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PAC POLITICAL
ACTION
COMMITTEE

Handbook

A Guide for the
Development
of the
CPA / PAC

Important Note to Users

This handbook is presented during a continuing period of sweeping change in our federal, state, and local election laws. We assume that the pace of campaign reform will continue as the Federal Election Campaign Act Amendments of 1974 and 1976 and the U.S. Supreme Court decision in *Buckley v. Valeo* influence state and local statutes.

Before making a campaign contribution, all pertinent requirements governing the collection, accountability, and disbursement of political action committee (PAC) funds should be carefully scrutinized and observed. Those charged with PAC organizational responsibility should be alert for changes in current statutes and regulations. They should seek competent legal advice or guidance from the appropriate election authority.

The views, expressions, and directives outlined herein are not necessarily those of the AICPA, but are rather a compilation by members and staff of the AICPA state legislation committee. This committee is charged with implementing the Institute's legislative policy and with assisting state CPA organizations to develop their particular legislative programs.

PAC Handbook



A Guide for the Development of the CPA Political Action Committee

Prepared by the State Legislation Committee
American Institute of Certified Public Accountants

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1211 Avenue of the Americas, New York, New York 10036*

Preface

The authors have based this handbook on materials and programs developed by state CPA organizations in Illinois, Louisiana, Michigan, Ohio, Pennsylvania, and Texas, and by numerous members of the profession long active in political action activities. The AICPA appreciates the suggestions and contributions it received and wishes to thank those members of the profession who continue to give their time and expertise in the interest of responsible governmental and political involvement.

In preparing this booklet, the authors have surveyed the practices and experiences of the six state societies mentioned above, and have also reviewed the histories and methods of other professional, labor, and industrial political action organizations. The American Medical Association's political action arm—AMPAC—and the Public Affairs Department of the Chamber of Commerce of the United States were most helpful. Their efforts in fostering greater interest and participation in political action activities must be recognized by those who would organize and assemble in the interest of maintaining a voice in government and political affairs.

AICPA State Legislation Committee

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Introduction

CPAs, as individuals and as members of professional societies, have become increasingly aware of the need to maintain a closer relationship with state legislators, especially when matters affecting the accounting profession are the subject of legislation.

Concerned, civic-minded members of the profession are often frustrated by their lack of expertise in politics and the political process. They are justifiably weary of coming into conflict with laws governing political activities and often have doubts about the effectiveness of any political program they might mount.

This handbook is designed to allay some of these frustrations, fears, and doubts and to help CPA organizations raise the profession's political effectiveness through the formation of political action committees (PACs).

A PAC is an association of individuals with common interests who organize to provide information and financial support to candidates for elective office. By combining their resources, members of a PAC achieve greater results than is possible on an individual basis.

The American system of government is based on the right of any individual or group to participate freely in the political process. It is in the hope of furthering the spirit of such participation that we present the *Political Action Committee Handbook*.

Why a Political Action Committee?

To be politically effective one must work in support of political candidates. Politicians who expect to continue their careers are sensitive to the needs of all their constituents. Individuals and organizations who help to support their election campaigns will be most important to them—and will be most likely to receive attention.

Often the most difficult part of running for political office is obtaining the necessary campaign funds. In recent years campaign costs have risen sharply. For most candidates, financial assistance is a most urgent need.

Despite extensive legal restrictions on the ways in which campaign funds may be collected and disbursed, our government has recognized the need for, and the legitimacy of, contributions to office seekers who may be unable to personally finance their entire campaigns. A broad base of financial support prevents candidates from being obligated to only a few major contributors. Independent political action committees aim to be part of this financial base by offering assistance to the candidates of their choice.

