

Outsourcing vs In-House PAC Administration

The Challenge

Organizations faced with doing more with less and delivering greater results than ever before may begin to think about outsourcing their PAC administration and compliance. After all, most individuals in an organization have limited PAC knowledge and are more valuable to the organization in PAC fundraising or roles other than keeping track of PAC receipts and disbursements and filing reports.



“BSA did not have the internal ‘bandwidth’ (staff expertise) required so we looked externally for a PAC management firm. We interviewed a couple vendors, but liked the personal touch that PASS offered. No question is too mundane for the staff and I’m able to obtain quick responses. PASS is a good value for the cost and perfect for BSA’s needs. They provide a flexible approach and tailor their services to the needs of their customers.”

*John Hasselmann
Business Software Alliance*

Some organizations may be tempted to pass this work off to a lower level administrative staff member and that would be a mistake. While PAC administration is basic “money in and money out” the nuances of PACs are anything but basic. The opportunities to run afoul of the law are numerous and although offenses are perpetrated innocently enough, the Federal Election Commission does not see them that way. Outsourcing is a smart choice that helps the PAC Manager and the Company succeed.

Consider the following when thinking about outsourcing your PAC administration and reporting.

Expense

Does the value of outsourcing justify the expense? This is an internal decision that only you can make. Yes, outsourcing may seem expensive, but consider that you are combining staff time, as well as time that would be spent by the legal and accounting departments and others into one expense

so it may end up saving you money in the long run. Plus, the cost of non-compliance is going up and companies that are committed to compliance realize that the expense of an outsource firm is minimal compared to the expense and embarrassment of not doing things right.

Continuity of Business

What if the PAC administrator left the company? Individuals retire and get new jobs. Having your records housed with a company that has been in business for 28 years means you will always have ready access to PAC information both current and historical. When you outsource and have a change in internal staffing there is no worrying about who is going to take over the PAC duties or file the next report. A professional firm offers operational consistency.

Security

Is the data being reported accurately and according to FEC requirements? Having an individual handling all of the PAC administration and reporting could lead to unintended mistakes which may or may not be addressed. The FEC requires the Treasurer to understand all PAC rules, abide by them and insure anyone working on the PAC abides by them, and to respond to FEC requests for information in a timely manner. A good outsource works with the client to insure all rules are followed and information filed accurately and on time.

Efficiency

Usually PAC Managers need to do more than just keep track of data and file reports. A single individual in a company has a myriad of responsibilities. Keeping track of the PAC administration and reporting is one task among many. The amount of time it would take an individual to research an issue with the Federal Election Commission or a questionable contribution or even primary election filing requirements is far longer than it would take a firm that specializes in election law and PAC administration and reporting to obtain the same information.

Compliance

Are we doing everything correctly all of the time? A firm will insure compliance for all PAC administration and reporting all of the time. This includes keeping track of contributions to insure no excessive contributions are made to the PAC by individuals and keeping track of disbursements to insure the PAC does not make an excessive contribution to a candidate over the applicable election cycle. Also, a compliance firm will maintain a master schedule of all reports due and will update that schedule on a regular basis. This would include pre-primary reports which can be triggered by PAC disbursement activity.

Software

But FEC software is FREE. The FEC software is free for a reason. It is no frills, no nonsense reporting-only software. A professional firm will offer you software that will allow you to track contributors and contributions. No more downloading the FEC upgrades and worrying about whether the software will still work or have bugs. A professional firm maintains their software and all upgrades required by the FEC so clients have access to all PAC information when needed. No more maintaining separate spreadsheets with receipts and disbursements because information is updated in real time.

Timeliness

Does your PAC staff have trouble taking a vacation or does panic set in when they are sick because no one else knows how to file the reports. Outsourcing means reports get filed on time even if the PAC administrator is on vacation or out for a sick day. A compliance manager at a professional firm is responsible for tracking reporting obligations and making sure reports are prepared and filed on time. If the compliance manager is sick or on vacation another compliance manager, who is equally knowledgeable, will prepare and file the reports. Outsourcing means no tasks or functions are reliant on one individual which allows everyone more flexibility.

Complete Oversight

Just because administration and reporting are outsourced, companies should still have access to all information. Outsourcing your PAC administration does not mean you lose oversight. If anything you have more oversight because reports and PAC information are being reviewed by many instead of one or two.

Time

Outsourcing buys you time to do the things your company needs you to do to help the company succeed. Outsourcing your PAC gives the PAC administrator the time to focus on fundraising for the PAC and retaining existing PAC members by offering creative member benefits. The ability to start new PAC programs only happens when the PAC administrator has the time to focus on those things.

A good outsource firm should instill a sense of confidence that they have your compliance and reporting under control meaning reports are being prepared accurately and filed on-time. That will free up the PAC manager to go out and raise more PAC money, spend more time on the Hill, spend more time thinking of new programs to attract and retain your PAC members or any of the other 100 things they have been tasked with doing but never had time to do. And, at the end of the day the PAC will be 100% compliant.



Who is PASS?

PASS is the premier provider of campaign finance compliance services. PASS administers both large and small PACs, new and established PACs, and political giving programs. PASS' unique mix of compliance experience and technical expertise results in a service provider you can rely on to make sure your PAC reports are accurate and filed on time. No other organization offers the same overall value as PASS