



**2018 LOCAL IMPAC REALLOCATION TO ISSUES FUND**  
**FAQ FOR ASSOCIATIONS**

November 2, 2017

Several Associations have asked if local IMPAC balances can be reallocated to reduce the Issues Fund contribution required of members. The answer is YES but there are certain conditions, disclosures and compliance requirements and a specific protocol.

If your Association does not want to reallocate any portion of its local IMPAC balance for this purpose, then you do not need to take any further action and you can disregard this Memo.

**First, only local Associations with a sufficient local IMPAC subaccount balance may do this.**

**Second, ALF funds may not be used.**

**Third, only two amounts will be allowed: \$50 or \$100 per member (including nonmember salespersons). The amount has to be uniform for the entire local Association.**

If your Association wishes to reallocate funds in this manner, you will need to take the following steps.

**Step 1:** First, confirm that your local IMPAC subaccount has sufficient funds as of October 31, 2017 to support the reallocation. This can only come from IMPAC, and not from LCRC or ALF. You may not use an exchange program for this. If you need assistance with determining whether your local IMPAC subaccount has sufficient funds, please contact Rick Laezman at [richardl@car.org](mailto:richardl@car.org) or (213) 739-8273. Please note that if you don't have sufficient funds to cover the reallocation amount for your anticipated membership, you may not be qualified to reallocate.

**Step 2:** The Association will have to complete a new IMPAC funding request form to request reallocation by the IMPAC Trustees. This form must be signed by the Association Executive and 2018 President. This IMPAC funding request form should be sent to Rick Laezman at [richardl@car.org](mailto:richardl@car.org).

**Step 3:** The Association must revise its dues bill to reflect the new Issues Fund contribution due from the member. This impacts the billing statement in several places, including the lobbying amount:

- If it is \$50, then the State Allocation, RAA and Issues Fund will be \$234, and the description below at \*\* will state \$50 for the Issues Fund.
- If it is \$100, then the State Allocation, RAA and Issues Fund will be \$184 and the description below at \*\* will state \$0 for the Issues Fund.

The Dues Billing Statement has to be changed as follows:

If a \$50 reallocation per member is requested:

- a. The State Allocation, RAA and Issues Fund line must be changed to \$234
- b. The disclosure at the double asterisk (\*\*) must be changed to \$50
- c. The disclosure at the single asterisk (\*) regarding the REALTOR® Action Assessment, specifically the phrase “\$49 of the \$284”, must be changed to “\$49 of the \$234”
- d. The non-deductible portion of the lobbying amount must be changed on the face of the bill to \$180.70 for the overall non-deductible amount, and \$128.70 and 55% for the CAR portion
- e. The non-deductible portion of the lobbying amount on the second page of the statement (the Legal Notices & Disclosures) must also be changed to \$180.70 for the overall non-deductible amount, and \$128.70 and 55% for the CAR portion

OR (one or the other must be chosen for all members; it cannot vary within an Association)

If a \$100 reallocation per member is requested:

- a. The State Allocation, RAA and Issues Fund line must be changed to \$184
- b. The disclosure at the double asterisk (\*\*) must be changed to \$0
- c. The disclosure at the single asterisk (\*) regarding the REALTOR® Action Assessment, specifically the phrase “\$49 of the \$284”, must be changed to “\$49 of the \$184”
- d. The non-deductible portion of the lobbying amount must be changed on the face of the bill to \$129.28 for the overall non-deductible amount, and \$77.28 and 42% for the CAR portion
- e. The non-deductible portion of the lobbying amount on the second page of the statement (the Legal Notices & Disclosures) must also be changed to \$129.28 for the overall non-deductible amount, and \$77.28 and 42% for the CAR portion.

Additional changes may be required as well, depending on your Association’s situation:

- Installment payment information will have to be updated to reflect the changed political amount.
- Automatic payment authorizations may need to be updated.
- Electronic bills and e-commerce payment systems must be updated to reflect the changed amounts and disclosures described above.

If you have questions about how this reallocation might affect your dues bill, please contact Eliza Karapetyan in Corporate Legal at (213) 739-8293 or [elizak@car.org](mailto:elizak@car.org).