Defining the Objectives

The primary purpose of a CPA-PAC is to support candidates who share the profession's concern for protecting the public interest in matters relating to public accounting. Because CPAs are regulated primarily at the state level, the profession needs to maintain a strong voice in state and local political and legislative affairs. Also, CPAs, as professionals charged with protecting the interests of third parties, have a duty to provide necessary and proper information to state lawmakers who may not always be aware of the needs and obligations of the profession. A well-organized CPA-PAC can assure that the voice of the profession will be clearly heard.

Organized fund raising in support of candidates who are receptive to the legislative programs of the profession is the cornerstone of the CPA-PAC's activity. Experience has too often demonstrated that campaign contributions do not "buy" anything from candidates and elected officials. However, contributions may increase the candidate's awareness of the profession and its views on legislative matters. Thus, in turn, it is through the support of those who have enjoyed the resources and backing of the CPA-PAC that the profession is likely to achieve the desired legislative results.

Operating Guidelines

A CPA-PAC should be tailored to best serve the political and legislative objectives set down by the local CPA professional organization. Such variables as financial resources, party strength and affiliation, incumbency, and current state election laws should be weighed before establishing operating guidelines. In addition, if support is to be given to candidates for federal offices, care should be taken to assure that the PAC complies with federal laws and regulations.

We offer the following sample operating guidelines as an aid in formalizing similar operating rules for a new CPA-PAC.

- Support candidates who are most likely to be influential legislators.
- Support only candidates for the state legislature and the state executive branch. No support should be given to judiciary candidates or to candidates for office below state level.
- Adopt contribution guidelines varying according to the stature of the office sought (for example, legislative leaders and key committee chairmen, other senators and members of the House).
- The maximum limits on contributions should take into consideration state laws regarding contribution limitations pertaining to primary and general elections.
- Give the main thrust of support during the general election. However, if a candidate is engaged in a tight primary race and is in need of financial assistance, this should be provided during the primary election.
- Deliver checks for candidates personally, and whenever possible by CPAs from the candidate's district.
- The CPA-PAC executive committee should have final au-

thority for selecting those candidates to receive support (from PAC).

- The PAC should not accept contributions drawn on a corporate account. Take care to assure that only personal contributions and/or partnership checks are accepted.

Points of Special Significance

The following precautionary pointers are offered from a general review of current state statutes, existing CPA-PACs, and from the publication by the U.S. Chamber of Commerce titled "Business and Professional Political Action Committees." These items deserve special consideration in light of today's exacting laws and requirements governing the operation of PACs:

1. Although some existing state laws may allow association PACs to share office space with the parent membership organization (state society), it is usually preferable that office facilities, if required, be separate and apart from those of the state CPA society. Also, before accepting services such as secretarial help, use of office machines, and so forth, CPA-PAC officers should determine whether such assistance is allowed under applicable law. The same would hold true of such services from a contributor. In some instances acceptance might be regarded as a contribution and could jeopardize the status of the parent organization. In general, any direct tie-in between the state society and the CPA-PAC should be avoided.
2. Dual billings for dues and contributions should be used only after careful consideration by counsel.
3. Contributions to and from the PAC should always be by check.
4. Have the PAC finances audited annually.
5. File required reports with the designated governmental authorities.
6. Do not let carelessness cause your PAC—or your state society—to infringe upon the specific rules and limitations set forth in the statutes.

Again, CPA-PAC organizers should review current law governing political action activity with legal counsel before enacting organizational procedures. And those CPA-PACs already in existence should also periodically review current law.

How CPA-PACs Have Operated

The six CPA-PACs reviewed by the authors showed some diversity in their structures and functions, but all followed the same general pattern. The following points may help CPAs when considering the establishment of a political action committee.

Due to various federal and state restrictions affecting corporate contributions, CPA-PACs usually do not incorporate. They operate without much fanfare, collecting funds from members, either by direct mail, personal solicitation, or both, and contribute these in amounts generally ranging from \$25 to \$200 to selected candidates for the state legislature and other state offices.

The political action committee usually decides which candidates to support after consulting with individual CPAs familiar with those candidates under consideration. Committee members often recommend candidates for such consideration.

