PAC 101 Webinar
National Apartment Association
Thursday, February 14, 2013
Association PAC Fundraising

Dave Mason
Aristotle International
Recovering Regulator
You Are an Agent

- PAC activity is regulated
- You are responsible for complying with FEC rules
- NAAPAC is responsible if you fail
Who Can You Solicit?

- **Restricted Class**
  - Who is it?
    - Individual Members; Executives and Owners of Member Companies (with prior approval)
  - Why is it important?

- **Prior Approval**
  - In writing
  - Separate form for each year
Some Things Must Be Said

• Solicitation Notices
  – Voluntary, political purposes, non-deductible

• Suggestion
  – Can give any amount, no favor/disfavor

• Best Efforts
  – To collect name, address, occupation, & employer of +$200 contributors
  – Ask for this information on the invite/RSPV
BIG Prizes: The 1/3rd Rule

• Raffle prizes must be worth no more than 1/3rd of amount raised (or PAC must pay)
  – $2K flat screen TV = must raise $6,000
• May accept donations, but must value at FMV
  – Donations from members/member companies need not be reported
• May aggregate prizes for entire event
• Must comply with state/local law
Handling the Money – Forwarding Rule

• Must get funds into PAC account in 10 days
  • Mail checks within few days after event

• May deposit cash/checks to local affiliate
  – No more than $100 cash/person
  – Must make SEPARATE deposit
  – And retain itemized list of contributors
  – Must provide that list to NAA PAC
  – Include copy of deposit slip
Questions?
National Apartment Association: PAC Trends & Best Practices

Hannah Wesolowski
Manager, Political Involvement Practice
Public Affairs Council & PAC Benchmarking

The Public Affairs Council is a non-profit, non-partisan organization committed to advancing the field of public affairs.

The Council works to compile and share best practices in all areas of public affairs, including political action committees.

**Benchmarking:**

At the close of each election cycle, the Council surveys 1,000+ association and corporate PACs to determine tactics that work to advance best-in-class PACs.

Topics include: organizational profiles, management and structure, oversight & leadership involvement, receipts and fundraising strategies, and candidate support.

In 2011, 109 companies and 36 associations responded.
So what did we find out?
Results

- PAC receipts are growing.

Average Overall PAC Contribution, 2003-2004 Through 2009-2010 Cycles
Results

- PAC receipts are growing.
- Segmenting solicitations and messages helps boost participation.

### Association Participation Rates By Segment

<table>
<thead>
<tr>
<th>Total Contribution (Percentage)</th>
<th>N</th>
<th>Lower Limit</th>
<th>25th Percentile</th>
<th>Median</th>
<th>75th Percentile</th>
<th>Upper Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>25</td>
<td>1%</td>
<td>7%</td>
<td>20%</td>
<td>52%</td>
<td>100%</td>
</tr>
<tr>
<td>Senior management</td>
<td>15</td>
<td>16%</td>
<td>32%</td>
<td>75%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Association staff</td>
<td>12</td>
<td>5%</td>
<td>25%</td>
<td>45%</td>
<td>83%</td>
<td>100%</td>
</tr>
<tr>
<td>Individual members</td>
<td>11</td>
<td>1%</td>
<td>5%</td>
<td>12%</td>
<td>22%</td>
<td>53%</td>
</tr>
<tr>
<td>Member company senior management</td>
<td>7</td>
<td>4%</td>
<td>46%</td>
<td>63%</td>
<td>64%</td>
<td>88%</td>
</tr>
<tr>
<td>Restricted class</td>
<td>5</td>
<td>3%</td>
<td>6%</td>
<td>15%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>Member company restricted class</td>
<td>4</td>
<td>20%</td>
<td>33%</td>
<td>60%</td>
<td>88%</td>
<td>100%</td>
</tr>
</tbody>
</table>

2011 PAC Benchmarking Report
POLL Question:
What do you think is the most popular solicitation approach?

A. Peer-to-peer meetings
B. Phone calls
C. Annual meetings or conferences
D. Email
E. Mail to home address
Results

- PAC receipts are growing.
- Segmenting solicitations and messages helps boost participation.

