

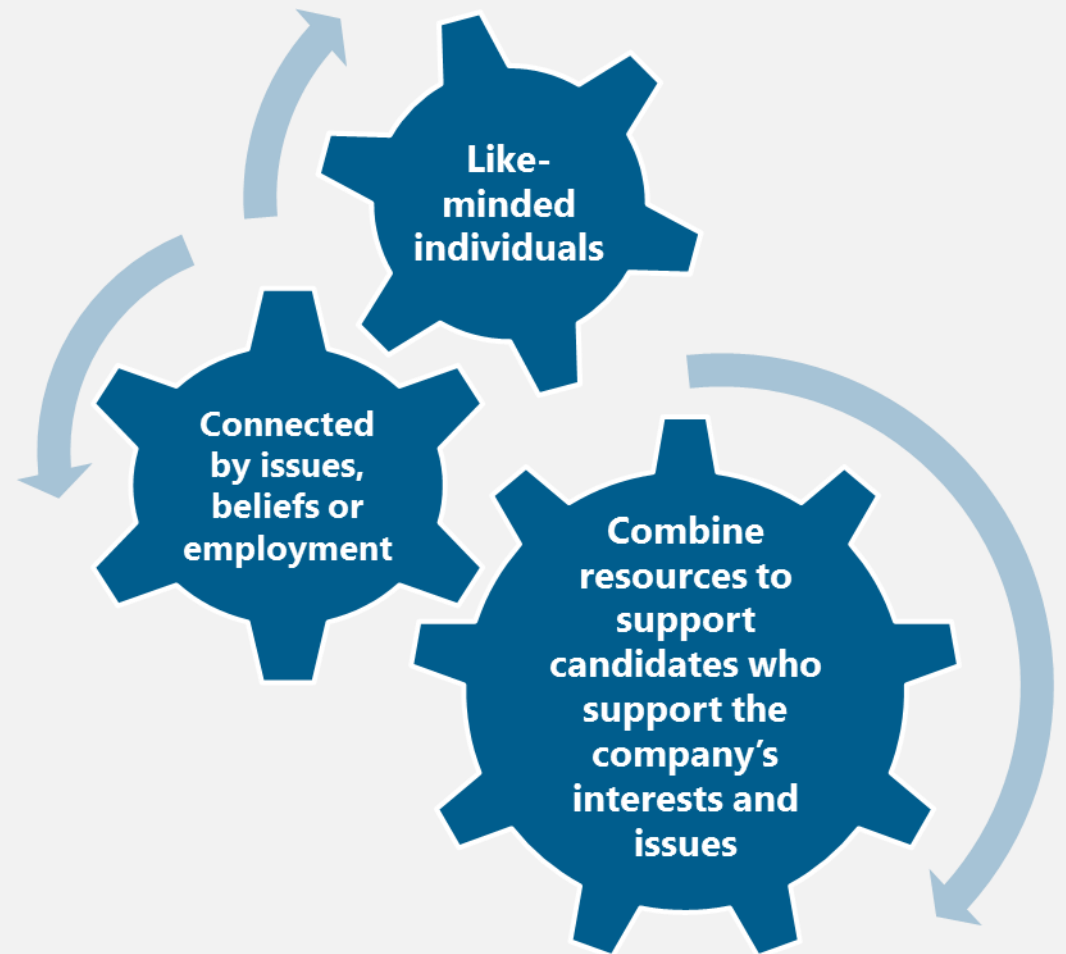


Public Affairs  
Council

**PACs:**

**The Importance of Corporate Political Involvement**

# What is a PAC?



# Why Have PACs?

- Corporations 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.***

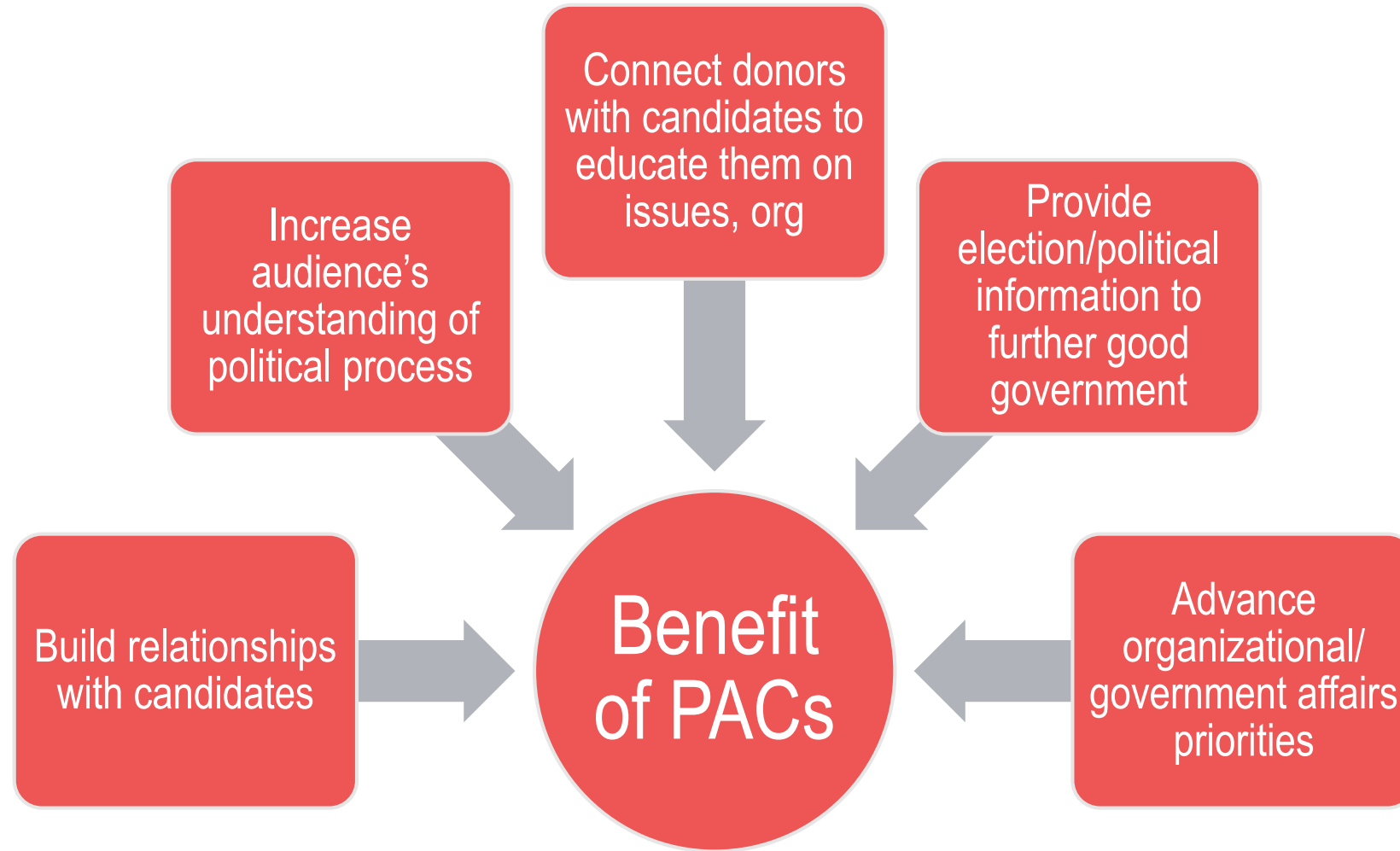


# Why PACs?

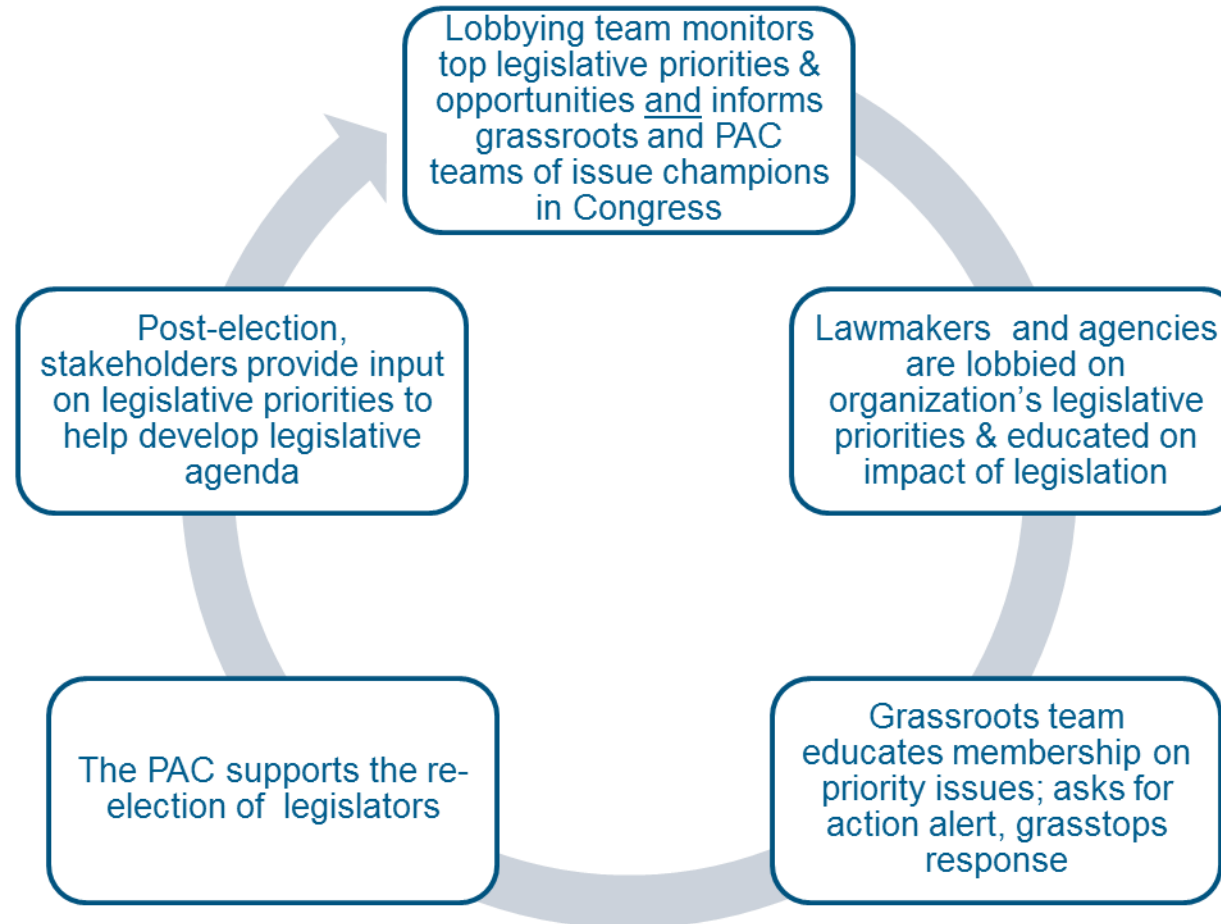
PACs and supporting candidates are the only things a company cannot do for itself and for which it relies on its employees for support.



# Why Have PACs?



# Where Does the PAC Fit?





# Super PACs and Corporate PACs

Super PACs are:

- Individual and corporate money spent on independent expenditures (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 corporate PACs and super PACs

FEC REPORTING REQUIREMENTS	
Corporate and Association PACs	Super PACs
Report to the FEC (not the IRS, like 527s)	
Required to report all receipts and expenditures	
Register with the FEC as a connected PAC	Register with the FEC as a non-connected political committee