The contributions ordinarily are given directly to the candidate by one or more CPAs in his or her district. These individuals then maintain continuing contact with the officeholder. They are encouraged, whenever possible, to make personal visits (demonstrating that they have a real interest in government). As one politically active CPA puts it, "Nothing is as effective as a contact from home."

Political Action by Others

Unquestionably, one of the best-organized political action organizations of any profession is the American Medical

Political Action Committee (AMPAC)—a national organization with state PACs which, while autonomous, work closely with AMPAC. State medical PACs are structured along the lines of AMPAC, with directors selected by state medical societies. AMPAC dues are in three categories: active membership, sustaining membership, and student, intern, and resident membership.

The state PACs are divided into local groups encompassing convenient political subdivisions—congressional districts, wards, townships, or the like. At all three levels the PACs are permanent, full-time operations that concentrate all their energies on the upcoming election. This is their only concern; lobbying and all other political activities are left to the AMA itself. Thus, 95 to 98 percent of the organizations' funds go to support favored candidates for office.

The bulk of contributions to campaign funds is made locally; the state PAC or AMPAC contributes only if the race is considered crucial, the candidate's prospects are promising, and more help is needed.

AMPAC and the state and local PACs are all bipartisan in membership, leadership, and outlook. However, when a candidate is selected for backing, the candidate support committee becomes as partisan as the most dedicated Democrat or Republican.

Physicians and their spouses are strongly encouraged to join both the national and state PACs and to be active on the local level, where support of candidates begins. Nonphysicians may belong to AMPAC in another category of membership, called "friends of medicine." Their dues are the same. According to AMPAC, the friends of medicine comprise about 15 percent of total AMPAC membership.

Solicitation

Four generally accepted methods of solicitation have been successfully used by industry and association PACs in support of political candidates. They are

1. Solicitation of individuals by mail.
2. Solicitation of individuals by direct contact.
3. Fund-raising events.
4. PAC membership dues.

Any one method or combination may be employed. Some PACs prefer the "dues" method because member contributors, through the payment of prescribed dues, are more likely to make a contribution through the enfranchisement afforded by membership.

If PACs use solicitation by mail, asking prospective contributors to send contributions to the PAC, a personal follow-up may be necessary.

An effective method of supplementing a PAC's fiscal needs is by fund-raising events such as dinners, theater nights, raffles, and so on. Fund-raising dinners can be geared to provide entertainment, complement the state society's Key Man program, and bolster the profession's visibility. Such events also afford an opportunity of engaging the interest and participation of spouses.

Whatever fund-raising method is employed, the CPA-PAC treasurer should recognize existing contribution limits and reporting requirements of state election law.

Fund raising can be expensive, time consuming, and frustrating. Those charged with PAC fund-raising responsibility should be willing to contribute in time and effort. Like the tax collector, the fund raiser never leads the popularity polls.

Handling and Distributing Funds

Handling Funds

The CPA-PAC treasurer should designate a bank as the committee's campaign depository in accordance with state election laws. A checking account should be immediately opened in the committee's name.

All contributions received should be deposited in the committee's account. Contributions and revenues must be kept separate from any account maintained by the CPA state society or any individual CPA or partnership.

The committee treasurer must insure that all membership dues and/or political contributions are from legally acceptable sources. Checks from "unacceptable" sources should be returned at once to the contributor.

With the advent of stricter requirements governing the collection, accountability, and disbursement of campaign contributions, CPA-PAC treasurers generally have certain record-keeping responsibilities. While requirements vary from state to state, it is good policy to keep a detailed account of all contributions made to or for the committee. The treasurer should record the complete identification (name and address) of every person making a contribution and the date and amount contributed. It is advisable (and sometimes required by law) to record the occupation and principal place of business (if any) of all contributors. If a person other than the treasurer receives a contribution for a PAC, he or she should immediately forward the contribution to the treasurer or other designated committee member.

