



Campaign Finance Handbook

CHAPTER 10: BUSINESS AND LABOR ORGANIZATIONS OVERVIEW

Corporate Business Campaign Finance Activity

A business that has filed articles of incorporation under [R.C. 1701](#) is a “corporation” for campaign finance purposes. Under Ohio law, the use of a corporation’s money or property for political purposes is restricted. Corporations, whether for-profit or nonprofit, are prohibited from giving money, items, personnel, space, or anything of value to:

- Candidate committees.
- Non-ballot issue PACs.
- Legislative campaign funds.
- Political party state candidate funds.
- Political party general funds.

A corporation’s use of a corporate logo in an endorsement or solicitation letter meant to support a candidate or political party is a prohibited use of corporate resources. But the placement of a campaign sign on the property of a corporation, nonprofit corporation, or labor organization is not a violation.

[R.C. 3599.03](#); [OEC Adv. 97ELC-05](#)

Generally, legal professional associations and other professional associations organized under [R.C. 1785](#), as well as limited liability companies (LLCs) established via [R.C. 1705](#), are not considered “corporations” for campaign finance purposes under [R.C. 3599.03](#). Thus, they are not prohibited from issuing one or more checks to make one or more individual contributions to partisan elections by individuals – partners, owners, or members – associated with the organization. For reporting purposes, these entities are considered unincorporated businesses or, if applicable, partnerships.

[OEC Adv. 96ELC-03](#)

Unincorporated Business Campaign Finance Activity

Business partnerships and businesses that have not filed articles of incorporation are not considered to be a “corporation” for campaign finance purposes. When a partnership or other unincorporated business uses its checking account to transmit a contribution, the contribution check or letter accompanying the contribution must include detailed information of each partner, owner, or member and their allocated portion of the contribution. The recipient of such a contribution must itemize each allocated portion according to the information provided. No contribution from a partnership or other unincorporated business may be accepted, deposited, or used unless the recipient has the allocation information necessary to itemize the contribution by the partners, owners, or members. If no specified attribution is made, the treasurer will attribute the contribution equally among all partners of the partnership or owners of the unincorporated business.

[R.C. 3599.03](#); [OAC 111:2-4-14](#); [OEC Adv. 96ELC-03](#)



Labor Organization (General Treasury Activity)

A labor organization may use its money or property, including dues monies, to support or oppose candidates, non-ballot issue PACs, legislative campaign funds, and political parties. Before making expenditures from dues monies, a labor organization must file [Form 30-D, Designation of Treasurer](#), establishing a political contributing entity (PCE). See [Chapter 8, Political Contributing Entities](#), for more information.

[R.C. 3517.10](#)

Ballot Issue Support

A corporation or labor organization may use its money or property to support or oppose a proposed or certified ballot issue or question. If the contribution is made as a monetary or in-kind contribution to a ballot issue committee, then the corporation or labor organization must file [Form 30-B-1, Contributions from a Corporation or Labor Organization Supporting or Opposing Ballot Issues](#), at the same filing location and by the same filing deadlines that the ballot issue committee must file campaign finance reports. See [Chapter 9, Ballot Issue Committees](#), for more information.

[R.C. 3599.03\(C\)](#)

If the corporation or labor organization uses its money or property to make an independent expenditure to support or oppose any ballot issue, then the organization must file [Form 30-B-2, Independent Expenditures from a Corporation or Labor Organization Supporting or Opposing Ballot Issues](#). This form must be filed at the county board of elections for local issues or at the Secretary of State's office for statewide issues.

[R.C. 3517.105\(C\)\(2\)](#)

Non-Partisan Activity

Corporate and labor organization general treasury funds may be used for programs, such as voter registration drives or debates that do not promote a particular candidate, PAC, or political party.

Nonprofit Corporations

Under campaign finance laws, nonprofit corporations organized under [R.C. 1702](#) have the same campaign finance restrictions as for-profit corporations.

In addition, nonprofit corporations that communicate information in support of or opposition to a political party or candidate for election are subject to the same reporting requirements as for-profit corporations and labor organizations.

