf outing, since the corporation paid \$50 per participant to conduct the outing. Any expenses of the event which exceeded that amount must be paid by the PAC.

In this regard it is also important to note that the one-third rule computation must take into account all costs incurred in providing the prizes and entertainment (golf) at the event, even if some of those costs are paid

directly or indirectly by sponsors. Where, for example, an affiliate member of the association subsidizes a portion of the greens fees for the event, those expenses must nevertheless be into account by the association in doing the above one-third rule calculation. (Such sponsor contributions may, however, be disregarded if they are used to pay food and beverage expenses.)

3. Permissible Attendees. Another important principle applicable to RPAC fundraising must also be carefully observed in conducting golf events. Since such events are RPAC fundraisers, the usual restriction on who may be solicited applies. Specifically, only association members and executives and administrative personnel, and their families, may be invited to attend, and the mere invitation to attend a fundraising event constitutes a solicitation. In particular, individuals or companies involved in real estate related businesses that are not members of the association may not be invited nor asked to contribute to the expenses of the event.

4. Alternative Method of Covering Costs. A simpler way of conducting a golf event and paying the costs thereof involves treating the golf activity and the RPAC fundraising aspect of the event independently. This avoids application of the one-third rule to the costs of admission to the event, and the corresponding complications arising out of using the National RPAC contributions received as proceeds to offset the costs of the event. This method involves conducting the golf event without using or characterizing ticket purchases as contributions to RPAC, and correspondingly without providing any portion of ticket sale proceeds to RPAC. At an appropriate time during the event, however, attendees at the event are solicited to make a voluntary contribution to RPAC, and the entire amount of each contribution made in this fashion provided to RPAC in the usual way.

RPAC fundraising at a golf outing done in this fashion is permissible and accounting for contributions and expenditures is substantially simplified. The usual restrictions regarding individuals who may be solicited apply, of course. If all attendees are to be openly solicited, then only association members or executive and administrative staff, their families, and individual affiliates may attend. If the solicitation activity is to be conducted “privately” and can be limited to only those who can lawfully be solicited, then the event may be opened and promoted to encourage and promote attendance by other interested individuals.