AS A 501(c)(3) CHARITABLE ORGANIZATION...

YOU CAN LOBBY

Direct Lobbying is when an organization attempts to influence specific legislation by stating its position to a legislator (or other government employee who participates in the formulation of legislation) through its staff or members.

Grassroots Lobbying is communication with the General Public that expresses a viewpoint about Specific Legislation and includes a Call to Action (such as asking people to contact legislators). In order for an action to be considered grassroots lobbying it must contain all of the above elements. It is not lobbying if one or more of the required elements are missing.

Examples of Lobbying

All 501(c)(3) public charities are legally permitted to lobby, which involves trying to influence the passage of a law. Lobbying is perfectly legal. Lobbying is your right and it’s your responsibility, just be aware of your organization’s financial limits (see Page 2). Not all meetings with legislators or discussions about specific legislation will count as lobbying, though. It depends on what you are saying and to whom you are speaking.

- When you meet with a state legislator or staffer to ask them to support specific legislative priorities, that is direct lobbying.
- When you work for or against ballot measures, such as referenda, bond measures, and ballot initiatives, that is direct lobbying because while voters determine the outcome at the voting booth, the voting public serves as the legislature.
- When you send an email out to your lists urging recipients to tell their elected officials to support a specific legislative proposal, that is grassroots lobbying.
- When you hold a public rally in support of a specific piece of legislation, the cost of the time it took to create or organize the event and the rally itself is grassroots lobbying.
- When you meet with a legislator or staffer to introduce yourself and educate the legislator about your community, but you do not express a view about any legislation, that is NOT lobbying.
- When you educate the public about the consequences of proposed legislation by providing research, analysis and commentary, but do not urge the public to contact their legislators about it, that is NOT lobbying.
- When you are defending matters affecting your own nonprofit tax status, powers or lobbying rights, that is NOT lobbying.
- When you contact elected officials or the executive branch about proposed regulations, that is NOT lobbying.

Continued on next page
YOU CAN NOT

• Nonprofits cannot endorse, oppose, raise money for or spend money (or other resources) on a candidate!
• Nonprofits cannot target/register voters for only one party.
• Nonprofits cannot allow candidates to use mailing lists or equipment.

YOU SHOULD

Dirty Dozen of Tips for Meetings with Policymakers
1. Understand their districts (general boundaries, major cities, communities of interest, etc).
2. Research their personal history and voting record via:
   • Policymaker’s website
   • League of Women Voters
   • Google search
3. Determine what issues are important to them and ASK them about their priorities.
4. Don’t assume they have a level of knowledge about your issue—begin with the basics and remember that you are usually the expert.
5. Be prepared and succinct—they don’t have much time.
6. Remember, a burned bridge is hard to rebuild—understand the other side of the story you are telling and be prepared to respond and neutralize. Don’t attack.
7. The staff of policymakers matter. They are the conduit and gatekeeper.
8. Don’t wait until you need something to begin your relationship. Ideally your first meeting should be an introduction and should not include a request.
9. If policymakers request follow-up information, respond within one week or less.
10. Offer a ONE PAGE document during your meeting, not a folder of information about your organization.
11. If more than one person is joining you in a meeting, make sure each of you know your role and have assigned talking points.
12. ALWAYS OFFER TO BE A RESOURCE AND SAY THANK YOU!

Sources: Center for Lobbying in the Public Interest (CLPI), Alliance for Justice (AFJ), Tim Delaney and Lori McClung

HOW MUCH CAN MY ORGANIZATION SPEND ON LOBBYING AND HOW CAN I PAY FOR IT?

Federal tax law controls how much lobbying 501(c)(3) organizations can engage in annually. Public charities can choose to measure their lobbying under either the substantial part test or the 501(h) expenditure test. Lobbying limits are not specified under the substantial part test; if a charitable organization does not elect (specifically choose) the expenditure test, it is automatically subject to the substantial part test.

The 501(h) form is a single page, easy to complete, easily available form that all charitable organizations should consider filing. It is a bright line test that makes it simple to engage in lobbying without breaking the rules. There is no jeopardy to tax-exempt status for a single year violation with the 501(h) election.

The information below provides an overview of how lobbying is defined for organizations that measure their lobbying under the 501(h) expenditure test.

Under the expenditure test, lobbying is divided into two parts:

1. Direct Lobbying
2. Grassroots Lobbying

Overall allowable lobbying annual limits are generous:

• 20 percent of the first $500,000 of annual organizational expenditures may be spent on lobbying;
• 15 percent of the next $500,000;
• 10 percent of the next $500,000;
• 5 percent for every additional $500,000 up to $1 million.

Grassroots:

Charitable nonprofits may spend 25% of their total allowable lobbying expenditures on grassroots lobbying.

For example:

ABC nonprofit with expenditures of $50,000.
20 percent of $50,000 = $10,000 = Overall lobbying limit
25 percent of $10,000 = $2,500 = Grassroots lobbying limit
Total lobbying activity: $2,500 on grassroots lobbying, and $7,500 on direct lobbying, or all $10,000 on direct lobbying.

What funds can I use to lobby?

Nonprofits may use “non-earmarked” or general purpose private foundation funds to lobby. Community foundations can earmark grants for lobbying (they are exempt under 501(c)(3) and are not private foundations). Government funds generally cannot be used for lobbying.