

TYPES OF POLITICAL COMMITTEES

There are two distinct different political action committees and they both serve two different, but very important jobs in the process. When becoming politically active and forming a political action committee, you will be using both types of committees. It is important for you to understand the role of both. This portion of the PPFPA PacFUND informational packet is devoted to an explanation of the two different types of committees.

CANDIDATES COMMITTEE

The candidates committee is generally established by the political candidate. The purpose of the candidates' political committee is to pay the expenses of the campaign. Typical expenses incurred by a candidates' committee are yard signs, leaflets, door hangers and mailings. There are very strict reporting requirements and laws relating to contributions and expenses to and from a candidates committee. Unless you are directly involved in the finances of a political candidates campaign, your involvement with the committee should be limited to providing campaign contributions from you PACFUND. In other words, all of the contributions FROM your PACFUND will go directly to the candidate's political committee. Examples of candidates' committees are:

Friends of
The Committee to Elect
..... for State Senate

Some candidates committees' can be obscure, such as

People for a better City

POLITICAL ACTION COMMITTEES

A political action committee is a committee that raises money, typically by a personal voluntary contribution, from people that have a common interest or in our case, belong to an organization. The purpose of political action committees is to give organizations, companies, and other groups, who are otherwise prohibited by law from supporting political candidates, a vehicle so that they can do so. There are very

specific rules that a PAC must follow as it relates to contributions and expenses. For the purposes of this discussion, this is the PAC that you will be forming.

Your local PAC can solicit personal, voluntary contributions from members of your organization and their families and you will use those contributions to provide resources to the committees of political candidates of your choosing.

Although somewhat more complicated, you can create a "city wide employee" PAC, of course comprised of people who work for the City. However, you will need some type of governance board and a method of determining what candidates the PAC will support.

You may also use your PAC resources to pay for campaign propaganda on behalf of the candidate you are supporting, but more on this later.

HARD MONEY AND SOFT MONEY

There are significant differences in how to fund your local PAC and very specific laws relating to exactly where the money comes from. These laws apply to both PAC's and the candidates' committee.

As we progress through this discussion, it is critical to remember that Pennsylvania is defined as a hard money state.

HARD MONEY

Hard money can be defined as voluntary, personal contributions. Pennsylvania is a hard money state, meaning that contributions to candidates' campaign committees as well as your PAC fund must be personal and voluntary. Your PAC fund is restricted to soliciting those people who have the common interest, such as members of your Local Union or organization. The contributions can be from the member and the members' family and it is the responsibility of the PAC to determine the appropriateness of the contribution. What is clear is that no Union dues money can be used to fund the PAC.

SOFT MONEY

For our purposes, soft money can be defined as Union dues. Since Pennsylvania is a hard money state, not much needs to be said on this subject, other than general fund union dues can not be used to fund

elections. Soft money CAN be used for direct communications to our Union members on educating our members on why we support our candidate, which may include mailings to our members, phone calls to our members, etc. Soft money can also be used to provide the gifts that sometimes are provided for a contribution to the PAC fund.

There may be other things that can be provided by using soft money, however getting involved in these areas may put the Union and the PAC fund under great scrutiny, even running afoul of the law. The Local Union would not want to jeopardize any race by having an illegal campaign contribution. One should seek adequate legal advice if contemplating a questionable soft money use.

OVERSIGHT OF PAC FUNDS AND REPORTING

The oversight of campaign finance and PAC funds, and the reporting of contributions and expenses, is totally dependent on the elected office the candidate is seeking or the candidate you are contributing to. It should also be noted that all PAC's must be registered and exactly where you register the PAC is dependent on the candidates that you will be supporting.

FEDERAL CANDIDATES

If your PAC fund intends to contribute to federal candidates, such as the United States Congress or the United States Senate, or the President of the United States, your PAC fund must be registered with, and report with the Federal Elections Commission. Additionally, you will be subject to the requirements and restrictions set for by the FEC. Additionally, contributions given to these candidates MAY be counted toward any maximum that the IAFF may give. It is for this reason that you may not want to contribute to federal candidates since the IAFF already can do so.

STATE CANDIDATES

If your PAC fund intends to contribute to candidates for the Pennsylvania General Assembly, Governor or State Row Offices, your PAC fund must be registered with, and report to the Pennsylvania Department of State. You will be subject to the requirements and restrictions established by the DOS. We should note that this is the category for the PFFA PAC FUND. As a matter of efficiency, you may

want to consider not registering and supporting state candidates, since you have access to PFFFA State PAC funds.

