



PAYROLL DEDUCTION HANDBOOK

A Joint Fundraising Program
Between
The Texas Credit Union League's
Political Action Committee
And
Credit Union National Association's
Credit Union Legislative Action Council

TCUL PAC/CULAC

Payroll Deduction:

The Basics

The Federal Election Commission (FEC) approved on July 14, 2005 a new rule allowing payroll deduction for credit unions. This new rule greatly enhances fundraising abilities for TCUL PAC/CULAC.

- Credit Unions are able to use payroll deduction as a means of collecting TCUL PAC/CULAC contributions from their employees who are also **members of their Credit Union.**
- Credit Unions still need to grant CULAC prior approval (signed permission agreement) in order to participate in this fundraising program.
- The Credit Unions may pay the cost of the payroll deduction program, and are not required to report any of the costs.
- The payroll deduction option may be tied into other types of fundraising activities such as Capitol Club programs.
- A payroll deduction program must be made available (at cost and upon request) to a labor union representing any employees of the Credit Union or its subsidiaries or affiliates if the Credit Union uses the payroll deduction program for contributions to CULAC.

Why Payroll Deduction?

As many credit unions that already use payroll deduction for charitable giving can attest, payroll deduction offers a number of attractions as a fundraising tool:

It's Automatic: once an employee has provided initial authorization, no renewal is necessary and a steady stream of revenue for TCUL PAC/CULAC continues with every pay period.

It's Painless: having a small amount automatically withheld every pay period is barely noticeable, and yet adds up over time.

It's Easy to Administer: using the payroll deduction program simplifies tracking and reporting contributions for both credit unions and TCUL PAC.

Best of All, It Will Raise More Money: the ease and efficiency of payroll deduction will help TCUL PAC—and CULAC as a whole—meet and exceed their goals and continue to grow what is already one of the nation's largest PACs.

Take advantage of this great fundraising program and help us increase our political influence on Capitol Hill in Washington DC as well as at the state capitol in Austin, Texas!

FAQs

- Q. What is TCUL PAC and CULAC?
- R. TCUL PAC is the state trade association PAC that allows credit union members to pool their resources to support credit union friendly candidates for the Texas Senate and House of Representatives via campaign contributions. CULAC is the federal PAC of CUNA, the national trade association, and supports candidates for the U.S. Congress.
- Q. Why is it important to support TCUL PAC/CULAC?
- R. Political involvement is key to our future. Credit unions remain under constant attack by powerful bankers and their lobbyists. By pooling contributions from credit union members, leaders and others, PACs give us a collective voice regarding issues that are important to the future of the movement.
- Q. What is Payroll Deduction?
- R. Payroll Deduction is a joint program between the Credit Union Nation Association (CUNA) and its federally-registered political action committee (CULAC) and the Texas Credit Union League's Political Action Committee (TCUL PAC). It is designed to involve employees and staff in the political process on behalf of the credit union movement as a whole. Employees, **who are also members of that credit union**, are asked to consider making a voluntary contribution to TCUL PAC/CULAC that will be deducted from each paycheck.
- Q. How can I participate in Payroll Deduction?
- R. It is simple to participate. Make sure your credit union has a current signed permission agreement on file. This allows your contributions to be split 50/50 between TCUL PAC and CULAC. Encourage your staff and employees to become involved. Just imagine, if each credit union had 20 employees willing to donate \$5 per month through payroll deduction, that would total \$1,200 a year. If we had 20 credit unions doing that same thing, we would have \$24,000 per year for PAC all through Payroll Deduction!

Keys to a Successful Campaign

- Hold and publicize an annual or semi-annual TCUL PAC/CULAC campaign. Explain the importance of participating in PAC. Offer door prizes, refreshments, etc. (within reason). Encourage competition among branches...make it fun!
- Set a goal for your credit union both in terms of participation (% of employees) and actual dollar amount raised (\$\$ per year).
- Suggest giving levels by salary or position, either by percentage or amount. *(Note: this type of information will trigger need for additional disclaimers.)*
- Incorporate payroll deduction solicitation and authorization forms into new employee orientation.
- Advertise payroll deduction through articles in employee newsletters and in break rooms. *(Note: only those employees who are members of the credit union are solicitable, so be careful only to use this tactic if all or at least 97% of employees are members.)*
- Most importantly, **recognize and thank** employees who contribute. A note from the CEO means much more than a note from TCUL PAC!

SAMPLE NEWSLETTER ARTICLE

_____ Credit Union is excited to offer its employees the ability to participate in a new PAC fundraising program to benefit credit unions at the state and federal level. Becoming politically involved in the credit union movement has never been easier. This year, for the first time, credit union employees who are also members of the credit union can contribute to both our state and federal PACs (TCUL PAC/CULAC) by electing to have a portion of their paycheck deducted and transmitted to CULAC. This new Payroll Deduction program can transform credit unions' fundraising potential and enhance our already strong presence in Austin and Washington.

