

Community College Facility Coalition Issues Committee

2020

Fundraising Guidelines



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Objective

Since 2000 the Community College Facility Coalition (CCFC), through its Issues Committee, has sponsored several Meet & Greet meetings around the state to raise bond campaign funds for State Kindergarten – University Education bonds. This is by far the most successful fundraising tool used by the community colleges to date.

It is the intention of the CCFC Board of Directors to attempt to duplicate this process in anticipation of supporting a statewide bond on the March 2020 General Election Ballot.

Methodology

Organization

The CCFC Board has approved a regional organization of nine regions in which Meet & Greet sessions should be held. Each region is composed of a number of community college districts, with a key person in one of the districts in charge of organizing an event to be held during non-working hours.

Functions and Activities

The key person would be responsible for coordinating with the districts in each region to invite vendors to an event. At the event, district representatives can share information about the facilities' needs and plans in their districts. The vendors would be urged to make a campaign contribution of at least \$1,000 each for the CCFC Issues Committee to enable community colleges to contribute their required share of funds to the statewide bond campaign. Lesser amounts have been contributed at some events. Discretion should be used to determine the appropriate level.

At the event refreshments and libations are ordinarily provided. At each event the Chancellor and/or President of each district is available in a volunteer capacity. In addition, the Statewide Chancellor and appropriate staff are invited to participate in their volunteer capacity, as well as a CCFC Board member.

District foundation staffs have typically been very helpful in structuring these Meet & Greet events

An Event Check List is included in this document to assist in organizing these fundraising events. It is imperative that no public resources be used in the planning or hosting of such events.

Event Facilities

Events have been held in a variety of locations, including community college facilities. If community college facilities are used, a fair market fee must be paid by CCFC Issues Committee or a private campaign donor (as an in-kind contribution to the CCFC Issues Committee) for use of the public facility. Some events are hosted in hotels or other facilities. Some districts have been able to secure donations of food and other items to these hosted events. These types of donations are required to be reported under FPPC rules as "in kind" donations, and therefore the CCFC Issues Committee must be promptly notified of the value and source of such in-kind contributions.

CCFC staff will assist regional key personnel in setting up events and making certain that necessary details are completed. However, it should be recognized that the invitations and selection of location would likely work better if it were done locally. Payment for facilities and refreshment can be done through the CCFC Issues Committee, if properly and timely billed.

Handling of Funds

A primary purpose of the Political Reform Act and the Fair Political Practices Commission (FPPC) is to make certain that the funding sources for all political campaigns are revealed to the public. Consequently, anyone who helps a campaign (other than volunteer time) must be reported either as a financial contributor or an “in-kind” contributor.

Any person who contributes \$100 or more (or in aggregate during the campaign year) must report all of the following information:

- Donor's Name
- Donor's Address (PO boxes NOT acceptable)
- Donor's Occupation and Employer

Any person or entity who contributes \$10,000 or more in aggregate to state and local campaigns during a calendar year is a Major Donor, and must file semi-annual FPPC Form 461 reports, and possible 24-hour FPPC Form 497 reports.

Checks should be made payable to Community College Facility Coalition Issues Committee, CCFC Issues Committee or CCFC IC and mailed to:

Community College Facility Coalition
1303 J Street, Suite 520
Sacramento, CA 95814

In the past, some districts have deposited checks in a local bond campaign fund and sent a single check to CCFC. This is not acceptable as it has the effect of hiding the source of the funds and risks converting the local committee into a campaign committee with its own reporting obligations. Individual contribution checks should be sent directly to the CCFC Issues Committee. Cash contributions should not be accepted.

Event Checklist

- Select region coordinator.
- Contact key facility or other appropriate staff person in other region districts.
- Contact district foundation personnel for assistance with event.
- Establish location and date for Meet & Greet event (with sufficient time for sending invitations and securing responses).
- Contact CCFC staff for any needed assistance regarding the cost of facilities and attendance of CCFC Officer or Board Member.
- Contact Chancellor's Office to assure presence of Chancellor and/or other key personnel.
- Work with other districts to invite appropriate vendors.
- Maintain contact with event facility personnel.
- Secure commitments from region community colleges to assure presence of key personnel and display material.
- Follow up as needed by telephone or email with invited vendors to establish attendance.
- Establish method of accounting for and securing required reporting information from donors.
- Follow up as necessary regarding donations until they are received.
- Immediately forward donation checks and any facility or refreshment billing to CCFC, as well as details of any non-monetary contributions received. Please let billing agents know that there could be a longer than normal time lag between billing and receipt of funds.

