
Growing Pains: Getting to the Next Level with PAC Match

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Case Study

PSEG PAC

- *Mid sized utility PAC*
- *Conservative culture*
- *Rebranded and re-launched with best practices in 2008*
- *From 2008 -2012 increased receipts from \$122,000 to \$232,000 per election cycle*
- *Goal = \$300,000 per election cycle*
- *Stuck - Needed plan to accelerate*

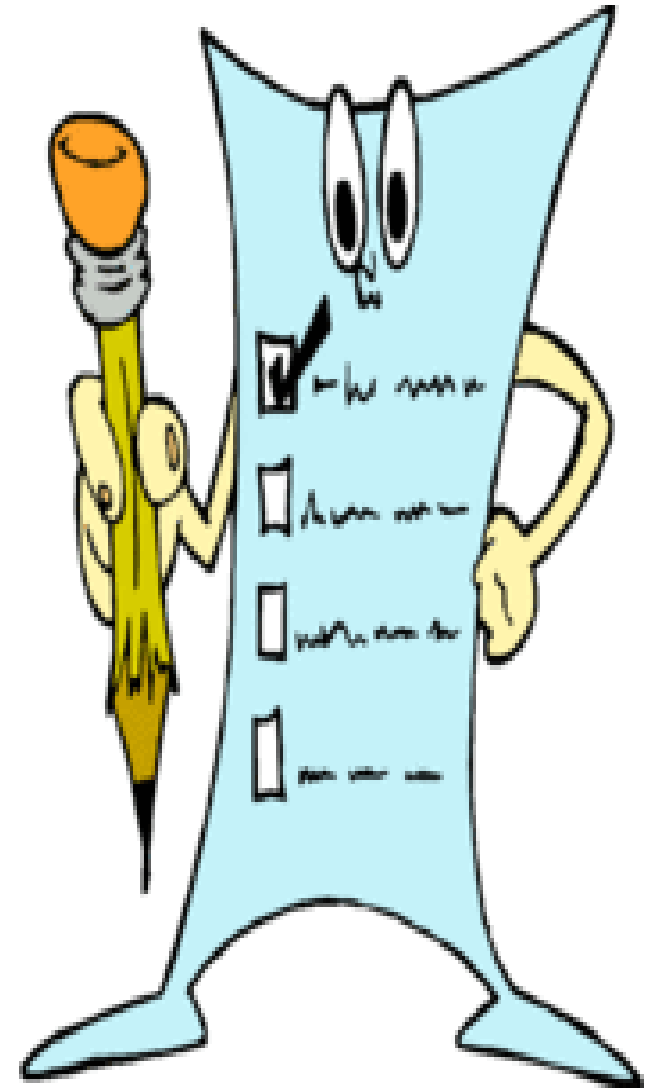
Data Analysis

- *High Upper Management Participation Rates (VP's & Directors)*
- *Low middle management participation*
- *Many members under suggested giving level*



PAC Survey

- PAC Match perceived as valuable
- Non members on fence could be motivated by PAC Match
- Existing members could be motivated to increase levels



Executive Support: Making the Pitch

- Potential to increase participation/receipts
- Win/Win for Company and Employees
 - PSEG can demonstrate and highlight greater participation within the charitable community
 - Offering a PAC Match program will encourage non-donors to invest and increase donor goodwill knowing their favorite charities and local communities will benefit
- Coordination with Corporate Foundation
- Budget Projections



Decisions: PAC Match Eligibility

Top Contributor Model

Only employees giving at the the suggested giving level will have their contributions matched dollar for dollar.

This method could also be used with 50 cents for every dollar.

Hybrid Model

Eligible employees contributing at the recommended guideline level would have their contributions matched dollar-for-dollar up to a certain level.

Those contributing less than the recommended guideline level could have their contributions matched at 50 cents for every dollar.

Payroll Deduction Only

To ease administration burden- match only contributions via payroll deduction and not personal checks.

All or Nothing Model

All PAC Members would have their contributions matched either dollar for dollar or 50 cents for every dollar.

Choices: Charities

2012 Public Affairs Council PAC Match Survey - Most PACs do not limit the number of charities employees can give to.

Split Charity Donation

The employee would have the option to designate different portions of their match to multiple charities (50% to XYZ charity and 50% to ABC charity)

100% to one charity

The employees PAC Match contribution would go to one single charity

Possible PAC Match Charity Restrictions

Must be educational or arts oriented

Can't be religious

Must be a 501(c)(3)

Limited to a specific local project

PAC Match Legalese

- ❖ **Neither the charitable contribution nor the PAC contribution is tax deductible.**
- ❖ **Foundation monies can't be used**
- ❖ **Company cannot receive a tax benefit from the charity match disbursement.**

Frequency & Type of PAC Match Check Distribution

How often to distribute PAC Match?

- Quarterly
- Semi –Annually
- Annually

One Check per Charity

Company would cut one check for each charity and include a letter with the names and amounts of the contributors

One Check per Contributor

Company would cut individual checks to the different charities for each PAC Match

PAC Match Effectiveness

- PAC receipts increased 34% by having PAC Match in place.
 - 2014 Election Cycle = \$232,000
 - 2016 Election Cycle Projections = \$300,000
- PSEG offers PAC Match to contributors at suggested giving levels and matches dollar for dollar up to \$1,000.



PAC Match Results

**Increased
Support From
Board of
Directors**

**Members increased
PAC contributions to
qualify for the
program**

**Helped attract
new donors**

**Positive Feedback from
Participants and
Charities**

PAC Match Checklist

- ☐ **Determine who in PAC is eligible**
- ☐ **Will PAC Match be limited to payroll deduction contributors?**
- ☐ **Determine amount of match from eligible PAC contributors to charities (1:1, fifty cents/dollar)**
- ☐ **Determine number of charities PAC Match program will contribute towards**
- ☐ **Determine the number charities employees can designate for their contribution.**
- ☐ **A letter from the company each donation?**
- ☐ **Determine if one check per charity or one check per PAC Match will be written**
- ☐ **Determine when PAC members will designate their charities (at time of enrollment or time the charitable contributions are made)**
- ☐ **Determine frequency of PAC Match donations (Annually, Semi-Annually, etc.)**
- ☐ **Determine if there will be any restrictions on PAC Match**
- ☐ **How will PAC Match program be communicated to PAC Members?**

Administration

Administered PAC Match through the existing PAC system

- Build the organization framework of the PAC Match program
- Work with to ensure PAC Match program meets corporate guidelines
- Ensure organizational requirements are met in matching PAC contribution
- Create and disseminate email confirmations to each contributor, as changes are made for PAC enrollment change and the PAC Match designation
- Work with charitable organizations paid through the PAC Match program to adhere to both IRS regulations
- Research charitable organizations to be paid through the PAC Match program to determine eligibility to receive funds (verify 501c(3) status)
- Issue disbursements in a timely manner in agreement with the timeframe set
- Manage PAC Match Materials (Separate PAC Match Checks, Separate PAC Match Bank Account, PAC Match Letters)

Lessons

- Communicate, Communicate, Communicate
- Get PAC Member Charity Designation ASAP
- Work with Procurement and Internal Audit
- Vet Charities Early and Often
- Review Disbursement Frequency

