

# ADVOCACY, LOBBYING, & NONPROFITS

Phil Cronin, President  
Francis, Edward, & Cronin, Inc

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# POLITICS VS. GOVERNMENT

- ▣ Politics: The art of moving from conflict to compromise
  - ▣ Exists everywhere
    - Family
    - Relationships
    - Neighborhoods
    - Work/Office
    - Government
- Government: The ruling or administrative entity that manages a collective body

# THE IRS, GOVERNMENTAL AFFAIRS ACTIVITIES, & NONPROFIT STATUS

- ▣ The IRS not only allows, but encourages, nonprofits to play an active role in advocating with governmental organizations for their programs

# THE IRS, GOVERNMENTAL AFFAIRS ACTIVITIES, & NONPROFIT STATUS

- ▣ The IRS defines 3 distinct categories of activities when nonprofits interact with governmental organizations:
  1. Political Activity
  2. Advocacy Activity
  3. Lobbying Activity

# POLITICAL ACTIVITIES

- ▣ Endorsing or opposing candidates for elective office
- ▣ Donating money
- ▣ Organizational activity in campaigns
- ▣ “Inconsistent” notifying/criticism of positions or votes of elected officials and candidates
  
- ▣ NEVER ALLOWED
- ▣ Will put your nonprofit status at risk
- ▣ Again, NEVER ALLOWED
- ▣ Did I mention these activities are NEVER ALLOWED

# ADVOCACY ACTIVITIES

- ▣ Speaking out on issues of importance to your organization
  - ▣ Providing nonpartisan studies, expertise, analysis, and research
  - ▣ Testifying at committee hearings
  - ▣ “Self-defense” communication
- 
- ▣ Always allowed
  - ▣ Will not put your nonprofit status at risk

# LOBBYING ACTIVITIES

- ▣ A communication with legislative officials or their staffs to discuss legislation
- ▣ Asking your membership to communicate with legislative officials or their staffs to support/oppose legislation
- ▣ Communicating with legislative officials, their staffs, or the public on legislative initiatives or referenda

# LOBBYING ACTIVITIES

- ▣ Under IRS Rules, there MUST be a SPECIFIC piece of LEGISLATION for activities to be considered lobbying
  - Legislation is action by a legislative body or public during a referendum or legislative initiative (ballot question)
- ▣ The legislation can either be already introduced or proposed
  
- ▣ Allowed within limits established by the IRS



# TYPES OF LOBBYING

- ▣ Direct Lobbying
  - Communication with a legislative official or their staff about a specific piece of legislation
  
- ▣ Grassroots Lobbying
  - Communication to the general public
  - Contains a view toward a specific piece of legislation
  - Urges the public to act by contacting legislative officials or their staffs about the legislation

# LIMITS ON LOBBYING ACTIVITY

## ▣ Insubstantial Rule

- IRS looks at an organization's activities including those of volunteers to see if the lobbying activity is a "substantial" part of the organization's overall activities
  - What defines substantial?
    - No one really knows for sure
    - People use a rule of thumb of 5% of an organization's total budget
    - Doesn't offer a clear definition of lobbying activity

## ▣ 501(h) Election

- Offers a clear and specific limit on lobbying expenditures
- Only considers staff and consultant expenditures, not volunteers
- Organizations can take this election by submitting IRS Form 5768

# 501(h) ELECTION LIMITS

- ▣ Based on the organization's exempt purpose expenditures
  - ▣ Allows for
    - 20% of first \$500,000 of exempt purpose expenditures
    - +15% of next \$500,000 exempt purpose expenditures
    - +10% of next \$500,000 exempt purpose expenditures
    - +5% of remaining exempt purpose expenditures
- ▣ Under these limits, only 25% of total lobbying expenditures can be on grassroots lobbying

# OTHER ELECTION SEASON ACTIVITIES

- ▣ Voter guides
- ▣ Voter registration drives
- ▣ Nonpartisan get out the vote efforts
- ▣ Encouraging voters to remember an issue, not to vote a certain way
  
- ▣ Being new to advocacy, I would suggest avoiding these activities until after the election

# WHY ENGAGE IN ADVOCACY?

- ▣ You have a responsibility to the people you serve to ensure governmental officials know about your services
- ▣ You have a responsibility to ensure that the “sector” is known and understood by governmental officials
- ▣ Government plays an inherent role in all of our lives
  - “External authorizing environment”

Hatch ‘em

Match ‘em

Dispatch ‘em

# WHY ENGAGE IN LOBBYING?

- ▣ There are many pieces of legislation that can impact your organization
  - ▣ Affordable Care Act provisions
  - ▣ Appropriations bills
  - ▣ Legislation related to medical research or access to care
  - ▣ Tax deductibility of charitable donations

# FOR MORE INFORMATION

- ▣ <http://www.irs.gov/charities/article/0,,id=163392,00.html>
- ▣ <http://www.irs.gov/pub/irs-pdf/f5768.pdf>
- ▣ Center for Lobbying in the Public Interest  
<http://www.clpi.org/>
- ▣ Center for Nonprofit Management  
<http://www.cnmsocal.org/>
- ▣ Independent Sector  
[http://independentsector.org/lobby\\_guide](http://independentsector.org/lobby_guide)