Persons accepting contributions for a PAC should avoid the commingling of contributed funds with personal fi-

nances. In other words, a committee's treasurer should receive all contribution checks directly, not after they have been deposited in and redrawn from the personal account of an officer, member, or associate of the committee. PAC funds must be segregated from the personal funds of anyone associated with the committee.

Distributing Funds

There are various ways by which CPA-PACs select their candidates and determine the amount of each contribution. Usually, the committee chairman or another designated individual is given full authority to make these decisions.

The timing of expenditures is important. Some CPA-PACs decide which candidates to support in January of each campaign year and immediately notify them. This helps each potential recipient decide whether to run and how to plan campaign finances.

If the candidate slated for CPA-PAC support is involved in a primary, he or she would naturally welcome financial support at the outset of the campaign. Some CPA-PAC organizations have found it desirable to make their contributions in two or more stages. Some have taken the opportunity of presenting their contributions at small, informal gatherings such as a legislators' breakfast. It is most important that the PAC's contribution be personally presented to the candidate, preferably by a CPA-PAC representative known to the candidate. If the state society has a Key Man program in force, a Key Man member would be an ideal representative.

Before presenting its check, a CPA-PAC should make sure its contribution will not offend the candidate. In rare instances candidates may not accept contributions at all; others may not accept PAC contributions; and still others may limit the amount of contributions from any single source.

CPA-PACs must be aware of state election laws that may impose limitations on the amount a political committee may contribute to any one candidate in a primary or election.

Contributions by a CPA-PAC, like contributions to it, must usually be recorded in detail by the committee's treasurer. These records include all expenditures made by or on behalf of the PAC, and the identification of any person to whom any expenditure was made, the date and amount of the expenditure, and the name and address of the office sought by each candidate supported. The treasurer may be required to obtain and file receipted bills stating the particulars of all expenditures in excess of certain specified amounts as provided by the state election law. All receipted bills and accounts should be kept for a period of time specified by state election laws.

Note: If a state law requires a PAC to register with a designated election authority, a CPA-PAC may be required to disclose in sworn reports certain contributions to and expenditures made in behalf of the committee. The committee treasurer should again consult with legal counsel or the designated election authority to be fully aware of pertinent reporting requirements.

Tax Aspects of PAC Activity

CPA-PAC treasurers should be familiar with the requirements for filing financial and tax reports under both state and federal (P.L. 93-625) laws. Under current federal law, organizations such as PACs are exempt from federal income tax on contributions, dues, and proceeds from political fund-raising activities. However, all other income (such as, interest income, dividend income, and so forth) is considered taxable income and must be reported as such. A political committee's taxable income essentially consists of income from investments, from the sale of appreciated property, and from business activities, less a \$100 "specific deduction" and less expenses directly connected with the production of such taxable income. The CPA-PAC should have all information regarding the time for filing and the necessary forms before engaging in its fund-raising activities.

Contributions to PACs are tax deductible provided that their sole function is to support announced candidates (as defined under the IRS Code). If the PAC were to engage in other activities such as general political, educational, or legislative activities, member/contributors would not be eligible for tax benefits. Under current law, PAC contributors are entitled to a limited tax credit or deduction: an annual credit not to exceed \$25 (\$50 in the case of a joint return) or a full deduction of \$100 (\$200 on a joint return).

Again, we stress that both PAC officers and contributors should recognize any limitations imposed by individual state law on campaign contributions.

Final Comments

- *Remember . . .* your state representatives' positions are rarely inflexible. Grass roots activity can affect policy decisions, most effectively through organized political activity.
- As with Key Man programs, the CPA-PAC must be ongoing to insure maximum effectiveness. While wholly independent from the structure of the state CPA society, CPA-PAC activities must be coordinated with the society's legislative program.
- PAC members should be kept informed of the committee's activities and of the impact of such activities on the profession's legislative and political objectives. While most PAC members play a relatively inactive role in PAC activities, their contributions, the lifeblood of the organization, entitle them to a voice in CPA-PAC affairs.
- Finally, judicial rulings, decisions by the Federal Election Commission, and legislative action by the U.S. Congress and the various state legislatures may alter some of the suggested organizational and operational directives outlined in this document. CPA-PAC organizers are again reminded that current statutes and regulations should be reviewed by competent counsel so as to conform with existing requirements governing PAC activities in that state.