Community Colleges Regions List (Alphabetical by Region)

District	2016 Region	Proposed Coordinator
Cabrillo	Bay Area	
Chabot-Las Positas	Bay Area	
Contra Costa	Bay Area	
Foothill-DeAnza	Bay Area	
Gavilan	Bay Area	
Hartnell	Bay Area	
Monterey Peninsula	Bay Area	
Ohlone	Bay Area	
Peralta	Bay Area	
San Francisco	Bay Area	
San Jose/Evergreen	Bay Area	
San Mateo	Bay Area	
Solano	Bay Area	
West Valley - Mission	Bay Area	
Allan Hancock	Central Coast	
San Luis Obispo	Central Coast	
Santa Barbara	Central Coast	
Ventura	Central Coast	
Kern	Central Valley	
Merced	Central Valley	
Sequoias	Central Valley	
State Center	Central Valley	
West Hills	Central Valley	
West Kern	Central Valley	
Yosemite	Central Valley	
Barstow	Inland Empire	
Copper Mountain	Inland Empire	
Desert	Inland Empire	
Imperial	Inland Empire	
Mt San Jacinto	Inland Empire	
Palo Verde	Inland Empire	
Riverside	Inland Empire	
San Bernardino	Inland Empire	
Victor Valley Joint	Inland Empire	
Antelope Valley	Los Angeles	
Chaffey	Los Angeles	
Citrus	Los Angeles	
El Camino	Los Angeles	
Glendale	Los Angeles	
Los Angeles	Los Angeles	

Community Colleges Regions List – continued

District	2016 Region	Proposed Coordinator
Pasadena	Los Angeles	
Rio Hondo	Los Angeles	
Santa Clarita	Los Angeles	
Santa Monica	Los Angeles	
Marin	North Bay Area	
Mendocino-Lake	North Bay Area	
Napa	North Bay Area	
Redwoods	North Bay Area	
Sonoma	North Bay Area	
Cerritos	North Orange	
Coast	North Orange	
Compton	North Orange	
Long Beach	North Orange	
Mt San Antonio	North Orange	
North Orange	North Orange	
Rancho Santiago	North Orange	
South Orange County	North Orange	
Butte	Sacramento	
Feather River	Sacramento	
Lake Tahoe	Sacramento	
Lassen	Sacramento	
Los Rios	Sacramento	
San Joaquin Delta	Sacramento	
Shasta-Tehema-Trinity	Sacramento	
Sierra	Sacramento	
Siskiyou	Sacramento	
Yuba	Sacramento	
Grossmont-Cuyamaca	San Diego	
Mira Costa	San Diego	
Palomar	San Diego	
San Diego	San Diego	
Southwestern	San Diego	

Bond Campaign Fundraising Guidelines and Cautions

A primary purpose of the Political Reform Act is to publicly identify the sources of funds that are being used to finance political campaigns.

As you proceed with your plans to conduct Meet & Greet sessions for the purpose of raising campaign donations for the 2020 Statewide Bond Campaign, please keep the following points in mind.

1. Individual donations of \$100 or more must identify each of the following:
 - Donor's Name
 - Donor's Address (PO boxes NOT acceptable)
 - Donor's Occupation and Employer
2. Company or organization donation checks generally have printed company names and addresses on them, but if not, these must be provided. Cashier's checks and money orders may not be accepted.
3. If individuals are making contributions for which they will be reimbursed by their employer, a check directly from the employer simplifies the record keeping and reporting process. It may even be simpler for the employer, if multiple individual contributions are going to be made and reimbursed, to consolidate the contributions into a single check. Otherwise, the individuals must be reported as intermediaries for the employer and that information (for the ultimate contributor and the intermediary) must be clearly provided to the CCFC Issues Committee.
4. Bond campaign contributions are not tax deductible as charitable contributions for either individuals or companies.
5. Checks should be made payable to any of the following: Community College Facility Coalition Issues Committee, CCFC Issues Committee or CCFC IC.
6. The CCFC Tax ID is: 94-3189557. The FPPC ID is: 1220380.
7. No public resources may be used in the planning or hosting of CCFC - Issues Committee Fundraising events.

Historically, CCFC has kept a scorecard, which is posted on the CCFC website, showing the contributions attributable to each community college district. Meet & Greet organizers should continue this process in order to give credit where credit is due.

Major Donor Reporting

Persons - including corporations, nonprofit organizations, partnerships and individuals - which make \$10,000 or more in cumulative campaign contributions to California state and/or local candidates, ballot measures, PACs and/or political parties in a calendar year are "Major Donors" and must file semi-annual FPPC Form 461 reports. Major Donors making contributions of \$1,000 or more during the last 90 days before an election may be required to file "Late Reports" (FPPC Forms 497) within 24 hours.

Prohibition Against the Use of Public Resources

State law strictly prohibits public employees from participating in ballot measure campaigns during compensated work hours, or from expending public resources for campaign purposes. No campaign events or activities should be held on public properties or make use of public resources or equipment unless fair market rent is paid for the use either by CCFC Issues Committee or by a private donor as an in-kind contribution to the CCFC Issues Committee. Public facilities may be leased/rented for fundraising events as long as the facility is leased/rented at fair market value.

