

Nonprofit Advocacy

A Michigan Primer



Michigan Nonprofit Association



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Written by Erin Skene-Pratt
Principal, Skene-Pratt Consulting

REVIEWERS:

Rob Collier, *Council of Michigan Foundations*,
Sandra Cotter, Dykema Gossett and Abby Levine, *Alliance for Justice*

EDITOR:

Hannah White

DESIGNER:

Gylin Teh



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*** Disclaimer ***

The information contained in this manual is not intended as legal advice.

INTRODUCTION



“The probability that we may fail in the struggle ought not to deter us from the support of a cause we believe to be just.” Abraham Lincoln, 16th President of the United States (1809-1865)

The Michigan nonprofit sector has a rich tradition of creating change in local communities. Despite the historical successes of influencing public policy at all governmental levels, many nonprofits are hesitant to engage in advocacy. This primer, now in its third edition, provides an explanation of simple advocacy tactics that will empower your nonprofit to take action and further the mission of your organization. The intended audience for this handbook is 501(c)(3) nonprofits – both public charities and private foundations. For more information on the services and resources provided by the Michigan Nonprofit Association and the Council of Michigan Foundations, visit www.mnaonline.org and www.michiganfoundations.org.

The What and Why of Nonprofit Advocacy



Prepping your organization to engage in advocacy includes understanding the key definitions used in the field, as well as the purpose and benefits of this work.

KEY TERMS:

Advocacy

Identifying, embracing and promoting a cause.

Lobbying

An advocacy tactic to influence legislation.

Public Policy

Governmental action (laws, rules, funding priorities) that addresses a common issue.

Policymaker

A person or entity who makes public policy (i.e. city council, school board, state legislature, Congress and government department heads)

Basic Information on Advocacy

What is advocacy? Advocacy is simply identifying, embracing and promoting a cause. Individuals tend to approach advocacy as if it were something foreign and unusual, but advocacy is simply an activity that comes second nature to most people and can become second nature to you. The terms advocacy and lobbying are often used interchangeably. However, advocacy does not have a legal definition; rather, advocacy is an umbrella term that includes lobbying to influence legislation. Most advocacy tactics are not considered lobbying efforts by the IRS (see the lobby law section of this guide).

What's the purpose of nonprofit advocacy? The purpose of nonprofit advocacy is to further your mission and create changes to the system by shaping public policy at the local, state and federal levels. Public policy is governmental action (laws, rules, funding priorities) that addresses a common issue of concern.

What are the most common advocacy tactics? There are a wide variety of advocacy tactics, however, the following are the most common. Your organization may already conduct these activities but may not label them as advocacy.



Benefits of Advocacy

Why should nonprofits advocate? There are many reasons why your nonprofit should advocate for those you serve and the resources you protect. The following are the most cited benefits for this work:

Advocacy furthers your mission

1

Advocacy addresses the root causes of societal problems. Imagine that you are standing near a swiftly flowing river and you hear a man call out for help. You struggle against the current to rescue him and get him to shore, only to hear another person calling for help. After reaching the point of exhaustion from rescuing person after person, you realize that you will have to continue to fight the current unless you walk upstream to find out why they are falling into the river and stop the cause (adapted from a story by Irving Zola). You will never truly fulfill your mission unless you advocate for the systems change necessary to prevent the need for your organization.

Policymakers need your expertise

2

Most policymakers (local, state and federal) are generalists. They are not experts in human services, health care, education, arts and culture or the environment. You need to be an informational resource for policymakers so that they understand the issues that affect your organization. This is especially true in the Michigan legislature where there is a relatively quick turnover because of term limits (two terms of four years each in the Michigan Senate and three terms of two years each in the Michigan House).

Government impacts the funding and regulation of your organization

3

Policymakers make decisions every day that impact the funding and regulation of your organization. Policymakers support nonprofits through tax incentives for charitable giving, grants and contracts, in-kind support, tax exemptions and special provisions. Everyday, legislation is passed or policies are adopted that directly impact the people that you serve or the resources you protect.

Builds relationships with influential people in your community

4

Policymakers are very well connected and can be helpful in building relationships and making connections with other leaders including funders, governmental entities, businesses, nonprofits and faith leaders.

"Advocacy is the opportunity to get off the sideline and participate in the decisions that will impact your community." Sheilah Clay, *President and CEO, Neighborhood Service Organization.*

For More Information

The following websites include information on why advocacy is important:

- National Council of Nonprofits' website includes information on the power of the sector and reasons to advocate - www.councilofnonprofits.org
- Bolder Advocacy's (Alliance for Justice) website includes information on tools for effective advocacy - www.bolderadvocacy.org

Readiness for Advocacy

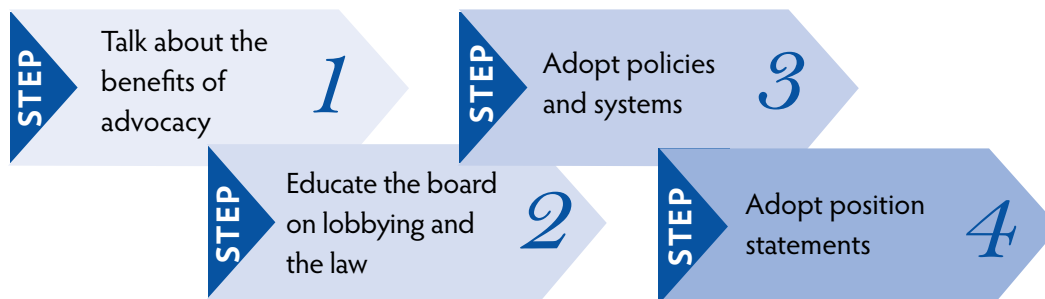


Is your organization ready to advocate? Before you take action, there are a few steps that you should take to build the support of your board as well as the systems necessary to ensure success.

Building Board Support

Why is it important for the board to support advocacy efforts? Boards need to have a clear understanding of the purpose and benefits of your advocacy efforts. In the short-term, board members can advise staff on how to advocate and can help with developing key relationships with policymakers. Board members can also advocate on behalf of the organization, which helps to enhance the capacity of nonprofits. In the long-term, board members need to support your efforts so that advocacy is institutionalized in the organization. You want board members to adopt budgets that include advocacy expenses and you also want the board to have ownership in this arena of work to ensure that it continues despite leadership change.

How Do You Build Board Support?



Step 1: Talk about the benefits of advocacy

Invite board members from similar organizations to present at your board meeting regarding the benefits of advocacy. The key is to have peer to peer conversations so that board members are hearing from individuals that approach the situation from a similar perspective.

Step 2: Educate the board on lobbying and the law

Invite an attorney that can explain, in plain English, the do's and don'ts for nonprofit lobbying. However, make sure that the attorney is very knowledgeable in this subject and will not perpetuate common myths. Also consider providing the IRS letter that clearly states that 501(c)(3) public charities CAN lobby. The IRS letter is available on the MNA website at www.mnaonline.org.

Step 3: Adopt policies and systems

Developing internal policies and procedures for how your organization approaches advocacy will often help relieve the concern of board members uncomfortable about the group's involvement. It is also important to have these policies and systems in place so that your organization is equipped to be proactive and reactive to public policy when necessary. During this process your board can also determine the extent to which it wants to empower the staff to make decisions on policy and positions. The following are suggested policies for your board to adopt and guide your advocacy work. Examples of the following suggested policies are available on the MNA's website (www.mnaonline.org).

Public Policy Committee Charter – This document highlights the roles and responsibilities of the committee and states how the group interacts with the board. The committee charter should also include details on composition of the committee and terms of service. Members should include representatives from the board and may include others if necessary. It is helpful to have someone on the committee with advocacy experience and knowledge of the policy issues of importance to your organization.

Policy for Taking a Position – This document states when and how your organization takes a position on policy issues. Specifically, the policy includes the criteria for the types of issues you will engage in based on your mission and outlines the process for taking the position. For example, staff may take a policy issue to a public policy committee who will then recommend a position to the board for adoption. In this document, you may also want to include guiding principles that outline the types of policy issues that your organization will engage in. These statements should be broad and not tied to specific legislation. For example, one of MNA's guiding principles is to oppose threats to nonprofit tax exemption.

Step 4: Adopt position statements

Based on input from staff and recommendations from your public policy committee, your board may consider adopting specific position statements indicating the position of your organization on legislative or administrative action. These statements should also provide background on the issue, rationale for your position, and a list of other organizations that share your position (if possible).

For More Information:

- Check out the following publication for simple tips on preparing your organization for advocacy. “The Nonprofit Board Member’s Guide to Lobbying and Advocacy,” by Marcia Avner, published by Fieldstone Alliance.
- The following website also provide tips on this topic:
 - National Council of Nonprofits - www.councilofnonprofits.org

Advocacy Basics



The following chapter describes the types of public policies that can be changed and explains how the legislative and budgetary processes work.

