



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***.

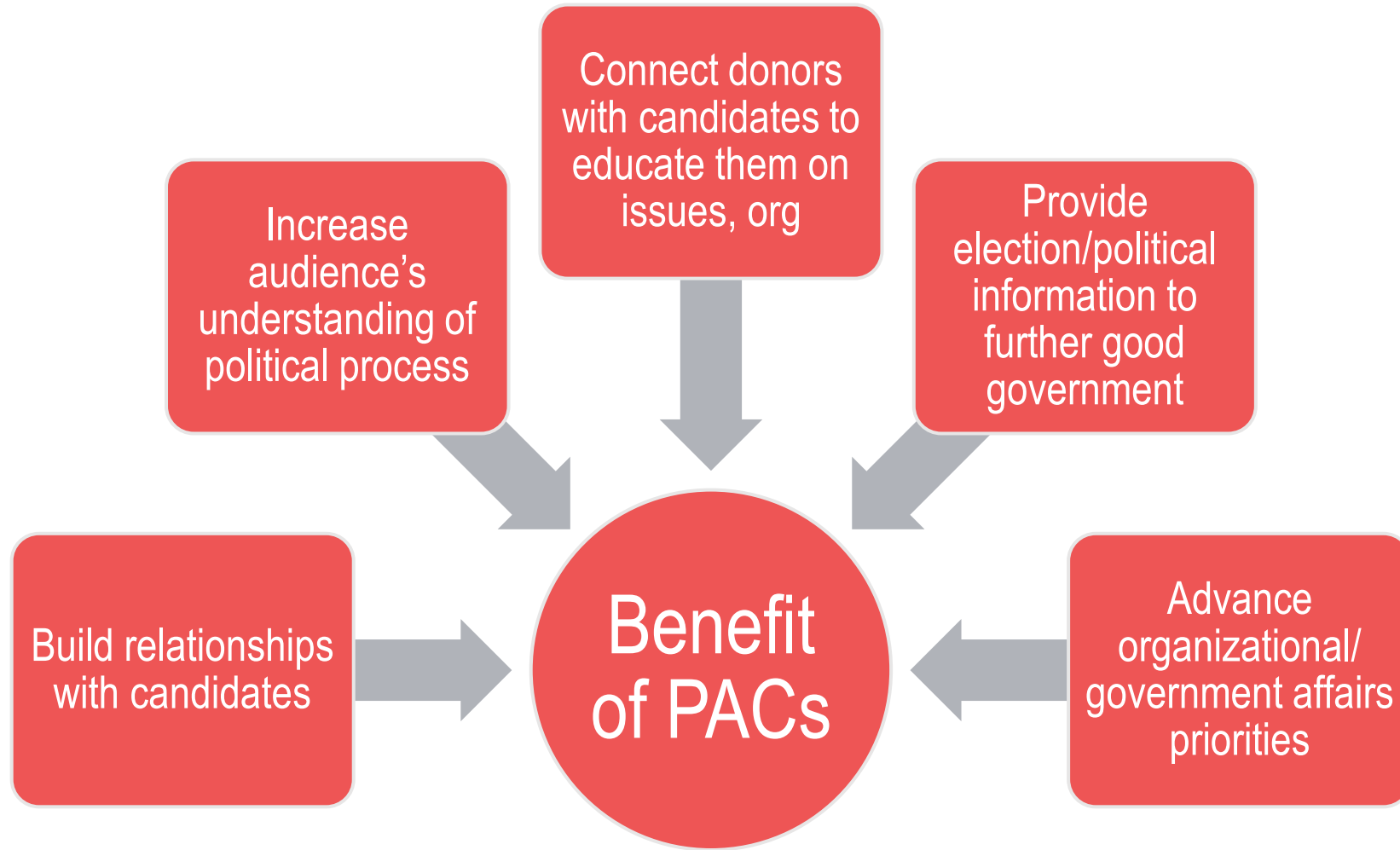


# Why PACs?

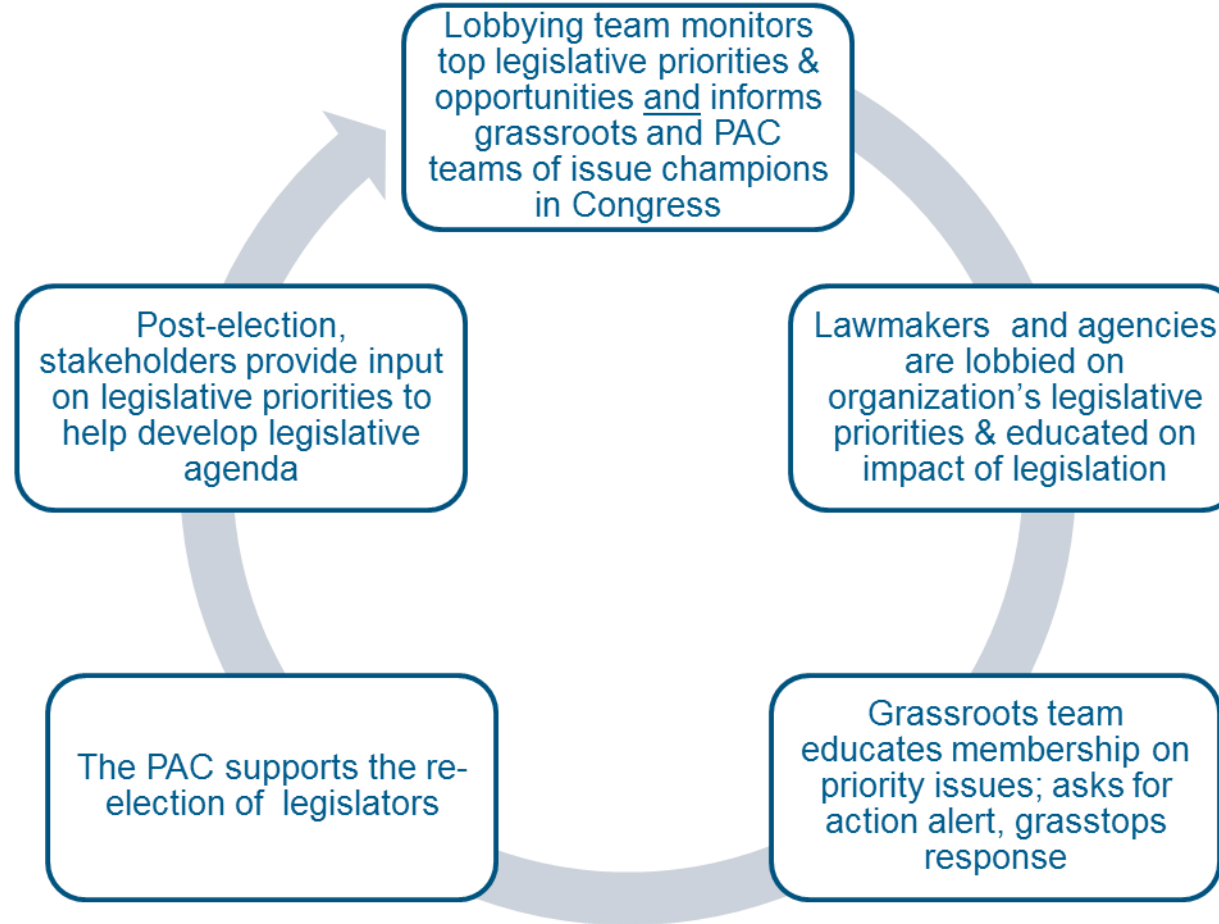
PACs and supporting candidates are the only things a company cannot do for itself and for which it relies on its employees for support.



# Why Have PACs?



# Where Does the PAC Fit?



# PACs in 2021



91% of the  
2019 Fortune 100  
companies  
have a PAC

Approx. 1,740 companies in the United States operate a PAC

Corporate PACs contributed \$371 million to federal candidates in 2019-20

# 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<br><br>Allowed to communicate and coordinate with candidates and other recipients | Cannot contribute to federal candidate committees                    |
|   | 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 enhance your company's visibility
- PACs are not only legal, but highly regulated, they are an example of "campaign finance reform that works"
- PACs go through a thorough, carefully reviewed budgeting process to allocate funds
- PACs are governed by advisory committees/boards comprised of employees across departments and sectors

# Benefits of the PAC: Individual

- Access to political process
- Amplifying your voice through collective action
- Information source
- 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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