PACs: The Importance of Association Political Involvement
What is a PAC?

PACs: The Importance of Association Political Involvement

Like-minded individuals

Connected by issues, beliefs or employment

Combine resources to support candidates who support the company’s interests and issues
Why Have PACs?

- Associations are prohibited from directly contributing to federal candidates – but they may operate a PAC.

- A PAC is strictly regulated by the FEC and only allows for voluntary, individual contributions under stringent guidelines for participation.

- A PAC is a legal, transparent and federally monitored means of expressing united interests with one powerful voice.

- A PAC is *power in numbers*. 
PACs and supporting candidates are the only things an association cannot do for itself and for which it relies on its members for support.
Why Have PACs?

- Benefit of PACs
  - Increase audience’s understanding of political process
  - Connect donors with candidates to educate them on issues, org
  - Provide election/political information to further good government
  - Build relationships with candidates
  - Advance organizational/government affairs priorities
Where Does the PAC Fit?

Lobbying team monitors top legislative priorities & opportunities and informs grassroots and PAC teams of issue champions in Congress.

Post-election, stakeholders provide input on legislative priorities to help develop legislative agenda.

Lawmakers and agencies are lobbied on organization's legislative priorities & educated on impact of legislation.

The PAC supports the re-election of legislators.

Grassroots team educates membership on priority issues; asks for action alert, grassroots response.
PACs in 2019

There are more than 4,000 connected PACs in the United States (connected to an association, labor organization or corporation.

More than half are corporate PACs.

PACs contributed $497 million to federal candidates in the 2018 election cycle ($473 million in the 2016 cycle).
Super PACs and Association PACs

An association PAC is not a super PAC.

Super PACs are:

• Individual and corporate money spent on uncoordinated ads and communications
• Super PAC money is not contributed directly to candidates

The only entities that can give to candidates are individuals and PACs connected to organizations.
### Distinguishing Between association PACs and super PACs

#### FEC Reporting Requirements

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<thead>
<tr>
<th>Corporate and Association PACs</th>
<th>Super PACs</th>
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<tbody>
<tr>
<td>Report to the FEC (not the IRS, like 527s)</td>
<td>Register with the FEC as a non-connected political committee</td>
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<tr>
<td>Required to report all receipts and expenditures</td>
<td>Largely the result of <em>Citizens United</em></td>
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<tr>
<td>Register with the FEC as a connected PAC</td>
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<tr>
<td>Not affected by <em>Citizens United</em></td>
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#### Use of Corporate Funds

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<tr>
<td>General treasury funds from connected organizations (corporations or associations) may be used only to pay fees associated with PAC administration</td>
<td>Can raise money from corporations, associations, unions and individuals</td>
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<tr>
<td>Corporations and associations <strong>cannot</strong> contribute directly to the PAC</td>
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Distinguishing Between association PACs and super PACs

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<th>FUNDRAISING AND DISBURSEMENT LIMITS</th>
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<td><strong>Corporate and Association PACs</strong></td>
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<tr>
<td>Strict limits — Can accept a maximum of only $5,000 per year from <strong>eligible</strong> individuals</td>
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<td>Disbursement limits — Can contribute up to $5,000 per federal candidate committee per election</td>
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<th>EXPENDITURE RULES</th>
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<td>Funds can be given directly to federal candidate committees</td>
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<td>Allowed to communicate and coordinate with candidates and other recipients</td>
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# The Truth About PACs

## Facts About PACs
- PACs are an offensive measure in government affairs efforts
- PACs help elect the right people to office
- PACs are a tool to build relationships with candidates
- PACs get more Americans engaged in the political process
- PACs enable your association to be a visible player

## PAC Myths
- PACs buy elections/votes: Every PAC has the same $5,000 contribution limit
- PACs are dirty: PACs are not only legal, but highly regulated, the “original campaign finance reform”
- PACs are a slush fund: PACs go through a well-defined, carefully reviewed budgeting process to allocate funds
Benefits of the PAC:
Individual

- Access to political process
- Information source
- Gifts/recognition
- Special events
- Political involvement & information
- Election resources
Benefits of the PAC: Association

- Proactive measure
- Supplements government relations efforts
- Assists association to be a visible player in DC
- Promotes good government and civic engagement