

Nonprofits can *and should* lobby

It is perfectly legal for 501(c)(3) organizations to lobby for legislation that benefits the individuals they serve.

The IRS suggests that nonprofits “elect” to come under the **1976 Lobby Law** that governs nonprofit lobbying. To do so, your governing body must vote to come under the provisions of the law and file the one-page IRS Form 5768. The Lobby Law provides clear and generous instructions on how much lobbying is allowed as well as what lobbying is. Nonprofits that do not elect to come under the law are at a greater risk of not being in compliance with IRS regulations.

The following table shows how much nonprofits can spend on lobbying under the 1976 Lobby Law:

Annual Exempt-Purpose Expenditures	Total Direct Lobbying Expenditures Available	Total Grassroots Lobbying Expenditures Allowable
Up to \$500,000	20% of exempt-purpose expenditures up to \$100,000	One-quarter of the total direct lobbying expenditure ceiling
\$500,000-\$1 million	\$100,000 + 15% of excess over \$500,000	\$25,000 + 3.75% of excess over \$500,000
\$1 million-\$1.5 million	\$175,000 + 10% of excess over \$1 million	\$43,750 + 2.5% of excess over \$1 million
\$1.5 million-\$17 million	\$225,000 + 5% of excess over \$1.5 million	\$56,250 + 1.25% of excess over \$1.5 million
Over \$17 million	\$1 million	\$250,000

Direct Lobbying

Any attempt to influence *specific legislation* by communicating with **legislators** or **government officials** that participate in the making of laws. Examples of direct lobbying include visiting a legislator to discuss a particular bill or contacting a legislator to ask him/her to support a bill. The key element of lobbying is mentioning or discussing specific bills or pieces of legislation. If you are not talking about specific legislation, you are not lobbying

Grassroots Lobbying

Any attempt to influence *specific legislation* by trying to affect the opinions and actions of the **general public**. Examples of grassroots lobbying include requesting in a newsletter that readers contact their legislator to ask for more funding for domestic violence programs or giving a television interview and stating your organization’s support for a particular bill. Again, if you mention your position on a specific bill, or urge readers/viewers to act, you are lobbying

It is important to note that you are **only lobbying when there is an expenditure of funds**. Of course, your time is an expenditure if you are on the clock.

Your organization is not lobbying when:

- ▶ You communicate with the public, legislators or others about broad social issues requiring legislative solutions, so long as you don't mention specific legislation or ask them to take action.
- ▶ You are a membership organization and you communicate with your members about specific legislation without urging them to take action (i.e. *MCADSV Legislative Update* is not considered lobbying because we do not encourage readers to take action based on the information provided.)
- ▶ Volunteers are lobbying (because no money is being spent).
- ▶ You communicate with elected officials about regulations.
- ▶ You are testifying before a legislative committee at the request of the committee (not a single legislator).
- ▶ You are lobbying legislators about matters that affect your organization's existence, powers, tax-exempt status, etc.
- ▶ You conduct research on legislation, so long as the research contains a full and fair analysis of the facts.

Some Areas of Caution

Elections

Nonprofits should be careful when participating in political campaigns. 501 (c)(3)'s cannot endorse or contribute money to political candidates. Nonprofits can sponsor debates, conduct candidate surveys, as long as all candidates are included and no favoritism is shown to a particular candidate.

On the Federal or State Dime

In general, a person cannot engage in lobbying if his/her time is being paid by a federal or state grant. This means you cannot lobby legislators, attend legislative events or analyze legislation while billing your time to a federal or state grant. There are some exceptions to this. If the grant specifically authorizes you to engage in certain activities (i.e. analyze legislation, develop materials to support public policy), then you may do so. Most of the time, however, time spent lobbying will need to be supported by unrestricted funds, donations or other fundraising revenue. The Missouri Foundation for Health also provides grants for non-profits to lobby. As a last resort, you can take a day off or use your lunch hour to participate in lobbying efforts.

Resources

More information on nonprofit lobbying:

www.clpi.org/About_Nonprofit_Advocacy_and_Lobbying.aspx

IRS Form 5768: www.clpi.org/pdf/f5768.pdf

Missouri Foundation for Health: www.mffh.org/policy_grants.html

More Questions?

Contact MCADSV: 1-888-666-1911