

Advocacy and Lobbying by Nonprofit Organizations

(Yes, A Nonprofit can do both!)

Nonprofit organizations often have experience that can help policymakers better understand how their actions impact the lives of community members in their jurisdictions. Engaging with policymakers is one of the most important activities a nonprofit can undertake. However, because nonprofits are tax exempt, the IRS has placed some restrictions on the types of political activities that a nonprofit can engage in. Understanding the 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 contacting, or urging the public to contact, policy makers for the purpose of proposing, supporting or opposing legislation, or advocating for the adoption or rejection of legislation.

Nonprofit organizations must track and report both the time and money that they spend on lobbying activities to the IRS every year. The details can get complicated depending on how an organization [decides to report](#), but a good rule is to keep all lobbying activities to less than 5% of your organization's total budget. This will keep you in compliance no matter how you decide to report your lobbying activities to the IRS.

What is advocacy?

Advocacy is arguing in general terms for a specific cause or policy, rather than supporting specific legislation. For example, you may provide legislators with a report that describes the impact of stable homeownership on neighborhoods, but it becomes lobbying once you ask them to support a specific bill to address the issue. There are no restrictions on nonprofit advocacy, but it is good practice to identify someone (such as a board or staff member) or establish a 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 501(c)3 nonprofit, you may not do while retaining 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: Charities and Nonprofits - Lobbying](#)
- [Bolder Advocacy: A Guide to the IRS Lobbying Regulations for Advocacy Charities](#)
- [Bolder Advocacy: IRS Lobbying Flowchart](#)