The Basics

What types of public policies can be changed? Being an advocate may include, but is not limited to, monitoring, educating and taking action on the following:

- **Legislative Issues** – A statute is a law enacted by a legislative body. Advocacy in this area may include, but is not limited to, encouraging legislators to introduce bills, testifying at committee hearings on proposed legislation and general communication in support of or in opposition to bills.
- **Regulatory Issues** – A regulation is an administrative rule. Administrative rules are implemented and interpreted by state and federal agency officials. Your organization may advocate for or against the way an agency interprets a law.
- **Ballot Measure** - Citizens of Michigan may initiate legislation as either an indirectly initiated state statute or a directly initiated constitutional amendment.

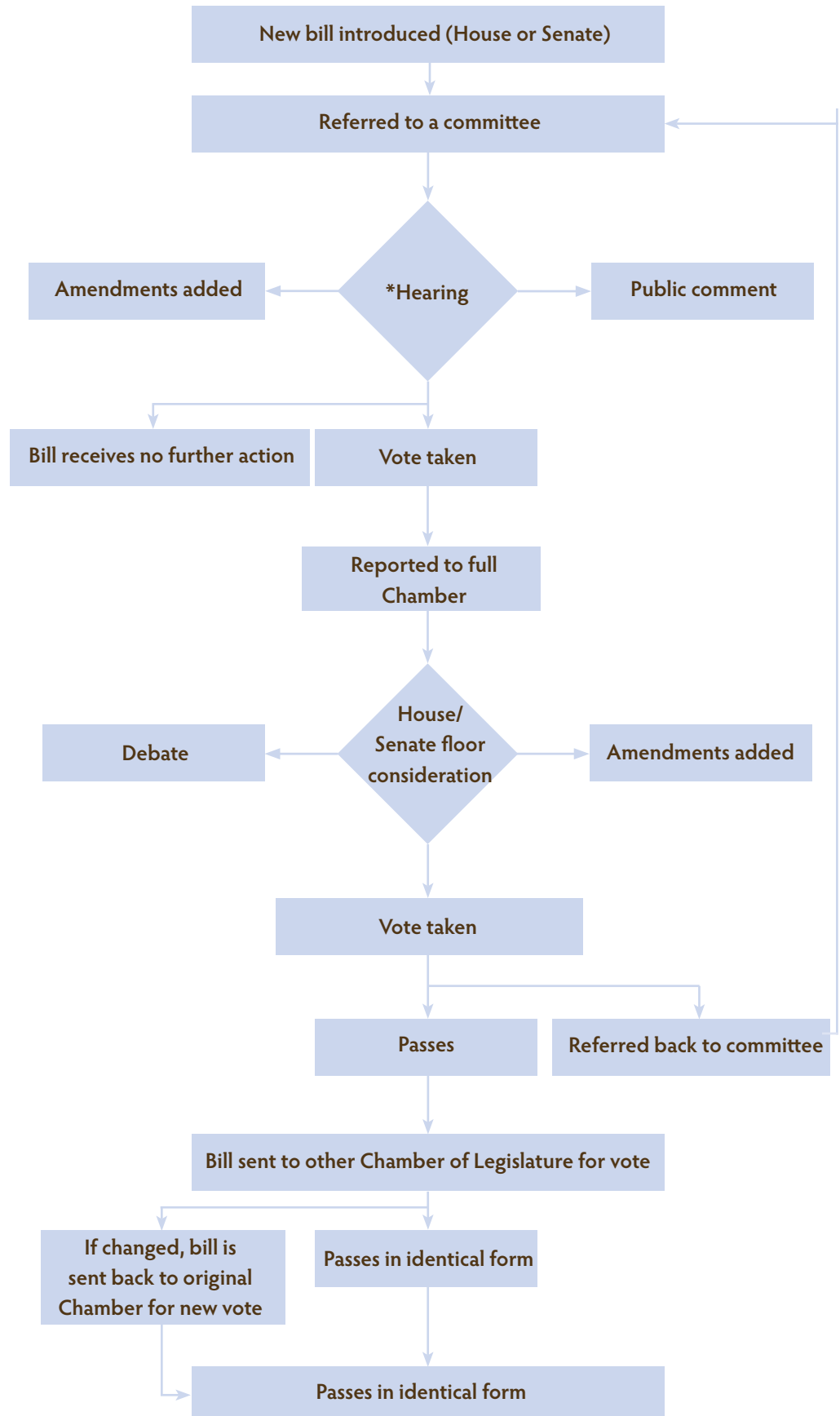
How does a bill become law? In Michigan the progress of a bill can be followed at www.legislature.mi.gov. This state website provides a schedule of legislative sessions and committee meetings. The site also allows you to search by bill number to read the actual bill language, summaries and view status.

Federal bills can be followed at thomas.loc.gov. This site also lists committee meetings and session schedules. (See chart on page 8.)

How does the budget process work? The state budget process can best be monitored on the House and Senate fiscal agencies' websites at www.house.mi.gov/hfa or www.senate.michigan.gov/sfa. The state of Michigan's fiscal year is October 1 - September 30.

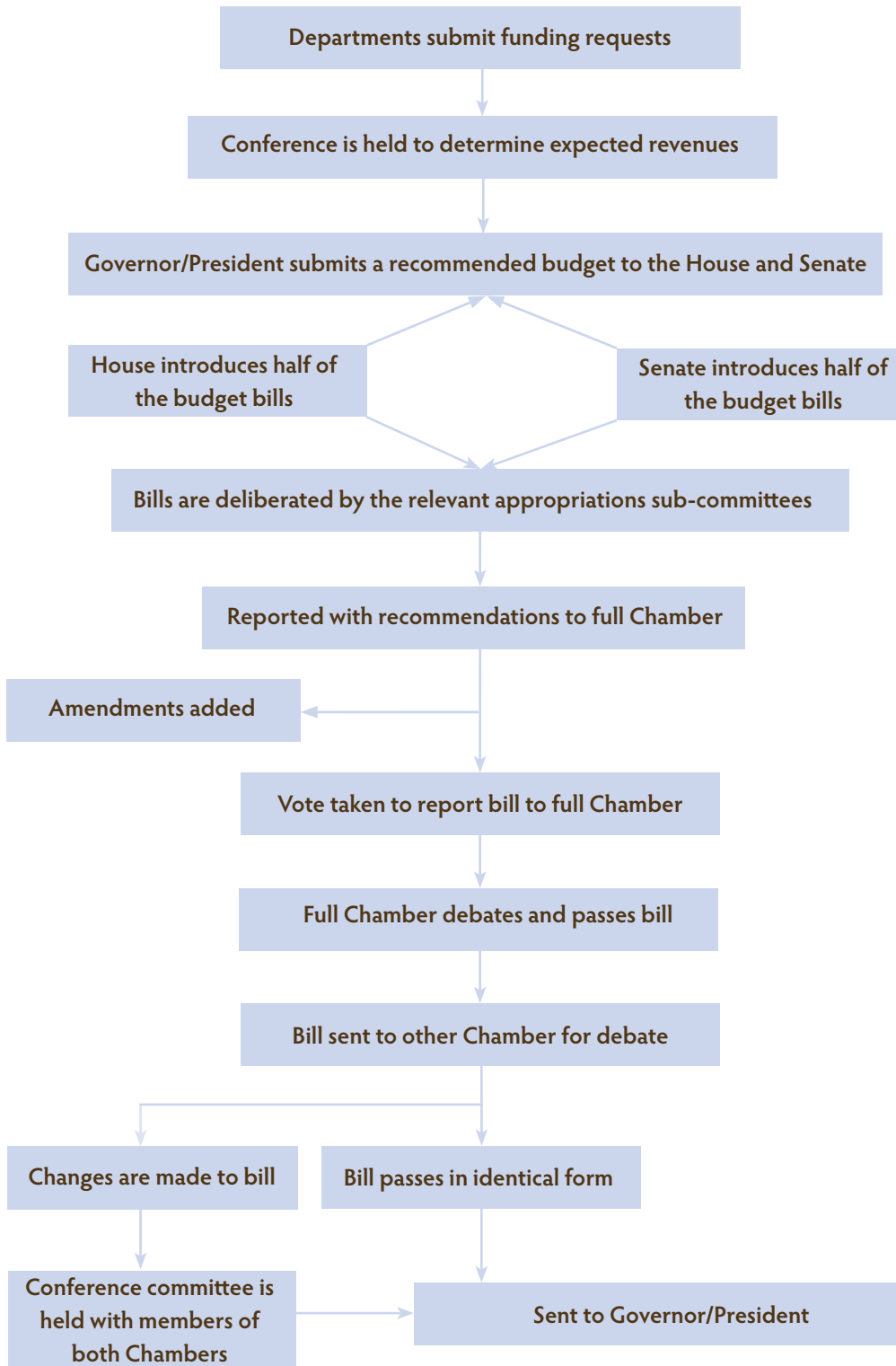
The federal government follows a similar timeline for its budget process and has the same fiscal year as Michigan. The federal budget process can be tracked at thomas.loc.gov. (See chart on page 9.)

The Bill Process



**Michigan House and Senate Fiscal Agencies provide a fiscal and legislative analysis of the bills.*

The Budget Process



For More Information:

Visit the following websites for more information on advocacy basics.

