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

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
  - Connect donors with candidates to educate them on issues, org
  - Provide election/political information to further good government
  - Advance organizational/government affairs priorities
  - Build relationships with candidates
  - Increase audience’s understanding of political process
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, grassstops response.
PACs in 2021

There are more than 3,000 connected PACs in the United States, connected to an association, labor organization or corporation.

Approximately 950 are association PACs

Association PACs contributed approximately $230 million to federal candidates in the 2020 election 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

FACT

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>
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<tr>
<td>Required to report all receipts and expenditures</td>
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<tr>
<td>Register with the FEC as a connected PAC</td>
<td>Register with the FEC as a non-connected political committee</td>
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<tr>
<td>Not effected by <em>Citizens United</em></td>
<td>Largely the result of <em>Citizens United</em></td>
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### Use of Corporate Funds

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<tr>
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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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<tr>
<th>FUNDRAISING AND DISBURSEMENT LIMITS</th>
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<td><strong>Corporate and Association PACs</strong></td>
<td><strong>Super PACs</strong></td>
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<tr>
<td>Strict limits — Can accept a maximum of only $5,000 per year from eligible individuals</td>
<td>No limits — Can accept unlimited contributions from corporations, associations, unions and individuals</td>
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<tr>
<td>Disbursement limits — Can contribute up to $5,000 per federal candidate committee per election</td>
<td>No disbursement limits — Can spend unlimited amounts of money on independent expenditures only (i.e. radio, TV, print ads)</td>
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<th>EXPENDITURE RULES</th>
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<td><strong>Corporate and Association PACs</strong></td>
<td><strong>Super PACs</strong></td>
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<td>Funds can be given directly to federal candidate committees</td>
<td>Cannot contribute to federal candidate committees</td>
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<tr>
<td>Allowed to communicate and coordinate with candidates and other recipients</td>
<td>Contributions are made in the form of independent expenditures</td>
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<td>Cannot coordinate independent expenditures with candidate committees</td>
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The Truth About PACs

Facts About PACs

- PACs are an offensive measure in government affairs efforts
- PACs are a tool to build relationships with candidates along with other advocacy efforts
- PACs get more Americans engaged in the political process
- PACs enhance your association's visibility
- PACs are highly regulated and serve as an example of “campaign finance reform that works”
- PACs go undergo a thorough, carefully reviewed budgeting process to allocate funds
- PACs are governed by advisory committees/boards comprised of association members
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