

**Institute for Organization Management**  
**C250: PACS and Political Endorsements**  
**Northeast | August 4, 2022**

“Business must learn the lesson long ago learned by labor and other self-interest groups. This lesson is that political power is necessary; that such power must be assiduously cultivated and that, when necessary, it must be used aggressively and with determination — without the reluctance which has been so characteristic of American Business.

— *Justice Lewis F. Powell prior to his appointment to the U.S. Supreme Court*

**Course Objectives**

- Addressing Ballot Initiatives and Referenda
- Creating and Maintaining a PAC
- Building an Airtight Endorsement Strategy

**THE BASICS**

**Ballot Measures | Initiatives and Referenda**

- Ballot Initiative = The means by which a petition signed by a certain number of registered voters can bring about a public vote
  - Initiative to the People
  - Initiative to the Legislature
- Ballot Referendum = A direct vote in which an entire electorate is invited to vote on a proposal adopted by a legislative body at any level of government

**PAC Rules: Federal v. State**

- Federal PACs
  - Require Prior Authorization
  - Must Have a “Sponsor”
- State and Local PACs
  - Governed by IRS Code
  - Subject to State Campaign Finance and Disclosure Laws

**WHAT CAN WE DO WITHOUT A PAC?**

- **Endorsements**
  - Develop and maintain written criteria for your endorsement process
    - Gives consistency to decision-making process
    - Protects against criticisms of favoritism
  - Consistently Apply your Process
    - Incumbent Voting Records

- Questionnaires
- Interviews
- Polling Data
  
- **Forums and Debates**
  - Document when Invitations Went Out to ALL Candidates
  - Determine the Best Format for the Event
    - Moderator
    - Panel
    - Round Table “Meet and Greets”
    - Audience Q&A
    - Post Event Straw Poll?
  
- **Campaign Training**
  - Elements of a Campaign Plan
    - Fundraising
    - On-the-ground Strategy
    - Reporting Requirements
    - Preparing Campaign Materials
    - Development Position Papers and Talking Points
    - Preparing a Spouse | Family
  
- **Other Ways to Help Candidates**
  - Invite Endorsed Candidates to Meet your Members
  - Help a Candidate Build Their Campaign Team
  - Consider “Door Belling” your members for Endorsed Candidates

## **IS A PAC RIGHT FOR YOU?**

- **Do you want to spend money?**
  - ...for a Candidate
  - ...for an initiative for referendum?
  - ...for a bond or levy campaign?
  
- **Things to Consider**
  - Culture of Civility
  - Can “nice” peacefully coexist with politics?
  - Do you have government funds supporting your budget?
  - What is your primary role?
  
- **Creating a PAC that Works for You**
  - Separate, Segregated Funds
  - IRS rules allow Parent Organization to Bear Overhead and Administrative Costs without Disclosure
  - Must Register with FEC or State Campaign Disclosure / Finance Agency

- Board Members Must be Chosen with Care
- Steer Clear of Individual Policy Agendas
- Make Certain Board Members Understand their Role as Fundraisers
- Develop and Maintain Written Policies for how Funds will be Raised and Disbursed
  
- **PAC Limits**
  - Caps on how much a PAC can raise from a single source
  - Limits on how much a PAC may contribute to a candidate or cause and how those funds can be given
    - Directly to the Candidate or Cause
    - In-Kind Contributions
    - Independent Expenditures
    - Issue Advocacy
  
- **Voter Education v. Advocacy**
  - Voter education informs voters about a candidate's record on issues
    - Jessica Fletcher is a respected advocate for children and education
    - Sam Spade has been a tireless leader in developing sound budget policies based on generally accepted industry standards
  - Avoid Deadly Trigger Words
    - "Vote for" Bruce Wayne or XYZ Ballot Measure
    - "Support" Lois Lane for Secretary of State or XYZ Ballot Measure
    - "Elect" Clark Kent
    - "Defeat" Lex Luthor or XYZ Ballot Measure

### **A FEW THINGS TO CONSIDER**

- If you want to start a PAC, thoroughly research state and local campaign finance and disclosure laws, have an attorney and accountant on your PAC Board
- Document, document, document (did I mention document?)
- Be honest, build trust
- Think about the words you use — Do they create positive images and make people want to participate?
- Relax and have fun!

### **WANT TO CHAT?**

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