

To: State Association Presidents and Executives, State IFAPAC Chairs and Treasurers, State Government Relations Chairs, State Association Lobbyists

Re: Important Reminders for Filing State IFAPAC Election/Ethics Reports

Dear NAIFA State Association Leaders:

NAIFA state association political action committees are a critical part of NAIFA's advocacy program and IFAPAC's success depends on their proper administration. One key component of PAC administration is the common requirement that state associations file periodic disclosure reports with the appropriate governmental/regulatory authority in their state. This message contains important reminders about the filing of such state IFAPAC election/ethics reports.

As you prepare to file your state's IFAPAC election/ethics reports, please remember that NAIFA and NAIFAPAC (the national association's federal political action committee) do not make contributions to your state's IFAPAC or to your state's administrative fund. IFAPAC serves only as a "collecting agent" for the purpose of joint fundraising for itself and for state association IFAPACs. Contributions to your state's IFAPAC and administrative fund are made by individual NAIFA members and by state or local associations (not by NAIFA or NAIFAPAC). Accordingly, the state election/ethics reports that you file should list each individual contributor's name and the amount contributed by each individual (and any contribution made by a state or local association, if your state requires such disclosure). Your state election/ethics reports should not include the total amount of the monthly state share checks sent from national to your state because those aggregate amounts are not the required information concerning individual contributors and their individual contributions.

Other reminders and suggestions for the preparation of state IFAPAC election/ethics reports are as follows:

- Do not cite "NAIFA" or "NAIFAPAC" or "NAIFA State Share Fund" as a contributor of either political or administrative dollars on your state reports. As explained above, only list the individual contributors and their individual contributions (as well as any contributions from state or local associations, if your state requires such disclosure).
- Check with your state's election/ethics committee/bureau for a list of all information required to be reported for each individual contributor and his/her contribution. (You can connect with your state's election agency through the FEC website at <http://www.fec.gov/pubrec/cfsdd/cfsdd.shtml>.)
- Check with your state's election/ethics committee/bureau to see if your state PAC is required to disclose administrative funds.
- Check with your state's election/ethics committee/bureau regarding the threshold for reporting itemized and un-itemized receipts.
- Check with your state's election/ethics committee/bureau regarding aggregate totals and contribution limits.

- Consider filing electronic reports, not paper reports, even if paper reports are an option, because electronic filing can be simpler and more efficient.
- NAIFA recommends that you set up separate bank accounts for administrative and political funds.
- Determine whether or not your state association IFAPAC must also file IRS Form 1120-POL (the federal annual income tax return for political organizations), by reviewing the information at <https://www.irs.gov/charities-non-profits/political-organizations>.

If your state association needs a complete breakdown of your contributors and their state share amounts, please contact IFAPAC staff at ifapac@naifa.org or 703-770-8162. ***Please provide the date range that your report covers, and whether or not you need a listing of both political and administrative amounts.***

Please note that NAIFA cannot give legal advice with regard to state-specific filing requirements, but the general information in this message should be helpful to the preparation of state IFAPAC filings.

Thank you for your attention to this important topic and for your leadership in helping to manage NAIFA's essential IFAPAC program. Best regards, Michael

Michael E. Gerber
Chief Operating Officer & General Counsel