IPA

Political Action *Committee*



Prior Approval *Form*

The Institute for Portfolio Alternatives (IPA) provides national leadership for the Portfolio Diversifying Investments (PDI) community through advocacy and education. We seek to raise awareness of PDI products among all stakeholders, including market participants, state and federal legislators, regulatory agencies and the investing public. Our mission is to cultivate and encourage a marketplace that offers every person equal access to portfolio diversifying investments and an opportunity to effectively build their retirement savings.

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Granting Prior Approval to solicit your eligible employees is the most important thing you can do to help us grow IPA PAC.

Prior Approval FAQs

What is Prior Approval?

As a trade association, IPA must comply with a special legal requirement in order to ask your firm's employee's to make contributions to IPA PAC. We must obtain your prior written approval.

Why is prior approval important?

Most of IPA's members are firms, not individuals.[1] Most PAC contributions, however, are made by individuals. In order to raise meaningful funds for IPA PAC, IPA must be able to ask eligible employees of member firms to contribute to the PAC—and we need your prior approval in order to do so.

Who can grant prior approval?

Any representative of your firm with whom IPA normally conducts business may sign the prior approval form. Depending on your firm and its relationship with IPA, this could be the CEO, President, or Vice President of Government Affairs.

How do I grant prior approval?

It's easy! Just complete the enclosed form and send it back to us! There are important limitations and conditions of prior approval:

- Prior approval must be granted in writing.
- A firm may grant prior approval to only one trade association PAC, such as IPA PAC, per calendar year. If your firm already has granted prior approval to another trade association PAC for this calendar year, we would be happy to receive your prior approval for next year! (Some firms alternate between two or more PACs, granting one PAC prior approval in even-numbered years and another PAC prior approval in odd-numbered years.)
- A firm may grant prior approval for multiple years at a time, up to a maximum of five years, so that you do not have to complete a new prior approval form every year.
- You may further restrict, in any manner you deem desirable, your prior approval—such as by limiting the approval to specific identified individuals within your company, by limiting the method by which we may make the solicitation, by limiting the number of times per year we may solicit, and by requiring review and preapproval of any solicitation before we can send it.

IPA PAC Basics

What is a PAC?

A Political Action Committee (PAC) accepts donations from multiple individuals, pools the donations into a common fund, and uses the funds to make contributions to candidates for elected office. In 1976, Congress authorized corporations, unions and associations to sponsor their own PACs as a legal and transparent means for their employees

What is IPA PAC?

Institute for Portfolio Alternatives Political Action Committee ("IPA PAC") is a non-partisan Political Action Committee sponsored by IPA. It is funded through voluntary, limited contributions from eligible IPA members and the eligible employees of member firms, and supports candidates for federal office who understand the Portfolio Diversifying Investments (PDI) industry, share our values and priorities, and support our success and prosperity. IPA PAC is the only PAC dedicated to the unique issues of PDI products, including, REITs, BDCs, interval funds, closed-end funds and direct participation programs.

Who is eligible to be solicited for a contribution to IPA PAC?

Federal law limits the scope of individuals who IPA may solicit for a contribution to IPA PAC. First, IPA can solicit its individual members. Second, with the prior approval of a member firm, IPA may solicit certain of the member firm's eligible personnel to contribute to IPA PAC. A member firm's eligible personnel include its executive and senior administrative personnel, shareholders and their spouses.

Can my firm just support IPA PAC directly?

IPA can use portions of membership dues and other general purposes donations to defray the overhead and administrative costs of operating IPA PAC, but the PAC generally cannot accept contributions from IPA member firms (except as noted in footnote 1 below). This is why prior approval is so important. It is necessary so that we can raise funds from your firm's eligible employees to be deposited into the PAC account, and then disbursed out as contributions from the PAC to candidates.

1. Federal law prohibits PAC contributions from incorporated entities. In certain limited situations, a member firm that is organized as a partnership of LLC may be able to make a PAC contribution— without prior approval—that then would be attributed to one or more individual partners or members of the firm. Please contact IPA for more information.
2. Generally, a firm's executive and senior administrative personnel include employees who devote the majority of their work to performing policymaking, managerial or supervisory responsibilities, as opposed to performing administrative or support tasks. In practice, there are several methods of determining who at your firm is eligible. Generally, but not always, employees who are classified as exempt under the Fair Labor Standards Act are eligible. The FEC has posted guidance on its website, and we encourage you to consult your firm's counsel if you have any questions. Certainly, however, your firm's C-level employees and VPs should be eligible, as are its shareholders and compensated members of your board of directors—and also their spouses or partners.

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Yes! I grant IPA PAC Prior Approval to make solicitations, as follows:

Please select one

☐ I authorize IPA PAC to solicit me only.

☐ I authorize IPA PAC to solicit me and my company's executive and senior administrative personnel in the years identified below, subject to such limitations and restrictions (if any) as I may indicate in writing in an attachment to this form.

☐ 2027 ☐ 2028 ☐ 2029 ☐ 2030 ☐ 2031

By my signature below, I confirm that I understand that my company may only grant one such prior approval per year to a trade association PAC, that my company has not yet granted prior approval to such a PAC for this calendar year, and that I am authorized to grant this approval on behalf of my company.

Signature: _____ **Printed Name:** _____

Company: _____ **Title:** _____

Please scan and return this form via email to jevans@ipa.com

For questions or additional information, please contact policy@ipa.com.

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