- Events are growing in significance for Association PAC fundraising.

[Bar chart showing trend solicitation approaches with percentages for various methods like email, events, online solicitation, etc.]
Results

• PAC receipts are growing.
• Segmenting solicitations and messages helps boost participation.
• Events are growing in significance for PAC fundraising.

• Donors need to receive communications about the PAC – motivate and educate.

Tools for External PAC Communication (N=105)
Results

• PAC receipts are growing.
• Events are growing in significance for PAC fundraising.
• Segmenting solicitations and messages helps boost participation.
• Donors need to receive communications about the PAC – motivate and educate.

• Difficult to show the value of PAC membership, so PACs are integrating incentive clubs into their overall strategy.

Trend: Existence of a Federal PAC Incentive Club

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>2009</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>2007</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Trend Medians: Minimum Contribution for Incentive Club Membership

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$50</td>
</tr>
<tr>
<td>2009</td>
<td>$250</td>
</tr>
<tr>
<td>2007</td>
<td>$350</td>
</tr>
</tbody>
</table>
How are others doing?
Related PACs

2009-10 and 2011-12 Receipts

Source: OpenSecrets.org
Related PACs

PAC Receipt Growth from 2010 to 2012

- National Association of Realtors
- National Association of Homebuilders
- Building Owners & Managers Association
- Real Estate Roundtable
- NAIOP Commercial Real Estate Development Association
- National Association of Real Estate Investment Trusts
- National Apartment Association
- National Multi-Housing Council

Source: OpenSecrets.org
How does this help you motivate your fellow members?
Motivating Association Members

• Provide meaning – why should members contribute?
• Be clear on the incentive – what’s in it for them?
• Make it easy – contributing should be as painless as possible
• Keep in touch – don’t stop communicating on what you are doing/how you are doing it
• Be transparent – let donors know where the money is going
• Build believers – word of mouth is your best advertisement
• Get leadership involved – in the world of PACs, ‘trickle-down’ rings true
Hannah Wesolowski
Manager, Political Involvement Practice
Public Affairs Council
hwesolowski@pac.org | 202-787-5969

www.pac.org | @PACouncil
Local Case Study:
NAAPAC TEXAS HOLD’EM POKER TOURNAMENT

Hosted by...
Greater Lexington Apartment Association!
Brenda Wells, Executive Director
First Step.....

Reviewed PAC Fundraiser Guidelines With NAA & State Gaming Laws Prior To Planning This Event
GLAA Texas Hold’Em!

- Admission $35.00 Contribution to NAAPAC.
- Registration form included NAAPAC Contribution Card.
- Registration included poker tournament, food, one drink ticket and prizes.
- Location – Apartment Community with a restaurant, bar & grill.
TEXAS HOLD’EM POKER TOURNAMENT!
...To Benefit the NAA PAC

Friday, May 11th 2012
6:30 PM
Racquet Club Bar & Grill

$35.00 Per Person
(Personal checks if writing a company check, the company must be an LLC), cash, or credit card only. All checks must be made payable to NAA PAC)

Your evening will include one drink ticket, food, prizes, silent auction, cash bar, and good times!

MUST BE RETURNED WITH PAYMENT BY FRIDAY MAY 4TH, 2012

CONTRIBUTION CARD

The NAA PAC is dedicated to supporting candidates for the United States Senate and House of Representatives who adhere to the principles of good government and understand the concerns of the multifamily housing industry.

Attention All Members: NAA PAC allows you to designate your contribution to your local affiliate. Please indicate to which NAA affiliate you would like your contribution designated:

☐ My personal check made payable to NAA PAC is enclosed.
☐ My cash contribution is attached.