**SPECIFIC ISSUES AND ANSWERS:**

**1. *What if my Association doesn't want to reallocate any of our local IMPAC balance to the Issues Fund?***

Then you don't need to take any action at all. You can use the dues bill and disclosures reflecting the \$284 state allocation and assessments.

**2. *I don't think my Association has enough in our local IMPAC subaccount to support a reallocation at the \$50 or \$100 level. Can we do a lower amount?***

If you're not sure, we encourage you to contact Rick Laezman at [richardl@car.org](mailto:richardl@car.org) or (213) 739-8273 to determine whether your current local IMPAC subaccount balance is sufficient to support a reallocation to the Issues Fund. If you decide to reallocate your local IMPAC balance in this way, it must be at the \$50 per licensee or \$100 per licensee threshold. If you don't have enough local IMPAC balance available, you will not be able to reallocate funds in this manner, and your members must pay the \$284 amount for state dues allocation and assessments.

**3. *We want to reallocate funds, but we just sent our dues bills out.***

In order to authorize the reallocation, you will have to send updated dues bills and disclosures to all members. The updated dues bills will have to go through compliance review, so please send the updated dues bills to [dbs@car.org](mailto:dbs@car.org), just as you did with the earlier bill. We will turn these around just as quickly as possible.

**4. *What happens if our members have already paid us their dues for 2018, can we still reallocate any of our local IMPAC balance to the Issues Fund, and if so, do we need to refund the members?***

Yes, as long as you refund to the member the amount reallocated. If you've already remitted the state portion of these payments to C.A.R., please contact Allan Atienza to request appropriate refunds for the members that paid them.

**5. *Will reallocation of our local IMPAC balance to the Issues Fund apply to all licensees under the Designated REALTOR®'s (DR) license?***

Yes. For example, a DR with 2 non-member salespersons (NMSPs) under his/her license will have their state allocation amount reduced by either \$150 (if your reallocation is \$50 per licensee) or \$300 (if your reallocation is \$100 per licensee).

**6. *When will the local IMPAC funds be reallocated?***

On a rolling basis, as dues and assessments amounts are transmitted to C.A.R.

**7. *Will this affect our use of local IMPAC money in 2018?***

As always, you cannot use more than is in the local subaccount. No expenditures will be allowed if the amount is not sufficient to cover those obligations. If your local

IMPAC subaccount balance is close to the anticipated reallocation amount, local IMPAC funds for other purposes will not be approved.

**8. Can we use ALF or local CREPAC (LCRC) money to satisfy part or all of the Issues Fund?**

No. The Issues Fund amount can only be funded with IMPAC money.

**9. We asked to transfer funds to ALF, but want to cancel that. Who do we talk to?**

Yes, you can change it, but please contact Rick Laezman at [richardl@car.org](mailto:richardl@car.org) or (213) 739-8273 as soon as possible to let us know of the change.

**10. We already submitted our allocation form for 2018. Can we change it later?**

Yes. You can change it once if you submit a new allocation form by November 30, 2017. Your new 2018 Local PAC/ALF Allocation form should be sent to Jacquelyn Colmenares at [jacquelync@car.org](mailto:jacquelync@car.org) after you confirm that you have sufficient funds to support the allocation.

**11. How does a reallocation affect credit card authorizations?**

If you already received the member's authorization to charge a certain amount, you will have to get a new authorization for the corrected amount. In addition, you will have to provide the member with the corrected amount and required disclosures.

**12. How does a reallocation affect installment payments?**

You will need to provide the member with the required disclosures, the corrected amounts and timing for payment. Please contact Eliza Karapetyan at [elizak@car.org](mailto:elizak@car.org) or (213) 739-8293 to discuss the details and to speed the compliance review.

**13. What if a member already paid using NRDS e-commerce?**

*C.A.R. will refund the member the appropriate amount based on your reallocation.*

**14. We work with Rapattoni or another e-billing or payment platform and we don't know if they will be able to revise our online dues billing to reflect the allocation.**

We have spoken with Rapattoni and have confirmed that the necessary revisions (including disclosures) to your online dues billing can be made. Other vendors should be able to make required changes as well. Please contact your representative to make appropriate changes. If you have any questions or concerns please contact Eliza Karapetyan at [elizak@car.org](mailto:elizak@car.org) or (213) 739-8293.