- Michigan Legislature's website provides information on bill status and content - www.legislature.mi.gov
- House Fiscal Agency and Senate Fiscal Agency's websites provides information on fiscal and legislative analysis - www.house.mi.gov/hfa www.house.mi.gov/sfa
- Library of Congress' website provides information on federal bill status and content - thomas.loc.gov
- Michigan Nonprofit Association's website includes information on the economic benefits of the Michigan nonprofit sector - www.mnaonline.org

Crafting an Advocacy Plan



An advocacy plan can be a formal written document or it can be written on a napkin. As a formal or informal plan, you need to develop an overall map that guides your work before taking any action.

How is an Advocacy Plan Developed?

Answering the following nine questions will help develop a strategy for an advocacy plan. When developing this plan, you might want to think about getting input from your board, public policy committee, staff or others that will be helpful in implementing this plan. Again, this does not need to be a formal plan. You just need to consider the following questions to ensure that you are investing your time wisely in pursuit of your advocacy goal.

1. What do we want? (Goals)

Begin your advocacy effort with your goals for the long and short term. Know both your content goals (e.g. the public policy change you want) and your process goals (e.g. building community among participants). Define your goals at the start in a way that can launch an effort, draw people to it and sustain it over time.

2. Who can give it to us? (Audiences)

Identify the people and institutions you need to move, those with actual formal authority to deliver the goods (e.g. legislators) and those with the capacity to influence the formal authority (e.g. the media and key constituencies, both allied and opposed). Know who these audiences are and what access or pressure points are available to move them.

3. What do they need to hear? (Message)

Reaching these different audiences requires a set of messages that will be persuasive. They must be rooted in the same basic truth while also tailored to different audiences depending on what they are ready and able to hear. They should have two basic components: an appeal to what's right and an appeal to the audience's self interest.

4. Who do they need to hear it from? (Messengers)

The same message has a very different impact depending on who delivers it. Identify the most credible messengers for each audience. They might be experts whose credibility is largely technical or they might be authentic voices who can speak from personal experience. Equip them with information and skills to increase their comfort level as advocates.

5. How can we get them to hear it? (Delivery)

There are many ways to deliver an advocacy message, from the gentle (e.g. lobbying) to the in-your-face (e.g. direct action). The key is to evaluate and apply them appropriately to the situation, weaving them together into a winning mix.

6. What have we got? (Resources)

Take careful stock of the advocacy resources you already have to build upon, including past advocacy work, alliances already in place, staff and volunteer capacity, information and political intelligence. In short, you don't start from scratch, you start by building on what you've got.

7. What do we need to develop? (Gaps)

After taking stock of the advocacy resources you have, identify the advocacy resources you need but don't have yet. Look at alliances that need to be built, and capacities such as outreach, media and research that may be crucial to your effort.

8. How do we begin? (First Steps)

Look for an effective way to begin to move the strategy forward. Identify short term goals or projects that would bring the right people together, symbolize the larger work ahead and create something achievable that lays the groundwork for the next step.

9. How do we tell if it's working? (Evaluation)

As with any long journey, you need to check the course along the way. Evaluate your strategy and revisit each of the questions above. (Ask questions like: Are we targeting the right audiences? Are we reaching them?) It's important to make midcourse corrections and to discard those elements of a strategy that don't work once they're actually put into practice.

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Lobbying and the Law



There are state and federal laws to follow, but these laws should not stifle your organization's voice.

IRS Lobbying Rules for Public Charities

What are the IRS lobbying rules for charities? Congress has stated that influencing legislation is an appropriate activity for 501(c)(3) public charities. As a result, public charities, including public foundations (i.e. community foundations), CAN LOBBY. The IRS sets limitations on the amount of lobbying. However, the limit is generous and should not be an impediment to lobbying.

How much can public charities spend on lobbying activities? Public charities, except for churches and other houses of worship, have two options for measuring lobbying activities. Under the first option, the **Insubstantial Part Test**, a public charity's lobbying activities cannot constitute a substantial part of the organization's total activities and expenditures. This test is vague because the law does not define lobbying nor does it clearly define a substantial amount. Lobbying activity is reported in the annual IRS Form 990. The Insubstantial Part Test is the default and public charities will be bound by this test unless the Expenditure Test (501(h) election) is filed.

For many public charities, the 501(h) election is a clearer and easier way of measuring lobbying. The 501(h) election clearly defines lobbying and measures an organization's lobbying activity based only on the amount of money spent for lobbying. A public charity wishing to be measured by the 501(h) election must file Form 5768 (see appendix I).

COMMUNITY FOUNDATIONS CAN LOBBY!

- You can directly lobby an elected official on policy
- You can hold a rally to show your opposition to specific legislation
- You can develop research on a specific policy issue
- You can testify at Congressional committee hearings

Lobbying Ceilings under the Federal 1976 Lobby Law

Exempt-Purpose Expenditures	Total Lobbying Expenditures	Amount of Total Allowable for Grassroots Lobbying
Up to \$500,000	20% of exempt-purpose expenditures	25%
\$500,000-\$1 million	\$100,000 + 15% of excess over \$500,000	\$25,000 + 3.75% of excess over \$500,000
\$1 million-\$1.5 million	\$175,000 + 10% of excess	\$43,750 + 2.5% of excess over \$1 million
\$1.5 million-\$17 million	\$225,000 + 5% of excess over \$1.5 million	\$56,250 + 1.25% of excess over \$1.5 million
Over \$17 million	\$1 million	\$250,000

What are the IRS Rules and Regulations for Private Foundations' Lobbying?

Private foundations, including family foundations, are not permitted to lobby. Lobbying for this purpose is defined as direct communications with a legislator or staff with the intention of influencing legislation (direct lobbying) and communication with the public that includes a call to action, such as urging the public to contact a legislator or their staff and/or providing a legislator's contact information (grassroots lobbying). However, the following are several public policy activities that private foundations can take part in that are not considered lobbying:

- **Self-defense** — is not considered lobbying if the foundation is communicating with public officials regarding legislation that would impact the foundation's existence, power or duties.
- **Nonpartisan analysis, study and research** — must present an objective view of the public policy issue being discussed.
- **Written technical assistance requests from a legislative body** — can be responded to by private foundations.
- **General communications with members or staff of a legislative body** — are not considered lobbying as long as they do not refer to specific legislation or take a position.
- **Actions that affect regulatory issues** — are not considered lobbying because they are not attempting to influence a legislative body.
- **General communications with the public** — are not considered lobbying as long as they do not refer to specific legislation, take a position or include a call to action.

Source: Foundations and Lobbying: Safe Ways to Affect Public Policy, Council on Foundations.

How does the IRS define lobbying? The IRS defines lobbying for 501(h) electors as an attempt to influence legislation through direct contact with public officials at the local, state and federal levels (**direct lobbying**) or indirectly by appealing to officials through the general public (**grassroots lobbying**). Please note that these definitions only apply to organizations that elect to measure their lobbying activities by the 501(h) election. The IRS has not clearly defined what activities constitute lobbying under the Insubstantial Part Test.

What is direct vs. grassroots lobbying? **Direct lobbying** is communication (i.e. calling, writing, visiting) referring to a specific piece of legislation and expressing a position on it. For example, an executive director sends an email on behalf of his organization to his state senator urging a 'yes' vote on a specific bill being considered by the Michigan senate. **Grassroots lobbying** is a communication with the general public that reflects a view about specific legislation and encourages the public to contact legislators. For this communication to be considered lobbying there must be a call to action urging the public to contact legislators and a mechanism to send a letter (i.e. list of contact info, reference to website with contact info, etc.). For example, a public charity pays for an advertisement in a town newspaper asking city residents to call legislators at x phone number and oppose a specific bill being considered by Congress.

A special rule applies for communications with an organization's members. A communication to an organization's members that includes a call to action is considered direct lobbying rather than grassroots lobbying. However, if members are asked to ask others to take action, then the communication reverts back to grassroots lobbying.

What about ballot initiatives? Public charities are allowed to lobby for or against referendums and ballot initiatives. This activity is considered direct lobbying by the IRS since the general public is being lobbied and should be recorded as such on your IRS Form 990. For example, a public charity can take a position in support of or opposition to a ballot initiative and encourage the general public to vote yes or no on the measure.

What activities aren't lobbying? For those that file the 501(h) election, the following are specific activities that do not constitute lobbying according to the IRS:

- Self defense communication with public officials on legislation that would impact your nonprofit's existence, powers or duties;
- Nonpartisan analysis, research or study on a legislative issue that presents the facts in a way to allow the reader to form an independent opinion and is broadly disseminated;
- Written requests for technical assistance from a legislative body (this could include a request from a legislative committee asking for testimony);
- General communication with the legislature and public on policy; and
- Actions that affect regulatory issues.

What are simple ways to track lobbying expenses? Simple tactics for tracking lobbying expenses include, but are not limited to:

- Staff time sheets that include lines for direct and grassroots lobbying; and
- Simple charts that include columns for common lobbying expenses (i.e. mailings, mileage, meals, etc.)