Please charge my: ☐ Visa ☐ MasterCard ☐ American Express

Name on Card

Card #

Exp. Date

Signature

Date

Amount Contributed

$2000 $1000 $750 $500 Other:

Political contributions to the NAA PAC are not tax deductible for Federal income tax purposes.

REGISTRATION AND PAYMENT MUST BE RECEIVED BY FRIDAY MAY 4TH, 2012.

Please Note: GLAA registration forms are considered binding agreements between the GLAA and the registered attendee.

ALL PAYMENTS MUST BE PAID IN FULL PRIOR TO EVENT!

Fax reservation to 859-277-9187 or Email to reservations@greaterlao.com

YOUR HOME AND OFFICE MAGAZINE

AMERICA’S LEADING ADVOCATE FOR QUALITY RENTAL HOUSING

WWW.NAAHQ.ORG
GLAA Texas Hold’Em!

- Sponsorships for food, drinks & prizes
- Silent Auction to benefit NAAPAC Fund as well as our local legislative efforts.
GLAA Texas Hold’Em Hand Rankings!

<table>
<thead>
<tr>
<th>Texas Hold’em Hand Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Royal Flush</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>Straight Flush</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>4 of a Kind (or Quads)</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>Full House (or Boot)</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>Flush</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>Straight</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>3 of a Kind (or Trips)</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>2 Pair</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>1 Pair</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
<tr>
<td><strong>High Card</strong></td>
</tr>
<tr>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0</td>
</tr>
</tbody>
</table>
GLAA Texas Hold’Em Prizes!

- **3rd Place Winner** - $25 gift card for dinner and tickets to our local Comedy Club.

- **2nd Place Winner** - $25 gift card for dinner, tickets to our local Comedy Club, and an overnight stay at Hilton Doubletree Suites.

- **1st Place Winner** - $25 gift card for dinner, tickets to our local Comedy Club, bottle of wine, overnight stay at the Hyatt Regency and a $200 VISA Gift Card!
Having Your Own Texas Hold’Em!

- Select a location
- Determine cost/set up a budget
- Set a goal for how much you want to contribute to the NAAPAC or BGF
- Make a borrow/purchase list of items needed. Such as poker tables, chips, cards, etc.
- Determine Sponsorship levels needed to cover your expenses.
- Make sure all are within the law/guidelines for PAC fundraisers.
GLAA Texas Hold’Em Raised...

- Over $1000 for NAA PAC
- Over $500 towards GLAA Legislative Efforts
Questions?

Brenda Wells, CAM, CAS
Greater Lexington Apartment Association
859-278-6540 or brenda@greaterlaa.com
Local Case Study:
CHAMPAGNE & DIAMONDS

Hosted by...

Piedmont Triad Apartment Association
Denise Hrabosky, Education & Membership Director
Zero to $1,875

in four easy steps

Piedmont Triad Apartment Association
Step 1 – Develop a fundraising activity with a “hook” related to the event.

- Diamonds are a fundraisers best friend
- Champagne doesn’t hurt either
Step 2 – Run the event by the NAA Government Affairs staff

- Make sure you’re dotting your “Is” and crossing your “Ts”
- Forms
- Checking each step of the way
Step 3 – Promote, promote, promote and then recruit incredible volunteers

- Promote the fundraiser at every turn
- Make space for it in the event promotions
- Strategically place your donor table
- Recruit heavy hitters to man the table (and make sure they aren’t shy)
Step 4 – Send everything to NAAPAC and be ready for follow up

- Treat the money like a hot potato
- Double check the forms
- Be prepared for follow up from NAA
Questions:

Denise M. Hrabosky, CAM, CAPS
Piedmont Triad Apartment Association
336-294-4428
denise@piedmonttaa.org
For more information, please contact:
Katelin McCrory, Manager of Political Affairs

katelin@naahq.org or 703-797-0622