The last few years have seen well-funded and powerful banking lobbies stepping up their efforts to eradicate credit unions from the financial services marketplace. With programs like "Operation Credit Union" groups such as the American Bankers Association are sending credit union "tool kits" to every FDIC-insured bank with instructions to urge their state and federal legislators to tax credit unions. And banking lobbyists are working overtime to ensure the defeat of sensible regulatory reforms efforts that would allow us to better serve our members.

_____ Credit Union, as a corporation, is prohibited by law from making political contributions which is why your individual contribution to TCUL PAC/CULAC is so crucial. While CULAC promotes the support of pro-credit union candidates to the U.S. Congress through PAC contributions, TCUL PAC supports pro-credit union candidates to the Texas Legislature.

Your contribution makes a HUGE difference!

Contributions to TCUL PAC/CULAC are not deductible for federal tax purposes, are strictly voluntary and will be used for political purposes. You have the right to refuse to contribute without any reprisal. The law requires political action committees to report the following information for individuals whose contributions exceed \$100 in a calendar year: name, address, occupation and employer. CULAC is required to collect the name and mailing address of individuals who contribute \$50 or more. All information will be kept confidential unless required by law. You must be a US Citizen or a person lawfully admitted for permanent residency in the United States. Political advertising authorized by the Texas Credit Union League PAC.

Payroll Deduction

Credit Union Checklist

- Payroll Deduction Authorization & Information Form for Credit Unions
- Credit Union Payroll Deduction Agreement
- Joint Transmittal Spreadsheet

Employee Checklist

- Payroll Deduction form

**Credit Union
Payroll Deduction Authorization & Information Form**

Credit Union Name

Street Address

City

State

ZipCode

Payroll Deduction Contact

Payroll Deduction Contact Phone#

Email Address

Payroll Deduction Schedule (circle one)

Bi-Monthly

Monthly

Other_____

Date of next payday: _____

Authorizing Official:

Print Name

Signature

Date

Please return to Kate Abel at kabel@cuna.com or 202-638-7751 fax.

Credit Union Payroll Deduction Agreement

The Credit Union National Association (“CUNA”), The Texas Credit Union League (“League”), and _____ (“Credit Union”) hereby enter into the following agreement (“Agreement”) with respect to payroll deduction for CUNA’s separate segregated fund, the Credit Union Legislative Action Committee of CUNA (“CULAC”), and for the League’s state PAC, TCUL PAC (“State PAC”):

1. The Credit Union agrees to participate in a payroll deduction program for CULAC and TCUL PAC.
2. As part of the payroll deduction program, the Credit Union shall provide the League with prior written authorization to solicit the members of the Credit Union for CULAC for this calendar year. Thereafter, the Credit Union shall provide the League with prior written authorization for each calendar year in which the Credit Union participates in the payroll deduction program.
3. The Credit Union shall solicit contributions to CULAC and TCUL PAC from employees who also are members of the Credit Union. The Credit Union shall use the solicitation materials provided to it from CUNA and/or its League, with modifications for local contact information.
4. All contributions shall be voluntary, and all employee-members shall have the right to refuse to contribute without any reprisal. The Credit Union shall not use physical force, job discrimination, financial reprisal, or the threat of any of the foregoing to induce participation in the program or contributions to CULAC or TCUL PAC.
5. The Credit Union shall preserve the original, signed payroll deduction authorizations from each of its participating employee-members. Each authorization shall be kept for three (3) years after the employee-member ceases to participate in the payroll deduction program.
6. The Credit Union shall not solicit nor accept contributions from foreign nationals. The Credit Union shall not solicit or accept contributions from Credit Union employees who are not members of the Credit Union.
7. The Credit Union shall deduct from each participating employee-member’s paycheck an amount equal to the contribution amount so designated by the employee-member in his or her payroll deduction authorization. The contributions shall be split between CULAC and TCUL PAC based upon the following division: CULAC—50% and TCUL PAC—50%. This percentage division shall be noted on all solicitation materials disseminated by the Credit Union for the payroll deduction program.
8. Every participating employee-member shall have the right to revoke his or her participation in the payroll deduction program by sending an email or written letter to this effect to the Credit Union.

9. Within one (1) business day of each date on which Credit Union employees are paid, the Credit Union shall send by wire transfer to CULAC's escrow account the total amount of contributions to CULAC and TCUL PAC collected for that pay period via payroll deduction from participating employee-members of the Credit Union. The wire transfer shall be made to account # 221310605, at the Empire Corporate Credit Union.

10. Within one (1) business day of each date on which Credit Union employees are paid, the Credit Union also shall send to CUNA via email to culacreceipts@cuna.com a spreadsheet that contains all of the necessary identification and contribution information about each employee-member who participated in that pay period's payroll deduction for CULAC and State PAC. CUNA shall provide the Credit Union with a standard spreadsheet for this purpose.