[R.C. 3599.03\(G\)](#)

Use of a nonprofit corporation's money or property for political purposes may or may not impact the tax-exempt status of the nonprofit corporation. Questions related to a nonprofit corporation's permitted or prohibited political activities based on the tax-exempt status of the corporation should be directed to the Internal Revenue Service.

Internal Revenue Service
800-829-1040
[IRS.gov](https://www.irs.gov)



Payroll Deduction Plans

Employers, including corporations (for-profit and nonprofit), partnerships, limited liability companies, and labor organizations, may make deductions for political use from the wages or salaries of employees who sign authorizations for such deductions. This authorization must be signed separately from an application for membership in, or authorization of payment of dues to, any organization. Employees must specify in writing how their money is to be spent (e.g., to a PAC or PCE). The actual cost of deducting and forwarding contributions may be paid by the employer or may be deducted from the employee's contribution. All decisions on who receives contributions must be made by the employee.

Employers may open separate accounts in the name of the employee where the money may be kept until the employee designates a recipient. All checks forwarded to recipients should provide the employee contributor's name, address, and amount contributed. Earned interest cannot be distributed in a manner other than by the employee's choice or a ratio based on the employee's choice. Recipients of donations aggregating \$50 or less in a calendar year from individuals contributing via this method need not itemize the contributor information.

[R.C. 3517.10, 3599.031; OAC 111:2-4-12](#)

Sponsoring a PAC

A corporation (for-profit or nonprofit) or labor organization may sponsor a PAC. Sponsorship is stated on the PAC's Designation of Treasurer. Sponsorship permits the corporation or labor organization to pay certain establishment, administrative, and solicitation expenses on behalf of the sponsored PAC. Examples of these expenses include attorney fees and computer, copying, and bookkeeping costs.

The corporation or labor organization may also pay certain costs related to the solicitation of contributions for the sponsored PAC. These expenses must be paid directly by the corporation or labor organization or be paid into a separate administrative account set up by the PAC. The sponsor may not reimburse the PAC for these expenses. The sponsored PAC must report these expenses on [Form 31-I, Establishment, Administrative and Solicitation Expenses](#). Corporate expenditures made to benefit Ohio state or local candidates or political parties are not considered establishment, administrative, or solicitation expenses. See [Chapter 7, Political Action Committees](#), for more information.

[R.C. 3517.082; OAC 111:2-3-01 to 111:2-3-07](#)

When a PAC is sponsored by a corporation or labor organization, the name of the sponsor must be in the name of the PAC.

[OAC 111:2-1-04](#)



Political Party Support

Building Fund

Political parties may set up a separate account called a Building Fund and may accept direct corporate gifts for this purpose. A corporation or labor organization may use general treasury funds to make gifts to the building fund of state and county political parties, as long as the Building Fund is specifically designated and used to defray any cost incurred for the construction, renovation, or purchase of an office facility. Public utilities, however, are prohibited from making such gifts.

[R.C. 3517.101](#), [3599.03\(D\)](#)

Restricted Fund

A corporation or labor organization may also use general treasury funds to make gifts to the restricted fund of state and county political parties. These gifts are limited to \$10,000 per restricted fund per calendar year. The restricted fund of a political party is established to pay or defray the operational costs of the party and may not be used to support or oppose any particular candidate. For example, the restricted fund may pay for political party staff, office supplies, and shared equipment, including computer hardware and software.

[R.C. 3517.1012](#), [3517.13\(X\)](#)

Levin Account

Each state political party may establish a Levin account that may be used to pay or defray the costs of voter registration, voter identification, and get-out-the-vote activity. Any corporation or labor organization may make a gift to a Levin account in a calendar year in which a candidate for federal office will appear on an election ballot in this state. These gifts are limited to \$10,000 per applicable calendar year. Corporate or labor organization gifts to a Levin account are prohibited during a calendar year in which no candidate for federal office will appear on an election ballot in this state.

[R.C. 3517.1013](#)

A corporation or labor organization is not required to report making gifts to the building, restricted, or Levin accounts of a political party. The recipient political party has the requirement to report these gifts in the party's disclosure statements.