

# Advocacy vs. Lobbying

## Tips for 501(c)3 Organizations

From the Policy Action Committee Meeting, January 28, 2014

Nonprofit organizations have critical knowledge and experience that must be communicated to decision makers in order for them to understand how their actions impact the lives of community members in their jurisdictions. But, because nonprofits are tax exempt, the IRS has placed some restrictions on the types of lobbying, *not advocacy*, activities that a nonprofit can do. Understanding the key differences between lobbying and advocacy activities will help your organization exercise its right (and responsibility) to participate in the public process.

### What is Lobbying?

The IRS defines lobbying as any attempt to **influence specific legislation** by: (1) contacting or urging the public to contact policy makers for the purpose of proposing, supporting or opposing legislation; or (2) advocating the adoption or rejection of legislation. Lobbying involves three parts: **communication** with a policy maker that **takes a position** on specific, **pending legislation**. Nonprofit organizations must **track and report** both the time and money that they spend on lobbying activities to the IRS every year. A good rule of thumb is to keep all lobbying activities to **less than 5%** of your organization's total budget.

### What is Advocacy?

Advocacy is the act of **arguing in favor** of something such as a cause, idea or policy. There are no restrictions on nonprofit advocacy but it is good practice to identify a board member or establish a board committee to set your organization's advocacy priorities and oversee your activities in order to ensure compliance with all IRS guidelines.

### Examples of Advocacy Activities:

- Building relationships with your representatives
- Educating representatives about your organization and issues that matter to you
- Influencing decision makers on an issue unrelated to specific legislation
- Educating the public about your organization and issues
- Registering voters
- Commenting on regulations

### Illegal Activities for Nonprofits

There are some things that, as a nonprofit, you may not do and retain your tax exempt status. Your organization may not **endorse candidates** for public office. You may not make **campaign contributions**. You also may not **rate candidates** in terms of their stance on a particular issue, though you can educate the public about each candidate's viewpoint.

## Additional Resources

IRS Publication 557: Tax-Exempt Status for your Organization:

<http://www.irs.gov/publications/p557/ch03.html>

Measuring Lobbying Activity: Expenditure Test:

<http://www.irs.gov/Charities-&-Non-Profits/Measuring-Lobbying-Activity:-Expenditure-Test>

Lobbying Guidelines for Public Charities:

[http://www.independentsector.org/lobbying\\_guidelines\\_public\\_charities](http://www.independentsector.org/lobbying_guidelines_public_charities)

Resources for Advocacy and Community Engagement:

<http://www.501commons.org/resources/tools-and-best-practices/advocacy>