11. CULAC shall return from its escrow account to TCUL PAC the above-designated percentage of the total contributions collected each pay period from member-employees at the Credit Union. CUNA also shall forward to TCUL PAC the contributor spreadsheet received from the Credit Union.

12. The Credit Union hereby appoints _____ to act as its contact to CUNA with respect to the payroll deduction program. The contact's information is as follows: _____. The contact shall work with CUNA, CULAC, and TCUL to ensure a successful payroll deduction program.

13. The Credit Union shall notify CUNA in writing within five (5) business days of any change in the status of the contact designated above in paragraph 12 or in the contact's information. In such notification, the Credit Union shall provide CUNA with the name and contact information for a replacement contact, if applicable.

14. The Credit Union shall pay all costs associated with administering the payroll deduction program with respect to its employee-members, in transferring the collected funds to CULAC's escrow account, and in transferring the contributor information to CUNA.

15. The League and the TCUL PAC shall be responsible for filing all state and/or local campaign finance registration and/or reports applicable to contributions for TCUL PAC solicited as part of the payroll deduction program, if any.

16. CUNA and CULAC shall be responsible for filing all federal campaign finance registrations and reports applicable to contributions for CULAC solicited as part of the payroll deduction program.

17. This Agreement shall be effective upon execution.

18. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, this Agreement has been entered into as of the date of execution.

By: _____
CUNA

By: _____
Credit Union

Date:

Date:

By: _____
The Texas Credit Union League

Date:



A Member of the Credit Union System

Credit Union Legislative Action Council of CUNA

601 Pennsylvania Avenue, NW South Bldg., Suite 600 Washington, DC 20004-2601



Wire Transfers:

Empire Corporate Federal Credit Union
Account # 221310605
Routing # 221381715

Wire Transfer Date: ___/___/___

Credit Union: _____

Total Amount: _____

Payroll Date: _____

Payroll Deduction Contributor Disclosure Spreadsheet

FULL NAME	HOME ADDRESS	CITY	ST	ZIP	TITLE	TOTAL	St PAC %	St PAC	CULAC
						\$ -	50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
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							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
							50%	\$0.00	\$0.00
TOTAL						\$ -		\$0.00	\$0.00

Important: Please transmit this completed form via email to payrolldeduction@cuna.com within one (1) business day of each payroll and with appropriate wire to CULAC's account.

Please highlight any additions, subtractions or changes since the last pay period.

TCULPAC/CULAC Payroll Deduction Authorization Form

_____ YES, I want to increase credit unions' influence in Austin and Washington!

President
\$1,500 contribution

Ambassador
\$1,000-\$1,499 contribution

Governor
\$500-\$999 contribution

Senator
\$250-\$499 contribution

Representative
\$100-\$249 contribution

Delegate
\$50-\$99 contribution

Contributions made through Payroll Deduction will be split 50/50 between our state and federal PAC (TCUL PAC/CULAC)_

Please make a bi-weekly deduction from my paycheck in the amount of:

- _____ \$57.70 President's Capitol Club
- _____ \$38.47 Ambassador's Capitol Club
- _____ \$19.24 Governor's Capitol Club
- _____ \$9.62 Senator's Capitol Club
- _____ \$3.85 Representative's Capitol Club
- _____ \$1.93 Delegate's Capitol Club
- _____ (other) Please specify amount \$ _____ per pay period.
- _____ I would like to make a one-time contribution of \$ _____ via payroll deduction.

I understand that this deduction is not tax-deductible and that this contribution is strictly voluntary and will be used for political purposes. The amounts listed above are merely suggestions, and I may contribute more or less than the guidelines suggest. In addition, CUNA and [] Credit Union will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute. I have the right to refuse to contribute without reprisal.

My payroll deduction will continue until I notify Payroll in writing of any change. The submission of a new deduction authorization form will supersede any previous authorizations for this payroll deduction. I have the right to terminate this deduction at any time by providing written notification (or email) to the Payroll Department. I understand my notice must be received by Payroll one week prior to a payday to allow for processing time.

Name: _____

Address: _____

City, State, Zip: _____

Credit Union: _____ Title: _____

Signature: _____ Date: _____

Contributions to TCUL PAC/CULAC are not deductible for federal tax purposes. Contributions to CULAC are strictly voluntary and will be used for political purposes. You have the right to refuse to contribute without reprisal. The law requires political committees to report the following information for individuals whose contributions exceed \$100: name, address, occupation and employer. All information will be kept confidential unless required by law. You must be a US Citizen or a person lawfully admitted for permanent residency in the United States. Personal contributions over \$200 must be reported to the FEC. Political advertising authorized by the Texas Credit Union League PAC.