IRS Lobbying Rules for Private Foundations

Private foundations, including family foundations, are generally not permitted to lobby. However, any of the activities described above are also not considered lobbying for private foundations. There are many other ways that private foundations can create systematic change in communities that are not considered lobbying. For example, private foundations can make general support grants to organizations that lobby.

See the chapter on how foundations achieve impact for more information.

Federal Lobbying Disclosure Act (LDA)

What does this mean for 501(c)(3) nonprofits? The LDA imposes registration and reporting requirements on individuals and entities (public charities) that lobby federal public officials once certain financial thresholds have been passed. According to Alliance for Justice, this act does not limit an organizations' lobbying activity. It requires an organization that employs at least one lobbyist (as defined by LDA) to register with the US Senate and House of Representatives if spending on lobbying exceeds quarterly financial

thresholds. The LDA only applies to direct lobbying at the federal level (legislative and executive branches) and the threshold for registration changes annually. Organizations employing one or more lobbyists (as defined by the LDA) are generally prohibited from giving gifts and paying for the travel of members and employees of Congress. Additional information on the LDA can be found on the Alliance for Justice website – www.bolderadvocacy.org.

“Organizations that only occasionally lobby on the federal level would most likely not need to register under the LDA,” said Abby Levine, *Alliance for Justice*.

Michigan Lobby Registration Act:

What is the Michigan Lobby Registration Act? The act applies to all individuals and entities in the state, not just nonprofits. The state requires a person or an organization to register as a lobbyist or lobbyist agent if they receive compensation or make expenditures in excess of the amounts listed below. Thresholds change annually. Additional information on the state lobbying rules is available online at www.michigan.gov/sos.

Who needs to register? Under this act, an individual or organization must register as a lobbyist if more than \$2,300 is spent to lobby a number of public officials or in excess of \$575 to lobby a single public official in a 12-month period. An individual or organization must register as a lobbyist agent if paid more than \$575 in a 12-month period for lobbying on behalf of employers or clients. Please note that these thresholds are adjusted annually. The thresholds presented are for 2012. For example, the Michigan Nonprofit Association is a registered lobbyist and the MNA President is registered as a lobbyist agent.

What defines lobbying at the state level and who is lobbyable? According to the state, lobbying is defined as “communicating directly with an official in the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action.” Contact could be face-to-face, by telephone, letter, electronic media or any other means. Examples are listed below.

Under the Michigan Lobbying Act, only state level officials in the executive and legislative branches are lobbyable. A complete list of lobbyable officials is available on the Secretary of State’s website www.michigan.gov/sos. Examples of state lobbyable officials include Governor, Attorney General, Secretary of State, department directors and deputies, presidents of public universities, Senators, Representatives, Auditor General and others.

What are the reporting requirements? A lobbyist or lobbyist agent need only register once; however, state financial report summaries must be filed twice a year. Once registered, even if an individual or organization has not lobbied in the past year, a financial report must be filed for that period. To terminate a registration as a lobbyist or lobbyist agent, it is necessary to mark a box on the report summary. An itemized expenditure form must be filed along with a financial summary twice a year. Reports can be filed online through the Secretary of State’s Lobby Electronic Filing Program (e-lobby).

Are You Lobbying?		
Activity	Michigan	IRS
Calling a state representative, encouraging him/her to vote for or against legislation	YES	YES, this is direct lobbying
General education to public officials on issues, not legislation	YES*	NO
Emailing the Secretary of State, encouraging him/her to take a specific stance on a proposed administrative action	YES	NO
Buying ad space in a local newspaper, voicing opposition to legislation and asking the public to contact their legislators in opposition to the bill	NO	YES, this is grassroots lobbying
Writing a letter to the editor, urging the public to contact legislators in favor of proposed legislation	NO	YES, this is grassroots lobbying
A nonprofit's response to written requests from a legislative body for technical advice on pending legislation	YES	NO
Speaking to legislators (but not the general public) on matters that may affect the organization's own existence, power, tax-exempt status and similar matters	YES	NO
Making available the results of "nonpartisan analysis, study or research" on a legislative issue that presents a sufficiently full and fair exposition of the pertinent facts to enable the audience to form an independent opinion	YES	NO
A nonprofit's discussion of broad, social, economic and similar policy issues whose resolution would require legislation, if specific legislation on the matter is not pending	YES	NO
A nonprofit's communications to its members on legislation that does not encourage them to contact public officials.	NO	NO
*If intent is to influence the lobbyable official actions. Source: INDEPENDENT SECTOR and the Michigan Nonprofit Association.		

For More Information

The following websites provide information on the legalities of lobbying:

- National Council of Nonprofits - www.councilofnonprofits.org
- Council on Foundations - www.cof.org
- Bolder Advocacy (Alliance for Justice) - www.bolderadvocacy.org
- Michigan Secretary of State - www.michigan.gov/sos

Basic Advocacy Tactics – Engaging Policymakers



Engaging policymakers in your organization's efforts, including your advocacy campaigns, is critical to furthering your organization's mission.

Engaging Policymakers

What activities should all nonprofits do? Policymakers are directly tied to the success of your organization and it's important that they view nonprofits as community resources.

- Send your newsletters and annual reports to local, state and federal policymakers.
- Invite policymakers, staff and media to tour your facility and make sure to invite them to your events.
- Periodically visit policymakers in district, in Lansing or in Washington, D.C. You can use these visits as opportunities to update the policymakers' offices on the activities of your organization.
- Recognize policymakers at every opportunity, including at events, in newsletters and on social media.

How do you engage policymakers? Engaging policymakers begins with familiarizing yourself with the issues of interest to your organization, building relationships with policymakers and staff and then providing your expertise (including lobbying) on issues and legislation of interest.



Step 1: Gather Information

- **Understand the issues** – Take an active interest in understanding the policy issues (local, state and federal) relevant to your mission. This can easily be accomplished by:
 - Setting up Google alerts to monitor media coverage of the policy issues of interest. You can sign-up for Google alerts at www.google.com/alerts.
 - Check sub-sector advocacy organizations' websites at the state level. Michigan has a wealth of sub-sector advocacy organizations that can help guide your advocacy efforts. Examples of sub-sector organizations include ArtServe Michigan and Michigan League for Public Policy.

- **Pay attention to the process** – Sign-up to receive notices from MNA and appropriate sub-sector advocacy organizations so that you will know when action is needed. You can sign-up for the MNA action alerts at mnaonline.org/actioncenter.aspx. Policymakers and their staff can also keep you posted on when your help is needed. You can also monitor state legislation at www.legislature.mi.gov.

Step 2: Build Relationships with Policymakers and Staff

- **Target specific policymakers** – Consider focusing on the officials that make policy affecting your organization. This may include local municipalities' elected officials and staff, commissions, as well as state and federal elected officials and staff. For example, a local homeless shelter may be interested in advocating on housing issues at the state and federal level, and locally through a city or county housing commission. Also consider targeting the individual policymakers that serve on relevant state and federal legislative committees. For example, if your policy issues are referred to the education committee then you would want to reach out to the members of the education committees at the state and federal levels.
- **Collect basic information about your policymakers** – Learn about your local, state and federal policymakers' interests, responsibilities and experience with your issue or the nonprofit sector. You can learn a great deal about your officials from media coverage and through their official websites. You should also remember to incorporate your board in this activity by asking about their relationships with policymakers. You can find information on your federal and state policymakers at www.thomas.gov, www.michigan.gov, www.house.mi.gov and www.senate.mi.gov.
- **Educate policymakers and staff about your organization** – Add policymakers and staff to your mailing lists, invite your officials and staff to tour your facilities and visit your officials' district or legislative offices to provide information on the purpose and activities of your nonprofit.

Step 3: Provide Expertise

- **Become a resource for policymakers and staff** – Encourage policymakers and staff to contact you if they have any questions on the policy issues of interest to your organization. For example, MNA encourages legislative offices to contact MNA if the policymaker or staff has any questions regarding broader sector policy issues. Also, MNA encourages legislative offices to direct constituent calls to MNA if the call is related to operating a nonprofit in Michigan.
- **Educate policymakers about the issues that you care about** – Share with policymakers and staff any research findings, and the impact of current policies on those you serve or resources you protect.
- **Lobby policymakers to support or oppose legislation** – Call, write and visit policymakers to share your organization's position on legislation, regulation or other policies and to urge their support.

Considering hiring a multi-client lobbyist? Depending on your organization's resources or needs, you may consider contracting with a multi-client lobbyist. These individuals

Formed in 2004, the **Nonprofit Council for Charitable Trusts** provides feedback, as needed, on existing and emerging regulations affecting the nonprofit sector; assists the Attorney General with educating donors and citizens about charities and charitable giving; and promotes a more accountable, efficient and responsive sector through compliance with relevant regulations and promoting best practices.

and firms have strong relationships with elected officials and have the insider's perspective on what's happening at the State Capitol. In hiring a lobbyist, you may want to consider the following:

- **Issue expertise** – Some groups have specialties in certain policy areas (i.e. health care, human services, education, etc.). It's important to make sure that the firm has the staff expertise to address your organization's needs.
- **Political affiliation** – If the firm is associated with one political party over another, consider whether contracting with them would negatively affect your ability to influence policymakers on both sides of the aisle.
- **Clear expectations** – Your organization should have a contract with the firm that clearly states the goals of the relationship and scope of activities that will be performed by the firm. For example, you may want the firm to monitor legislation, set-up meetings for you with policymakers and represent your organization by lobbying on your issues. Like any business contract, a sound agreement with a lobbying firm will help to avoid questions regarding its role in the future.

