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Lobbying Activities and 501(c)(3)s*

- 501(c)(3)s can and should lobby all levels of government. The IRS issued relatively liberal regulations pertaining to the 1976 lobbying law to allow nonprofits to engage in lobbying.
- 501(c)(3)s that decide to take the 501(h) election can spend a maximum of \$1 million in total lobbying expenditures. This includes *direct lobbying* and *grassroots lobbying*. Total lobbying expenditures are limited to 20% of exempt purpose-expenditures up to \$500K. A sliding scale is used thereafter until an organization reaches the maximum permissible ceiling of \$1 million when its exempt-purpose expenditures reach \$17 million. *Grassroots lobbying* expenditures are limited to one-quarter of the overall ceiling. Amounts spent over the one-quarter must be spent on *direct lobbying*.
- 501(c)(3)s that decide to take the 501(h) election may engage in educational activities, which are defined by the IRS as “the instruction of the public on subjects useful to the individual and beneficial to the community.” An organization may also be educational even if it promotes a specific viewpoint as long as a fair exposition of the relevant facts has occurred, and such information allows the public to form an independent opinion. This type of activity is excluded from the definition of lobbying and lobbying expenditures.
- 501(c)(3)s that decide to take the 501(h) election may provide technical assistance or advice to a governmental body or committee in response to its unsolicited request. However, the request cannot come from an individual member of that body or committee, and the response must be made available to all members of the requesting group. This type of activity is excluded from the definition of lobbying and lobbying expenditures.
- 501(c)(3)s that decide to take the 501(h) election may engage in self-defense activities such as communication with legislators regarding decisions that may affect the organization’s existence, powers, duties, 501(c)(3)s status, or the deductibility of contributions. This type of activity is excluded from the definition of lobbying and lobbying expenditures.
- 501(c)(3)s are allowed to take specific positions on legislation and are allowed to ask their members to do the same. This activity falls under *direct lobbying*.

* The information contained in this document is for educational purposes and should not replace legal counsel.

Lobbying Activities and 501(c)(3)s*

- 501(c)(3)s can establish affiliated 501(c)(4) and 501(c)(6) organizations to engage in unlimited lobbying and permitted political activities. However, for such affiliated organizations, all funding must come from independent sources to which no charitable deductions will be available. Also, the 501(c)(3) entities' resources and assets cannot be used to support the affiliated organizations.
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- 501(c)(3)s can inform candidates running for public office of their positions on issues and ask for candidates' support. An organization can also inform its membership and the general public of candidates' responses to the organization's issues. However, an organization may only publish information with respect to a candidate's statements as nonpartisan "questionnaires" or as part of a bona fide news report. Also, an organization must submit such questionnaires to all candidates and cannot publish responses from a questionnaire if the information implies endorsement of a candidate.
- 501(c)(3)s can invite candidates running for public office to speak to an organization, however, the organization may not show preference for one candidate over another. Also, the organization must provide an equal opportunity to other candidates seeking the same office. No fundraising activity can occur at such an event.
- 501(c)(3)s may invite public officials to speak to an organization **only** in that official's incumbent capacity. In such instances, an organization is not required to provide equal opportunity to other candidates. However, no mention of the public official's candidacy for public office or campaign activity may be mentioned.
- 501(c)(3)s can inform their members of a legislator's voting record on major votes during a campaign only if an organization informs its membership of voting records on a regular basis. An organization cannot publish a recap on a legislator's voting record during a campaign if it has not done so on a regular basis across the year.
- 501(c)(3)s may conduct voter registration drives and distribute voter guides as long as the information provided at the drives or in the guides are nonpartisan and show no preference for a candidate or a political party.
- 501(c)(3)s are not allowed to distribute a voter guide which is a compilation of an incumbent's voting record on a specific issue or topic. Such guides must avoid the perception of partisanship or an interpretation that an organization supports a candidate.
- 501(c)(3)s are prohibited from endorsing, contributing to, working for, or otherwise supporting or opposing candidates for public office. However, employees of organizations are allowed to do so as private citizens, provided they do not use organization resources or engage in campaign activity as spokespeople or agents for the organization.

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