Foundations and Fundraising Q&A

Questions from: CCFC Issues Committee

Responses from: CCFC Issues Committee Legal Advisor, Steve Lucas with Nielsen, Merksamer, Parrinello, Gross & Leoni, LLP

- Q. Some of the districts I'm working with want to run everything through their foundation and send a single check to CCFC Issues Committee. As I understand it that will work provided they stay within the parameters of what they are permitted to do on a percentage basis of their foundation revenues.
- A. No, unfortunately that would not work, as that would turn the foundation into a political committee with its own extensive registration and reporting requirements. The foundations should NOT be fundraising into their foundation accounts for purposes of supporting the bond measure. If a foundation has non-donated revenues, such as interest or investment income, it may make contributions from such funds within the tax parameters set by the IRS.
- Q. I further understand that if contributions are made to foundations that they are tax deductible.
- A. No, not if contributions are made to the foundation for the purpose of sending the money on to a ballot measure committee.
- Q. In the past some people have wanted me to acknowledge their gifts to local foundations as contributions to a Bond Campaign effort. In these cases I've told them that they can have the tax deduction or the recognition, but not both.
- A. I agree that you should not do this. They should either make a charitable contribution to the foundation or a campaign contribution to CCFC Issues Committee. See above.
- Q. Some districts are inquiring whether public facilities can be leased for an event. They indicate that the law allows use (Civic Center Act) of facilities upon charge of a fee. Can this be done for these fundraising events? Another district indicates that they have a State Park facility in their area that is leased out for all kinds of events by private parties. Is this an option for that district?
- A. Yes, as long as leased at fair market value.




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June 9, 2014

TO: Supporters of California's Statewide School Bond

FROM: Steven S. Lucas 
Nielsen Merksamer Parrinello Gross & Leoni LLP
Counsel, Community College Facility Coalition Issues Committee

RE: Permissibility of 501(c)(3) Public Charity
Contributions to CCFC Issues Committee

This law firm serves as Treasurer of and Legal Counsel to the Community College Facility Coalition Issues Committee ("CCFC Issues Committee").

Organizations and foundations which are exempt from tax under Internal Revenue Code section 501(c)(3) and which are classified as "public charities" may not spend more than an "insubstantial" amount of their funds on "direct lobbying," which includes contributions to a statewide ballot measure committee such as CCFC Issues Committee. (See 2 IRS Reg. § 56.4911-2(b)(1)(iii)(d).)

A 501(c)(3) public charity which contributes to CCFC Issues Committee may rely on one of two rules to determine whether or not its expenditures for ballot measure activity (or other direct lobbying) are "insubstantial":

1. A case-by-case test, based upon all of the facts and circumstances surrounding the totality of the organization's spending and its proportionate expenditures for ballot measure activity. The consensus among tax practitioners is that expenditures of 5% or less of an organization's total spending for the tax year for lobbying will be "insubstantial," whereas 20% will be found to be "substantial." We generally advise that, absent making the 501(h) election described below, an organization concerned about a possible IRS finding that expenditures for direct lobbying are "substantial" should ensure that such spending remains below 5% of total tax year expenditures.

2. Alternatively, a 501(c)(3) public charity may make an election under Internal Revenue Code section 501(h). By making this election, the organization may take advantage of a "safe harbor" permitting it to spend up to 20% of

501(c)(3) Public Charity Contributions
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its first \$500,000 of total annual expenditures on direct lobbying, including ballot measure activity. The “safe harbor” contains a sliding scale which permits the 501(c)(3) organization, in addition, to spend up to 15% of its second \$500,000 of total annual expenditures, plus 10% of the third \$500,000, plus 5% of all expenditures over \$1.5 million (subject to a total direct lobbying expenditure cap of \$1,000,000 per tax year).

Please note that in order for a 501(c)(3) organization not to turn itself into a political recipient committee (subject to special reporting requirements), it should not solicit any contributions to the organization for political purposes, but rather should simply make use of existing funds to make a contribution to the CCFC Issues Committee. In addition, the 501(c)(3) organization should either make use of nondonor funds as the source of the campaign contribution, or should limit its campaign contributions to no more than \$50,000 in a 12-month period and \$100,000 in a period of four consecutive calendar years. (SB 27 (2014).)

Please note however that a 501(c)(3) organization may qualify as a California “Major Donor” if its state and local political contributions total \$10,000 or more during the calendar year. Major Donors must complete and file a Major Donor Report (FPPC Form 461) on a semi-annual basis, as well as 24-hour Late Contribution Reports (FPPC Form 497) for contributions of \$1,000 or more made during the last 90 days before an election. Please consult the Fair Political Practices Commission at www.fppc.ca.gov.

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