The **Michigan Nonprofit Caucus** is a bipartisan, bicameral forum through which lawmakers can collaborate on legislative and regulatory issues impacting charities and foundations in Michigan. The purpose of the Nonprofit Caucus is to enhance the ability of Michigan's nonprofit organizations to achieve their missions on behalf of those they serve and the resources they protect. To accomplish this goal, the Caucus monitors and takes a leadership role on legislative issues that impact Michigan's nonprofit sector. The Caucus also serves as a resource for information on the sector for their legislative colleagues. The primary focus of the caucus is on issues that impact the nonprofit sector.

For More Information

- Sign-up for Google Alerts to receive updates on policy issues of interest to your organization - www.google.com/alerts
- Visit the following websites to learn more about tactics for engaging policymakers and sector-wide policy issues:
 - National Council of Nonprofits - www.councilofnonprofits.org
 - Council on Foundations - www.cof.org
 - Independent Sector - www.independentsector.org
 - Michigan Nonprofit Association - www.mnaonline.org
 - Council of Michigan Foundations - www.michiganfoundations.org
- Check-out the following publication for suggestions on how to engage policymakers:
 - The Lobbying and Advocacy Handbook for Nonprofit Organizations by Marcia Avner, published by Fieldstone Alliance - www.fieldstonealliance.org

Tips for Engaging Policymakers



A Ph.D. in public policy isn't necessary to interact with policymakers, you just need to keep a few simple tips in mind.

Tips for Communicating with Policymakers

What should you consider before calling, emailing, writing or visiting with policymakers and staff?

- **Prep yourself and your team** - It can be helpful to write out notes for what you want to say in advance if you are calling or visiting. Letters should be no more than one page and emails should be very brief and bulleted.
- **Meet with policymakers and STAFF** - If a policymaker is not available, feel free to talk with staff. Remember that it is staff that field the inquiries and write the bills on the state and federal level. Staff can be an important ally for your nonprofit.
- **Be persistent** - Just like you, policymakers have very full email inboxes. The best way to communicate with policymakers is to call, write (letters or fax) and visit.
- **Select the best spokesperson** - Think about whether members of your board have relationships with the policymakers. A board member may be a more effective representative to call, write or visit on behalf of your organization. Talking with policymakers can also be a very empowering activity for clients.

What should you remember when communicating with policymakers and staff?

- **Be respectful and brief** – Try to keep your communications concise and talk about only one policy issue at a time. Always remember to say thank you and promptly answer any follow-up questions.
- **Remember to clearly say who you represent and state your position on the issue** – It's important for policymakers to understand the number of people that you serve or who you represent. Also, provide a bill number and the general purpose of the bill if applicable.
- **Talk about how the policymaker's community will be affected** – Share with the policymaker how his or her district will be impacted both from a financial and human perspective. Human-interest stories as well as statistics or research from well-regarded institutions can be very effective.
- **Keep your communication to one issue** – Keep your communications simple and don't try to cover too many topics at one time.

- **Don't use jargon and don't get too technical** - It's important not to assume that the policymaker or staff is familiar with your field of expertise.
- **Remember that policymakers and staff are the process experts** - You are the expert on your issues. However, policymakers and staff are the experts in the legislative process and can help you better understand how and when to influence the legislative or regulatory process.

Tips for Testifying at Legislative Committee Hearings

- **Keep comments brief** – You may want to have longer written testimony (no longer than two pages), but you will want to keep your verbal comments to just the highlights of your testimony.
- **Cover the basics in your testimony** – Briefly mention who you are, the purpose of your organization, your position on the bill and your rationale for support or opposition.
- **Talk about how the policymaker's community will be affected** – Present information in your testimony from both a financial and human perspective. Human-interest stories as well as statistics or research from well-regarded institutions can be very effective.
- **Think about your messenger** – Again, a board member, volunteer or client may be the best person to testify instead of a staff person.
- **Never bluff** – If you don't know the answer to a question, inform the committee that you will follow up after the committee hearing with the answer.

For More Information

- Check-out the following publication for tips on interacting with policymakers:
 - Citizen's Guide to State Government - www.legislature.mi.gov/documents/publications/citizensguide.pdf

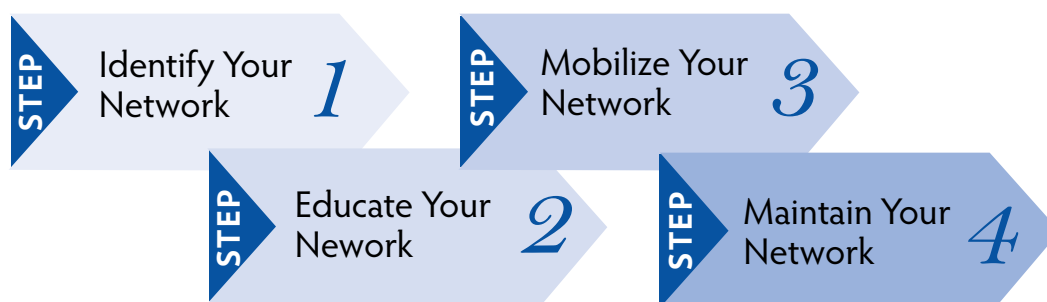
Basic Advocacy Tactics – Engaging Your Grassroots Network



Successful advocacy campaigns are often referred to as a three-legged stool that includes engaging policymakers, your grassroots network and the media. Your grassroots network provides the people power behind your effort.

Engaging Your Grassroots Network for Advocacy

How do you engage your grassroots network? Engaging your grassroots network starts with identifying the usual and unusual suspects who could help to advocate for your issues. The next step is to educate these individuals on your policy issues and the basics of advocacy. The third step is to mobilize your network for action. Finally, maintain the network so you can repeat the process in the future.



Step 1: Identify your network

- **Develop a list of individuals that support your policy issues** – This may include, but is not limited to, staff, board members, funders (foundations, corporations, individuals), volunteers, clients, clergy, business leaders and policymakers.
- **Create a system for contacting these individuals** – You want to be able to educate, mobilize and maintain your network. To do so, you need to have a way of providing ongoing information. For example, this system could be an email list, list serve, print newsletter/brochure, phone tree or Facebook group.

Step 2: Educate your network

- **Provide information about your issues** – Share research, general information and policy forecasts related to your policy issues with your network via newsletters (electronic or print), sessions at your annual conferences, trainings, webinars, mailings, websites, Facebook pages, individual meetings, etc.

- **Offer information and training on how to advocate** – Although it doesn't take a Ph.D. in public policy to advocate, many of those in your network may be hesitant to do so without understanding the basics of how to call, write and visit with policymakers. You can easily offer trainings and/or include this information in your electronic or print communications.

Step 3: Mobilize your network

- **Ask your network to take action with policymakers** – Hearing from multiple constituents is the best way to influence the action of policymakers. When asking your network to call, write or visit policymakers, consider providing the following information. Your network is more likely to take action if you provide everything that's needed to do so.
 - **Suggested talking points** – This doesn't have to be anything fancy, but it is helpful to suggest a few points for your network to cover regarding the economic or human impact of the issue.
 - **Contact information** – Be sure to provide contact information for the policymaker(s) that you want contacted.
 - **Websites for additional information** – Identify website(s) that your network can visit to learn more about the issue and/or for tips on how to call, write or visit policymakers.
- **Encourage your network to reach out to potential supporters** – This is an opportunity for your network to educate potential supporters (or those not currently part of your network) about the policy issues of importance to your organization. Individuals in your network could present at community forums, to social or church groups, volunteer to staff a booth at a fair to pass out literature on your issue, etc.

Step 4: Maintain your network

- **Keep sharing information** – Make sure to keep up with the communication to your network regarding your policy issues even when you do not have a specific advocacy ask. Consider sharing reports or policy updates of interest.
- **Maintain your list** – Make sure that the contacts on your list are up to date. You don't want to send an email to 1,000 people that only reach 10 because of outdated addresses.
- **Consider the effectiveness of your network** – Think about whether or not you are reaching your advocacy goals and consider if you need to add other individuals or organizations to your network and/or if you need to change your method of communication.

"ArtServe depends on its arts advocates to communicate with elected officials on critical issues, share advocacy alerts to their own networks, and serve as arts ambassadors in their communities." Jennifer Goulet, *President and CEO, ArtServe Michigan*.