Appendices



To insure the separateness of the CPA-PAC and the state or chapter CPA membership organization, we recommend adoption of a constitution and bylaws that spell out precisely the organization and purpose of the committee.

The following sample constitution and bylaws provide for a five-member board of trustees as the administrative arm of the CPA-PAC. Organizers who are familiar with other organizational structures may want to constitute the committee accordingly. The following sample provides that contributions made to the PAC by CPAs and their employees automatically enfranchise them as members of the PAC. Thus, there are no dues or membership fees per se. Under other solicitation methods, member status in a PAC may be granted to individuals who contribute specified amounts or pay annual dues.

I Sample Constitution and Bylaws of the Committee for Political Action of (State) Certified Public Accountants

ARTICLE I Name

The name of the committee shall be the Committee for Political Action of (insert name of state) Certified Public Accountants. (Note: Some CPA-PACs prefer to use names such as The CPA Committee on Legislative Information.)

ARTICLE II Purpose

The committee is dedicated to the protection, preservation, and furtherance of the free enterprise system, to the strengthening of the American economic system, and, in particular, to the protection and advancement of the certified public accounting profession. Contributions will be received in order to further these objectives. The board of trustees may expend the monies contributed to assist, by means of direct financial contributions, candidates for election to public office who it is believed are in general agreement with the objectives of the committee. The committee is not affiliated with any political party.

ARTICLE III Officers

The officers shall be a chairman vice chairman, and a secretary-treasurer, all of whom shall be elected by the board of trustees. These three officers shall comprise the executive committee of the board of trustees and shall each be elected to serve a two-year term with each member serving for a maximum of two terms.

Section 1. The chairman shall preside at all meetings of the board of trustees and shall be a member of all subcommittees of the committee.

Section 2. The vice chairman shall serve in the absence of the chairman and shall be a member of all subcommittees of the committee.

Section 3. The secretary-treasurer shall be the financial officer of the committee and shall give a financial report at each meeting of the board of trustees. He shall keep a detailed account of

1. All contributions made to the committee.
2. The full name, profession, and mailing address of every person making a contribution, and the date and amount thereof.
3. All expenditures made by or on behalf of the committee.
4. The full name and address (occupation and principal place of business) of every person to whom any expenditure is made, the date and amount thereof, and the name and address of, and office sought by, each candidate on whose behalf such expenditure is made.
5. Any other records as required by either state or federal law.

ARTICLE IV Board of Trustees

Section 1. The committee shall be administered by a board of trustees, all of whom must be members (by contribution)

of the committee. The board of trustees shall be comprised of at least five members. (A contributor [member] is defined as "any individual who donates funds to the committee.") Members of the board of trustees shall serve a five-year term with one member elected each year by the members of the committee. Each member of the board of trustees shall serve no more than two terms.

Section 2. Nominations to the board of trustees shall be made by a nominating committee appointed by the chairman. The nominating committee shall nominate at least one member for each vacancy on the board of trustees. The nominating committee shall be comprised of three contributors and shall include the chairman and secretary-treasurer. The board of trustees, including those members whose terms are ending, shall select from the nominees, by a two-thirds affirmative vote, the members to fill the vacant trusteeships.

Section 3. A vacancy created on the board of trustees by the resignation of a trustee may be filled by an appointment of the chairman. The appointed trustee shall fill the remaining term of the resigning trustee.

ARTICLE V Membership

Section 1. Membership in the committee shall be open to all persons holding a CPA certificate or employed by a certified public accounting firm. All members of the committee must be contributors to the committee during one of any three preceding solicitations for funds.

