



VIRGINIA BANKPAC:

The Voice of Your Industry

BankPAC Sample Q&A

Q) How do Federal contributions work with ABA?

A) VBA BankPAC transfers around 25% of our contributions in a typical year to the ABA's Federal PAC. The VBA and ABA PACs are "linked" by the Federal Election Commission, meaning we are both subject to the campaign limits for any one PAC. We coordinate closely with the ABA and we have veto power over how they use PAC money in Virginia. The vast majority of the PAC money we transfer to ABA comes back to our own delegation; the rest supports leadership PACs for our Congressmen as well as other key Members of Congress. The net effect of all this is that our Congressmen and Senators are quite clear that ABA PAC money comes from, and in coordination with, the VBA.

Q) How do you select contribution recipients?

A) Our VBA Government Relations Committee adopts general guidelines on contributions to legislators. Those are mostly based on leadership roles (Speaker of the House, Majority/Minority Leaders, etc.) and key committee assignments (Commerce and Labor, Courts, etc.). We also consider seniority and past voting records when determining support and contribution levels. We generally back incumbents, but have in recent years made contributions to challengers when the Committee determined the benefit of supporting them was greater than any harm of not supporting an incumbent. Because we tend to provide funds to incumbents, the partisan breakdown of contributions generally mirrors the breakdown of the legislature. We support Republicans and Democrats who support our industry. While BankPAC does not contribute to political parties, some contributions are made to various caucuses (House and Senate Republican Caucuses, Joint Democratic Caucus). Those contributions, which account for about 10% of all BankPAC giving, assist the elected leaders in running their coordinated campaigns. VBA staff works with elected leaders to ensure funds go towards candidates supportive of banking issues. You can view 2020 BankPAC contributions to candidates [here](#).

Q) Why should we contribute when it goes to Senator X or Congressman Y?

A) We look at legislators' voting records and actions when deciding to financially support candidates. But we often have to look at their position, the likelihood of their continuing to serve and the cost-benefit of not supporting and potentially alienating them with maintaining a relationship. Since we represent the entire industry, there are a number of issues that arise where it is important to have legislators that are willing to hear us out, even if they don't necessarily agree with us all the time. While most of the candidates that receive BankPAC support understand and support us, there are times when we make the decision to provide resources as a way to build relationships that will hopefully pay off in the future.

Q) Are contributions tax deductible?

A) No.



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Q) How can BankPAC accept corporate contributions?

A) VBA BankPAC is actually comprised of two separate PAC accounts – one state and one federal. Generally, individual contributions go into the federal PAC account and corporate contributions go into the state PAC account. We are allowed to transfer funds from the federal to the state PAC, but, due to federal campaign law, not the other way around. So, corporate contributions can only be used for state purposes and are kept completely separate from the federal PAC which cannot accept corporate contributions. (National banks without a holding company or subsidiary cannot make corporate contributions to either, due to federal law.)

Q) What is being accomplished at the Federal level/Why should we support any of them?

A) Key banking issues, including regulatory relief efforts, have made progress over the last several years in Congress. It is imperative that the industry continue to educate legislators on policies that can either assist banks' ability to serve their customers or those with negative consequences. Maintaining and strengthening relationships with legislators continues to be critical as legislators make decisions impacting our industry. Whether advocating for necessary regulatory reforms or pushing back against overreach – both legislatively and through the regulatory agencies – having a voice and seat at the table in those decisions is paramount. We cannot afford to disengage and squander those opportunities.

Q) Why should we give to BankPAC (or why should VBA give to ABA's federal PAC) when we can contribute directly to candidates we agree with?

A) We always encourage our bankers and banks to be engaged in the political process and support whichever candidate they want. However, BankPAC (and/or the ABA's PAC) has the impact of representing the entire industry. Support from the association PAC displays a unified voice, the same as with other aspects of our government relations efforts. By combining resources, we can make a bigger impact. (With ABA, when we coordinate with them, we can make a bigger impact nationally.)

Q) How does our PAC compare to the Credit Unions?

A) At the state level, BankPAC contributed almost 4 times as much to candidates last year compared to credit unions. BankPAC is annually one of the top 5 industry association contributors in Virginia. At the federal level, it is harder to compare, but the credit unions spend a great deal of money at the federal level, including paying for their members to lobby their representatives in Washington. Because of federal campaign laws that cap contributions, donations are about even, but they often mobilize their "members" very well, which is why we need to continue to be aggressive.