For More Information

Visit the following websites to learn more about effectively engaging your grassroots network:

- Bolder Advocacy (Alliance for Justice) - www.afj.org
- National Council of Nonprofits - www.councilofnonprofits.org
- Independent Sector - www.independentsector.org
- Michigan Nonprofit Association - www.mnaonline.org

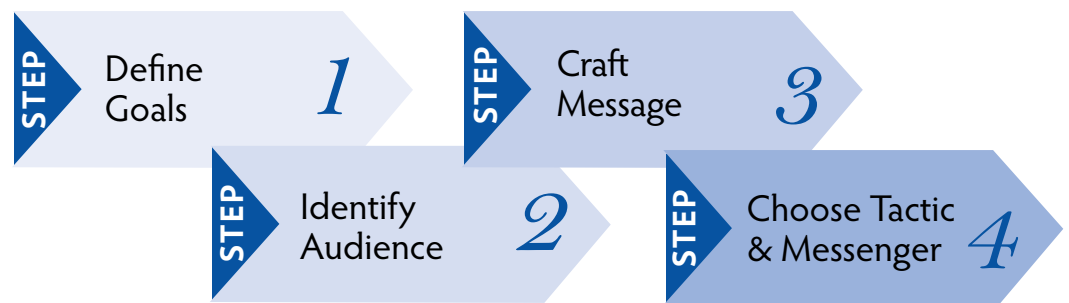
Basic Advocacy Tactics – Media Outreach



A successful advocacy campaign includes effective outreach to the media. However, there are many possible tactics so you need to consider your audience, messages and messengers.

Media Outreach

How do you engage the media in your advocacy campaign? You first need to start with defining goals for your effort and identifying who you are trying to reach. Next, you need to craft a simple message regarding what you want policymakers and the public to understand about your issue. Finally, you need to choose a media tactic for delivering your message (i.e. traditional or social media).



Step 1: Define your goals

Similar to any other effort, consider your short and long-term goals for what you want to accomplish. For example, your long-term goal may be to prevent a local school from closing and your short-term goal may be to educate local business leaders on why closing the school is bad for business.

Step 2: Identify your audience

Messages and how they are conveyed vary depending on your audience. Your audience most likely includes public officials that make policies relevant to your mission as well as the policymaker's constituents (the general public) who can influence decision-making. You may even drill down further and say that your audience, or those that you are trying to influence, are people living in certain neighborhoods, voters between the ages of 18-24, or parents of children at certain schools, etc.

Step 2: Craft your message

You want to shape a core message that can be tailored for each of your audiences. Successful messages have two basic components: an appeal to what is right and an appeal to the audience's self interest. For example, if your organization is advocating against closing a school, then your core message is that closing the school is bad for the community. You will likely tailor a message for the business community that focuses on why closing the school would be bad for the local economy. However, you would tailor the message differently for parents at the school, for instance talking about why this decision would be bad for all kids in the school.

Step 4: Choose your tactic and messenger

After you have determined your audience and message, you need to think about how to get your audience to hear the message and who will deliver it. You want to select the right messenger for your audience and tactic. For example, you may want a business leader to author a guest column in a local business publication whereas you would ask parents to write letters to the editor in a community newspaper targeted at reaching other parents. The following are examples of different ways to reach your audience through traditional and social media. Depending on your goal, audience and message, you may not utilize all of the tactics.

TACTICS



Opinion editorials or guest columns

Op-eds or guest columns are a great opportunity for your organization to give its perspective on a current policy issue. You will need to contact your local newspaper for specific requirements (word count, deadline, content, etc.). Generally, op-eds or guest columns can be printed or posted online. Your submission needs to be concise, localized and show economic and human impact.

Letter to the editor

Supporters can send letters to the editor to local papers to educate the public on your effort and to encourage action. It is helpful to provide talking points for supporters so their letters are concise. Letters to the editor can be printed in the paper or online.

Editorial boards

Many newspapers meet with community members and take positions on policy issues. For example, a local paper could write an editorial in opposition to closing a local school (your advocacy goal). It is helpful to have an outside source support your cause. You will need to contact your local paper for details on how and when to meet with the editorial board. It's also important to consider who should attend the meeting to sway the editorial board with facts and human impact stories.

Pitching a story for TV/radio/print

Call or email reporters to encourage the reporter to write a story about your issue or to cover an event. Make sure that your pitch is quick and to the point. You want to grab the reporter's attention by tying the issue to a current event and talking about the human and economic impact of your effort.

Websites

Create a dedicated page on your website for your advocacy effort. The page should be easy to find from your homepage, updated frequently to include background information and contain calls to action.

Blogs

Encourage clients and community leaders to write guest posts for your blog about how they are impacted by the issue. Include links to outside sources, news stories and your website.

Facebook

Create a dedicated page for your cause and encourage supporters to share it with their friends. Plan when you will post updates or calls to action.

Twitter

Tweet short sound bites for others to retweet. Twitter is best when used to encourage quick action. You can put more information on your website and on Facebook.

Youtube

Utilize Youtube to post video of your clients, board members or other community leaders who are willing to voice support or tell stories about the impact of the policy that you are advocating for or against. Keep these videos very brief (2 minutes), clearly tag the videos and link back to your website.

“The media landscape has changed dramatically, and nonprofits need to realize how there are new ways to get out their message. The Internet has made for much more interaction between sources, readers and reporters. That makes it easier for organizations to use media websites to post their own information for all to see. But it also means groups must react more quickly to make sure their message doesn't get lost, or is too late to be effective.” Dave Murray, Grand Rapids community engagement specialist, MLive Media Group.

For More Information:

Visit the following websites to view publications on tips for advocacy communications:

- Fenton's website includes two publications that may be of interest, “The 9 Laws of Successful Advocacy Communications” and “See, Say, Feel, Do: Social Media Metrics that Matter” - www.fenton.com
- Frameworks Institute's website provides basic information on shaping effective messages for advocacy campaigns - www.frameworksinstitute.org
- N Ten Nonprofit Technology Network's website provides tips for social media - www.nten.org

How Foundations Achieve Impact



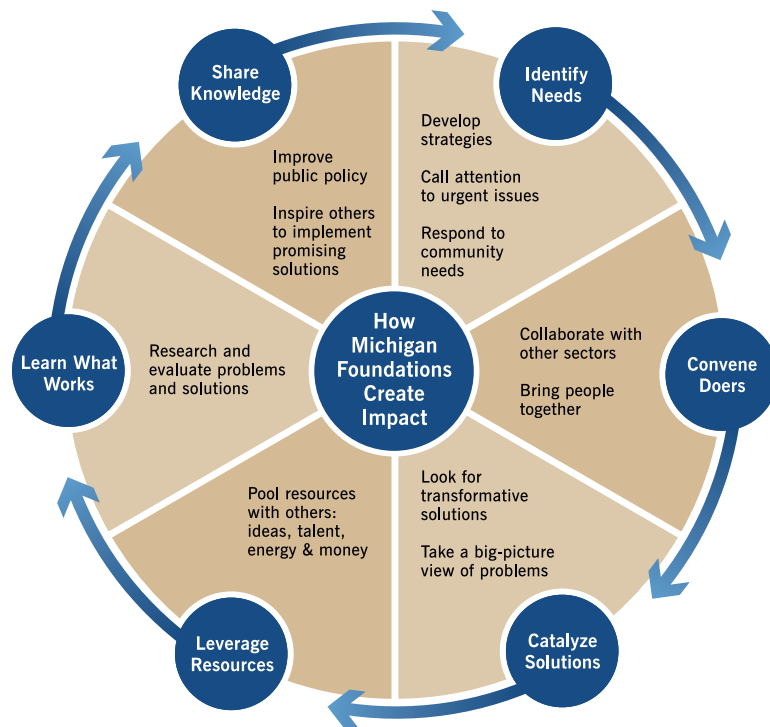
There are many ways that Private Foundations and Community Foundations can support and engage in advocacy to create systems change in communities. The following chapter explains the rationale for this work, benefits and permissible activities.

Rationale for Advocacy

How does advocacy fit into the larger picture? The Philanthropy 3D Wheel, How Michigan Foundations Achieve Impact, is a graphic framework that highlights the ways that foundations can be community resources in addition to providing dollars. It notes the tools that foundations have available to leverage investments.

The wheel includes advocacy, which is the umbrella term for impacting public policy to create systems change. The strategies along this wheel include calling attention to urgent issues, bringing people together, pooling resources, conducting research and sharing knowledge to improve public policy.

A systems focused approach is important for achieving equity, expanding opportunity and assuring that your investment is sustainable. It is easy to overlook systems level change in search of more immediate solutions to individual problems, but those specific issues operate in a context of interrelated systems.



Why support or engage in advocacy? There are many reasons why a foundation may decide to fund or engage in this work. However, the following are two of the most compelling reasons why foundations need to be involved in systems change.

- **Mission** – Whether a foundation seeks to help the homeless or promote the arts, engaging in policy and civic engagement enables the foundation to address the root causes of social problems and to create lasting systems change by removing barriers and/or facilitating innovative solutions.
- **Achieve Impact** – Foundation assets cannot replace the assets of government. Philanthropy’s strength lies in its ability to leverage, partner with nonprofits and government and convene to create the impact defined by mission.

What are examples of appropriate advocacy tactics for foundations? The advocacy activities listed are examples of permissible activities for foundations and their grantees. Foundations can support and engage in an unlimited amount of these activities.



