

Fast Facts: Advocacy & Lobbying

Advocacy

Advocacy is a broad term covering a range of activities that seek to *bring about systemic social change*. Advocacy often seeks to *address the root causes, as well as the symptoms*, of social and economic problems. Advocacy by 501 (c)(3) organizations may include community organizing, public policy and lobbying, litigation, or nonpartisan voter engagement.

Lobbying

Under IRS regulations, “*lobbying*” is defined as a communication intended to *influence specific legislation* (pending or proposed). There are two basic types: “direct lobbying” and “grassroots lobbying.”

Tax exempt 501 (c)(3) organizations are able to lobby “to an insubstantial degree.”

The IRS evaluates the lobbying activities of an organization under two rules.

1. **General Rule:** Reviews the totality of an organization’s lobbying activities and considers whether those activities are insubstantial.
2. **Expenditure Test:** Sets a specific dollar limit on a nonprofit’s lobbying activities. In order to be governed by the second rule, an organization must file a form electing to be evaluated under the expenditures test.

Advocacy vs. Lobbying

What is Lobbying?

Lobbying is attempting to influence legislators to support or oppose a particular issue or piece of legislation and is allowed for nonprofits within certain parameters.

1. **Direct lobbying** is communication with a legislator, legislative staff or legislative body, or any covered executive branch or other government employee who may participate in the formulation of legislation. The communication refers to a specific piece of legislation and expresses a view on that legislation.
2. **Grassroots Lobbying** is an attempt to influence specific legislation by encouraging the public to contact legislators about that legislation. A communication constitutes grassroots lobbying if it refers to specific legislation, reflects a view on that specific legislation and encourages the recipient of the communication to take lobbying action. This type of communication is known as a *Call To Action*.

What is Advocacy?

Advocacy is educating and creating awareness among legislators and the general public on issues facing the community and the importance of aligning public policy to address the need. Advocacy does not endorse or oppose specific legislation, but rather informs the community at large how public policy decisions impact service provision.

The following activities are considered advocacy (not lobbying):

- Providing technical assistance or advice to a legislative body or committee in response to a written request
- Making available nonpartisan analysis, study or research
- Providing examinations/discussions of broad, social, economic, and similar issues
- Communicating with a legislative body regarding matters that might affect the existence of the organization, its powers and duties, its tax-exempt status, or the deduction of contributions to the organization (the "self-defense" exception)
- Updating the members of your own organization on the status of legislation, without a call to action

Speaking Out Without Losing 501(c)(3) Status

Nonprofits *are allowed to engage in lobbying activities* provided that they do not engage in excessive lobbying or spend a certain percentage of their budget on lobbying. Nonprofits **may not promote or oppose political candidates** or parties in any way—or risk losing their tax exemption.

Essentially, nonprofits may not use charitable resources for partisan or political activities. Nonprofits may lobby and simply need to follow the rules for lobbying (register and report expenses, including paid staff time).