

Senate Ethics Committee

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ADVISORY OPINION #92-12

M E M O R A N D U M

To: Members, South Carolina Senate
From: Senate Ethics Committee
Re: Joint Fundraising Events
Date: December 23, 1992

A member has asked the Committee to consider whether two or more candidates may hold joint fundraising events. A member also asked whether it is permissible for one candidate to collect and deposit funds into his campaign account, pay expenses from his account and then distribute the proceeds to the other candidate(s).

Although joint fundraising activities are not prohibited under "The Ethics, Government Accountability, and Campaign Reform Act of 1991", this act does not specify how such activities should be conducted. Section 8-13-1340 prohibits a candidate from making a contribution to another candidate and also prohibits a candidate from making an independent expenditure¹ on behalf of another candidate. This prohibition does not extend to a "contribution from the candidate's own personal funds on behalf of the candidate's candidacy or to another candidate for a different office."

In this instance, the literature promoting this fundraising event clearly indicates that it is intending to raise money for two candidates. The member indicates in his request for an opinion

¹ Defined in Section 8-13-1300.

that "the funds are segregated as to receipt and expenditure, itemized solely to the [event] with net checks [forwarded to each candidate]. Solely for explicit recordkeeping the funds are run through [my campaign committee] account with complete reporting and annotation citing that this report is filed [with the other candidate's filing]."

The clear intent of Section 8-13-1340 was to prevent a candidate from circumventing the disclosure laws by transferring his campaign funds to another candidate. This provision also ensures that a contributor's contributions are to be used solely for the benefit of the person or committee to which the funds were given. In this instance, the Committee concludes that the actions of the candidates were in accord with this intent.

So long as a fundraising event clearly identifies on whose behalf the contributions are being solicited and copious records are maintained regarding receipt and expenditure of these contributions, it seems unduly burdensome to require that a new checking account be opened or a new committee to be formed for a single event. As to the reporting of contributions and expenditures, the Committee also advises that gross contributions should be equally apportioned to each candidate and expenses should be equally apportioned to each candidate and disclosed on each candidate's campaign filing. Since Section 8-13-1324 only authorizes anonymous contributions of \$25 or less at a ticketed event where food and beverages are served or where political merchandise is distributed, contributions in excess of \$25 must be individually and equally apportioned among the candidates involved and reported as provided in Sections 8-13-1308 and 8-13-1360.

Given the facts presented, the Committee concludes that it is permissible for a candidate to deposit the gross proceeds received from a joint fundraising event and then remit a proportionate share of the proceeds to each candidate involved so long as the contributions and expenditures are reported as described above.