ARTICLE VI Operations

Section 1. The fiscal year of the committee shall be maintained on a calendar year basis. An annual meeting of the committee shall be held, upon thirty days notice, at a time and place each year as determined by the board of trustees.

Section 2. These bylaws may be amended by an affirmative vote of four members of the board of trustees or by a two-thirds vote of the membership of the committee.

Section 3. The board of trustees shall meet at least two times annually.

Section 4. The presence of three trustees at any meeting called by the chairman shall constitute a quorum.

ARTICLE VII Books, Records, and Finances

Section 1. The committee shall keep complete books and records of account. The committee's books of account shall be audited at least once a year by a CPA. The auditor shall be named by the chairman with the approval of the board of trustees.

Section 2. The funds of the committee shall be deposited in such banks or other depositories as the board of trustees may select.

ARTICLE VIII Dissolution

The committee may be dissolved by a vote of a majority of the board of trustees. Upon dissolution of the committee, all of its assets, after all expenses and debts have been paid, shall be distributed at the discretion of the board of trustees to the state committees of both major national political parties on an equal basis or in accordance with the provisions of applicable state law.

II Letters of Solicitation

The following sample solicitation letter may be used in addressing prospective CPA-PAC members. We recommend that it be reproduced on the committee's own letterhead with the names of the PAC officers and trustees. This sample uses the dues method of solicitation.

Dear Fellow CPA,

As you are surely aware, we are just completing a most active legislative year—one that saw the introduction of a record number of bills of direct interest to the profession. A good deal of progress was made in developing the profession's legislative program, which is certain to provide a number of long-range benefits.

Our CPA-PAC of (state) Certified Public Accountants plays a major role in establishing a rapport with key legislators by providing financial support to their election efforts. Thus, we need your help and that of your colleagues in the profession to assure that sufficient funds are available when required.

An annual dues statement/pledge card is enclosed for your convenience. We urge you to continue to contribute generously so that our profession can make every effort to continue its strong state legislative program. Remember, only through your personal donation to our CPA-PAC can we equitably share this financial responsibility among the thousands of CPAs in our state.

Please note that we can accept only *personal* checks. We ask you to act now!

Yours very truly,

Chairman, CPA-PAC

*enc: Donation card
Reply envelope*

The following letter employs the direct solicitation method. In this example, members of the profession are asked to make a financial contribution to the committee in support of its ongoing program. Again, the committee's letterhead should be used.

Dear Fellow CPA,

A look at the names on this letterhead will quickly tell you that the CPA-PAC is supported by professionals like yourself who are leaders in the accounting field.

The objective of the committee is a simple one—to generate financial support, through CPA-PAC, for those in the state legislature who understand the goals of the accounting profession.

The committee operates in accordance with state law. Its activities are bipartisan in nature. Reports on receipts and expenditures are made periodically to all (state) CPA-PAC contributors and are filed with the appropriate state election authority. Here is how you can help:

1. Using the enclosed envelope, send your personal check in the amount of \$25 made out to the committee.
2. Ask your colleagues in the profession to do the same.

Your contribution to CPA-PAC is an investment in good government. State legislation is having an ever-increasing effect on the profession. The CPA-PAC will serve to protect the interests of the public as well as the interests of your profession.

This is a crucial election year, so please send your check to CPA-PAC now.

Thanks, and my best personal regards.

Sincerely,

Chairman, CPA-PAC

Sample Donation Card (postcard size)

VOLUNTARY CONTRIBUTION TO
POLITICAL ACTION COMMITTEE OF
(STATE) CERTIFIED PUBLIC ACCOUNTANTS

Amount of Check Enclosed \$ _____
(Make Checks Payable to [State] CPA-PAC)

Name _____

Residency Address _____

City _____ County _____ Zip _____

Note: A self-addressed envelope should accompany the donation card. The card should be kept on file for future reference.

