

## Non-profits & Political Advocacy: Some Things to Remember

- The **Internal Revenue Service** is the government agency responsible for ensuring that agencies that operate as 501-c3 (non-profit) agencies meet the guidelines established for those entities.
- **Being a non-profit** means that your agency has applied to the IRS for this tax-exempt status and that status has been awarded by the IRS. If you are legally a non-profit, you will have a letter from the IRS granting that tax-exempt status.
- Operating as a 501-c3 organization places **some restrictions** on your organization:
  1. You have a **limit of total expenditures** that can be made each year to support lobbying. You can choose to “elect” or “not to elect” under the IRS code and this decision determines how much of your annual budget can be spent for lobbying.
  2. If you have **subordinate organizations**, their lobbying expenditures are counted in your total. This means that you need to be careful in ensuring that all the entities (yours and your subordinates) don't exceed your allowable limit.
  3. **501-c3 organizations are PROHIBITED from endorsing political candidates or participating in a political campaign.**
- **Keeping detailed and complete records** is the key to avoiding problems with your tax-exempt status. Anyone in your agency or organization that participates in lobbying activities should keep comprehensive records about the amount of time spent and the type of activity. This information will be utilized to file the required tax documents (FORM 990) that a non-profit files each year.

Information excerpted from: *Being a Player: A Guide to the IRS Lobbying Regulations for Advocacy Charities*. The Advocacy Forum, Alliance for Justice, 1601 Connecticut Avenue, N.W., Washington DC 20009 □ [www.allianceforjustice.org](http://www.allianceforjustice.org)

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- **Lobbying** has two components: direct and grassroots lobbying.

**Direct lobbying** is defined as communication which is made to either a legislator, an employee of a legislative body or any other government employee who may participate in the formulation of legislation (but only if the principal purpose of the communication is to influence legislation) and

- Refers to a specific piece of legislation; and
- Expresses a view on that legislation.

**Grassroots lobbying** is defined as an attempt to influence specific legislation by encouraging the public to contact legislators about that legislation. In order to constitute grassroots lobbying, a communication must:

- Refer to specific legislation
- Reflect a view on that specific legislation; and
- Encourage the recipient of the communication to take lobbying action with respect to the specific legislation. (This is known as the grassroots lobbying “call to action”.)

- The IRS regulations specify that a **grassroots lobbying call to action** must either:
  - ✓ State that the recipient should contact a legislator or other relevant government employee for purposes of influencing the legislation;
  - ✓ State the address, telephone number or similar information regarding a legislator or legislative body employee;
  - ✓ Provide a petition, post card or similar means for the recipient to contact a legislator or legislative body employee; or
  - ✓ Specifically identify a legislator or legislators who will vote on the legislation as being: opposed to or undecided about the organization’s view on the legislation; the recipient’s legislator, or a member of a legislative committee that will vote on the legislation.
- Identifying the sponsor(s) of a piece of legislation does *NOT* constitute a grassroots lobbying call to action.

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- Lobbying is **NOT**:
  - ✓ Nonpartisan Analysis, Study or Research
  - ✓ Examinations and Discussions of Broad Social, Economic and Similar Problems
  - ✓ Requests for Technical Advice or Assistance
  - ✓ “Self-Defense” Communications

***Non-partisan Analysis, Study or Research***

Although this type of communication may reflect a viewpoint, it must meet two tests in order to be considered outside of the lobbying definition. It must provide information on all sides of the issue in an objective and nonpartisan manner and must be made available to the general public, a segment of the general public or to governmental bodies and employees. It may be distributed, in part, to members of Congress so long as it is distributed widely and not limited to only those people who are interested in one side of the issue. This exception provides you with an opportunity to distribute educational materials which inform the public and reflect a view on legislation, but the materials must be prepared carefully to meet the standards for the nonpartisan analysis, study or research definition.

**Examinations and Discussions of Broad Social, Economic, and Similar Problems**

Communications that address the public, members of legislative bodies, or governmental employees on general topics that are also the subject of specific legislation can qualify under this exception; however, the communication must not refer to specific legislation or directly encourage the recipients to take action.

**Requests for Technical Advice or Assistance**

If a legislative body or committee requests in writing that you respond or provide information about a certain piece of legislation, your response is not considered lobbying. Your response must be disseminated to the entire body requesting the response.

**Self-Defense Communications**

Communication from your agency to a legislative body concerning specific legislation that could affect your organization’s existence, powers, duties, tax-exempt status, or the deductibility of contributions to the organization is not considered lobbying.

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## Resources from the Alliance for Justice

As with any attempt to streamline the discussion of a very complicated issue there are many details and issues that have not been addressed in this brief summary. The Alliance for Justice has several publications that are easy to read and understand and give more detailed information and concrete examples for each of the defined activities in this summary. Other organizations also have publications that will help you be an involved participant in the public policy debate while preserving your tax-exemption. Listed below are a few of the Alliance for Justice publications. You may wish to check with organizations in your state to determine if there are specific regulations that may affect your lobbying activities in your state and community.

### ***E-Advocacy for Nonprofits***

Lobbying and election-related activity on the Internet.

### ***Worry-Free Lobbying for Nonprofits***

This booklet describes how nonprofit groups and the foundations that support them, can take advantage of the clear and generous federal law that encourages lobbying activity.

### ***Being a Player***

This book is a primer in plain-language that outlines lobbying regulations from the Internal Revenue Service for nonprofits.

### ***The Connection***

Strategies for creating and operating non-profit and political organizations.

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