Not effected by <i>Citizens United</i>	Largely the result of <i>Citizens United</i>

USE OF CORPORATE FUNDS	
Corporate and Association PACs	Super PACs
General treasury funds from connected organizations (corporations or associations) may be used only to pay fees associated with PAC administration	Can raise money from corporations, associations, unions and individuals
Corporations and associations <b>cannot</b> contribute directly to the PAC	

# Distinguishing Between corporate PACs and super PACs

FUNDRAISING AND DISBURSEMENT LIMITS	
Corporate and Association PACs	Super PACs
Strict limits — Can accept a maximum of only \$5,000 per year from <b>eligible</b> individuals	No limits — Can accept unlimited contributions from corporations, associations, unions and individuals
Disbursement limits — Can contribute up to \$5,000 per federal candidate committee per election	No disbursement limits — Can spend unlimited amounts of money on independent expenditures <b>only</b> (i.e. radio, TV, print ads)

EXPENDITURE RULES	
Corporate and Association PACs	Super PACs
Funds can be given directly to federal candidate committees	Cannot contribute to federal candidate committees
Allowed to communicate and coordinate with candidates and other recipients	Contributions are made in the form of independent expenditures
	Cannot coordinate independent expenditures with candidate committees

# 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, just like other traditional advocacy efforts
- PACs get more Americans engaged in the political process, the original small dollar donors
- PACs enable your company 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, they are 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
- PAC charitable match

# Benefits of the PAC: Company

- Proactive measure
- Supplement government relations efforts
- Strengthen political relationships
- Be a visible player
- Vehicle for good government



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