

CPA-Zicklin Index Releases 2013 Ratings on Political Contributions Reporting

October 7, 2013 | Client Update | 2-minute read

After facing a books-and-records lawsuit by the state comptroller of New York over its lack of disclosure on political contributions, which we previously discussed [here](#), Qualcomm is now 1 of the 16 companies that scored in the top tier of the [Center for Political Accountability Index](#), based on the amount of information the company now provides.

The new ratings on corporate disclosure of political spending examines the top 200 companies in the S&P 500. It found that 70% of those companies disclose direct contributions, and 43% disclose payments to trade associations and the amounts used for political purposes. Most companies have a threshold, such as \$25,000, for including trade association information. Some companies stated that their policies are to not make direct contributions, or they ask trade associations to not make payments for political purposes from their dues.

Large companies are now providing more information than ever, as 78% of them received higher scores than last year because of increased disclosure. The CPA index continues to assess the disclosure levels by evaluating the information on specific payments to candidates, parties and committees, 527 groups (such as super-PACs), ballot measure committees, trade associations, direct independent expenditures and 501(c)(4) groups (social welfare groups that have gained some notoriety this year for being investigated by the IRS).

Board oversight is key to the scoring index, as the ratings include examining whether the board or committee reviews any corporate policy on political spending as well as actual expenditures and trade association payments. Companies also receive points for posting their policies on their websites, providing information on the parameters of giving and noting the decision-making criteria.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Ning Chiu

+1 212 450 4908

ning.chiu@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.