These activities include but are not limited to:

- Educating the public and the media regarding policy issues of interest to the foundation.
- Being a source of information and influence for policy makers about policy issues of interest to the foundation.
- Building relationships with policymakers to further the work of the foundation.
- Supporting or conducting training and technical assistance to build the advocacy capacity of grantees.

The Council of Michigan Foundations (CMF) can help your foundation in this work, it has a history of relationships with legislators and working with government. CMF has created tools to facilitate building relationships with legislators to advance your work.

Basic Rules

What can private foundations do as grantmakers and as advocates? Private foundations, including independent and family foundations, can fund advocacy activities. Although foundations cannot earmark grants specifically for lobbying, foundations can make general support grants to public charities that lobby and can make project-specific grants to public charities for projects that include lobbying.

As advocates, private foundations may engage in legislative communication. This can include: nonpartisan analysis of an issue or piece of legislation; technical assistance requested in writing by a government body; response to legislation threatening the organization's existence (not its budget), tax-exempt status, powers and duties, or deductibility of contributions to the organization and communications with government officials about projects jointly funded by the private sector and government.

What can community foundations do as grantmakers and advocates? Community foundations can play a unique role in supporting and engaging in advocacy. Because community foundations are public charities, the organizations are bound by the same lobbying limits as grantees. Unlike private foundations, community foundations can earmark grants for lobbying. The foundation would need to count the grant against its own IRS lobbying limit.

Community foundations may engage in direct and grassroots lobbying up to the organization's IRS lobbying limit. If the foundation files the 501(h) election with the IRS, then the foundation is provided with specific definitions of lobbying and clear directions on how to determine lobbying limits based on expenditures. Community foundations may also need to comply with federal and state lobbying disclosure rules. (*See Chart on page 33.*)

For More Information

The following websites provide additional information on how foundations can engage in this work as well as the basic rules:

- Council of Michigan Foundations - www.michiganfoundations.org
- Bolder Advocacy (Alliance for Justice) - www.afj.org
- Council on Foundations - www.cof.org
- National Council of Nonprofits - www.councilofnonprofits.org

Advocacy Activities That Foundations Can and Cannot Fund

Please note: private foundations can make grants to specific projects that include lobbying; however, the foundation grant cannot exceed the amount that the organization will spend on non-lobbying activities and it cannot be earmarked for lobbying.

Activity	Private Foundation	Community Foundation
Lobbying if part of a program and funding is not specifically earmarked for this purpose	X	X
Earmarked Funding for Grassroots and Direct Lobbying Efforts		X
Earmarked Funding for Ballot Measures		X
Research on Public Policy Issues	X	X
Publications that specifically state a position on a public policy issue as long as it includes a full and fair discussion of the issue, is widely disseminated and doesn't include a direct call to action	X	X
Earmarked Funding for Contracting with a Lobbyist		X
Public policy staff for the nonprofit, with part of their job including lobbying	X	X
Educational seminars with elected officials	X	X
Forming a coalition to address a social problem	X	X

Election Year Activities



Although 501(c)(3) nonprofits can't support or oppose candidates for public office, there is a wealth of nonpartisan activities that organizations can take part in to promote democracy. Want to do more? Organizations such as 501(c)(4) nonprofits or political action committees might be the answer.

Nonprofits are Key

Why is it important for nonprofits to participate in election related activities?

As front-line responders, 501(c)(3) nonprofits are in a unique position to educate and engage voters in a nonpartisan manner. Nonprofits are trusted in communities as nonpartisan entities. Also as familiar service providers, nonprofits have frequent access to the traditionally underserved who can be empowered by exercising their voice.

Registering, Educating and Engaging Voters

What can 501(c)(3)s do?

501(c)(3) charities and foundations CAN engage in nonpartisan activities such as encouraging people to vote or educating the public about candidates and issues. All of the following activities are appropriate for public charities so long as they are conducted in a nonpartisan manner. Private foundations are allowed to conduct any of the following, with the exception of voter registration and lobbying on ballot initiatives.

Candidate Questionnaires	Candidate Forums	Voter Registration
Educate Candidates	Support/Oppose Ballot Initiatives	Voter Guides
Encourage Voting	Provide Rides to the Polls	Fund Voter Education/Engagement

Tips for Conducting Election-Year Activities

What are some examples of this type of work?

- **Candidate questionnaires or voter guides** – provide the same questions on a broad range of topics to all candidates, provide a word count for responses, be careful not

to phrase questions in a way that an individual candidate's response would create an unfair bias towards the candidate, print the exact responses of the candidates.

- **Candidate forums or meet the candidate events** – invite all the candidates for that office, have a neutral moderator, consider having other 501(c)(3)s co-sponsor the forum/event and provide equal time for each candidate to answer a broad range of questions.
- **Educate candidates** – call, write or visit candidates to inform them about your organization and the issues you care about.
- **Conduct nonpartisan voter registration** – register voters at in-take and make registration forms available in your lobby and at your already scheduled events.
- **Encourage voting** – educate clients, staff and constituents on what's on the ballot, when and where to vote, give staff time off to vote, provide rides to the polls, provide child care for clients/constituents and have an election party to make it fun!
- **Fund election related activities** – community and private foundations are allowed to fund nonpartisan voter registration (special rules apply), education and engagement.

Taking Action on Ballot Initiatives

How can nonprofits participate?

Public charities are allowed to lobby for or against ballot initiatives (ballot proposals or mileages). Nonprofits can fund, lead efforts for or against ballot initiatives, join coalitions with other types of organizations, hold forums, canvass communities, communicate with the public and members encouraging them to vote for or against a proposal or mileage and much more. This type of activity is considered direct lobbying. See the lobbying and law section of this manual for more information.

Prohibited Activities:

What can't 501(c)(3)s do?

501(c)(3) nonprofits cannot support or oppose candidates for public office and cannot make contributions to political parties or individuals. Nonpartisanship is a key element of 501(c)(3) status. If a public charity or a private foundation engages in partisan activity, the organization may risk losing its tax-exempt status.

In general, 501(c)(3) nonprofits CAN NOT show favoritism for one candidate or political party. To remain nonpartisan, 501(c)(3) nonprofits MUST NOT conduct any of the following activities:

Provide financial support to candidates or political parties

Provide in-kind support to candidates or political parties*

Rate candidates

Endorse candidates

* Candidates or political parties MAY NOT use C3 office space, equipment or mailing lists unless they are equally available to all at a fair market value.

501(c)(4) Nonprofits/PACs and Election-Year Activities

What if you want to do more?

Although 501(c)(3) nonprofits are prohibited from political campaigning, 501(c)(4) nonprofits are not. A 501(c)(3) public charity can create a 501(c)(4) which is allowed unlimited lobbying activities and may engage in partisan politics as a secondary activity. This type of nonprofit can endorse political candidates, but such endorsement cannot be the main purpose of the organization. 501(c)(4)s may be taxed on their political activity and need to follow federal and state election law. Anyone interested in forming a 501(c)(4) should consult an attorney. To start a 501(c)(4), an organization must incorporate with the state of Michigan (www.michigan.gov/cis). The group must also file the IRS Form 1024 and report annually on the IRS Form 990.

501(c)(3) and 501(c)(4)s are prohibited from making contributions to candidates for public office. However, a 501(c)(4) can form a Political Action Committee (PAC) which can make contributions to candidates. For example, the National Organization for Women (NOW) has a 501(c)(3), 501(c)(4) and a PAC.

Starting and operating a PAC can be very confusing; it's important to seek legal advice on this issue. For more information on registering in Michigan, visit the Secretary of State's website at www.michigan.gov/sos. The Federal Election Commission (FEC) regulates PACs on the federal level, the FEC website is www.fec.gov.

Citizens United and 501(c)(4) Nonprofits

How does Citizens United impact 501(c)(4)s?

Although 501(c)(4)s cannot make financial contributions to candidates, because of the Supreme Court decision in “Citizens United v Federal Election Commission,” these organizations can now fund independent expenditures (IE). An IE is a communication that urges the election or defeat of a candidate and is not coordinated with any candidate, political party or their agents.

“Citizens United did not change the rules of the game for 501(c)(3) nonprofits,” said Abby Levine, Alliance for Justice.

For More Information

The following websites provide guidance on nonprofit voter engagement efforts.

- Alliance for Justice provides detailed information on the do's and don'ts of election-year activities - www.afj.org
- Nonprofit Vote provides guides on the “how-to” of educating and engaging voters - www.nonprofitvote.org

*** Disclaimer ***

The information contained in this chapter is a general overview of the rules and is not intended as legal advice.

Evaluating Advocacy



Evaluation should be an ongoing activity to assess your progress, not something that is conducted at the end of an advocacy effort.

Why is it Important to Evaluate Advocacy Efforts?

Evaluating advocacy efforts helps to assess the progress of your efforts and offers suggestions for navigating your work. Knowing if you are having an impact in educating your grassroots network, building relationships with policymakers and increasing the presence of your policy issue in the media are all ways to help guide your advocacy work. Assessing progress on these benchmarks will help you reach an ultimate goal, such as changing public policy.

