

Can Non-Profit Agencies/ Organizations Advocate or Lobby?

As individuals, we all have the right to advocate or lobby our elected officials and to encourage them to take positions with which we agree. Often times, however, community-based service providers wonder whether or not they are allowed to engage in lobbying if they work for a tax-exempt organization (specifically a 501(c)(3)). Although the short answer is **YES**, there are important limitations that require careful consideration. While this section provides some guidance, it is not intended to serve as legal advice and therefore should not be construed as such.

The Internal Revenue Service (IRS) permits non-profit/charity organizations to lobby **so long as the expenditure of funds related to such purposes (e.g. salary, travel, mailings and phone costs) does not exceed certain limits**. The limit varies by organization based on the size of the organization's budget. In calculating how much an organization may spend on lobbying activities, the IRS makes an important distinction between "direct" and "indirect" (grassroots) lobbying. Both activities are allowed, but each is subject to a different spending limit.

Importantly, the IRS also recognizes that not all policy work or communication with elected officials is lobbying. Efforts to educate elected officials about a certain program are not considered lobbying unless the intent of the communication is to influence the official's action or vote. Similarly, educating community members about a pending issue may not be considered grassroots advocacy.

In addition to spending limits, there are two important prohibitions that a non-profit must adhere to when engaging in direct or grassroots lobbying efforts. First, **no government funds - be they local, state or federal - may be used to pay for lobbying activities**. Second, **501(c)(3) organizations are expressly prohibited from engaging in electoral politics where the intent is to influence how individual citizens vote in an election**. In other words, 501(c)(3) organizations cannot endorse candidates, nor can they encourage others to vote for or against a particular candidate based on his or her position on an issue. This prohibition on electoral politics does not apply to 501(c)(4) organizations. Although such organizations are technically non-profits, according to IRS guidelines, donations to them are not tax-deductible as they are for 501(c)(3)s.

One excellent reference guide on the issue of lobbying by nonprofits is a publication written by Bob Smucker for the Independent Sector entitled, "The Nonprofit Lobbying Guide, Section Edition." This document can be accessed on line at www.independentsector.org or by calling the Independent Sector's Washington, D.C. office at (202) 387-5048