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Executive Director
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Elaine Olson, Vice Chair
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Mary Rueter
Daniel Jessop
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IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

ADVISORY OPINION 2022-03

SUBJECT: Use of Venmo for Campaign Contributions

The Iowa Ethics and Campaign Disclosure Board issues this Advisory Opinion *sua sponte* pursuant to Iowa Code section 68B.32A(12) and Iowa Administrative Code rule 351-1.2(1).

We note at the outset that the Board's jurisdiction is limited to the application of Iowa Code chapters 68A, 68B, Iowa Code section 8.7, and rules in Iowa Administrative Code chapter 351. Advice in a Board advisory opinion, if followed, constitutes a defense to a subsequent complaint based on the same facts and circumstances.

BACKGROUND

Venmo is a mobile payment service created in 2009 and designed to be a peer to peer payment service; since 2012, it has been owned by PayPal.¹ Venmo primarily allows users to send and receive funds to other individuals through the service after connecting a bank account, credit card, or other form of payment.

QUESTION POSED

Does Iowa law allow campaigns to use Venmo to receive contributions?

OPINION

Iowa Code chapter 68A contains numerous requirements for the management of campaign funds. However, Chapter 68A does not set forth any requirements regarding the method in which funds must be received by a campaign. Campaigns receive funds in different ways, ranging from personal checks to electronic payments through online fundraising platforms such as ActBlue or WinRed.

After contacting Venmo for guidance, the Board was informed the service was designed exclusively for individuals and businesses. Venmo does not currently offer a service designed for peer to peer donations to non-profit organizations, including political

¹ www.Venmo.com/about/us

campaigns. Instead of using their service, Venmo recommends campaigns use alternative electronic payment services such as PayPal or Braintree, which can be integrated with a campaign's website or mobile application.

While Venmo advises against the use of their service for campaigns, there is no prohibition on the use of Venmo by campaigns in Iowa law. Our counterparts in other states, including Minnesota² and Ohio³, have ruled that campaigns may use Venmo as well. However, the use of Venmo does not nullify the other requirements for campaigns as found in Iowa Code chapter 68A and Iowa Administrative Code chapter 351.

Other requirements, such as maintaining funds in a financial institution located in Iowa⁴ and recording the name and address of those contributing in excess of twenty-five dollars⁵, are still enforced regardless of how a campaign chooses to receive contributions.

Iowa Code section 68A.203(2)(d) and Iowa Administrative Code rule 351-4.5(1) require campaign funds to be segregated from all other funds, including personal funds held by a candidate, officer, or treasurer of a campaign. If a campaign wishes to use Venmo to accept contributions, a dedicated campaign Venmo account shall be created and used. A separate campaign account will ensure that contributions do not get commingled with any personal funds held by an individual in a personal Venmo account.

In order to ensure full compliance with Iowa law, we encourage campaigns to exercise caution in using Venmo to receive campaign contributions and to seek additional guidance from the Board when necessary.

BY DIRECTION AND VOTE OF THE BOARD:



James Albert, Chair
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² www.startribune.com/a-vote-for-venmo-one-minnesota-lawmaker-gives-fundraising-via-payment-app-attempt/563915862/

³ www.jdsupra.com/legalnews/ohio-s-campaign-finance-laws-permit-use-7004988/

⁴ Iowa Code section 68A.203(1)(b)

⁵ Iowa Code section 68A.203(2)(b)

SUBMITTED BY:

Zachary S. Goodrich, Executive Director and Legal Counsel

ISSUED ON:

September 22, 2022

Pursuant to Iowa Administrative rule 351-1.3(3), a person who has received a board opinion may, within 30 days after the issuance of the opinion, request modification or reconsideration of the opinion. A request for modification or reconsideration shall be deemed denied unless the board acts upon the request within 60 days of receipt of the request. Pursuant to Iowa Administrative rule 351-1.3(6), a person who has received a board opinion or advice may petition for a declaratory order pursuant to Iowa Code section 17A.9. The Board will refuse to issue a declaratory order to a person who has previously received a board opinion on the same question, unless the requestor demonstrates a significant change in circumstances from those in the board opinion.