Tips for Evaluating Advocacy

When deciding how you will evaluate advocacy, either as a funder or an advocate, consider the following:

- **Plan for evaluation** – In addition to planning how you will evaluate advocacy efforts, also consider budgetary and staffing implications for this work. It may be necessary to assign a portion of a staff person's time for this work and/or to contract with an external evaluator.
- **Think about short-term goals, as well as long-term** – Policy change is a lengthy process that requires the accomplishment of many benchmarks. Consider how to evaluate the benchmarks as well as the long-term goal. Examples of these types of benchmarks include, but are not limited to: your board adopting an internal protocol for taking positions on policy issues, starting a coalition, being asked by policymakers to provide resource materials or guidance on a policy issue and influencing the number of media stories that reflect your point of view on a policy issue.
- **Incorporate into your overall advocacy plan** - Evaluate your strategy and revisit the questions you answered in your initial advocacy plan (see chapter 4). Ask questions like: Are we aiming at the right audiences and are we reaching them? It's important to make midcourse corrections and redirect when necessary.
- **Provide assistance** – Funding evaluation is key, but grantmakers may also have access to internal or external evaluators who could assist grantees with developing plans for evaluating advocacy.

- **Contract with experienced evaluators** – There are many evaluators, however, not all firms have experience in effectively evaluating advocacy efforts. Consider asking for references from the evaluator.

For More Information

Consider reviewing the following publications when evaluating advocacy:

- Download the Harvard Research Project’s “A User’s Guide to Advocacy Evaluation Planning” by Julia Coffman - www.hfrp.org/evaluation/publications-resources/a-user-s-guide-to-advocacy-evaluation-planning
- View Bolder Advocacy’s (AFJ) resources on evaluating advocacy - bolderadvocacy.org/tools-for-effective-advocacy/evaluating-advocacy

Appendix



Electing the 501(h) Expenditure Test

Most 501(c)(3) public charities will benefit from “electing” the 501(h) lobbying expenditure test. The rules that govern lobbying under 501(h) are clearer than those that apply under the “insubstantial” standard.

Step 1 – Complete Form 5768

[IRS Form 5768](#), *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation*, is the first step in electing to be governed by the 501(h) expenditure test. An organization simply supplies its name, address, and the first tax year to which it wants the election to apply. The form needs to be signed by an authorized officer, usually the president or treasurer. The election applies retroactively to the first day of the fiscal year in which the form is filed and, generally, to all subsequent years. For example, a form filed in December 2006 will bring an organization under section 501(h) from January 1, 2006 forward (assuming the organization operates under the calendar year).

Step 2 – Make a Copy

Make a copy of Form 5768 before mailing it to the IRS because the agency will NOT send a confirmation letter.

Step 3 – Track Lobbying Expenditures

Under 501(h), your organization can spend up to 20% of its first \$500,000 exempt purpose budget on direct lobbying. Direct lobbying is defined as any communication, with a legislator, expressing a view about specific legislation. Organizations with budget expenditures over \$500,000 should apply the following formula:

$$\begin{aligned} & 20\% \text{ of the first } \$500,000 \\ & + 15\% \text{ of the next } \$500,000 \\ & + 10\% \text{ of the next } \$500,000 \\ & + 5\% \text{ of the remaining} \\ & = \text{the overall lobbying limit} \end{aligned}$$

Grassroots lobbying is defined as any communication with the general public, expressing a view about specific legislation, with a call to action. A call to action refers to four different ways the organization asks the public to respond to its message: (1) asking the public to contact their legislators or staffers; (2) providing the address, phone number, website, or other contact information for the legislators; (3) providing a mechanism to contact legislators such as a tear off postcard, petition, letter, or email link to send a message directly to the legislators; or (4) listing the recipient's legislator, the names of legislators voting on a bill, or those undecided or opposed to organization's view on the legislation. An organization that has made the 501(h) election can never spend more than 25% of their overall lobbying limit on grassroots lobbying.

Therefore, a 501(c)(3), that has made the 501(h) election, with an annual budget of \$500,000, would have an overall lobbying limit of \$100,000 and a grassroots lobbying limit of \$25,000.

All public charities, including 501(h) electing charities need to keep track of their lobbying expenditures for their 990 Form and in the event of an IRS audit.

Note: To revoke your organization's 501(h) election, follow steps 1 and 2, filling out the revocation portion of Form 5768 (question 2).

The information contained in this fact sheet and any attachments is being provided for informational purposes only and not as part of an attorney-client relationship. The information is not a substitute for expert legal, tax, or other professional advice tailored to your specific circumstances, and may not be relied upon for the purposes of avoiding any penalties that may be imposed under the Internal Revenue Code. The Alliance for Justice publishes plain-language guides on nonprofit advocacy topics, offers educational workshops on the laws governing the advocacy of

nonprofits, and provides technical assistance for nonprofits engaging in advocacy. For additional information, please feel free to contact the Alliance for Justice.

11 Dupont Circle, N.W., 2nd Floor
Washington, D.C. 20036
Phone: 202-822-6070
Fax: 202-822-6068


ALLIANCE^{FOR}JUSTICE
www.allianceforjustice.org
advocacy@afj.org
866-NPLOBBY

519 17th Street, Suite 560
Oakland, CA 94612
Phone: 510-444-6070
Fax: 510-444-6078

**Election/Revocation of Election by an Eligible
Section 501(c)(3) Organization To Make
Expenditures To Influence Legislation**

(Under Section 501(h) of the Internal Revenue Code)

For IRS
Use Only ►

Name of organization

Employer identification number

Number and street (or P.O. box no., if mail is not delivered to street address)

Room/suite

City, town or post office, and state

ZIP + 4

- 1 Election**—As an eligible organization, we hereby elect to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year endingand all subsequent tax years until revoked. (Month, day, and year)

Note: This election must be signed and postmarked within the first taxable year to which it applies.

- 2 Revocation**—As an eligible organization, we hereby revoke our election to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year ending (Month, day, and year)

Note: This revocation must be signed and postmarked before the first day of the tax year to which it applies.

Under penalties of perjury, I declare that I am authorized to make this (check applicable box) ► ☐ election ☐ revocation on behalf of the above named organization.

.....
(Signature of officer or trustee)

.....
(Type or print name and title)

.....
(Date)

General Instructions

Section references are to the Internal Revenue Code.

Section 501(c)(3) states that an organization exempt under that section will lose its tax-exempt status and its qualification to receive deductible charitable contributions if a substantial part of its activities are carried on to influence legislation. Section 501(h), however, permits certain eligible 501(c)(3) organizations to elect to make limited expenditures to influence legislation. An organization making the election will, however, be subject to an excise tax under section 4911 if it spends more than the amounts permitted by that section. Also, the organization may lose its exempt status if its lobbying expenditures exceed the permitted amounts by more than 50% over a 4-year period. For any tax year in which an election under section 501(h) is in effect, an electing organization must report the actual and permitted amounts of its lobbying expenditures and grass roots expenditures (as defined in section 4911(c)) on its annual return required under section 6033. See Schedule A (Form 990 or Form 990-EZ). Each electing member of an affiliated group must report these amounts for both itself and the affiliated group as a whole.

To make or revoke the election, enter the ending date of the tax year to which the election or revocation applies in item 1 or 2, as applicable, and sign and date the form in the spaces provided.

Eligible Organizations.—A section 501(c)(3) organization is permitted to make the election if it is not a disqualified organization (see below) and is described in:

1. Section 170(b)(1)(A)(ii) (relating to educational institutions),
2. Section 170(b)(1)(A)(iii) (relating to hospitals and medical research organizations),
3. Section 170(b)(1)(A)(iv) (relating to organizations supporting government schools),
4. Section 170(b)(1)(A)(vi) (relating to organizations publicly supported by charitable contributions),
5. Section 509(a)(2) (relating to organizations publicly supported by admissions, sales, etc.), or
6. Section 509(a)(3) (relating to organizations supporting certain types of public charities other than those section 509(a)(3) organizations that support section 501(c)(4), (5), or (6) organizations).

Disqualified Organizations.—The following types of organizations are not permitted to make the election:

- a. Section 170(b)(1)(A)(i) organizations (relating to churches),

- b. An integrated auxiliary of a church or of a convention or association of churches, or
- c. A member of an affiliated group of organizations if one or more members of such group is described in a or b of this paragraph.

Affiliated Organizations.—Organizations are members of an affiliated group of organizations only if (1) the governing instrument of one such organization requires it to be bound by the decisions of the other organization on legislative issues, or (2) the governing board of one such organization includes persons (i) who are specifically designated representatives of another such organization or are members of the governing board, officers, or paid executive staff members of such other organization, and (ii) who, by aggregating their votes, have sufficient voting power to cause or prevent action on legislative issues by the first such organization.

For more details, see section 4911 and section 501(h).

Note: A private foundation (including a private operating foundation) is not an eligible organization.

Where To File.—Mail Form 5768 to the Internal Revenue Service Center, Ogden, UT 84201-0027.

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