

## **Political Contributions for the 2020 Election: What Prospective Donors Should Know**

With the 2020 elections rapidly approaching, individuals may be considering making contributions to political candidates, campaigns, action committees (PAC), or parties. The following update identifies the campaign finance rules that donors are likely to encounter and provides guidance for making contributions in accordance with those guidelines.

### **2020 Federal Election Commission Guidelines**

The Federal Election Commission (FEC) imposes limits on the contributions donors may make during federal elections. Depending on whether the recipient is a candidate or campaign, national party committee, PAC, or local party, the FEC provides different limits on the amount and timeliness of contributions. Table A at the end of this article summarizes the applicable amount and timeliness limits.

#### **Candidates and Campaigns**

For presidential and congressional elections, donors may contribute up to \$2,800 per candidate for each of the primary and general elections, or \$5,600 during an election cycle. In order for a contribution to count towards the primary election limit, it must be made prior to the date of the primary election. For presidential candidates, the primary election ends on the date the candidate accepts their party's nomination.

#### **National Party Committees**

Donors may contribute up to \$35,500 per calendar year to the general account of a national party committee. They may contribute up to an additional \$106,500 per calendar year to each of (1) a national party's account specifically set up to fund legal proceedings and recounts; and (2) a national party's account specifically set up to defray certain office and building expenses.

#### **PACs and Super PACs**

Contributions up to \$5,000 per calendar year to a federal PAC are permissible and an unlimited amount may be made to super PACs.

#### **Local Parties Supporting Federal Elections**

The collective maximum amount donors can contribute to state, district, and local parties for a federal election is \$10,000 per calendar year.

#### **Campaign Finance Violations Can Result in Penalties**

The cost of violating campaign finance rules, whether inadvertent or intentional, can be high. Depending on the type and severity, a violation may lead to civil and/or criminal penalties. Civil penalties range from a "cease and

desist" agreement to substantial fines up to the greater of \$70,973 and 10 times the amount of the violating contribution. Criminal penalties ranging from one to five years of imprisonment may also be imposed for violations involving fraud, false statements, or publicly funded campaigns. While the risk of these penalties seem daunting, seeking legal advice prior to making campaign contributions could help donors avoid costly violations.

### **Special Matters to Consider**

In light of campaign finance rules, limits, and penalties, there are certain circumstances that donors will want to consider when making contributions to federal candidates, campaigns, and groups:

#### **Records of Contributions Are Available to the Public**

All political contributions are generally a matter of public record and may be obtained and reviewed by the public.

#### **Married Couples May Make Joint Contributions**

For married couples looking to make contributions, each spouse enjoys a separate contribution limit, even if only one spouse has income. Spouses that share a single bank account may make a joint contribution (i.e., a donation made by more than one person using a single check) out of their shared bank account, up to their combined contribution limits. When making a joint contribution, both spouses must sign the check or statement that accompanies the contribution. Note, however, that on the recipient campaign's FEC report the contribution will be reported as coming separately from each individual; joint contributions are not reported jointly on campaign finance reports.

#### **In-Kind Contributions Count**

In-kind contributions, such as providing to a candidate or campaign the use of a personal home, car, boat, plane, chef, or anything of value, is included in applicable individual contribution limits. This includes hosting an event at a donor's home or contributing food and drinks to an event. (Note: There is a limited exemption of \$1,000 per candidate toward the cost of food, beverage, and invitations for an event *held in an individual's home*. This exemption does not apply to any other type of in-kind contributions, nor does it apply to events not held at a donor's personal home.)

#### **Never Bundle Contributions**

Any contributions collected from other donors should be made out to the candidate, campaign, or committee directly. A donor's contribution should not be deposited into another individual's bank account and a separate contribution should not be made from funds received from another donor. Other donors, including a non-spouse partner or children, should never make contributions using a credit card for which another party pays.

#### **Never Make Contributions From a Business or Use Business Resources**

Direct contributions from corporations, charitable organizations, or labor organizations are not allowed. For example, corporate resources, such as office space or employees, should never be used to solicit or collect contributions or host an event.

#### **Additional Prohibitions**

*Foreign nationals* and *federal government contractors* are prohibited from making contributions to federal candidates or campaigns. These rules can be complex, and individuals with questions should consult with legal counsel if they have any questions over whether the prohibitions may apply to them.

Additionally, federal candidates or campaigns may not accept more than \$100 in cash from any particular source or more than \$50 in cash from an anonymous source. It is a best practice to make donations by check, online, or another written instrument.

### **Campaign Finance Rules Vary by State**

Contribution limits and other campaign finance rules vary by state, recipient, and election type. When considering contributing to state or local elections, individuals should consider consulting with trusted legal counsel.

### **We Are Here to Help**

Individuals planning on making political contributions or hosting political fundraising events may contact us to navigate these complex rules!

### **2020 Federal Election Commission Guidelines for Individual Donors**

<b>Recipient</b>	<b>Contribution Maximum</b>	<b>Contribution Limit Time Period</b>
Candidates/Campaigns	\$2,800	Per Election
National Party Committee	\$35,000	Per Calendar Year
PAC	\$5,000	Per Calendar Year
Super PAC	Unlimited	N/A
Local Parties Supporting Federal Elections	\$10,000 Combined to All Recipients Per Calendar Year	

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### **Authors**



## **Chris Hopkins**

Counsel

[CHopkins@perkinscoie.com](mailto:CHopkins@perkinscoie.com) [312.324.8443](tel:312.324.8443)

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