

# POLITICAL ACTION, LOBBYING AND NON-PROFITS

## WHAT IS LOBBYING?

Many organizations fear the term “lobbying.” Knowing that there is a Federal law regulating non-profit groups and political activities, community groups shy away from any kind of political action.

In reality, the laws addressing lobbying and non-profits are very narrow in focus and have no effect on almost all the activities you and your group might be involved with. The legal definition of “lobbying” is very specific, and is restricted to:

- ✓ **Advocating for or against a particular candidate**
- ✓ **Advocating for or against a specific piece of legislation**

Under Federal law, groups that are registered as tax-exempt not-for-profits under section 501(c)(3) of the U.S. Tax Code may not participate in **lobbying** activities, or else they risk losing their tax-exempt status. Anything outside of this—advocating for an issue, spotlighting a problem, rallying on behalf of an idea—is permitted for all non-profits. And sometimes even lobbying activities are allowed—see below, “Conducting Lobbying Activities.”

## WHY POLITICAL ACTION?

Perhaps you’re not avoiding political action because you are nervous about the lobbying law. Perhaps you and your group never considered the option. Horticulture societies, theater groups, recreation programs and other such organizations may not see a need to get involved in the political process.

And yet on some level politics touches every organization. Being savvy in the political process, knowing how to work with and within the system, can help your group achieve its goals, whatever they might be. “All politics is local,” is the famous saying. By the same token, all local issues are political issues. Learning to play the political game brings your voice to the decision-makers in your community, and lets your group be heard.

Some ways your group might consider “getting political” include:

- ✓ Organizing a community meeting inviting your local elected officials (City Council, State Assembly, etc.) to come and discuss your visions for the park/neighborhood
- ✓ Lobbying your local elected officials and organizing your neighbors to increase police presence in your local park
- ✓ Working with other groups and your local elected officials to turn an abandoned factory into a recreation center, or to revitalize the waterfront in your community
- ✓ Organizing press conferences and rallies around the City Council budget hearings to let elected officials know that parks and green space are important in your district

The materials in this packet are designed to help you be successful in your efforts towards political activism. We cover topics ranging from working with the media to partnering with elected officials to building a campaign coalition.

## CONDUCTING LOBBYING ACTIVITIES

And if your group does decide to lobby? It can still happen. Your group may decide that you want to lobby on behalf of a particular candidate. Or you may want to encourage people to voice their support for a specific piece of legislation. If your group is a registered non-profit and wants to conduct these activities, you can file for an exemption from the IRS that will allow you to conduct lobbying activities, with some restrictions. This exemption, **the 501(h) exemption**, is described below.

### THE 501(H) EXEMPTION

501(c)(3)s interested in lobbying on behalf of particular candidates or legislation may do so if they file **Form 5768, "Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation."** This is a very simple, one-page form which must be filed in the same year your group wishes to begin lobbying activities.

Once the form is filed, your group may devote a portion of its expenditures to lobbying, according to the following schedule:

Organization's total expenditures	Percentage allowable for lobbying
Up to \$500,000	20%
Between \$500,000 and \$1,000,000	15%
Between \$1,000,000 and \$1,500,000	10%
Over \$1,500,000	5%

Of the money your group spends on lobbying, only 25% may be used for **grass roots lobbying**. This is defined as

"An attempt to influence specific legislation by encouraging the public, **other than the organization's members**, to contact legislators about that legislation. **It must refer to specific legislation**, reflect a view on it, and encourage the recipient or reader to take lobbying action on it."

Filing for the 501(h) exemption allows your group to continue to collect tax-deductible contributions while pursuing lobbying activities.