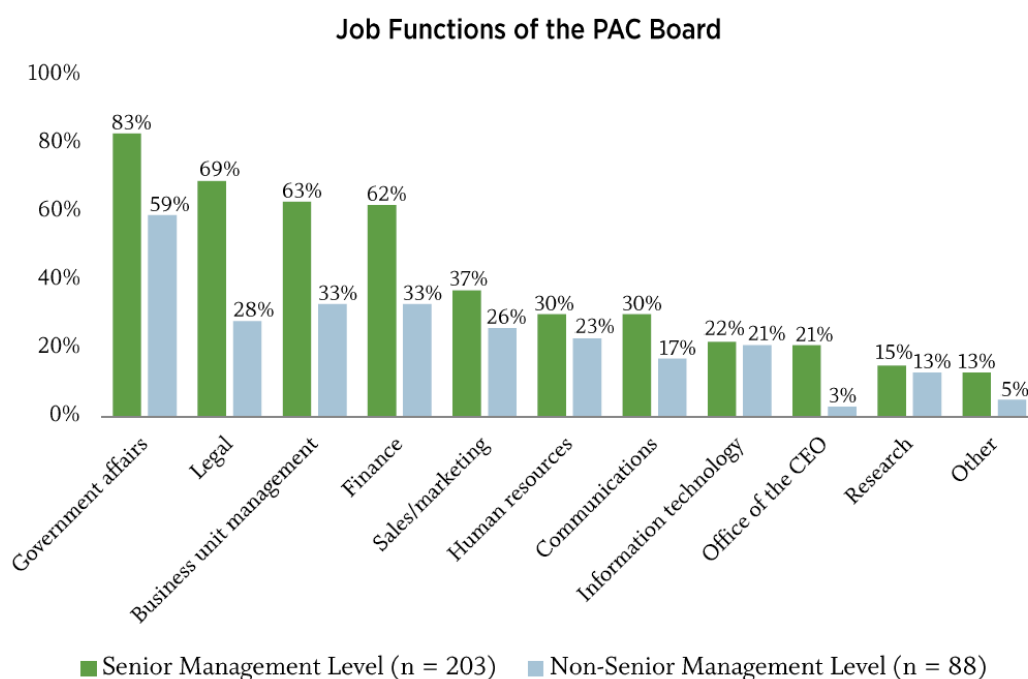


Tips for a Successful PAC Board

The more structured and organized a PAC board is, the better it will serve as a model for the entire PAC and increase transparency. A well-structured, effective PAC board can help support buy-in for new members or existing members by serving as a means of incorporating the “people” into the PAC. The size and role of a PAC board depends largely on the corporate culture. Even though that culture may vary from organization to organization, below are some tips for an effective and successful PAC board:

A Democratized PAC Board Structure

In the *2015 Corporate PAC Benchmarking Report*, the median PAC had nine PAC board members. These board members came from a variety of company departments and levels:



To increase buy-in for the PAC, the PAC board should represent the different functions and units within the organization and should not be comprised only of senior management. A truly democratized board should evenly represent all departments, divisions, ethnicities and applicable job levels within the company. PAC boards structured like this create a sense of PAC-member ownership. Ideally, the PAC board will include rising stars in the company, who view service on the PAC board and activities in support of the PAC as a way to show their leadership within the company.

To ensure a steady stream of fresh voices representing the PAC, PAC board members should have defined terms of service. But at the same time, it's important to maintain some institutional knowledge and not have to retrain a new board each year.

So a good rule of thumb is to set board members' terms somewhere in the range of two to four years in length. In addition, board members should rotate on and off at different times (e.g., in a PAC with a board size of eight, two members would rotate off in year 1, two members would rotate off in year 2, etc.).

Well-Defined Board Roles

The top five PAC board activities identified in the Council's *2015 Corporate PAC Benchmarking Report* were:

- Approves changes to PAC bylaws (90% of respondents)
- Approves contributions to candidates (77% of respondents)
- Provides internal budget planning/oversight (51% of respondents)
- Manages strategic planning/goal setting (49% of respondents)
- Signs/sends solicitation letters or emails (46% of respondents)

Ultimately, the PAC board should create and/or approve candidate contribution criteria, serve as a source of candidate recommendations, solicit feedback from PAC members on all aspects of the PAC, provide some direction on legislative and political priorities for PAC dollars, give final approval for contributions, serve as an advocate on behalf of the PAC and be actively involved in the solicitation process.

PAC board members should also have clearly defined job descriptions. Below are some sample expectations for board members outlined by a Public Affairs Council member company:

Board Member Expectations

- Be recognized as a leader and a strong supporter of the PAC
- Vote to approve/disapprove PAC contribution requests
- Attend monthly board meetings, either in person or via teleconference (Board members should not miss more than two meetings per year)
- Contribute financially to the PAC
- Host at least one special event per year for eligibles in your division or facility
- Lead successful solicitation campaigns for all PAC-eligible employees in respective business units
- Develop and maintain a strong working relationship with the management of your area in support of the PAC
- Provide frequent updates on PAC activities by communicating regularly with eligibles in the business unit
- Help identify future PAC board leaders

Many PAC boards have a chairman who serves as the face of the PAC, leads PAC events and contacts eligible employees during solicitation campaigns. The only legally required PAC position is that of treasurer, which a PAC must have to collect and disburse funds. This position is sometimes held by a member of the board; but more often, it is a permanent position held by counsel, the head of government affairs, a member of the finance team or the PAC administrator. PACs should also assign an assistant treasurer and register that individual with the FEC. In the event that the treasurer is unable to fulfill his or her duties, the assistant treasurer would be able to take over.

To motivate PAC board fundraising and solicitation activity, some PACs are moving toward incorporating fundraising or participation goals in PAC board members' "job description." In addition, PACs are working to further recognize top PAC board performers, such as bringing them to a Washington, D.C., fly-in, providing opportunities for them to engage with senior management or giving them a special gift.

Meet Regularly

Most corporate PAC boards meet — in person or virtually — at least once a quarter. In these meetings, board members usually discuss PAC solicitation and recognition strategies, hear updates on PAC fundraising and approve candidate contributions. PAC boards should have regular check-ins to be up to date on PAC activities so they can speak authoritatively and accurately to PAC members and eligibles about what the PAC is doing.

Most PACs also have one in-depth strategic planning meeting per year. This full-day or multiple-day event usually occurs at company headquarters or at the company's Washington, D.C., office. This meeting is an opportunity to engage with the government relations staff and set the strategic priorities and operating plan for the year ahead. It's also an opportunity to gain additional training on campaign finance regulations and fundraising best practices. Finally, an in-person meeting allows time for the board to discuss challenges and identify solutions for continued PAC growth and success.

Common PAC Board Mistakes to Avoid

Some PAC boards rule the PAC with an iron fist and do not solicit feedback from members. Overseeing the PAC in this way gives the impression that the PAC is run by a select group of senior management or government relations staff and leads to questions and misperceptions about the purpose and use of PAC funds.

Another common mistake is pushing someone to serve on the PAC board. Having an individual who is not dedicated to the purpose of the PAC on the PAC board will not help produce results, generate new ideas or increase momentum for the PAC.

Finally, PAC board members need proper training and education to be effective. Without these vital tools, they will be unable to fulfill their duties and contribute to the PAC's success.