LOCAL CANDIDATES

If your PAC fund intends to contribute to candidates for Town or City Council, Mayor, School Board, County Commissioner, or similar local office, your PAC fund must be registered with, and report to the County Board of Elections. You will be subject to the requirements and restrictions established by the County Board of Elections for the County that you are in. Some counties may simply refer to the State requirements, but the first step in establishing a Local PAC is to contact your County Board of Elections.

If your PAC will be contributing to candidates at all levels of government, you must register and report to ALL of the affected jurisdictions. If you contribute to federal candidates and local candidates, you must register and report to both the FEC and the Local County Board of Elections.

FUNDING YOUR PAC

PAC CONTRIBUTIONS, PAYROLL DEDUCTION, UNION DUES

By far, the easiest method to fund PAC's for Union members is to offer payroll deduction. The best way to provide that payroll deduction is to simply have the employer deduct for "Local PAC", "State PAC", and "Federal PAC". Of course, the employee would sign a voluntary contribution card and the employer would submit the checks directly to the respective PAC.

The next best way for payroll deduction to work is to simply have one "PAC" deduction. The employee would sign a voluntary card with the employer stating the amount of money he wants to go to PAC funds. The employer would send the requested amount of money to the Unions "transmittal account", which is an account owned and operated by the Union for the sole purpose of dispersing PAC contributions. The Union then divides the money according to instructions from the member and submits that money to each PAC. For instance, Local 1234 has 10 members all of whom have signed voluntary PAC contribution cards for \$30 per pay, with the employer. Each pay day, the employer issues a check to the Union transmittal account for \$300

(\$30 per pay x 10 members). Each employee has told the Union, in writing, that they want their PAC contribution to be equally divided among Federal, State and Local PAC each pay. The Union treasurer simply sends \$100 to IAFF PAC each pay, \$100 to the PFFFA PAC FUND each pay, and sends the Local PAC \$100 on each pay day.

The least favorable way to accomplish payroll deduction is to roll the PAC contribution into the dues deduction, which is theoretically already payroll deducted. This method requires meticulous financial records and superior recordkeeping. In this example, the employee agrees to have his political action money withheld on top of his union dues. The additional money is still voluntary – it is just included within the Union dues deduction. The employer sends a check to the Unions “transmittal account” for all of the political action money AND the Union dues. The Union then disperses the funds to all of the PAC’s and to the Union General Fund Treasury.

With the exception of the last example, which again requires magnificent recordkeeping, union dues money and political action money should never be commingled. Across the State, some municipalities have honored the request to do PAC funding check off. Some municipalities have agreed to do it through collective bargaining and yet some refuse to do it.

It should also be noted that the IAFF has recently adopted a resolution to support payroll deduction for PAC funding and currently, does run some interesting programs for those Locals who do PAC check off by one of the three explained methods. Please contact the PFFFA or the IAFF to discuss these methods further.

PAC ADMINISTRATION & CONTRIBUTIONS

In order to properly administer the PAC, by – laws are sometimes recommended. This document would clearly explain how contributions are handled and how candidates are determined to be worthy of a contribution.

PAC ADMINISTRATION

By law, the PAC is required to have a chairman and treasurer upon registering and soliciting funds. Bylaws developed by the PAC help to outline the role of all of the parties involved within the PAC and should clearly explain the process for determination of a PAC contribution. Members may feel more willingness to contribute if they know exactly how the PAC committee will function. Bylaws of the PAC will allow members to see exactly how the PAC will function.

PAC EXPENDITURES

It is critical that people understand exactly how PAC requests will be evaluated and who will be responsible for determining the worthiness of a contribution. Some people suggest that contributors have the ability to have input on which candidates get the support of the PAC. It is important to have a process to review candidates and provide the members with some accountability.

At the State PAC, prior to any PAC check being issued, the officers must fill out a voucher that explains the justification for the PAC contribution. Also, the Local affiliate leadership must be contacted by the PAC Chairman for his input. Lastly, to provide some input from our members, when soliciting, the State PAC asks its members if they want their contribution to support Democratic Candidates or Republican candidates. Fortunately, there is generally enough of bipartisan support on our issues that this request never became an issue.

At the IAFF level, when supporting a candidate who has no track record, a comprehensive evaluation of the candidate occurs, including a questionnaire on our issues and an examination of their campaign structure. Again, at the Local level, we can provide support on these issues when you are trying to evaluate a candidate.

CLOSING

In closing, we all have to recognize that financially supporting a candidate for office is only one part of an overall strategic plan to become more politically active. Equally as important, is the support and help that a candidate will get from your members during the campaign.

I hope that you will find this information useful and please feel free to send your comments and feedback back to the PPFPA.

If you do decide to operate a PACFUND and the Local level and want your experiences included in this informational packet, please contact the PPFPA office.

Remember, the PPFPA is a resource available to you. Please call if you need help in any area – we are there for you.