III Promotional Materials

Many PAC committees, including those in the corporate and union sectors, have found printed information pamphlets to be helpful in their membership and fund-raising efforts.

In addition to information on the objectives and operation of the committee, general information on the legislative process and a listing of legislators by district may also be included. Such materials need not be elaborate or expensive, and their size should permit them to be mailed with solicitation letters.

Answering Some Frequently Asked Questions

The following questions and answers may be used in preparing promotional materials for distribution to prospective PAC members/contributors.

What is CPA-PAC? The Committee for Political Action of (state) Certified Public Accountants is a voluntary, nonprofit group of (state) CPAs and friends desiring to take a more positive role in educating public officeholders about the accounting profession. The committee will raise funds to be contributed to candidates for public office in (state).

Why was CPA-PAC organized? CPA-PAC was organized because as professionals we recognize our obligation to support the American political system through effective participation in public affairs. CPA-PAC also serves to further the political knowledge of certified public accountants and to provide them with the means for effective political education and action.

Is CPA-PAC affiliated with a political party? No. CPA-PAC supports those candidates, regardless of political affiliation,

who share our concern for maintaining the high standards of the CPA profession.

Who directs CPA-PAC activities? A five-member board of trustees administers the affairs of CPA-PAC. The trustees are elected from the contributors to CPA-PAC.

Is CPA-PAC a permanent organization? Yes. Experience has proven that programs of political action or education that are limited to a single election do not get results. Effective candidate support requires knowledgeable people who keep up to date on issues, candidates, and campaign techniques.

Is there a direct relationship between CPA-PAC and (state) Society of CPAs or the AICPA? No. CPA-PAC operates independently of all other organizations of certified public accountants.

Do the educational and political activities of CPA-PAC duplicate or counter the activities of other similarly oriented political action organizations? No. CPA-PAC supplements the programs of similar groups. CPA-PAC provides its members with the means of concentrating their contributions to maximize their effectiveness. The members of CPA-PAC will remain active within the political party of their choice but will multiply their political effectiveness through the concerted effort their membership in CPA-PAC makes possible.

Whom will CPA-PAC support? We may contribute to candidates for the (state) General Assembly and statewide office. The candidate's record and platform will determine whether he or she is supported by CPA-PAC.

How can you join CPA-PAC? Membership merely requires a contribution to CPA-PAC. A reasonable contribution range would be _____ .

Facts at a Glance

The following fact sheet may be used in preparing printed promotional materials in support of a CPA-PAC.

FACT SHEET

WHAT: COMMITTEE FOR POLITICAL ACTION (STATE) CPAs

PURPOSE: The protection, preservation, and furtherance of the free enterprise system, and the advancement of the certified public accounting profession.

OBJECTIVE: The accumulation of donations from those interested in the certified public accounting profession and the furtherance of the goals of (PAC). These donations will be contributed to the candidates for office who are believed to be in general agreement with the objectives of the committee and who support the certified public accounting profession.

ORGANIZATION: All contributors are considered members of (PAC). The affairs of the committee will be administered by a board of trustees comprised of contributors to the committee.

LEADERSHIP: (List names.)

CONTRIBUTION: To insure sufficient funding and success of the PAC program contributors are asked to make a donation of \$25. Larger donations will be most helpful and appreciated.

TAX BENEFITS: Under current federal tax law, individuals who contribute to announced candidates or committees are eligible to receive a limited tax credit or deduction. A contributor is presently allowed an annual credit not to exceed \$25 (\$50 in case of a joint return) or a full deduction of \$100 (\$200 on a joint return).

The Legislative Reference Service, the legislative information arm of the AICPA state legislation committee, will provide additional information on PAC activity in response to direct requests from individual members of the profession or from state CPA societies. Inquiries may be directed to the AICPA State Legislation Committee at the AICPA, 1211 Avenue of the Americas, New York, New York 10036.