

# Advisory Opinion

IECDB AO 2000-38

October 19, 2000

TO ALL INTERESTED PERSONS:

Pursuant to Iowa Code section 68B.32A(11), the Iowa Ethics and Campaign Disclosure Board takes the opportunity to issue its opinion on the issue of the proper reporting of campaign contributions when the contribution is made by a credit card over the Internet. We note at the outset that the Board's jurisdiction is limited to the application of Iowa Code chapters 56 and 68B and rules in Iowa Administrative Code chapter 351. Whether some other statutory system, common law theory or agency rule applies to this issue is not covered by this opinion.

OPINION:

It has been brought to the Board's attention that committees have set up accounts on the Internet to receive campaign contributions via credit card. Contributors submit a contribution amount charged on a credit card to a service vendor who takes a percentage as a "transaction fee" and submits the remaining amount to the committee's account. The issue then becomes whether the committee should disclose the entire amount of the contribution as originally made, or just the amount of the actual contribution placed in the committee's account.

We believe that it is better public disclosure for the committee to report the original amount of the contribution. The committee would then disclose the amount taken by the service vendor for the transaction fee. For example, a contributor makes a \$100.00 contribution to a committee via the Internet. The service vendor takes \$7.00 as a fee and transfers the remainder to the committee's account. The committee would disclose the name of the contributor and the \$100.00 "contribution". A \$7.00 "expenditure" to the service vendor would then be reported. It would be permissible to lump together the amount of fees the service vendor took during a reporting period and disclose that "expenditure" as a total amount.

BY DIRECTION AND VOTE OF THE BOARD

Bernard McKinley, Board Chair  
1st Vice-Chair Geraldine Leinen  
2nd Vice-Chair James Albert

Gwen Boeke

Mark McCormick

Phyllis Peters

-Submitted by: W. Charles Smithson, Board Legal Counsel