PARK COUNTY
COMMUNITY
FOUNDATION

NONPROFIT
ACTION
TRAINING
Assess. Coach. Train.

Leveraging The Power of Policy
with Dean Williamson

WEDNESDAY, JANUARY 19, 2023

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Non-Profit Doesn't Mean Not Engaged
Policy and the 501c3

Ice Breaker:
With the person next to you:
What Gets You Excited about Politics? What Makes You Queasy?

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Do Policy, Not Time

Roadmap:

- What Does the Law Say?
- What Does the Law Mean?
- Why Get Involved?
- What's Your Strategy?

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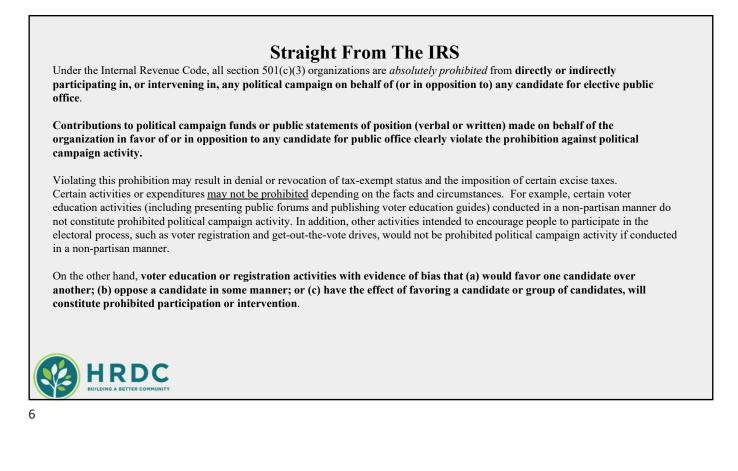# What to do…what to do?

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Exempt Organization Types

- Charitable Organizations — IRC 501(c)(3)
- Churches & Religious Organizations — IRC 501(c)(3)
- Private Foundations — IRC 501(c)(3)
- Political Organizations
- Other Nonprofits - 501(c)(4), etc
  - Social welfare organizations: Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, and
  - Local associations of employees, the membership of which is limited to the employees of a designated person(s) in a particular municipality, and the net earnings of which are donated
  - Homeowners associations
  - Volunteer fire companies
  - Organizations that engage in substantial lobbying activities

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Straight From The IRS

Under the Internal Revenue Code, all section 501(c)(3) organizations are *absolutely prohibited* from **directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office**.

Contributions to political campaign funds or public statements of position (verbal or written) made on behalf of the organization in favor of or in opposition to any candidate for public office clearly violate the prohibition against political campaign activity.

Violating this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise taxes. Certain activities or expenditures <u>may not be prohibited</u> depending on the facts and circumstances. For example, certain voter education activities (including presenting public forums and publishing voter education guides) conducted in a non-partisan manner do not constitute prohibited political campaign activity. In addition, other activities intended to encourage people to participate in the electoral process, such as voter registration and get-out-the-vote drives, would not be prohibited political campaign activity if conducted in a non-partisan manner.

On the other hand, **voter education or registration activities with evidence of bias that (a) would favor one candidate over another; (b) oppose a candidate in some manner; or (c) have the effect of favoring a candidate or group of candidates, will constitute prohibited participation or intervention**.

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What Does This Mean?

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The Skinny on Advocacy

★ A nonprofit encourages board members, staff, volunteers, and friends to act as advocates and ambassadors for the organization and the entire charitable nonprofit sector.

★★ Individuals who are authorized to act as advocates and ambassadors for a nonprofit are knowledgeable about the programs and activities of the organization and prepared to speak on its behalf when appropriate.

★★ Information provided to the general public, the media, and policy makers becomes a matter of public record. Therefore, in order to avoid misunderstanding or manipulation of the message, a nonprofit ensures both that the information is timely and accurate and that the social and political context of the information is clear.

***Legally Required
**Best Practices
*Recommended Practices should be considered by all nonprofits, with implementation dependent on capacity and life stage
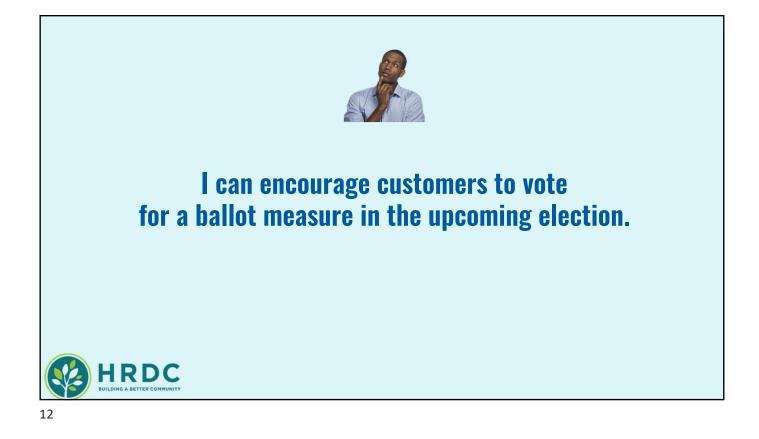
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The Skinny on Policy

★ A nonprofit engages the formation and amendment of public policy consistent with the organization's mission.

★ A nonprofit encourages citizen participation in local, state, and federal policy-making efforts.

★★ A nonprofit actively models respectful civic dialogue that promotes collaboration, diverse relationships in the community, and awareness of differences while being solution-oriented.

★ A nonprofit stays up to date on current public and political climate and the resulting impact on policy.

★★ If engaged in public policy and/or advocacy activities, nonprofits adopt and adhere to a written policy that clarifies the scope of the work, as well as the time and resources to be allocated to those activities.

★★★ A nonprofit that engages in lobbying must adhere to legal expenditure limitations. (Federal)

★★★ A nonprofit that engages in lobbying activities that are subject to state and federal reporting requirements must file accurate and timely reports on its lobbying activities with the Internal Revenue Service and the Montana Commissioner on Political Practices. (Federal, MT)

★★★ Federally funded nonprofits can lobby but may not use federal funds for this purpose. (Federal)

1. ★★★ Nonprofit engagement in promoting public participation must do so in nonpartisan ways. (Federal)

★★★ A nonprofit corporation must not make a contribution to or expenditure in connection with a candidate, nor do the same with a political committee that supports or opposes a candidate or a political party and must not engage in any activity that promotes or discourages a vote on behalf of any individual candidate. MT, US

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What Does This Mean?

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I can give money to support a candidate I love.

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I can encourage customers to vote for a ballot measure in the upcoming election.

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I can testify about a bill
I am concerned about,
during the legislature's public comment period.

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Why Advocate?

- Help change a policy or law which conflicts with your mission or your customers' wellbeing

- System problems need system solutions

- Add longevity and predictability

- Benefits in place and laws on the books are harder to retract than to enact

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What's Important to You and Your Organization

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Strategy

Show Up
Show Up Big, Show Up Small
Be In It for the Long Haul
Working Relationships
Compromise Is Not Surrender
Know Your Shower Spot

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